

Unit 9

E-marketing

www.longman-elt.com

www.economist.com

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post on it? How could this information be useful to marketers?

Reading 1

Conversational marketing

1 Read the text on the opposite page and answer the questions.

- 1 What is meant by 'conversational marketing'?
- 2 What conflicting views of the future of conversational marketing are presented in the text?



Conversational marketing

Word of mouse

Will Facebook, MySpace and other social networking sites transform advertising?

Mark Zuckerberg, who is 23 and the boss of Facebook, a popular social networking website, recently announced to advertising executives that Facebook was offering them a new deal. "For the last hundred years media has been pushed out to people," he said, "but now marketers are going to be a part of the conversation." Using his firm's new approach, he claimed, advertisers will be able to piggyback on the "social actions" of Facebook users, since "people influence people".

² Mr Zuckerberg's language was strikingly similar to that of Paul Lazarsfeld and Elihu Katz in their book "Personal Influence", a media-studies classic from 1955. They argued that marketers do not simply broadcast messages to a passive mass audience, but rather that they target certain individuals, called "opinion leaders". These individuals then spread, confirm or negate the messages of advertisers through their own "social relationships", by word of mouth or personal example.

³ Messrs Lazarsfeld and Katz, of course, assumed that most of these conversations and their implicit marketing messages would remain inaudible. That firms might be able to eavesdrop on this chatter first became conceivable in the 1990s, with the rise of the Internet.

⁴ In the past decade the Internet has already produced three proven advertising categories. First came "display" or

"banner" ads, usually in the form of graphical boxes on web pages, now often with embedded videos. Today these account for 32% of online advertising revenue. Next are classified ads, now 17% of the total. The third, and now largest, category is search advertising, with 41% of the total. Proven though not invented by Google, the biggest search engine, these are the text snippets that appear next to search results for a specific keyword.

⁵ From the point of view of marketers, these existing types of online ads already represent breakthroughs. In search, they can now target consumers who express interest in a particular product or service by typing a keyword; they pay only when a consumer responds, by clicking on their ads. In display, they can track and measure how their ads are viewed and whether a consumer is paying attention (if he turns on the sound of a video ad, say) better than they ever could with television ads. The goal of observing and even participating in consumers' conversations – true conversational marketing – now appears within reach.

⁶ The first step for brands to socialise, or converse, with consumers is to start profile pages on social networks and then accept "friend requests" from individuals. On MySpace, brands have been doing this for a while. For instance, Warner Bros, a Hollywood studio, had a MySpace page for "300", its film about Spartan warriors. It signed up some 200,000 friends, who

Glossary

piggyback ride on the success of, take advantage of

eavesdrop listen in on conversations

creepy scary

clutter untidy mess

watched trailers, talked the film up before its release, and counted down toward its DVD release.

⁷ Facebook also lets brands create their own pages. Coca-Cola, for instance, has a Sprite page and a "Sprite Sips" game that lets users play with a little animated character on their own pages. Facebook makes this a social act by automatically informing the player's friends, via tiny "news feed" alerts, of the fun in progress.

⁸ In many cases, Facebook users can also treat brands' pages like those of other friends, by adding reviews, photos or comments, say. Each of these actions might be communicated instantly to the news feeds of their clique. Obviously this is a double-edged sword, since they can just as easily criticise a brand as praise it.

⁹ Facebook even plans to monitor and use actions beyond its own site to place them in a social context. If, for instance, a Facebook user makes a purchase at Fandango, a website that sells cinema tickets, this information again shows up on the news feeds of his friends on Facebook, who might decide to come along. If he buys a book or shirt on another site, then this implicit recommendation pops up too.

¹⁰ There are plenty of sceptics. Some people may find all this creepy, so Facebook will allow people to opt out of sharing their information. Another problem, says Paul Martino, an entrepreneur who launched Tribe, an early social network, is that the interpersonal connections (called the "social graph") on such networks are of low quality. Because few people dare to dump former friends or to reject unwanted friend requests from casual acquaintances, "social graphs degenerate to noise in all cases," he says. If he is right, social-marketing campaigns will descend into visual clutter about the banal doings of increasingly random people, rather than being the next big thing in advertising. ■

2 Read the text again and answer the questions.

- 1 What did Mark Zuckerberg of Facebook promise marketers?
- 2 How is this similar to the classic media study by Lazarsfeld and Katz?
- 3 What are the three forms of Internet advertising?
- 4 How do brands intend to socialise with consumers through social networking sites?

Vocabulary 1 Match the words from the text with their meaning.

- | | |
|---------------------------|--|
| 1 word of mouth (para 2) | a a brief listing of products and services for sale |
| 2 classified ads (para 4) | b a format used for providing web users with frequently updated content |
| 3 snippets (para 4) | c information gained verbally, by someone telling you, rather than written |
| 4 profile page (para 6) | d an exclusive group of people |
| 5 news feeds (para 7) | e a place where you post details about yourself on the Internet |
| 6 clique (para 8) | f a two-line summary that appears along with a link to a website |

Vocabulary 2 Word clusters

Many words have a 'cluster' of derived words and idiomatic expressions that all stem from the original word or 'base form'. For example, in the text the noun *breakthrough*, which means a sudden, unexpected discovery, is derived from the verb *break*, and the adverb *through*.

1 Study the spidergram on page 141, which shows other derived forms of *break*. Where would you insert the following words?

breakable break the law break-even break up

2 Complete the sentences below with forms of *break*. Then make your own word cluster diagram with *back*, *do*, *draw*, *light*, *set* or *take*.

- 1 With over 1 billion websites in existence, it is getting harder for companies to _____ the select group of the 20,000 most visited sites.
- 2 After investing massively in their online operations, it took major retailers several years just to _____ and they only started to become profitable in 2003.
- 3 Most web advertising companies provide extensive data which gives a _____ of all Internet users who have clicked on their adverts.
- 4 Many Internet users do not have sufficient antivirus protection and are therefore vulnerable to _____ of spam attacks.
- 5 For people who spend long hours working on their computers, it is recommended that they _____ of at least ten minutes every hour.
- 6 In some counties, a website that doesn't display its privacy policy about data-gathering is considered to be _____.

Speaking

Does the idea of marketers monitoring your life through your social network page scare you? Would you opt out of 'sharing' information about your life with marketers?

Puns

In the title 'Word of mouse', *mouse* is used instead of *mouth* to create a pun. Journalists often use puns in headlines to grab readers' attention. Advertisers use similar techniques to make their slogans memorable.

1 Each of the examples below contains a pun. Identify the pun and say what you think the original word was.

- a I think therefore I BM (IBM) *
- b Taste not waist (Weight Watchers frozen meals)
- c These are Wright for me (Frank Wright Shoes)
- d It 'asda be Asda! (Asda)
- e Burton's menswear is everywear (Burton's menswear)

2 Match the idiomatic expressions (1-4) with their meanings (a-d).

- | | |
|---------------------------------------|--|
| 1 So far so good. | a Lots of bad things happen all at once. |
| 2 It never rains but it pours. | b Always try to adapt to a new culture. |
| 3 When in Rome (do as the Romans do). | c Don't say anything about it to anyone. |
| 4 Mum's the word. | d For the moment things are going OK. |

3 Which of the expressions above is referred to in these slogans? Which ones are the most effective? Can you think of similar examples in your own language?

- a So Farley's so good (Farley's baby food)
- b Cell phones cost when in Roam (cell phones)
- c When it pours it reigns (Michelin tyres)
- d One word captures the moment. Mumm's the word (Mumm's champagne)

Listening 2

Google clicks

Listen to Greg Stillman, a journalist specialising in digital technologies and the Internet, talking about how Google developed its advertising business. Decide whether the statements are true or false.

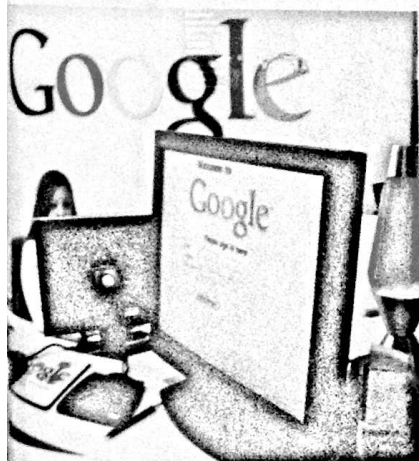
- 1 Google has been in business since 1998.
- 2 Advertising has always been an integral part of the company's business model.
- 3 Google's first use of advertising relied on traditional sales techniques.
- 4 Advertisers have to bid for keywords that they want to use in their ads.
- 5 Search engine companies approve of 'black hat' techniques.
- 6 Advertising is the only way to make sure that a web page is well ranked.
- 7 Google has failed to diversify into areas other than Internet searches.
- 8 Google is preparing to pay users for information it gathers about them.

Speaking

Some researchers have suggested that the online world is becoming dangerous for young people because they perceive their offline lives as being comparatively boring and unstimulating. Do you agree? Do you think that people will spend more or less time online in the future?



An Internet search using the keywords 'Google labs' will show links to Google's research projects. Choose one of these to discuss with a partner.



which offers yet another opening to reach specific groups of consumers. Finally, social media such as Facebook and MySpace are having a massive impact on the market and account for a huge youth audience. We are going to see an impressive increase in spend in this area in the next few years.

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Interviewer: When people talk about advertising on the Internet it seems that Google's always the first name that gets mentioned. How do you explain its success in this field?

Greg Stillman: There's absolutely no doubt that Google is one of the Internet's most incredible success stories. I mean here you have a company that only actually started business in 1998 and today it's not only a household name – it's one of the pillars of the US high technology sector. But how the firm managed to become the leading vehicle for advertising on the Internet isn't that simple because that wasn't really what Page and Brin originally had in mind when they launched 'Backrub', their first search engine, when they were still students at Stanford University.

Int: So how did Google get so deeply involved in advertising?

GS: Well, of course, it all stems directly from the famous Google algorithm because that's what's at the heart of Google's business model, a bit like the secret magic formula for Coca Cola. And it was the algorithm that led to the whole concept of page ranking which is the way that Google actually decides which websites appear at the top of the page when you're doing a search. But the idea of basing that ranking on the popularity and relevance of a site, well, that was definitely the first stroke of genius. But it wasn't enough to take Google all the way to the top because just operating a search engine isn't – or perhaps I should say wasn't – all that lucrative. So it was only really once they'd integrated advertising that the company's revenues started to soar.

The company had actually sold advertising since 2000 but in quite a traditional way, you know, with sales reps and so on. But in 2002 that all changed with the the new Adwords program. With Adwords Google was able to offer a self-serve advertising model that you could access online, but equally important was the fact that it was PPC advertising. Now, PPC stands for 'pay per click' which means that what advertisers pay is related to the number of clicks that their ads or links actually generate. But at the same time as introducing PPC, Google also adopted an auction system – so advertisers actually have to compete for keywords. Let's say, for example, you are a chocolate company and you want to advertise on Google using the word 'chocolate'. Google will ask you in which countries you want your ad to appear and which search languages you want to target: English, French, Korean,

etc. Once you've entered the keyword 'chocolate', Google AdWords provides you with an 'average cost per click' or 'CPC' for the keyword based on what others who wanted to advertise chocolate have been willing to pay. The average cost per click is the average of the top three bids. Because how much you're willing to pay per click also determines your 'ranking'. Although you originally imagined spending one dollar per click, you might learn that other companies have been willing to pay twice that! So, you'll now have to match or raise the average cost per click price if you want your ad to be ranked among the top three to appear.

Int: Mm. So what about search engine optimisation or 'SEO' as it's often called. Why has that become something of a buzzword in emarketing?

GS: Well it's pretty simple to understand because if you're a company and you have a website then obviously you want to have your name in front of people's eyes when they do a search. It's a bit like when people used the telephone directory - except that that system was just alphabetical so if your company name started with a capital 'A' followed by another 'A' then you were automatically at the top of the list and your business was more visible than your competitors'. Now SEO is really just that applied to the Internet - except that you have to compete to get to the top of the list. There are a number of ways you can do that and search companies divide those techniques into two groups: 'black hat' and 'white hat' - so 'white hat' means that the methods are considered legitimate and 'black hat' means that some deceptive practices are being used to try to artificially inflate the ranking. But ultimately you have to get people clicking on your site and they'll really only continue to do that if the content is what they want. But, of course, buying adverts on Google is one way of getting people onto a site! So it's like a loop, if you like, and you may have to keep advertising just to stay on top of the game. But having said that, the importance of SEO can sometimes be exaggerated because in fact sales are mostly generated by links between websites and not so much from clicking on search results.

Int: Mm. What about the future? How do you think Google will influence the future in e-marketing?

GS: In my view Google is in a very strong position to achieve digital dominance in that field. They have the search engine, they have very precise data about exactly how people are using the Internet and they have the advertising revenue to support their business. But they also have a whole constellation of digital operations in all sorts of different areas: social networking sites, video entertainment sites like YouTube, mapping sites, and so on. So that's already a very solid foundation. Especially when you consider that they also have the ability to interconnect different technologies and to prepare for Web 3.0, the platform of the future. And Google sees that as being a seamless Internet-connected environment where people will be able to switch between mobile devices and computers and access or download all types of software and content at the click of a button. I suppose the only cloud on the Google horizon could be a change in Internet user behaviour and there are some people who are starting to say that Internet users should be paid for all the information that they divulge about themselves when they surf the net, but I don't think that we're there yet. So what that will all mean for people involved in marketing is not entirely clear yet but what is clear is that Google is here to stay, and I would predict that most marketers will be spending not only more time on Google platforms but probably a lot more money too!

Reading 2 Second Life

Read the text about Second Life, a virtual world where people interact using graphic representations of themselves, or 'avatars'.

- 1 What problems did the original investors in Second Life face?
- 2 Why is traditional advertising media ineffective with Second Life?
- 3 In what capacity was Joni West involved in Second Life?
- 4 What solutions did she find to attract companies back to Second Life?
- 5 How can brands benefit from being present in Second Life?
- 6 How have advertisers changed their attitudes to Second Life?

FAST COMPANY

TECHNOLOGY

DESIGN

ETHONOMICS

LEADERSHIP

MAGAZINE | NEWSLETTERS | JOBS

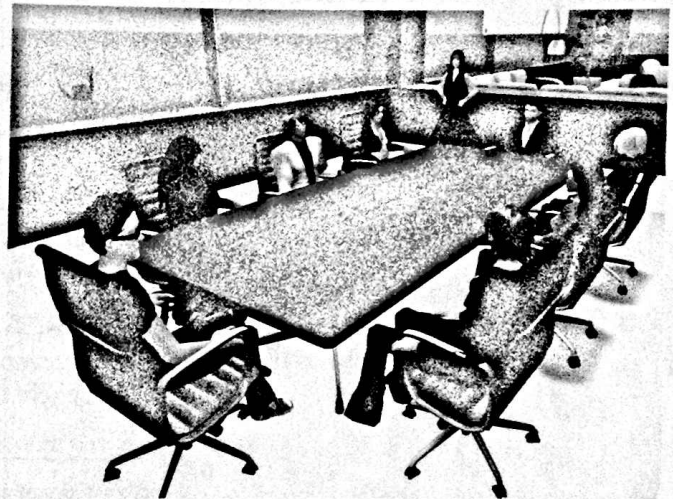
Google Custom Search



Marketing in the virtual world

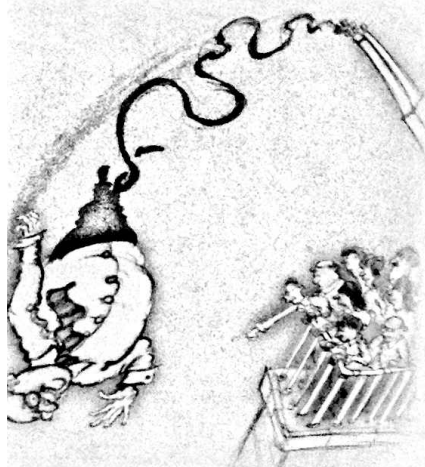
The second life of Second Life

- 1 Online virtual world Second Life first got hot a couple of years ago. Companies moved in and started to build their own virtual spaces. However, maintaining these areas required a lot of resources. Of course, if customers had followed, there would have been no problem. But they didn't, and dozens of companies scrambled to staunch their bleeding Second Life budgets. Second Life was over before it had begun.
- 2 At the same time, Joni West, a San Francisco-based fine artist and business-development consultant, stepped into the breach. "I saw all these huge virtual spaces – Adidas, Starwood Hotels, Dell – and they were all empty," says West, 47. "It was ridiculous."
- 3 In just two years, West has rewritten the rules of corporate marketing on Second Life. An avid user of the site, she realised that billboards, commercials, and streaming video fell flat among hyper-creative users who wanted to interact. Instead, she concluded, companies should try to spark user-to-user discussion – a surprisingly cost-effective option on Second Life. This insight has produced successful initiatives for clients such as Sun Microsystems, Overstock.com, and Nestlé, and made West's firm, This Second Marketing, the leader in shepherding name-brand companies back to the virtual world.
- 4 West stumbled into the business potential of Second Life while pursuing her passion for fine art. "I thought it would be fabulous to create a virtual art gallery where I could bring people from all around the world," she says. One day, she was sitting on a Second Life art gallery couch, doing just that – talking to people from various countries – and she had their rapt attention. "At that point, I realised how powerful one-on-one engagement could be in Second Life."
- 5 West used techniques gleaned from 25 years of marketing experience, including digital and email campaigns, to woo potential clients. She calmly explained that the previous failures of Second Life were a result of not harnessing the medium appropriately to reach its 14 million users, up to 66,000 of whom are present at any time. "I describe the mistake companies made like this: Imagine you've never been to Manhattan. You cross the George Washington Bridge, and someone hands you a guidebook. The first place you're going is not the Reebok store."



- 6 Translation: Second Life is not a place to make sales. It's also a venue where large companies don't have to spend \$3 million to build an elaborate space when \$10,000 to \$100,000, used judiciously, can have a much larger impact.
- 7 For an early campaign with Colgate, for example, West's staffers fanned out in the virtual world to give out about 35,000 Colgate smiles, along with a list of 10 cool places that make you smile. "Avatars aren't born with smiles, and people often don't know where to go in Second Life," she says. "Users want companies to bring something relevant to the community."
- 8 West's work has started to inspire other high-profile, higher-budget efforts. The Weather Channel has developed an attraction that lets users play sports in varied terrains with highly challenging weather conditions (tsunamis, avalanches, flash floods). Users spend an average of 30 minutes per visit, and the attraction draws a crowd around the clock. "It's not like a commercial, where maybe they watched and maybe they didn't," says Drew Stein, CEO of developer Involve 3D, which built the Weather Channel's virtual experience. "You're talking about a user actually paying attention, and you can time it. That's hard to replicate in any other medium."
- 9 The upshot is that the virtual world has survived the media spin cycle. "I think at first, everyone was there strictly for the hype and sunk their money into 15 minutes of fame," Involve's Stein says. "Now they're analysing what they're doing and seeing how Second Life breathes." And in the process, breathing into it a second life.

Career skills



Decision making

Making choices is an integral part of the decision-making process. Leaders who make good choices without wasting time are seen as decisive, insightful and successful. Leaders who stall and who can't make up their minds have difficulty motivating and inspiring their teams.

In everyday life, we generally have to make snap decisions about choices. In such situations the best strategy is to keep our goals in mind and trust our intuition to make the right choices. However, when time is available, the following techniques can help make the most appropriate choice.

- a Consider the consequences.
- b Go for it!
- c Narrow down the options.
- d Evaluate the outcome.
- e Get the facts.
- f Set your goal.

Read the list of techniques and match the headings (a-f) to each of the points below (1-6).

1 _____

You need to clearly identify and define the reason and purpose for the decision you are about to make. To do this you can ask yourself the following questions:

- What exactly is the reason for making a change?
- What do we hope to obtain from the outcome?
- If you never lose sight of the answers to these questions, you will be more likely to make the best choice.

2 _____

Find out what options are open to you and collect as much data and information as you can about each option. Asking for advice isn't a weakness - it can be very beneficial to learn from other people's experience.

3 _____

List and brainstorm all the pros and cons of every option. Consider all the angles, which could include cost, energy, time, etc. Consider whether positive outcomes can outweigh any losses.

4 _____

If there are several alternatives open to you, try to reduce them to a limited few and reconsider the situation with these restricted choices.

5 _____

There always comes a time to stop talking and start acting. Make your choice and start a plan of action to be executed.

6 _____

When the action has been put into place ask yourself what lessons can be learnt from the decision making procedure used. This is an important step for further development of your decision-making skills and judgement.

Dilemma & Decision

Dilemma: Creative showcase

Brief

IAB (Internet Advertising Bureau) have a monthly award for cutting-edge creativity in the online advertising sector. Anyone can enter as long as their campaign is targeted at a UK audience. The work is judged by senior online creatives and the winners, plus two runners up, have their work published in *Marketing Week*. Recently, the following campaigns were shortlisted for the prize.

In one take, on one tank

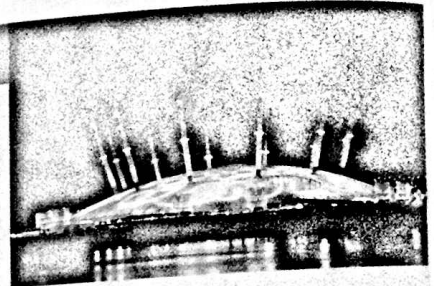
Tribal DDB's 'in one take, on one tank' concept for Volkswagen showcases the amazing fuel efficiency of the new Bluemotion Polo in a clear, engaging way. To create it, the team drove the car from London to the Geneva motorshow on a single tank of diesel and filmed the journey in a single take – 36 hours of footage which was edited down and incorporated into a site that enabled the viewer to participate interactively in the drive and review statistics relating to CO₂ output, cost and fuel consumption. The end result is a vivid demonstration of the car's unique capability.



Fill the Indigo

O2, the telecoms company, asked Archibald Ingall Stretton to raise awareness of their music credentials and deliver a real experience for the

brand slogan – 'We're better connected'. They hired the Indigo2 venue, generally used for live music. Then they told people 'If you can fill it, you can win it.' Any person who could invite enough people to fill the stadium could have it for a private party! This was the ultimate test of popularity and social networking skills.



Task 1

Work in groups. Discuss what you think of each of the campaigns. Which one appeals most to you personally?

Task 2

Discuss each of the campaigns in terms of the criteria below. Weight each one by giving it a score out of ten.

- Brand fit: how well does the campaign fit the brand image?
- The idea: how original is the campaign?
- Use of the medium: how many different media were used?
- Engagement: what is the quality of consumer interaction?

Task 3

Choose a winner.

Write it up

Write a press release to announce the winning campaign.

For more information, see *Style guide*, page 24.

Decision:

Listen to Lars Vanderbilt, a creative consultant, talking about how the judges chose to distribute the prizes.

- 1 What does he think of the campaigns?
- 2 Does he agree with the judges' decision?
- 3 What reasons does he give?

The X Factor Challenge

The X Factor is Europe's biggest singing contest, sponsored by Carphone Warehouse, a mobile phone retailer. The X Factor Challenge lets viewers sing and draw themselves for a chance to appear on TV during the show's ad breaks. The campaign uses TV, mobile and social media to engage the user at different levels, from simply watching someone else's performance to creating their own, sharing it via their mobile and, ultimately, starring on TV. Each week, contestants are picked from the website and their animations and singing performances are used as TV clips. They are seen by up to 12 million viewers during the Saturday night X Factor shows.



Review 3

Language check

Future perfect

Complete the management lecture with appropriate forms of the future perfect.

Many of you (¹read) _____ last year's study which found no evidence of a connection between a boss's personality and company performance. Well, by now, I hope you (²also look at) _____ the notes I sent you about my personal research which, by the time it's finished, (³prove) _____ more or less the opposite and if by the end of today's class you don't believe there is a link, then I (⁴not achieve) _____ what I set out to do. Before publishing our results, both myself and a team of psychologists (⁵work) _____ day and night on this project. But I know we'll feel that (⁶be) _____ worth it in the end.

Active and passive

Are the underlined verbs active or passive?

The ever changing world of online advertising ¹confuses many business people about what really works. It seems that online video-based ads ²have been presenting the biggest dilemmas. At a recent Ad Age Conference that very topic ³has been discussed. What ⁴was brought to the delegates' attention was the fact that only certain content works and that content should ⁵be designed by professional content creators. Research shows that when businesses ⁶got specialists to do the campaigns, the results were better. The only problem which seems ⁷to be looming on the horizon is whether the novelty of online video advertising ⁸is wearing off or not.

Have and get

Complete the sentences with a form of *have* or *get*.

- 1 They've just _____ the whole office redesigned.
- 2 Do you think she _____ the post of manager?
- 3 Why don't you _____ the books checked by an auditor?
- 4 They are thinking of _____ headhunters to do the new recruiting.
- 5 Thanks to his role in getting the new contract he _____ a pay increase.

Word order: adverbs

Are the adverbs in *italics* in the most appropriate place? If not, where should they be placed?

As ¹*frequently* alpha males are appointed to top jobs in the computer industry it surprised many ²*probably* when Diane Green was appointed CEO of VMware. The company sells software that makes data centres more efficient and has ³*quietly* become the world's fourth most valuable traded ⁴*publicly* software company.

Ms Green has already made her management style clear to employees. Open communication is key to her method and she ⁵*regularly* grants interviews in a glass walled office next to the entrance which she pops out of ⁶*often* to greet passers-by.

Consolidation

Choose the correct word or form of the words in *italics* below.

Most people may drink ¹*periodically/ approximately* two litres of water a day but they ²*actually/systematically* consume about three if the water that goes into their food is ³*taken into account/being taken into account*. We need to ⁴*get/have* the rich, who consume considerably more than the poor, to reduce their water consumption if a real crisis is ⁵*to be avoided/to have been avoided*.

By the end of the coming decade farmers ⁶*will have to have found/will have been finding* more efficient ways of using water if they want to continue producing enough food. Incredible as it sounds, by the end of the irrigation process as much as 70% of water used by farmers ⁷*won't have made it/won't make it* to the crops, usually due to leaks.

But ⁸*having/getting* farmers to use water efficiently is only one step to better yields. If Africa is to survive, it will ⁹*have to have/have to had* more decent seeds and enough fertiliser as well as ¹⁰*radically/subsequently* improved pest control, storage and distribution by end of the next decade.