## **)** PaperChain<sup>®</sup> LINK & LINK

## Dūde, print is so twentieth centūry. Online is where it's at...or is it?

In the past few years more and more advertisers have been moving some or even all of their marketing on to the Internet. Even very small businesses have decided to dedicate some of their limited resources to online marketing. Internet advertising providers have become a serious competitor to our industry.

Why does online advertising seem so attractive to businesses? Here are a few things we hear from clients:

- <u>**It's Cool**</u> Those of us in advertising know the power of words like "new" and "exciting" Because it is relatively new and because it has such an impact on society, the Internet gets a lot of press. Web designs use state of the art graphics including animation, streaming video and other attention grabbing features.
- <u>The Web is information dense</u> The Internet is designed to carry information. Customers can communicate virtually every detail about their products to consumers. A website can contain the company's entire inventory.
- Internet advertising gives the advertiser a long reach They don't call it the "World Wide Web" for nothing. An advertiser's ad on the Internet can be accessed from any PC anywhere on the planet. On the Web advertisers can broaden their customer base.
- <u>Advertising on the WEB is cheap</u> A simple website is very inexpensive to produce and lasts for years. Because they do not have to purchase paper or pay for distribution, online advertisers can offer advertisers very low rates for their sites.
- Internet Advertising can be easily tracked Businesses receive reports of how many consumers look at their site. Because the information is tracked by the server, it is a completely accurate picture of the web site's activity.

Internet advertising certainly has a lot to offer, but it's not time to haul our presses to the scrap heap yet. Print advertising is alive and well and the free and community papers are the healthiest sector of the publishing industry. A term from the computer industry is an excellent description of free and community newspapers – USER FRIENDLY. Print advertising is accessible to everyone, and is easy and convenient to use. While online advertising does offer some advantages, your advertisers should consider the following before putting all of their eggs in one digital basket:

• <u>There are holes in the web</u> - A slight majority of Americans have access to the Internet. In the last ten years the percent of Americans online has grown from virtually 0 to just over 50% (152 million of 300 million Americans accessed the internet in 2006). This growth has slowed considerably, representing a classic marketing curve; most of the people who want Web access now have it, so future

**PaperChain**<sup>®</sup>



growth will be incremental. This means that almost half of potential customers have no access to online ads. Several key demographic groups are especially slow to go online, including the group with the largest disposable income - seniors.

- **The Web is a victim of its own success** The growth of the Internet may be its undoing. With so much data available online, the specific information you need becomes increasingly difficult to find. As an experiment I "googled" *Pittsburgh Pa Restaurants*. My search was quite successful I received 1,280,000 hits. This is just too much information to plough through to get dinner. Presented with this much information consumers find making choices difficult. The business owner that gets upset because their ad appeared on the same page of the paper as a competitor should do an online search for his/her business.
- How will consumers find you on the web? If a business is trying to market themselves through their own website, they will need to find a way to drive traffic to their web address. One of the best-known names on the web is "E-bay". People who have never double clicked in their life have heard of E-bay. In spite of their name recognition and their expertise in online marketing, E-bay uses traditional media to drive sales. E-bay spends millions in print and television advertising on their "You can find IT on E-bay". Because of the above-mentioned glut of information on the web, businesses cannot hope shoppers will stumble on their site while "surfing" the web. It's a big ocean out there, if you want the "surfers" to find you, you have to point the way with a good print program.
  - Go "GOOGLE" vourself pal "Search engine marketing" is one of the buzzwords of Internet advertising. Many Internet consultants tell businesses how to get their information to be prominent on sites like Google or Ask.com. This is a good thing because if consumers don't have your information readily available (For example in their local community paper), they may look for you in this way. I conducted another online experiment and "googled" a local carpet store chain. I chose this company because they have an unusual name and multiple locations. In the 1st page (Items 1-10 of 954) here's what I found in addition to the company's official website: the websites of 2 local competitors, one online competitor guaranteeing the "lowest prices anywhere", one free "Dollar Stretcher" chat room that advised shoppers how they could save 50% off my target's store price by buying from the manufacturer including contact information for the factory and one blog saving this about my target "they are a total RIP-OFF, their employees LIE and their installers are TERRIBLE – don't even think of buying carpet from these JERKS". If you have someone who loves the web, try this approach with them, have the customer imagine they are a consumer and have them google themselves. It can be an eve opening experience.
- <u>The virtual world is like the real world you only get what you pay for -</u> Though you can get a website for just a few dollars, an effective web presence will require a significantly larger investment. A poorly organized site is more likely to turn off viewers. Effective web designs strike a balance between being

**PaperChain** 



too dull and being too complex which takes too long to load (There are a lot of slow computers out there and many people still use dial-up connections) Web sites need to be constantly updated and changed, since the internet is primarily an information source your data has to be kept up to date. For these reasons a business must have an experienced "webmaster" and good ones aren't cheap. If a firm is serious about Web advertising, they need to consider purchasing sponsored links on search engines. The sponsored links are the first items that appear on the results screen of sites like google. Even if a user keys in a specific business name, these sponsored links will appear first giving the paid advertisers prominence over the unpaid listings. Putting up a site and hoping someone will find you may be inexpensive, but it is not an effective way to promote a business.

It's not how many people look, its how many buy that counts - Online advertising firms like to talk about pay-per-click models where the advertiser only pays for the people who actually see their ads. They claim that clicks equal sales but this is not the case. The ease of "surfing the web" means many people will casually click on sites out of idle curiosity with no intention to buy. A study by CNW Marketing research found that shifting advertising from print to the web cost U.S. auto dealers 500,000 new car sales in 2006. CNW president Art Spinella said this "You get lots of hits, but CNW studies have pointed out numerous times that newspapers drive people to showrooms better than any other source." Further clouding the issue of pay-per-click advertising is the increasing incidence of "Click Fraud". In an article titled "The dark side of internet advertising" Business Week described Click Fraud as: "a dizzying collection of scams and deceptions that inflate advertising bills for thousands of companies of all sizes." To make a long story short—advertisers can't pay their bills with clicks.

With all its faults, Internet Advertising is here to stay and it can be an important component of a multi-media marketing plan. This is why many free and community papers have developed excellent online editions of their publications. The Internet is a true technological marvel but the convenience and familiarity of print means that it will be with us for a long time to come. The development of helicopters in WWII convinced many forward looking people that we would all have a flying car in our driveway by 1970. Well, it is 2007 and we are still driving on highways. The technology was cool and it worked, but it just wasn't practical - much like the Internet today. Inexpensive, easy to use, and convenient, there is simply no better way to get information into the hands of consumers than free and community papers.