

# ADVERTISING In Times of *RECESSION*



HOW TO ADVERTISE  
TO BEAT  
YOUR COMPETITORS  
IN A DOWN MARKET

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## Advertising In Times Of Recession

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# Introduction: What History Teaches Us

When the Great Depression was upon the American people, Franklin Roosevelt uttered this famous line:

**“We have nothing to fear, but fear itself.”**

While this recession has yet to be categorized as severe as the Great Depression, the same ideal holds true. Only those who are brave and understand the tests of history are going to excel in a time of economic distress.

This moment in history is unique, but whether it gets labeled as a depression in the future or just a severe recession, we do know that wherever there is a time of great crisis, there is also a time of great opportunity.

**That opportunity is now and it awaits the fearless who can make great gains in their businesses through the power of advertising.** All it takes is paying attention to past history and using some of the same strategies that helped previous businesses thrive during times of economic downturns.

## **Why Some Companies Thrived In 1929**

It's true that many companies suffered during the Great Depression, but there were also those that made great market gains during that time. The reasons for that, after looking in the rearview mirror, amount to the proper use of advertising.

In many ways, as unemployment began to climb into double digits and demand for products decreased, some companies took a look around and decided that there was no market.

In assuming that the demand was due to a lack of a market, these companies created a self-fulfilling prophecy that impacted their business decisions and created a spiral of downward economic growth for them.

**Those who are seen as experts and even “gurus” are pulling in more money in a week than the little guys make all year. And it’s all about *positioning*.**

In particular, companies that assumed there was no market, and thus, could cut advertising to save money, essentially lost market ground to other companies that assumed there was demand in the market, but that it had to be coaxed a little in order for that demand to surface.

## **Advertising In Times Of Recession**

Instead of taking advantage of better marketing and media rates, the companies that assumed that they would not sell created a self-fulfilling prophecy in which they ultimately did not sell. They cut their advertising, they lost brand recognition, and consumers simply forgot about them.

Those that remained in the advertising forefront gained market share and created customer brand loyalty that followed them long after the depression was over.

# Studies

## What Studies Show About Recessionary Advertising Spending

At first, it seems counterintuitive to spend more on advertising to increase sales in a slow market.

This is what caused many businesses to falter during the Great Depression, while others came in and swooped up their business. It's easy to look back after a period of time and see what the proper strategy was for that time period, but people then had never seen anything like the Great Depression before. They had no model to follow. Luckily, you do because of what people went through then.

An advertising executive by the name of Roland S. Vaile tracked 200 companies during the recession of 1923 and published his findings in the Harvard Business Review in 1927. His conclusion after reviewing his findings for these companies were that those that spent the most on advertising reaped bigger sales increases than those that didn't.

Since that time, more studies looking at the recessions in different time periods have been completed. At least six more recession studies conducted by a group known as ABP/Meldrum & Fewsmith indicated that a drop in advertising during a recession not only has immediate effects on sales, but also long-term effects. This long-term effect of lowered sales can last up to two years after the recession is officially over.

## **Advertising In Times Of Recession**

The latest recession, prior to this one, was in 1989-1991. During that time, major brand names opted for increased advertising exposure and reaped the benefits of that strategy in double digits.

Jif Peanut Butter experienced a 57% increase in sales growth. Kraft Salad Dressings experienced up to a 70% increase in sales growth.

Other brands using this strategy that were studied during that time showed increases that ranged from 28% to 61% in sales growth.

From these numbers, it becomes obvious that increasing advertising during an economic downturn makes good business sense, even if intuitively it may feel wrong.

## Advertising In Times Of Recession

### Some Good Examples

Going back to the Great Depression, we also find some classic examples of how big-name companies used this strategy to gain market share during tough times.

**There were three notable examples: Proctor and Gamble™, Chevrolet™, and Camel™ cigarettes.**

This information is purely anecdotal, but it can help you figure out how each company used the media and economic environment to its advantage. This recession is much different than the Great Depression in character and there are new forms of media for advertising as well, like the Internet.

Thus, we can learn how to be flexible with our advertising from the history books, but ultimately, we also need to customize our campaigns to the historic time period in which we reside too.

With that in mind, **let's take a closer look at how each of these companies not only survived the Great Depression,** but also prospered, using nothing more than advertising campaigns that inspired the public to purchase their products.

## **Advertising In Times Of Recession**

### **Proctor And Gamble**

The biggest advertising media during the Great Depression was radio. People would socialize around the radio and listen to their favorite stations. Proctor and Gamble decided that they would not cut their advertising budget during the Great Depression.

In fact, they continued on marketing as if nothing was wrong in the economic environment. This created great faith and trust in the brand as being a "solid" brand that wasn't going to disappear overnight like many others were doing.

They used the radio to offer infomercials on their products that ranged from Ivory and Lava soap to Crisco. This did help to keep sales steady, but then the very bottom of the Great Depression hit and Proctor and Gamble decided to step up their advertising just one more notch.

The Great Depression robbed many people of the joy of life, and often, they turned to entertainment in the form of radio shows and movies. It was during this time that Proctor and Gamble changed their overt infomercials into more subtle sponsorships of radio entertainment programs, now called soap operas.

In fact, that name was derived from that period in time when these entertainment shows became permanently linked in the American psyche with the big soap producer Proctor and Gamble. The art of careful and subtle product placement was born, as were the sponsorships associated with something ultimately pleasant and reliable.

## **Advertising In Times Of Recession**

Before the Great Depression was over, Proctor and Gamble sponsored over 20 radio programs, having doubled the advertising budget every two years. This was due to the enormous response of the customers who flocked to the company in droves during a time of economic hardship and who made Proctor and Gamble an American household brand name.

### **Chevrolet**

This company was not focused on radio alone. Most of its advertising budget was concentrated in the print media, which was growing in advertising dollars during the Great Depression. They even went on to do billboards as part of their print media advertising budget.

#### **This provided two benefits:**

1. It kept some papers from going under during the Great Depression and
2. It gave people something to hold onto and dream about in the form of a tactile paper ad. The advertising was geared to provoke an emotional decision that pointed to better times ahead. Even though cars, unlike soap, were not an immediate need for much of the population, these ads helped Chevrolet to sell more cars during very hard times. In addition, they followed Proctor and Gamble's lead into radio and sponsored their own shows, like Fred Allen and the Jack Benny show. These became cultural classics too and were associated with Chevrolet, making people loyal to the brand.

## **Advertising In Times Of Recession**

### **Camel Cigarettes**

Camel cigarettes had lost significant market share by the time the Great Depression had started. Lucky Strike had overtaken their number one position in the market by 1929.

As if that weren't bad enough, two years later, Chesterfield knocked them down to number three.

That's when Camel got serious with their advertising. By the time the Great Depression was over in 1935, Camel cigarettes had regained its number 1 spot, despite having done so during the Great Depression against two formidable challengers.

## **What Can We Learn From Them?**

- One of the biggest lessons we can take away from this is that you want to increase your advertising exposure during bad economic times.

It's a rare opportunity to leap ahead of the competition that may end up taking a more timid approach, and thus, conceding its market share.

**This means that you actually want to increase your advertising budget while taking a close look at the media available to get your message out.** Should your competitors cut their advertising to cut costs, it will be their mistake and your good fortune.

In this time period, we are very fortunate to have the Internet as a brand new advertising media that is waiting to be exploited. You don't want to focus solely on the Internet, but it will be a major player as newspapers are going under and radio is no longer the sole means of electronic entertainment in the household.

**Be innovative and creative** about how you choose to advertise and make your message subtle yet ever present.

**People don't want to be reminded that they may not have enough money to buy your products** yet, but they are extremely grateful to those companies that will offer them some benefit until they are ready to buy.

## Advertising In Times Of Recession

Also, it's **important to be in the forefront of people's minds** so that they don't forget about you when they do have the money to purchase goods.

It's not only good business sense, but also **creates an air of stability and credibility** at a time when any loss of presence can mean a potential bankruptcy.

If you understand consumer psychology, the minute you smell like you might be going out of business, your shares will drop on the market and people will stop buying things from you.

Since so many of your business peers may actually be in that position during these tough times, its best to show a strong front and take the lead where you can.

**Building a strong market presence and reassuring your customers** that you will be there for them for the long term is a sure way to stand out in a field made up of mostly shaky businesses.

In later chapters, we are going to discuss exactly how to implement an advertising campaign that hits just the right note with cash-strapped consumers.

## Advertising In Times Of Recession

--You want to be able to have a presence, but not be overbearing. You want to spend more on advertising, but not on medias and venues that are not producing the results you need to stay in business.

--You want to reassure customers that you will be there for them for the long run.

--You want to be creative with promotions and create value packaging.

--You want to reap the potential of creating a brand that outlives the recession and goes on to have strong sales years after the recession is over.

All of these subjects are addressed to give you some guidelines on taking the lessons that history has taught and customizing them to this new period in history for maximum sales and growth during this historic recession.

# Components Of A Great Campaign

Let's break down the general things we've learned and make them more specific.

**What are the components of a great campaign during a down market?** Some of these components are not the same as when you are experiencing more prosperous times. The reasons for this is that the consumer is much more price-conscious and leery of spending his/her money than when he/she is more assured of future prosperity. Others will utilize good advice no matter what the stock market is doing. In a way, learning how to market and advertise during an economic downturn is like learning to be a guerrilla fighter. You aren't sending out an army to beat the consumer into submission; you're trying to find opportunities you can exploit to produce sales at a time when people just are not readily willing to buy.

**The good thing is** that after having learned these strategies, they are easily applicable to better times and can pull in more market share and profits when the markets do finally turn around.

## **Traffic: Some Things Never Change**

*One of the biggest things that you want to pay attention to is to find out where your customers are congregating and then go to them.*

In the Great Depression, the radio was where most people congregated and companies used that knowledge to create programs and advertising campaigns.

This has also been true for Internet Marketing since this area started, but it's going to be so true now that retail brick-and-mortar stores are going to find things very tough in the immediate future. People are going to think twice about hopping in a car to visit a mall or a retail store.

If oil prices climb again and gas goes past \$2/gallon as it soon might, you'll have that double-whammy to contend with too.

This is very bad news for physical retailers as they cannot get up and move their stores to where buyers happen to be congregating. Internet marketers, however, can serve up links to groups, forums, web postings, and wherever else groups meet online.

So, while it may be a shock for physical retailers, it doesn't change much for Internet marketers who are used to going to where their customers are first.

## Advertising In Times Of Recession

**We'll discuss more about finding your target traffic in Chapter 9.** For now, just consider it part of a good advertising campaign and a basic component of Internet marketing.

One way that physical retailers can counteract this behavior is to advertise online to go where their customers will be going. You can bet that before they get in the car to go to a box store, in order to save some cash, many will hop online to compare prices first.

### The Right Media

Some companies utilized radio, while others used print media during the Great Depression. The issue isn't so much on whether any one media is better than another; it's what is the right media for what you are advertising. **That's the real question.** If your demographics are trading people, then maybe a print trade journal is the right media, even if you want to use newspaper classified ads. The odds that trading people are reading more trade journals than classified ads is higher.

You need to really understand your demographic to choose one or two good mediums of information transfer that will boost the effectiveness of your campaigns.

Even if you are going to focus solely on the Internet, you will want to know which sites on the Internet they might frequent more than others. This will give you an idea of where to try to place advertising and how to spend your advertising dollars.

## Package Your Message Appropriately

You know that when a man pulls out a little velvet box that the message inside is going to say *love*.

Just the **packaging alone puts people into a particular frame of mind that builds their expectations** and helps them to anticipate receiving the offering. The same is true of your advertising message. You have to package it in appropriate manners and formats so that people are more receptive to its message and will anticipate getting an offer.

This is going to vary depending on the niche that you're marketing. Just like diamond and jewelry sales want a message of romance and luxury (thus the velvet box), your niche may want something unique to its own message. If you sell office products, you don't want to present them at home parties, obviously, because that means they are informal and casual. That would be poor "packaging." Try to pick sales strategies and venues that match the message you are trying to send.

On the Internet, this can also lead to contextual advertising where you place an ad within the context of a blog post or comment that is carrying a message that resonates with your niche. Using keywords in Google in a PPC campaign is a way to make sure your ads are showing up in contexts that are appropriate for the most part.

## Repeat, Repeat, Repeat Yourself

**See the emphasis and degree of dramatic impression simply repeating a message can have?** You want to create a memorable impression in people who visit your offers and the very easiest way to do that is to repeat yourself.

It's not just a question of repeating the offer though; it's also a question of frequency. How often are you putting an offer in front of a visitor? How wide is your exposure on the Internet? How many people are seeing your offers and how are they being spread?

You can also vary the type or size of the offer to give it a little different impact, but repeating the same message. Different people pay attention to different things. Sometimes it is colors, other times its words. Maybe you're advertising in text context and you haven't tried the ad out in a link next to a video on YouTube? How about repeating the advertisement on an audio link?

**It's not just a question of repeating the message in one type of format alone!** Get creative and explore the many different ways you can present this offer to people so that they eventually pay attention. You may find that some types of offers work best in some formats and other types of offers do better in other formats. That's great! That's all part of the learning process to fine-tune your campaigns.

## Money Makes The World Go Round

*You are going to want to increase your advertising budget.* It can create a little twinge of anxiety during tough economic times, but that's the reason we've been very clear about the benefits of taking this strategy.

***Yes, you will have to spend money to make money during these tough times.*** The point is to know how to spend it to get the best results. Even so, set aside more money than usual to do your business advertising.

**This is not the time to be timid;** it's the time to leap ahead of your competitors and position yourself to grab the market share from people who are failing due to credit or cash flow issues. While it may seem that no one has any money to spend, you have to realize there will always be people with money to spend.

The problem is not the supply of money. The problem is a fear of spending it in tough times. Your job, as an advertiser, is to reassure people that when they make a purchase, it is going to benefit them and that you stand behind the products and services that you sell.

**The reputation and financial stability of a company in a tough economic time is its greatest asset.** With debt leveraging being more risky, people want to know that the company or person they are dealing with is going to be around for the long haul.

## **Advertising In Times Of Recession**

They don't want to buy a product or service only to find the company or person in bankruptcy, leaving them high and dry.

Even guarantees that get issued by companies with a shaky market position are going to be looked upon with suspicion by the consumer. For that reason, you want to project a confident market stance.

You don't want to advertise any financial distress your company may be experiencing, as this can shake the confidence your consumers have in you.

**Advertise how long you have been in business.** If you are a bank, for instance, you can advertise that you didn't get into shaky sub-prime home mortgages like your competitors who are in trouble, if that in fact happens to be the case.

This not only shows you have good judgment, but that you aren't in financial trouble like the rest of the banks.

If you engage in local commerce, you can even advertise how your supply chains are short and save money for the consumer while supporting the local economy.

This is a very good strategy that makes people feel you won't be as greatly influenced by fluctuating gas prices or disrupted supply chains.

## **Advertising In Times Of Recession**

Additional monies should go into areas that contribute to your bottom line, but you also want to streamline these processes as much as possible.

**In Chapter 8, we discuss some of the ways to streamline advertising costs and keep your processes running smoothly for less money.**

You will want to try to locate credit lines and additional reserves of cash in a tough economy in case things get really tight.

***Don't**, however, let the fear grip you so tightly that you refuse to spend on the very things that bring income into your door.*

***That is committing financial suicide before there is even any threat at your door!!***

## **Give Them What They Want**

*This is not the time to get fancy with your product offerings, unless you see a real potential for innovative product development. Otherwise, most people are going to be focusing on the basics of survival for a while: Shelter, food, clothing, transportation, and income.*

Anything you can do to give them these items in a way that benefits them, you are going to sell well.

Premium markets that cater to specific tastes for frivolous items, like StarBucks and Whole Foods, are having a heck of a time in this economy.

You just are going to have a much harder time selling people on non-essentials than those things they truly need and want. Concentrate on listening closely to what the market wants and needs and provide it them.

This can be hard if you are already in a luxury market or selling items that are clearly not that essential for living. Advertising these items may be harder, but it's still the same.

## Advertising In Times Of Recession

**Always list the benefits of your products and services in terms that are relevant to the consumer** who comes to your e-store. Shoes, for instance, can come in frivolous fun styles or utilitarian styles.

You also have some utilitarian styles, like tennis and sports shoes, that can be made fun and stylish. What is the consumer looking for when they come into your online store looking for shoes? Odds are they want something that will last a long time, be a good value, and that is stylish and trendy too.

You will find that stores that sell sports shoes right now are doing fine, while places that sell only designer heels will have to augment their inventory to add something that the market wants and needs.

The exception to this is when you are marketing on the Internet and you have a solid affiliate who can offer you the same choices that physical retail stores cannot provide.

It makes perfect sense, then, to offer a wider selection of both utilitarian and premium shoes in your e-store because you aren't paying to inventory them.

## Advertising In Times Of Recession

This is known as marketing the long tail on the Internet and is a valuable strategy for a downturned economy.

While brick-and-mortar stores are carefully culling their inventories to provide only the top-selling items to the public, as an Internet marketer, you can advertise a wider selection by using virtual inventories.

**As long as you know you can provide that item when it is ordered**, it doesn't cost you anything extra to advertise a wider selection if you are using an affiliate partner to locate and house those products.

## **Hot Niches**

The best way to give people what they want is to research hot niches before you even start to develop an online business.

**The hot niches these days are really different from just a year ago.** You will find it hard to believe, but things people are interested today sometimes seem so counter-cultural to what we understand as the American culture. People are going back to many of the values of their grandparents, who went through the Great Depression, and ideals of self-sufficiency.

This is a dramatic shift from heavy mass consumerism to a can-do almost pioneer spirit reemerging in the United States.

### **Some typical hot niches noticed in today's market are:**

- **Education** – People are going back to school for various reasons. They want to upgrade their job skills, hide out during the recession, or need to change their career direction towards a new career path. Education has typically been the road to a better standard of living and those that have some money are even raiding their retirement accounts to get into newer hotter career paths.

## Advertising In Times Of Recession

- **Self-Sufficiency** – Poll after poll shows that people are deeply worried about the economy. About 35% think that we may even be going into a second Great Depression. For that reason, there is a great trend back toward supplying oneself with the necessities of life. This means a big trend towards industries that allow one to create self-sufficiency in life: Cooking at home, gardening, repair, home crafts, canning and food preserving, etc. The idea is, why pay someone else to do what you can learn to do on your own? Well, this is a profitable area for those that can teach others to be self-sufficient.
- **Green Economy** – This is being spurred more by Federal regulation rather than market demand at this point. However, if you check Google Keywords, you will see it is a very hot topic indeed. With major kickbacks in the stimulus bill for those people that opt to make their homes more energy efficient, this is going to be a growing and hot topic for at least a few years.
- **Debt Elimination** – Many people are burdened with debt and are looking for ways to get out from it. If you have financial knowledge to help people take advantage of government programs, avoid foreclosure, loan modification, and even debt consolidation, you will find a large mass of people wanting to do business with you.

## Advertising In Times Of Recession

- **Contraception** – That's right, condoms and birth control are hot-sellers right now. If another Great Depression were right around the bend, would you want another mouth to feed? No one does and people are trying their best not to get pregnant. If you're in some of the hot sex niches of the past, this can be a way to expand your line to people with more conventional values.
- **Crafts And Do-It-Yourself** – Many people who find themselves with extra time on their hands are opting to do things themselves or expand into creative hobbies. In some instances, these cottage industries can turn into an extra income, which is much needed in this economy. However, someone has to provide the basic supplies and someone has to teach them how to do things they once paid someone else to do.
- **Health Care** – This is an area that still has plenty of jobs. You can service nurses and doctors in their professional needs. You can even expand that to preventative medicine for people who want to cut their health care costs by opting for natural over-the-counter alternatives or for new ways to take care of their health.

## Advertising In Times Of Recession

- **Job Services** – Competition is extremely stiff and consumers know they need to spiffy up their resumes and treat their job search like a full-time job. If you offer services or content for job seekers, there are millions of people out there right now who need those services.
- **Low-Risk Investments** – There are a ton of investors out there stuffing their mattresses with their money. They'd rather put it in an appreciating investment, but might not trust the stock market just now or feel the banks are unsafe. Many have turned to gold, agriculture, and natural resource stocks. If you are an expert in commodities, it can be a great time to be a financial advisor.
- **Government Grants** – We are just starting to see this area heat up again. The stimulus bill has a large provision for new funding for the NIH and many universities and private individuals are going to try to get funding from it. Those that know how to write grants, get government money, and compete successfully will be in demand in the near future.
- **Income-Producing Opportunities** – You have millions of people trying to find new ways to make money. If you are a successful Internet marketer, you can show other people how to make money online. This taps into a great demand in the market for new ways to make money in the American economy while providing you with a hot niche too.

## **Advertising In Times Of Recession**

Any new way to make money is going to be instantly popular for people trying to find new ways to reinvent themselves and grabbing a seat in the musical chair drama of jobs going on right now.

These are just a few of the hot niches or potential hot niches emerging at this critical time in history.

**If you want a way to spot a new potential niche, just pay attention to the behavior of the consumers and the biggest news stories.**

You will see many, many opportunities to find ways to advertise in an area that is going to be profitable in a tight economy.

Use that knowledge to retool your own lineup of products and services and to change the copy of your ads to reflect the more conservative tastes of the modern day American consumer.

# Your # 1 Advertising Strategy: Value

Understanding that there is less money in people's pockets, you can be sure that the number one concern on most consumers' minds is value.

## ***Are they getting a good deal for their money?***

The worst thing that can happen to a cash-strapped consumer is for him/her to realize that he/she paid way too much or got a bad deal. The money that he/she has, has to go further, and the only way to do that is to be hyper-conscious of where he/she is spending his/her money.

Does this mean that consumers will no longer buy luxury items or splurge on massages or non-essentials? No. People are creatures of habit, and once they develop a spending habit, it can be difficult to change it. What you might see is a few nips and tucks in how they spend their money.

Those that have no money will obviously stop spending, but those that continue to have discretionary income will be more careful of where they spend it, not opting usually to stop spending it all.

## **Advertising In Times Of Recession**

With all the bad news on the television and Internet about the possibility of a major recession lasting longer than expected, people are just not in a frame of mind where they will spend with reckless abandon. It's going to take a very good deal to bring them back into the market.

What behavior you might expect to see is opting for better money values. Instead of going out to dinner for a full-blown meal, people might opt for going out to value restaurants and/or skipping desserts and appetizers.

People will still want entertainment, especially in such dour times, but typically the emphasis is on family budget entertainment like movies or camping trips. Instead of a trip to Europe, a person might opt to travel within the United States to do some domestic sightseeing.

This type of emphasis on value isn't just about price, but is also about a perception of getting one's money's worth.

You may have difficulty selling high-priced items to people who don't have a lot of money, but those that do will continue to spend regardless.

These are the people who now are focusing on getting the best deal they can get. That's where you, as a business owner, need to provide those choices for them.

## Bundling

How would you go about giving an impression of value without also giving the impression that you are lowering your quality standards or prices? **One simple strategy is to bundle items together.**

They should be items that normally cost more separately but will be sold together as a “value package” for less than if sold separately.

**Internet marketers do really well with this strategy,** especially as a way to get people to sign up to back-end offers. They might bundle several infoproducts into one introductory package and then lower the price significantly, with the condition that the person must sign up to a membership site for a specified period of time. Cell phone companies do the same thing.

They bundle the latest and greatest cell phones with all the nice features into new service plans they offer to the public. They give the phones away at a nominal price or for free just for signing up to the plan.

## **Differentiate Yourself**

One way to create a high perception of value with your customers is to have unique offerings that differentiate your company from everyone else out there. This might mean that you take the lead in being innovative with your offerings. It can mean more risk, but it can also reap big rewards if you hit a niche before everyone else.

Ponder what makes your business unique and communicate that to your customers. If you are Jiffy Lube, for instance, they may charge higher prices than other service stations, but they offer a rapid turn-around time. The name Jiffy also communicates that they are going to get you in and out in record time.

For some people, saving time is worth every penny spent. However, that isn't the only way Jiffy Lube differentiates themselves. They also inspect various items in addition to your oil when you come in for an oil change. They are offering a higher level of service as well in record time.

Think about your own company and decide what makes your products and services unique. Then, you have to communicate that to your customers. Maybe you can even create value packages with special names to communicate that specific benefit you want to highlight. This is another way to raise awareness of higher value without changing your prices.

## Guarantee It

If you can guarantee a product or service and stick to that agreement, you will create the perception of great value in your company. In some cases, your customers may not even know about the guarantee, so it's important to communicate this value when you are taking payment. Ideally, you should mention it as part of your benefits sales letter too.

Guarantees are only as good as the company that fulfills them. They can backfire on you if you refuse to honor a guarantee or create such havoc in claiming it that it is essentially worthless. Be clear about the terms of the guarantee and try to fulfill it as best as you can.

Guarantees also only work if you aren't in the news as potentially going into bankruptcy. All bets are off at that point and people won't believe a word you say, guarantee or no guarantee. Strive to reassure your customers that you are a company of long-standing history that can back the guarantee with your own credibility.

## Offer Value Choices

If you've been marketing to higher-income people and saw a large drop in sales recently, it might be time to expand your product lineup with value choices. If you've typically only had high-end designer shoes, you need to **offer some more budget-conscious choices.**

**This doesn't mean that you lower the prices on the high-end items;** it means that you change the makeup of your inventory. Higher-priced items will generally have more trouble being sold during this recession, so other choices that would be considered a "downsize" move for customers should be made available.

This takes into account the fact that people would rather move their purchases down a notch, rather than give them up all the way. Sometimes, you can offer smaller packages of the same high-priced goodies and get some sales this way. However, if you can't split up a high-end coat or a pair of shoes, your only other option is to offer a value choice on the lower-priced spectrum.

## Advertising In Times Of Recession

This gives you a few valuable ways to market these items to your customers. For one, it highlights the higher quality and features of your higher-end products since customers can now compare two different options of the same product concept.

Next, it gives the customer choice. Finally, it provides a way for you to *up-sell a client later*, either at the point of checkout (before they've made a final buying decision) or later when they decide to upgrade his/her lifestyle.

**Don't think of this as giving in to lower-quality goods.** Instead, think of it as providing more buying opportunities for your buyers and clear choices to keep you from lowering prices on high-end goods. You should never compete on price, something we will go into in the next chapter. For now, you want to use value strategies to keep prices relatively stable while giving the cash-strapped consumers some choices they don't normally have.

## Try Chasing A Long Tail

On the Internet, you can have the luxury of chasing the long tail that retailers in the recession will be hard-pressed to match. The long tail is the 80% of customers who can't be serviced by mass market because they have very precise needs.

In fact, there is a theory that says that **80% of sales are done by 20% of customers** who come into a store. That leaves the other 80% of customers out in the cold. Why didn't they buy? Probably because they had some item in mind that was very specific to their tastes or needs that they couldn't find in the mass-market stores.

This trend is only going to get worse. That's because physical retail stores would be cutting their own throats if they try to cater to tastes or needs that aren't mainstream.

That would mean they would have to carry all kinds of formats, colors, sizes, and custom packages just to fulfill that odd request that comes in every now and then. It's just not doable from a physical retail store perspective.

## Advertising In Times Of Recession

If you are an Internet marketer, however, you do have that option to allow even the oddball 80% that are looking for something unique or different from retail stores to buy from you.

The way you do that is to locate the producers or suppliers of these goods and then offer those goods in your virtual storefront without first purchasing them. That's the biggest difference. You are able to **set up affiliate partnerships** with other people to create a lineup of products that can market to the long tail without committing your budget to buying them first.

This is a value strategy because you are offering these customers something they can't get in retail stores. In order to make the strategy most effective, you also want to provide ways to search and find those items quickly in your store by way of search boxes and categories.

Offer Services Your Customers Value

Value isn't just about product quality and pricing. It can also be about the extra services that your company provides. Ultimately, your customers should be the ones telling you what they want in service and you should be fulfilling their needs.

Some extra value-added services online can be entrances into private forums or membership clubs. Your customers here might not just mean people that buy from you, but also the people you partner with in business, your affiliates.

What types of services can you offer them so they perform better for you? You might find that as advertising partners, you get more value from people when you offer them performance-based bonuses for their work.

## CPA Networks As Value Advertising

This leads into the fact that your advertising should be providing value to you. That's why many Internet marketers are shifting from strictly pay-per-click (PPC) advertising to using more cost-per-action (CPA) networks. These networks are performance-based programs that allow advertisers to at least get a lead, even if they don't get a sale. It also helps them to budget their advertising costs and estimate a return on their investment, which is a much harder proposition with PPC. **We'll go over how to do this with CPA networks as a value strategy in detail in Chapter 7.**

## Walking The Price-Tight Rope

You are probably feeling pressured to lower your prices at this point, either from customers or just because you fear that they won't buy otherwise. There is a drop in sales going on at the moment as fear takes hold of the markets, but this can quickly escalate into a bidding war. When that happens, nobody wins.

Take for example the airline industry. They are being severely hit in this recession with very few people wanting to travel. It is a discretionary expense and can, in most cases, be put off indeterminately. The response from some carriers is to start slashing prices. While this may spur some sales in the short run, other airline carriers will feel the pressure to compete on price and begin to lower their prices. At that point, it's no longer about value. It's about price and it's a cutthroat war that is going to cost many major carriers their businesses.

**You don't want to be in the position of competing on price because you put your own business at risk by doing that.** Even if you are the first person to implement this strategy, it's just not going to be a winning business strategy in the long run unless your products were too overpriced to start with due to some market bubble effect. Even so, eventually everyone's prices will be so low that there is nowhere else to go and businesses start to go under. Then prices might start to rise again as supply becomes less and demand strengthens. By then, however, it may be too late for you.

## If Your Customers Demand Price Drops

*Let's face it, with no one buying and the price of oil at record lows, customers can start to demand price drops or they'll go elsewhere.*

They know that businesses are hurting right now and those with money are trying to score the best deals.

### **What do you do, then, if your customer demands a price drop?**

Highlight the benefits of the product in question and demonstrate to them why that product is worth every penny you are asking for it. If you happen to have a value choice, you can steer them to this product and compare it to the other higher-value priced item to show them why they are getting more with the premium product than with the value product.

This helps to deflect the issue of a price drop demand. It gives your customer choice and allows them the option to spend less if this is really their main concern.

**However, odds are they are just trying to get a better deal,** in which case they might go to someone else and also demand a price drop or they may decide that you've sold them on the benefits of the higher-priced item for it to be a good value. Either way, you aren't competing on price, but on value instead.

## **If Your Competitors Drop Their Prices**

First, evaluate whether your offerings are over-priced to begin with and then make a decision on whether you can compete on price or not. It's possible that the market no longer can bear an inflated price, much like the real estate bubble. However, dropping your price should not be your first choice. It should be your last option. Instead, focus on creative ways to market your products so that your offerings stand out as having a higher-perceived value despite the price.

Offer value packaging instead of dropping a price on a specific item so you can bundle services or products together to create a better value that can incorporate a discount for bundled products, but ultimately be received as a value offer and not solely as a drop in price.

## **Creative Pricing Strategies**

Another way to compete on price, without actually dropping a price, is to offer promotional sales and creative pricing strategies that help consumers fund their purchases.

In the Depression, layaway was a very common way to make major purchases; we are beginning to see a comeback of this strategy by major stores now offering layaway instead of credit.

## **Advertising In Times Of Recession**

Promotional sales can also be a way to get people into a back-end offer while offering a lower-priced entry sale that is perceived as high value. It would mean that if they purchase the first high-value deal, they agree to make subsequent purchases of some other product or service for a period of time in fulfillment of a contract.

**Sometimes just highlighting a difference in price, while not really lowering a price, can be a way to spur sales.** The strategy used by grocery stores called BOGO, for “buy one get one” free, is sometimes used this way.

They may price one item similar or a little below the price of two items and then offer a BOGO special.

Sometimes, BOGO sales are really price discounts, and that's okay; other times, it would cost you the same to buy two individually of a different brand and the store is just using it as a sales strategy. However, the BOGO offer is seen as a value offering by consumers because the price is not the only selling point. You also get twice as much product for that price.

Take a look around you to see how people are creatively pricing their products to try to give the perception of higher value. Other than dropping prices drastically, which sometimes occurs in going-out-of-business sales, they are typically ways to spur sales.

## **Look Out For Cost Savings**

Having said all this, you do want to **take a look at your own suppliers and partners to see where you can trim costs and streamline** your prices this way.

If your prices are dependent on fuel costs, maybe you can find ways to store fuel when it is lower in price to help you transport goods across country even when fuel prices rise. Buying some base goods out of season to use for other more profitable seasons can also be a way to trim costs and strengthen your position in the event of a price war.

This assumes you can anticipate demand, which may be a little harder in a recession. One way to do this is to plan the demand out by setting up advertising campaigns to take advantage of excesses of products or supplies that you stored in low-price periods to market during times of greater price stress.

**This way you don't undercut your own profitability,** but the foresight you took can lead to more customer loyalty later. You then have the choice to take the prevailing market rate or compete on price for a short period without it hurting your profitability.

While you are cutting costs, you don't want to end up with shaky supply chains or shoddy products, especially in a recession. You want to distinguish yourself on value, not costs, so while cutting costs is important, don't do it at the expense of your business integrity.

## **Advertising In Times Of Recession**

If you get a great deal from a supplier for something you need to do business and they suddenly go out of business after you've set a price with that deal in mind, you're going to probably go out of business too.

**Make sure you are dealing with reputable businesses and try to get guarantees or insurances in the event of a major failure.**

Even if you are a specialty store like Whole Foods, you can't depend on your demographics of rich white yuppies to value your goods so much that you don't try to save costs and provide some competitive pricing on your goods. Right now, premium grocers are really hurting because they are associated with high prices, even if their goods are top-notch. For many, a small decline in quality or a switch in venue to get a better price is too tempting during this time to keep patronizing stores like Whole Foods.

Strive to provide the best price you can that is profitable for you and that provides the best value for your customer. Don't compete on price, but do take it into account when you are trying to gain market share.

If you find a smart way to save money and pass that savings on to your customers, you can be assured of not only gaining new customers, but also grabbing massive market share during recessionary times.

## Reward Your Loyal Customers

To keep people from drifting with every price war that crops up, you can **find ways to reward your customers** for being loyal and for buying from you. In fact, the miles rewards programs were created to reward loyal customers, in particular, business travelers, who opted to fly with one airline over another. This can be a significant benefit to people who might otherwise not remain loyal to a business when a price war develops.

You can also **reward customers who purchase from you at certain levels**. This is like bundling but with bonuses for buying more from you than other customers. You might thank them for patronizing your establishment by sending them discounts for future purchases as a direct way to give them a price cut, but only to those that are your loyal customers. Some department stores offer invitations to customers who bought significant amounts from a store by opening the store to them only for special promotional sales. These events are made even more festive with appetizers and music to put people into a better buying mood.

However you decide to reward your loyal customers, be sure it is tied to the opportunity for more sales from them. If they've already shown a willingness to open your wallet to you, they are the most likely to buy from you again. It only makes sense to reward them and **recognize them as being valuable to your business** in ways that help you and them to survive this recession.

## Don't Fall Into Fear

The biggest way to keep from being dragged into a price war you can't win is to take a step back when you start to feel the fear.

These are scary times to be a business owner, there's no doubt, but that doesn't mean you have to react to every market pressure that comes out there. Drops in prices will happen and so will price increases. The point is to keep a level head and do what is right for your business, not what others demand.

**Make decisions based on value** and always try to maintain your calm in the face of mounting price pressures.

**Be aware that price is definitely one of the primary motivating forces** in a recession and use that to your advantage when you can, but don't undercut yourself out of fear.

Plan way ahead by trying to gauge demand ahead of time. **Offer your customers multiple choices** in varying price categories to help them make up their minds whether they can afford to buy a premium product at this time or if they should go with the budget option now.

It's really up to them, but keep yourself positioned to be able to up-sell to them later when the opportunity arises.

## Which Media Will You Use?

Even though you may be an Internet marketer, you still have the option to use various traditional avenues to do your advertising. Some of those avenues also now reside online, like classified ads that you can find in print and online on sites like Craigslist.com.

The decision to go with one format over another should be done based on how effective the ad campaign appears to be. Some forms of advertising will allow you to track return on your investment (ROI) quite well, while others are harder to quantify.

You will have to make some decisions on which advertising appears to be working better for you. You can go by sales results, you can do split testing, or you can just go with feedback from your buyers.

There's no one choice for any business owner as the effectiveness of the ads will depend on the campaign and how well you've targeted your demographics and niche. **We'll go over a few choices here and the concept of the split test at the end of this chapter.**

## Affiliate Advertising

*Online affiliate advertising can come in a pay-per-click (PPC) format or a cost-per-action (CPA) format.*

To use this media, you have to sign up with an affiliate network and select offers that work for your niche. Some networks will specialize in PPC and others will do CPA. Some can do both, but that's not common.

**There are several advantages to affiliate advertising.** You can create campaigns that your affiliate partners help to promote. You don't have to do all the work yourself.

You can carefully target niches with keywords. If your affiliates have access to large traffic streams, it can be a quick way to generate sales from your ads without having to figure out how to attract the traffic. Your affiliate partners do that.

The disadvantage to some affiliate networks that do PPC advertising is that you can't really tell at times how well the advertising is working. You are paying for clicks and not for leads or sales.

If the conversion of those clicks to sales is low, you might have trouble figuring out where you went wrong, but you still have to pay your partners. In some cases, it was even found that click fraud occurred, making it riskier to advertise with PPC networks.

## Advertising In Times Of Recession

There is less click fraud now, but some still exists, making the actual return on your investment very difficult to pinpoint.

**CPA networks are in a class all their own.** They are a type of advertising that can be really easy to tell the return on investment. That's because the advertiser is getting at least a sales lead, or at most, a sale from each payout.

This makes it easy to test different ads and compare the costs of the campaign to how much they hope to make in profit from it. **We'll go over this in depth in Chapter 7.**

## Classified Ads

As mentioned earlier, classified ads are now online as well as in print. The beauty of online classified ads is that many of them are low cost methods to reach a lot of people at one time. They also are available on a variety of major sites, such as eBay, Craigslist, and Facebook. The costs can vary from free (in the cases of Craigslist and Facebook) to nominal fees on eBay. It all depends on what audience you are trying to reach as to where you want to advertise using classified ads. Some classified ads have word limits along with prices.

If you are trying to sell infoproducts through advertising on eBay, their terms of service actually require that you do it through a classified ad instead of an auction. The policy in place right now is that only products that are not virtual downloads and have some physical aspect to them can be advertised in auctions. Thus, the product you intend to market can also limit the type of advertising media you want to use.

## Sponsored Ads

Another way to advertise online is to pay for ad placement on a website or blog without an affiliate network. This is more time-consuming from the standpoint of finding sites that will accept sponsored ads and then generating the ads themselves.

However, they can be exceptionally well-placed ads if you find a niche blog or site that has just the audience you want for your products and services. **It saves you the trouble of having to build that audience on your own site from your own content.**

These types of ads can be fairly expensive in comparison to affiliate ads. It's not unusual to pay a couple hundred dollars a month for this type of ad placement.

Many blog or site owners can get numerous offers and it depends on how popular the site and how many subscribers it has as to how much you will end up spending for an ad placed on the site.

**The nice thing about sponsored ads is that they can be used with any format of media out there.** It can be used with videos on YouTube, blogs, and even podcasts.

It's just a small product placement commercial or link that takes traffic from one site and pulls it into another.

## Social Ads

If you're interested in being exposed to a social networking audience, Facebook™ will allow you to buy advertising through their site using Social Ads. Since Facebook™ is **very good at determining the demographics of their user**, you can get some finely tuned ads showing up on the Facebook™ social networking site. This can lead to a higher conversion rate.

## Printed Media

You can still advertise in printed media, particularly if it has a wide circulation. **Many small business owners find these types of ads do work for them.**

You want to pick a newspaper, magazine, or newsletter that reaches enough people who are interested in the types of products or services you provide. In other words, if you are selling kitchen appliances, don't advertise in a sports magazine. Try to make sure you are spending your dollars wisely.

Another way to advertise in printed media without it going to a residential audience is to advertise in the trade journals. These are reviewed by other business owners and **can make a great venue for your business-to-business advertising.**

## Audio Formats

**Podcasts are very popular**, but you can look for that type of entertainment to lessen as people sell their iPods and opt for something cheaper.

You can still advertise on the **radio and reach its listeners for free**. You can get an on-the-spot air that will reach a local or regional audience. You will have to look for the right timing for your ads and see how this works for you.

It's **not the least expensive way to advertise**, but it worked in the Great Depression. It might work for you too in this Great Recession.

## Video Formats

YouTube<sup>tm</sup> is just one online video format. There are some others, such as BlogTV<sup>tm</sup> starting up video channels.

**Making your own videos for these sites is not hard**. You just need a web camera and a little software to edit the videos. Videos are very popular and have the potential to go viral, increasing the exposure of your web advertising campaign.

**If you don't want to make your own, you can still advertise using someone else's video**.

## Advertising In Times Of Recession

Another way to use a video format is to make videos and put them on CDs and use them as your products. Within these products, you'll have the opportunity to promote other products too.

Right now, YouTube™ is still trying to figure out how to promote advertising on its channel. You can link in with a Google™ campaign for video or you can use a sponsored link on any video that is getting a great deal of attention.

## Email Marketing

A great and cheap way to market your products and services is through email. This might take the place of a direct mail campaign or it can supplement it. **If you have a subscribers list, these people will have given permission for you to contact them.**

This contact list can be used to develop sales campaigns on a regular basis where you provide information relevant to that demographic and include some ads within the email too.

**Whatever you do, don't spam people** who don't want to be on your mailing list.

Be sure you have permission to send them an email before you do so. **There are Federal laws that can cost you money or even jail time if you decide to be a "spammer".**

## Use Your Products To Place Advertising

If you sell infoproducts, you can place links to other offers within the ebooks and reports that you are selling online. However, don't forget that the more a customer sees your name, the more likely they will remember you when they need to purchase an item. If you are selling bottle openers online, for instance, you can have your URL printed on the gadget so that they'll think of you the next time they need a kitchen gadget.

**It isn't just electronic products that can be used for clever advertising;** you can use your physical products too to remind the buyer you're out there.

## Split Testing

These are just a few of the media available to use with your Internet marketing campaigns.

There are many different ways to place links online or in print, so the choices can be overwhelming. **One of the ways to make your decisions easier is to adopt a practice of split testing things.**

For instance, say you are trying out a PPC campaign. You don't know what is going to be more effective - putting the "Buy Now!" button at the top or at the bottom. So, you make two different landing pages for this ad.

You use a redirect URL that splits the traffic between the two pages and then you see which offer converts better. **That's a simple split test.**

## Advertising In Times Of Recession

You can also try this with a campaign to see if that campaign will work better on the radio or in print. You don't know until you try it, so you choose a small version of the ad and split test it on two different formats.

### **Always try to learn from your split testing.**

*Which one converts better?*

*Why is something working better?*

*Did you get a better audience demographic?*

*Was it more suited to the media format because of the niche it was exploiting?*

### **Learn from every instance of advertising whether it succeeds or not.**

Say you are interested in advertising in the Yellow Pages. You can start with a small ad to see how it works. Don't assume that a larger ad will necessarily get you more business. It might be that the periodical or site just doesn't have the demographic you need to convert ANY offer you put on it.

**Be careful with your money and your ads.** Seek to do things a little differently when you want improvement and always do things the same way when the ad is a clear winner. Once the attention drops, then it's time to change things and mix things up.

## Focusing On Internet Marketing

During this recession, Internet marketing is booming. The reasons for this are similar to why radio boomed during the Great Depression. It's inexpensive to advertise on the Internet and many people have access to it, if not in their homes, at public libraries and Internet cafes. **There is also some indication that the Internet is replacing some services like the newspaper and cable in some tight budgets.** With advances in broadband and DSL, people can watch movies online and read the paper too on the Internet.

With more people being out of work and cutting expenses, the Internet is probably going to be one of the last things to go. It is a useful tool to look for a job, place ads of items for sale, and find bargains too. Unlike the newspaper, jobs placed on the Internet are not just local, giving job seekers a bigger picture and more chances to land a job. Some of the cable shows on television are now being offered for free on Hulu.tv too. As can be seen, there are more reasons to keep the Internet when you are out of work than the cable TV package or newspaper and magazine subscriptions.

This makes the Internet an ideal way to reach people in their own homes, whether they live in Los Angeles, CA or Raleigh, NC. The exposure when using advertising on the Internet is worldwide. More tools and advertising opportunities are being developed for the Internet as time goes on and it's only expected to grow in the short term. If you are doing business today, you need to have a website and be involved in Internet marketing to get the best exposure for you and your company.

## Your Domain Name Is Your Brand Name

The single most important facet of advertising on the Internet is your domain name. Unfortunately, most of the really good names are taken and you will have to pay someone to get a good domain name, even before you register it under your name.

**Domain names should be short and highly memorable.** It shouldn't be easy to misspell. It should have some keyword in it that is tied to your market or niche. You want a top-level domain that ends in .com for the best exposure.

**A good domain name is a brand name that should be recognizable and marketable.** It should be added to your business cards, your office supplies, and in your electronic signatures. Once you have a good domain name and a website set up, you've got a place where people can land on your offers and actually buy something from you online.

## Payment Options

Of course, if they are going to be buying things from you, **you need a way to collect money over the Internet.** Try to offer as many payment options as you can so that people will feel comfortable purchasing from you. You can use PayPal<sup>™</sup> and take credit cards this way or separately through a merchant account directly with a bank.

## Advertising In Times Of Recession

You can set up payment plans automatically over the Internet as well via subscription payments for a monthly debit of a PayPal™ account.

### Have A Plan

One of the biggest mistakes during the dot-com boom was for businesses to hop online and spend money like crazy, not really looking at the fundamentals of how they would make money online.

**It really takes some planning and return to basic marketing common sense** to make sure that the bottom line is still your top concern when you have a website.

Otherwise, you can spend a lot of time and money fussing with the site and fail to reap a single sale. Instead, focus on getting your sites up as quickly as possible and opt for tools that make them professional in no time flat.

One way to do this is to use a hosting company like HostGator.com, buy the plan with a Wordpress™ blog, and use templates to set up a very quick site. If you are a member of John Delavera's [Turbo Membership](#) you will find a huge amount of ready to go materials and even plans on how to get going fast.

This way you can get it up and running and looking professional in record time. **After that, focus on how you intend to make money with the site: Your sales funnel.**

## Create A Sales Funnel

The online sales funnel online starts with getting some piece of information on visitors who come to your site, usually their email address. It can be more than that though, like their mailing address, phone number, and other contact information.

The point is that without getting some contact information, every visitor that comes to your site and leaves is a wasted opportunity. In order for you to be able to market to them, they have to leave some identifying information behind, preferably their email addresses.

**The very first step to getting your sales funnel in place is just to have some mechanism to capture their identifying information or email address.**

How are you going to do this? In the past, just offering a newsletter would get people to sign up. These days, it can be a little harder to get a person to part with their email address as they don't want to be solicited online.

You actually have to make it worth their while to give you an email address. If you don't, they may decide to opt to give you a junk email address that they dump the minute they get whatever it is you offered in exchange for the email address. While getting the email address is key to getting them to the mouth of your sales funnel, there has to be more to your sales plan than just harvesting emails to put on an email marketing campaign.

## Make It Worth Their While

One way to make it worth their while is to **offer coupons and discount offers within the newsletter or emails** that you send. This will keep people interested enough to keep reading your promotional material to see if they can save a few dollars.

You can also **sponsor contests and surveys** that provide some product or benefit to your subscribers. These can serve two purposes: It can get more people interested in your offers and it can help you introduce someone to samples of your products.

One of the very best ways to give value to your customers who sign up for a newsletter or as an email subscriber is to give them valuable information on things that interest them.

If you are marketing a specific niche and they sign up, odds are they want to hear things that can help them in their lives **to solve a problem** or create value in their lives with your products.

**Give them that information for free** and always point them to helpful ways to solve problems, whether they have to buy a product from you or not. The more your emails, newsletters, and freebies are seen as enhancing someone's life, the more they will be willing to interact with you and buy your products.

## Update Your Site Frequently

Adding fresh content to your site is like rotating your inventory in a physical store. It gives your site more energy and excitement and provides a new shopping experience for visitors who are coming back.

**That's why many sites use a blog format in the front, as it allows for quick updating of content, unlike standard HTML templates.**

Don't go hog wild on color schemes and changing the actual design of the website as often as you change the content.

This type of change can be quite jarring and should be undertaken with great care. It's better to focus on updating your offers, rotating them and the content, and spicing things up with multiple media. Why not try embedding a video into the site and see what that does to your traffic? It doesn't all have to be text-based content.

## Try To Make Things More Interactive

You want to solicit people's advice and try to get them involved with your business and your website. One of the easiest ways to do this is to have a membership area or discussion forum on your site. Not only does it help to provide support for your customers, but many times, it's the other members that are giving out valuable information to each other.

## Advertising In Times Of Recession

This is a learning activity that you can facilitate and host. Since it's on your site and these people have signed up, you will not have to pay them to participate.

You can motivate them with contests, quizzes, or promotions, but many times, people love to engage other people and show off what they know.

Keep your ear to the ground when they start talking because you can get some valuable tidbits on what products and services these people are likely to buy the next time around.

When you finally do get around to rolling out new products, you have a captive audience there in your membership that you can solicit for the start of your marketing campaign.

You can set up free or paid membership sites. It all depends on what kind of perks you plan on offering people and how many people are interested in signing up.

**Some people offer a free membership to get the ball rolling and then convert it to a paid membership afterwards.** That can be done by offering a "free trial membership" or "free for the first three months" or something of the sort.

People then are aware that it is a limited time offer and it can actually increase the perceived value of your closed membership site.

## Advertising In Times Of Recession

You can also include “fake” profiles and people there to boost the numbers of members until enough people have signed up, at which you can then remove the “fake” profiles.

## Set Up Affiliate Programs

*Not everyone that buys from you will be an existing customer or know about your website.* You have the entire World Wide Web to scout out new customers; you can do this **by crafting affiliate programs that reward your sales partners for top performance.**

If you don't understand Google™ keywords, be sure to look this up and start to work with them. Whether you are doing PPC or CPA, Google™ keywords can help to drive traffic to your site by targeting high volume keywords with a low competition factor.

These are also used in your affiliate programs to help drive traffic to the affiliate ads.

One way to motivate your affiliates to perform is to offer different payout schedules based on performance. The higher someone performs, the quicker they get their money.

On the other hand, you can set up multi-tiered affiliate programs that reward affiliates for signing up other affiliates. This will help to create an army of interested sales partners who want to get the word out about your products.

## Advertising In Times Of Recession

**The main advantage to affiliate programs is that they can drive traffic from other sites to your own.**

If you have a great site, but little traffic, it doesn't matter how good your landing page is if no one visits it. You have to put strategies in place to harvest traffic from other sites and bring it back to your site.

Next, we're going to describe in depth how to use the newest type of affiliate program, CPA networks, to create an advertising plan that will let you track the return on your investment easily.

**Read on to** create an advertising plan that will let you **track the return on your investment easily. ...**

# Strategies To Increase Advertising ROI

ROI, return on investment, can be difficult to calculate when you talk about traditional advertising. You might be able to tell when you have an increase in sales, but it may be hard to tie it back to a particular campaign.

**It's rather a subjective art.**

When you do PPC campaigns on the Internet, the ROI can be even harder to determine. What are you getting when you pay advertisers for clicks?

Sometimes, you might not even be getting real traffic because the clicks can be fraudulent, even if that doesn't happen much anymore. But it's one of the many reasons advertisers are flocking to CPA networks to supplement their PPC strategies.

The CPA networks provide an easy way to determine ROI just by nature of the way they are set up.

## CPA Networks For Value Advertising

Using a CPA network for your advertising campaigns can provide major benefits. The biggest benefit is that this is a performance-based program that only pays out when a particular action that you mandate is performed by a visitor to the site.

An action can be anything from subscribing to an email list to filling out a registration form to buying a specific product. It can also include fun things like entering a contest, taking a poll or survey, and then filling out an entry form to win a prize.

**The types of actions that people can perform that will generate a lead for the advertiser are endless.** It can even be as simple as downloading ringtones. The point is that with this form of advertising, the advertiser isn't just estimating traffic or conversions based on outside numbers from a third party. They know themselves exactly what they're getting for their money.

Every action that someone takes is a visitor providing a lead or sale to the advertiser. This makes CPA advertising a very easy method to determine the return on your investment.

It's also great for publishers who may be having difficulty getting affiliate sales from cash-strapped consumers, but are converting more leads from people waiting things out.

## Advertising In Times Of Recession

There is a direct one-to-one correlation between the money spent and the results of the advertising. By adding just a few more tools, you can even calculate a potential return on investment before you run a campaign.

This is particularly useful to keep from wasting your time on campaigns that are never going to pull enough income in to justify all the time spent creating them. However, even with a "failed" CPA ad campaign, you still reap the benefit of increasing your contact leads through this type of advertising, at the very least.

## Building A Large Contact List

This is one of the main reasons to use CPA networks. As we discussed earlier, without some form of contact information, the visitor to your site never enter your sales funnel.

It's the first step towards marketing to someone - they have to step up and identify themselves. Otherwise, you really are groping in the dark and may even have trouble figuring out the demographics you're attracting. **That's not the best way to run an ad campaign.**

Once you have a contact list and permission to email people, you can start rolling out some email promotions to start your sales engine. It gets you more organized and it also helps to generate more sales when economic times do turn around for the better.

**It lets you see the results of your advertising campaign and you can split test different promotions on the people who sign up.**

## Advertising In Times Of Recession

If you detail who is buying and who is not, as well as what people buy, then you get a better idea of how to continue to improve your advertising campaigns to make them more effective. A large contact list is the basis of a healthy Internet business.

Just remember, those people who have already bought from you are the ideal people to purchase from you again. Don't let them walk away without getting some contact details from them first.

## Basic Elements To Plan Your Campaign

**A successful advertising campaign consists of: Traffic, the offer, and conversions.** Without traffic, you can't convert surfers to leads. Without the offer, they won't be interested enough to provide the contact details. If you don't manage to convert traffic, then all that traffic is useless.

In the same way, if you are planning a campaign and want to determine what the return on your investment might be, you have to take a cold hard look at the numbers associated with each of these elements.

Say that you create a great offer and decide to pay \$10 per lead to your affiliate advertisers. The offer is for a trial sign-up to your membership site. Your registration form has to be filled out in order to payout to the advertiser, complete with email, credit card, and other identifying information.

## **Advertising In Times Of Recession**

Either way, you've decided that \$10 per lead is an acceptable cost to find people who might convert to an offer to subscribe to a membership that after the initial trial period will be \$25.00/month.

If the terms of the agreement lead to them automatically being enrolled in the membership if they don't cancel before the end of the trial period, you stand to make \$15 the first month and \$25/month thereafter on the offer for an affiliate payout of \$10 per lead, even though initially you've not sold a thing.

Then, you commit to doing a campaign of \$100 per day for 30 days, for a total of \$3,000. The CPA network itself is going to charge for each lead you get, between 10 and 20% of the payout. So, you are actually paying up to \$3,600 for the full campaign.

**That's the cost of your venture, and you have no idea whether it's going to be worth it if people cancel, but it's a good bet.**

Next, you find out that you need to get 10 people to sign up every day. For that, you might want at least 100, if not 200, visitors to the site to see the offer. Your affiliate advertisers will need to know how to bring that many people in quickly before the offer expires.

They might opt to do a PPC to CPA campaign, where they mine Google™ traffic using high traffic keywords to link to your CPA campaign ad in the destination URL in a PPC campaign.

If they choose to do that, you don't have to pay for the PPC campaign. They do. This is another great benefit to you, the advertiser.

## Advertising In Times Of Recession

**The goal for them is to convert as many people who come to see the offer and get them to sign up for your free trial.** They do this by estimating the traffic that a particular keyword might generate using Google<sup>tm</sup>'s Traffic Estimator tool.

**This tool is located here:**

<https://adwords.google.com/select/TrafficEstimatorSandbox>

Publishers can then buy PPC campaigns using the right keywords that show sufficient traffic to convert and try to pull the people back to your offer to reap the benefits of your offer.

If your offer is too low and they estimate they can only make \$100 per day and \$100 has to go to the PPC campaign just to generate the traffic, publishers will pass on the offer unless they use a different strategy to drive traffic that costs less.

As an advertiser then, it's important to know how much traffic a person can generate for an offer and make it suitable for the price you set for the lead.

The good news is that if no one picks up your offer or very few convert, then you know you're not in the right ballpark and it costs you nothing to find that out.

## Advertising In Times Of Recession

**You only pay for those ads that generate leads, not the ones that don't, unlike PPC-only campaigns.**

With that in mind, **you know how much your potential income might be on the back-end of the offer.** You know what your costs are for the advertising and you know what the maximum amount you might make by running the campaign.

It's just a question of deducting your expenses from your income to estimate your potential gains. That's how you know what the return on your investment stands to be.

## Ways To Make Sure You Get Good Returns

- **Target Profitable Niches** – This can't be stressed enough. You can't get blood from turnips, nor profit from poor niches. You have to start with a niche that is attractive to a great many people on the Internet or it just makes your job harder to generate the leads that you need, and ultimately, the sales too.
- **Estimate Traffic** - Understanding the basic components, you can now figure out how to make good returns on your investments. Use the Google Traffic Estimator tool to research the potential traffic on any offer you seek to establish. There's no point in wasting other people's time and your own if there is ample evidence that promoting a membership for commemorative pin collectors is too narrow a niche to draw any attention.
- **Don't Overestimate Conversions** – About 20% of people convert in traditional forms of advertising. Since CPA network offers are only looking for leads, they can have higher conversion rates, up to 30% or more. Just be careful not to be too optimistic and overestimate conversions. You want to be somewhat conservative; if an offer converts faster than expected, then maybe it's time to increase the advertising budget and take in more demand.

## Advertising In Times Of Recession

- **Give Generous Payouts** – You do want to budget the amount of money that you pay out to publishers. However, the higher the payout you can afford, the more interest you will get from many different affiliate publishers and the wider exposure you will gain. A generous payout is not only good for the publisher, it is good for you. The publisher may need a bit of a buffer anyways to fund their PPC campaign. Just be sure you can recoup the payout by using the lead to generate income further down the sales funnel.
- **Create A Large Contact List** – Even if you don't get the conversion rate you'd hoped for and the sales don't materialize, you still have built a great contact list. Use that contact list to market additional to people. Eventually, some of those people will bite if you advertise to them long enough.
- **Use Powerful Creatives** – In CPA network marketing, the job of the publisher is to attract traffic. The job of the advertiser is to have creatives like landing pages, banners, and other types of advertising formats that make the publisher's job easier. In particular, Google now requests that the landing page have a top-level domain for the same link that is being put in the destination URL. That means it's really not optional now for marketers to create landing pages for their offers that publishers can use, and in addition, it has to go under their top-level domains. That's if you want PPC-to-CPA traffic, which is highly effective.

## Advertising In Times Of Recession

- **Use Exclusive Offers** – Once you find a CPA network that really screens their publishers well, you can stand to offer them exclusive offers. These are highly attractive to publishers and cost you nothing extra, other than the willingness to forgo using a similar campaign in a different CPA network.
- **Test Things Out** – Whether it's split testing, having different versions of the same offer up, or even just a 7-day advertising test to gauge interest, it's a great way to save money and find out how profitable some campaign might be in the long run.

## Get Lean, But Stay Serene

This recession is not the time to take on frivolous expenses. The advertising budget may need to increase to get more business in, but costs should be kept to a minimum and the return on investment maximized.

You want to make your business operations operate as smoothly as you can with the reduced credit lines that are out there now. While all these additional pressures are happening, you don't want to look as if this is causing your business stress.

Consumers in a recession are very sensitive to businesses that appear to be caving in to bad times. They'll shop less there because they're not certain they'll be able to get the customer service they need after the sale or they may fear the store will be cutting corners.

**Keep your quality high, your state of mind calm**, but cut costs as much as you can to keep from being dragged into cash flow problems as the recession progresses.

## **Focus On What's Most Important**

Don't spend too much time sweating the small stuff during these hard times. In the end, whether your website has a chat area or not isn't really that important. If your contact details aren't prominently available, that's very important.

*A custom website that does everything under the sun is not that important.*

Having a functional and professional-looking site, even if it comes from a template, is important. Don't focus too hard on things that don't contribute to your bottom line or will cost too much to implement.

## **Automation**

In addition, you will find some important things will take more time than you'd like them to take. This is money out the window. Try to automate as much of your business processes as you can.

It not only saves you time as the business owner, but keeps you from having to hire many other people when times are tough. You will find that there are plenty of applications and services that can be outsourced from third parties that pay back and fulfill your needs for a nominal cost.

## Outsourcing

Lastly, if you really can't automate the function and it is eating up too much time, do outsource the work and concentrate on bringing in more revenue.

The idea as an Internet business owner is not to be creative and hard-working as much as it is to implement and manage a finely-tuned system that creates income and jobs.

How does this apply to advertising? **Your advertising campaigns are there to generate income.** Without them, it's very unlikely that people will even know you or your products are out there.

However, running advertising campaigns correctly can take a lot of time and attention. Do what you can to focus on the important things from a business point of view: Create campaigns that bring dollars to your door.

That means that the actual work of implementing and rolling out the campaign may end up being automated or done by someone else. If that happens, **seek to streamline that process so that it saves you money and not causes you to spend more money.**

## **What You Can Automate**

Depending on what types of campaigns you are going to implement, there are a variety of ways to automate advertising campaigns on the Internet. We'll give a few methods of implementation and how to cut costs here.

- **Website Creation** – There are many different hosting providers who will help you automate the rollout of your websites. There's really very little reason to go out and hire an expensive programmer to do a custom site for you these days. There are numerous templates that are sufficient for the majority of Internet marketing activities. There are providers who will help you set up a social networking site of your own for a higher monthly fee, but in the end, you don't have to spend thousands to get the site you want. ***Keep in mind that three years from now, odds are that the site will be outdated anyways.*** So, don't spend too much to create a state-of-the-art site that has a small shelf life with the way technology progresses. If you want to use blogs, you can use Wordpress™ and get sites with Wordpress™ blogs on them for as little as \$7.95/month on HostGator.com.

## Advertising In Times Of Recession

- **Email Marketing** – Do you have an idea of what email campaigns you are going to roll out months ahead of time? If you do, you can start to organize the email marketing for those campaigns. You can set up autoresponders for offers so that when people buy, they're sent directly to the download area to get your products. If you're shipping things out, you can send autoresponders to your own specific email addresses to remind you that you need to make a shipment. This keeps incoming messages prioritized with sales being at the top of the list. There's no reason to have to sit all day next to your email inbox to monitor every piece of email that comes in when you have a good automated system in place.
- **Competitive Spying** – That's right, you don't just want to create your own promotions; you want to check out what your competitors are doing so you don't get left behind. Who has time though to check into every competitor's site to see what their latest advertising special is or their newest products? Well, there's a simpler way. You can set up a Google Alert to keep track of new additions to your competitors' sites and get those alerts sent to a specific email inbox. It is located at <http://www.google.com/alerts> . Now, when you have time to spy on your competitors, all you have to do is open that email box and find out what they've been up to. You can do this right before you roll out a major campaign to see if you're being competitive or if the competition already has your offer beat.

## Advertising In Times Of Recession

- **Affiliate Advertising** – This will only be as good as your network provider, so choose them carefully. You want a program that makes it very user-friendly to post new campaigns and to manage them when they are running. You should be able to tell how well your campaigns are performing and be able to check your affiliate partners' sites to see how the ads are being displayed. You should set up creatives like landing pages, banners, keyword copy, buttons, and anything else that can help your affiliates to go out there and win sales for you. Leave them all in one area and publicize through email marketing campaigns to your affiliates that they are available for use.
- **Content Syndication** – If your content is wonderful and informative, people will want to know about it. The content should lead people back to your ads and offers. You will want to set up systems to disseminate the new content on your site rapidly. You'll want it put into social search engines and sites so it can be rated and bumped up in popularity. You'll want to send out press releases. You'll want to write articles specifically for article directories, with links back to your site and offers. If you are using blogs, you'll want to be sure you implement RSS as a way to syndicate the content more effectively across the Web. All of this work is time consuming and you are going to have to either automate some of it or outsource it. There are many applications that will do article and directory submissions to multiple sites at one time and you should take advantage of that option when you can.

## Advertising In Times Of Recession

- **Virtual Shopping Applications** – Anything that simulates the sensory experience of shopping at a store on the Internet is going to be advertising that is effective. For instance, online diamond stores make use of custom applications created to help visitors “build their own ring.” It lets them pick from the stone and setting inventory, putting the two together to produce a design online. This is a costly way to advertise your inventory, but it is highly interactive and can bring in more customers and close that sale. While not a cost-cutting feature, it can be worth it if it brings in far more sales than it costs to produce. With so many people freelancing these days due to the bad economy, you can pick up some great freelance help for cheap.

## **Using Outsourcing**

During bad economic times, there are a lot of highly-skilled people out of work. They may turn around and freelance to help pay the bills, giving small business owners the opportunity to find some really great talent on the cheap.

**Outsourcing isn't just for technical aspects, like website programming; it can also be for copywriting, administrative functions, graphic designers, and just about anything you need.**

If it costs less to hire someone to fulfill the same function you do, then it's a money-saver in the long run, as well as a time-saver. Here are a few places to look for talent to help you when you become overwhelmed with the multiple details of running an Internet business.

### **Elance.com**

This site is one of the largest out there and highly reputable. You can see the profiles and reputations of many different freelancers, some companies, and others individuals. You can post an open job for bids and look for the person or persons who you think will best do the work for the budget you have. It has a wide range of freelancing professionals from copywriters to administrative assistants to website programmers. All of these categories are in easy-to-click-on tabs on the home page. It will take approximately 6 to 7% of the project cost as a commission. This means that the freelancer has to take that into account when he/she bids on a job, but it really doesn't change the overall cost for the buyer.

## RentACoder.com

This site is more technical, as its name implies. It's for coders, which is another name for programmers. It takes about 15% of the total job cost as commission. The people who sign up to RentACoder are usually different than the people who sign up to Elance.com. This site also has a very good reputation for hardcore programmers and can be a great way to get custom applications done.

## Many More Sites Out There

There are tons of freelance sites out there. Each of these sites will have their own policies and procedures for payment, for bidding, and for commissions. You can sign up for free on some of the sites and then upgrade to be able to bid on more jobs if you're a freelancer. Or they might take the commission out of the job that is bid on, keeping fees low for both freelancers and business people. You do have to pay commission to the host site for work done through freelancers on the site, but the good news is that they are mostly in charge of collecting payment too. In the end, the cost of doing business as a freelancer may be deductible on your taxes. **Check into that with your tax advisor so that you can deduct this expense at the end of the year if it is permitted.**

## Finding Targeted Traffic

A very important part of any Internet advertising campaign is how to find targeted traffic that is interested in what you have to offer. **Without traffic, you don't stand a chance of selling anything.**

Typically, conversion rates for traditional forms of advertising on the Internet can range from 10 to 20% of those that visit your site. Some other types of advertising, like CPA network offers that don't require a sale, can be higher.

So it's very important to have as many people from your targeted demographic be exposed to your offers. The only way to do that is to find strategies or websites that allow you to get traffic that is within your niche and drive it to your offers.

The **best way to get traffic to your site is to get links from high traffic** areas relevant to your niche going back to your offers.

The links can be URLs, it can be buttons, it can be an affiliate offer. Somehow, though, that traffic has to attract people who are interested in your products and services back to your site.

## Mining Google™ For Traffic

The nice thing about Google™ is that it can easily show you where the traffic is by using keywords alone. Google™ keeps track of the traffic volume, competition, and average CPC of keywords being used by all the advertisers in its Google AdWords™ campaigns. You can research keywords on the Google™ Keyword Tool; by mining specific keywords, you can get better traffic coming to your ads by placing them within the ad context.

### **There is an entire science to Search Engine Optimization (SEO).**

It is generally used for copy on the home website, but this type of knowledge is applicable to many types of advertising, from article marketing to affiliate offers. Anytime you add keywords with low competition and high search volume into your offers, you are tapping a vein of rich traffic.

That's because the keywords are what people are inserting into Google™'s search engine to find specific things they need or want from the results page. If you know ahead of time what that is, you can **use these keywords to amp up the effectiveness** of your advertising copy to attract more traffic.

We're going to discuss other ways to generate traffic back to your offers, but keep in mind that most any of them can include keywords to help boost the power of each of these strategies.

## Article Marketing

Briefly, article marketing is a strategy to supply free article archives with interesting copy for their subscribers. You can use the keywords you've discovered with the Google™ Keyword Tool to help drive more traffic to these articles.

**The content should be entertaining and contain no more than 2% of keywords per total word count.** It should pertain to the niche you are marketing or to the general topic of an offer. It should not be about the offer you are making as this is against the rules in most cases. The keywords that you choose are most effective in the title and subheadings too.

You can put up to three distinct keywords in each article and articles should remain short, less than 500 words. If you don't have a flair for writing, you can always outsource the creation of multiple sets of articles and just spend time collecting the right keywords for each.

What's the purpose of all this work? To sum it up in three words: The resource box. All this work is going to be to get more exposure for your offers on your website.

The only place you're allowed to put links to your outside ventures is in the resource box. Policies about what types of things you can link to vary from one article directory to another. Some will allow you to link directly to a sales landing page, others won't.

## Advertising In Times Of Recession

In that case, you'll have to take the traffic to an intermediary area, like a blog, where your offer links are displayed too.

**You want to submit to multiple directories,** even if it's the same article. Each article directory has different audiences. You probably won't have time to do all of this, so you might want to look for a service or a software package that will submit your articles for you once they are done. Be sure that your resource box is pointing to the right areas to bring the traffic back to your site.

## Blogs

Blogs are very popular and can be used to capture traffic. You can set up your own blog very easily at [www.hostgator.com](http://www.hostgator.com); you can get the blog set up and installed for as little as \$7.95/month.

**There are two ways to reap traffic from blogs.** You can increase the number of subscribers to your own blog and use it as an intermediary step when going from restrictive sites like Ezinearticles.com or even Facebook. The other way is to use your blog to network with other blog owners so that you can comment on the same niches while driving traffic back to your sites and offers.

You can also combine this strategy with keywords by writing optimized content for the blog that makes it easier for Google™ to rank you. You will want to join Technorati.com or Bloglines.com and claim your blog.

## Advertising In Times Of Recession

If you have a Facebook<sup>tm</sup> account, you can generate intense interest in the right niche by listing your blog within an application called Blog Networks. **All you have to do to get people more interested in your own blog is to fan their blogs** and let them know you have a blog too. You can even befriend people by saying you've read their blog so that you are networking with other bloggers in that niche on Facebook<sup>tm</sup>.

Once that happens, you can comment on those blogs with relative impunity. Unless you are outright spamming people, you will have started to develop relationships with the bloggers themselves and they may be more willing to let you post comments with links, especially back to your own blog.

If you have offers there that others can buy, that's even better for you. **It's just a way to network and generate traffic from multiple sites around the Internet.**

If your blog gets really popular, you'll climb in popularity in Technorati and might even be quoted on a mainstream news site, generating instant traffic for you. Some people like blogging in video format on YouTube<sup>tm</sup> or BlogTV<sup>tm</sup>.

Either way, **always have a link back to your offers** to get the traffic from one site to the other and be sure to mention it in the video too.

## **Groups And Forums**

The number of groups and forums online have grown over the years. It used to be that only Yahoo! Groups was around; now, even Google has a Groups area.

These groups started from basic Usenet groups that were like electronic bulletin boards that first appeared on the Internet when it first started. They were basically informational and anyone could start a group. Thus, many did, and now, you have a wide range of groups in many different categories.

You can go into any of these groups and find the category that matches your niche and discover hundreds of groups that you can join and start to participate within. Just make sure you understand what the terms of your participation entail.

Moderated groups will be much more stringent in what you can and can't post.

Some will allow you to put signature files in your posts where you can list a URL back to an offer, while others might not. You want the ones that allow you to link back to your offers and use signature files to automate the process.

## Advertising In Times Of Recession

**Forums are like groups except much more highly specialized.**

They started out as meeting places for webmasters and many of them still have a very technical bent, even when the topic is Internet marketing instead of HTML.

Some popular forums are [www.warriorforum.com](http://www.warriorforum.com) and <http://forums.digitalpoint.com> . These two have separate areas for Internet marketing and subcategories on affiliate marketing too. The audience here will consist of more business-to-business transactions, unlike the groups.

In the groups, you will find just about anyone from any walk of life who just happens to have an interest in that topic. The forums, however, tend to be for people who are actively engaged in some commercial or technical activity that requires more in-depth knowledge of the niche.

**This is where you can go to ask questions to help you increase your advertising effectiveness.** You can ask questions about different affiliate networks and/or recruit people to them yourself.

People are genuinely interested in helping each other, and if you've found something that can make money for other people, as well as yourself, no one is going to be upset if you post the link and get a sign-up bonus too.

## Press Releases

Another way to generate interest for your new business activities or offers is to just issue press releases about them. Since a press release is used to notify people about what's new in your business, they aren't going to deny you the right to promote your business, unlike article marketing directories that limit you to a resource box.

**You can write thorough press releases detailing your new content or business activity and give substantial contact information too.**

What's nice about press releases is that **search engines love them**. They are newsy, they are timely, and they notify people when something comes up.

They are ranked highly on search engines when they first come out. It's not hard to write a press release and you can use the same strategy of multiple press release submissions to saturate the Web as you would with article submissions.

## Social Bookmarking

This is a somewhat underutilized technique that is actually quite powerful. Don't wait for someone else to discover your content and bookmark it. Instead, **bookmark your content to submit it to the directories and social sites the minute you publish it.** This provides ample time for other people to start rating it and pushing it up in exposure.

You also want to notify people that are coming across your site that they can vote on a particular article or piece of content.

**Use a toolbar in a blog to let them Digg it or Stumble it.**

There are so many social bookmarking directories out there that if you use a toolbar beneath each blog post, you will have a better chance of getting more votes. In WordPress<sup>™</sup>, there is a plug-in you can use that will put that social bookmark toolbar in your posts and make it available to your readers. **It is called Gregarious.**

Otherwise, you don't want to go one-by-one to add your content. You should use a utility like [www.socialmarker.com](http://www.socialmarker.com) to add the content to all the social bookmarking sites in one shot. It saves you time and gets you instant press.

## Advertising In Times Of Recession

**Make sure to submit it to StumbleUpon™ and Digg™** as these social sites have specific features that can help you get more traffic back to your offers and content.

**Tell all your friends and partners to bookmark and rate** your content too as that will help to get it going to amass more attention.

In Digg™, you can even network with other people and get a circle of friends together and give them a “shout” to let them know when something new is added to this site.

That way, they can go and rate it; you can also do the same for them. Hopefully, some of **these strategies can help you drive traffic** to your advertising and will lead to better conversions down the road.

# Use Social Networking To Augment Your List

*The newest and most burgeoning area for advertising is social networking.*

Many Internet marketers aren't sure how to make use of this new resource, so they avoid it all together. That's a mistake. More and more people are joining social networking sites like Facebook<sup>™</sup> and Twitter<sup>™</sup>, making them ideal sites to find traffic and increase the subscribers to your contact lists.

**There are some definite rules as to how you can go about marketing on these sites.**

Solicitation or harvesting emails from your friends and acquaintances is not allowed. Facebook<sup>™</sup> even puts emails that are displayed in an image form so the harvesting of people's emails is going to have to be done manually, if at all.

Someone has to visually look at the image to see what the email address is, which isn't reasonable for people with thousands of friends. In addition, just getting on for the purpose of increasing your marketing list can get you in hot water pretty fast if you don't know what you're doing.

## **Advertising In Times Of Recession**

If your account sends up red flags that you are a marketer who is only interested in making as many contacts as possible so you can spam the newsfeeds with your offers, you are likely to be banned fairly quickly.

**You can advertise within social networks in a variety of ways,** but many marketers don't understand how to do this. You can use the proper channels within the sites, like Social Ads for Facebook™, or you can choose to post links to affiliate ads in Twitter™.

Each site has their own policies on what is or isn't allowed, but even so, you can't spam people or solicit them directly on these sites without drawing unwanted attention from the administrators. Knowing that, let's go over some of the proper ways to use these sites to augment your advertising impact online.

## Establish A Social Networking Presence

There are numerous sites you can try to get into to start establishing a social networking presence. Try any of the following to get started:

- **Facebook™** – This is a social networking site that was originally set up for college people or young professionals to connect with their peers. Now, it's for anyone who wants to connect with anyone else and is not limited to just college students. You can set your account to a regional network if you want to network with people in your local area. You can also invite people using your address books. It's a great way to find people online that you might have lost touch with years ago. It sends out an invite and people can see a public listing. If you both mutually accept a friend invitation from each other, then you are both able to see each other's profiles. Otherwise, the connection is never made. It has to be two-way or neither gets access to the other's profile. For that reason, it can be a little harder to connect to people on Facebook™ than other sites like Twitter™, but it's also a site with plenty of interesting ways to connect to specific demographics that you want for your business.
- **Twitter™** – This social networking site has been referred to as a “micro blogging” site. That's because the entire interaction on Twitter consists of posting 140-character or less updates of what you're doing, which is also called a “tweet.” You can add links to those updates. There is an entire culture surrounding Twitter and how to interact effectively with others. The thing to understand is that you can follow people's tweets, and then hopefully, they'll

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be interested enough to follow you back. They have a separate profile area where you can talk more about yourself and your business.

- **Digg™** – This is a social news site where people can post their news stories and try to get them voted on. The ones that are voted on the most by the people on Digg™ get on the front page and amass large amounts of traffic.
- **MySpace™** – This social networking site is for a younger crowd than Facebook. The profile designs are more open to your own tastes, instead of the Vanilla layout of Facebook. It all depends on what demographic you are trying to connect with whether you would opt for Facebook or MySpace.
- **LinkedIn™** – This is a networking site for business professionals. It can be a great place to network for a job or to expose your business to other business people or professionals.
- **StumbleUpon™** – This is a social search engine that serves up “stumbled” pages to its users. It can be a great place to submit your content and watch it get lots of attention.

**In short, establishing a social networking presence strategy is a very important part of online advertising.**

## How To Create The Right Impression

**Marketing on social networking sites is different than marketing on other sites.**

You can't just post a profile, add all kinds of advertising to it, and wait for people to ask you about your products and services. *This is not a landing or sales page. It is a profile.*

What people want to see on a social networking site is a genuine and authentic personality, not a sales offer.

**If they get to your profile and it feels too commercial, they are likely to never befriend you or will quickly unfriend you after they accept.**

The key to building a good presence on a social networking site is to fill out a profile using yourself as a brand.

You should be the person who represents this company or offer and you should be an interesting personality. You shouldn't be an obvious marketer or people are going to be turned off, unless they are also online marketers.

Fill out the profile as best as you can. Don't skip over your favorite books, movies, activities, or anything else. Try to be as thorough as you can and try to choose things that resonate with the niche you are marketing.

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In other words, if you want to connect with people who would be interested in buying your gourmet confections, you might want to list favorite recipe books as some of your good reading.

You might want to list cook shows on TV like Emeril Live. Why? **People will search for other people who have similar tastes** on the social networking site and you will come up as being one of those people, and thereby, will be interested in befriending you based on your common interests.

You also need friends to make friends on these sites. The more friends you have, sometimes that makes others want to friend you more too. Start by generating a core group of friends from your immediate contacts of family and friends.

Use the Friend finder to find people with similar tastes and try to befriend them. Don't immediately solicit them; instead, engage them on a personal level and show them that you can provide value to them in this relationship.

Engage your friends at least once a day. You will see what they are up to in the newsfeeds.

From there, you can comment on their status updates and engage them in conversations. Always take a conversational tone, not a marketing tone.

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Then, if the opportunity arises where you can provide a service to someone, you can post a link or send a private email telling them how you can help them out.

**It's best to try to move them off Facebook™ or Twitter™ to collect more personal contact information and try to get them subscribed to a site that is owned by you, not some third party.**

One way to do this is to create content that includes your ads or links to your offers in blog posts, articles submitted to an article directory, press releases, online videos, and even podcasts.

Advertise these instead of the offer directly to get your friends to visit the content and have the opportunity to connect with your offer off the Facebook™ site or Twitter™ site. If they like the content, they might be on the lookout for more and more of your status updates and you can convert some of these people into buyers.

At the very least, moving them off these sites and enrolling them in trial offers, contests, forums, and the like can get you better contact information. This eventually helps you to build a bigger contact list that has given permission to be contacted via email directly and not through a third-party site.

Once you get the hand of "hanging out" in social networking sites, you will find that they are definitely a gold mine of traffic just waiting to be cultivated by the right person.

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You start to engage people on a more personal level, get instant feedback on things you are doing, and get in on the bottom floor before this area becomes saturated with Internet marketers.

### **As You Grow, Find Ways To Cope**

*There's no question that engaging people one-on-one is very time consuming.*

It's not unusual for good marketers to have friends and follow lists in the thousands. How can you possibly maintain this level of activity with that many people? You have to get smart about how you function on these sites. **The bottom line is to cultivate relationships that create value for both people.** You have to find a way to remain present, even with more people engaging you, and you have to set up campaigns to try to move as many people off these sites and into your other sites' sales funnels as quickly as possible.

One way to do this is to establish some sort of content stream that advertises your products and services. This is a one-to-many approach that works well with thousands of subscribers.

Then, you can have a portion of some online seminar be devoted to one-on-one connections for a specific period of time, like a limited time call-in. Those that get through get their questions answered and those that don't will have to wait for another opportunity. Do take time to read the stream of updates and reach out and touch someone electronically.

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Another method that you need to adopt is to automate as much as you can. You may find that you've got accounts on Facebook™ and Twitter™. You can synchronize some updates on one site to show up on the others by virtue of applications like FriendFeed™ within Facebook™. This keeps you from duplicating your work and allows others to see what you are doing on other sites. It makes things a whole lot easier for you in the long run.

There are so many different applications on Twitter™ that are helpful for managing large social networking accounts. You have TweetLater that lets you schedule Tweets throughout the day so that you don't have to be at your computer to continue establishing the online presence.

This application will also let you send out a direct message when someone follows you or even automatically follow him/her back as a courtesy. **Be careful with automatic direct messages...** they are a way to spam your new friends/followers. Use automatic messages carefully or you will find you have chased away a good portion of the people you spent the time attracting.

Explore as many applications within these sites as you can to continue to be a force within these sites and generate more friends and followers to your other sites.

## Conclusion

As you get more confident on these sites, you will want to explore advertising opportunities on them too. Within Facebook<sup>™</sup>, for instance, you can set up Social Ad campaigns that show ads to the right of the screen for specific targeted demographics.

It's another media for you that is online that can reach a large number of people relatively inexpensively.

As the sites change and evolve, more and more opportunities for generating traffic and advertising will open up.

These social networking sites are keenly interested in finding ways to make money, not just for themselves, but for their users too.

**You can expect as the Internet and the sites on it evolve that even more ways to make money by advertising online will appear in the next few years.**

It's important to be on the cresting wave when it finally reaches full force. By then, your systems and skills are already in place to gain maximum profit from it. At that point, all your knowledge and work will work to carry you safely to shore and it will seem as if you timed it perfectly and the ride was a graceful swoon into online prosperity.

**John Delavera and {--your-full-name--}**