

Online Marketing Costs

Online Marketing Costs provides the knowledge and the confidence to market online without breaking the bank.

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[Online Marketing Small Business](#)**

Online Marketing Small Business Guides

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HOW TO USE THIS BOOK

I have compiled this [Online Marketing Small Business Guide](#) with the Small Business owner in mind. This resource will save you time and money in the set up and implementation of your online marketing campaign.

If you ever need information about online marketing for your small business that is not covered in this guide please visit our [Business Guides](#) page, our [FAQ](#) page or [contact us](#) and we will do our best to provide the information that you require.

Check back to our website regularly to continue your online marketing education and keep up with future trends in online marketing for Small Business.

[Online Marketing Small Business](#)

Wishing you all the best in your marketing efforts on the Internet.

Yours truly,
Susanne Wickes
[Online Marketing Small Business](#)

Online Marketing Small Business Guides

ONLINE MARKETING TERMS

There are some basic terms that you need to know. Visit our [Marketing Terms](#) page whenever you are not sure of a term.

[Marketing Terms](#)

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You are encouraged to print this book for easy reading.

Online Marketing Costs

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Introduction - Online Marketing Costs

What are the marketing costs involved in online marketing?

After reading **Online Marketing Explained** you have a much better idea of online marketing and what it involves. The next big question for most small business owners is what will my online marketing costs be? This is a very sensible question.

Some small business owners believe that online marketing is way out of reach with their smaller marketing budgets. This is not true because the Internet levels the playing field to a large degree. While in traditional media it is much harder to compete with big business, on the internet you can rub shoulders with the big boys without spending a fortune. There are many affordable ways to advertise online.

In this **Online Marketing Small Business Guide** you will learn:

- The marketing costs involved in marketing your small business online
- Tips on how to work out your online marketing budget
- Where to invest your marketing dollars wisely
- How to track the Return on Investment (ROI)

The focus of **Online Marketing Small Business** is to assist small business owners to make the transition to online marketing in a seamless and affordable way.

Once you have read this **Online Marketing Small Business Guide** you will have the knowledge and the confidence to market online without breaking the bank. You will know what the marketing costs are, where to put your marketing dollar and why and what your return is on this investment.

Part 1 - What Will My Online Marketing Cost?

Your business marketing expenses for online marketing are entirely your choice. It all depends on your marketing plan. It is unwise and unrealistic to expect to create a marketing budget without a marketing plan.

It is best to take an integrated approach combining online and offline marketing. Many businesses that start exclusively offline and then go online find that they end up with two marketing plans going on at the same time; one for offline and one for online. This seems to occur because while the business owner is very familiar with offline advertising they tend to outsource the online advertising and treat it separately. This is not a good approach in the long term. To avoid confusion and the wasting of valuable resources what is needed is an integrated approach from the outset. It is well worth the effort to take this integrated approach initially even if you may not understand the online portion very well. Start with the marketing plan integrating the two approaches and work from there. You will find a whole section on marketing plans and the integrated approach [here](#).

Now what will it cost?

Online marketing expenses for small business may include:

- Website Design, Development and Marketing – anywhere from \$2,000 to \$25,000 (including Domain name, keyword research)
- Monthly website hosting, maintenance and Search Engine Optimization - \$100 to \$2,500
- Website Link Building Campaign - \$100 to \$500
- Online Advertising Campaign - \$100 to \$250 per month
- Search Engine/Online directories submission – up to \$100

It is a very important decision where to place your marketing dollar online and should not be taken lightly. No matter how small a business is marketing decisions have an impact positive or negative. The decision on where to place you money must be carefully considered with regards to a set of criteria which I will discuss in the next part. Small business owners can be more interested in low cost marketing with their sometimes limited budget.

There are a huge range of web design services and online advertising media to choose from with wide ranging prices. You can make your choice of these services based on a word of mouth recommendation from a colleague, or from a source of information you can trust or you without these you will have to give a service a go. Ask them for examples of their work and the results they have achieved with other clients before handing over your money. Make sure their costs don't blow out your marketing expenses no matter how enticing they make their service appear. Step back and take a long term view and look at developing a marketing plan if you haven't already then evaluate your budget.

In developing your marketing plan you can employ professionals or do it yourself by studying the principles and then writing your own or using software designed for the purpose. You will find information and resources on my [Marketing Plans](#) page to assist you.

Part 2 - Working Out a Marketing Budget

Marketing on a budget is a sensible and mature approach. You cannot approach a medium that you don't completely understand such as online marketing with an attitude of hit and miss.

I would hope by now that after reading about the necessity of a Marketing Plan in the previous section and at my [Marketing Plans](#) web page that you are convinced of the need for a Marketing Plan and budget. If you do not have a Marketing Plan now is the time to get one and then set your budget.

An Integrated Marketing Plan will have a budget that is designed to make the most of an offline and online marketing mix that compliment each other for the highest good of your business.

When marketing on a budget you need to provide cost effective marketing for the long term with return on investment (ROI) goals which are reviewed and revised in a specific time frame. Set these goals in your [Marketing Plan](#) before spending any money or getting outside parties such as marketing companies involved.

This following information is specifically about online marketing costs for small business.

Your budget for online marketing will likely include:

Development costs

- Research and strategy
- Website Design, construction and set up
- Search Engine Optimization

Ongoing costs

- Website Hosting
- Website Maintenance and Development – Link building program, search engine submission
- Internet Marketing – Search Engine Marketing, Pay Per Click (PPC) campaign
- Online Advertising – Ads in online publications, Email marketing, Article Marketing
- Marketing Analysis – Of campaigns, ecommerce, website traffic and conversion
- Advertising creation and production – writing of online ads, press releases, articles

Typical recommendations are that businesses invest 20% of their resources and time into marketing and reinvest 20% on an ongoing basis. If you are new to the marketplace you need to spend more to establish yourself. Do you know what your competitors are spending? You will need to spend at least that amount on your marketing. How you apportion that money between online and offline depends on you type of business but current recommendations are 50-50.

Your online and offline advertising should direct your potential customer to your website. Your website then becomes the hub, your measurement tool for both marketing avenues. Always track all forms of advertising to justify its place in your marketing plan and to help you allocate your marketing budget efficiently. Tracking, testing and surveys can gather a tremendous amount of information for you to make better future business and marketing decisions.

Always ask your customers in person, by phone, via your website or by email questions to measure their satisfaction with their purchase, your service; how they found you, whether they would buy again and how likely they are to recommend you to others. Their answers will guide you to improve your business and your marketing strategies. You can obtain this information via a customer survey either via your website or you can email your customer and ask them to fill out your survey. Maybe you could offer a discount coupon off their next purchase to encourage them to take the survey.

Work to a budget and stick to it. Track, measure and analyze your results. Revise your marketing plan and budget regularly. Now where do you spend this money you have budgeted? Read on

Part 3 - Wise Investments

Part 3a - Cost Effective Marketing Strategy

In order to implement a cost effective marketing strategy you must, as mentioned earlier, have a plan and a budget. As a small business just starting out with your online advertising I recommend that you take your time and be very careful with your decisions and your choice of marketing services on the net.

Your first wise investment is in the design and construction of your quality website that accurately represents your business and functions in the way you want it to. Refer to [Part 4 of Online Marketing Explained](#) for further information about websites.

As a part of your integrated online/offline marketing mix get your offline advertising sorted first. Your website address should be on all your offline media such as business cards, print ads, brochures, on your car and business directory listings. Remember that your website becomes the hub of all your advertising.

Now to your online advertising

Your continuing website development program should employ a quality link building strategy and search engine/directory submission program. This assists in natural, organic traffic from the search engines because you have a website with quality links and are easy to find. This traffic is free and will not cost you anything into the future.

The customer that costs the least is the one referred by a satisfied customer. Make sure you actually have satisfied customers by continuing to provide top quality customer service. Do whatever it takes to make this happen. Implement systems to make it easy for these satisfied customers to refer others to your business. A referral rewards program which rewards customers for referring others to your business is an excellent strategy. These programs are one the easiest, safest and cheapest ways to increase your customer base.

Your second wise investment happens after careful research into the types of online advertising mediums available to you. Your decision will then be to either engage the services of an online advertising company to take care

of your online marketing campaign or to do it yourself. If you are very new to the internet I wouldn't recommend doing it yourself. You are far better off sticking to what you know; your business.

Be careful when choosing online advertising services. Go to [Part 3: Where to Start](#) and read the section *Who to Trust to Assist you with your Online Advertising* to check the legitimacy of companies on the Internet. Beware of companies who exaggerate expectations.

Advertising online can be quite complicated as there is so much information on the net and so many forms on online advertising. Don't make hasty decisions and try out different kinds of advertising one at a time then put your money into what works. Being cautious and careful about this will reward you into the future. Make sure your expectations are not too high and give your techniques time to work.

The following is a list of affordable online advertising to get you started.

Search Engine Marketing (SEM) includes Pay per Click (PPC) Advertising or Sponsored Ads at the search engines.

Email Marketing is a powerful and cost effective marketing tool.

Articles Marketing is a cost effective marketing technique that will bring targeted traffic (potential customers) to your website.

Press Releases are another low budget marketing technique you can use to promote your small business website.

Read on for further information about these forms of effective online advertising.

Part 3b - Affordable Online Advertising

Search Engine Marketing (SEM) includes Pay per Click (PPC) Advertising or Sponsored Ads at the search engines. Your type of market determines which search engine you use. If you are targeting a local area then you could use a local search engine specific to your region or target your ads to a local area in the big search engines like Google or Yahoo.

PPC advertising is an advertisement where you only pay when someone clicks on your link and visits your site. You may have noticed these ads displayed on search engine result pages and content sites. How it works is that you pay an initial deposit when you set up your bid management account. You then write your two or three line ad and view keywords or phrases related to your business or product and bid for an ad position. Ads near the top are more valuable because they generate more clicks. When a visitor to the search engine (SE) views a page with your ad and clicks on it you are charged the bid amount by the SE from your account.

PPC can be a very profitable form of advertising if it is set up and managed skillfully. PPC can provide immediate results, is easy to manage with a limited budget through setting daily limits and it is easy to test the effectiveness of your campaign. Managing a PPC campaign and getting the most out of it is a very tricky business. If you have the time there are plenty of resources on the Internet and provided by search engines such as Google to assist you to learn how to get the most out of PPC. If you don't have the time then you will need to engage the services of a marketing company to set up and manage your campaign. Google has a program which qualifies individuals or companies as Google Adword Professionals. They have to satisfy certain criteria and sit an exam to achieve this qualification. You can look for their symbol and use it as a guide to whether the marketing company you intend to use is able to manage your campaign successfully.

Email Marketing is a powerful and cost effective marketing tool. It can increase sales, foster customer loyalty, create repeat business, save time and reduce marketing costs. Email Marketing is marketing to your customers or potential customers by sending emails using a list of email addresses you have collected. The people on your email list must have agreed to receive emails from you. This is called Opt-In Email or permission based email and is a legal requirement.

To use Email marketing successfully you need to:

1. Create your Email letters and place them in an autoresponder

2. Have a list of Email addresses you have collected from your website or from your current customer base
3. Track your results through an ad tracking program to measure results

An autoresponder is a software program that can send automatic pre-written emails to people on your email list.

You can set up your own Email marketing campaign or have a professional company do it for you. Either way it is important to define your goals before you begin. Ask yourself what is it that you want to achieve and then set up your campaign with these goals in mind.

Once you have built a solid email list you need to treat it like gold and provide high value, succinct information, know your subscriber well and keep your message well defined and relevant.

Articles Marketing is a cost effective marketing technique that will bring targeted traffic (potential customers) to your website. It is a type of advertising where a business writes a short article related to their business or area of expertise. This article is then distributed and published throughout the internet with the person's contact details in a resource box at the bottom of the article which includes their website address. Articles marketing can establish you as an expert in your field, build credibility, create trust in you and your brand and attract new customers.

To use Article marketing successfully you need to:

- Write articles to inform not as blatant advertisements. They must be quality informational articles. There must be no reference to your website or business in the body of the article.
- Do keyword research and write your articles with relevant keywords to assist readers to find your article
- Place a resource box at the end of every article. Make it short and to the point including your name, credentials and website address.
- Submit your article to quality article directories and place your article in the relevant category

Press Releases are another low budget marketing technique you can use to build targeted traffic to your small business website. A press release is an announcement of an event, performance or other newsworthy item that is issued to the press via a news release distribution service such as PRWeb. You can use a press release to announce your new online presence, a website redesign or a new product line or any time your business does anything newsworthy.

Press releases are read by journalists and internet writers to do the job of educating and informing the public. These releases give your business publicity, credibility and new customers.

Tips for writing a good Press Release are:

- **Three essential parts: Headline, Introduction and the body.**
- **Headline is very important, give it a lot of thought, make it informative**
- **Make your introduction short and interesting**
- **Body includes who, what, where, why and when. Make it people centered.**
- **400-500 words with correct spelling and grammar**
- **Write you're your press release using targeted keywords**
- **Track your results**

Use a service like [PRWeb](#) to distribute your press release. Ensure that the package you choose allows you to use keywords in your release, target specific markets and track your results.

This information has given you an idea of the types of online advertising available. You can use one or all types depending on your business and your marketing goals. How much you spend and your return on this investment is relative to how well planned and executed your marketing campaign is. Read on for more information about tracking the return on your marketing investment.

Part 4 - Return on Investment

Return on marketing investment

Tracking return on marketing investment is an essential task to ensure you have an effective marketing and advertising program. Return on Investment (ROI) is the revenue generated for every dollar spent on advertising. Return on Investment (ROI) helps you to evaluate and improve your marketing strategy. There is absolutely no point undertaking any marketing or advertising campaign without measuring results. These results are best measured in terms of ROI.

There is little point setting goals for your advertising campaign if you don't track your results. Tracking online advertising is much easier than for traditional offline advertising. Online every campaign can be tracked and measured and you can spend your money much more wisely.

What are the marketing and advertising campaigns you are doing that generate leads for your business? These should be well defined in your marketing plan and when implemented put tracking procedures in place for each campaign.

Suggestions on ways you can track ROI:

- Have your receptionist ask customers where they found your business
- Use a client information sheet to track word of mouth referrals
- Place a form on your website for customer inquiries with specific questions about how they found your website and business

It is important to know what you're gaining from all the time, money and labor you invest in your website. The rate of click through to your website is important but knowing what your visitor does once they arrive at your website is even more valuable. What keyword did they use to find your site? Did they come from the search engine, a PPC ad or your email campaign? What pages did they visit? Did they complete a task i.e. submit an enquiry, buy a product, or sign up to your newsletter?

Often your website hosting company will collect data and you or your website maintenance manager can analyze and use this data. There are also software programs you can purchase that analyze website traffic and visitor behavior. Google provides a free service called Google Analytics which can track where visitors to your site have come from and how they

are interacting with your site. With this information you can assess which online advertising is cost effective. It also helps you to improve your website design and usability, drive targeted traffic to your website and increase your profits. If hits to a website don't convert into new business often website owners need to look at the design and usability of their website.

You need to track:

- Incoming leads
- The source of these leads
- Subsequent sales and marketing activities with these leads

Ways to measure you ROI

1. How many new accounts
2. How many repeat purchases
3. Has percentage of customers accessing the site increased and by how much
4. Has sales and profit increased

Here is a simple explanation on how to track your ROI using an Excel spreadsheet.

http://newincite.com/articles_roi.html

There are companies who offer campaign management services where they provide detailed reporting on any number of tracking data and do the measuring of effectiveness and return on investment analysis for you. These reports are usually monthly and track your success against your defined campaign goals. Some then provide advice on action steps for ongoing success.

Use your evaluation of ROI data to adjust your marketing strategy for better results. This is an ongoing process of tracking, evaluation and modification and should never be neglected. Marketing environments change and you need to change with them to continue to be successful. Yes, it takes commitment but you are rewarded with a tighter budget, a better understanding of your customers and a healthy return on marketing investment. If you can successfully track your ROI you will have mastered effective online advertising which will save your precious time and money.

The End

Well that's it. I'm sure you now have a much clearer idea of what online marketing costs are and have the knowledge and confidence you need to move forward with your strategic internet marketing.

A marketing plan and budget is essential in order to implement your cost effective marketing strategy. As you track your return on investment you will make sound business decisions on where to place your future marketing dollars.

Please don't stop here as we have further guides to assist you to continue your journey into online marketing.

To submit your testimonial about our Small Business Guides and our website Online-Marketing-Small-Business.com please go to our testimonial page.

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All the best,
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