

## Virtual Marketing

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### ABSTRACT:

*In the era of globalization internet plays a vital role in all spheres of life and industries. Internet is very famous nowadays for satisfying people with various services related to various different fields. It is a very versatile facility which can help you in completing many tasks easily and conveniently with few clicks. It can be any work of daily usage or any specific service which needs a lot of research and formalities to be done beforehand, as well as this marketing is not an exception either. Online marketing, which is also called internet marketing, involves use of interactive, virtual spaces for the sake of promoting and selling goods and services. In fact, new synchronous, internet-based communication technologies had contributed to the restructuration of major economic sectors including marketing. Being cost-effective, flexible, and fast and enjoying an onunprecedented global reach, internet marketing has brought about different businesses incredible gainsrity, privacy, etc, emerged in the field of marketing from implementation of virtual space produce.*

### INTRODUCTION:

**Viral marketing, viral advertising, or marketing buzz** are buzzwords referring to marketing techniques that use pre-existing social networking services and other technologies to try to produce increases in brand awareness or to achieve other marketing objectives (such as product sales) through self-replicating viral processes, analogous to the spread of viruses or computer viruses (cf. Internet memes and memetics). It can be delivered by word of mouth or enhanced by the network effects of the Internet and mobile networks.<sup>[1]</sup> Viral advertising is personal and, while coming from an identified sponsor, it does not mean businesses pay for its distribution.<sup>[2]</sup> Most of the well-known viral ads circulating online are ads paid by a sponsor company, launched either on their own platform (company webpage or social media profile) or on social media websites such as YouTube.<sup>[3]</sup> Consumers receive the page link from a social media network or copy the entire ad from a website and pass it along through e-mail or

posting it on a blog, webpage or social media profile. Viral marketing may take the form of video clips, interactive Flash games, advergames, ebooks, brandable software, images, text messages, email messages, or web pages. The most commonly utilized transmission vehicles for viral messages include: pass-along based, incentive based, trendy based, and undercover based. However, the creative nature of viral marketing enables an "endless amount of potential forms and vehicles the messages can utilize for transmission", including mobile devices.<sup>[4]</sup>

### Objectives of the study

The objectives of this study are:

- 1- To define the meaning of online marketing
- 2- To observe the online marketing environment
- 3- To understand the terms related to online marketing.

**REVIEW OF LITERATURE:**

According to Reece et al. (2010), in order to be considered a viral marketing, marketing campaigns need to be associated with a value for sender and receiver, they need to be free and reproducible and marketing campaigns need to be spread exclusively via the internet.

Zarella (2010) specifies the goals of viral marketing strategy as customer attraction, increasing the level of customer loyalty, and achieving a higher level of brand awareness. According to Waldow and Falls (2012) viral marketing is different from advertising in a way that it promotes products and services in an indirect manner.

**Technologies that support Online Marketing :**

- Web transaction logs : Records that document user activity at the Web site .
- Transaction logs : Coupled with data from the registration forms and shopping cart database , these represent a treasure trove of marketing information for both individual sites and the online industry as a whole.
- Cookies : A small text file that Web sites place on visitors /client computers every time they visit , and during the visit , as specific pages visited . Cookies provide Web marketers with a very quick means of identifying the customer and understanding his or her prior behavior at the site.
- Web bugs : Tiny graphic files hidden in marketing e-mail messages and on Web sites . Web bugs are used to automatically transmit information about the user and the page being viewed to a monitoring server
- Advertising networks : best known for their ability to present users with banner advertisements based on a database of user behavioral data . Specialized ad servers are

used to store and send users the appropriate banner ad.

**IT enabled marketing and branding strategies :**

- Online marketing techniques to online customers include permission marketing , affiliate marketing , viral marketing , and brand leveraging.
- Online techniques for strengthening customer relationships include one-to-one marketing ; customization , transactive content ; and customer service (CRMs,FAQs,live chat , intelligent agents , and automated response system).
- Online pricing strategies include offering products and services for free ,versioning , bundling , and dynamic pricing.
- Strategies to handle the possibility of channel conflict.

**Direct E-mail marketing :**

E-mail marketing messages sent directly to interested users (direct e-mail marketing) has proven to be one of the most effective forms of marketing communications. The key to effective direct e-mail marketing is “interested users”. Direct e-mail marketing is not spam . SPAM involves sending unsolicited e-mail to a mass audience of Internet users who have expressed no interest in the product .Instead , direct e-mail marketing messages are sent to an “opt in” audience of Internet users who have expressed at one time or another an interest in receiving messages from the advertiser. By sending e-mail to an opt-in audience , advertisers are targeting interested customers. Because of the comparatively high response rates and low cost, direct e-mail marketing is the fastest growing form of online marketing.The primary cost of e-mail marketing is for the purchase of the list of names to which the e-mail will be sent .

**Online Catalogs :**

Online Catalogs are the equivalent of paper-based catalog. The basic function of a catalog is to

display the merchant's wares. The electronic version typically contains a color image of each available product, a description of the item, as well as size, color, material composition, and pricing information. While simple catalogs are, technically, hard coded HTML pages and graphics displaying softwares, most sites with more than 15-20 products generate catalog pages from a product and price database that be easily changed. Simply by clicking on an order button at the site, customers can make a purchase instantly.

### Public Relations :

Another marketing communications tool used to increase awareness of a site, and potentially boost traffic, is public relations. Public Relations (PR) involves communicating with target audiences, prpublics, using methods other than advertising. Some of these methods include publicity (media coverage), special events, such as a grand opening celebration or press conference; and publications, such as newsletters and customer bulletins.

Public Relations firms can also support a Web site by creating promotional strategies, developing relationships with reporters and producers of interest to the client company, proposing articles and TV program subjects.

### Online Marketing Metrics :

1. **Impressions** are the number of times an ad is served.
2. **Clickthrough rate (CTR)** measures the percentage of people exposed to an online advertisement who actually click on the advertisement.
3. **Hits** are the number of http requests received by a firm's server. Hits can be misleading as a measure of site activity because a "hit" does not equal a page: a single page may account for several hits if the page contains multiple images or graphics. A single site visitor can generate hundreds of hits.

4. **Page views** are the number of pages requested by visitors. A single page that has three frames will generate three page views.
5. **Stickiness (Duration)** is the average length of time visitors remain at a site. The longer amount of time a visitor spends at a site, the greater the probability of purchase.
6. **Unique visitors** counts the number of distinct, unique visitors to a site, regardless of how many pages they view.
7. **Loyalty** measures the percentage of users who return in a year. This can be good indicator of the trust shoppers place in site.
8. **Reach** is typically a percentage of the total number of consumers in market who visit a site.
9. **Recency** like loyalty, measures the power of site to produce repeat visits and is generally measured as the average number of days elapsed between shopper or customer visits.
10. **Acquisition** rate measures of the percentage of visitors who register or visit product pages (indicating interest in the product)
11. **Conversion rate** measures the percentage of visitors who actually purchase something.
12. **Attrition rate** measures the percentage of customers who purchase once, but never return within a year.
13. **Abandonment rate** measures the percentage of shoppers who begin a shopping cart form but then fail to complete the form and leave the site.
14. **Retention rate** indicates the percentage of existing customers who continue to buy on a regular basis.

### Advertisement metrics in detail:

1. **click-through**

**Definition**

The process of clicking through an online advertisement to the advertiser's destination.

**Information**

While the click-through is often the most immediate response to an advertisement, it is not the only interaction. Visitors may choose to type a company's URL directly into the browser bar, or type the company's name into a search engine box. This assumes, of course, that the company's name and/or URL appears in its advertisements.

Accurate counting of click-throughs involves excluding "robot clicks" and duplicate clicks. This takes on added importance when click-throughs are used as the measurement on which payment is based.

**2. click-through rate (CTR)****Definition**

The average number of click-throughs per hundred ad impressions, expressed as a percentage.

**Information**

It is important to distinguish what a click-through rate *does* and *does not* measure. The CTR measures what percentage of people *clicked on the ad* to arrive at the destination site; it does not include the people who failed to click, yet arrived at the site later as a result of seeing the ad.

As such, the CTR may be seen as a measure of the *immediate* response to an ad, but not the *overall* response to an ad. The exception involves ads that display no identifiable information about the destination site; in these cases the click rate equals the overall rate. A high click-through rate does not assure a good conversion rate, and the two rates may even share an inverse relationship. An advertisement geared towards curiosity clicks will result in fewer sales, percentage-wise, than an advertisement geared towards qualified clicks.

**3. conversion rate****Definition**

The percentage of visitors who take a desired action.

**Information**

The desired action can take many forms, varying from site to site. Examples include sales of products, membership registrations, newsletter subscriptions, software downloads, or just about any activity beyond simple page browsing.

A high conversion rate depends on several factors, all of which must be satisfactory to yield the desired results -- the interest level of the visitor, the attractiveness of the offer, and the ease of the process.

The interest level of the visitor is maximized by matching the right visitor, the right place, and the right time. The attractiveness of the offer includes the value proposition and how well it is presented.

**4. cost-per-action (CPA)****Definition**

Online advertising payment model in which payment is based solely on qualifying actions such as sales or registrations.

**Information**

The actions defined in a cost-per-action agreement relate directly to some type of conversion, with sales and registrations among the most common. This does not include deals based solely on solely clicks, which are referred to specifically as cost-per-click or CPC.

The cost-per-action (CPA) model is at the other end of the spectrum from the cost-per-impressions model (CPM), with the cost-per-click (CPC) model somewhere in the middle. In a CPA model, the publisher is taking most of the advertising risk, as their commissions are dependant on good conversion rates from the advertiser's creative units and Web site.

## 5. CPM

\$10 CPM / 20 click-throughs = \$.50 per click

### Definition

Cost per thousand impressions.

### Information

The CPM model refers to advertising bought on the basis of impression. This is in contrast to the various types of pay-for-performance advertising, whereby payment is only triggered by a mutually agreed upon activity (i.e. click-through, registration, sale).

The total price paid in a CPM deal is calculated by multiplying the CPM rate by the number of CPM units. For example, one million impressions at \$10 CPM equals a \$10,000 total price.

$$1,000,000 / 1,000 = 1,000 \text{ units}$$

$$1,000 \text{ units} \times \$10 \text{ CPM} = \$10,000 \text{ total price}$$

The amount paid per impression is calculated by dividing the CPM by 1000. For example, a \$10 CPM equals \$.01 per impression.

$$\$10 \text{ CPM} / 1000 \text{ impressions} = \$.01 \text{ per impression}$$

## 6. cost-per-click (CPC)

### Definition

The cost or cost-equivalent paid per click-through.

### Information

The terms pay-per-click (PPC) and cost-per-click (CPC) are sometimes used interchangeably, sometimes as distinct terms. When used as distinct terms, **PPC** indicates *payment* based on click-throughs, while **CPC** indicates *measurement* of cost on a per-click basis for contracts not based on click-throughs.

For example, consider a campaign where payment is based on impressions, not clicks. Impressions are sold for \$10 CPM with a click-through rate (CTR) of 2%.

$$1000 \text{ impressions} \times 2\% \text{ CTR} = 20 \text{ click-throughs}$$

## 7. customer acquisition cost

### Definition

The cost associated with acquiring a new customer.

### Information

Customer acquisition cost is calculated by dividing total acquisition expenses by total new customers. However, there are different opinions as to what constitutes an acquisition expense. For example, rebates and special discounts do not represent an actual cash outlay, yet they have an impact on cash (and, presumably, on the customer).

Acquisition costs vary across industries and mediums. When acquisition data is available, try to determine if you are comparing apples to apples, so to speak. This is not always easy, as customer acquisition data can be scarce, and the methodology is often sketchy.

## 8. Hit

### Definition

Request of a file from a Web server.

### Information

The term "hit" is perhaps the most misused term in online marketing, mistakenly used to mean unique visitors, visits, page views, or all of the above.

A hit is merely a request for a file from a Web server. A request for a Web *page* counts as a hit, but so does a request for a *graphic* on a Web page. Since the number of graphics per page can vary considerably, hits mean very little for comparison purposes.

## 9. pay per click

### Definition

Online advertising payment model in which payment is based solely on qualifying click-throughs.

### Information

In a PPC agreement, the advertiser only pays for qualifying clicks to the destination site based on a prearranged per-click rate. Popular PPC advertising options include per-click advertising networks, search engines, and affiliate programs. In the PPC model, the publisher does not have to worry about the sales conversion rate of the target site, and the advertiser does not have to worry about how many impressions it takes to attract the specified number of clicks.

## 10. pay per lead

### Definition

Online advertising payment model in which payment is based solely based on qualifying leads.

### Information

In a pay per lead agreement, the advertiser *only* pays for leads generated at their destination site. No payment is made for visitors who don't sign up.

A lead is generally a signup involving contact information and perhaps some demographic information; it is typically a non-cash conversion event. A lead may consist of as little as an email address, or it may involve a detailed form covering multiple pages.

## 11. Web site traffic

### Definition

The amount of visitors and visits a Web site receives.

### Information

Web site traffic was initially viewed as an all-important metric for gauging success on the Web. This assumption was due in part to the lack

of other business metrics to explain the .com phenomenon. Now much of the focus has shifted back to profitability, and Web site traffic is only part of the equation.

*Web site traffic x conversion = results*

Web site traffic is still important, as you can't have conversions without visitors, but it is becoming less important as a standalone metric.

### CONCLUSION

Viral marketing—having others tell and spread your story for you—is one of the most exciting and powerful ways to reach your audiences. Any company with thoughtful ideas to share—and clever ways to create interest in them—can, after some careful preparation, become famous and find success on the Web. Viral marketing is not only about getting someone to interact with a message, it needs to be viral - it needs to have a pass-along effect. The viral catch depends on a high pass-along rate from person to person. If a large percentage of recipients forward something to a large number of people, the overall growth balloons very quickly, but if the pass-along numbers get too low, the overall growth quickly fizzles. Its vital component is encouraging individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. Like viruses, it takes advantage of rapid multiplication to explode the message to thousands—or even to millions.

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