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# A True Battle in Internet-based Market

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*-------------A record of my Internet-based marketing operations*

This is an era of network. Even though dot com companies have slumped from the top of the wave, no one doubt the world based on Internet has arrived. Just as we are accustomed to travel on vehicle driven by engine instead of animals, we have been used to depending on network service (e.g. e-business　icq　email　VOD　multi-game etc.) instead of traditional service. Only several years ago, people in many countries tried the life in network as playing a game. Now, maybe this game can be changed into a new version: life without network.

As the network comes into every corner of people's life, businessmen of marketing and sales confront a new challenge: how to use this new channel to sale their products or service. This challenge is not only for dot com firms but for traditional firms, which want to improve their competitive advantage. The additional value of network is worth attentions from traditional firms to take the electronic business into the firms' operation activities.

It is my great honor to see the process of e-enablization and take on the marketing on network of a tradition firm.

This is a big tradition security firm with 3000 employees and a relative long history in China. It has created another and yet another miracles with the development of

Chinese stock market. However, the influence of e-business pushes this successful winner in traditional business to a crossroad: to keep on or to change. With the encouragement from achievement of SCHWAB and ETRADE of United States, the small security firms in China take a most serious challenge to big firms with sufficient preparation and firm decision, which threatens the big security firms' position as line leaders. It presses the big firms to face the fact that only if they can win in the new internet-based market, can they keep their position as leaders in a new era.

Our firm has a website. Suppose it is given a name of ABC.com. We develop network service, including stock exchange, stock information, and broker service. Soon we found that not any website attracted subscribers and customers. Not all the visitors bought our service. It seems obvious, but how many marketing men really understand it? Many firms thought e-business as only building websites.

So, I set out marketing to improve the reputation of the website of our firm. When I was in a dot com firm, I did the similar promotions of the name of the dot com firm. From such experience, I start to sale the website of a security firm.

The first step of my marketing is to do some correction of our website. The quality of form and content of the website is the base of further development, just as the quality of products and service is the key elements of traditional firms. I built an advertising system at the beginning of website improvement.  Some colleagues asked me why choose this as the first action. We didn't intend to get profit by posting advertisement on our website. In fact, I want to use the track function of the advertising system to get

information of visitors of our pages, so that I can reorganize the pages and structure of our website according to their interests, habits and something like these. (I haven't found other software which is helpful to reorganize the website.) The advertising system I choose can follow up visitors' cookie, through which we can know the visiting tails of visitors in the website. The statistics of such information will help us to know the relations between pages and finally find out the bottleneck, which obstructs reach to the pages from which we can get profit.

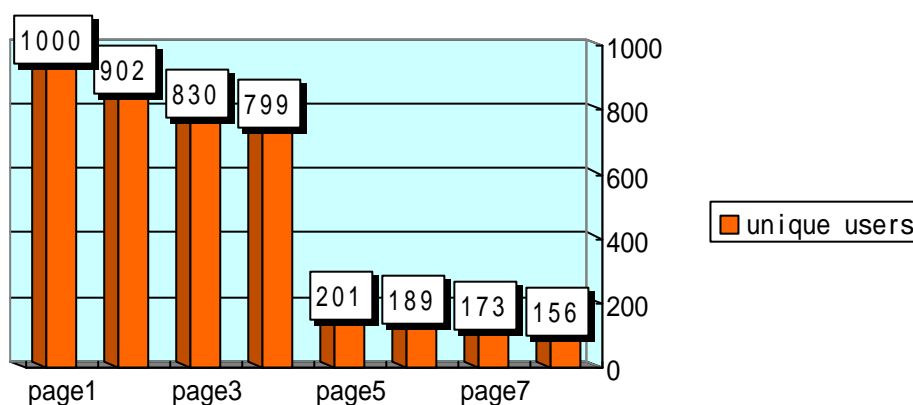The statistic results are showed in the following figure:



Figure 1

This figure shows a page order. The eight columns denote eight pages, one after the other, and the number on the top of each column is the number of visitors. A visitor starts from the first page, then the second, and finally, to the eight pages, where the visitor can buy or sell stocks. Until to the eight pages, can we get commissions from stock exchange. All these eight pages are correlated into a continuous process.

Through following up the visiting process, we found that, the visiting number slumped from page 4 to page 5, indicating the bottleneck is in page 4. We did some correction of page 4 to eliminate the bottleneck. After such improvement, number of visitors reaching page 5, and finally page 8 was increased under the same condition as before, showed as figure 2.
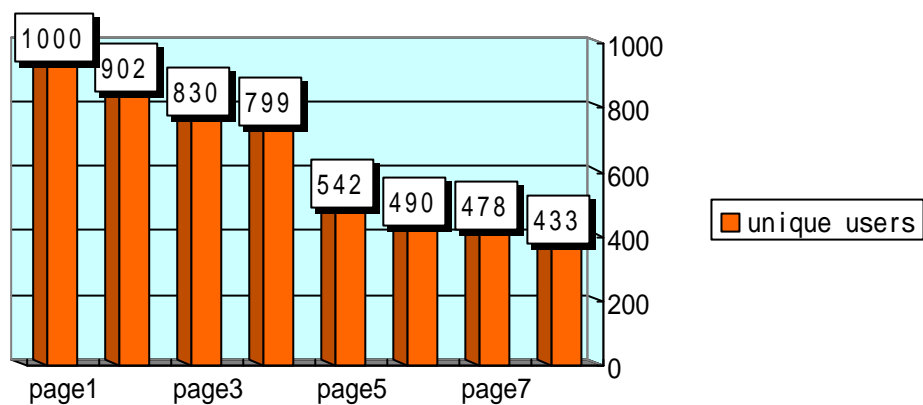
Figure 2

Another way to increase the visiting number to final page is to reduce some unnecessary pages. Still use the above example, we took out three pages of them and were pleased to find that visitors to final pages increased. After careful studies, we took out or incorporated some pages to avoid visitor decreasing for technology problems or impatience. At the same time, we found that one of the pages had too much information for subscribers to understand. So we divided it into two pages for less complication. After adjustment, we finally had 6 pages, and largely increased the reach rate of the final page.

Statistic number told us that 74% visitors of our website didn't subscribe or open an account of stock exchange. We investigated the abandonment, and found out obstacles. We asked them to provide too much information if they wanted to subscribe or open an account. Visitors felt impatient and unsafe. We divided the subscription sheets into several sub-pages, which were filled at different sections without the feeling of obligation. For example, when a visitor gets into the "chatroom", we will remind him to have a nickname by a popup. After he stays in chartroom for a while, we suggest him to get a passport for the next visit. When he comes to the "Forum", we tell him that maybe he should leave his email address for facilitating others to answer his message. At the same time, we suggest him to subscribe our free e-journal of securities study. After he becomes our subscriber, we remind him to give us some suggestion for our website and service and give some gifts to him for encouragement or invite him to take part in a lucky draw. If he is interested in stock exchange, we will set him information about stock exchange, and encourage him to open an account of online exchange.

Using the same way, we adjusted or reorganized other key processes and affiliated processes. After these changes, we did a survey, indicating that visitors have better understanding of our pages. Technical statistics showed that visitors stayed longer in our website and the page numbers visited by a single visitor greatly increased. Our page view is more than 3 times as before, and the profit from online exchange increased. (What must be pointed out is that we didn't do special promotions to publicize our website. So the increase of subscription is mainly due to the adjustment of pages.)

From such adjustment process, we find that change of the form, not the content of the pages will induce a lot of good changes of visitors. From the jump-up numbers, we gradually know the habits of our web-customers. However, we haven't yet solved the problem of facing personality for cost-profit consideration. Individualized pages need too much system support, which induce disproportional increase between cost and profit. So the improvement of website paused here.

With the adjustment and improvement of intra-process, we set out enlarging our market. What's the usefulness of a website with perfect service, abundant content and complete function, if no one know it?

Unfortunately, we met budge reduction, constraining our actions in inexpensive methods. I searched for good marketing plans from other websites. Using some fundamental marketing methods in Internet, we succeeded to break through the landmark of page view ---- one million. We did a statistics about the contribution of different methods.

1   Search engine registration. We left this work to a small technical firm, whose software can easily do such investigation by registering at all websites with search engines. It is much cheaper than doing it ourselves. The investigation results show that search engines have a little use for getting to our website----about 2.21% of the page view is from search engines.

2 Affiliate marketing. We made cross-link with other websites by banner or button. Because of the specific interest of our customers, our banners or buttons are popular on other similar websites. 5.32% of the page view is due to cross-link.

3 Viral-based marketing. We did large scaled viral-based marketing through email. We sent a flash as well as the ordinary research reports to our subscribers. The flash contains questions of security knowledge and many links to our website. We encouraged them to find answers on our website. This method attracted a lot of visitors. The emails we sent out have special codes for statistics. Viral-based marketing brought us about 33% of the total subscribers. In the following marketing, we developed a tool, which can issue the flash at BBS of well-known websites. It improved the efficiency greatly.

(The methods above will bring different effect for websites of different lines.)

Finally, we were successful to get money to do more direct marketing. We spent more on traditional market because the price of ad. is relatively high in traditional market. In fact, we can promote the name of our website much cheaper in the online world than in traditional market. We first ran a small quantity of banner advertisements on well-known portal and vertical websites. We didn't care about the direct effect of subscriber increased from the ads. but about the clickthrough rate, which is important to the ad. effect and cost-benefit consideration. We used as many as possible of different designs and forms of ad. and studies the customers' reaction to these ads., which is helpful for ad. designers and our decision-making. We run a great deal of banner

advertising of those most popular ads. among customers. The effect of these ads. is very good, for the RTO is 7%, much higher than the average level of 1-2% of online banner advertisements. These results made us very exciting. Through a larger scale of banner advertising, the page view of our website reached to a new peak: 1.7 million, which is the top one in websites of security line. (We also run some advertising by CPA to increase subscribers and customers opening an account for stock exchange. It had some effect too. But the effect and expense is reflected directly in the contract. That's to say, it is due to the ability of negotiation, not marketing.)

During those experiences, I find that the intra- and extra-marketing mentioned above can be fixed up. Not much experience and creation is need, but follow the process I summarized above. Obtaining identifying from the firm, I extend the concept of Internet-based marketing. I started to widen communication channels correlated with network.

Through China mobile manual work secretary station, we start our service of short message. We can send messages to our customers according to the customers' setting. Our brokers will give them suggestions at proper time. We provide much different information for our customers to choose when and what message they want to get. In some of our sub-firms, customers can order by mobile phone. The following step will be the development of CDPD (Cellular Digital Packet Data) and WAP.

When we have reached a relatively high level of websites in security line, we turn again to our start point of last term but at a higher position----adjust intra-structure of

our website. We are preparing to give customer the right to "tailor" information according to their personal interest and habits. We are in the process of modularizing pages. Customers can build their own pages by the move and click of mouse. We are thinking of making track of customers' actions. For example, find a customers interest by the kind of news he often click and send more such news timely to him. From such track of customers' characteristics, our brokers can provide investment portfolio for a particular customer.

It seems that we need to take a course of e-CRM (electronic customer relationship management).