E-MARKETING STRATEGIES FOR E-BUSINESS

by

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ABSTRACT

A newly formed online company, eLegalDoc, is getting ready to launch their e-business website. The company provides simple-to-use, customizable, auto-generated, and affordable electronic legal documents over the Internet.

As the success of the eLegalDoc website is greatly dependent on the effectiveness of its product positioning and traffic generation, eLegalDoc requires the development of competitive positioning strategies and a marketing strategy and tactics to leverage its business model.

This project develops the strategies based on market and competitive analysis. Using these strategies, the author suggests e-marketing tactics to generate cost-effective traffic to the eLegalDoc website. In accomplishing this, the first step involves an academic research review of various e-marketing strategies and tactics, including the value bubble model for analyzing e-business websites.

The e-marketing strategies include tactics for the following components: website strategies, website design essentials, affiliate programs, banner advertising, email marketing, search engine marketing, search engine optimization, and online trust building.

DEDICATION

This book is dedicated to my partner, Michael, who was behind me every step of the way, and whose support has allowed me to accomplish more than I ever thought possible.

ACKNOWLEDGEMENTS

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E-GLOSSARY[1]

Browser
The computer software used to view the various kinds of Internet resources or websites, such as Microsoft Internet Explorer or Netscape Navigator.

CPM
(Cost per Thousand
Page Views)
CPM is often interpreted to mean the cost per thousand ad views on the website.
("M" = Roman numeral M = 1000)

Domain Name
The unique name that identifies an Internet website.

Email
(Electronic Mail)
Mail messages, usually text, sent from one person to another via computer. Messages can also be sent automatically to a large number of addresses on a mailing list.

Hit
A single request from a web browser for a single item from a web server; thus, in order for a web browser to display a page that contains three graphics, four "hits" would occur at the server: one for the HTML page and one for each of the three graphics. Hits are often used as a rough measure of visits on a server.

HTML
(HyperText Markup
Language, HTM)
The coding language used to create documents for use on the World Wide Web. These documents have a file extension of **html** or **htm**.

HTTP
(HyperText Transport
Protocol)
The most important protocol used in the World Wide Web for moving hypertext files across the Internet. Requires an HTTP client program on one end and an HTTP server program on the other end.

Log Files
A record of network activities. These activities can include access record errors and financial transactions.

Mail (Mailing) List
A system that allows people to send email to one address, whereupon their message is copied and sent to all other subscribers to the list.

Meta-HTML Tags
Meta information can be used in identifying, indexing, and cataloging. Companies use these tags to guide the search engines in displaying their site as the result of a query.

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[1] Drawn, in part, from Sweeney S. (2001). *The e-Business Formula for Success: How to Select the right e-Business Model, Web Site Design, and Online Promotion Strategy for Your Business.*

Search Engine	The most popular way to find resources on the Internet. There are numerous search engines, each possessing unique styles and capabilities.
Server	A computer or software package that stores information and makes these files available to other users on a network or the Internet.
Site (Website)	A unique location on the Internet to post information and get noticed.
Spam, Spamming	An inappropriate attempt to use a mailing list or other Internet communications facility as if it was a broadcast medium by sending the same message to a large number of people who did not ask for it.
SSL (Secure Socket Layers)	Developed by Netscape and supported by all leading web browsers. SSL is currently the implied standard encryption protocol in the industry for managing the security of file transmissions around the Internet.
Storefront	A set location on the web that stores and displays a collection of information about the company/business.
Unique Visitors	The number of different individuals who visit a site within a specific time period.
URL (Uniform Resource Locator)	The standard way to give an address of any resource on the Internet that is part of the World Wide Web (WWW). The most common way to use a URL is to enter into a web browser program, and type it in the location bar.
Visitor	An individual who interacts with a website.
Visits	A series of requests by a visitor without 30 consecutive minutes of inactivity.
Web	The shorthand version of the World Wide Web.
Web Server	A program that, using the World Wide Web's Hypertext Transfer Protocol, serves the files that form web pages to the end user. Every computer on the Internet that contains a website must have a web server program.
WWW (World Wide Web)	The whole constellation of resources that can be accessed using various Internet tools.

1 INTRODUCTION

Many marketers believe that despite the Internet bubble burst a few years ago, the future is still bright for e-commerce. The 20th century was shaped by the Industrial Revolution, and became the age of the automobile and the television. The 21st century is shaped by the Technological Revolution, and has become the age of globalization. The Internet impacts all aspects of business. In this century, e-business is no longer an option for businesses – it is a necessity.

At the beginning of the Internet era, in late 1960s, the Internet was used by the *U.S. Department of Defense* and other related organizations as a communications tool. In the 1970s, the Internet technology became more public and was utilized by educational institutions and commercial users. By the late 1980s, e-commerce became an integral part of business-to-business transactions. In 1992, the World Wide Web arrived, and made e-commerce economical, since small businesses could now reach large audiences more easily (Trepper, 2000).

In his book, *E-Commerce Strategies: Mapping Your Organization's Success in Today's Competitive Marketplace*, Charles Trepper (2000) states that:

> Today, even traditional brick-and-mortar organizations must at least establish a Web presence if they want to remain competitive. And a strong business case can be made that organizations that don't enter the e-commerce fray will eventually be left in the technological dust. (ch.1)

As the popularity of the Internet was increasing, online users were evolving. At the beginning, Internet users were limited to world wide web navigation and email. The next stage introduced the capability of using the Internet to search for information. Now,

at last, web users are engaging in e-commerce by purchasing online. There are still many barriers to overcome in order to recruit more customers in the U.S. and worldwide. Privacy and security are growing concern to many Internet users. Various surveys have indicated that online shoppers are concerned about their privacy, in particular the confidentiality of the personal data they provide to online retailers (Kobsa, 2004).

The leading country in the number of Internet users is the United States, with almost 202 million people using the Internet, representing 68.8% penetration (Nielsen//NetRatings, July 2004). Canada ranks as ninth, with a little over 20 million Internet users, representing 64.2% of the population (Computer Industry Almanac, Dec. 2003). The total number of Internet users is 800 million worldwide (Internet World Stats, Sept. 2004).[2]

1.1 E-Business Model

The evolution of Internet technologies launched new types of electronic business, or e-business models. In her book, *The e-Business Formula for Success: How to Select the Right e-Business Model, Web Site Design, and Online Promotion Strategy for Your Business*, Susan Sweeney (2001) describes four basic e-business models:

1. **Electronic Order Taking**
   The most basic e-business model that enables the use of the Internet to conduct business electronically. It consists of the ability to take orders/reservations through email or an online form on a company's website. In this model, e-business is conducted without the transfer of payment.

2. **Accepting Electronic Payment**
   The second e-business model extends the first model by incorporating the ability to accept electronic payments online.

3. **Storefront Selection and Payment Automation**
   The third e-business model maintains the implementation of online payment taking, and expands the use of a company's website by utilizing an online storefront.

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[2] Internet World Stats (Sept. 2004). *Top 20 Countries with the highest number of Internet Users.* Available at http://www.internetworldstats.com/top20.htm

4. **The Fully Integrated e-Business Solution**
   The fourth e-business model encompasses all of the details incorporated into third model, and involves systems integration – the integration of online business with all or some of backend systems.

Additionally, the advancement of technologies and influx of e-business models has lead to a innovations in electronic marketing. E-marketing is a relatively new rapid growth area, both in business-to-business and business-to-consumer markets.

To achieve success online, companies have to choose the right business and the appropriate e-business model, develop the right website directed toward their target market, and then generate substantial traffic to their website (Sweeney, 2001).

1.2 eLegalDoc

The purpose of this research project is to present the reader with the major e-marketing concepts as well as apply some of these concepts to the real life e-business company, eLegalDoc. Anna Kwan, President of eLegalDoc, Inc., describes her company as follows:

> **eLegalDoc, Inc.** is a newly formed online company, aimed at providing simple to use, cost-effective electronic legal documents over the Internet. Our mission is to empower the average person to create legal documents for common personal and small business transactions. The company will be offering these legal documents for use in personal, small business, human resource, property rental, and financial matters.

The eLegalDoc e-business model falls into the third business-model category, with the use of an online standalone storefront and electronic payment processing. In contrast with the fourth model, the company's backend or internal systems are not integrated with the website. Being a start-up company, there are various reasons for eLegalDoc to not integrate supporting systems, such as: it is not necessary to incorporate the backend; the company only operates online; the company has no

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inventory; and there are no available funds to make integration worthwhile (Sweeney, 2001).

The company's website will host the online store and products of eLegalDoc. Customers can create a custom legal document by answering simple questions online regarding their legal transaction. Customers can preview and edit their legal document online until they are satisfied with the document.

In order to save or print the legal document, customers must pay a single-use license fee. Depending on the legal document, the fee will range from US $10-$50. After the online credit card payment is authorized, customers will be able to save and print the legal document in Adobe® PDF format. They will then be sent a confirmation email with a link to access the document at a later time.

As the success of the eLegalDoc website is greatly dependent on the effectiveness of its product positioning and traffic generation, eLegalDoc requires the development of competitive positioning strategies. It also necessitates marketing strategies and tactics to leverage its business model.

This project will develop the strategies based on market and competitive analysis. Using these strategies, the author will suggest e-marketing tactics to generate cost-effective traffic to the eLegalDoc website. The e-marketing strategies will include tactics for the following components: website strategies, website design essentials, affiliate programs, banner advertising, email marketing, search engine marketing, search engine optimization, online trust building, etc.

2 STRATEGIC MARKET ANALYSIS

2.1 Market Segmentation

Marketing segmentation is the process of aggregating individuals or businesses with similar characteristics that pertain to the use, consumption, or benefits of a product or service (Strauss, El-Ansary, & Frost, 2003, p.212). The segmentation process results in groups of customers called market segments.

Geographic, demographic, or psychographic statistics are often used for the B2C markets. In addition, as *Forrester Research* has found, attitude toward technology (pessimistic vs. optimistic) and the primary motivation for using technology (career, family, entertainment) are often better segmentation variables. The motivation also indicates the types of products that the Internet users are seeking online.

However, this broadly based customer data about new technologies needs to be supplemented with an understanding of how users actually approach a given website. In their research, Schmitt & Mueller (2004) have found that customer expectations and user goals affect online behavior, including the probability of liking the website, browsing it, and then book-marking it.

2.1.1 Geographic Segments

eLegalDoc is an online company located in the United States of America. Given that their business is customizing and generating legal documents to be used within the United States legal system, the main target market will be the United States of America.

The main reason to target the U.S. is the large size of the market. In its

Enumeration Study (conducted in February of 2004), *Nielsen//NetRatings*, the global

standard for Internet audience measurement and analysis, reports that nearly 75% or

204 million Americans have access to the Internet from home. In comparison, Internet

access penetration hovered around 66% in February 2003, rising 9% points in a year.

eLegalDoc provides business, legal action, and federal legal documents.

Business documents can be used in all U.S. states. The legal action documents can be

used in the majority of states – they will be customized automatically based on the

customer's input. Federal legal documents are business and legal action forms used in

the Federal system.

2.1.2 Language Based Segments

According to *CIA The World Factbook 2004*, two languages are spoken in the

United States: English (an official language) and Spanish (spoken by a sizable minority).

For the **initial website launch**, eLegalDoc will provide the website only in

English. Once the website is designed, and the whole e-commerce process of creating

automated legal documents and receiving payments is tested and proven to work, the

website will enter the next phase.

The Spanish speaking minority, otherwise known as Hispanic, is a growing

Internet market in U.S. A nationwide *Harris Interactive*[sm] survey conducted in February

and March of 2002, have revealed that Hispanics represent 9% of total number of adults

using the Internet. Thus, in the **second stage** of expansion, the Hispanic ethnic group

will be included as an additional target segment. At that stage, eLegalDoc will provide

the website instructions in Spanish as well.

Hispanics are the largest U.S. minority group, and as such the Latin influence is becoming a noticeable online presence. In fact, *Jupiter Research* predicts that the number of Hispanic online households will have grown from approximately 5.5 million in 2003 to 8 million (68%) in 2007. Please see the table below for more details:

Table 1: Online Hispanic Household Estimates

Year	Internet Households*
2001	4.5 million
2002	5.0 million
2003	5.5 million
2004	6.2 million
2005	6.8 million
2006	7.4 million
2007	8.0 million

Source: Jupiter Research (U.S. only, July 2002)
* *Hispanic households can be of any race*

Besides Hispanics, another growing minority group in the U.S. are Asian-Americans. *Jupiter Research* estimates great increases in both Hispanic and Asian-American Internet penetration by 2007:

Table 2: Internet Penetration by U.S. Household Ethnicity

Ethnicity	2001	2007
Caucasian and other	62%	81%
African-American	45%	69%
Hispanic	45%	68%
Asian-American	63%	82%

Source: Jupiter Research

To take advantage of the above facts, in the **third stage** of expansion, the Asian-American ethnic group will be included as another target segment. At this point, eLegalDoc will offer the website instructions in some Asian languages.

2.1.3 Psychographic Segments

User psychographics comprise personality, values, lifestyle, activities, interests, and opinions. Psychographics portray general ways that consumers spend time, and as such they can assist e-marketers to define and describe market segments so they can better meet consumer needs (Strauss, El-Ansary, & Frost, 2003, p.219). This type of information is especially important for webpage design, since different psychographic groups will react differently to certain webpage elements, such as colors, layout, images, language tone, etc.

One of the most important psychographic aspects is the segment's attitude towards technology and primary motivation for using technology.

Another psychographic characteristic that will affect the customers' acceptance of eLegalDoc products (automated legal documents) is the rising "do-it-yourself" trend in North America.

2.1.3.1 Technographics

Forrester Research measures consumer and business attitudes toward technology using a system called **Technographics**. This system works by combining three specific variables (Modahl, 2000):

- Determine if a person is optimistic or pessimistic toward technology.
- Measure a user's income level (important determinant of online shopping behavior).
- Query users about their primary motivation for going online.

According to *Forrester*, the following are examples of the ten consumer technographic segments in the United States:

Table 3: Technographic Segments in the U.S.

Techographic Segment	Internet Usage
Fast Forwards	the biggest users of business software
New Age Nurturers	the most ignored group of technology consumers
Mouse Potatoes	love interactive entertainment of the PC
Techno-Strivers	the highest proportion of PC ownership of all low-income group
Digital Hopefuls	a strong potential market for low-cost PCs
Gadget Grabbers	buy low cost, high-tech toys such as Nintendo
Handshakers	aren't into technology for their business dealings
Traditionalists	use VCRs but not much more
Media Junkies	love TV and are early adopters of satellite television
Sidelined Citizens	the technology laggards

Source: *E-Marketing* by Judy Strauss, Adel El-Ansary, & Raymond Frost (2003). Prentice Hall. "Reprinted with permission by Pearson Education Canada". p.220

These ten segments were further analyzed in order to determine their motivation for using the Internet and whether or not these users will buy when they surf the Web. The following is the result of *Forrester's* research:

Table 4: Consumer Technographic Segments and Proportion in the U.S.

Motivation for Using Internet				
		Career	Family	Entertainment
Technology Optimists 52%	High Income (>$40,000)	Fast Forwards 12%	New Age Nurturers 8%	Mouse Potatoes 9%
	Low Income (<$40,000)	Techno-Strivers 7%	Digital Hopefuls 7%	Gadget Grabbers 9%
Technology Pessimists 48%	High Income	Handshakers 7%	Traditionalists 8%	Media Junkies 5%
	Low Income	Sidelined Citizens 28%		

Source: *E-Marketing* by Judy Strauss, Adel El-Ansary, & Raymond Frost (2003). [Adapted from Modahl, 2000]. Prentice Hall. "Reprinted with permission by Pearson Education Canada". p.221

Based on the above data, typical eLegalDoc customers will come from two career motivated technographic segments: **Fast Forwards** (they use business software and are likely to use the Internet for business purposes), and **Techno-Strivers** (they own a PC and are likely interested in saving money by creating their own legal documents online). In addition, **New Age Nurturers** and **Digital Hopefuls** may be

interested in the technology behind creating customized online legal documents for personal (not business) affairs.

2.1.3.2 Do-It-Yourself

In his article, *Do-It-Yourself Lawyers: Expensive legal fees cause self-representation renaissance*, Nick DiSpoldo (1998) explains the do-it-yourself trend regarding legal services:

> Today, attorneys have just about priced themselves out of the market as far as the average working American is concerned. A clear majority of Americans cannot afford the fees of lawyers unless they retain attorneys on a contingent fee basis. As President Jimmy Carter so blithely put it, "Ninety percent of our lawyers serve ten percent of our people. We are over-lawyered and under-represented." As a result, more and more people are being encouraged to take control of their own relatively simple legal affairs.[3]

In most cases, an individual with a specific legal need can use self-help books or ready-to-fill legal forms, and utilize the courts with paying little more than a fairly small filing fee. For most civil actions, there is no need for an expensive attorney.

The do-it-yourself attitude can be evidenced in small business owners and other individuals with an entrepreneurial spirit. These target customers will benefit from eLegalDoc services that empower the average person to create legal documents for common small business and personal transactions.

2.1.4 Behavior Segments

Behavior refers to what a person physically does while browsing the Internet. There are two commonly used behavioral segmentation variables (Strauss, El-Ansary, & Frost, 2003, p.222):

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[3] DiSpoldo N. (1998). Do-It-Yourself Lawyers. *The Washington Free Press*. Available at http://www.washingtonfreepress.org/35/lawyers.html

- **Benefits wanted**

  Form groups of consumers based on the benefits they desire from the product. 70% of online shoppers can be segmented into two groups (Whelan, 2001):

  - Bargain hunters: includes Hooked, Online & Single (16%), and Hunter-Gatherers (20%).

  - Convenience shoppers: includes Time-Sensitive Materialists (17%), Brand loyalists (19%), E-Bivalent Newbies (5%), and Clicks & Mortars (23%).

- **Product usage**

  Form groups of consumers based on the frequency and loyalty they experience towards the product:

  - Light, medium, and heavy product usage.

  - Brand loyal, loyal to the competitive product, switchers (who do not care which brand they use), and non-users of the product.

2.1.4.1 Benefits Wanted

Marketers form segments based on the benefits sought by users in order to design products to meet those needs.

The best way to determine benefits sought by the user is to look at what people actually do online. *Nielsen//NetRatings* findings on the **Top Site Genres** lists commonly used segmentation variables, such as: Email, Information Search, News, Sports & Recreation, and Finance (see figure below for all genres):

Figure 1:   Nielsen//NetRatings Top Site Genres

TOP SITE GENRES
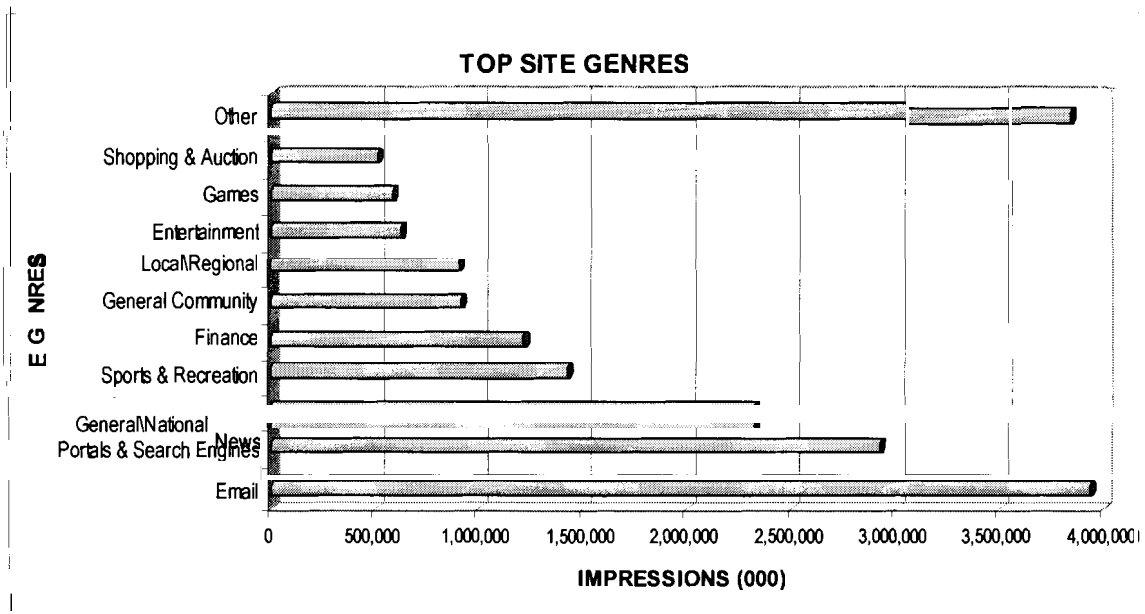
From the above categories, eLegalDoc services are most similar to the finance genre, where small business owners or individuals access the Internet to obtain financial information or carry out financial transactions. Comparable to financial services, the customers can use eLegalDoc's automated legal documents to accomplish common personal and small business transactions. The company will be offering these legal documents for use in personal, small business, human resource, property rental, and financial matters.

2.1.4.2 Product Usage

The point from where the visitors access the website (work or home) shapes customer needs and therefore the product usage. Thus, a list of the most popular parent companies can offer more insight into their website's usage. E-marketing strategists can use such information to target their website offerings. Strategies might include special products, languages used, and the amount of interactivity and multimedia possible for work users (Strauss, El-Ansary, & Frost, 2003, p.223).

Nielsen//NetRatings findings on the **Top 10 Parent Companies** show the differences between work and home Internet usage ratings. Nonetheless, most of the top companies are in both categories. This proves that one website can offer different usages for various customers. See the table below for details:

Table 5:   Top 10 Parent Companies

Rating	Parent Name (Work)	Parent Name (Home)
1	Microsoft	Microsoft
2	Yahoo!	Time Warner
3	Time Warner	Yahoo!
4	Google	Google
5	United States Government	eBay
6	eBay	United States Government
7	InterActiveCorp	Ask Jeeves
8	Amazon	Walt Disney Internet Group
9	Landmark Communications	Amazon
10	Walt Disney Internet Group	InterActiveCorp

Source: Nielsen//NetRatings (Data for the United States, for the month of September 2004)

For the entire *Nielsen//NetRatings* results, including the number of visitors and time spent on these websites, see *Appendix A: Internet Usage Metrics*, the *Top 10 Parent Companies* and *Web Usage Data*, for work and home panels.

Based on the above findings, the most popular websites have various offerings, such as information and regulations (*U.S. Government, InterActiveCorp*), online purchases (*Amazon, eBay*), search capabilities (*Google, Yahoo!, Ask Jeeves*), media (*Time Warner, Landmark Communications*), and entertainment (*Walt Disney*). Given that *Microsoft* provides the support and updates for the Windows operating system and various software packages, which are utilized by the majority of Internet users, it is expected that the *Microsoft* website is the most popular.

These results will guide e-marketing strategies for the eLegalDoc website. Because of the popularity of informational sites, eLegalDoc website will provide information on various subjects regarding small business, personal, human resource, property rental, and financial matters. In addition, eLegalDoc online marketing strategies will include listing with the most popular search engines, such as *Google*, *Yahoo!*, and *Ask Jeeves*.

2.2 Online Target Marketing

Following segmentation analysis, marketers must select the best potential segments for targeting. In order to pursue an online segment, the target must be accessible through the Internet, sizable, growing, and hold great potential for profit.

2.2.1 Targeting Strategies

E-marketers can select among four targeting strategies (Strauss, El-Ansary, & Frost, 2003, p.231):

1. **Mass marketing** (undifferentiated targeting) – when the firm offers one marketing mix for the entire market.

2. **Multi-segment marketing** – when a firm selects two or more segments and designs marketing mix strategies specifically for each. Most firms use a multi-segment strategy.

3. **Niche marketing** – when a firm selects one segment and develops one or more marketing mixes to meet the needs of that segment.

4. **Micromarketing** (individualized targeting) – when a firm tailors all or part of the marketing mix to a very small number of people.

In the case of eLegalDoc, the best e-marketing strategy will be to pursue niche marketing, by selecting one of the target customers as the primary online segment.

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2.2.2 Niche Market – Small Business

Based on the above market segmentation analysis, **Small Business** owners would be the most suitable targets for the online segment, following the niche marketing strategy. This target segment is accessible through the Internet, is sizable and growing, and has the highest potential for profit.

Each year, the *Office of Advocacy of the U.S. Small Business Administration* (*SBA*) prepares *The Small Business Economy: A Report to the President*. In the latest report for 2004, *SBA* findings indicated that home-based businesses make up 53% of the small business population and represent a broad range of U.S. industrial sectors. The largest percent of small businesses are in goods-producing industries, 54.1%, then in the service-producing industries, 49.2%. The table below gives a detailed breakdown of small business percentages in the industries that make up the U.S. economy:

Table 6:   Employment by Major Sectors (millions)

Major Sector	% small business	Sept. '04
Goods-producing industries	54.1	21.91
Natural resources and mining	50.6	0.59
Construction	85.1	6.93
Manufacturing	41.6	14.38
Service-producing industries	49.2	109.66
Trade, transportation and utilities	47.1	25.51
Wholesale trade	62.9	5.67
Retail trade	43.4	15.02
Information	26.5	3.15
Financial activities	40.2	8.09
Professional and business services	44.2	16.54
Education and health services	47.5	16.95
Leisure and hospitality	61.2	12.37
Other services	85.5	5.42
Government	0.0	21.64

Sources: Office of Advocacy, using data from the U.S. Department of Commerce, Bureau of the Census; U.S. Department of Labor, Bureau of Labor Statistics.

In addition, the *SBA* reported that the number of businesses grew in 2003, as employer firms increased by 0.3%, while unincorporated self-employment increased by 3.7%. Corporate profits of large and small businesses were up 18.3%, while sole proprietorship income rose 6.2%. Ninety-one percent of small businesses report no paid employees.

The above results support the decision to target small business niche market for eLegalDoc services. However, even within this niche segment, there is a need to narrow the target even more. One of the most effective ways to select a micro-segment for technology oriented products and services is based on the adoption life cycle.

2.2.3 Technology Adoption Life Cycle Model

Geoffrey A. Moore (2002), in his book *Crossing the Chasm*, defines the **Technology Adoption Life Cycle** as a model for understanding the acceptance of new products. Moore divides markets and customers into the following groups:

Table 7:   Technology Adoption Life Cycle

Phases of High-Tech Marketing	Customers	Motivation
Early Market	Innovators *(The Technology Enthusiasts)*	▪ Novel technology ▪ Dramatic competitive advantage
	Early Adopters *(The Visionaries)*	
Mainstream Market	Early Majority *(The Pragmatists)*	▪ Solve problem not addressed by current systems (Bowling Alley) ▪ Herd following newer and reliable infrastructure (Tornado)
	Late Majority *(The Conservatives)*	▪ Cost optimization, unique benefits
No Market	Laggards *(The Skeptics)*	▪ Block purchases

Source: Adopted from Moore G. A. (2002). *Crossing the chasm.*

Based on this model, a typical eLegalDoc customer is part of the **Early Majority** group, the pragmatist. Online legal documents are not a novel technology – they have existed for a few years – thus they do not fit into the **Early Market** phase. However, eLegalDoc services do solve problems not addressed by current systems (e.g. blank legal forms and self-help books) by providing customization and instant auto-generation of legal documents. Thus, the most specific customer type for eLegalDoc would be the very early majority – just at the beginning of the **Mainstream Market** penetration – otherwise known as the **Bowling Alley.**

The Bowling Alley is a period of niche-based adoption in advance of the general marketplace (Moore, 1999). This phase is driven by realistic customer needs and the willingness of vendors to develop niche-specific products. The main goal in this stage is to progress from niche to niche, where each niche behaves as a bowling pin that knocks down another pin, until the mainstream market reaches its full potential, and enters the **Tornado** phase.

In order to start the bowling pin effect, the first niche must be carefully selected. The starting niche segment is also known as **Beachhead** (Moore, 1999). In the case of eLegalDoc, it will target **Small Office/Home Office (SOHO)** business owners as a Beachhead segment.

SOHO is defined as self-employed and established businesses with 20 or fewer employees including home-based businesses, free agents, independent professionals, telecommuters or mobile professionals often working from home, a package office setting, or a traditional office environment. SOHO's also include incorporated businesses or sole proprietors with or without paid employees and/or contract workers (www.soho.ca).

2.2.4 eLegalDoc Customers

To illustrate the characteristics and needs of SOHO owners, the author will share some of her own business experiences. Following a few years of sole proprietorship, the author has decided to incorporate and expand her business. The author has founded a courseware development company that started as a one-person enterprise and has since grown to more than fifteen members from the Lower Mainland, Eastern Canada, the United States of America, and Australia. Some of the team members are employed full time, while others are sub-contractors. Thus, the author can appreciate the benefits of having easy access to auto-generated legal documents, for business and/or personal use.

2.2.4.1 Customers' Needs

There are many reasons to use eLegalDoc automated legal documents. For example, when starting a business, the SOHO owner may need certain legal documents offered by eLegalDoc, such as: Incorporation (if not a Sole Proprietor), Rental Agreement (if renting offices), and Equipment Rental (if renting tools and equipment).

The reason for starting a business is to make a profit, thus when operating a business, the SOHO owner may need the following legal documents offered by eLegalDoc: Sales Agreement (contract used to buy and sell goods), Service Agreement (contract used to buy and sell services), and Bill of Sale (sales receipt).

Once the business starts to grow, the company will usually require employees. When hiring, the SOHO owner may require the following legal documents offered by eLegalDoc: Confidentiality Agreement (to protect company's intellectual property), Employment Agreement (if hiring employees), Contractor Agreement (if hiring sub-contractors), and Employment Termination Letter (if firing employees).

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2.2.4.2 Customers' Scenarios

Before the use of automated legal documents, SOHO owners had to spend time finding out about the specific legal documents needed for common small business transactions. Following that, they had to search for an attorney who specialized in their specific legal needs – mostly using the local business directories (e.g. *Yellow Pages*). Upon finding an attorney, the next step was to arrange a visit to the attorney's office. This involved phoning the office, setting up an appointment, and traveling to the office location, all of which could take a long time (depending on the attorney's availability and the proximity of the legal office). Upon meeting, the owner had to pay extensive attorney fees – mostly charged per hour.

Therefore, from the moment that SOHO owners became aware of their legal needs, it could take a couple of days, or weeks, until they can satisfy those needs.

After the invention of automated legal documents, such as those offered by eLegalDoc, the SOHO owners can quickly search the eLegalDoc website for all necessary documents and requirements that are needed for common small business transactions. Once they find the specific documents, they can fill in their personal information, and, with a simple click of a button, receive the completed legal document. Upon reviewing the document, they can directly purchase it online, for a very reasonable one-time fee (e.g. $10-50). Finally, they can save the document, or print it for further use (e.g. filing).

Consequently, it takes only few minutes to a few hours, depending on the complexity of the specific legal document, for a customer to move from being aware of their legal needs to actually satisfying those needs. The whole process is completed in a timely manner and at a low cost. This demonstrates a vast improvement from the time before the usage of automated legal documents.

2.2.5 eLegalDoc Services

2.2.5.1 Product/Service Benefits

There are many benefits of using auto-generated legal documents:

Convenient – eLegalDoc allows business owners or individuals to take care of common legal procedures without ever leaving their office or home. The services are accessible 24 hours a day, 7 days a week. In addition, some customers may live outside of urban areas, far from legal representative offices, which makes it difficult to receive legal services in a timely and feasible manner.

Easy – Using an Internet browser, customers select the appropriate legal document and answer an easy-to-understand questionnaire regarding their legal transaction. Next, the document is automatically generated based on the customer's input. Customers then preview and edit their legal document online until they are satisfied with the document. Finally, customers pay a single-use license fee and save or print the legal document.

Affordable – With auto-generated legal documents, customers can save up to 95% off the rates an attorney would charge for the same procedure. In addition, the fees are charged per-document, and not per-hour. Thus, the customer will know exactly what the total price will be.

Private – The information customers provide to eLegalDoc will be held in absolute privacy. The company will never sell a customer's name or personal information to any third party. The Privacy Policy is listed on the website, detailing the way eLegalDoc is storing and using customers' personal data.

Secure – The customer's data and online transactions will be protected with the latest encryption and security devices.

2.2.5.2 eLegalDoc Centers

eLegalDoc is developing various service centers designed around specific customer target markets:

- **Small Business Center**

- **Personal Legal Center**

- **Human Resource Center**

- **Rental Resource Center**

- **Power Seller's Center**

- **Financial Center**

Based on the above customer analysis, the **Small Business Center** contains the most appropriate services for the SOHO business owner.

Some legal documents can be found in more than one service center, such as Assignment (Agreement), Bill of Sale, Power of Attorney, etc. These are documents that have multiple applications, such as business, rental, financial, etc. Providing several access paths to the same document improves the usability of the eLegalDoc website, plus increases overall sales potential.

For a full list of service offerings from this and other eLegalDoc centers, see the table on the next page.

Table 8:   eLegalDoc Customer Centers

eLegalDoc Centers					
Small Business Center	Personal Legal Center	Human Resource Center	Rental Resource Center	Power Seller's Center	Financial Center
Assignment (Agreement)	Assignment (Agreement)	Confidentiality Agreement	Assignment (Agreement)	Assignment (Agreement)	Assignment (Agreement)
Bill of Sale	Bill of Sale	Offer Letter	Commercial Lease	Bill of Sale	Bill of Sale
Commercial Lease	Residential Lease	Employment Agreement	Residential Lease	Promissory Note	Residential Lease
Confidentiality Agreement	Confidentiality Agreement	Release Agreement	Rental Agreement	Vehicle Transfer	Commercial Lease
Incorporation	Incorporation	Contractor Agreement	Eviction Notices	Sale of Goods Agreement	Incorporation
Offer Letter	Offer Letter	Employment Termination Letter	Landlord Termination Notice		Power of Attorney
Power of Attorney	Power of Attorney	Employment Offer Letter	Demand for Compliance		Promissory Note
Promissory Note	Promissory Note				Rental Agreement
Rental Agreement	Rental Agreement				Equipment rental
Activity Waivers	Activity Waivers				Joint Venture
Employment Agreement	Affidavit of Execution				Last Will and Testament
Equipment Rental	Common-Law				Sales Agreement
Joint Venture	Cohabitation Agreement				Service Agreement
Release Agreement	PreNups				Sale of Goods Agreement
Sales Agreement	Last Will and Testament				Settlement Agreement
Service Agreement	Release Agreement				
Contractor Agreement	Intent to Vacate				
Employment Termination Letter	Sale of Goods Agreement				
Employment Offer Letter	Parent Consent Form				
Eviction Notices					
Intent to Vacate					
Landlord Termination Notice					
Sale of Goods Agreement					
Demand for Compliance					

2.3 Competitive Analysis

There are various ways of obtaining legal documents, such as: the traditional services provided directly by attorneys; self-help books on legal subjects; blank legal forms and kits; and finally, auto-generated, customized legal documents.

2.3.1 Direct Competition

There are many websites that offer various legal forms for the U.S. market. However, only a handful of sites are offering automatic generation of legal documents.

Here are the types of legal forms offered by some of the most successful eLegalDoc direct competitors:

- **LawDepot**
  Wills & Power of Attorney; Goods & Service Related Forms; Loans, Debt, IOUs; Business Forms; Human Resources; Marriage & Cohabitation; Living Arrangements; Rental/Lease Forms; and Landlord & Tenant Forms.

  Provides automated legal forms. Customers can preview the forms online, before purchasing.

- **LegalZoom**
  Limited liability companies (LLC); Incorporate; Wills; Trademark; Living Will; Power of Attorney; Divorce; Living Trust; Prenuptial; Doing Business As (DBA); Patent; Name Change; Copyright; and Non-profit.

  Provides individually reviewed legal forms and full packages. They also offer filing services for some types of legal documents.

- **Legal Helper**
  Power of Attorney; Health Care Directives; Living Will; Prenuptial Agreement; Living Trust; Last Will & Testament; Divorce Online; and Credit Report.

  Provides both downloadable blank forms for users to fill-in data, and an on-line completing legal forms system for registered users.

Pricing for these legal documents ranges from $10 to $500, depending on the type of document and/or package. Thus, eLegalDoc, with their prices between $10 to $50 per single legal document, is quite competitive.

2.3.2 Competitive Websites Evaluation

eLegalDoc's business is conducted entirely online, the same as its direct competitors. Because the website is the only representation of an online business – its storefront – extra attention has to be put into designing the e-business website.

Before developing their website, companies should analyze what their competitors have done online. The following is evaluation of the competitors' websites:

Table 9: Competitive Websites Evaluation

Name	LawDepot^{TM}	LegalZoom.com, Inc.	Legal Helper Corp.
URL	www.lawdepot.com	www.legalzoom.com	www.legalhelpmate.com
Color	Blue / Light blue	Dark blue / Blue	Slate gray / Slate blue
Content / Navigation	Informational Medium ease of navigation Wordy	Informational High ease of navigation Clear / instructional	Low ease of navigation Wordy / instructional
Primary Focus	U.S./Canadian/U.K. legal documents Consulting Work Paralegal Services	U.S. legal documents Law library Filing Services	U.S. legal documents Legal information Legal news
Product Delivery	Instant Online document generation	Delayed Manual document generation (by staff)	Instant Online document generation
Preview	Yes	No	No
Language	English	English	English
Speed	Fast / Medium	Fast	Medium
Personalization (login required)	Yes	Yes	Yes
Security or Trust marks	SSL BBB Member	VeriSign SSL BBB Member	SquareTrade Safe Shopping
Support	Online FAQ Email Phone (toll free)	Online FAQ Email Phone (toll free)	Online FAQ Email form
Search ability	Yes	No	No
Affiliates	Yes	Yes	No
Pricing	Singe / Multiple Use Site License ~ $10 - $500	Single Use Package ~ $80 - $500	Single Use ~ $15 - $50

Here are some general remarks on the overall style of these websites. Both the *LawDepot* and *LegalZoom* website URLs match the company name, which is beneficial for brand building. On the other hand, the *Legal Helper* website address is not the same as its name, which is confusing to the user. Most Internet users will first try to find a company website based on the company's name.

In addition, all websites use predominantly blue color. The color blue is often associated with depth and stability. It symbolizes trust, loyalty, wisdom, confidence, intelligence, faith, and truth.[4] However, since all websites use a similar color scheme, none of them really stands out from the Internet users' perspective.

The website analysis has revealed that *LawDepot* offers the largest number of legal documents and additional services. They are the only company that covers other legal systems besides the U.S., namely Canada and U.K. On the other hand, their website is not very user-friendly – it is hard to read and follow the amount of text on some pages, and the navigation needs improvement. In addition, this company allows users to preview the documents. However, the preview is not protected, and can be easily copied and taken from the website, without purchasing it. Thus, the company's technology needs some enhancement in order to protect their intellectual property.

LegalZoom has the most professional look; it is very easy to navigate, and offers a lot of information. However, the legal documents are not automatically generated and downloadable online, so there is a time gap of several days – or even weeks – between the time a customer fills in the information and receives the final document.

The *Legal Helper* website is the most straightforward-looking of them all. However, it has only a limited number of legal documents, and is not easy to navigate –

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[4] QSX Software Group (2004). *Color Wheel Pro: Color Meaning.* Available at http://www.color-wheel-pro.com/color-meaning.html

the user must click on several pages before reaching the relevant content. In addition, this website offers only personal oriented legal documents. No business type legal forms are available.

One element that is missing in all of the reviewed websites (ones listed above and the other researched sites that were not included in the above evaluation) is the use of languages other than English – which gives a market penetration opportunity for eLegalDoc. As mentioned in the target segmentation analysis, eLegalDoc's second phase of expansion will include the Spanish language in order to embrace the Hispanic market in the U.S. The final generated legal documents will still be in English, since they need to be compatible with the U.S. legal system, but the document usage descriptions and instructions on how to fill in the legal forms will be in Spanish. As well, the third phase of expansion will include Asian languages in order to cover the Asian-American market in the U.S.

Based on the above competitors' website evaluations, the author will provide further website design recommendations for eLegalDoc in the next chapter.

2.3.3 Indirect Competition

Besides direct competitors, there are many indirect competitors that offer blank legal forms online. Customers must download the document from the website, and fill in the blanks – either manually, or using a typewriter. Several companies also offer instructions on how to fill in the forms. Some of the most popular competitors are:

- FindLegalForms (www.findlegalforms.com)
- FormsGuru (www.formsguru.com)
- U.S. Legal Forms (www.uslegalforms.com)
- Nolo (www.nolo.com)

Another form of indirect competition are self-help books on legal subjects. These books explain which forms are needed for a specific legal purpose, and sometimes include the document templates. However, none of these indirect competition offerings provide the ease of use and quick delivery of the completed legal documents, as eLegalDoc does.

The most traditional form of indirect competition are attorney services. Nevertheless, high hourly fees and inconvenient access make these services less and less attractive for the eLegalDoc target segment – SOHO business owners.

2.4 Positioning

Once the market segment is identified (niche segment – small business), the main target segment is selected (SOHO business owners), and the competition analyzed – it is time to identify a positioning concept for the selected target segment. The following is eLegalDoc's positioning statement based on Moore's concept (2002).

2.4.1 eLegalDoc Positioning Statement

- **For** Small Office/Home Office (SOHO) business owners

- **who** are dissatisfied with the limitations of blank legal forms or self-help books, and high attorney fees

- **our products are** customized, auto-generated legal documents online

- **that provide** ease of use and instant delivery, with reasonable fees

- **unlike** legal forms from *LawDepot, LegalZoom, Legal Helper,* or any other blank legal forms sources

- **we provide** a complete suite of information and services needed to support the common legal needs of SOHO business owners.

3 E-MARKETING

In this chapter, the author will address the similarities and differences between traditional and Internet (electronic) marketing, also known as e-marketing.

3.1 E-Business & E-Marketing Strategies

In their book, *E-Marketing*, authors Strauss, El-Ansary, & Frost (2003) give a great definition of E-Business and E-Marketing strategies:

> **E-Business strategy** is the deployment of enterprise resources to capitalize on technologies for reaching specified objectives that ultimately improve performance and create sustainable competitive advantage. (p.24)

When traditional business or corporate strategies include information technology elements, such as Internet and databases, they become e-business strategies:

E-Business Strategy = Corporate Strategy + Information Technology

Similar to the above, when traditional marketing strategies incorporate digital technologies to implement the strategies, they become e-marketing strategies:

E-Marketing Strategy = Marketing Strategy + Information Technology

> **Strategic E-Marketing** is the design of marketing strategy that capitalizes on the organization's electronic or information technology capabilities to reach specified objectives. (p.24)

3.2 E-Business Marketing

Albert and Sanders (2003) conducted an analysis of e-business components and generally accepted marketing concepts, and came up with the following definition of e-business marketing:

E-business marketing is a concept and process of adapting the relevant and current technologies to the philosophy of marketing and its management. Focused attention on the areas of e-commerce, business intelligence, customer relationship management, supply chain management, and enterprise resource planning provide a framework for effective adaptation. Although the electronic environment experiences rapid changes, the reliance on proven marketing models, in these areas, ensures continuity of the marketing process both online and off-line. (p.10)

The above concept of e-business marketing leads to the realization that traditional marketing tools and approaches have to be transformed into electronic media. The following section discusses the technology-enabled transformation of the marketing tools, from the traditional to the Internet based.

3.2.1 Traditional vs. Internet Marketing Mix

The concept of a marketing mix was introduced by Jerome McCarthy, in 1960. The marketing mix consists of the four elements, simply called four P's (McCarthy, 1960; Waterschoot & Van den Bulte, 1992; Harvey, Lusch, & Cavarkapo, 1996; and Albert & Sanders, 2003, p.17). The descriptions of the 4 P's are listed in the table below:

Table 10: The 4 Ps Marketing Mix

Marketing Mix Elements (P)	Description
Product	Variety, quality, design, feature, brand name, packaging, sizes, services, warranties, and returns.
Price	List price, discounts, allowances, payment period, and credit terms.
Promotion	Advertising, personal selling, sales promotion, public relations, and direct marketing.
Place	Channels, coverage, assortments, locations, inventory, transportation, and logistics.

Source: *E-business marketing* by Terri C. Albert and William B. Sanders (2003). Prentice Hall. "Reprinted with permission by Pearson Education Canada". (p.17)

Originally, the above mix was selling oriented, and not always based on customer needs and wants (Albert & Sanders, 2003, p.17). Companies would distribute

the available marketing resources among these elements in order to develop an appropriate mix focused on their product and target markets. However, attention to customers and the marketing concept has led to the evolution of the traditional marketing mix into a more customer oriented approach.

In their book, *E-Business Marketing*, the authors Albert and Sanders (2003) have described redefined elements of enhanced marketing mix, the four **C**'s, to reflect the customer centric and Internet perspective. The descriptions of 4 C's are listed in the table below:

Table 11: The 4 Cs Marketing Mix

Marketing Mix Elements (C)	Description
Customer Solution	Improved **Products**, services and ideas that customers are willing to buy.
Cost	Improved **Price**, reflecting the relationship between value and cost – customers are willing to accept higher costs for the products that provide higher added value and solution for their needs.
Convenience	Improved **Place**, via the Internet, use of multi-distribution channels based on customer preference.
Communication	Improved **Promotion**, targeted "real-time" communication with the customers.

Source: *E-business marketing* by Terri C. Albert and William B. Sanders (2003). Prentice Hall. "Reprinted with permission by Pearson Education Canada". (p.18)

In the case of eLegalDoc, the improved marketing mix is reflected in following:

Legal solutions – automated legal documents represent the customer solution, improved upon the standard product, such as blank legal forms, that the customer has to fill-in themselves.

Competitive price – legal documents offered through eLegalDoc services are priced similarly to competitors, plus they include more value for their cost, such as ease of use and descriptions in multiple languages.

Convenient place – eLegalDoc services and products are accessible through the Internet, and are offered 24 hours a day, 7 days a week.

Accessible services – via Internet, customers from all over U.S. can access eLegalDoc services, and get immediate updates on legal documents of their interest.

3.2.2 E-Business Marketplaces

It is not only that marketing tools have changed with the introduction of technology – even the marketplaces themselves have evolved. In the Internet environment, three distinct electronic marketplaces have developed:

- **B2B**   **Business-to-Business**
  where business sells to other businesses, such as intermediaries, suppliers, and distributors.

- **B2C**   **Business-to-Consumer**
  where a business sells directly to the final customer or end user.

- **C2C**   **Consumer-to-Consumer**
  where a customer sells directly to the final customer or end user.

The e-business subject of this research project, eLegalDoc company, falls into the B2C marketplace, since they are selling their services directly to the end users – private individuals or small businesses.

3.3 E-Marketing Strategic Issues

The two main issues for conducting business online are privacy and security . Various surveys have indicated that online shoppers are concerned about their privacy, in particular about the confidentiality of the personal data they provide to online retailers (Kobsa, 2004).

Many potential customers are still worried about carrying out transactions on the Internet for security reasons (Lancaster & Reynolds, 2004 p. 387). For Internet

relationships to succeed, trust is required for: Internet, website, information on website, and fulfillment of website promises.

According to Brynjolfsson and Urban (2002), the keys to building website trust are:

- Maximizing cues that build trust in a company's website.

- Using virtual-advisor technology to gain customer confidence and belief.

- Providing unbiased and complete information.

- Including competitive products.

- Keeping the stated promises.

The most common trust signals in e-business websites are security seals from trusted partner companies, such as *TRUSTe* (www.truste.org) or *VeriSign* (www.verisign.com). Web seals of assurance certify that a website practices safe and secure electronic order-taking. By placing a Web seal of assurance on their website, companies will help build credibility for their site in the minds of their target market (Sweeney, 2001). More detailed tactics on how to build online trust will be discussed in the recommendations section.

3.4 E-Marketing Tactics

There are various Internet marketing strategies that are being used in marketplace today. In this section, the author will review some of the most popular e-marketing tactics.

3.4.1 Domain Name

From an online marketing perspective, the website domain name is one of the most important parts of the website. The Internet domain name, or URL, is the unique

web address that companies can purchase through a domain name registration company such as *Network Solutions* (www.networksolutions.com), an online organization in charge of domain name registration.

eLegalDoc has registered several domain names, starting with the one that matches the company name, and some simple variations:

- eLegalDoc.com
- e-LegalPapers.com
- eLegalPapers.com

Even the company name itself has a marketing objective. eLegalDoc's name easily relates the subject of the company's website and its product/service offerings – in this case, the electronic legal documents.

In addition to the company name, eLegalDoc has registered multiple domain names that reflect business-related keywords that potential customers may search for, such as the various legal documents offered by eLegalDoc:

- AssignmentAgreementDoc.com
- AssignmentDoc.com
- AutoSaleDoc.com
- BillOfSaleDoc.com
- CommercialLeaseDoc.com
- ConfidentialityAgreementDoc.com
- EmploymentContractDoc.com
- IncorporationDoc.com
- LeaseAgreementDoc.com
- NonDisclosureDoc.com
- PowerOfAttorneyDoc.com
- PromissaryNoteDoc.com
- PromissoryNoteDoc.com
- ReleaseDoc.com
- RentalAgreementDoc.com
- ResidentialLeaseDoc.com

These additional domain names will redirect traffic to the main website, eLegalDoc.com. In addition, this tactic can be used to increase the website's ranking in search engines, since the keyword being searched is found in the domain name.

One of the benefits of the Internet is that smaller companies can have a similar image as the bigger, reputable firms online. A start-up company, such as eLegalDoc, can project the image of an established business by having their own domain name(s) – instead of using web hosting directories.

3.4.2 Permission Marketing

Permission marketing was first introduced in 1999 by Seth Godin, in his book *Permission Marketing*. The idea behind this type of marketing is that a marketer asks for and receives permission from the customer to send him/her information about the company's products and services (Honda & Martin, 2002, p.243).

The most common way for a marketer to ask for permission is via forms with "opt-in" and "opt-out" checkboxes. If a customer decides to opt-in, a marketer will send appropriate advertising material via email and/or mail. In contrast, if a customer decides to opt-out, then no advertising will be sent by the marketer.

By giving permission, a customer essentially displays trust towards the marketer. To make permission marketing successful, a marketer must not abuse this trust by sending unwanted advertisements to the customer, or sell their contact information to other companies (Honda & Martin, 2002, p.244).

3.4.3 Viral Marketing

Dr. Ralph F. Wilson (2000), in one of the popular Internet magazines, *Web Marketing Today*, defines viral marketing as follows:

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Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. Like viruses, such strategies take advantage of rapid multiplication to explode the message to thousands, to millions.

In comparison to the traditional marketing, viral marketing equals that of a "word-of-mouth". In the world of the Internet, "the word" is spread mostly via email, meaning that the marketing messages can reach others in a much faster and more efficient way in comparison to "old fashioned" face-to-face communication. Thus, messages can be spread to many more recipients in a shorter time, with virtually no cost to the marketer.

3.4.4 Email Marketing

Email marketing was the first form of Internet marketing, and consists of emailing marketing messages to potential customers. Modeled after direct mail, email marketing is a form of "push" marketing whereby marketers can rent an email list and send a solo offer (in text or html) to their target audience (Forrester Research, 2003).

Email addresses are either grabbed from the Internet, purchased or rented from the email address vendors, or, more ideally, obtained directly from the customers (as in permission marketing). At the beginning of its use, email marketing had higher response rates than direct mail or banner ads (Honda & Martin, 2002, p.59). In addition, emailing was (and still is) one of the most economical ways to deliver marketing messages. There are three major types of emailing practices: Opt-in email, Opt-out email, and Spam.

3.4.4.1 Opt-In Email

Opt-in email is the most acceptable type of emailing. Using only opt-in emails for sending marketing messages is a form of permission marketing.

One of the most comprehensive definitions of opt-in email comes from

GetNetWise, a project created by Internet industry corporations and public interest

organizations to help ensure that Internet users have safe and rewarding online

experiences:

> A policy for giving permission under which the user explicitly permits the Web site operator to either collect the information, use it in a specified manner and/or share it with others when such use or disclosure to third parties is unrelated to the purpose for which the information was collected. (www.getnetwise.org/glossary.php)

In addition, there are two shorter definitions of opt-in email option, from *Center*

for Direct Marketing and *L-Soft* respectively:

> Lists where Internet users have voluntarily signed up to receive commercial email about topics of interest. (www.dmcenter.com/omglossary.htm)

> An approach to email marketing in which customers must explicitly request to be included in an email campaign or newsletter. (www.lsoft.com/resources/glossary.asp)

3.4.4.2 Opt-Out Email

In case of opt-out email, the customer is automatically added to the mailing list.

This form of emailing is widely used, but it is not recommended. Similar to opt-in email,

there are various definitions of opt-in email. Two of the most complete definitions come

from *GetNetWise* and *L-Soft* respectively:

> A policy under which the user's permission is implied unless the user explicitly requests that his/her information not be collected, used and/or shared when such use or disclosure to third parties is unrelated to the purpose for which the information was collected. (www.getnetwise.org/glossary.php)

> An approach to e-mail marketing in which customers are included in e-mail campaigns or newsletters until they specifically request not to be subscribed any longer. This method is not recommended and may in some cases be illegal. (www.lsoft.com/resources/glossary.asp)

3.4.4.3 Spam

In contrast of using opt-in emails, where the recipients have voluntarily agreed to receive commercial email about a topic of interest, some companies are inappropriately using Internet mailing lists to broadcast the same message to a large number of recipients who did not ask for it. This form of unsolicited commercial emailing is called spamming, or spam. Here is how *GetNetWise* defines spam:

> Unsolicited "junk" e-mail sent to large numbers of people to promote products or services. Also refers to inappropriate promotional or commercial postings to discussion groups or bulletin boards. (www.getnetwise.org/glossary.php)

3.4.5 Search Engine Marketing (SEM)

SEM is regarded as a form of "pull" marketing whereby marketers sponsor a keyword on a search engine that is representative of their product or service. Their text listing then appears in a more favorable location when someone types in that particular keyword (Forrester Research, 2003).

In his Internet article, *Search Engine Marketing Benefits "It's Online Marketing That Works!"*, Mark Sceats (2004) lists eight compelling reasons to use SEM:

1. The most popular way people find websites – Various surveys have shown that more than 80% of Internet users rely on search engines as their preferred method for locating websites. (GVU 10th WWW User Survey, Oct. 1998)[5]

2. High usage of search engines – The majority of Internet users (57%) search the web every day. Only the act of emailing occurs more often than using search

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[5] GVU 10th WWW User Survey (Oct. 1998). Available at
http://www.gvu.gatech.edu/gvu/user_surveys/survey-1998-10/graphs/use/q52.htm

engines. Statistics have shown that 81% of Internet users check their email every day. (Statistical Research Inc, Feb. 2000)[6]

3. Billions of pages & millions of searches – There are four hundred million user-initiated Internet searches each day, which equals 400 million questions, curiosities, and investigations (Marckini, 2003). The exponential growth of the web resulted in billions of web pages, and, as a consequence, this has increased Internet user reliance on search engines as a way of locating information online.

4. Qualified traffic ready to buy – Traffic a search engine delivers to a website is highly qualified because users are actively searching for the information. This is the major difference when compared to traffic delivered by banner advertising.

5. More effective than banners – There are five to six times more online purchases made from traffic delivered by search engines, as compared to purchases generated by banner advertising. Plus, the cost for online marketing campaigns using search engines is significantly lower than that for banner advertising.

6. Marketing managers "know" they work – Because of the feasibility of SEM, 66% of web marketers rate search engine marketing as the top method for driving traffic to their websites. SEM was followed by email marketing (54%). (American Direct Marketing Association survey, Aug. 2000)

7. The experts say they work – A report by *Forrester Research* stated "search engines reach valuable, motivated, and ready customers. To capitalize on search as a marketing tool, marketers should shift acquisition email and ad dollars to search..." (Forrester Research, Apr. 2002)

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[6] Statistical Research Inc. (Feb. 2000). Available at http://www.knowledgenetworks.com/sri/

8. Competitors inaction creates e-marketer's opportunity – A survey by

CyberAtlas Research revealed that nearly 46% of marketers surveyed allocate less than

0.5% of their annual marketing budgets to search engine optimization (SEO) services.

Only 10% spend more than 25% of their marketing budgets on increasing their visibility

on the Web. (Jupiter Direct, Aug. 2001)[7]

However, there are some drawbacks of SEM, such as:

- SEM is highly competitive (many marketers often compete for the same keyword).

- Marketers have only a few simple line of text to attract prospects.

- Marketers have little control over timing and volume.

- Demographic targeting is virtually nonexistent – anyone can click on a company's listing, and a company must pay for it.

3.4.6 Partnering

Honda and Martin (2002) indicate in their research that partnering as a marketing

strategy for Internet business works well when synergies are created, especially when it

occurs between offline and online companies. Similar to the permission marketing,

partnering heavily depends on the trust, but this time, the trust must exist between the

partners that are involved in this type of co-marketing.

One of the most widespread examples of partnering on the Internet is when

companies provide links to each other's websites and advertise each other's products or

services.

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[7] Jupiter Direct. *Search Engine Optimization Strategies: A Marketer's Perspective* (Aug. 2001). Available at http://www.jupiterdirect.com/bin/report.pl/94033/877

3.4.7 Banner Advertising

Banner ads are graphical presentations placed on web pages with the purpose of attracting visitors to click on the ad and visit the advertised website. There are many standard banner ads, each with a different shape and/or size, such as:

- **Banners and Buttons** – rectangular or square shaped ads that usually appear at the top or the bottom area of the webpage.

- **Rectangles and Pop-Ups** – large rectangular ad that usually appears on the middle area of the webpage, or in a new window as pop-ups.

- **Skyscrapers** – tall vertical ads that usually appear on the right-hand or left-hand area of the webpage.

- **Floating** – a new, multimedia ad that floats above the webpage, and must be closed before you can see the rest of the webpage.

Different ad sizes vary in popularity. The standard, full banner type is still the most common banner size used on the Internet. (Nielsen//NetRatings, Oct 25-Oct 31, 2004)

4 THE VALUE BUBBLE MODEL

This chapter will address the **Value Bubble**, a comprehensive model for adapting marketing approaches to the Internet environment.

The value bubble model was developed by Parsons, Zeisser, and Waitman in 1998, and was based on an original design by the McKinsey and Company consulting firm (Kierzkowski, McQuade, Waitman, & Zeisser, 1996). This model focuses on the website presence and strategies to profit from the e-business opportunities (Albert & Sanders, 2003, p.31). The value bubble concept is used as an analytical tool when planning and evaluating e-business websites.

4.1 Five Elements of the Value Bubble

In their book, *E-Business Marketing*, authors Albert & Sanders (2003, p.32) describe the five value bubble elements in an e-business website:

- **Attracting**   Building Traffic
- **Engaging**   Building Loyalty
- **Retaining**   Strengthening the Relationship
- **Learning**   Building the Database
- **Relating**   Data-Driven Interactions

The most successful websites contain characteristics from all five elements. However, these elements mostly exist in sequential order – from an early stage of site development to established web presence. The following sections will cover each of these stages in more detail.

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4.1.1 Attracting

The **attracting** phase of the value bubble is also known as building traffic for the website. This is the initial (and essential) step in building a successful e-business. This phase is presented in the figure below:

Figure 2:   The Attracting Phase of the Value Bubble
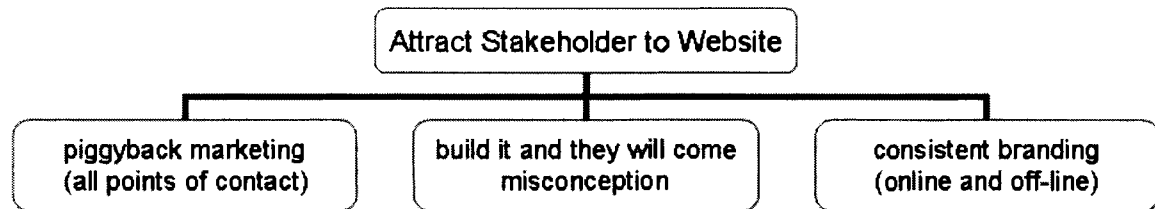
```
                    ┌──────────────────────────────┐
                    │  Attract Stakeholder to Website │
                    └──────────────────────────────┘
        ┌───────────────────────┼───────────────────────┐
┌─────────────────────┐ ┌─────────────────────┐ ┌─────────────────────┐
│ piggyback marketing │ │ build it and they will come │ │ consistent branding │
│ (all points of contact) │ │     misconception     │ │ (online and off-line) │
└─────────────────────┘ └─────────────────────┘ └─────────────────────┘
```

Source: *E-business marketing* by Terri C. Albert and William B. Sanders (2003). Prentice Hall. "Reprinted with permission by Pearson Education Canada". p.33

In order to attract stakeholders to a website, the first step is to differentiate your e-business website from those of your competitors. Thus, companies should first identify and analyze other successful online firms, especially those within the same target markets.

Companies can use present marketing resources to drive traffic to the website. The "piggybacking" of marketing and promotion means using existing advertising mediums (e.g. product packaging, direct marketing, print, outdoor, radio, television) to display the website address in order to attract visitors.

The old statement "build it and they will come" is not true in present online markets. Today, with over 1.5 billion web pages, companies must do much more than simply build a website in order to draw visitors.

One tactic that works for both online and off-line businesses is consistent branding. E-business branding can be demonstrated throughout the company's website. The website address should reflect the company's name. The company's logo and

copyright information should be displayed on each web page. Similarly, the color

scheme should reflect the company's image and business type.

There are various strategies that can build traffic to the website; some of these

will be addressed in the recommendations section.

4.1.2 Engaging

The **engaging** phase of the value bubble is also known as building loyalty. This

stage starts once the visitor actually accesses the website. This phase is presented in

the figure below:

Figure 3: The Engaging Phase of the Value Bubble
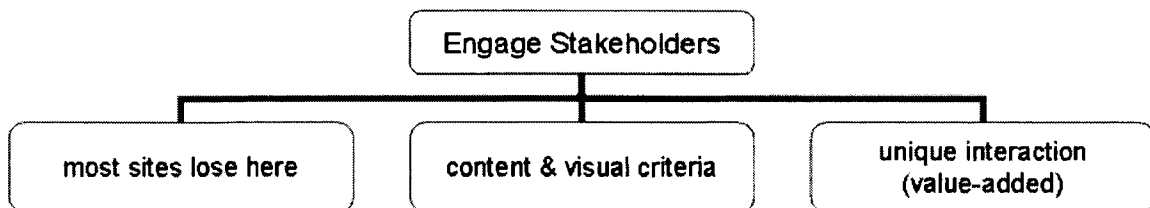
Source: *E-business marketing* by Terri C. Albert and William B. Sanders (2003). Prentice Hall.
"Reprinted with permission by Pearson Education Canada". p.36

The main challenge in engaging stakeholders is the ease with which the visitors

can exit a website. Therefore, the website must communicate the appropriate marketing

message in an involving, clear, and precise manner. The content and visual criteria are

crucial to quickly convey the benefits that the website can provide to potential

customers, so that visitors become engaged or involved with the website to the extent

they will extend their visit and learn more.

The company can use the special features of the Internet to provide unique

interaction with the visitor, by customizing the website interface and content to match

individual customers' needs. Some of the strategies for building customer loyalty will be

addressed in the recommendations section.

4.1.3 Retaining

The **retaining** phase of the value bubble is also known as strengthening the relationship, which is reflected in repeat visits, and ongoing interactions with potential customers. This phase is presented in the figure below:

Figure 4: The Retaining Phase of the Value Bubble

Source: *E-business marketing* by Terri C. Albert and William B. Sanders (2003). Prentice Hall. "Reprinted with permission by Pearson Education Canada". p.38
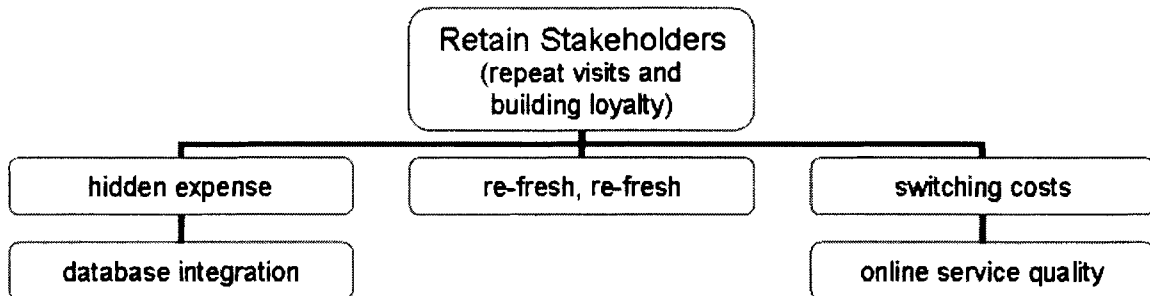
The technology behind retention is found primarily in web design rather than hardware or software (Albert & Sanders, 2003, p.40). Some of the more important elements are: making the website easily accessible, keeping the website easy to navigate, keeping the website well organized, and clearly communicating messages to customers.

In order to keep the website content fresh, companies may need to reassess and redesign the website on regular basis.

However, finding out customers' needs and wants and keeping track of their interactions with the company can create hidden expenses, since in-department database integration is necessary to manage the customer information.

If the company manages to provide high quality service to their customers, including customizing the website to suit visitors' preferences, this will build loyalty from

the customers' perspective. Loyal customers are less likely to change from one supplier or marketplace to another, since this will incur switching costs.

There are various strategies that can strengthen a company's relationship with its customers; some of these will be addressed in the recommendations section.

4.1.4 Learning

The **learning** phase of the value bubble is also known as building the database by utilizing the Internet technology to gather and analyze the customer information and apply it towards marketing objectives. This phase is presented in the figure below:

Figure 5: The Learning Phase of the Value Bubble
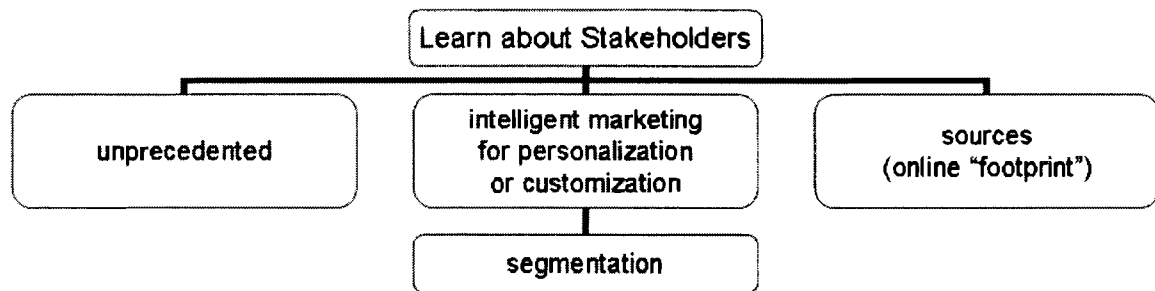
Learn about Stakeholders

unprecedented

intelligent marketing
for personalization
or customization

sources
(online "footprint")

segmentation

Source: *E-business marketing* by Terri C. Albert and William B. Sanders (2003). Prentice Hall. "Reprinted with permission by Pearson Education Canada". p.41

There are two types of records gathered: the observation data (online behaviors captured by web server software and log files) and self-reported data (collected from site registrations, online surveys, and community or user groups). This information is combined with the company's customer databases to develop a composite profile of its customers online and offline needs and wants (Albert & Sanders, 2003, p.41). This allows companies to send customized marketing messages to individual customers.

4.1.5 Relating

The **relating** phase of the value bubble is also known as the data-driven interactions, where the information learned in the previous phase is applied towards developing personalized marketing relations with customers. This phase is presented in the figure below:

Figure 6:   The Relating Phase of the Value Bubble
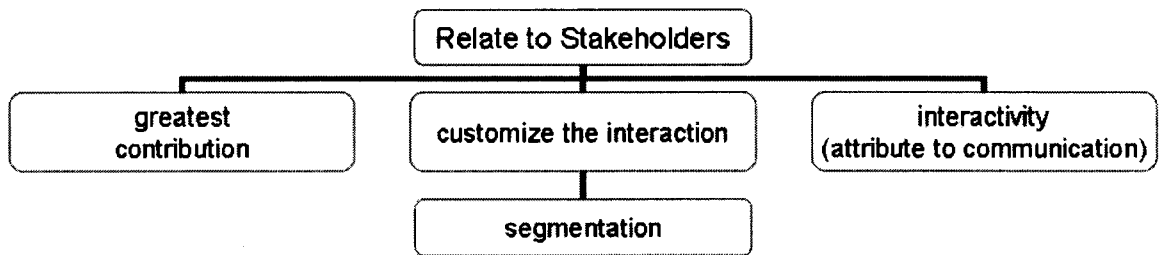
Source: *E-business marketing* by Terri C. Albert and William B. Sanders (2003). Prentice Hall. "Reprinted with permission by Pearson Education Canada". p.42

The analysis of data-driven customer information generated from the **learning** phase provides input into the **attract, engage,** and **retain** phases (Albert & Sanders, 2003, p.42). Based on online behaviors, the website can be improved; web pages that are not frequently visited, or have low retention time, can be modified; or the website navigation can be redesigned.

5 RECOMMENDATIONS

In this chapter, the author proposes online marketing strategies to launch the eLegalDoc website – including website strategies, website design essentials, online promotion campaigns, targeted marketing programs, search engine placement methods, and online trust building tactics.

5.1 Website Strategies

Before starting the website development, in order to feature some elements of the value bubble for the e-business website, initial marketing planning and considerations have to be addressed.

5.1.1 Tactics to Attract – Bring Traffic to the Website

- Select suitable name for the company and the website (e.g. eLegalDoc).
- Create meta tags that include appropriate keywords and customize them for various search engines.
- Register website with as many search engines as possible.
- Register website with as many link exchange services as possible.
- Re-register website with search engines on regular intervals (e.g. monthly).
- Negotiate link exchanges with high-traffic websites with the same target audience.
- Negotiate banner advertising exchanges with high-traffic websites with the same target audience.
- Use targeted "opt-in" email marketing.
- Use viral marketing.
- Place website address (URL) on each legal document generated via eLegalDoc services in order to remind customers where they obtained the document, and provide advertising for anyone else who sees the document.
- Provide online newsletters.

- Introduce incentives, contests, and surveys.
- Plan regular content updates.

5.1.2 Tactics to Engage – Keep Visitors on the Website

- Shorten content download time.
- Communicate early and clearly the value of eLegalDoc products & services.
- Keep the website looking professional and clean.
- Use colors that are relevant to the eLegalDoc brand.
- Use easy-to-read type fonts (e.g. San Serif).
- Use appropriate language.
- Use user-friendly navigation.
- Use clear, easy-to-understand messages.
- Provide a secure e-commerce solution for online purchasing.

5.1.3 Tactics to Retain – Convert Website Visitors to Customers

- Use marketing techniques to identify the best potential customers (e.g. segmentation and targeting).
- Focus marketing efforts towards the identified target audience in order to maximize the probability of success.
- Provide value-added service.
- Continue relationships with customers via email.
- Provide free information and services.
- Allow potential customers to leave feedback.
- Provide security information, explaining to customers when transactions or exchanges of information on the website are secure.
- Display privacy policy and tell visitors how their personal information (e.g. name, address, email, etc.) will and will not be used – in order to make visitors more comfortable submitting inquiries to the site and providing their email address to receive opt-in emails or newsletters.
- Track sales for each type of legal document in order to find out which services are most popular and can be extended, or which ones are the least popular and can be removed.

5.2 Website Design Essentials

In this section, the author proposes some of the "best practices" for website design that have been applied to the eLegalDoc website design, or should be considered for any future re-design.

5.2.1 Tactics to Create User-Friendly Website

- Design graphics that clearly communicate the company's business.
- Use color schemes to communicate company's brand image.
- Keep online and offline corporate images consistent.
- Create easy-to-read web pages.
- Create easy-to-navigate website layout.
- Keep the website layout consistent throughout the site.
- Include website search options and display them on each web page.
- Include contact information on every page.
- Create a Frequently Asked Questions (FAQ) list.
- Provide email links for visitors to ask questions.
- Provide a visitors' feedback form.
- Accept all major credit cards for e-commerce transactions.
- Accept other payment options for e-commerce transactions (e.g. *PayPal*).
- Track the number of visits for each web page in order to find patterns and effectiveness of individual pages.
- Utilize customers feedback in website updates.
- Have a "What's New" section to let visitors know about new additions to the website.
- Test and maintain the quality of the website on regular basis.

5.2.2 Color and Layout

Color and general layout have a definite psychological impact on website visitors. The ideal layout is one with minimal text on a page – and a lot of white space. The

website should be easy to navigate, with navigation elements on each page. Pictures

should be chosen and placed carefully throughout the site (Awad, 2004, p.264).

When choosing colors for eLegalDoc, great attention was paid to the generally

accepted psychological effect of typical colors (for North American culture). Some colors

can have different meanings for different cultures. However, since eLegalDoc targets

the U.S. only, this was not the main concern. The table below lists the colors chosen for

eLegalDoc's logo and website design, and the meaning behind them:

Table 12: Color Meaning

Color	Psychological Effects
Orange *actions*	▪ Orange combines the energy of red and the happiness of yellow. ▪ Represents strength, endurance, energy, balance, and warmth. ▪ Use it to catch attention and highlight the most important elements of the design, since Orange has very high visibility. ▪ Signifies that a product is inexpensive, do-it-yourself type (e.g. Home Depot).
Purple *status*	▪ Purple combines the stability of blue and the energy of red. ▪ Represents wisdom, dignity, independence, creativity, mystery, arrogance, faith, patience, and trust. ▪ Purple is associated with royalty. It symbolizes power, nobility, luxury, and ambition. It conveys wealth and extravagance. ▪ Use to balance the background information of the design, and give it extra "weight". ▪ Signifies that a product has connection with authority and law.
White *background*	▪ White is associated with light, goodness, innocence, and purity. It is considered to be the color of perfection. ▪ In advertising, white is associated with coolness and cleanliness because it is the color of snow. It can be used to suggest simplicity in high-tech products. ▪ Use it for the background, especially behind the text, and use black text that stands out and makes online reading easier.

Source: Adopted from Color Wheel Pro website at www.color-wheel-pro.com/color-meaning.html

The following image depicts the eLegalDoc website prototype, which illustrates

the color scheme of orange for the overall framing and the highlights, purple for the title

and navigation elements, and white for a clean background.

Figure 7: eLegalDoc Website Prototype
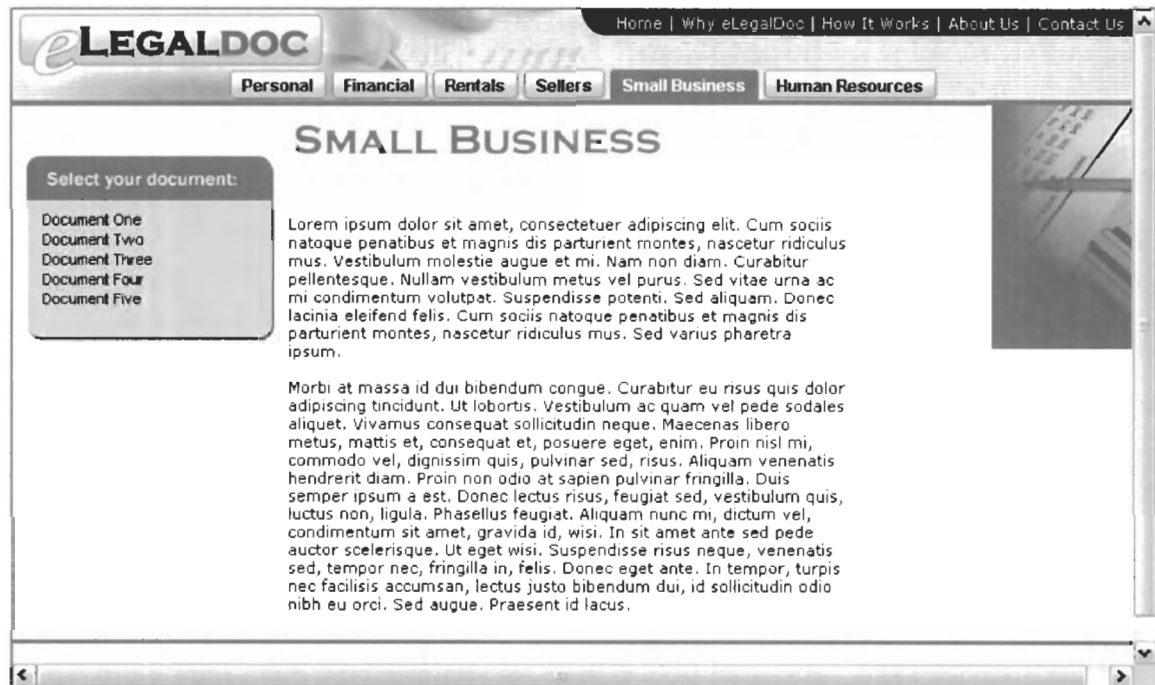
Source: eLegalDoc

Additionally, the website layout and design is very simple, easy to navigate and read on a computer monitor. There are two sets of navigation tools, one for the background information (purple navigation bar, on the top-right area of the web page), and one for the product centers (main navigation bar, on the top-center area of the web page). In addition, the use of images is limited, designed to speed up the site download time, but still provide the professional look to the website.

5.2.3 Type

As seen on the website prototype screen image, the typeface used for both the eLegalDoc logo and web page titles is serif type, which expresses organization and intelligence. It is also elegant and conservative. For the rest of the content, title and main body text, the typeface used is san serif type, which is clearer than serif and much easier to read on a computer screen (Awad, 2004, p.265).

5.3 Online Promotion Campaigns

In order to develop product awareness for eLegalDoc, a promotional campaign must be implemented. Different campaigns carry different costs and returns. For detailed IMC measurements, including definitions and online averages, see *Appendix B: Integrated Marketing Communications (IMC) Metrics.*

For the online market, it is best to target customers who are already using the Internet by implementing online promotion to direct traffic to the website. There are four key promotional activities for the B2C market (Strauss, El-Ansary, & Frost, 2003, p.291):

- Affiliate programs
- Targeted advertising
- Personalized promotions
- Sales promotions

5.3.1 Affiliate Programs

Affiliate marketing programs can be found in many websites. These sites pay their affiliates referral fees to help drive traffic to the affiliate sponsor, just as manufacturers pay commissions to selling agents. Affiliate marketing is a proven cost-effective channel for customer acquisition. Affiliate programs can have many benefits for eLegalDoc, such as: boosted traffic and incoming links, heightened page ranking for popularity and search engine positioning, increased sales, and improved branding and website awareness as more affiliate websites spread the word about eLegalDoc services.

5.3.1.1 Affiliate Networks

To keep track of referrals, fees, followed links, and sales, various companies are offering affiliate marketing management solutions, such as *Commission Junction, LinkShare*, and *Performics*. Here is what they have to say about their services:

Commission Junction (www.cj.com) allows advertisers to rapidly and cost-effectively launch performance-based advertising programs. As one of the largest ad networks in the world, *Commission Junction* acts as a trusted third party between advertisers and publishers – serving, tracking, reporting, and paying performance-based online ad campaigns. The publishers working with *Commission Junction* advertisers manage some of the most recognized Web sites on the Internet today.

LinkShare (linkshare.com) pioneered online affiliate marketing, and today runs the largest pay-for-performance affiliate marketing network on the Internet. Featuring their patented technology, *LinkShare* provides all the tools and services merchants need to create, manage and optimize a successful affiliate marketing program. With over 10 million partnerships in the network, it is the most successful pay-for-performance network of its kind.

Performics (www.performics.com), now owned by *DoubleClick* (www.doubleclick.com), is one of the leading providers of performance-based online marketing services and technologies. *Performics* professionals are customer acquisition specialists, working with marketers to develop and implement response-oriented marketing programs. *Performics's* clients pay a fixed, pre-determined fee for measurable online actions. Results are tracked and reported in real-time with **ConnectCommerce**, their software platform designed to optimize marketing efforts. This technology is used by Fortune 500 companies and leading websites within the United States and internationally.

The author recommends eLegalDoc to open an account with one or more of these affiliate networks, in order to maximize its promotion efforts.

5.3.2 Targeted Advertising

Targeted advertising means directing the advertising efforts towards an identified market segment. In case of eLegalDoc, the first online segment to target will be **Small Business Center** customers.

5.3.2.1 Banner Advertising

To make targeted advertising easier for the marketers, some companies are offering specialized services to target ads based on users' web browsing patterns. *DoubleClick* (www.doubleclick.com) offers this type of service, by following each user from website to website around the Internet and targeting adverts accordingly. They also specialize in serving banner ads and closed loop marketing.

DoubleClick provides advertising services by grouping together sites that have a similar "content" (such as small business sites) or similar "reach" (numbers of visitors) in order to serve the same ad across multiple small sites. They call these groups of sites "networks" and sell advertising on these websites. These networks work similarly to networks of local television stations across the country that show the same television program or the same national advertising.

DoubleClick also provides technology solutions that allow websites to serve ads and advertisers to deliver advertising and analyze the success of their advertising campaigns online. These services are based on *DoubleClick's* in-house technology, called the **DART** (Dynamic Advertising Reporting and Targeting).

One of *DoubleClick's* online marketing products, **DART for Advertisers (DFA)**. DFA is a hosted, enterprise-class advertising management and serving solution that helps marketers reach their online goals efficiently and effectively. DFA powers more

than 60 billion ads per month and is trusted by today's top agencies. As such, DFA represents a full banner ads marketing solution for eLegalDoc.

5.3.3 Personalized Promotions

5.3.3.1 Dynamic Websites

Internet technology allows marketers to create personalized promotions via websites. Websites can be personalized to display customized web pages for individual users, including personalized marketing messages.

Development of such a dynamic website is highly complex. Fortunately, some companies are offering software solutions to automate the creation of dynamic web pages, such as *Vignette* (vignette.com).

5.3.3.2 Opt-In Email Marketing

Another way of personalizing marketing messages is via email. Email can be automatically individualized to meet the needs of specific customers. Furthermore, email messages allow for a direct response from the targeted audience, since emails can contain direct links to the websites' offerings. Emails are the quickest way of reaching the recipients. Emails can be delivered in a form of newsletters, where the e-marketers can provide individualized and relevant information to the customers.

In addition, email is the most feasible promotional tool, as the average cost of an email message is less than $0.01, compared to $0.50 to $2.00 for direct mail (Strauss, El-Ansary, & Frost, 2003, p.385). *Jupiter Communications* have compared email and postal mail, with regards to costs and timing. The table below highlights the advantages of electronic mail over postal mail:

Table 13: Metrics for Electronic and Postal Mail

Metric	Email	Postal Mail
Delivery cost per thousand	$30	$500
Creative costs to develop	$1,000	$17,000
Click through rate	10%	N/A
Customer conversion rate	5%	3%
Execution time	3 weeks	3 months
Response time	48 hours	3 weeks

Sources: *E-Marketing* by Judy Strauss, Adel El-Ansary, & Raymond Frost (2003). Prentice Hall. [Jupiter Communications as cited in "E-Mail and the Different..."] "Reprinted with permission by Pearson Education Canada". p.386

There are several ways of building email lists. Companies can obtain emails internally, through website registrations, via subscription registrations, or by way of purchase records. Emails can also be obtained externally by renting them from a list broker, where e-marketers can search for lists that are guaranteed to be 100% opt-in. This means that recipients have voluntarily agreed to receive commercial email about topic of interest to them – which will avoid the concern of spam (unsolicited email).

One of the oldest, largest and most trusted email list providers in the industry today is *PostMasterDirect* (postmasterdirect.com). This firm is the email list management, list brokerage and deployment arm of the email marketing firm *NetCreations* (www.netcreations.com). They have over 30 million list members across 300 files that are further divided into tens of thousands of specific categories of interests based on what each list member told them they are interested in receiving. Besides list selection, they also offer campaign creation tools especially designed for the unique requirements of customer acquisition email marketing.

Brokers rent lists rather then sell them because they charge a fee for each mailing. For example, the cost to rent from *NetCreations* is about $0.15 per address ($150 CPM - cost per thousand) for B2C lists, which is still more favorable than the typical B2C postal mail list rental at $20 CPM (Strauss, El-Ansary, & Frost, 2003, p.387).

Based on the above analysis, *PostMasterDirect* will be the perfect choice for eLegalDoc to obtain B2C email lists that target small business owners in U.S.

5.3.4 Sales Promotions

Sales promotions are short-term incentives of gifts or money that facilitate the movement of products from producer to end user (Strauss, El-Ansary, & Frost, 2003, p.382). Sales promotion activities may incorporate coupons, discounts, product sampling, contests, and sweepstakes.

5.3.4.1 Coupons and Discounts

There are many Internet companies that offer online coupons for online and offline customers, such as *Hotcoupons.com*, *Coolsavings.com*, and *Valuepage.com*. Most of the coupons are delivered via email, which makes it very easy for the customer to use by entering the coupon number into the online form when placing an order.

eLegalDoc can offer coupons, or give discounts for certain legal documents, as a limited time offer. Coupons and discounts can be sent via email, using specialized web services companies.

5.3.4.2 Sampling

Similar to grocery store food samplings, some online companies allow website visitors to sample a digital product prior to purchase. For example, many software companies offer demo versions of their applications, so that users can try them out and purchase them after the trial period, if they still want to use the product.

In the case of eLegalDoc, users create a custom legal document by answering simple questions online regarding their legal transaction. Customers then preview and edit their legal document online until they are satisfied with the document. Once they

are satisfied with the document, they must pay the single-use license fee, before they can save or print the legal document. This way, customers can sample the product before purchasing it.

5.3.4.3 Contests and Sweepstakes

Contents and sweepstakes differ in the sense that contents require some skill (e.g. calculation or trivia answer), while sweepstakes have no requirements, and depend only on chance (e.g. draw or lottery). These types of activities can engage users, and if offered frequently, they can bring in more repeat visitors.

Getting "free stuff" online is getting more and more popular in the Internet market. Many companies offer consolidated listings of various contents, sweepstakes and freebies available on the web, such as *Freestuff2000* (www.freestuff2000.com). In addition, this company provides the *Games & Giveaways Newsletter* to inform the subscribers about its latest offerings.

eLegalDoc can offer some popular legal documents through online giveaways, and register those sales promotions on *Freestuff2000*, in order to send a marketing message to broader audience, and bring more traffic to their website.

5.4 Targeted Marketing Programs

Online promotion focuses on how the audience sees the message. A targeted marketing program determines which audience should see the message and why.

5.4.1 eLegalDoc Products/Services

eLegalDoc provides simple to use, cost-effective electronic legal documents for common personal and small business transactions. Earlier in this paper, the author identified **Small Business Center** customers as the primary target segment.

Thus, the main audience for direct marketing, such as email marketing and eLegalDoc website internal advertising, will be the small business owners, or individuals that are interested in starting their business.

5.4.2 Complementary Products/Services

Website visitors are more likely to click on a link or a banner that offers something that they are interested in. eLegalDoc can improve how often users click on the ad or link, if they recommend products/services complementary to their services.

Here are some of the complementary products/services for eLegalDoc to affiliate with or exchange links:

- **Legal** services – for small business owners or individuals that need more complicated legal documents that are not provided by eLegalDoc.

- **Accounting** services – for small business owners and individuals that need bookkeeping and tax services.

- **Web Hosting** and **Domains** services – for small business owners that want to establish a professional web presence.

- **Merchant Solutions** – for small business owners that want to sell online.

- **Marketing Tools** – for small business owners that want to acquire and retain customers.

- **Recruiting** services – for small business owners that are looking for workers, or individuals that are looking for work.

5.5 Search Engine Marketing (SEM) Placement Methods

Search engine marketing is a powerful channel to drive traffic and attract and convert customers. As such, it should be a core component of any online marketing strategy.

Generally when users want to find something on the Internet they will do a search on one of the major search engines, such as *Google* (www.google.com), *Yahoo!* (www.yahoo.com), or *AltaVista* (www.altavista.com). Each search engine has its own

way of conducting the search but basically they are looking for keywords or phrases imbedded in the website. Therefore, keywords should be placed in the website domain name, title, metatags, and text content.

One of the ways to test search engines is to select a few appropriate keywords and do a search. From the search results list, select a few of the top websites, and analyse how those websites are implementing keywords. The findings can then be applied towards the eLegalDoc website. The goal is to get listed in the top 10 or 20 sites, as most people do not go past the first page of the search results.

Another way to start search engine marketing is to purchase a product, such as *Web Position Gold* (www.web-positiongold.com), and use it to submit a website to all of the search engines. The software gives marketers all the information they need to have a successfully optimized site, and will submit pages automatically to the search engines.

In addition, there are many companies that provide SEM services, such as *Performics* (www.performics.com). Using three years of deep industry expertise, powerful technology tools and strategic relationships with the leading engines, *Performics* helps marketers get the most out of their search marketing investment. Here is the breakdown of their comprehensive SEM solution:

Table 14: Performics SEM Solution

Paid Placement	Know what paid keywords convert to sales and optimize ROI on advertising investments with Overture, Google and other paid search engines
Paid Inclusion	Distribute comprehensive product data feeds to multiple search engines, directories, and comparison shopping engines
Natural SEO consultation	Drive visitors to the right Web page so they can take action
Optimization	Proactively manage search engine placement based on real-time sales conversion tracking and predictable ROI measurement
Robust reporting	Monitor sales in real time, view click and click-charge data from the engines and see activity down to the keyword level

Source: Performics, Search Engine Marketing, http://www.performics.com/marketers/isearch.html

5.5.1 Search Engine Optimization (SEO) Strategy

According to *Jupiter MediaMetrix*, almost 47% of Internet users surveyed said that the most common method they use to find products or online stores is via search engines. Since the top 10 search results get 78% or more traffic than successive results, it is essential for companies to use SEO to insure that their website is at the top of the list.

In order to apply SEO, websites have to be registered with the top and niche search engines for the target market. In addition, marketers must select appropriate keywords to describe their websites, and product or service offerings. They can also use keywords that are generally applicable to their business area. To do this, marketers can use tools such as *WordTracker* (www.wordtracker.com). Keywords are placed in HTML source code (metatags) for each web page, and are used by the search engines to catalogue and search the websites.

Keeping websites on the top of the list is a full time job, since SEO strategies change constantly. The following table summarizes the *Jupiter* survey results, which determined how companies can improve their website's search engine rankings:

Table 15: Methods Used to Improve Search Engine Rankings

Method	Percent
Changing metatags	61
Changing page titles	44
Reciprocal linking	32
Purchasing multiple domain names	28
Multiple home pages (doorways)	21
Hiding keywords in background	18
Paid links/pay per click	13
None of the above	13

Sources: *E-Marketing* by Judy Strauss, Adel El-Ansary, & Raymond Frost (2003). Prentice Hall. [Adapted from www.iconocast.com]
"Reprinted with permission by Pearson Education Canada". p.380

5.6 Trust Building Strategies

Three are certain trust signals and cues that a company can incorporate on its website, such as: create and display privacy policy, obtain third party endorsements (e.g. regarding privacy and/or security), use of trusted brand names, allow customer feedback, provide guarantees, provide customer support, present objective information, supply competitor information, and partner with established companies. The following is a quick review of *Building trust online* tactics, from McKinsey Quarterly, 2001#4:

- The **core elements** for building trust online is implementing state-of-the-art security, obtaining merchant legitimacy, and customer order/request fulfillment.

- The **differentiators** for creating site loyalists are providing customer control (permission of 3rd party audits, competitor information), appropriate tone and ambience, and encouraged consumer collaboration (customer feedback, reviews, online communities).

In the case of legal documents, it is essential that customers feel confident that the documents provided by eLegalDoc will be equivalent to those obtained from attorneys and legal firms.

5.6.1 Competence

To convey competence, eLegalDoc will present the comprehensive background of its legal and development team, all of whom have many years of relevant experience and education in the appropriate field.

5.6.2 Confidence

One way to instill confidence in Internet users is to become a member of *BBBOnLine* program. The following is a description of *BBBOnLine* programs retrieved from their website (www.bbbonline.org):

BBBOnLine's mission is to promote trust and confidence on the Internet through the *BBBOnLine Reliability and Privacy Seal Programs.* BBBOnLine's web site seal programs allow companies with web sites to display the seals once they have been evaluated and confirmed to meet the program requirements.

The *BBBOnLine Reliability Seal* confirms a company is a member of their local Better Business Bureau, has been reviewed to meet truth in advertisement guidelines and follows good customer service practices.

The *BBBOnLine Privacy Seal* confirms a company stands behind its online privacy policy and has met the program requirements regarding the handling of personal information that is provided through its web site.

5.6.3 Security

To convey the site security, eLegalDoc must provide a secure site for its customers to carry out e-commerce transactions. One of the most popular ways to secure the website is to obtain the **Secured Sockets Layer (SSL) Certificate** from *VeriSign* (www.verisign.com). As stated on *VeriSign* website, the SSL certificate provides powerful 128-bit SSL encryption for securing customer-sensitive information during online transactions.

Since *VeriSign* is broadly recognized as a symbol of trust on the Internet and was voted the #1 trusted brand on the Internet (Cheskin/Studio Archetype Study, 1999), displaying the **VeriSign Secured Seal** logo on the company's website will instill confidence in potential customers. The seal is used both to demonstrate and confirm SSL certificate information. Website security can be authenticated by clicking on the seal and displaying the security information and the current certification status, thus making customers feel more secure and confident about sharing their information.

5.6.4 Privacy

Another widely accepted trust signal on the Internet is the *TRUSTe* (www.truste.org) web seal of assurance. As stated on their website, *TRUSTe* is the

leading Internet privacy non-profit organization. They provide best practices to the privacy community and resolve thousands of consumer disputes every year. Placing a *TRUSTe* web seal of assurance on eLegalDoc website will help build credibility for the site in the minds of small business owners (Sweeney, 2001).

The **TRUSTe® Web Privacy Seal** is the most relevant signal for eLegalDoc website. This seal marks companies that adhere to *TRUSTe's* strict privacy principles, and comply with the *TRUSTe Watchdog* dispute resolution process.

TRUSTe principles to implement in eLegalDoc website include:

- Creating a **privacy policy** that is reviewed by *TRUSTe*.

- Posting a **notice and disclosure** that tells customers how their personally-identifiable information is collected and used.

- Giving customers **choice and consent** over how their information is used and shared.

- Making sure there is a third party to **mediate disputes** relating to the use of personally identifiable information.

In addition, a detailed **Privacy Statement** will be prominently displayed on the eLegalDoc website. Studies have shown that clear and concise description of privacy practices and personalization benefits may result in an increase in trust in the website, which in return prompts users to share more data, reduces their fear of disclosing their identities, and will eventually lead to more purchases (Kobsa, 2004).

5.7 The Website Launch

The combined tactics of the recommended e-marketing strategies will help bolster the success of the initial eLegalDoc website launch. After the launch, eLegalDoc will sustain its e-business model by continuous website improvements and expansion of its product and service offerings.

APPENDICES

Appendix A: Internet Usage Metrics

Top 10 Parent Companies

Table 16: Top 10 Parent Companies (Work)

Parent Name	Unique Audience (000)	Reach %	Time Per Person
Microsoft	46,030	88.89	01:45:06
Yahoo!	37,738	72.88	02:57:10
Time Warner	35,697	68.94	05:04:30
Google	31,572	60.97	00:31:44
United States Government	27,779	53.65	00:30:57
eBay	20,235	39.08	01:47:57
InterActiveCorp	17,145	33.11	00:17:54
Amazon	16,857	32.55	00:21:22
Landmark Communications	16,488	31.84	00:23:33
Walt Disney Internet Group	15,141	29.24	00:50:09

Source: Nielsen//NetRatings (Data for the United States, for the month of September 2004)

Table 17: Top 10 Parent Companies (Home)

Parent Name	Unique Audience (000)	Reach %	Time Per Person
Microsoft	85,552	63.17	01:25:42
Time Warner	80,431	59.39	04:18:36
Yahoo!	74,618	55.10	01:50:21
Google	47,737	35.25	00:18:26
eBay	35,008	25.85	01:23:56
United States Government	30,483	22.51	00:17:04
Ask Jeeves	22,135	16.35	00:20:27
Walt Disney Internet Group	22,070	16.30	00:34:19
Amazon	21,562	15.92	00:16:11
InterActiveCorp	21,504	15.88	00:15:12

Source: Nielsen//NetRatings (Data for the United States, for the month of September 2004)

Web Usage Data

Table 18: Web Usage Data (Work)

Sessions/Visits Per Person	66
Domains Visited Per Person	100
PC Time Per Person	78:03:55
Duration of a Web Page Viewed	00:01:01
Active Digital Media Universe	53,425,740
Current Digital Media Universe Estimate	56,963,005

Source: Nielsen//NetRatings (Data for the United States, for the month of September 2004)

Table 19: Web Usage Data (Home)

Sessions/Visits Per Person	32
Domains Visited Per Person	55
PC Time Per Person	27:30:41
Duration of a Web Page Viewed	00:00:53
Active Digital Media Universe	136,585,164
Current Digital Media Universe Estimate	199,861,345

Source: Nielsen//NetRatings (Data for the United States, for the month of September 2004)

Appendix B: Integrated Marketing Communications (IMC) Metrics

Table 20: IMC Metrics and Industry Averages

Metric	Definition / Formula	Online Averages
CPM	Cost per thousand impressions CPM = (Total Cost / Impressions) x 1000	$7 - $15 for banners[1] $75 - $200 for email ads[2] $20 - $40 for email newsletter[2]
Cost per message	Cost to send an email Cost = Number of Emails / Total cost	Less than $0.01[3]
Opt-out rate	Percent who opt-out of an email list Rate = Opt-out Number / Total number	Ranges between 0.2% and 0.5%[4]
Response time	Time between sending email and click-through response	85% within 48 hours[3]
Site stickiness	Length of stay as tracked on website log	Varies 44 seconds per page[8]
Click-Through Rate (CTR)	Number of clicks as percent of total impressions CTR = Clicks / Impressions	0.3% - 0.8% for banners [3,5] 2.4% for rich media ads[5] 3.2% - 10% for opt-in email[3,9]
Cost per Click (CPC)	Cost for each visitor from ad click CPC = Total Ad Cost / Clicks	Varies widely Google.com from few ¢ to few $
Conversion Rate	Percent of people who purchased from total number of visitors Conversion Rate = Orders / Visitors	1.8% for websites[6] 5% for email[9]
Customer Acquisition Cost (CAC)	Total marketing costs to acquire a customer	Varies by industry $82 for online retail pure plays $31 for multi-channel brick & mortar retailers[7]

Sources: *E-Marketing* by Judy Strauss, Adel El-Ansary, & Raymond Frost (2003). Prentice Hall. [[1]Hallerman(2002); [2]data from www.eMarketer.com; [3]Saunders(2001); [4]Gallogly and Rolls (2002); [5]"DoubleClick Ad Serving..." (2002); [6]data from shop.org; [7]data from www.computerworld.com; [8]data from www.nielsen-netratings.com; [9]PricewaterhouseCoopers, LLP (2002)]
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Best Affiliate Programs: www.100best-affiliate-programs.com

ClickZ Network: www.clickz.com

Commission Junction: www.cj.com

DoubleClick: www.doubleclick.com

Freestuff2000: www.freestuff2000.com

Internet Marketing Dictionary: www.marketingterms.com/dictionary/

Internet World Stats: www.internetworldstats.com

JupiterResearch: www.jupiterresearch.com

LinkShare: linkshare.com

MarketingProfs: www.marketingprofs.com

MarketingSherpa: marketingsherpa.com

Performics: www.performics.com

PostMasterDirect: postmasterdirect.com

TRUSTe: www.truste.org

Web Marketing Today: www.wilsonweb.com/wmt/

Web Position Gold: www.web-positiongold.com

WordTracker: www.wordtracker.com