

**Home-based Business: The Effectiveness of Facebook Advertisement in Internet
Marketing**

by

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CERTIFICATION OF APPROVAL

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Approved by,

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CERTIFICATION OF ORIGINALITY

This is to certify that I am responsible for the work submitted in this project, that the original work is my own except as specified in the references and acknowledgements, and that the original work contained herein have not been undertaken or done by unspecified sources or persons.

MUHAMMAD SAFWAN BIN SETH

Abstract

The main purpose of this research is to explore and to understand systems of home-based businesses, the effectiveness of Facebook Advertisement in internet marketing and execute a project to market Al-Quran Read Pen and any products by using Facebook as the medium of classifieds. Research method uses in this project are qualitative and quantitative. Attend seminar and interview with successful internet entrepreneur are qualitative method while make online survey with multiple choice question is quantitative method. Furthermore, this research also gathers from primary and secondary methods. For primary method, the authors will gather the data from questionnaire, interviews, surveys, observation and testing while for secondary method the authors will gather the data from existing sources such as journals, eBooks, video, and reading case study or blueprint of successful internet entrepreneur. Finally the results will be recorded and the authors will write the strategy to launch and prove the effectiveness of Facebook Advertisement in internet marketing.

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CHAPTER 1

INTRODUCTION

1.1 Background

According to entrepreneur.com [1] home based business or HBB is business whose primary office is in the owner's home. The business can be any size or any type as long as the office itself is located in a home. HBB start with two out of three companies (of all sizes) begins in a spare bedroom, garage, basement or sometimes even a bathroom. For instance Apple Computer, Baskin-Robbins ice cream, Electronic Data Systems, Hallmark cards, the Lillian Vernon catalog, and Purex began with HBB. The internet makes operating a virtual company from home more feasible and popular than ever. For home-based business, the concepts appear in 1978 as opposed to the previous terminology of "cottage industry".

According to industry experts Home-based business is a \$427 Billion a year industry [2]. It shows that HBB industry is more profitable than the pharmaceutical industry, food industry, and consumer goods industry. The extremely low start-up costs, flexible hours, and the Internet are fuelling the growth of the home business segment. From estimated data 150 Million people, in North America alone, are enjoying the freedom and benefits of owning their own home based Internet business.

According to IDC, a top national research firm, there are between 34.3 million and 36.6 million home office households in the United States alone.[3] Another fact is from Nationwide, the number of home-based businesses may range from 18 million to 38 million, depending on who is doing the counting. U.S. Census figures.Pittsburgh Business Times [4]. These statistic shows that Home Based Business is so important and rapidly increasing from year to year.

Home based business can also related with internet marketing. The early existence of internet marketing started in the early 1990's when text-based and simple websites were predominantly used in offering product or service information around the world. The Bristol-Myers Squibb was the first company that officially launched an online marketing campaign. A US-based drug company, the Bristol-Myers Squibb launched the use of online marketing to basically develop the public awareness in using a certain drug called "Excedrin". During the tax season in 1997, law and marketing firms declared the Excedrin as a "Tax Headache" supplement from online advertising websites. Bristol-Myers provided an online free sample of the drug to American internet users.

There are many advantages of online business (IM) compare to offline business: First advantage is online business require a low cost capital. To start an online business, we just need a capital of about RM1, 000 or less compared to offline businesses that require at least RM50, 000. Second is the online business can operate 24 hours. It is because business website is always running 24 hours per day and it just like open a shop for 24 hours. Besides, online business is less risk - The risk of loss for the failure of the web is less than retail stores. To develop a business website, the necessary capital is only about RM400 - RM800.

In internet marketing or online business, the person can just work from his bedroom. This is a part-time work and the owner just need to allocate his time only for 2-3 hours a day to manage email, booking and website updates. Moreover, the owner of online business can get customers from around the world. This fact also depends on targeted niche of owner's product but with internet the capability of reaching to the global market is definitely easy. Next point is online business does not need to meet customers. Almost everything of business communication can respond via emails. If there is any problem with the customer just need to communicate with customers

through email, chat or even Yahoo! Messenger. Another advantage is no need to hire office. The owner can just work from their home and they just need the basic equipment such as computer sets, internet and catalog. These all points are for small home based business but now the giant company also applies internet marketing in their marketing sales and advertisement.

Moreover, in today's home-based businesses, internet marketing becomes one of the most important methods to market the product. Internet marketing, also known as digital marketing, web marketing, online marketing or e-marketing, is the marketing of products or services over the internet. There are lots of business opportunities in the internet marketing since it ties together the creative and technical aspects of the internet, including design, development, advertising and sales. Internet marketing also refers to the placement of media along many different stages of the customer engagement cycle through "search engine marketing" (SEM), "search engine optimization"(SEO), banner ads on specific websites, email marketing and Web 2.0 strategies. One of the important business models in internet marketing is e-commerce. In this model, goods are sold directly to consumers (B2C), businesses (B2B) or from consumer to consumer (C2C).

This research focuses on the home-based business through internet marketing. In order to conduct the research, a personal home-based business will be established through the internet marketing. The product that will be used in this research is Al-Quran Read Pen. All the experience and case study gather from this research will be documented and analyse and finally make the final report.

1.2 Problem Statement

Home-based businesses are on the rise due to turbulence in the economic world.

Home based business can also related with internet marketing.

Best important point of an online internet business is it needs a very few capital cost but very big investment in returns.

Furthermore, internet online business is easier to set up. The working hour does not necessary 8 hours per day, the person can begin work at any time or even any where as long as he have access to a computer. However, this type of businesses is not as easy as what being stated, especially to those who are still new in this area. Some of the problems are:

1. Problems to convert lead into sales.

Many internet marketers face this kind of problem. According to Irfan Khairi, visitors will turn into buyers, after they saw our website for more than 7 times. Another fact is we only have 10 seconds for attract prospect to read the whole sales letter of website. So to make sales we need to have effective and frequently advertisement. Therefore facebook paid ads is the suggested method to solve this problem.

2. Cost of advertising is too high.

There are several medium of ads that entrepreneur can make such as ads in television, radio, magazine, flyers and classified in newspaper. Ads on TV are too expensive. Advertise on radio also too expensive. Magazine ads are still expensive, but ideal for businesses that have been established and has it own followers.

For flyers - Printing is quite expensive. It can reach RM500-1000 depending upon the size and color. Marketing for flyers is not specific. No tracking whether sentences and pictures used effectively or not. If the printing error, had to remove the high cost to print again.

Another method is classifieds in newspapers. It cost RM200-500 for a few days, and only a small box in the writings of black and white. No special reader, no tracking, and ads hidden behind dozens of other ads. So the suggested solution is to use facebook ads that is cheaper and can target to specific people.

1.3 Objectives

The objectives of this project are:

- To research and understand the usage of Facebook Advertisement in social media marketing
- To find solution and create a business system to sell Al-Quran Read Pen and any other products in the internet.
- To minimize the capital use in advertising in the internet.

1.4 Scope of Study

This research will cover the common problem of the internet marketing whether in Malaysia and also another country. Basically this project will start with find the problem statement, make clear objective and develop a home-based business to sell Al-Quran Read Pen to the global market. A business plan will be develop and this is important step to start a business. Next is launching the product, promotion of product, transaction and delivery to the customer.

Furthermore this research also focuses on email marketing and video marketing. Before starting own small business, people need to perform a simple feasibility analysis. The main objective of the analysis is to see whether the business idea is worth pursuing. The authors run this project because many people had problems to start their own home-based business and always been cheated by scammers in the internet.

In addition, the author will also research about human-computer interaction theory to apply best interface design in the e-commerce website.

CHAPTER 2

LITERATURE REVIEW

According to the Home-Based Business Institute, about 70% of home-based businesses will last over a three-year period, compared to 29% of other business ventures. This shows that the success rate of home businesses is 70%. So many people think home based business is very easy to setup and start their own business without sufficient knowledge in internet marketing. As a result their fail to survive in their business and give up and stop. Therefore it is important to learn from basic clearly how to start a home based business in internet marketing.

According to Mason (2008), in home-based business, about 75 per cent of owners work more than 40 hours a week in their business. Others may still work long hours but their working week may be inflated by the greater likelihood that they will have other sources of income, such as full or part-time employment (Carter et al., 2004). This shows that the business owner of a home-based business have a very convenience working environment which they can start their work anytime they like. However, home-based business owners must have high self discipline and the ability to plan and manage their time because their business is depending on them. For a small home based business with only manage by one person, it is important to the owner to focus to their business.

According to U.S. Census Bureau, by 1992, women were running 10 million home-based businesses. Another fact is women run 70% of home-based business: nearly 17 million. (National Center for Policy Analysis). Moreover, according the the National Foundation of Women Business Owners (NFWBO) there are 2.1 million women business owners with children (1994). Although the data given is the old data but this shows that women are dominating home based business compare to men in early 90's. Danhauser, Edwards and Field-Hendrey (2006) also provided demographic profiles of women as home-based business owners which they are 42 to

46 years of age, on average, and generally married with children. These show that the home is an obvious place for a woman to start her business since it represents an inexpensive location option and presents an opportunity for her to combine work and family roles. Furthermore, many men still continue their career and their wife run a home based business. Wife and husband work together will lead to have another multiple source of income.

Most of the home-based businesses owners now prefer to go for internet marketing to do their business because of the advantages of doing business online. With internet, they can advertise their product rapidly and can reach the market all over the world. However many people fail and lost a lot of money while advertising their product. 83%-90% people fail in affiliate marketing with Google adsense.[5] They promote their product for instance in Google adsense program but not convert any sales. The problem maybe because of wrong keyword chosen and low quality score in Google adsense. Therefore in this point, knowledge about marketing and advertising is important to avoid lost a lot of money and small return on investment (ROI).

According to New York Times bestselling author and media innovator, Joel Comm, he stated that from first-hand experience some very disturbing trends in the internet marketing. First there are many internet marketers without integrity. Second, not all products and services bring value to the customer. Ninety five percent of the evaluations receive a thumbs-down from his team. Many marketers are creating cutting-edge products just to have something new to sell and not because they had anything useful to bring to the marketplace. The third one is the customer is getting the short-end of the stick. More often than not, people are persuaded to buy what they do not need or know how to consume. The dirty secret is marketers know people will never achieve the financial goals they desire from these products. Therefore, a quality internet marketer is to sell a good quality product that helps people and not because the profits.

Human-Computer Interaction (HCI) is defined by (ACM SIGCHI, 1996) as "a discipline concerned with the design, evaluation, and implementation of

computing systems for human use and with the study of major phenomena surrounding them" Dix et al (1998).

Another definition given by Preece, (1994) that Human-computer interaction (HCI) is "the discipline of designing, evaluating and implementing interactive computer systems for human use, as well the study of major phenomena surrounding this discipline" (Preece, 1994). "HCI involves the design implementation and evaluation of interactive systems in the context of the users' task and work"(Dix et al., 1998).

Human-computer interaction is also important in e-commerce website. In terms of website design, human computer interaction is concerned with how website visitors view, navigate and use the website. This is an important part of designing an effective website. It should include two areas. Firstly the 'user experience' in terms of how the website appears to most people. Secondly, websites are different to print material in that they look and operate differently under different operating systems, browsers, and screen resolutions and even for different computer setups. Human computer interaction should consider all these technical aspects to ensure the website design work well under all required conditions. This also includes blind users and others using assisted technology to navigate the website.

One of the famous principles in HCI is the Eight Golden Rules of Interface Design by Shneiderman. Shneiderman said to improve the usability of an application or website it is important to have a well designed interface and these "Eight Golden Rules of Interface Design" are claimed to be a guide to good interaction design.

Strive for consistency

Consistent sequences of actions should be required in similar situations; identical terminology should be used in prompts, menus, and help screens; and consistent commands should be employed throughout. The author comment is a good new website at least must have 5 pages and consistency is important to be applied in every page. In addition, consistent color, layout, capitalization, fonts, and so on should be employed throughout the website.

Enable frequent users to use shortcuts

As the frequency of use increases, so do the user's desires to reduce the number of interactions and to increase the pace of interaction. Abbreviations, function keys, hidden commands, and macro facilities are very helpful to an expert user. The author comment is visitors of the website should save their login name and password on the website and they will provide simple shortcuts to ease them to read the website.

Offer informative feedback

For every operator action, there should be some system feedback. For frequent and minor actions, the response can be modest, while for infrequent and major actions, the response should be more substantial. The author comment is feedback from visitor is important to the webmaster to enhance their usability of the website.

Design dialog to yield closure

Sequences of actions should be organized into groups with a beginning, middle, and end. The informative feedback at the completion of a group of actions gives the operators the satisfaction of accomplishment, a sense of relief, the signal to drop contingency plans and options from their minds, and an indication that the way is clear to prepare for the next group of actions.

Offer simple error handling

As much as possible, design the system so the user cannot make a serious error. If an error is made, the system should be able to detect the error and offer simple, comprehensible mechanisms for handling the error. The author comment is if user lost to 404 pages in the website, it wills the user to go to home of website.

Permit easy reversal of actions

This feature relieves anxiety, since the user knows that errors can be undone; it thus encourages exploration of unfamiliar options. The units of reversibility may be a single action, a data entry, or a complete group of actions.

Support internal locus of control

Experienced operators strongly desire the sense that they are in charge of the system and that the system responds to their actions. Design the system to make users the initiators of actions rather than the responders.

Reduce short-term memory load

The limitation of human information processing in short-term memory requires that displays be kept simple, multiple page displays be consolidated, window-motion frequency be reduced, and sufficient training time be allotted for codes, mnemonics, and sequences of actions. The author's comment is the e-commerce website will be built in a simple way and reduce short-term memory load. This will ease them to do a transaction to buy products. A famous study suggests that humans can store only 7 (plus or minus 2) pieces of information in their short term memory. The author can reduce short term memory load by designing screens where options are clearly visible, or using pull-down menus and icons

According to Norman, design should use both knowledge in the world and knowledge in the head. Knowledge in the world is overt - we don't have to overload our short term memory by having to remember too many things (icons, buttons and menus provide us with knowledge in the world - we don't have to remember the command for printing, it's there in front of us). On the other hand, while knowledge in the head may be harder to retrieve and involves learning, it is more efficient for tasks which are used over and over again. For example providing a command key sequence like Control P for Print, Control C for Copy and Control S for Save.

CHAPTER 3 METHODOLOGY

The project adopts an agile system development life cycle and is segmented into four main phases. Phase 1 mainly involves research work. Phase 2, 3 and 4 make up the main development stage. A Gantt chart on the project schedule is crafted (see Appendices).

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3.1 Phase 1: Data Collection

The project is initiated with planning and data collection a detailed background study on the home-based business and also internet marketing. Related works on home-based business and internet marketing is examined in order to get the result on how home-based businesses can make profits through internet marketing. The authors also need research about others research and read many eBooks, watch marketing video and study about the best method to build a successful online business. Furthermore the author will also gather primary methods to gather data such as personal interview with successful and attend internet marketing seminar.

Key Milestone:

- i. Planning
- ii. Data Collection
- iii. Analysis
- iv. Develop the Business System Strategy
- v. Develop the Business Plan

3.2 Phase 2: Analysis

In this phase, all the data from phase one and phase two will be collected and study. Most of the data from phase one and phase two will be the secondary data since the

data is collected through various journal, literature review, case study and statistic that have been already published. From all this data, a study and analysis on how to improve the home-based businesses through internet marketing will be made.

Planning to do in this phase

In the next planning the author will research more about HCI followed by 8 golden rules pointed by Ben Shneiderman. From the book ‘Designing the User Interface’ by Ben Shneiderman, he pointed out 8 rules to guide us to good interaction design.

1. Strive for consistency.

Consistent sequences of actions should be required in similar situations; identical terminology should be used in prompts, menus, and help screens; and consistent commands should be employed throughout.

2. Enable frequent users to use shortcuts.

As the frequency of use increases, so do the user’s desires to reduce the number of interactions and to increase the pace of interaction. Abbreviations, function keys, hidden commands, and macro facilities are very helpful to an expert user.

3. Offer informative feedback.

For every operator action, there should be some system feedback. For frequent and minor actions, the response can be modest, while for infrequent and major actions, the response should be more substantial.

4. Design dialog to yield closure.

Sequences of actions should be organized into groups with a beginning, middle, and end. The informative feedback at the completion of a group of actions gives the operators the satisfaction of accomplishment, a sense of relief, the signal to drop contingency plans and options from their minds, and an indication that the way is clear to prepare for the next group of actions.

5. Offer simple error handling.

As much as possible, design the system so the user cannot make a serious error. If an error is made, the system should be able to detect the error and offer simple, comprehensible mechanisms for handling the error.

6. Permit easy reversal of actions.

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8. Reduce short-term memory load.

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The author will follow these 8 golden rules in his Al-Quran Products marketing e-commerce website. To apply all these rules a survey need to be done among public people. Age range will be specified to 21-40. Furthermore the colour choose in the website is also important. Different colour brings different meanings. Basically, there are simple guides for the common meanings of the colours use in the website:

- Red: Passion, Love, Anger
- Orange: Energy, Happiness, Vitality
- Yellow: Happiness, Hope, Deceit
- Green: New Beginnings, Abundance, Nature
- Blue: Calm, Responsible, Sadness
- Purple: Creativity, Royalty, Wealth
- Black: Mystery, Elegance, Evil
- Grey: Moody, Conservative, Formality

- White: Purity, Cleanliness, Virtue
- Brown: Nature, Wholesomeness, Dependability
- Tan or Beige: Conservative, Piety, Dull
- Cream or Ivory: Calm, Elegant, Purity

Blue is the intellectual colour, conveying trust and professionalism. The blue colour is a relaxing colour, and a colour for good clear communication. Soft blues are calming, stronger blues stimulate thought. A very good choice for business websites, although can be perceived as less friendly. There is a good selection of web-safe blue colours that also make blue an easier colour to design with for online media.

Yellow is an emotional colour, often associated with happiness, optimism and creativity. Given the above it is surprising there are not more yellow websites, but perhaps this is due to the difficulties of poor contrast for a yellow logo in print (on a white background). Some authors think too much yellow in a website can make people anxious.

Red is a powerful colour, often referred to as the 'physical' colour. The red colour has the longest wavelength and this helps it appear 'nearer' than it is, so it stands out from the background in an attention grabbing way. Red is a good choice for headlines, 'buy now' or 'sale offer' type slogans. When used throughout a website as the basic colour it can give the image of masculinity or aggressiveness, but also of friendship and love.

Green is a natural colour, associated with the environment, harmony and rest. Green is supposed to be one of the most restful colours, but is not used as frequently as blue. This may be because it is harder to create a good spectrum of different greens that match well together. This is certainly true if restricted to web safe colours.

Orange is a fun colour, and stands out well. Not a very common colour within website design.

Violet is a colour of luxury or spiritual values. Violet has the shortest wavelength, and is opposite to red in that it appears to be further away. The darker colours are associated with royalty, quality and luxury as well as space and spiritual thought.

Grey is a neutral colour, but can give a boring impression. Not a good colour for websites that want to encourage the visitor to do something. However grey can be a very good colour used in combination with other colours.

Black is a sophisticated colour. But also a menacing colour. For websites, black is used both for luxury products and for gothic type websites. One factor with black websites is how they print out; most will print in reverse with a white background and this can lose the intended affect.

White is a clean and spacious colour. White can be used to good effect within design websites requiring plenty of space. It gives an uncluttered feel and works well for some types of shopping cart.

Brown conveys honesty and reliability, with associations to the natural world. This colour is a good choice of colour for a website wanting to give the impression of a reliable and supportive organisation.

Besides that there are also colour theory terminologies that need to be studied. For example of colour theory terminologies are hue, chroma, saturation, value, tones, shades and tints. Hue is colour (blue, green, red, etc.). Chroma is the purity of a colour (a high chroma has no added black, white or grey). Saturation refers to how strong or weak a colour is (high saturation being strong). Value refers to how light or dark a colour is (light having a high value). Tones are created by adding grey to a colour, making it duller than the original. Shades are created by adding black to a colour, making it darker than the original. Tints are created by adding white to a colour, making it lighter than the original.

Analysis (What have done)

Internet Marketing Seminar

27 March 2011 – IIUM, Gombak , A two days internet marketing seminar was held in Kulliyah of Engineering ,IIUM, Gombak starts at 9 am to 6 pm. This seminar was organized by Mawardee Entrepriase and attended by more than 120 people. I also attend this seminar because it is a vital need in the internet business. Seminar participants are exposed to the importance of internet business. In this two days seminar, there are 10 module that been thought in this seminar.Mr. Ahmad Mawardi has been a real experience to share and live what internet marketing is capable of providing a stable source of income in the long run. It has been shown as using the techniques of effective internet marketing, revenue through the internet can be easily added just follow these tips and the conditions required of it.

Basically, in these 10 modules of this seminar, participants are exposed to the easy way to make money online such as providing services in fiverr, sell digital products in tradebit, how to create digital products for sell, how to promote products quickly, how to generate recurring income and how to become affiliate marketer. All these modules are thought in just a simple way and everybody can follow it.

Finally, internet marketing seminar provides many interesting and useful input to practice in the internet business. I also took the opportunity to ask various questions relating to email marketing and affiliate programs in the depth of knowledge that will be shared with my entrepreneur's friends. Hopefully, this seminar can be used and practiced by entrepreneurs in business online or offline entrepreneurs in increasing profits and reducing marketing costs. (Refer appendix for pictures in the seminar)

Website Seminar organized by Al-Fatih Studio

On 2nd March 2011, I had attended one day seminar about how to make a professional e-commerce website. This seminar was organized by Al Fatih Network and held at JomTraining 1, Wisma DPI-INVERGOLD, Bandar Tasik Selatan, Selangor. On that day, I just attend this seminar as a facilitator and my job is to teach other participants to build their own website.

Basically in this seminar, the organizer, Mr, Bukhori Parman teaches us how to make a professional website using Joomla. According to wikipedia Joomla! is a free and open source content management system (CMS) for publishing content on the World Wide Web and intranets. It comprises a model-view-controller (MVC) Web application framework that can also be used independently. Joomla! is written in PHP, uses object-oriented programming (OOP) techniques and software design patterns, stores data in a MySQLdatabase, and includes features such as page caching, RSS feeds, printable versions of pages, news flashes, blogs, polls, search, and support for language internationalization.

The more important is in this seminar, participants are thought to build their own e-commerce website. In the e-commerce website user can put the price of the product, the price of postage (which can be differentiated according to place and weight), the price of product packaging, the extra cost if pay by Credit Card or Debit Card. User can also integrate the Paypal payment system, manual payment system, and automatic payment systems using local bank. User can also enter the download system automatically if they sell digital products.

So as conclusion this seminar is good for the author to build their e-commerce website to sell Al-Quran Read Pen to the global market. The more important in this research is to apply human-computer interaction (HCI) theory in the website. Another next mission is to make a survey about HCI to the internet marketer expert

and also to the end user.

3.3 Phase 3: Develop the business system

In this phase, a website with equipped with search engine optimization (SEO) will be build. Three basic things in internet marketing are in 3P; Pages, Product and Promotion. The author will design the graphic interface for this website, prepare the video marketing and prepare a sales letter for this website. For transaction medium, the author will use PayPal and credit card. For marketing, the author will use opt in form to gather prospect email. Freebies video will offer in opt in form to encourage website guest to subscribe to my mailing list. Next is preparing the follow up email for targeted prospect. Another marketing method is article marketing, video marketing, eBay and social media will also be applied. In this phase also apply some theory of HCI with follow the 8 golden rules of Shneiderman.

3.4 Phase 4: Run the marketing strategy

In this phase, the author will run the strategy of marketing after all research had been made. This is a real business where the author will sell the Al-Quran Read Pen by using Facebook Marketing and get targeted prospect from there. By using direct response marketing and the Zergarnik effect, the author will use psychology to make sell in this project.

CHAPTER 4

RESULT AND DISCUSSION

Direct Response Marketing

Direct-response marketing is a form of marketing designed to solicit a direct response which is specific and quantifiable. The delivery of the response is direct between the viewer and the advertiser, that is, the customer responds to the marketer directly. This is in contrast to brand advertising.

In direct marketing there is no intermediary broadcast media involved. In direct-response marketing, marketers use broadcast media to get customers to contact them directly. It is direct-response marketing because the communications from the customer to the marketer are direct, this differentiates it from simple direct marketing in which the communications from the marketer to the customer are direct, but do not allow for instant feedback.

Like direct marketing, direct-response marketing seeks to elicit action. It is inherently accountable since results can be tracked and measured. Furthermore, direct-response campaigns perform best if the underlying strategies and tactics are highly competitive.

Characteristics

Direct-response advertising is characterized by four primary elements

- An offer – Must be special offer that uniquely from competitor.
- Sufficient information for the consumer to make a decision whether to act
- An explicit "call to action"
- Means of response (typically get prospect immediately)

Media

- Magazine and Newsletter
- Letter
- Fax
- Email
- Website
- Google
- Facebook

Principles & Techniques

Direct-response ads like infomercials can be contrasted with normal television commercials because traditional commercials normally do not solicit a direct immediate response from the viewer, but instead try to brand their product in the market place.

There are many other best practices and techniques used to achieve results such as the use of urgency, clear and compelling copy, and graphics and design which aim to reinforce the message. Lately, the viral potential of funny, hilarious or upbeat infomercials uploaded to YouTube for example has proven to be an important contributor to infomercial success. Apt individuals re-dubbing or ridiculing known infomercial hosts amplify the reach of this alternative (deliberate or involuntary) marketing channel and help to spread the word of the product, service or brand.

MARKETING BY USING THE ZEIGARNIK EFFECT

In psychology, the Zeigarnik effect states that people remember uncompleted or interrupted tasks better than completed tasks.

Soviet psychologist Bluma Zeigarnik first studied the phenomenon after her professor, Gestalt psychologist Kurt Lewin, noticed that a waiter had better recollections of still unpaid orders. However, several replication studies of Zeigarnik's experiment, done later in other countries, failed to find significant differences in recall between finished and unfinished (interrupted) tasks (e.g. Van Bergen, 1968).

In Gestalt psychology, the Zeigarnik effect has been used to demonstrate the general presence of Gestalt phenomena: not just appearing as perceptual effects, but also present in cognition.

The Zeigarnik effect suggests that students who suspend their study, during which they do unrelated activities (such as studying unrelated subjects or playing games), will remember material better than students who complete study sessions without a break (Zeigarnik, 1927; McKinney 1935).

In marketing, the author uses the Zeigarnik effect to give uncompleted ads to the customer that makes them curious to know more about the offer. For example:

“This AI-Quran technology had make my son able to reading Quran for just two days”

For conclusion Psychology 1000 times more important than technology and media.

Mission for this project

Create an online 'salesman' that work to us 24 hours by powering three important elements to get fast response immediately by using Direct Response Marketing.

- Message (capable of speech)

- Market (how to positioning the market)

- Media (how to use Facebook)

Example: We want to sell genius tablet.

Scenario 1

- Message: "Genius tablet make you more clever"

- Market: "All People"

- Media: "Facebook"

Scenario 2

- Message: "Genius tablet cure your lazy and always truancy son in school "

- Market: "Mother, aged 38 years and above,
have children aged 10 years "

- Media: "Facebook"

Observation: Advertisement in Scenario 2 is more specific and have better message compare to the Scenario 1. By using Facebook Ads, we can target certain target prospect by using demography and psychography of the Facebook user.

Powerful Sales Letter

In certain marketing efforts we will be doing sales. Without sales there is no source of profit in our business. All business letters is the letter sales roughly.

It does not matter whether it is letter identification, letter of response, follow-up letters, letters of thanks and a variety of other letters.

Sales letter is a connective medium between us and our customers. It is like salesman or representative of our business.

Only difference is that it is in writing and using the art of writing letters to make sales on our behalf. The concept is basically the same as the duties of a salesman.

If we understand what is trying to be promoted by a salesperson then we will understand by "selling pitch" in a sales letter.

Importance of sales letter

Sales letter is used to attract prospects to buy from you. Anything written ads that we see every day, were some of the knowledge of the sales letter.

Sales letter that 'killer' or able to produce high conversion rate is actually simple to do if we know how to do it. There are several elements in the sales letter must be included,

1. **Headline** - the headline is very important to attract visitors about the contents of your sales letter. With the headline is a powerful and attractive, this would lead visitors to continue reading your sales letter.
2. **Introduction & Problem** - In any of the products that are promoted, the introduction of the problem and should be given in advance. Story more about problems facts before introduce the product.
3. **Product Introduction** - After stating the problem, explain what the 'solution' to the problem of the products that we promote.
4. **Features & Benefits Product** - Write with a 'bullet point' features and benefits of the product that we promote. We should list down the benefit of products more than its characteristics.
5. **Testimonials** - Each sales letter must have the testimonials of customers or users of the product. This can strengthen the desire for readers to buy the product.

Bonus - The added bonus is also important. With the bonus, prospects will feel 'excited' to buy.

Action - This section is so important. Each campaign should be accompanied by a 'call for action'. For the case of a sales letter, we must enter the BUY NOW button or ORDER NOW clearly.

Guarantee - Make sure you include in product warranty as to the guarantee. So the prospects will be more confident buying.

Order - To end your sales letter, usually part of the message (ps or post script) is very nice added. This is because prospects can see sincerity in helping solve their problems through the product.

Marketing using Facebook Advertisement

What is Facebook? Facebook is a social networking site that connects a person to act with other people online. It is the most popular social networking site in Malaysia. Rank Alexa shows the Facebook page is the most influential websites in Malaysia compare to Google, the popular search engine on the Earth . With more traffic can get from Facebook, no wonder that Facebook is the best place for internet marketing.

Advertising on Facebook has become popular in Malaysia and many have to take this opportunity to advertise their products. The author likes to do marketing by using Facebook ads because it is the fastest way to get response from prospect. By applying the correct direct response marketing, the author can make quick survey, can change ads if the previous not much give any response, and also can make money quickly.

But there are also some smart businessmen who made fanpage on the product and sharing knowledge about the product and are able to generate income. This technique is known as soft selling techniques. For the author this technique is quite slow to generate income.

In addition, the use facebook ads also allow people to gain access to potential prospects. We have to know to us Facebook ads in correct strategy if we want good results and can lower the click cost of advertising. Selection of targeted visitor, construction fanpage full of info will help close the sale. Apart from that, attitude is always to answer the reader response is influenced buyers fanpage for the online campaign will run the trust that should be established in our marketing.

Introduction to Facebook Advertisement

Nowadays, almost everybody on the Earth has Facebook account. They use this social media to chat with their friends, finding old friends, tagging photo, comment in groups and many more. There is some fact about Facebook :

9.4 million users in Malaysia (and increase of hundreds of thousands per week)

60 million users in Asia

700 billion minutes spent on Facebook

200 million into Facebook using the mobile

500 million Facebook users on the Internet

With this opportunity, the author chooses Facebook as the medium to market his products.

There are two type of marketing in Facebook that is free promotion method and paid promotion method. For this topic the author chooses paid promotion method because the result is faster and the author will apply some technique to minimize the advertisement cost.



Based on the above picture, we can see that Facebook has given advertisement space at the right of Facebook layout. This is paid advertisement where the advertiser has to pay every click or every impression prospect sees the ads. There are two types of Facebook ads which is CPM and CPC. CPM is cost per impression where ads will charge based on 1000 impression from Facebook user whether they are click the ads or not. CPC on the other hand is cost per click where ads will be charged after visitor click the ads.

3. Pricing and scheduling

Pricing

Pay for Impressions (CPM)

Pay for Clicks (CPC)

Max bid (USD). How much are you willing to pay per click? (min 0.01 USD)

0.05

Suggested bid: 0.05 - 0.09 USD

Note: Tax is not included in the bids, budgets and other amounts shown.

Use suggested bid (simple mode)



The effectiveness of Facebook Ads

Basically, we can sell all products online but not products are suitable to market in the internet. There are three factors that lead to the effectiveness of Facebook Ads

1) Niche popularity

If the author sell two different products that are soccer jersey and Aloe Vera seeds by using FB ads or any other medium in the internet, we can simply make decision that soccer jersey is more marketable than Aloe Vera seeds.

Therefore usually people sell in the internet based on niche popularity.

Market research is specific part to know niche popularity.

2) Appropriateness of advertising mediums

Some products is more suitable to advertise it by using search engine optimization (SEO) where the prospect will find the website based on the keyword they type in search engine like Google. For instance, wedding card and any products that need to find in by searching in the internet browser.

3) Suitability of the season

For this part, it is almost same with the offline business. For example, festive season, all products regarding to festive season have high demand in market. After festive season, all the products regarding to festive season is not get any high demand. This is also can applied in FB ads where the seller can sell their products according to its season.

Factors that influence the effectiveness of Favebook advertising

Basically the performance of FB ads can be influenced by four factors:

- Bid rates

The higher advertiser place the bid rate, the more often the ad will appear on the monitor prospects.

- Total number of likes/clicks

The more prospects that click or like the ad, then the higher the CTR (Click Through Ratio) of the ads. CTR is total number of clicks of the ad divided to total number of impression of the ads.



- **CTR rates**

The higher the CTR ads, the more often the ad will appear on the monitor prospects.

- **Ads record**

If the ad today have a good CTR, usually on the following days the CTR the ad will remain good until it reached a point where almost all the prospects that have targeted clicks /like the ad or they are boring of seeing ads. At that time then the advertiser need switch to new ads.

Therefore by analysing all the FB ads factors, if the author only focusing on bid rates factor to improve the effectiveness of the ads, it will eventually charged higher cost to pay for the ads. So to improve ads without having to spend too much on bid is to focus 100% on CTR by the factor the higher the CTR ads, the more often the ad will appear on the monitor prospects. The minimum bid of CPC than the advertiser is 0.01 USD dollar per click.

Techniques to increase the CTR of the FB ads

The meaning of CTR is:

CTR = clicks / impression

According to the formula, CTR value will increase by applying two methods:

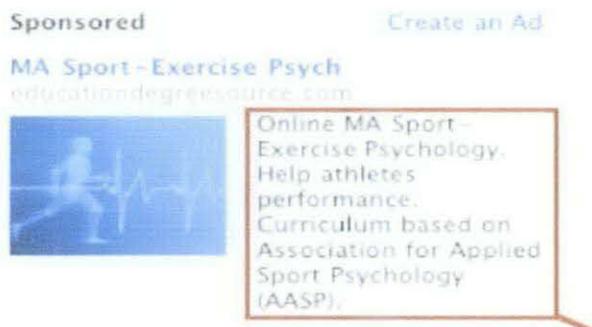
- Increasing ads clicks
- Decreasing the ads impression

But the author cannot simply decrease the value of ads impression because all advertisers want their ads to be seen as much people as it could. The higher of the ads impression, the more prospects see the ads. Therefore, the only way to increase the CTR is by increasing the ads clicks.

1) The importance of soft sell

According to Wikipedia, a soft sell is an advertisement or campaign that uses a more subtle, casual, or friendly sales message. This approach works in opposition to a hard sell.

Theorists have examined the value of repetition for soft sell versus hard sell messages to determine their relative efficacy. Frank Kardes and others have concluded that a soft sell with an implied conclusion rather than an overt hard sell can often be more persuasive. Soft sell is also less likely to be irritating to consumers. Therefore in marketing products in Facebook , it is more suitable to use soft sell rather than hard sell.



Hard sell ads



Soft sell ads

2) Factors that influence clicks rate

2.1) Ads title or fanpage title

Ads title is one of the factors that prospect interested to know more about the ads. It is like newspaper and magazine titles and headlines. The title is making people influencing to buy the newspaper or magazine. It is also same practically in FB ads. For that purpose, there are two criteria that needs to be have at the ads title to ensure more clicks from the targeted prospect.

- Must not seen like to sell something
- Title must be like question or survey

For example: Cheap Jersey Store, You like Chelsea Jersey? , You like Shopping? , I Love Angry Birds and many more.

2.2) Picture use in ads

Good Pictures should tell a

- Not too professional - more amateur the picture is better.
- Draw attention – for example picture of Malaysia Football team winning a cup
- It is clear, not blurred – it is important to attract prospects
- Not too small – use optimally size that given by Facebook. Optimum size of picture is 110x80px.
- Add the word (limitation of the headline and body)- the advertiser can also put some words in the picture.

2.3) Words that use in ads

- The sentence use must not be seen like to sell something. Use soft selling.
- Must have call to action words.
- Use simple words. Simple words are better to attract prospect than 6 line words of ads.
- Ads words must be related to products. For this part, do not cheat the prospect by promising something that not related to products that been promoted.

- Not too specific. Apply Zerganik Theory. People will start curious to something that not complete. This will lead them to clicks the ads.

2.4) Ads prospect

In Facebook, the author simply can target a group of prospect based on their location, demographics, interests and education or work.

- Location: Location prospect that advertiser targeted. In Facebook, the author can simply target people from Malaysia, city or any other country. So market research is important to target products that suitable for their place.

- Demographics

In this column the author can target prospects based on age, gender, interests, status and language.

- Interests

The author can also target prospects based on their interests.

Where previously they had been like a Fanpage the same niche with the product, then the author can set them as prospects for promoting a new ad.

- Education and Work

The level of education and the workplace is sometimes useful to the author. So here the author is allowed to select prospects based on criteria appropriate to the product.

2.5) Time for running the ads

Time for running the ads is important. To attract more prospects to clicks ads, the author have use current issue such as political issue, sports, oil prices rise and many more. Furthermore the right time to launch ads especially in Malaysia is during people get their salary. Usually it happens on 25th until last day of the month. Moreover, the author had also advertised during festivals like in Malaysia, Hari Raya, Deepavali, Chinese New Year and Chritsmas.

Advert Preview ✎ Edit

BagsOFF & Dress Shop



Promosi Deepavali : Dapatkan dress dan beg tangan pada harga promosi sempena Deepavali ini. klik sini untuk tahu.

Like Dislike Comment Share Pin

You like this.

[View on site](#) · [Create a similar advert](#)

Ads that launched during Deepavali

Therefore, that is all five ways to increase the clicks. If the author find out that ads is not effective and with low clicks, the author needs to change the ads sentences, ads title and change with another picture.

Term and conditions of advertising on Facebook

Before the author build ad, the author has to ensure to read the terms and conditions set by the ads on Facebook. This is important to ensure the ad is approved by Facebook. Below are the pages that the author can refer to from time to time concerning the terms and conditions of the ad.

https://www.facebook.com/ad_guidelines.php

<https://www.facebook.com/help/?page=174952259238535>

<http://www.facebook.com/legal/terms>

Basically, there are some important things you should know to avoid your ad is not approved by the facebook. It is often times happen in the author in the beginning of applying facebook ads.

- Photos / title / text ads must be in line with the promoted product or service. If sell a scarf, the author can not put the ball image as an image on the ad.
- Photos / title / text advertisements must not contain obscene.
- If the author promotes website or landing page, make sure not to install software popup.
- If the author promotes website or landing page, preferably put the Privacy policy, Terms & Cons, Contact, about and Disclaimer in the footer of webpage.
- Facebook not allowed anyone to promote products related to Facebook. For example, products that teach how to create Facebook apps.
- Cannot promote a product or service may contain elements of pornography.

In Facebook marketing, the author will use facebook fanpage as designated page because of the behaviour of facebook user. The facebook user did not like if they are 'forced' to leave facebook and go to the sales website. So the author will use simple sales letter in facebook fanpage and apply Direct Response Marketing to get quick response from the prospect.

5 Things that must have at Facebook page

1. We must have a unique offer to the prospect.
2. There must be reasonable prospects must act instantly.
3. There must be a clear direction to move next (feedback)
4. There must be measurement and tracking
5. The strong message

Condition 1: Must have Unique Offer

What can we offer that others competitors do not have?

- Example (Restaurant)

- Competitors: Western Dinner Sets offer with 'free dessert'
- We : Send a white limousine and drive it for Western dinner for couples under the romantic glow of the moon and stars.

Condition 2: There must be a reasonable prospect must immediate action
Most people on Facebook lazy or too busy to act. Our offer must influence and force to move and act.

Establish limits to encourage people to buy before it runs out.

e.g :

- Limited to 30 people
- Stock Only Stay 20
- Only until the end of August

Give powerful bonus to encourage people to buy and make them feel they buy things worth than its price.

e.g : The free gift product 'X' is accelerate the effects of 2 times more

More Examples

- Bio Soap

Made from XYZ Contact: 012 2220000 for more information

- Clear Skin In 2 Days

SMS 012 222000 before 15 June to get free catalogue.

- Clear Skin in 2 Days

SMS 012 222000 before 15 June to become tester and 100% free

Conditions 3: Must have a clear direction for the next step

Confusion prospect will not act to response our ads. It is so lost to us if the customer do not know how to response to our ads. Many people can follow instructions if the clear instructions had given to them.

e.g : "Click this for more information". "Click it to buy"

Conditions 4: Must have the size and tracking

- We need the facts and the correct statistics to make wise decisions. The possibility we do ads on various place is high and we have to know which one of the ads is effective

the objective of ads tracking is to identify any effective marketing that had been made and remove the bad ads and use the best ads for the next campaign. So for the solution, the author use SMS code for tracking because people will easy make communication by using SMS rather than email and the seller can get fast response from the prospect.

Examples:

Clear Skin In 2 Days

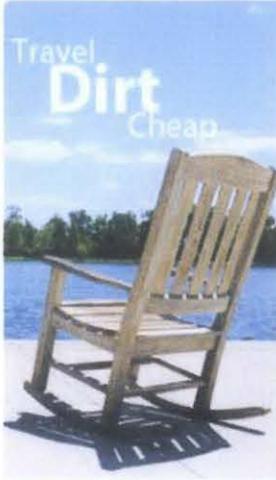
SMS 'Clear' to 012 222000 before 15 June to get product for 100% free.

- Want Clear Skin In 2 Days?

SMS 'Cerah2days' to 012 222 000 before 15 June to get product for 100% free.

Conditions 6: Use strong marketing message

- There are too many other ads that grab attention of the same prospects. We must appear stronger than any other competitor. For this condition, the author needs to learn more powerful marketing message to attract the prospect.



**Travel
Dirt
Cheap**

**No money?
No problem!**

**A guide to take
a break, and travel
cheap but good.**

-  Wall
-  Info
-  Friend activity (1)
-  Photos

Travel Dirt Cheap • ***FREE GIFT***

Company

This Guy Needs A Break From His Boring Job



Maybe you do too!

Here's how:

There's a NEW online tool (that no one knows about) that you can use for FREE to save RM1700 on flight tickets.

So, tell me what your email is below,
so I can send it to you Now!

It's free, and you can use it right away to get jaw dropping cheap air flight tickets to anywhere in the world for your next vacation.

In the conclusion to start making money on facebook strategic studies should be conducted. This study is more meaningful if it is done by applying knowledge of the facebook marketing.

Website

Google study found that, within two years, in the year 2013, Internet users around the world are expected to use their mobile phones, or smart phone than a computer. This is in line with the development of smart phone usage increased four-fold since 2010. For a dealer, what opportunities can be taken from this impending situation? In 2013, the majority of internet users will visit our business website using a smart phone that is in their hands. If the website is not optimized with user-friendly mobile site, we like throwing customers a voluntary basis.

They will move on to other sites, which have a mobile site. Because it is easier to the process of navigation, we can view product information needs and make purchases with a few clicks.

Therefore, this opportunity could be seen as a golden opportunity for business become more advanced and unique compared to competitors. Choosing to move to mobile browsing sites starting in 2012 is a wise action.

Organization analyzes Google also found, within the next 4 years (year 2015), every man on this earth will have their own smart phone.

What is GOMO?

GOMO is an abbreviation of the sentence, 'Go Mobile'. It is a project initiative developed by the company Google. The aim is to help more local business owners and abroad to take advantage of the target through the use of mobile internet browsing sites by 2013.

In addition, it also aims to open another new opportunities for advertising firms to use mobile advertising (mobile ads). Google is targeting the profit will be increased by USD2.5 billion if the car advertising accepted.

For this project the author will use minisite to sell Al-Quran Read Pen which can be viewed in mobile mood and make it easy to the smart phone user to buy it from their devices.

CHAPTER 5

CONCLUSION

As a conclusion, this project show how a home-based business can established and learn how to make money through internet marketing. It also provides several solutions why a newcomer of home-based business fails to survive in their business. Solutions are provided base on experienced of successful internet marketer, survey and experiment of author. The ICT research element applies in this project is the element of Human-Computer Interaction. The test and survey will be made to prove the theory and apply it in the e-commerce website. The author also finds out new theory in marketing. That are direct response marketing and the Zergarnik technique. In this report, the author mainly focus of in Facebook marketing because of its potential to get targeted prospect quickly, cheap and effective. Finally, author will submit a blue print report about how to success in home-based business. This report will encourage many people to open their own home-based business. The rapidly development of home-based business will generate high income and finally can increase the profit of the country.

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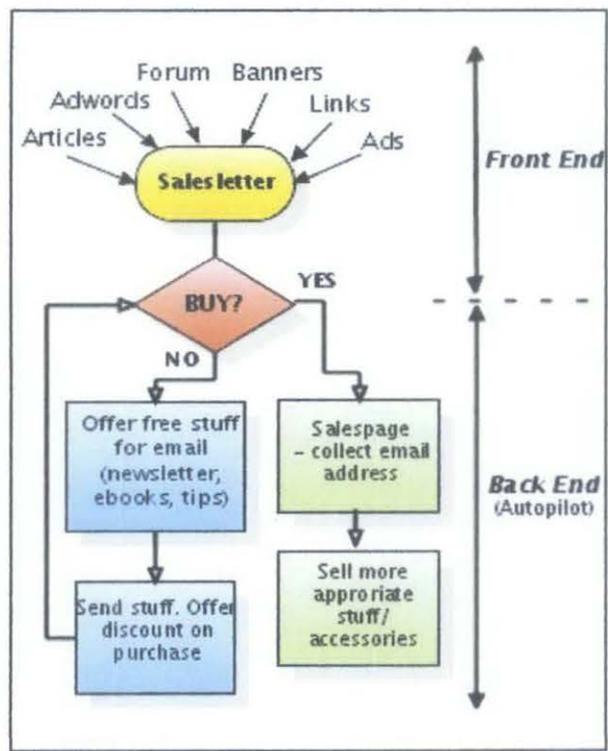
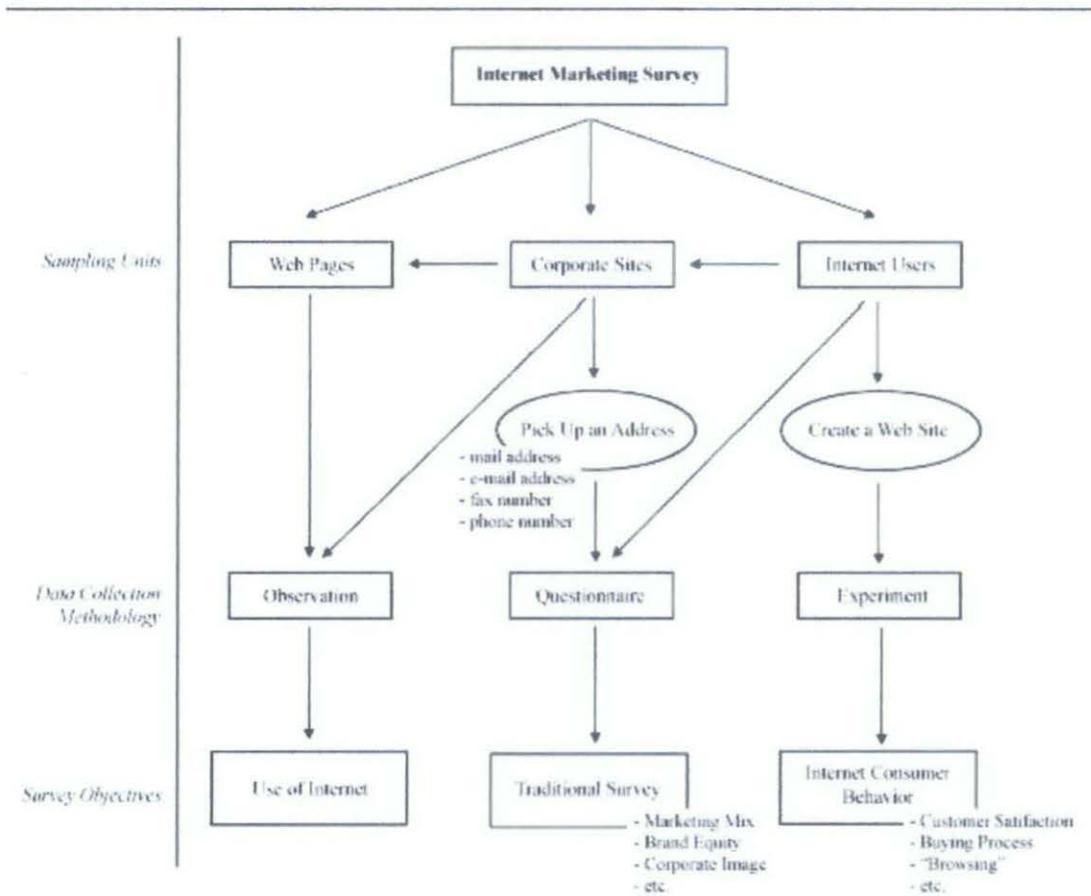
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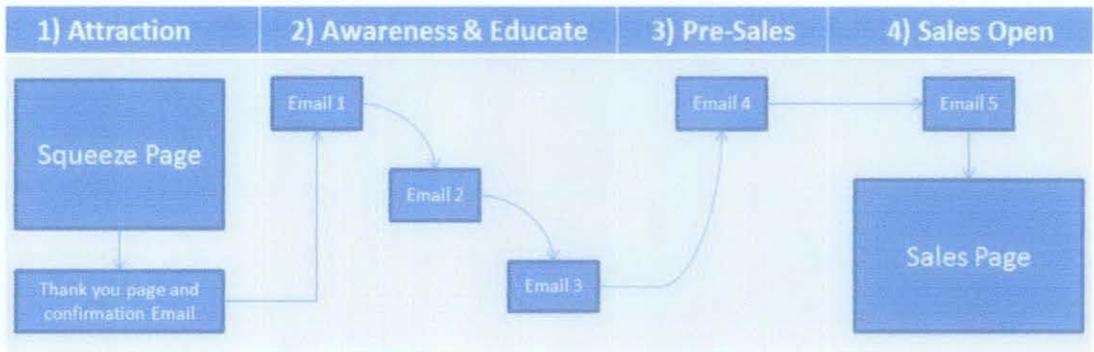
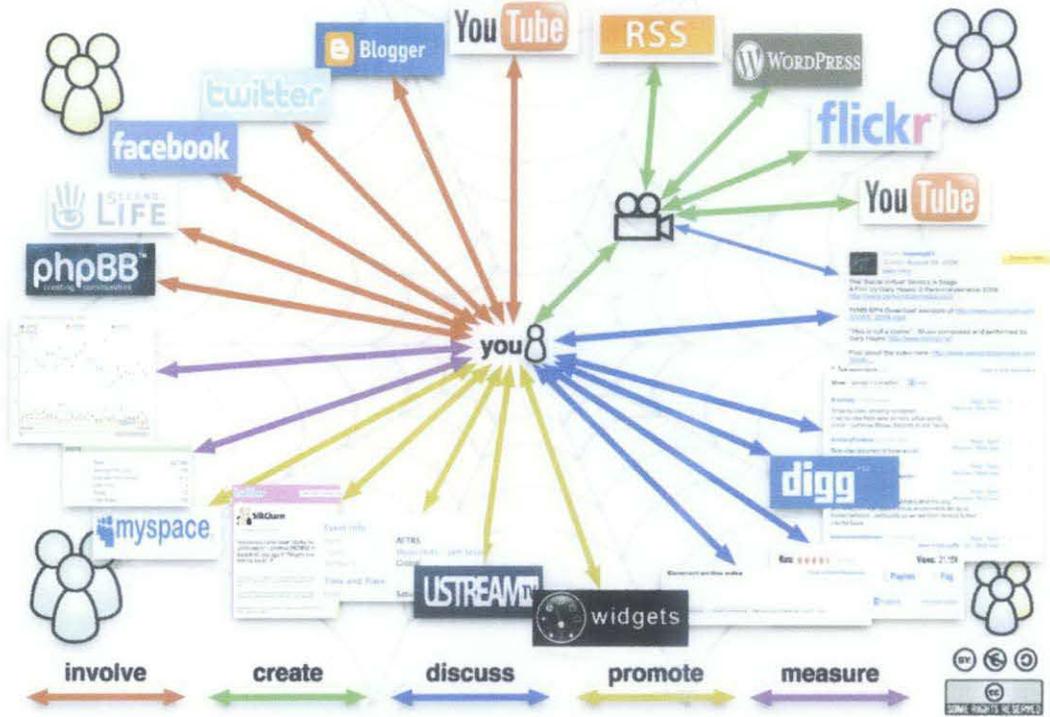
Appendices

Internet Marketing Survey

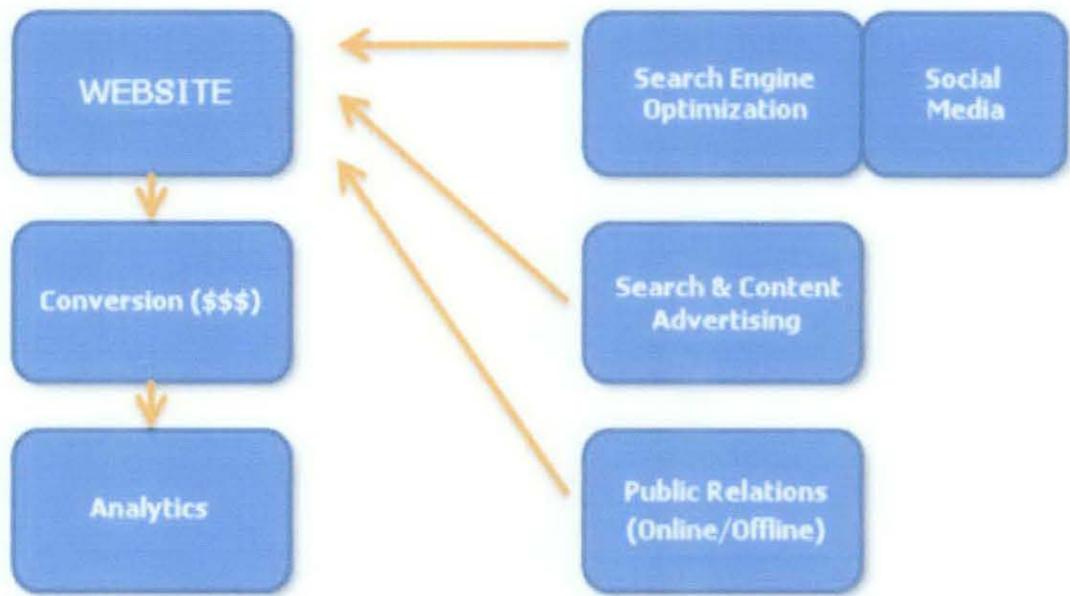


Internet Marketing Flow Chart

The Social Media Campaign by Gary Hayes & Laurel Papworth 2008



The flow of email marketing



Internet Marketing Flow Chart



Picture shows the author in internet marketing website in IIUM

