



Online ROI

As managers demand more evidence of bang for the buck in marketing expenditure, **Fred Schebesta** outlines ways to maximise your online marketing campaign's ROI.

At the moment, search engine marketers are facing major developments and problems with how they can drive traffic to their websites.

Web traffic prices are up; top search engine rankings cost more, premium web spots are harder to book, quality email databases are more expensive to buy, and the investment required to build a website that will cut through is growing. Managers, faced with the demands of a return on investment (ROI)-based marketing model, are thinking and acting short-term.

However, to achieve the best results when investing in natural search engine marketing and

building a solid database, online marketers must focus on long-term strategy.

Challenging current methodology

There are many factors that online marketers must consider as website traffic prices continue to increase. Those who rely solely on banner advertising, paid search engine marketing and natural brand traffic to drive people to their website will encounter problems in achieving a maximum ROI.

Banner advertising is becoming more expensive, less effective and has a limited amount of traffic. In general, banner advertising is purely a game of volume as marketers buy excessive amounts of banner ads to achieve desired results. It is certainly dangerous to rely overly on banner advertising as it is unreliable with competitors usually vying to outspend each other while advertising in exactly the same places.

Other challenges to the ROI success of banner ads are pop-up blockers and corporate firewalls, while consumers can install simple software to block ads from any website. But the fundamental issue remains that consumers are just not clicking on what are often irrelevant and non-contextual banners.

One mistake many online marketers are making is not considering natural search engine marketing. Paid search engine marketing has now become too expensive to consider in developed markets such as the US and UK, where companies are outbidding each other and escalating the price of each paid search ad. Online marketers who do not consider email databases will also pay the price in the future. It is important that marketers recognise that purchased email databases are often poor quality and over-spammed, and that the click-through and conversion rates of rented email databases are decreasing.

Research suggests that many people receive an average of 100–120 emails per day, so for people to read an email it has to be highly relevant or it will be

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Fred Schebesta, Freestyle Media



immediately deleted. Ignoring the construction, maintenance and farming of an in-house customer database will only slow online asset growth.

While the testing and tracking of such measures as click-through and conversion rates in online campaigns is obviously important, conversion optimisation is something that is often ignored.

It is crucial for businesses to determine what is benefiting their online marketing campaign and what is not. This will ensure an accumulation of knowledge about their online customers and the habits learned via methods such as email databases.

Long-term ROI

There are ways online marketers can use online traffic generation tactics to reduce media spends and drive more traffic. To do so, it is necessary for marketers to prioritise their online marketing and assign budgets to projects that will produce long-term results and help assure maximum ROI.

1. For banner advertising to be effective, marketers must face the fact consumers are simply not clicking on them. It is therefore important for banner ads to be both targeted and contextual to help ensure they attract interest from customers.

2. Online marketers must understand the importance of true search engine marketing, which involves the combination of natural search engine optimisation with paid search engine marketing.

Combining these together can dramatically improve online sales and ROI with an audience already searching for your products. Although paid search engine marketing over time will increase in cost, natural search engine marketing will be initially more expensive but less so over time. Therefore, it is crucial that online marketers take a long-term approach to their online marketing campaign to ensure that they can maximise their ROI.

3. For online marketers to achieve the most out of using email databases it is crucial for them to continue to invite customers who are familiar with their website. This is cheaper, easier and frequently results in more sales.

To improve the testing and tracking of online campaigns with click throughs and conversions, marketers must make adjustments to their campaigns based on results. Understanding the core insights to campaign target markets and how they buy the product or service online makes it easier to market.

The current state of website traffic in Australia has led more innovative online marketers to take a long-term approach to planning their marketing campaign strategy by building their database and by improving their core performing traffic drivers. This long-term approach will provide a solution to driving better return on investment results with less money. **vi**

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