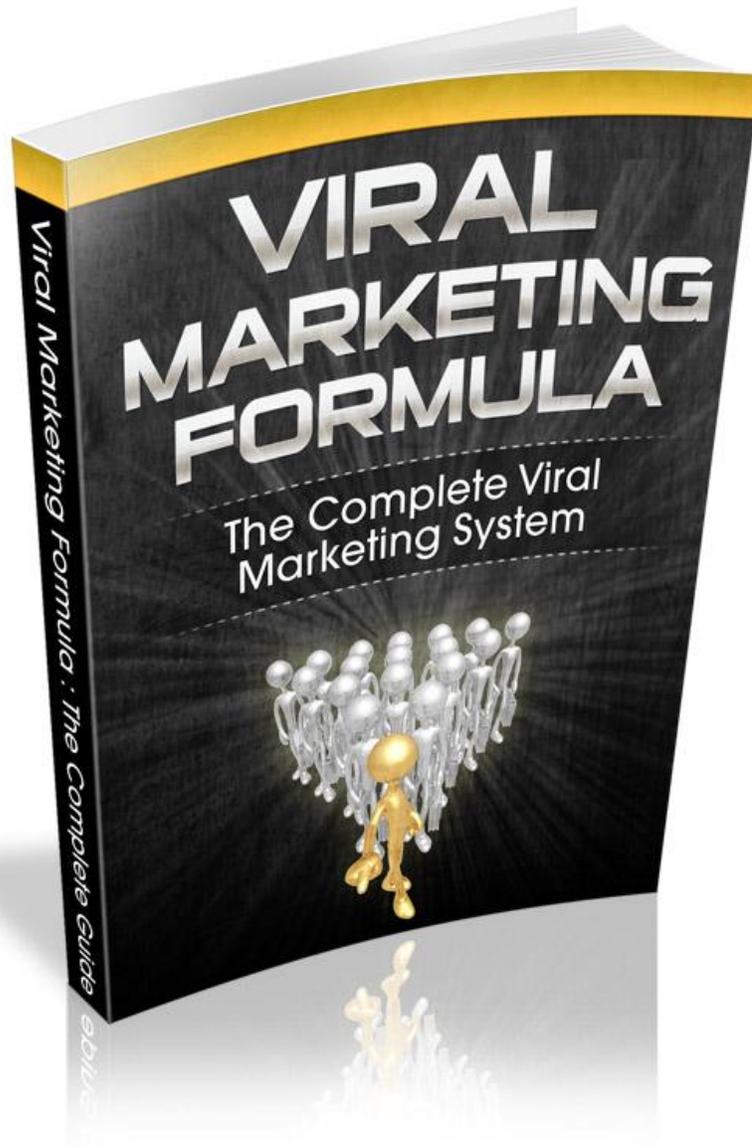


## Viral Marketing Formula



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## All About Marketing

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Before we get into the specific aspects of viral marketing, what it means and how to implement it, let's spend a little time discussing the concept of traditional marketing, what it is, how to implement it.

There is nothing 'magical' about the concept of marketing. Simply put, marketing is any action that puts your company or its products in the minds of potential buyers of your goods and services.

There is some magic however in successful marketing; a subtle blend of knowing your target audience and what will both be memorable and yet not overshadow the key elements that you need the target audience to remember. This, of course, takes research into what the potential sales of your goods or services might be as well as understanding possible pricing margins and the profitability that is possible for the given market; the costs of marketing can't be such that your efforts won't pay for themselves in the long run.

There are essentially seven different aspects of marketing that need to be considered by most physical good manufacturers. They are normally referred to as the "Seven Ps," which include:

- Product
- Price
- Place

- Promotion
- People
- Process
- Physical Appearance

Each of these aspects could have an entire book dedicated to them and how to best implement a marketing scheme, but for now let's simply define these Seven Ps in as little detail as possible:

### **1. Product**

Obviously the most important part of any marketing scheme is the product itself—some things sell themselves and simply need to be introduced to the public to be recognized for the value they have. Others may be necessary and life altering, but may not be clearly understood, or the value may be undermined by availability from other resources. But the product itself is by far one of the more important aspects of what and how to market, and therefore is number one in the Seven Ps of marketing basics.

### **2. Price**

The next most important aspect of a successful marketing scheme is to match the price point to a level which people will pay, and which allows for enough volume of sales to maintain future advertising and development—without being so high that it encourages others to enter competition with you.

Finding a successful price point starts with looking at your customers and the market niche, then at any competitor's current pricing models and how customers feel about those price points. If you find you could sell for half the price of existing vendors, but the public believes the price of the goods is already fair, then entering too far below current market values may cause them to believe your product is of a lower quality or has less assurance of longevity.

An excellent example of a price that is unwarranted but widely accepted is diamonds. Except for the fact a diamond is one of the hardest natural substances and is as pretty as cut glass, it has very little value and is not that difficult to obtain or process. So why are they so expensive? Simply put, because the people in the business tightly control the price and help with marketing campaigns to set public acceptance of the existing price points.

### **3. Place**

Another one of the Seven Ps that is not as vital today in the Internet-driven world (but still bears thinking about) is the *place*—either where you will be presenting or obtaining the products you will be marketing. For most Internet-based businesses, this really boils down to the shipping model and company you will deal with to get the products to your customers. But for some, a physical retail outlet is still an important aspect of their business image and the way their company will be perceived.

There are other things to consider here, too. For example, one vendor providing cheaper shipping but not enabling you to deliver without signatures can be an issue—your customers might be annoyed at having to take time off work or go to another location to obtain the product they will be anxiously awaiting. Having to arrange a schedule or fight to obtain the goods may override any excitement your successful marketing may have created.

Of course, being able to physically hand someone the product in a nice bag from a retail outlet is the ideal scenario: but today most businesses deal at least in *part* with online and magazine sales. Other options may include sales at onsite locations such as exhibitions, conventions and fairs—all of which offer the same opportunities to stand out from your competitors as a retail outlet, but mean some additional planning and thinking ahead.

#### **4. Promotion**

The “P” for Promotion is a key attribute to marketing, and especially viral marketing. It is the aspect where you pump up the public's knowledge and understanding of your goods or services in any manner possible. Smaller budgets mean more clever marketing approaches, but some concepts you can bear in mind that should work regardless of the amount of funds available to your campaign include:

- a) Indirect approaches such as PR can be more effective than 'above-the-line' activities like advertising. Coverage in the kinds of publications your customers read is worth its weight in gold,

so don't be shy about approaching newspapers and magazines. Most journalists are keen to hear good stories, particularly if you make it easy for them by supplying photographs with a press release.

- b) For many new businesses, local coverage may not only be easier, it may also be more effective at generating sales.
- c) Know what works—look at how others in your field do their promotions to see what kinds of promotions have been successful.
- d) Don't underestimate the effectiveness of small-scale advertising in local papers, bulletin boards, and directories such as the Yellow Pages.
- e) Come up with a catchy slogan that customers can recall easily, and get involved in local community activities.
- f) Consider direct mail, tele-sales and the Internet advertising to win new customers.

With the proper planning and a vision of exactly what you're trying to achieve, you should be able to hit just the right *promotional mix* of advertising, direct marketing and public relations. In many cases, you can learn by examining how your competitors handled early promotion

concepts. Just be sure not to try and copy *theirs*—being unique and new is a vital element of successful marketing, viral or traditional.

## **5. People**

Your people can be your biggest asset, or your most visible deficit—even if you're the only employee of your company, the attitude your customers see from you at all times, (whether real or just perceived), has a major impact on how your business is perceived.

Ideally, you should reward existing customers in some way, and preferably in a manner that your competitors do not and to provide personalized service of some kind. It can cost you between three and ten TIMES as much in advertising revenue to replace a customer who has gone to a competitor, than to just keep them in the first place as a result of your companies positive perception and good service. So in some cases you can come out ahead in the long run just by losing a little on a few key transactions that would have taken time from properly servicing the majority of your customers.

One way to improve your customer relations is to welcome complaints, and to provide feedback to the customers who complain, letting them know that you value the input and what actions, if any, you are going to take based on their complaints. If you are not making changes, explain why. Establishing that you understand their position but cannot address it for whatever reason is the least you can do—provided doing so doesn't open you up to some kind of legal action!

## **6. Process**

*Process* refers to the methods and systems you have in place. These are what you utilize to deliver your products and track your customer satisfaction and sales as well as the costs, potential earnings and ongoing expenses per revenue generations. As far as marketing is concerned, it is perhaps the most important of all aspects of running a business. This is because with improper processes in place, you can neither understand nor extrapolate your *real* costs of revenue generation, and may very well be running at a long-time loss despite having profits being shown on the books currently or in the short term.

Some aspects that should be included in your processes should be:

- g) How to track after-sales services
- h) Informing customers of delivery status
- i) Methods for dealing with delays and back-orders
- j) Tracking and ensuring follow-up phone calls are made
- k) Obtaining feedback and complaints about ongoing issues
- l) Tracking orders and issues in a manner that allows easy lookup

As with most of the seven Ps of successful marketing, a great deal of time and/or money could be spent in this area, but careful, thoughtful and creative thinking can normally come up with processes that will work well and fit within most budgets.

## **7. Physical Appearance**

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Most of us know that the first impression of our company and products are likely to be the way our web site, letterhead, email, logo, company sign or flyer appears. Not only does the appearance of these items provide an initial impression it can also help shape your customers' overall concept of your company as they become more aware of other aspects of your appearance and the 'tone' of the business. There are basically three *styles* of design when it comes to physical appearance that impact your business, and those include:

1) **Graphical designs**

Covering everything from the logo and branding, to the style or 'type' of fonts you use, the graphical look of your company is vital to the image you will be portraying. Entire industries of graphic designers exist to help companies develop packaging, stationery, leaflets, promotional brochures, websites, corporate videos, CD and DVD-ROMs. Whether you use these or develop them on your own is up to you. Since quality and consistency are vital, this is one area that it is often well worth spending a few dollars.

2) **Product design**

Everything from teapots to trains were created with the help of designers. It is not enough to fulfill a function, you need to do so in a manner that people will accept and that is also being reasonable and cost-effective to produce. A good product designer can help you here.

### 3) **Interior design**

Whether a web site, the interior of a building, or the storefront of your convention display, spending time to develop exactly the right look can set you apart from competitors, or even improve your productivity.

## Marketing On The Internet

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Most modern campaigns will involve the Internet or at least a web presence of one kind or another in part because modern companies without a web site are likely to fail.

E-commerce or the act of sales that are made online or across the World Wide Web (www) is the fastest growing and developing segment of our modern economy. Even the smallest business can now reach a global audience and present itself in whatever light it desires. Facts worth noting about today's Internet marketplace include:

- m) There are more than 350 million people using the Internet and that number is growing daily
- n) Sixty-nine percent of the online population has made at least one purchase in the last 90 days. By 2008, two-thirds of U.S. households will be online shopping
- o) According to the January 2006 Trend/Forecasting report of The Dilenschneider Group, in the U.S. alone, the 2005 holiday season online shopping jumped by more than 35% from 2004
- p) The average income of Internet households is over \$66,790, making the Internet user a very attractive customer for you to target

- q) Currently most states do not charge taxes for sales on the Internet products shipped from outside the state. This loophole is being slowly closed due to the large number of Internet sales causing tax losses

### **E-mail marketing**

A related aspect of Internet marketing that can be as annoying as it can be effective is targeted e-mail campaigns. Improper use of this avenue has led to the use of so-called "junk" e-mail filters and huge campaigns against vendors and sites that knowingly send out millions of e-mails to any e-mail address they can harvest.

Junk e-mail is typically sent without regard to whether or not the person in question is a potential customer or not. Returns of less than 1% on these campaigns are common, and still considered a "success" because the costs are so low that any return seems worthwhile.

While e-mail is one of the most abused forms of advertising on the Internet, it can be a great way to start a marketing campaign. Use it carefully and correctly, especially with customer acceptance and *true* manned "removal" systems.

The key to successful e-mail campaigns is to target people who would actually *want* to hear from you about your product, and then to personalize your e-mails in such a way that it isn't apparent you are mass-marketing. Any search on "e-mail marketing" should turn up several companies and software systems to help you accomplish this.

(e.g., <http://www.campaigner.com> or <http://bronto.com/> ) Just be sure you act responsibly, or you may find your e-mails going into junk e-mail bins and all your marketing dollars wasted!

### **Newsletters (product updates)**

Often confused as e-mail campaigns, another great concept in modern marketing is to run an e-mail *newsletter* for disseminating information about your company, your products, upcoming specials, and customer success stories. Newsletters must be sent out regularly and only to customers who have not asked to be excluded.

This can be a great resource for contacting potential customers and keeping them excited about you and your products. And the fact that you only write one newsletter that is then distributed to thousands of customers can be a great cost saving over other methods of contact such as the phone or direct mail marketing!

Your e-mail newsletter needs to be informative and useful. If you sell camping goods, for example, then articles about getting your campfire started and maintaining your RV will provide stories your customers want to read. This encourages them to do more business with you in the future.

### **Websites**

A quality website is deceptively simple to use and difficult to create. Even if you don't have an online sales feature (which you REALLY

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should have in this day and age), having a web presence so that prospective customers can find your information, hours of operation, a contact form etc. is important.

## **Viral Marketing Defined**

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For most of us, the word “virus” has a negative aspect to it. We hear the word and think either of getting sick, of a nasty little bug that can *make* us sick, or of a computer virus which cost us tons of data and hardship at one time or another.

In fact, viruses are not necessarily bad, and most life on earth relies at least in part on them in one degree or another. Some people even argue that humanity itself fits the classic definition of a virus, infecting the planet earth for better or worse!

Classically, the definition of a virus is a *“small particle that lives as a parasite in plants, animals, and bacteria and consists of a nucleic acid core within a protein sheath.”*

In some cases this parasitic co-existence may actually benefit the host in one way or another, an existence known as a “symbiotic” relationship. It’s common knowledge that most viruses have the ability to replicate themselves without any outside assistance, simply by finding a medium in which they can exist.

In other words a virus, when introduced into a system, will make copies of itself. Due to their nature, most viruses are easily moved from one system to another as they replicate, causing them to spread quickly and easily from one host site to another.

When it comes to marketing and viral marketing campaigns, the idea is much simpler and focuses on the fact that most viruses (real or computerized) have the ability to replicate themselves without “outside” assistance. In this case a “viral” marketing campaign is one which allows or stimulates customers who are exposed to the “viral” marketing campaign to actively help spread the word themselves.

That is, they send your promotion piece on to other potential customers due to their excitement with the product it underscores or because of they found it entertaining as a result of containing something humorous, or worth sharing as the result of a gift or award option associated with the campaign.

Having such a built-in replication capability, just as with real viruses, it has the potential for exponential growth and can quickly spread a message to thousands or even millions of users from a single starting point.

Urban myths are a good example of such growth. Even though numerous websites debunk such myths, they continue to circulate widely. More than half the people exposed to them forward them to others even though they’ve heard them already and know they are false. Sooner or later, the myths have spread too far and wide to stop.

One of the greatest examples of this in an actual working scenario was the original hotmail expansion program. Hotmail.com, as one of the first “free” web e-mail service group, began recruiting members by first giving away free e-mail addresses and services, then requiring

that every e-mail sent via their service include a simple tagline at the bottom detailing that the receiver could also receive free e-mail by signing up at [www.hotmail.com](http://www.hotmail.com).

Like ripples from a rock flung into a pond, the initial offering quickly spread outward causing exponential growth and a huge list of members to be tapped for marketing other services towards.

### **Strategies**

Some strategies are obviously going to work better than others. The Hotmail campaign in which “free” services are utilized with no apparent cost to the end-user, are no-brainers.

Approaches where some initial up-front costs are charged to credit cards or where “future” charges will be incurred are much less likely to generate active involvement. Few promotions will work as well as Hotmail’s strategy because most products and services don’t generate revenue via their day to day use.

Hotmail users spread the word and generated new business simply by using the service itself. You can increase your campaign’s likelihood success and its ability to generate new business traffic by including one or more of the following proven “viral” elements:

- Gives away products or services
- Provides for effortless transfer to others

- Scales easily from small to very large
- Exploits common motivations and behaviors
- Utilizes existing communication networks
- Takes advantage of others' resources

Let's examine each of these success elements briefly.

### **Gives away valuable products or services**

There is no question that "Free" is one of the most powerful words in marketing. It's not surprising, then, that most viral marketing campaigns and programs include some method of giving away products or services of varying values to attract attention and draw customers.

From free e-mail services or free information to free "cool" giveaway items such as buttons, posters and pens to trial software programs that perform powerful functions hinting at the full-fledged capabilities available in the "pro" versions, the list of potential products and services to give away for free is practically endless.

Part of the reasoning behind this is the Second Law of Web Marketing known as Wilson's "[Law of Giving and Selling](#)" which in part stipulates that while words like *Cheap* or *inexpensive* may generate interest they won't do so as fast as simply saying "FREE!"

One of the keys to the success of modern viral marketers is that they practice delayed gratification. They may not profit today or tomorrow, but if they can generate a groundswell of interest from something free, they know they will profit eventually and hopefully for a long time afterwards.

Investing up front by providing goods for “free” to the end-user attracts attention that can then be redirected to other desirable things you are selling that will and eventually earn money.

**Provides for effortless transfer to others**

With real-life viruses, you find that public health nurses offer sage advice during flu seasons and high risk locations: “simply stay away from anyone who coughs, wash your hands often, and don't touch your eyes, nose, or mouth and you are much less likely to catch a virus or get ill.” This is because a virus only spreads when it's allowed to transmit from one person to another. In the real world, the medium that carries the virus is normally mucus or other bodily fluids.

Likewise, your marketing message must rely on existing mechanisms through which the message is just as easy to transfer and replicate: e-mail, websites, graphics, software downloads, etc.

Viral marketing works so famously on the Internet, in part, because of the ease of near-instant and inexpensive communication and because

people like to share things they see and hear. Digital formats make copying music and images simple.

Most software interacts with other programs in some form or another, despite AOL's noted exceptions! From a marketing standpoint, your goal is to simplify your message so it can be transmitted easily and without degradation: shorter is best. As with the Hotmail campaign; saying "get it free", then listing the location is about as simple as it gets.

### **Scales easily from small to very large**

If you expect your message to spread like wildfire, then the transmission method needs to be rapidly scalable from small to very large. This was one of the few weaknesses of the Hotmail model.

As a free e-mail service, it required its own mail servers for transmitting messages. When the strategy turned out to be wildly successful, more mail servers had to be added very quickly to support the rapid growth. Otherwise, the service would have bogged down and people would have deemed it unreliable.

Just as in real life, if the virus multiplies but kills the host before spreading, then nothing worthwhile is accomplished. Having an idea in advance of the potential for growth and for building any necessary scalability into your viral model is vital to a successful viral marketing

campaign.

### **Exploits common motivations and behaviors**

A clever viral marketing plan will take advantage of common human motivations. For instance, what proliferated "Netscape Now" buttons and "Microsoft Bob" T-shirts in the early days of the Web? It was the desire to be cool and be part of a trend.

Another factor that always drives people is the desire to strike it rich, or put simply: Greed. A hunger to be popular, to be loved, and to be understood also stand out as driving human factors.

The resulting urge to communicate based on these basic human needs can produce millions of websites and billions of e-mail messages. When you can design a marketing strategy that builds on these common motivations and behaviors for its transmission, you have a winner.

### **Utilizes existing communication networks**

It is a fact that most people are social. Nerdy, basement-dwelling computer science grad students may be jokingly referred to as the exceptions, but even they have friends and family with whom they connect. In fact, scientists tell us that each person in the modern society has a network of anywhere from eight to twelve people in their group of close friends, family, and associates. If you factor in a person's broader network that may increase to scores, hundreds, or

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even thousands of people with whom they interact within a given period depending upon their position in society. A waitress, for example, may communicate regularly with hundreds of customers in a given week; a person running a news-blog may reach millions.

Network marketers have long understood the power of these human networks, both the strong, close networks as well as the weaker networked relationships. People on the Internet develop networks of relationships, too. They collect e-mail addresses and favorite website URLs.

Affiliate programs exploit such networks, as do permission e-mail lists. Learn to place your message into existing communications between people, and you rapidly multiply its dissemination.

### **Takes advantage of others' resources**

The use of others' resources aptly demonstrates what makes viral marketing unique. In a traditional campaign, the marketers themselves must identify a niche in society, carefully design a campaign that appeals to that target audience, and then pay for and otherwise promote ways to reach that group of people.

A viral campaign, on the other hand, both generates its own spread *and* is at least part self-targeting. People who are interested in or use your campaign will tend to be communicating with other people like themselves. They do your work for you by reaching your "target" without your having to first identify and locate that group yourself. In

addition, and perhaps most importantly, you are not out all the costs associated with first identifying and then reaching those individuals.

While you may still have a large percentage of people who do not participate if your offering is not of interest even if it *is* free. But considering that your costs are nil or close to it as compared to a traditional campaign, this is still a remarkably inexpensive type of marketing campaign to participate in!

## **Epidemic Or Opportunity?**

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Some people hate viral marketing and view it as a much-abused sales technique. This belief arises from the confusion many people have over the difference between viral marketing and so-called “junk e-mail” campaigns. In fact, many viral marketing schemes do rely to greater or lesser extent on getting individual users to forward e-mails out to large groups of other people.

The key to avoiding this perception—which can and will eventually lead to methods to ban or at least stymie the effectiveness of viral marketing campaigns—is to include offerings that have interest and value to the end-users, even those who choose not to participate.

This is again one area in which the Hotmail campaign succeeded so very well because even people who did *not* sign up for the service were often getting benefits from being able to communicate with friends who otherwise might not have an e-mail carrier or account with which to share.

Perhaps one of the greatest threats for successful viral marketing campaigns is the increase in “Malware” software or links that cause harmful additions to users systems such as pop-ups, slowdowns and redirects on Internet pages.

While some are legitimate attempts to gain market share or public attention, poor programs and links can cause great harm. And of course, the public has reacted adversely. Now, many potentially

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successful viral marketing campaigns have been restricted or even fouled by public skepticism and fear.

Mal-ware and viruses are so prevalent that the public is often either overwhelmed and doesn't even try to protect themselves or goes so far overboard that they refuse to even open or read e-mail messages from sources that they do not recognize. Neither approach is sound. But the latter, of course, will ruin any chance to market a new product or idea to these people by using e-mail as a communication method.

The mal-ware issue looms so large, that antivirus companies are now circulating lists of NON-harmful virus hoaxes along with the names of misunderstood programs the public fears. Why? They want to teach computer users the difference between perceived threats and real threats. Here are just a few examples of one such list of perceived (but not real) threats:

- "Hello Dear" Hoax
- \$800 from Microsoft Hoax
- 48 Hours Hoax
- A Moment Of Silence Hoax
- A Virtual Card For You Hoax

To further add to the confusion, many antivirus software manufacturers are using the word "hoax" when referring to harmful or

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potentially harmful malware even though these programs may actually cause problems when a person installs them or reacts to them.

They're being called hoaxes because the information included with them isn't technically true. However, calling them hoaxes may lead people to assume that unsafe programs *are* safe.

The biggest harm in these and other "humorous" attempts at causing mischief amongst the world's under-educated is that it works far too often.

The result?

The fooled computer users delete legitimate files and otherwise damage their systems in the belief they are protecting their computers. Then the companies targeted by such "humor" are forced to spend money—via support staff costs—by fielding questions about false issues and/or by helping users fix the problems they just caused by falling for the hoax.

These actions and others like it are resulting in the public's outright hatred of all e-mail "instructions" and e-mail chains. In fact, computer users have grown suspicious of many of the methods necessary for viral advertising to work effectively via e-mail. If this attitude prevails, the future of viral marketing itself may be in question!

There are many sites like <http://www.hoaxkill.com/> and <http://www.snopes.com> which help to debunk urban legends, myths

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and false virus warnings. Hopefully, the public is savvy enough to utilize these sites.

However, the need to frequently check such sites along with the constant barrage of warnings about opening or forwarding e-mail is beginning to negatively impact otherwise successful viral marketing campaigns. This is why it is so vital to keep your campaign simple. Like the now "classic" Hotmail example, clearly describe who you are and what you are doing.

Make certain that any user involved knows exactly what their involvement might be and what the potential effects both on their system and personal accounts may be—*up front* when possible.

It's a good idea to at least do a study of these e-mail hoaxes to know what your viral marketing campaign email should NOT look like or be perceived as.

It's interesting to note that finding the public being caught in the middle between companies advertising legitimate products and others using similar techniques for immoral or illegal purposes is not restricted to the Internet.

Not long ago, an article was posted on [http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticleHomePage&art\\_aid=45264](http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticleHomePage&art_aid=45264) about an attempt to find a way to kill "ad skipping" features that had been introduced in modern digital

video recorder in an attempt to force users to view the commercials when they were watching taped shows.

Obviously, if they can disable this feature in some way the users who have paid extra to have said feature will lose. The executives, however, will see it as a victory because those commercials are, in the minds of TV programmers and advertisers, part of the viewing package; the commercials help pay for the programming in the first place.

The truth is, if you force someone to watch a commercial they don't want to see after they have paid money to be able to skip it, those viewers aren't going to be very happy to deal with you at this point. But, you probably won't be able to convince the industry executives of that!

## Truth In Advertising

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In America, consumers are protected to a greater degree than consumers in much of the rest of the world. We've come to take this protection for granted even as international borders and distinctions between foreign and local goods shift.

Now we're finding ourselves and our pets being poisoned by goods from China and we're suffering through substandard technical support outsourced to India. Or, we being flat out lied to by companies who believe that even if we prove they are lying or liable for problems that come from their statements, all they have to do is fold up shop to avoid prosecution or declare bankruptcy to get rid of the law suits. Meanwhile, they rake in the bucks.

Many of us have been scammed by would-be money making schemes where the perpetrator carefully details how he has made millions. He fails to point out that he made got rich skimming from his business. And he doesn't mention that, in reality, he's making his money by "sharing" his ideas with you for a fee.

Some individuals are able to do the same thing again and again even after legal judgments come down against them. They know the laws and use them carefully to cover themselves. They know just how far they can push and what is legal, even if perhaps *not* moral in today's market.

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The truth in advertising act, while fairly restrictive, has more loopholes, providing ways for slippery owners to stay out of trouble. So let's go over some of the facts about these laws and how they apply to common advertisers just to make certain we understand them.

To start with, the Federal Trade Commission was established to create the acts regulating advertising rights and regulations. However, there isn't really a single "truth in advertising act" as is commonly believed. In fact each industry has various advertising rules and regulations that apply to it.

But as for any across-the-board standard saying that you can't deceive or allow someone to be misinformed by stating potentially misleading statements," the consumer still needs to beware. A classic example is the tons of advertisements out there now that pop up on a user's screen after they have visited certain web sites that claim the user's are:

- At risk of virus infections
- Are infected
- Have their hard-drive visible from the Internet
- Have a slowly performing machine due to Malware
- Are under investigation

Some of these, such as the *You are under investigation* “warning,” are software “advertisements” for programs such as “[Evidence Eliminator](#)” that takes advantage of the fears of novice users by trying to force them to buy a product they most likely do not need.

Some such “advertisements” may even seem to produce proof of said invasion by tricking the user’s computer to display seemingly personal information, (current NIC address, hard drive or memory contents, etc.), which can be echoed locally even though they really aren’t visible across the net.

These ads attempt to force a gullible people into spending potentially hundreds of dollars to buy software that “protects” them from whatever it is they fear. In fact, the very act of paying that extortion, (for that is what it really is), represents a voluntary giving in to the self-inflicted virus that the warning is supposedly protecting you against.

These so called “Robin Hood” ads, while clearly deceptive, are not necessarily actionable according to staff attorneys at the FTC. If the ads don’t lie to get you to buy the product, they aren’t violating any law. However, if the ads are produced by the company’s affiliates who get a cut of any sales then that activity is actionable should you be able to prove it, a difficult scenario at best.

Even in cases such as the Evidence Eliminator where seemingly improper abuse of FTC regulations can be argued, it is difficult to prove anything or to win a ruling. In fact a computer programmer

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named Eric Lee Green has been publicly humiliated for questioning said company, even after presenting a [message](#) which he purports shows that said company instructs affiliates to use false links and pop-ups for daring to try and expose said practices.

### **What truth-in-advertising rules apply to advertisers?**

Amazingly not all of the rules in the truth in advertising regulations apply to all advertisers. The FTC act has various rules for differing companies up to and including consumer notices from the workplace or government bureaus and not all of them apply to *advertisers*. Of course in a free marketplace this has to be true, since over-regulation and enforcement can stifle creativity and hinder marketing efforts.

But it does mean that even well-intentioned advertisers might at times blunder into problems by not understanding what exactly it is they are and are not able to legally state about their products according to the FTC. Under the current act any advertisement must:

- Be truthful and non-deceptive;
- Have evidence to back up their claims; and
- Cannot be unfair.

Additional laws apply to ads for specialized products like consumer leases, credit, 900 telephone numbers, and products sold through mail order or telephone sales. And every state has consumer protection laws that govern ads running in that state.

## **What makes an advertisement deceptive?**

According to the FTC's [Deception Policy Statement](#), an ad is deceptive if it contains a false or clearly misleading statement, *or* if it deceives by deliberately omitting vital information that is necessary to support the statements. For example, the FTC, look to see if the ad is:

- Likely to mislead consumers acting reasonably under the circumstances; and
- "Material" - that is, important to a consumer's decision to buy or use the product.

This means that even if you are telling a complete lie but doing so on a "joke" site or via a medium on which any reasonable person should assume could be modified or incorrect, your deceptive statements may not be actionable since the advertisement is obviously not "real" and any reasonable person should know that.

This can lead to issues in court even with real or deceptive campaigns. For instance, if a company can prove, (a) the original e-mail campaign (as they started it, at least) was not lying, made no false claims, and was substantiated by facts, and (b) they didn't encourage anyone down the chain to change or modify the advertisement and forward it on to others, then they can argue that the modified advertisement isn't really their advertisement.

Therefore they are not liable for any problems or costs any misinformation in the modified ad may have caused even if they *did* start the advertisement that is now causing the problem! For instance, the following if taken from its joke web-site context on <http://www.thespoof.com/news/spoof.cfm?headline=s8i16478> may to some seem to be real news:

***Truth in Advertising Act to Be Strictly Enforced***

*The United States Congress has recently passed, and the President signed into law, new amendments to the Truth in Advertising Act which will be strictly enforced. These measures will cause the follow companies to make changes in their marketing campaigns:*

*[Dodge Trucks](#) will require their sales team to stand in the middle of the street in front of their dealerships, attempting to avoid traffic, when no one is on the sales floor.*

*Baskin & Robbins will be required to sell only 31 flavors.*

*Sprite will be required to prove that there is a real [fruit](#) called a lymon and market it in grocery stores.*

Obviously this one shouldn't fool anyone (although I wouldn't bet against it), but other examples can be given which could potentially cause harm. It is easy to imaging someone clipping and sending just the parts they hear or like to another without stating it was a joke.

Then that person may begin spreading it on as “gospel” to thousands of others, in effect starting an inadvertent viral “misinformation” campaign!

Of course the FTC rarely pursues anyone who is not directly advertising their own product and few if any such cases are likely to arise. But it is an interesting scenario to consider when entering into viral marketing and another example of why it is important to be very clear and simple in your campaign!

### **What makes an advertisement unfair?**

According to the Federal Trade Commission Act and the FTC's Unfairness Policy Statement, an ad or business practice is unfair if it:

- Causes or is likely to cause substantial consumer injury which a consumer could not reasonably avoid; and
- Is not outweighed by the benefit to consumers.

In a typical inquiry to determine if an existing ad is considered deceptive, the FTC would normally follow steps similar to the following:

- First they would look at the ad from the perspective of what they consider a “reasonable” consumer who would be looking at the ad in context to see what it conveys.

- Next they investigate any implied and express claims made in the ad. For example, if an advertisement claims to “cure” the common cold that is express; stating you kill the germs that *cause* the common cold would be an implication that the correct use of the product might prevent catching a cold to a normally informed consumer, a statement that could be misconstrued.
- The FTC also looks at what the ad neglects to state. For instance, if they are advertising books and don’t mention that said books are an abridged version when they are this could be considered deceptive.
- Material claims are next on the list. That is, how does the claim being made affect the likelihood of the customer buying the product. Saying something is “free” when it requires investment in other areas might be questionable.
- They also consider whether or not the advertiser has proof or evidence to support any and all claims made in their ads.

The FTC regulations state that prior to any ad being run it has to have a “reasonable basis” for any claims that it makes, at a minimum the level stated. For instance if you say that two out of three doctors recommend something, you have to be able to name three doctors surveyed of whom two stated that and would do so again.

Testimonials are often used in advertisements and are very powerful tools. But as far as being proof or sufficient to substantiate a claim according to the FTC regulations, they are not enough, especially with health or safety products. No matter how many satisfied customers you can tout, not having an expert and an objective product evaluation means that your claim is unsubstantiated!

For the most part, the FTC concentrates on health and safety products such as sunscreens, cancer cures, ability to reduce costs etc. while claims that are subjective such as "Zena Cola tastes great," are normally ignored although in theory such a statement would need to be proven if challenged!

**What penalties can be imposed against a company that runs a false or deceptive ad?**

A myriad of penalties can be brought to bear if a company is found to be guilty of violating the FTC regulations regarding truth in advertising. The FTC can force companies to stop running the ads and then require proof for any such claims made in future ads. A company also might pay as much as \$11,000 per *day* in fines *per advertisement* for any violations after such an order is made.

There may also be civil penalties, redress to offended parties or other monetary fees that can range from thousands to millions of dollars depending on the nature and damage said violation has caused. In some cases full or partial refunds have even been mandated to any

consumers who purchased the products; here, the classic “CD Price Fixing” scandal of the 80s comes to mind.

The FTC doesn’t clear any ads in advance, but there are guidance points available to ensure compliance online at [www.ftc.gov](http://www.ftc.gov) as well as general information on advertising policies.

Call the FTC's Division of Advertising Practices at 202-326-3090.

## History Of Viral Marketing

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Perhaps due to the fact that the Internet is new, most people think that “viral” marketing is very recent and doesn’t have much of a history on which to draw. In fact the concept of viral marketing is actually ancient.

Only the term and its modern application are new, though not as recent as you might think! The modern incarnation of viral marketing is normally attributed to [Steve Jurvetson](#), a managing director of Draper Fisher Jurvetson, the founding VC investor in Hotmail and Kana, and previously an R&D engineer at Hewlett-Packard.

The term “Viral Marketing” is almost ten years old now, and refers to a new incarnation of “word of mouth” advertising, a technique that’s existed since time began.

How does “word of mouth” advertising classify as “viral” marketing you ask? Well think about it. The concept of viral marketing is that it perpetuates itself through existing (low or no cost) media: word of mouth is exactly that in its purest form.

Since Cain heard how much Abel was loved and got jealous, this type of advertisement has been generating reactions from others. You can review a lot of history, human nature and past campaigns to see what has worked and what has not worked.

Most importantly is having or gaining an understanding of personalities and people so you can learn how to influence them to spread your message when you want them to—and that's without doing anything that can harm you or your business.

It is a well-known axiom that word of mouth can either kill or make a company, and that bad news seems to travel much further and faster than good news. Studies have shown that people are much more likely to speak out when they are upset than when they are happy with a service or company. Simply put, people *expect* to get good service and don't react when they get it.

If they get poor or insufficient service or goods, they feel that they **HAVE** to respond to "get even." The facts vary from research groups, but the consensus is that between two and eight people will complain about something that is upsetting for every one person who will speak out about good service.

This is why it is so important to understand customer relations and what makes people happy and what can make them upset in any interaction.

While viral marketing is more about getting the customer to come TO you, you also need to do a good job once you get them and make sure you meet (or preferably exceed) all their expectation. Otherwise, you may find your own viral campaign being used against you, sabotaging the results you hoped to achieve!

## **Understanding People**

It's a simple fact that no matter how hard you try, you can't please of all the people all of the time. But if you are smart, you can implement policies and use techniques that will help you, and any employees you have, to please *most* of the people *most* of time.

This skill will translate to good word of mouth and customer experiences that will allow your viral marketing campaigns to be successful.

### **WHY PLEASE YOUR CUSTOMERS?**

Some people will ask why they should try so hard to please every customer. Why not say that resolving their issues or solving their problems is enough, and leave it at that? Well to answer that, here are a few facts that you should keep in mind both pro and con for pleasing customers at any cost:

#### **CON:**

- 68% of the customers who quit doing business with a company do so because they don't feel cared about. Compare this to the 14% who just don't like the product or service.
  
- Of the customers who use your product, four out of 100 will be active complainers and will tell at least ten others of their difficulties

or problems.

- Of these four complainers, over 90% will stop doing business with the company and tell at least nine others about it.

**PRO:**

- Of those who are handled correctly, from 80% to 95% will come back and, statistically, may refer as many as five new customers.
- Trying our best to please every customer enhances our outlook on life and makes us more pleasant to deal with.

**SO HOW DO YOU ACCOMPLISH THIS LOFTY GOAL?**

First and foremost, you have to know where your customers are coming from. The types of customer attitudes you are likely to see can be broken down into four distinct groups, listed below.

It is important to note that the attitude of the customer in no way reflects upon the personality of the customer or the way we should think about them.

A customer is the only reason a business exists, and pleasing them means that you have to like them to come across as friendly and helpful: so remember, as you judge the customer's emotional state, do not judge the customer at the same time!

**Recognizing customer types:**

**Quality Conscious**

Is concerned with "getting things done right" and can be very picky.

May grumble about process and wait times.

Often disagrees with solutions or asks for corroboration of facts.

Sometimes seems critical even of solutions they agree to after the fact.

**Determined**

Control and speed in resolving the issue is important to these customers. They won't tolerate you interfering with their goal.

Will be a "Quiet Avenger" if displeased, one of those 4 out of a 100 who tell everyone how upset they are with your service.

Can come across as a know-it-all or smart-ass especially if confronted or questioned.

Determined types can be very aggressive, and may demand to speak with "someone who knows" if they begin to perceive you as an obstacle to getting a quick resolution.

### **Demander**

Much like the Determined personality type, but unreasonable in their attitudes and desires.

- Characteristically sarcastic and tends to blow up and ramble on about non-related issues that are contributing to their anger whether or not they are related to the situation at hand.
- Unwilling to work with you or to supply information; just wants the problem "fixed" right away.
- May be insulting and/or yell at you for no apparent reason.

### **Casual**

Approval and recognition is very important to these individuals.

- 1) They can be difficult if not recognized, in that they won't tell you about a problem, but will be sure and let their friends know!
- 2) Are typically more soft spoken and (seemingly) emotionally "needy."
- 3) Like to feel a rapport with you and prefer a more friendly casual approach.

- 4) Are sometimes thought of as “time robbers” because they like to hang on to you when on phone calls or e-mail and talk back and forth a lot.

Every customer demands quick courteous service and personal attention. But to help you understand specific actions you can take when you recognize an issue is occurring and that a specific personality type is involved, let’s spend a few moments on suggestions for each of the aforementioned types:

### **DEALING WITH DETERMINED CUSTOMERS**

TAKE CHARGE AND MAKE SOMETHING HAPPEN FAST!

- Don’t take any ranting personally. Breathe and let them vent.
- If necessary, interrupt politely and then quietly paraphrase their problem back to them, ignoring any outbursts they may make.
- Establish that you are here to help them and tell them what you are doing. Ex: “I’m going to get this fixed up for you, Tom. Let me go ahead and start the disk order you asked for going and then we’ll do some research and see if we can find a cause for your problem.”
- Lead with questions to give them the control they desire so much. Things like “Do you think it might be possible that (xyz) could be contributing to this?”

- Make no ego challenges, if you have to present an opposing view try and do so in a non-threatening manner such as:
  1. "As you are probably aware..."
  2. Use the pronoun "we" a lot, as in "We could try and..."
- Move as quickly as possible to the solution phase.

### **DEALING WITH DEMANDER CLIENTS**

BE SENSITIVE TO THE FACT THERE ARE OTHER ISSUES AT WORK  
HERE

- Get their attention
- Say what they need to hear you say
  - 0 "There's no need to worry."
  - 1 "I don't want you to be upset."
  - 2 "I can understand why you are upset, but I'm sure we can fix this."
- Reduce the intensity of their anger and fear if possible.
- Take a break if you are getting angry or caught up in their emotional distress.
- If what they demand is possible, give it to them.

- Try and find out what is really going on; did they get hung up on earlier events?
  
- Be honest and even blunt if necessary about what we can and cannot do for them.
  
- If they are being sarcastic call attention to the sarcasm by reflecting what they said
  - 0 "I noticed you said 'oh yeah, you care' in a rather sarcastic manner. Have you had a bad experience with our company in the past?"
  - 1 Press (gently) to find out what is going on and to understand where they are coming from.
  
- The demander (characterized by unreasonable and unrelated demands and ranting) may be the only customer that cannot be always brought back around to being satisfied. When they're demanding something you cannot give, you have to politely but firmly disengage yourself and give them their options.

## **DEALING WITH CASUAL CUSTOMERS**

### CONNECT ON A PERSONAL LEVEL.

Always remember they will rarely tell you if they aren't happy. If you have a nice, easy customer you should not bet the farm on them

rating you highly on a survey. To ensure this type of customer goes away very satisfied, do the following:

- Comment on their nice attitude and pleasant demeanor.
- Try and guess what they may really be feeling. Statements like the following may trigger a great insight:
  1. "Boy I'd really be ticked off if I'd waited that long!"
  2. "You sure are handling this well, I had a similar case once and I just blew up all over the poor guy."
  3. "Are you sure you're all right with this? I wouldn't be too happy in your case."
- Offer them extras if available.
- If they keep hanging on the line and you need to clear it use the following techniques to try and move along:
  1. Reassure them that you'll be there in the future.
  2. Mention that "Other people are waiting" if necessary.
  3. Ask them to help: "Hey I hate to do this, but could you help me out? I need to run to a meeting . . ."

### **Classic historical examples**

As mentioned several times previously, the best and most well-known example of a successful viral marketing campaign, at least in the electronic age format, was probably the Hotmail campaign. It was successful because the plan and resources were well laid out in

advance, money was spent to ensure growth could match demand, and an easy to spread message was combined with a valuable and useful tool that was just too good to pass up.

That tool itself was then used to communicate the message to other potential users who saw the value directly by having received the e-mail in question.

Another great example is the animated e-mail icons from [IncrediMail](#). Simply by seeing the result and thinking “that’s cool,” the desire to have and use the technology causes users to click the link associated with the animation and in many cases join the service.

In days previous to the Internet searching for successful ‘word of mouth’ campaigns one thing has always held true: you can’t fake interest and get it to spread. If the item or concept is not exciting and doesn’t hold value to the end-user it won’t get spread along, no matter how much energy or effort you spend trying to get the ball rolling.

Some ideas that rely on humor or jokes may spread, but may dilute themselves to the point of being useless.

For example the “Budweiser frogs” campaign’s hardest task was clearly associating the amusing antics of the frogs in the commercials to their actual product. There was no problem with people remembering the frogs and talking about them. But how often did you hear people say “what beer was that for again?” Until the infamous

Bud Why Zer campaign, a brief history of some of the more memorable and successful campaigns to date include:

- (1978) DEC announced the DEC-20 using ARPANET e-mail in a marketing invite which earned it a complaint for "inappropriate use" as this violated ARPANET policies.
- (1994) Media critic Douglas Rushkoff mentioned viral marketing in his book *Media Virus*.
- (2000) Mahir Cagri "I kiss you!!" craze generates over twelve million hits to his home page encouraging eTour to join up with him on the power of viral marketing.
- (2000) Slate magazine described TiVo's unpublicized giving away free TiVo units to web-savvy enthusiasts a great "viral" word of mouth effort.
- (2001) [Business Week](#) wrote about the now "classic" campaigns of the web-based campaigns for [Hotmail](#) (1996) and [The Blair Witch Project](#) (1999) as *striking examples of viral marketing*, but warned of some dangers for imitation marketers.
- (2004) [Burger King's](#) [The Subservient Chicken](#) campaign exists as an outstanding example of viral or word-of-mouth marketing.

- (2005) [One Six Right](#)'s viral High Definition Film campaign helped to lead to sponsorships and support from many large media companies.

## Opportunities And Methods

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When it comes to the opportunities available to you for a successful “viral” or word of mouth campaign, the list is theoretically limitless. In reality, when you start adding costs, what really drives people, and existing communication methods into the mix, that list begins to become much shorter very quickly.

The key is to find ways to be heard, to rise above all the background noise already in place out there, and to get people to trust you and be interested enough to take some action to help further your campaign.

A successful viral marketing campaign accomplishes these tasks by getting customers excited and involved: and that means knowing what it will take to get them to feel like they *should* be involved.

To do this, you must know what interests your potential customers and then take advantage of those interests by offering information, goods or services which they would be willing to pay for to get them for free in exchange for participation in the campaign. A sort of “paid to play” plan, if you will, that helps to feed your viral marketing scheme has to be set up!

On a favorite TV show of mine which I was watching recently, a group of people started bidding fervently for some “rare” substance that a new cast member didn’t know about. Yet, the new member got into the bidding because everyone else was excited and going at it. After she won, they informed her it was a joke and she had just been had.

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Generating excitement such as is seen in an auction type mentality *can* get short-term involvement, but if the end result is anger or a feeling of betrayal or if the expectations set are not met by the results seen, then that can backfire. This is why it is important to use methods that are truthful and up front, as well as simple and straightforward whenever possible.

### **Methods that Work**

There are several proven methods that work well, provided there is value in the offering. Those include:

### **WINNING A PRIZE**

So long as we're talking true value and not a tee-shirt or novelty item, setting up a giveaway, competition or sweepstakes always generates excitement. Especially if you can arrange some type of ongoing or interactive event such as lotteries, or if some portion of the proceeds is being given to charity events that are near to your focus group's hearts.

One viral campaign that was reasonably successful dealt with a "ticket" to win a new motorcycle being given away with every \$100 worth of purchases from a store. Additional chances were sold for \$1 a chance directly to the public in addition to the campaign.

Flyers and e-mail notices for this event were spread so far and traveled so well, that a yearly giveaway has been done every since. Business for that company has increased tremendously.

Had the grand prize been just a jacket or a set of gloves, the response would likely have not been nearly as favorable. The prize value has to be something that really generates excitement and makes the users want to take a risk or chance to get involved, even if all it involves is mentioning the campaign to others.

For good quality viral campaigns, a clever way of setting up such incentives would be to have contestants enter the e-mail addresses of people they think would be interested into your website database. Then, give them an additional entry for every such e-mail that is entered that is valid, (i.e. deliverable) to ensure your winner has not been defrauding you.

### **INFORM THEM**

Perhaps an even easier way to provide a value and promote the sharing of gifts is implementing a viral marketing campaign that relies upon you giving away information that your users need or can use. Whether that is a health newsletter, interviews with the stars, tips and techniques for maintaining their motorcycles, taking photographers, or the best places to camp in the Pacific Northwest doesn't matter.

You just need to provide information that is useful and pertinent in a form that is easily distributable and includes your advertisements in ways that they cannot be easily stripped out.

On your webpage having "E-mail this page" buttons that format and send the information including your links and content are good ways to take advantage of this type of viral marketing.

Sharing content with other sites, so long as your links and information are retained, is another way to start the ball rolling. There is a lot of value in site traffic both in advertising revenue and in being able to direct and attract attention to items you personally may have for sale. So why not take advantage of such easy to implement methods of driving traffic your way?

### **FREE TRIALS**

A similar and very effective way to drive interest in products is to allow a stripped-down or time-out version of the product to be utilized in advance. Just be careful that you make *very clear* any limitations or problems that may occur such as an MP3 encoder that strips off the last 3 seconds of the song *before* allowing the trial.

Nothing will sabotage your efforts so much as allowing a user to cost themselves time or money by not understanding how they should use the product. It is YOU they will blame, and that type of excitement is not what we're trying to generate here!

## **PLAY A GAME**

If you have a service or interactive site of some kind, allow free access or “trials” on the site. This is how sites like photo-share and U-Tube generate interest. For free you can join and play, and then once you become interested and want to take advantage of more that the sight has to offer, you have the option of buying into the site’s more advanced features.

This can be a very good way to drive interest *and* to create a good viral marketing campaign. Interactive sites often have downloads and forwarding of graphics or free e-mail all of which you can add your taglines to. This captures the attention of the friends which your trial user is interacting with and anyone to whom *they* forward your information or photos to as well!

## **OPT IN NOT OUT**

The term that is used when a user decides to take advantage of your services when a forwarded piece of viral marketing data comes across their screen is that they are “opting in” to your offering. However, you need to be careful on both how you consider someone to be truly opting in and how you track and utilize any information that you gather.

For instance, if you get their e-mail address as a party who *may* be interested from an existing user you should not keep and track their data as if they had opted in. Doing so may cause them to become

annoyed at any mailings and “junk” e-mail offerings that you then begin to forward to them hoping instead of first verifying that they are interested.

Be especially careful about who has really opted in when you offer people a chance to win a prize for every e-mail contact they send you. Some may be tempted to pad out their list with everyone in their contact list, not just people with similar interests. This can cause bad feelings and animosity which, as we have discussed previously, and can lead to a negative viral campaign which can be just as deadly as positive programs can be lucrative!

No matter what methods you use to start a campaign, the following insights can help you maintain control and are ways to be certain that the message your campaign is sending is the one that you wish to send.

Using methods like these to steer your campaign and keep it on track are just as vital to successful campaigns, as is following up with existing members/customers in a regular and valued manner to ensure you have neither lost their interest nor inadvertently annoyed them.

- Offer incentives in exchange for traceable actions** that help positively promote your campaign. For instance, offering twenty percent discounts for every five leads that followed a link from their web site to your home page. Be sure to cap and clearly detail such offerings so that you do not cripple yourself or spend too much for the value received!

□ **Utilize public sympathy whenever possible.** The classic e-mail hoax about the bottle caps and the little boy in England is a clear example of how drawing on people's desire to help others can propel a campaign into a near unstoppable juggernaut. Just make sure you use such power wisely!

An example of a successful method of cashing in on such feelings came recently when a woman's clothing company started a campaign that rewarded participating members with a free Tee-shirt and a \$1 donation to the [Susan G. Komen Breast Cancer Foundation](#) when three of their friends opted into receive the retailers catalog or join the e-mail list. This campaign was enormously successful in large part due to the feeling that simply by participating in receiving offerings they could help others less fortunate than themselves.

That particular campaign drove a click-through rating more than three times higher than was normal on the company's web site links and an increase in the sign-up rate for their e-mail newsletter list of over thirty percent! At the same time their catalog subscription rate went up nearly seventy percent with little risk of "dead" deliveries since the people opting in to receive the catalogs were women and interested enough to choose the catalog over e-mail contacts.

All of this free publicity also helped to lower the costs per sale

during the campaign by as much as eight-nine percent! By anyone's considerations that is a successful campaign!

- **Be Personal and keep it real.** Just as not automatically considering *having* someone's e-mail address as free reign to send them advertisements is a good policy, is finding ways to personalize your contacts. This ensures that the customer or would-be customer feels that you are really reaching out to *them* and not just to a potential sale.

Simply by using mail-merge features to insert names when available and using your records to focus offerings to the types of items shown to be of interest to the individuals, you can increase response by as much as twenty to thirty percent! In most cases the subject line is one of the most important aspects of this skill.

Simply being able to recognize if something is junk mail or an offering that might be worth pursuing, will go a long way toward avoiding annoyance even if the user isn't interested. If you DO use mail merge take the time to learn how to use "IF" fields and proper formatting using styles in your coding however. Nothing ruins the personalization of seeing your name in print as seeing clues such as it being in a different font or seeing "{firstname}" when a little extra effort up front can prevent that!

- **Keep track of your campaign results and user details.** Updating and optimizing a campaign and changing offerings to individual users based on their purchases and feedback, is not only

good marketing sense, it is vital to the care and feeding of a successful viral marketing campaign. Tracking click-through and conversion rates based on your original customers is just one of the ways you can accomplish this, and having a good database is vital to maintaining and utilizing such data.

Although you can't avoid all negative feelings on the part of some contacts, these tips should help you minimize the number of users who actively campaign against your viral marketing scheme.

Plus, they should keep your e-mails from falling into the dreaded "junk e-mail" folders and thus wasting all the efforts you might be taking to get both that person and those they might refer you to as customers.

## **Costs And Considerations**

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Any marketing campaign, even low-cost viral campaigns, require a business to have some understanding of costs involved in marketing, percentage of sales revenue to set aside for campaigns, and how to track and understand the data that the campaign is generating.

One of the basic business skills required to accomplish such tasks (while taught in all MBA courses) is often sadly lacking in today's modern entrepreneurs. While savvy and often educated, they haven't been exposed to, much less understand, charting in modern business contexts.

### **Plotting a Chart**

A large percentage of business reports and marketing planning data are represented in a chart or "graph" format for ease of understanding. This method has innate knowledge all its own that has to be understood before the dots and lines of those charts have any real meaning to a user or business.

In some cases, deciphering the data can be confusing even to those who have been trained to do it. Spending a few moments to go over a few basics of charting and providing some guidance on what to study and learn will prove useful and is well worth the effort.

A few of the many chart or “graph” types that you are likely to see either in business journals or generated by software you are using to track your business include the following:

### **COLUMN CHARTS**

A column chart displays data fluctuations over a period of time or compares items. They have the following subtypes:

- Clustered Column (compares values across categories)
- Stacked Column (shows relationships of single items to a whole)
- 100% Stacked (compares value percentages across categories)
- 3-D Column (compares data points along two axis)

### **BAR CHARTS**

Illustrates changes in individual data items, and has the following subtypes:

- Clustered (values across categories)
- Stacked (illustrates relationship of individual items to the whole)
- 100 % Stacked (compares value percentages to a total across categories)

### **LINE CHARTS**

Shows *trends* on a time-based interval, and has the following subtypes:

- Stacked (trend of contribution of values over time or categories)
- 100% Stacked (trend of each value percentage contribution over time or categories)
- 3-D (a line chart with a 3-D visual effect)

### **PIE CHARTS**

Pie charts show the size or amount of various items that make up a complete data series, or all of the data points being plotted. Normally each "slice" of the whole has its own color. Subtypes include:

- Pie
- Exploded (same but with separations or 3-D effects)
- Pie of Pie (user-defined values extracted and combined into a second pie chart, designed to show each "slice" separately as another pie chart for instance)
- Bar of Pie (as above but using a bar chart for the sub items)

### **SCATTER, OR XY**

These types of graphs show the relationships between numeric values in several data series, and have the following subtypes:

- Scatter (compares *pair* values)

- Scatter with lines (connecting lines between scatter point data points)

### **AREA CHARTS**

Emphasizes amount of change over time

### **DOUGHNUT CHARTS**

Similar to pie charts, but can contain more than one data series

### **RADAR CHARTS**

Compares aggregate values of various data series

### **SURFACE CHARTS**

Used to identify the best combinations between two sets of data, surface charts have the following subtypes:

- 3-D Surface (trends in values across two dimensions in a continuous curve)
- Contour ("Above" view, with colors representing specific ranges of values)

### **BUBBLE CHARTS**

A type of scatter chart that compares sets of three values

### **CYLINDER, CONE, OR PYRAMID CHARTS**

Use cylinder, cone, and pyramids to lend a dramatic effect

A few other chart types and variations which you should probably become more familiar with once you master these, are included below and can be looked up in help topics in many of your programs or searched upon on the Internet for more information:

- XY (Scatter) and Line charts
- Pie of Pie and Bar of Pie charts
- Bubble charts
- Stock charts
- Surface charts
- Histograms
- Gantt charts

### **Basic Marketing**

The concept of marketing is simple enough. Marketing is the systematic planning, implementation and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products or services.

Viral marketing adds to that mix promoting your product or service in a manner that catches current and prospective buyers up in the promotion process, allowing them to become part of your marketing engine, with your promotion being exciting or entertaining enough to drive them to actively participate in getting your message across to still more prospects.

For any advertising campaign to be successful, remember to focus on the seven Ps (as discussed previously) and budget and understand both the total costs associated with your advertising as well as the returns you are seeing from it.

It goes without saying of course that no matter how great your product or service, if people don't know about it they can't take advantage of it; but at what cost point can you afford to make them aware?

If you have a low-return product that has limited sales you may not have very much money with which to spread the word and traditional methods may seem too expensive. Just to reiterate a few of the more common "standard" advertising avenues, let's list them below:

- Newspaper ads
- The Yellow Pages and other telephone directories
- Merchandising such as leaflets, packaging, shelf displays and window displays
- Trade journals

Websites

These are very common but costly ways to advertise. Viral marketing many times relies on some aspect of these existing tools. However, when you start a campaign, it's vital for you to know the start-up and long-term costs, and this includes the expense of directing the marketing efforts and of support overhead.

**Tracking Costs**

For standard advertising efforts, many large firms just set aside a percentage of revenue in a flat rate to be spent wherever it is best thought to be effective. But the more successful methods include taking a more linear approach such as the following:

- Isolate all of your expenditures that can affect revenue for both your short term and your long term goals
  
- Rank the expenditures in order of cost, and determine how rapid a return they will generate, as well as how effectively you believe you can control each of them

Once you get the estimated costs associated with each of the items above, divide your anticipated marketing costs by the expected sales income, taking the percentage from among them that you identify as being the most likely to earn a return.

Considering how important both getting this right and understanding your funding and potential costs can be, consulting an outside source that is not trying to sell you anything may be worth any fees or charges you would incur.

Be sure to do this step correctly!

Nothing is worse than getting into a campaign, especially a viral campaign over which you may not have total control, and then finding you do not have the financing to keep up with the marketing demands.

### **DEFINING SUCCESS**

So what would you call a successful campaign anyway? Ideally every contact you make would result in a sale and a profit, but in the real world this is not only unlikely but a ridiculous notion!

John Wanamaker was once quoted as saying "I know that half my advertising is wasted...I just don't know which half," and that is the real key to understanding the problem inherent with advertising. This is especially true with viral campaigns where so little control is held by the company starting the campaign.

You know a large percentage of the costs of getting the word of your company or product out there will be wasted up front. So all you can do is build in methods of tracking and understanding what those costs

are, and where the returns are coming from so you can adjust and target those aspects during your ongoing campaign.

Some ways in which you can help isolate which aspects of an ongoing campaign are working and generating revenue are to:

- Run the same ad in two different publications with a different identifying mark on each. Ask customers to clip the ad and bring it in for a discount or free sample. Or, if you're running an ad that asks customers to order by mail, put a code in your company address such as "Dept. SI." By looking at the marks on the clipped ads or the addresses on the mail-in orders, you'll be able to tell which ad pulled better.
  
- Offer a product at slightly different prices in different magazines. This has the added benefit of showing whether consumers will buy your product at a higher price.
  
- Advertise an item in one ad only. Don't have any signs or otherwise promote the item in your store or business. Then count the calls, sales or special requests for that item. If you get calls, you'll know the ad is working.
  
- Stop running an ad that you regularly run. See if dropping the ad affects sales.
  
- Check sales results whenever you place an ad for the first time.

Checks like these will give you some idea how your advertising and marketing program is working and which avenue is reaching potential customers. Be aware, however, that you can't expect immediate results from an ad, especially with small ads.

You need to give the reader a "getting to know you" period during which he gets to feel comfortable with your business. This is one reason you need to maintain advertising even during good sales periods!

### **Importance of Having a Plan**

It is vital that you actually have a business and marketing strategy and plan for these types of approaches to work successfully. The advertising plan that you create will serve as the basis for your objectives, budget, media plan and a creative approach concept.

There are many types of paid media to deliver your message. A few of the most commonly used include:

- r) Print (newspapers, magazines and newsletters)
- s) Radio
- t) Television, including cable
- u) Internet
- v) Yellow Pages
- w) Direct mail

x) Trade shows

Whichever media you decide to use, word-of-mouth or viral campaigns can be implemented successfully. Becoming knowledgeable of the do's and don'ts of advertising in any particular medium will help you to accomplish this goal.

For example, if direct mail works best for your products, bear in mind that there are hundreds of books in your library devoted to this subject: reading them may provide insights into how best to target and promote a successful viral campaign using e-mail as the focus, as well as warning of potential pitfalls (such as scalability) that you need to avoid.

**Reward Costs**

A successful viral campaign requires incentives for your users. That translates into costs. In some cases these may not be out of pocket to you directly, but they still need to be considered and understood if your campaign is to be accurately tracked and the benefits versus costs weighed in the proper context.

One of the ways to generate participation is to have a reward program for customers who actively help spread your message. For this to work, you have to get them to "opt in" or agree to collaborate with you. The following tips provide ways you can accomplish this:

## **1. GET THEM TO SIGN UP**

Give your customers a reason to join your "club" or let you track them. Think about it: which would you be more likely to participate in, a program that promised future rewards of some kind, or one that told you exactly what you'd earn and when?

## **2. TRACK THEM**

Begin with your existing customer database or e-mail list. Then add to your list by capturing vital information from customers when they enroll in whatever reward program you generate.

If you sell online, you can obtain this information when customers are completing the purchase process by giving them a "checkbox" option to join your rewards program. If you're a brick-and-mortar retailer, you can enroll customers during the checkout process.

## **3. BOOST SALES**

A program that offers graduated rewards can actually stimulate customers to buy higher-priced products and services. By offering graduated rewards you can avoid problems inherent in programs that primarily reward when a customer enrolls.

## **4. OFFER THE RIGHT REWARDS**

Choosing the right reward is a challenge for many small-business owners. It's best to reward customers by offering special value on products or services you regularly provide and have control over, since you are trying to forge a strong relationship between your customer and your company.

To achieve that goal, customers must be brought back to your business, its store or its website to gain their rewards. Don't make the mistake of offering unrelated rewards, such as gift certificates for movie tickets, because these rewards are less effective when it comes to reinforcing a positive customer experience. After all, you want customers to have a successful interaction with you, not some unrelated company.

An effective loyalty program will stimulate your best customers to return time and again, and provide the insight you need to target and win new customers.

The bottom line is, whether you operate a service business or sell products, a good reward program that offers graduated, in-kind rewards will enable you to up-sell and resell current and lapsed customers for a maximum return on investment

## Targeting The Right Audience

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If you are like most businesses you have a *target* audience, that is a group of people or individuals who find your service or product interesting or useful. Hopefully, this group can be easily delineated, such as "Campers" or "Bikers" or "Singles."

But in many cases, the goods and services being sold, while specific enough in themselves, cross many easily defined boundaries of consumers and make it harder to know or understand exactly to whom they will appeal.

This makes targeting a campaign very difficult, and may even cause knowing which media to focus on for the promotion to become blurred.

The term "Target Audience" refers to any distinct group or segment of customers; having a definition that is applicable to your business' target audience will help you promote whichever aspects of your business are pertinent to specific groups.

There are steps you can take which will help you identify and segment the various aspects of your existing customers so that you can begin identifying targets groups within your existing database.

### Segmenting Customers

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Look at your existing customers and what they have been buying, what their stated interests and locales are, etc. Try and define them further if necessary or send out questionnaires until you can determine from your existing group which:

1. Are your most profitable and consistent customers
2. Make up the bulk of your sales and ongoing business
3. Elements these customers have in common with each other

Finding what customers have in common is vital to successfully identifying a niche to which you can market your product. If you find out, for instance, that 80% of your sales of reading glasses are to computer users who also read, then you know that you have two distinct target groups that are coinciding: readers and computer users.

However, if you find that your glasses are selling in seemingly random patterns but then realize that 56% of these sales are to subscribers to *Vogue* magazine, you may realize that your appeal is not utilitarian at all, but fashion-related! Knowing this type of information is vital to crafting a successful marketing campaign, whether viral or standard.

Say, for instance, you are running a diner and notice that you get the highest profits on breakfast and that during a specific time of that period you get a rush of incoming customers.

By doing a survey you may find that that rush is from a specific company that is nearby and you may be able to further target that

group by offering discounts based on their company badges or even by offering to deliver to them for “free” on orders placed in advance, thus increasing the amount of business during a profitable time that otherwise would go untapped.

### **FURTHER SEGMENTATION**

Another method that is commonly used to segment target audience groups is by *demographics* or *psychographics*. Demographic information breaks people down into categories based on aspects of their age, physical location, occupation, sex or income levels.

Psychographic factors define people more on their interests such as whether they read or what types of animals they favor, if they have an interest in science fiction or motorcycling etc. Both are valuable and useful tools to track in your customer database. Here are a few of the more important features you need to keep track:

- Age groups, both median and the ranges
- Sex: are primarily males or females responding?
- Location: are they homeowners, apartment dwellers, rural or urban?
- Education level
- Interests and hobbies
- Income levels

Some classic public health campaigns have learned the hard way that predicting public behavior and response is not an easy task, regardless of the amount of data and the time spend trying to do so. They started by identifying which audiences were:

- Directly affected by the problem
- Likely to change their behavior
- Most feasible to reach
- A key secondary audience (A group of individuals that can help reach or influence the primary target audience but is not considered part of it.)

They would then create marketing campaigns such as the [WIC-Breastfeeding campaign](#) and run test markets which often would identify unexpected problems with the images and responses they would present.

In one campaign the developers argued against a poster that showed a young woman on a cell phone, feeling that the phone showed her to be “too affluent” yet public opinion about the poster *liked* the cell phone but found the woman looked too poor and destitute!

The final campaign showed a much more professional lady (with cell phone) which worked well with the target audience much to the surprise of the decision makers who had been conducting the feedback. This type of ongoing tweaking of campaigns and receipt of feedback on proposed methodologies is vital to understanding your

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target audience and how they will respond. There are no hard and fast rules that you can follow. Simply put, every campaign has to be an ongoing and dynamically adjusted one if it is to be successful!

### **Audience Segmentation Defined**

Before we go further, we should define further what we mean by "segmentation." The concept of audience segmentation, especially in social marketing such as the WIC campaign I mentioned earlier or the ongoing "Click it or Ticket" seat-belt campaigns, is that not all consumers are alike.

Each group of consumers can be grouped into various "segments" which allow you to design campaigns to focus your scarce resources where they are most likely to do accomplish the most good.

For instance, in the seat-belt campaign it became obvious that the primary target audience, Hispanic families who had strong feelings about God causing death and injury, were unlikely to be convinced to belt their children due to risk or education. They were more likely to accede to cost-driven aspects such as being forced to do so or pay a fine that they could ill afford.

This drove the campaign to take the current model where the advertisements are more a warning of the potential actions and penalties you will incur rather than an educational treatment showing

the damage that you could avoid by using the existing seat belts available to you!

The types of information that were used to identify which specific groups made up the *real* target audience for this particular social marketing campaign included information about the:

- Incidence or severity of the problem
- Prevalence of risk factors
- Size of the group affected
- Relative defenselessness (if applicable)

Often in social marketing such as this the audience segments are described by a wide variety of variables such as:

- Those at risk for the health problem
- Attitudes of those segments
- Perceptions
- Demographics
- Preferred information channels

Much of this type of information can be gathered directly in the form of polls and questionnaires, but often the real research and leg work necessary to correctly target your audience has to take place through trial and error.

The process of segmenting your audience starts by first making a list of all the primary audience segments that you wish to target, then defining each of those segments in terms of:

- Demographics (e.g., age and race/ethnicity)
- Behavioral determinants that distinguished “doers” from “non-doers” *For example, if you are trying to promote forwarding e-mails for a motorcycle campaign, identify bike riders who have actively participated in the past rather than just all bike riders in your database.*

For each of the potential segments listed, pull the following information from your research findings:

- Goals/drivers for the users in the segment
- What has previously and historically worked to influence this segment
- Which contact and information channels appeal to the users, e-mail, website links, newsletters, etc.
- How receptive they are to direct contact

Another aspect that you should bear in mind when working with target segments is the secondary or “influencing” audience segments. For example, if you are targeting bikers, then motorcycle dealerships are a secondary or “influencing” segment which has some control and/or

input to your target audience. As such, that “influencing” segment may also be worth targeting as directly or in a related campaign.

In the WIC-Breastfeeding social marketing campaign we mentioned earlier, a secondary audience segment that was found to be influential to woman’s decision to breastfeed or not was identified and included and resulted in a significant increase in response once involved.

Making the difficult decision to prioritize segments and focusing your efforts early on is vital to a successful campaign, especially when limited resources are available!

### **Gather Segment Data**

Perhaps the most important part of segmenting your market is in getting the raw data on your customers themselves.

For many, the time and effort to respond to a flyer or questionnaire is simply not worth it. The level of detail that necessary to properly classify a customer and learn what is needed for proper market segmentation identification is by no means a short and easy task!

Ideally you would be able to have conversations and get to know your customers in one-on-one talks and discussions either via chat or phone or even face to face talks, but in the real world this is often not possible. In lieu of that, the survey or questionnaire is the only way to gather the information you need. If you are going to use this method

there are some tips that will help generate more truthful and usable results including:

- Be up front about what you are seeking and why
- Offer incentives for them filling out the information honestly
- Explain honestly how long it will take to fill out the information and which sections are the most vital
- Have a "comments" section for feedback both on your company and its products and on the questionnaire form itself so you can get feedback in a non "yes" or "no" format to improve future surveys.

Other sources of information that are often ignored or undervalued by small business owners that you should track in your database include:

- Comments made both online and in any storefronts regarding sales and ongoing issues.
- Feedback on wishes and desires regarding items sold
- Questions on whether you stock certain items or price points and discounts
- Suitability of products for certain uses

### **Target the Rich**

It goes without saying that your best target audience will be the segment with the greatest income that is willing to spend it. But that

doesn't always mean those with the largest incomes are the ones to target. The second half of that equation is just as important!

If you find from your reports that the second most affluent of your customer base are the ones who return more often, you should try and identify why this is.

*Do they lose or destroy the product?*

Are the giving them away and if so what about this segment is unique to drive that behavior? Either way finding out which target audience has both the ability and willingness to purchase the greatest amount of product is vital to knowing where to spend your efforts in marketing.

A few questions worth keeping track of about your most profitable customers include:

- How often do they refer you to similar customers?
- What amount do they spent on average per visit?
- What types of goods and services do they purchase from other, related sites?

Finding out valuable data like this can help you not only target your audience but tailor your offerings and services to better meet your customers' needs, thus making you more competitive and providing you an edge over the competition.

In any case, the better you are at keeping track of what your customers are buying, whether they are coming back and whether or not they are helping (or at least willing to help) spread the word about your business, the better off you will be in knowing how to target a viral marketing campaign and your hard-to-come-by marketing budget.

## **Alternatives To Consider**

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Viral marketing, or word-of-mouth, can be applied in conjunction to or with most advertising streams. But it is most commonly associated with web-based (html and e-mail) systems, so we would be remiss not to comment on other alternatives where you can focus your efforts to drive your message home to consumers.

Of the myriad examples of advertising that we can go into, we will focus primarily on the ones with which a word of mouth and/or viral marketing campaign can be at least loosely associated—and perhaps touch on other alternatives when necessary. We can also provide a few links to associated resources and companies that may prove useful should you wish to investigate these alternatives in further depth.

### **Affiliate programs**

Today one hears a lot about the various affiliate programs and how successful they can be. This is an exciting avenue to investigate, especially with viral marketing in mind. An affiliate program is one where you allow other companies to link to or advertise on your site and in return earn a fee for all traffic that is recognized as coming from your links.

The biggest and most popular of these at the moment is Google's AdSense. The question is whether or not it is worth participating in these programs when you have little to no way to track the results and

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have to rely on the link code provider to “pay up” and issue you a check, or if you are an advertiser pay *them* to help generate and drive traffic to your site(s) via the same AdSense functionality.

For affiliate users—the same people whom you would be targeting for your viral campaigns—the general historical consensus was that it was not worth participating in affiliate programs since many times they would never see a check and had no way of proving or identifying whether or not they had been driving any traffic to the affiliate sites.

Google changed all that, however, with tools and tracking programs that not only allowed participants to view their standings, but encouraged them to modify and correct keywords and descriptions to increase traffic and hits.

The only real question now is whether you want to participate in an “earn money” method and have other’s ads appearing on your sites, or whether you want to use this exciting new concept to drive traffic to your site!

## **ADWORDS**

Google’s AdWords program works like this from the vendor side: you *bid* an amount that you are willing to pay. Then you create a list of keywords and a related advertisement that displays as one of the “quick links” on the right hand side of the user’s after he runs a Google search.

Ads also appear on affiliate sites that are of a similar vein to your products. Depending on your bid price and maximum daily expenditure settings, your ad will show and you are charged by the number of users who “click through” to your site.

As with any advertising method, you should be aware of your rate of return on your investment, commonly referred to as ROI and your total budget and set your spending accordingly.

The type of advertising that is done in these affiliate programs is called “conceptual advertising” and is not restricted to Google by any means. We will discuss several other vendors in this field later, but first let’s talk about some key attributes to consider about how and *if* you want to take advantage of these programs.

### **COST PER CUSTOMER**

One of the first things you need to think about is what you are going to be paying *per customer* to get them to your site. You have to remember that just getting them to your site doesn’t mean they will buy from you! The other important thing to remember is that depending on your TYPE of business and sales, you may not be a good candidate for this kind of advertisement.

If you’re selling a product that only sells once in a lifetime to a customer, then budgeting too high to advertise to that customer and all the potential prospects could dig deep into your profits with no real gain.

## **BLOGS**

A common feature today that many businesses are starting to take advantage of for the free advertising and goodwill it can engender are "blogs." A blog is simply a binary log or diary that is available for anyone to read. You can put just personal information, solutions to common problems, your outlook on life or just about anything you like on a blog. Many blogs focus on a specific thing, while others ramble about anything and everything.

The choice is yours. But how can this help your business and how can it be utilized to further viral marketing goals?

A case in point are the blogs encouraged by and paid for by Microsoft where their developers and program managers post useful insights into the products that end users would rarely have feedback on. By simply going to <http://www.microsoft.com/Communities/blogs/PortalHome.msp> and reading a blog, and sometimes even being able to communicate directly with those engineers who are writing it, the customers now get to feel as if they are directly involved in creating and updating the next version of Microsoft's products.

The end result? Happier more informed customers, and an Internet searchable site with valuable information that customers might not be able to find elsewhere. This generates the type of excitement and feeling of ownership so vital to successful viral marketing campaigns,

and all at the low cost of online storage and an occasional article update!

To give you another example, let's say that you are in the business of selling recreational camping products and begin to maintain a blog about daily trends in the industry, your findings of what works well and what doesn't in common trailers and RV's, and which products seem to be the most popular.

After a time you find yourself making new contacts and sales to people that you had not been reaching in the past but who have begun to read your blog and are supporting your company due to a sense of loyalty and as a "thank you" for your valuable insights.

Considering that for the most part blogs are free, that's a great return for just a few minutes of your time every other day. And it also provides an excellent resource for having discussions with customers and potential customers to gather segment research that you otherwise might never be able to obtain even if you hired an expensive marketing research firm to attempt to gather it for you!

## **RSS FEEDS**

An RSS feed is a way to "share" information across many web sites. It is short for RDF (rich document format) Site Summary and is also called just Rich Site Summary at times. Popularized with the advent of Microsoft Office programs supporting it via XML, this is a useful way

for to get RSS-distributed content onto a site in an automatic way, but still control the layout and look.

Pushing out RSS feeds to affiliate sites is one option to advertise and a good one for many online businesses. Just as with Google's AdWords and other such services, your business may or may not be right for this media. Typical uses for the feature according to one of the leaders in the field, Clickbank is to:

1. Use a RSS syndication script (like [RSS Equalizer](#)) to add RSS feeds to your web page OR
2. Incorporate ClickBank's RSS Feeds into your blog

#### **OTHER ELECTRONIC OPTIONS**

Other than Google's AdWords and ClickBank there are several other contextual advertising and automatic feed capable services to consider. These include:

##### **YPN (Yahoo Publisher Network)**

<http://publisher.yahoo.com>

The main competitor to Google at this stage although they do not support an "AdLinks" type feature at this time.

##### **QUIGO ADSONAR**

<http://www.quigo.com/adsonarexchange.htm>

A new competitor likely to infringe on Google's "AdSense" program, Adsonar is focusing on the relevancy of its advertisements, primarily on the "Health" and "Beauty and Fitness" arena.

**INDUSTRYBRAINS**

<http://www.industrybrains.com>

Offering contextual advertising to businesses involved in government, technology and the financial districts only.

**Commission Junction Evolution**

[http://www.cj.com/solutions/optimized\\_advertising.jsp](http://www.cj.com/solutions/optimized_advertising.jsp)

Not functional yet but a beta is available to top tier publishers at this time. They will add a new twist by connecting to an affiliate program.

**MSN**

<http://advertising.msn.com/home/home>

No-one can beat Microsoft when it comes to sheer volume, and they are offering some great tools and competitive features in their bid to enter this market as well.

**E-MAIL MARKETING**

Obviously if you do not currently have a targeted opt-in email list, you may want to consider viral marketing to build your targeted opt-in email list. Just consider the contact information of the targeted audience members as the revenue you are receiving by virtue of using viral marketing versus conventional marketing alone.

Therefore it should be just as obvious, that if you do have an existing opt-in list of customers and prospects, they are the ideal group to approach initially when you start your viral marketing campaign.

## **WRITING ARTICLES**

Advertising in magazines and newspapers will never go away, and using free press when you have events or sponsor a charity are still great ways to get your company and its products out there for very little investment!

## **SEO**

An SEO is a, "Search Engine Optimization" company that will help you place your website in the search engines or assist you with writing copy or giving advice on architecture and web design for a fee.

Recently a few SEOs have been overly aggressive and have used unfair methods to try and influence and manipulate search engine results, giving the entire industry a bad reputation. SEOs can be great for your company, but don't respond to one that solicits you or promises you a high ranking.

As the old saying goes "there ain't no such thing as a free lunch," so, if it sounds too good to be true it probably is. If you DO have problems with an unethical SEO you should address those concerns to the FTC (Federal Trade Commission) at <http://www.ftc.gov/> via the "File a Complaint Online" link or you can call them at 1-877-FTC-HELP. If all else fails write to them.

## **Non Electronic Methods**

Direct mailings, magazine advertisements, and television and radio are staples of marketing for good reason: they work. But they often are very expensive as well. Some alternatives to consider that may work as well but might offer a better return for the investment include:

- Newspaper ads
- The Yellow Pages and other telephone directories
- Merchandising such as leaflets, packaging, shelf displays and window displays
- Trade journals
- Websites

Other alternatives include writing articles and news stories on topics related to your business or interests, joining local community business groups and bureaus and even billboards or “car wrap” advertising.

Give-away marketing in the form of pens and caps, tee-shirts, etc. has long been a big promotional gimmick too, again for the simple reason that it is somewhat effective and for the most part low cost.

Postal cards, pictures with your logo or website on them can also help generate traffic and be instrumental to viral marketing campaigns. But the really valuable cases occur when you can identify and provide

some “really cool” must-have item that drives the public into frenzy and clearly associate it with you and your business.

Consider the beanie-baby craze of the eighties. If you were one of the first to get into providing these seemingly useless bean-stuffed toys as a sales gimmick, your business was booming. And this wasn't due to the product you were selling directly, but for people to get their hands on the rare and much coveted babies you were providing as a reward for the sale.

The fact that the actual value of the babies was all in its perception was quickly driven home by the failed “collection” when the bubble finally burst. But since you had not been selling beanie babies but giving them away, nothing but good came to you from the campaign!

This type of “affiliated marketing” scheme can be a great tool if you can hit the right combination of item and timing to really cash in on the public perception. And sometimes, as with the mood ring and the “pet rock,” what starts out as a novelty give-away may become in itself a saleable product that can earn you millions!

### **Links and Resources**

[Agencyfinder.com](http://Agencyfinder.com) Advertising, public relations or marketing firms

[AWI - Advertising Agencies](http://AWI - Advertising Agencies)

- [4Advertising.com](#)
  
- [List, The](#). A directory of ad agency e-mail addresses
  
- [Marketing Communications Agency Network \(MCAN\)](#) A network of independent ad agencies
  
- [Mutual Advertising Agency Network](#). A network of over 40 agencies
  
- [YAHOO - Advertising](#)

## Marketing And The Law

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Keep up to date on what you can legally do on your website and on how to limit your exposure to potential problems caused by viral marketing campaigns or others actions.

You can keep abreast of the laws and regulations regarding advertising and truth in advertising, as defined by the Federal Trade Commission (FTC), and related information on the FTC website [www.ftc.gov](http://www.ftc.gov) which is updated almost daily.

Prior to starting any campaign, look and to see what the FTC has to say about products or advertising claims that are similar to those you are planning to promote. From the FTC homepage, you can search the entire website using key words or phrases to find the pertinent sections.

Many of the more commonly asked about elements, (As of August 2007), are listed in this section for you to reference as well. In addition, it is good practice to review [www.consumer.gov](http://www.consumer.gov) and check with the [Better Business Bureau](http://www.bbb.org) sites for tips on truthful advertising, the "voluntary code of advertising" and the details of ongoing scams that are currently targeting small business owners.

## **The CAN SPAM Act**

One of the most significant and pertinent acts to affect viral marketing and online marketing in recent years is the CAN-SPAM act for commercial e-mailers enacted in 2003. It stands for the "Controlling the Assault of Non-Solicited Pornography and Marketing Act." It became effective on January 1, 2004. It covers any e-mail whose primary purpose is advertising or to promote a commercial product or service including websites.

In effect it states that a "*transactional or relationship message*" (i.e. e-mail) that facilitates an agreed-upon transaction or updates a customer in an existing relationship cannot have false or misleading routing information, but is otherwise exempt from most of the other CAN-SPAM Act rules.

This means you HAVE to be able to find who sent the message via the headers or content in order to "opt out" if you don't wish this type of message, even if you are not SPAM or pornography based.

### **WHAT THE LAW REQUIRES**

The main provisions for the CAN-SPAM act are as follows:

**It bans false or misleading header information**

Your e-mail's "From," "To," and routing information—including the originating domain name and e-mail address—must be accurate and identify the person who initiated the e-mail.

**☐ It prohibits deceptive subject lines**

The subject line cannot mislead the recipient about the contents or subject matter of the message.

**☐ It requires that your e-mail give recipients an opt-out method**

You must provide a return e-mail address or another Internet-based response mechanism that allows a recipient to ask you not to send future e-mail messages to that e-mail address, and you must honor the requests. You may create a "menu" of choices to allow a recipient to opt out of certain types of messages, but you must include the option to end any commercial messages from the sender.

Any opt-out mechanism you offer must be able to process opt-out requests for at least 30 days after you send your commercial e-mail. When you receive an opt-out request, the law gives you 10 business days to stop sending e-mail to the requestor's e-mail address. You cannot help another entity send e-mail to that address, or have another entity send e-mail on your behalf to that address. Finally, it's illegal for you to sell or transfer the e-mail addresses of people who choose not to receive your e-mail, even in the form of a mailing list, unless you transfer the addresses so another entity can comply with the law.

**☐ It requires that commercial e-mail be identified as an advertisement and include the sender's valid physical postal address**

Your message must contain clear and conspicuous notice that the message is an advertisement or solicitation and that the recipient can opt out of receiving more commercial e-mail from you. It also must include your valid physical postal address.

## **PENALTIES**

Each violation of these provisions is subject to fines of up to \$11,000. Deceptive commercial e-mail also is subject to laws banning false or misleading advertising. Additional fines are provided for commercial e-mailers who not only violate the rules described above, but also:

- "Harvest" e-mail addresses from Web sites or Web services that have published a notice prohibiting the transfer of e-mail addresses for the purpose of sending e-mail.
- Generate e-mail addresses using a "dictionary attack," combining names, letters, or numbers into multiple permutations.
- Use scripts or other automated ways to register for multiple e-mail or user accounts to send commercial e-mail.
- Relay e-mails through a computer or network without permission, for example, by taking advantage of open relays or open proxies without authorization.

The law allows the DOJ to seek criminal penalties, including imprisonment, for commercial e-mailers who do, or conspire to:

-

- Use another computer without authorization and send commercial e-mail from or through it.
- 
- Use a computer to relay or retransmit multiple commercial e-mail messages to deceive or mislead recipients or an Internet access service about the origin of the message.
- 
- Falsify header information in multiple e-mail messages and initiate the transmission of such messages.
- 
- Register for multiple e-mail accounts or domain names using information that falsifies the identity of the actual registrant.
- 
- Falsely represent themselves as owners of multiple Internet Protocol addresses that are used to send commercial e-mail messages.

### **RELATED RULES**

The FTC will issue additional rules under the CAN-SPAM Act involving the required labeling of sexually explicit commercial e-mail and the criteria for determining "the primary purpose" of a commercial e-mail. See the FTC Web site at [www.ftc.gov/spam](http://www.ftc.gov/spam) for updates on implementation of the CAN-SPAM Act.

### **Additional Considerations**

Being ignorant of the law is not an excuse, so prior to making claims or offering a “guarantee.” spend a few minutes researching how to word your statements and what is and is not considered appropriate. Even with the best of intentions a simple error can open you up to potential litigation should something go wrong, so this is truly a case where an ounce of prevention can be worth a pound of cure! A few of the more commonly asked questions that are addressed on the FTC site that we see asked by the common business user regarding advertising include the following:

**A COMPETITOR HAS A DECEPTIVE AD: WHAT CAN I DO?**

- z) Explore your legal options under federal and state statutes that protect businesses from unfair competition. For example, the Lanham Act gives companies the right to sue their competitors for making deceptive claims in ads.
- aa) File a complaint with the [National Advertising Division](#) (NAD) of the Council of Better Business Bureaus, if your competitor's ad is running nationally or regionally. The NAD is a private, self-regulatory group affiliated with the BBB. It investigates allegations of deceptive advertising and gives advertisers a mechanism for resolving disputes voluntarily.
- bb) Call your local BBB or file an online complaint with the [Better Business Bureau](#) if the ad is local. Many BBBs have procedures for resolving disputes between businesses.

cc) Contact the radio station, television station, or publication where the ad ran. Let them know that they're running an ad you think may be deceptive.

dd) Contact your state Attorney General's Office or your city, county, or state Office of Consumer Affairs. To get their phone numbers, check your telephone directory.

Contact the FTC. By mail: Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, DC 20580; by telephone: toll-free 1-877-FTC-HELP.

### **HOW DOES THE FTC RESOLVES DISPUTES BETWEEN COMPETITORS?**

The FTC is authorized to act when it appears that a company's advertising is deceptive and when FTC action is in the public interest. Although the FTC cannot intervene in an individual dispute between two companies, the agency relies on many sources, including complaints from consumers and competitors, to find out about ads that may be deceptive. To file a complaint against a competitor who you believe has engaged in false advertising, contact:

Federal Trade Commission  
Consumer Response Center  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
Toll-free 1-877-FTC-HELP (382-4357)

[Online Complaint Form](#)

### **CAN COMPANIES COMPARE A COMPETITOR'S PRODUCT AGAINST THEIRS IN AN ADVERTISEMENT?**

So long as the advertisement is truthful and not misleading, yes, although copyright law may prohibit showing images of the product or its logos, depending on the scenario. See the [Comparative Advertising Policy Statement](#) for more.

### **WHAT ARE THE RULES FOR CONTESTS AND SWEEPSTAKES?**

If a sweepstakes type promotion requires a purchase to participate, it is illegal in the United States. This is enforceable by the USPS and FCC as well as other governing bodies of the US federal law divisions. Since every state has varying laws, you should check with the Attorney General's Office in your state for specifics about the state(s) in which you plan to advertise. In addition, if phone calls are to be involved, the FTC's [Telemarketing Sales Rule](#) applies, and details on how to participate *without* purchase or payment is required to be made available upon request.

### **WHAT ARE THE RULES REGARDING USING ENDORSEMENTS IN ADVERTISEMENTS?**

The FTC has a document called the [Guides Concerning the Use of Testimonials and Endorsements](#) which details advice on how this type of information may be used. To summarize said endorsement must:

- Reflect the honest experience or opinion of the endorser.
- Cannot contain deceptive or unsubstantiated information if the advertiser made them directly.
- Typify the experience of the consumers who use the product not just those who are satisfied with it and must disclose likely results.
- Be given by someone who has sufficient qualifications to be considered an expert in the field.
- Must state if any material connection exists between the endorsee and the product and whether he is being paid to endorse it.

### **WHEN CAN I ADVERTISE SOMETHING AS "FREE"?**

This is detailed in the FTC's [Guides Concerning Use of the Word "Free" and Other Representations](#) and the [Guides Against Deceptive Pricing](#) and in effect state that if something is "tied" to the sale of another product, then the ad needs to disclose those terms and conditions up front, near the advertised price. For more information on this see the FTC article [Big Print. Little Print. What's the Deal?](#)

### **WHAT ABOUT GUARANTEES AND WARRANTIES?**

Ads that mention a warranty or guarantee should clearly disclose how to get the details and any limitations must also be clearly disclosed.

Also the law requires that copies of said warranties or guarantees be made available upon request whether or not the consumer purchases the product, in able to allow them to consider them prior to the sale.

### **IS THE INTERNET EXEMPT FROM SOME ADVERTISING LAWS?**

NO! All of the laws on advertising in the U.S. apply to *any* site on the Internet if the product is to be made available to the US market. To learn more review the FTC documents:

- [Advertising and Marketing on the Internet: The Rules of the Road](#)
- [Dot Com Disclosures](#)
- [Selling on the Internet: Prompt Delivery Rules](#)
- [A Business Guide to the Federal Trade Commission's Mail or Telephone Order Merchandise Rule](#)

### **Additional information and contacting the ftc**

The following articles are all useful when beginning an online advertising campaign and may be necessary to answer questions you may have regarding specifics such as consumer privacy, when it is and is not legal to sell certain goods, etc. These articles and many more are available online at the FTC site:

- [How to Comply with the Children's Online Privacy Protection Rule.](#)
- [Mail or Telephone Order Merchandise Rule](#)

- [A Business Guide to the Federal Trade Commission's Mail or Telephone Order Merchandise Rule](#)
- [Direct Marketing Association](#) (Voluntary ethical business practice guidelines)

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair practices in the marketplace and to provide information to businesses to help them comply with the law.

To file a [complaint](#) or to get [free information on consumer issues](#), visit [www.ftc.gov](http://www.ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.

The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into [Consumer Sentinel](#), a secure online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

All the best

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The Unselfish Marketer

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**STOP..! I Buy What YOU Ask For:**

18 Memberships In 1 **PLUS** Products Every 2nd Day...  
**I'll Slam Shut The Doors Soon - Check It Out Now!**  
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**Join A Club That PURCHASES PLR & MRR Products**

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We Purchase Products & Services For \$2500+ Every Month (**YUP, you read that right – 2 Thousand 5 Hundred Dollars**) PLUS You Get 3GB / 1000 domains / 50GB BW PROhosting, 100 Autoresponders, Full Access To JVM2 Fantasos OR JVM3.com Delavo Hosted, 18+ More Memberships And So Much More: [See Everything Here](#)