



The Power of E-Media in a Challenging Economy:

Opportunities for B2B Marketers

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E-Media Overview

Many marketers today find that e-media are more productive lead generators than traditional print media, delivering measurable results (often at lower cost) and making it easy to demonstrate ROI. While print advertising still has a significant role to play for most business-to-business (B2B) advertisers, the current recession has accelerated the shift to digital media, with marketers scaling back budgets and looking for measurable results and lower cost leads. While spending on print media declined by 30% in the first half of 2009, spending on all forms of online

advertising is projected to keep growing.

As the table below shows, search continues to be the prime format in terms of dollars spent (\$8.6 billion in 2007, \$11 billion in 2008, and expected to hit \$13 billion this year) and as a percent of total online ad spending (40%). Double-digit growth is projected pretty well across the board, with three formats in particular commanding attention — rich media/video, lead generation (or referrals) and social media (in the plans of 55% of media buyers for 2010).

U.S. online advertising spending, by format, 2006-2011

	U.S. dollars in millions					
	2006	2007	2008	2009	2010	2011
Search	\$6,799	\$8,624	\$11,000	\$12,935	\$14,906	\$16,590
Display ads	\$3,685	\$4,687	\$5,913	\$6,663	\$7,500	\$8,190
Classified	\$3,059	\$3,638	\$4,675	\$5,493	\$6,281	\$6,930
Rich media/video	\$1,192	\$1,755	\$2,613	\$3,575	\$4,463	\$5,481
Lead generation*	\$1,310	\$1,733	\$2,269	\$2,795	\$3,281	\$3,675
E-mail	\$338	\$428	\$481	\$553	\$600	\$630
Sponsorships	\$496	\$535	\$550	\$488	\$469	\$504
Total	\$16,879	\$21,400	\$27,500	\$32,500	\$37,500	\$42,000

*White Papers & Webinars

Online video is an especially interesting category, in part because the cost of entry is so much lower than traditional broadcast efforts, a fact that should increase adoption by companies that have never had a video strategy in the past. U.S. online video advertising spending this year will increase 104% from 2007, which itself saw tremendous growth.

In these challenging economic times, marketers are looking to e-media to generate leads at a reasonable cost. There are many strong options to consider, and this white paper will cover each of them.

MARKETING GOALS COMPANIES WORLDWIDE ARE TRYING TO ACHIEVE USING SELECT ONLINE MARKETING TACTICS (% OF RESPONDENTS)

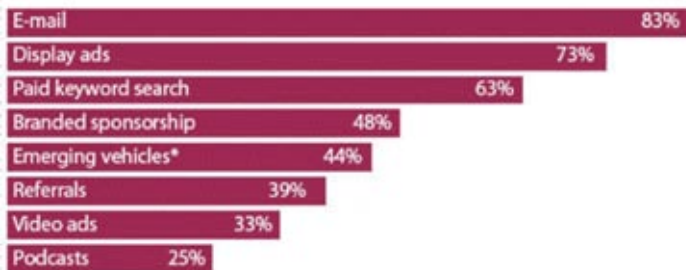
	Brand building	Consideration	Direct response	Retention	Don't know
E-mail	5%	20%	33%	37%	6%
Paid keyword search	27%	29%	29%	7%	8%
Display ads	36%	18%	27%	10%	9%
Branded sponsorship	55%	11%	7%	24%	4%
Referrals	13%	28%	27%	22%	11%
Video ads	33%	30%	17%	12%	8%
Podcasts	22%	25%	5%	33%	14%
Emerging vehicles**	19%	15%	9%	22%	35%

**Webinars, Mobile, White Papers

Options to Consider

What options are available, as the industry continues to grow, and which new products, technologies and strategies will come in to play? Following is a list of main options available now:

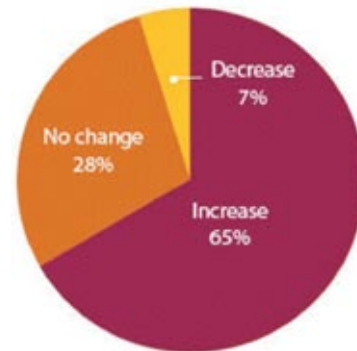
ONLINE MARKETING TACTICS USED BY COMPANIES WORLDWIDE (% OF RESPONDENTS)



*Webinars, White Papers

- Search Engine Optimization (organic) (SEO)
- Search Engine Marketing (paid) (SEM)
- Banners & Buttons
- Third Party E-Newsletters
- Proprietary E-Newsletters
- Direct E-Mail
- Podcasts
- RSS Feeds
- YouTube and other Video
- Webinars
- White Papers
- Virtual Trade Shows
- Blogs
- Social Media
- Mobile

CHANGE IN SEARCH MARKETING SPENDING PLANNED FOR THIS YEAR BY U.S. SEARCH MARKETING EXECUTIVES, 2007 (% OF TOTAL ONLINE AD SPENDING)



SEO

Search Engine Optimization is simply the writing and maintaining of web site copy and building of links to show up favorably in organic searches. If done correctly, the company will move higher in the list of results, finding the listing as close to the first as possible. SEO should be part of the initial development of the web site, then re-evaluated and revised at least annually. The company and its marketing communications partner should collaborate on this strategy. Constant vigilance is needed to ensure that the desired results are achieved.

SEM

Search engines offer sponsored search results (called search engine marketing or SEM), primarily as ad tiles to the right of the organic search results. Google, Yahoo, and Bing (formerly MSN) also offer “selling” the first result on the organic side. They have packaged it with the “Sponsored” heading so the viewer knows it is paid for, but that the search engine selected it as the best answer for their query. Prices vary depending on search engine, category, key words, and even time of year. Any charges are for click-throughs only, not views, so advertisers only pay for the results, which can be raised or lowered as needed. Results should be evaluated monthly and revised as needed.

The second part of SEM involves search engines that are vertical and specifically targeted at Industry and Manufacturing markets. The leaders here are GlobalSpec,

ThomasNet, and Kellysearch. GlobalSpec is the best performer, with an audience that seems to be more interested in components or products rather than large systems or processes. ThomasNet is the digital version of the former Thomas Register. Unlike their generic cousins,

which charge on a pay-per-click basis, these all offer annual programs with no guarantee of results. GlobalSpec offers full-contact leads, since users have to create an account and log in. The other search engines provide click-through data with little or no demographic data.

Banners and Buttons

Banners were one of the first options for advertising on the web, and continue to perform today. However, they have re-generated themselves several times over, and offer many different interactive formats to achieve different goals. Essentially, they are mini-ads on web sites other than your own with the express result being generation of traffic to your web site. Almost every industrial publication offers a web site with these and other options for advertising. Most of these options are sold on a program basis, and have a viewed-by cost, rather than a pay-per-click option. The cost is usually a fraction of the cost of a print ad, and direct results are usually easier to track.

New sizes abound, and the following are the most popular:

Roadblocks

Pop-up that blocks the page until the viewer clicks through to the advertiser's web site or the publication's home page.

BoomBoxes

Usually situated about mid-page, it is larger than most banners and may have an auto-play audio component.

Skyscrapers

Vertical banner, usually to the right-hand side (RHS) of a page, taking up the height of 2 to 3 button ads.

Banners

The original online ad — placement varies on page, with at least one at the top of the web page (usually called the Leaderboard).

Buttons

Similar in size and placement to Google Adwords, these graphic buttons sit on the RHS of a web page.

Text links

Simple lines of text, (usually about 2) linked to your site, located along the RHS.

E-Newsletters



There are two types of e-newsletters: proprietary and third-party published. Third Party e-newsletters are typically put out by print publications or industry experts. Either source lends third-party credibility to the message, which includes your sponsorship. Advertisers must remember this is their newsletter, so topics covered

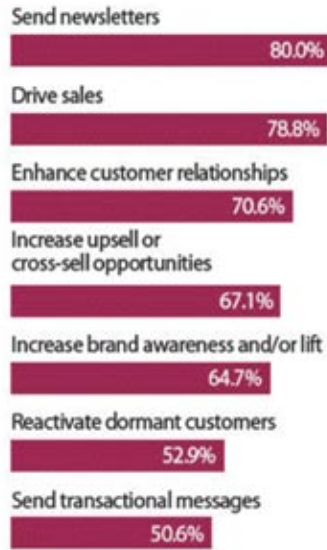
may not always match the sponsor's point of view. Generally, they offer either sole sponsorships or multiple sponsorships with varying cost. Touted as traffic builders for web sites, they offer links to sponsors' web sites. Distribution is to their list of subscribers, reaching targets not in the advertiser's database. These usually perform well on a cost/lead basis.

Proprietary e-newsletters are produced by advertisers and their agencies to carry the content they want presented. They are sent to a defined list of prospects and customers. This carries the message to their base, building traffic to their web site, but with the intent of moving the prospects and customers up a notch in the buying process. Concerns here are populating and maintaining an up-to-date database with current e-mail addresses.

Both third-party and proprietary e-newsletters have their place in an integrated marketing plan, and are more economical than their printed counterparts, since they require no printing or postage.

Direct E-Mail

REASONS THAT U.S. MARKETERS USE E-MAIL MARKETING



This is possibly the most direct print vs. web comparison to be made. Direct E-Mail is the online version of Direct Mail, and its proliferation has prompted some decline in e-mail results. However, recent indicators show that direct e-mail is alive and well. It is more interactive, animated and can be much more productive, but like print e-mail, it requires planning and attention to detail. There are many sources of e-mail address lists, and great care must be applied in selecting the right list. It does not matter how

great an e-mail is if no one on the mailing list is interested in it. Like proprietary newsletters, an agency can help you develop the strategy for this e-mail blast, then execute the designs with interactivity. They will also find the best list possible, which may involve merging and purging lists, multiple lists, and even trading lists. This is a very cost-effective form of direct marketing, since there is no printing or postage (creative and list costs still apply).

Podcasts

Rising from the technology that iPods and MP3s provided, Podcasts are an audio version of an e-newsletter. They are scripted audiocasts that anyone with a computer can listen to or, if the listener prefers, download it to an iPod or MP3 player. When podcasts first appeared, everyone thought they were a great idea, and then realized that perhaps industrial prospects weren't there yet — after all, the production manager of a job or fab shop is not on his computer eight hours a day looking for things to listen to. However, that seems to have changed now with the proliferation of mp3 players, iPods, and even digital cameras and cell phones that can play MP3s, making it easy for targets to access this source. Podcasts are fairly inexpensive to produce and particularly effective for companies who have recognized industry experts on staff who will attract an audience.

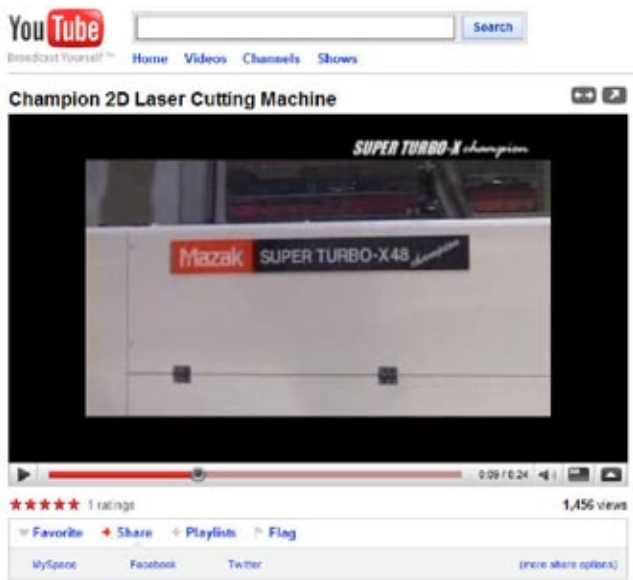
RSS Feeds



Really Simple Syndication, or RSS, is a family of web feed formats used to publish frequently updated works — such as blog entries, news headlines, audio, and video — in a standardized format. What should have been the next best thing for PR since sliced

bread did not produce the lead generation results originally envisioned. RSS feeds offered great promise, giving marketers the ability to “push” information to recipients as soon as it was ready, rather than waiting for the audience to ask for it. But advertisers failed to fill the pipeline with enough news on a regular basis to sustain the interest of the subscriber bases they had established. RSS is still in use in some markets, and is often used to help SEO by providing links to pages on the sponsoring companies’ web sites.

YouTube and Other Video Sites



YouTube has changed the marketing landscape in ways nobody imagined. By making short videos available for all to see, at a lower resolution than the quality demanded by TV, it has opened the floodgates for video marketing to almost anyone with a digital camcorder. Engineers have taken to online video in ways un-imagined, since they all seem to “want to see how it works.”

A “personalized” page can be generated on YouTube’s site, without charge from YouTube, including hosting a large number of video clips, generally in the 5-to-120 second range, although longer times are possible. The personalized page option has just been upgraded, allowing a very custom

and proprietary look to maintain brand and image. New options, such as search-related advertising, are now available on the site. Since Google has acquired YouTube, they have instituted a YouTube search engine similar to their own and have included all of YouTube’s videos in the Google Search Database. Development of the page and preparation of the videos are best done by an agency, using a strategy developed jointly with the advertiser. This makes it easy for salespeople to show video clips to prospects in the comfort of their offices, rather than in a large corporate presentation in a crowded room.

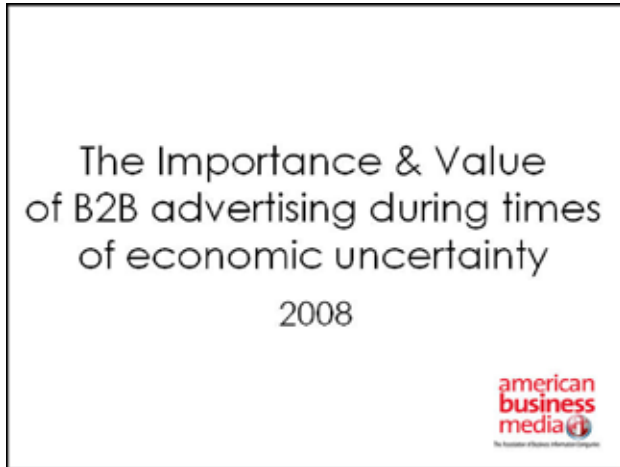
Other sites have tried to capture YouTube’s traffic volume, but have not even come close. In the industrial arena, the publishers of *Machine Design*, *Design News* and *Manufacturing Engineering* have all created streaming video sites, but their pricing structure may seem prohibitive to all but the biggest, and at a significant premium over YouTube. This is not always the case, as video is growing rapidly and all pertinent sites should be evaluated. Joining the fray and apparently making more than a dent are *FF Journal* with ffjournal.net and *NED* with its sub-site. Both sites are seeking to stock themselves with videos at low cost. Digital video produce results, both in views and click-throughs well above their cost.

Webinars

Webinars are growing in appeal, and with good reason: they provide an interactive real-time “touch” with the audience. In short, a webinar is a virtual “meeting” of people all over the internet. There are some variations, such as third-party with sponsorship, “self”-produced and virtual tradeshows. In all instances, software such as WebEx or GoToMeeting is used, allowing the audience to sign in and view what is on the presenting computer. This includes text, photos, PowerPoint presentations, Acrobat presentations, audio, and video. They typically range from 10 minutes to 90 minutes (or longer, if the audience remains interested and online). These webinars must offer something educational or explain something of value to the audience, and cannot simply be just an “infomercial” that promotes products.

Third party and virtual trade show versions of webinars are promoted heavily by publishers, usually in trade magazines and online. They want to generate a good showing for the presenter and sponsor(s). They also want the sponsor to receive traffic and leads (since attendees have to register, sponsors receive all the information on those that attend). Because of all this work, these tend to be somewhat costly, but compared to actual trade shows they are very reasonable. It may actually cost a significant amount to self-produce and

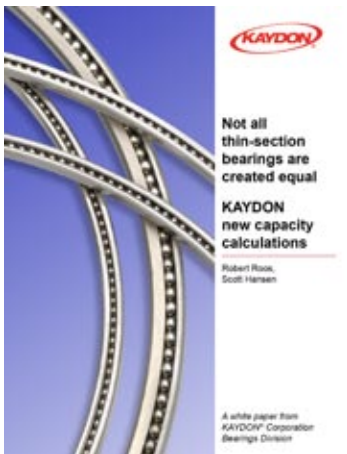
duplicate the attendance of a third-party webinar, when you take into account how much the publishers spend to get the attendees to register.



images and links to other blogs, Web pages, and other media related to its topic. The opportunity for readers comment in an interactive format is an important part of many blogs, and where a company has a dedicated, loyal following, or users willing to share information, a blog can be extremely useful. It requires dedicated and constant attention but can allow the sponsoring company to cultivate internal evangelists inside their customer and prospect companies.

Mobile must be watched, as the number of engineers and businesspeople with a PDA (Blackberry, iPhone, Windows Smartphone, Palm/Treo) has grown exponentially, allowing easy access to e-mail and the Web anywhere the phone can pick up a signal. Worldwide, mobile phones outnumber TV sets by over 2-to-1, internet users by nearly 3-to-1, and the total laptop and desktop PC populations by over 4-to-1. However, privacy laws require that these users opt in or subscribe to receive advertising, making it very difficult for B2B marketers to build a “mailing” list. Most mobile advertising today takes the form of SMS text advertising, where a simple text message is sent with a call to action (such as “visit our website,” or “call now for more information”). In Europe, where mobile advertising has advanced further, ad banners are sold on the start-up and content screens of phones. As mobile phones, especially PDAs, proliferate, and phone technology improves, other ad formats (video ads, screensavers, wallpaper, audio) may appear sooner rather than later.

White Papers



Many publications are now hosting white paper libraries on their web sites, as a benefit to their users and a way to generate traffic to their web site. The advertiser’s agency can work with the advertiser to produce a white paper that is fair and balanced while presenting the company in the best possible light. The agency should evaluate

both free and paid white paper libraries, select the best, and place them where they will be seen by the most prospects. These libraries lend third party credibility while generating traffic from the publisher’s web site. Some paid white paper libraries offer aggressive promotion that generates significant lead production.

Blogs & Mobile

Blogs and mobile media are very consumer-oriented and less suited to the industrial and manufacturing sector’s tool kit than other online options. A blog (a contraction of the term “weblog”) is a type of website, usually maintained by an individual providing regular entries of commentary, descriptions of events, or other material such as photos, illustrations or video. Many blogs provide commentary or news on a particular subject; others function as more personal online diaries. A typical blog combines text,

Social Media



The use of social media by B2B marketing professionals has tripled since 2007, and there are many media options available. The best-known are Twitter, Facebook and MySpace. But while these and others attract large numbers of users and have advertising options available, there is currently no way to target specific users of Facebook and MySpace with a message, and one must build a following on Twitter for it to work. Facebook, MySpace and LinkedIn

all operate on a social network basis, where the end-user creates an autobiographical page. It is sort of a mini-web page that allows users to post photos, videos, audio, commentary, and blogs with interactive postings from others. These pages are the starting point in the social media area, allowing the end-users to find current friends online, locate old friends, and even make new friends with others who share their interests. These “connections” build the end-user’s own online community, and posted information is immediately available to all.

Facebook and MySpace have specific communities and forums for members to communicate, and some of these have an industrial or manufacturing scope. The drawback of social media is that it is labor-intensive and requires a staff member to monitor these forums at all times to find posts that can be positively answered with information that makes a company look good — without creating ill will by being overtly commercial. This must be done at least once daily for each group. For example, if a company belongs to four groups, each group must be accessed at least once per day, all posts since the last visit read, and any responses needed must be written and posted as soon as possible. Depending on the scope and complexity of the subject matter, it could take several hours per day to keep current and successfully pursue this channel.

LinkedIn is a social web site that was developed as a networking site for people in business. Four of every five B2B marketers use it, and it has communities and groups to match a variety of promotional needs. Here again, messages must not be too commercial, or no one will pay attention, much less respond. This will require the same type of dedication as Facebook to follow the pertinent groups and respond effectively. However, the audience is already predisposed to doing business, which should simplify the task somewhat.

Twitter is a real-time, short-statement blog that users can

update from mobile phones or any computer. The advertiser has to build the audience, keep them interested, and generate interactivity with that audience. Since the advertiser is the main poster, they can control the topics and discussion, and thus the message. This is even more labor intensive, as subscribers to the feed expect continuous posts or “tweets” through the day. If Twitter is to be used in the B2B E-media arena, it is best used to generate word-of-mouth buzz, or to get real-time feedback on customer services or new product introductions.

Getting Started

In a tough economy, smart marketers find ways to do more with less and maintain (or even grow) their market share. One common approach is to reallocate effort and budget to areas that will produce a lot of leads quickly, at the lowest cost. E-media offer many cost-effective ways to do that.

Like any other marketing communications program, however, e-media programs demand careful strategic planning. A company should first assess its target markets and audiences, and set measurable objectives for the campaign. Then the most suitable e-media options can be matched to those objectives, and budgets and timelines developed. While some tactics are fairly straightforward, others can easily fail without sufficient planning and consistent execution. An experienced marketing partner who understands the company, its marketplace, and how to meet and exceed goals will be a great asset.

Finally, any company should evaluate its capabilities and capacity to respond to the prospects it engages, both initially and throughout the sales cycle. Anything less than full commitment greatly reduces the chances of a successful outcome.

Brewer Associates, Inc. is a Business-to-Business Marketing Communications Agency committed to helping build our clients' sales through lead generation, resulting in new revenue. We do this through comprehensive, high-impact campaigns that produce measurable results. Each of our professional staff has over 20 years in B2B marketing communications, with a range of market experience that probably includes yours.

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