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### ***PLEASE COPY THIS DISKETTE FREELY AND GIVE TO FRIENDS***

(Authors Note: You will not be able to see any of the graphics or illustrations used in the Complete Book because there simply was not enough room on this disk. You will notice several references to Figures that are not included in this electronic version. Each graphic simply takes up many kilobytes of space devoted to the Spry Internet on a Disk which we felt was much more important.)

For Help on Help, Press F1

## INTRODUCTION

### INTRODUCTION

Were all familiar with the opening lines of the TV show Star Trek, where Captain Kirk speaks the now famous words, Space, the final frontier. Indeed, Space may be the final frontier, but there is still one more frontier left for us to explore and build upon right here on Earth. Its the Internet. A whole new way of doing business is unfolding every day from the way that we use the World Wide Web of connected computers. Having a window that overlooks Central Park or Piccalilli Circus or the great Pacific Ocean is nothing compared to the Windows we are opening up to the Global Economy. All over the world, individuals and businesses are looking to the Internet for a completely new set of rules about how to conduct their everyday lives. Government, Education, Science, Travel, every aspect of our economic lives is rapidly evolving right before our eyes. The first companies to exploit this wondrous new technological frontier will be the High-tech companies, to be sure, but gradually, as the lines are laid down, the channels all offered up, the switchers and routers installed, the average business, selling everything from socks to socket wrenches will be seen on the Internet making a larger and larger percentage of their income merely by entering What we are witnessing today is nothing short of a this new economic frontier.

It happened in personal transportation when the automobile became affordable. It happened to aviation when the jet engine became practical. Now its happening again - only this time its in the area of marketing. A new tool is emerging that will add a whole new dimension to the way people advertise, promote, sell, shop, browse, and buy products and services of all kinds. It's the Internet - the largest computer network the world has ever seen reaching nearly 100 countries and over 20 million people. And it's not stopping there, the number of people with Internet access is growing at the phenomenal rate of 15% every month.

That's why computer giants Microsoft and IBM are building Internet access into the latest versions of their popular Personal Computer operating systems Windows and OS/2 respectively. That's why MCI and Sprint are announcing new and exciting ways for everyone in America to dial up the Internet. (Surely AT&T will not be far behind?). That's why companies like Ford, Merrill Lynch, J.P. Morgan, Bank of America, Dunn & Bradstreet, J.C. Pennys, and Mitsubishi to name a few are expanding onto the Internet. All told, there are about 21,700 commercial "sites" on the Internet as of this writing - up from 9,000 in 1991.

The Internet represents a communications tool that rivals the television and will one day merge with television. However, businesses are quickly learning that promoting their products and services over the Internet today can be more effective and much less expensive (sometimes free) then buying television time. The Internet is the next premier international market place. If you have a business, or are planning to be in business over the next few decades, and you have not made plans to participate, you should think again. And you should start thinking now because, in my opinion, the next great economic expansion will happen via the Internet!

All major businesses, even non-profits, are making plans to be Online, if they arent already. Major museums, restaurants, libraries are Online. Most cities and towns around the world will eventually have their virtual city replica Online to promote their real estate in the world. Even President Clinton and VP Al Gore have joined the millions of us who are marketing new ideas through the Internet by creating the new White House Server as shown in Figure intro1.1 above. If you found this page on the Internet, you could click on the pictures to hear a speech by the President and/or the Vice President. There s even a sound file of the White House Pet, Socks the cat. You can also do serious things like branch out to all Federal agencies who have Web servers and get information from each. You can sign their guest book. You can have a tour of the White House. There s a map for tourists. You can even learn what it is to be an Interactive Citizen . (This last piece holds great promise for the future of politics. But that s another subject completely.)

And now even many companies that have had a fair amount of success selling on Cable TV are scaling back their Cable TV production mostly due to cost and availability of channels and moving to the Internet. If this doesnt convince you that the Internet is the major future marketplace for every kind of product and service, nothing will.

I began in this business, four years ago by publishing a book on the Gulf War, called Operation Desert Storm . It was the first book to hit the marketplace about this modern technological phenom that the whole world watched on TV. My book was first to be published because it was published electronically. I never committed a single word of this book to paper and because of this speed advantage was able to scoop even Time Magazine who came out with the first pictures and text about the Gulf War one week after it ended. I beat them by 3 days. I later went on to create the Interactive Yellow Pages and the Official Roadmap to the Information SuperHighway. Time Magazine, having learned from these lessons, now has an Electronic Version on America OnLine. They have plans to expand way beyond this single publication that will legitimize what I call, Electronic Publishing as an Industry. (Electronic Publishing is a major part of Internet Marketing, and I devote half of Chapter 6 to a step-by-step tutorial for you.)

In the last four years, my own Electronic Publishing skills have evolved to the point where I realized that I could help others learn about marketing on the Internet. I created a place on the Internet called the Netcenter , the Center of the Internet . It seems crazy to some, but by doing some truly creative and marvelous things, we may someday be seen by millions of places as an actual center or hub of the vast resources called the Internet. No one had taken this marketing position up until the time I joined, so I took it. The rest is history, as they say. Up to now, this is the most successful business venture I have ever been involved with, and certainly the most exciting. In my first year publishing on the Internet, I am now able to buy my dream home on one of the loveliest beaches in California, in one of the most exclusive neighborhoods. I am on my way to becoming a millionaire from the products and services that I have found and have associated with, and I started out with just a few hundred dollars of my own venture capital. Less than a year ago, I was renting a home and was always worried about where next months rent would come from. I no longer worry about things like that. Soon, I will have a second home in Hawaii too, my favorite vacation spot. All this in less than a year. The same kind of thing can happen to any of you with a little luck and perseverance. Most of you will not be as lucky as I was perhaps. I got in at just the right time with just the right products, but there is plenty of opportunity for anyone for years to come.

In fact, the Internet is so new that many of you will find opportunities even more rewarding than mine. In the case of my Netcenter, I saw the Internet as a giant wilderness needing something along the lines of what the Netcenter is now. What I did was very rough in the beginning, but I have given you enough information in this book to avoid many of my early mistakes. At present, we are seeing about 10,000 visitors a day coming to my Netcenter. At the rate its growing, it will soon host 50,000 to 100,000 browsers per day, and my goal is a million browsers per day by the end of 1995. We now market several hundred different products through the Netcenter through my clients. And we havent even scratched the surface. Its very exciting. I wake up each morning with a new idea that I can use in my Netcenter, usually something that has never been done before on this planet. The same thing can happen to you. Life is never boring when you begin this adventure, I can guarantee you that.

But in order to be successful, you have to have a guide. I like to think of this book as your

guide to your successful marketing on the Internet and a reference work that you can keep on your shelf so that when you are ready to market your products and/or services, you will have a step-by-step tutorial on how to get started and/or how to complete it, and also where to find the tools. I hope that most of my readers will be ready, TODAY, to begin marketing their products and services on the Internet and the good news is that the Internet is ready for you.

Several new developments have taken shape in the latter part of 1994 and on into 1995 that will make it much easier for you to be successful than it has been for us pioneers. One of the major hurdles we needed to overcome was the lack of a payment system that is reliable and secure. Now, there are a group of Online Banks, one called NetCash, who converts real money to Internet coupons that can be exchanged like real money for a nominal 2% transaction fee. The other one I have seen is called the First Virtual Corporation. There will soon be many others.

Now, you can buy anything from a stick of gum to a gum factory by using OnLine coupons that take the place of real money. In my opinion, there is no reason why anyone can not make a living marketing his products or services over the Internet. This means you never have to commute again by car, plane or train. You dont have to wear a suit and tie anymore, and you can have the total freedom that comes with working out of your home, as I do and about 2 million other entrepreneurs in the USA alone. The times they are a changin. We will teach you in this book, how to adapt any ongoing business or any new business idea to take advantage of all this new technology called the Internet.

On the diskette on the back of this book, we also two programs that can help put it all together for you. We have a copy of the Internet On A Disk program. With it you can get on the Internet quickly and very easily and begin to download all the other programs that I refer to in this book that you might need. It contains a customized version of SPRYS AIR MOSAIC the famous World Wide Web Browser that makes it all happen and we call it Internet on a Disk because with this diskette you need nothing more to get an Internet Account and begin browsing some of the amazing and exciting places we talk about in the book. With this book and the software on the disk in the binding of the book, you have in your hands, the most powerful tools for marketing your products and/or services on the Information SuperHighway that I know. We specifically designed the book and the diskette to give you all this information, programs, documents, services, consultants, etc., that you will need in this business not only to get started but long into your exploration and success as well.

With our Customized Internet Account, you make one local phone call and the diskette creates an Internet account for you. (More about this in Appendix D) Then, when you sign to the Internet, you are taken directly to my own Netcenter and my Interactive Yellow Pages, and my Official Roadmap to the Information Superhighway, so that you can begin to explore with more guidance than any other opening page.

Therefore, use this book as a reference. Keep it handy because you may not be able to read and absorb it all in one sitting. You should probably read it through one time. Read it again with your own marketing plan in mind and then get on the Internet and use the Chameleon and the Roadmap to get the rest of the programs you need to prosper and be successful. .

I hope you enjoy reading my book and I hope you will use all the techniques and that they all work for you as well as they have worked for me. Good Luck.

I encourage the reader to send me any feedback about this book or any other subject to [lite@ix.netcom.com](mailto:lite@ix.netcom.com) .

## **FOREWORD BY VINTON G. CERF,**

Foreword

"Seeing the Internet from the 21st Century"

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Looking back a few decades, it is easy to see how the Internet has become such a key component of our social and economic fabric. Although it had its roots in the U.S. defense research program, it quickly became a critical research and education infrastructure and rapidly took root in the business sector on a global basis. One could see the exponential liftoff around the middle of the 1980s as router companies sprang up, software for Internet sprouted and business and residential users emerged, in the mid-1990s, to populate the largest network of computers ever built.

Strictly speaking, it is a network of networks. It has been a kind of testbed for new applications and services from its earliest days. Companies interested in computer mediated communication, and who isn't these days, look to the Internet as a kind of gigantic focus group in which experiments are conducted on a daily basis. Watching how people use the Internet and reacting to new prototype products and services lowers barriers to entry into Internet service and product markets. Moreover, businesses with good quality access to Internet can make pointed use of the WorldWide Web as a platform for advertising and delivery of online information. Catalog shopping has been transformed by convenient access to machine-searchable information and by the presence on the Net of funds transfer services to allow electronic commerce to take place easily and quickly.

Indeed, the computer-mediated services of the Internet have made possible the rapid formation of virtual corporations that conduct their business in cyberspace, serving customers who may take delivery of digitized goods online and who may well pay using various forms of virtual money including debit and credit cards and, more recently, cybermoney which essentially behaves like cash.

In the midlate 1990s, companies first began to feel their way into the use of the Internet for commerce. Many lessons were learned as mistakes were made, flaming email erupted, and users became confused and lost in the web maze. Of course, much of that has been dealt with through effective indexing and cataloging which allows very rich and broad searches to be performed on the content repositories in the Internet. The repositories allow for stable cataloging and indexing which in turn support searching. Indeed, mobile programs known variously as knowbot programs, droids or intelligent agents are the current "rage" on the Net. Public key cryptography and conventional symmetric key cryptography are much in demand to secure the privacy and authenticity of various network transactions. Personal shopping agents are becoming common and more people rely on them to remind them of important dates requiring some concrete acknowledgement.

Looking back, it becomes clear that our present state of Internet maturity is a direct consequence of some of the experiments and trials conducted in the mid1990s when books about doing business on the Internet were first emerging.

If one had to sum up the legacy of the Internet from a business perspective, one would be tempted to claim that the Internet and its culture encouraged an attitude of trying things out to find out if they worked.

I am sending this message back by chronotransport to 1995 to encourage the early Internet business adopters and to assure them that their efforts have borne fruit.

Vinton G. Cerf

Camelot

Annandale, VA

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## **CHAPTER ONE**

### **CHAPTER 1**

#### **What Is the Internet and Why Should I Care?**

Businesses are just now waking up to the enormous marketing potential represented by the Internet—the Mother of all computer networks. In this chapter, we will start by briefly looking at the history of the Internet so you can better understand the Internet culture and heritage. Then we will see why so many major companies (computer related and not) are jumping on the Internet and beginning to reach whole new markets. We will cover the basic Internet functions that allow you to both receive and distribute information. We will consider just how many people are really on the

Internet, how fast the user base is growing, and the user demographics to help you evaluate the marketing potential offered by the Internet. Then we will look at how some businesses are marketing over the Internet. Finally, we will help you answer the question, "Should we be marketing our products/services over the Internet?"

### Introducing the Internet and Its History

In basic terms, the Internet is very much what its name implies. It is an interaction or interconnection between computer networks. A computer network is an electrical interconnection between two or more computers. These computers may be in one building, on a campus of buildings, or across the ocean from each other. Most of today's computer networks send information between computers over either coaxial cable or telephone wires. Computer networks allow the users of participating computers to efficiently share information, share programs, share equipment, and communicate with one another. The Internet is a worldwide interconnection between many different computers and computer networks. To fully understand the Internet, it is necessary to reflect on a bit of history.

The Internet owes its existence to the Pentagon and the Cold War. If an atomic war were to break out, telephones would be the first victim. So, the United States Government wanted to bomb-proof the communications of the nation, an essential part of surviving such a horrible event. In 1964, the concept of a center-less network was developed by the Rand Corporation, the largest think tank in the nation at that time. This would mean that no single computer would be the weak link that could be destroyed by a well-placed bomb. The government think tank conceived hundreds and eventually thousands of computers connected in parallel with plenty of communication-line redundancy built in, the way the human brain is wired, so that the loss of a few key "neurons" would not result in the loss of key bodily functions.

They defined a way to bundle information into structures called packets along with the network address of the recipient's electronic mailbox. Like a message in a bottle, these packets of information are cast out to drift along the sea of computers in the network, each forwarding the packet closer to the network address it contains. Once the packet reaches its destination, the packet structure (i.e., the bottle) dissolves and what is left is the message. All computer networks use this packet scheme of packaging your messages and delivering them.

The results of all this thinking, planning and innovating was called ARPANET after the Pentagon's Advanced Research Projects Agency, the sponsor of the project. It is ironic that the conception of the Internet was originally a military-driven national security project. Today, with the collapse of the Cold War, it is used as a backbone of the peaceful economic security of the entire world. This goes a long way to demonstrate the theory that government is very useful to accomplish some things that private enterprise cannot do on its own. It is difficult to imagine a similar setting in private enterprise in which executives of competing corporations would be forced to share their trade secrets or patented and highly sensitive research information, but that's exactly what happened with the inception of the ARPANET.

To accomplish all this interactivity and initiate a cooperative computer network, it was necessary to develop a common "language" or protocol which would be used to move these packets of information through the complex web of computer networks to

their intended recipients. This protocol is now known as TCP/IP or transmission control protocol/Internet protocol. TCP defines how packets are to be handled and IP does the same for the addressing of these packets. Both these protocols are the essential part of the Internet. Transparent to the user, they are the bottles or packets that your computer sends to others on the network with the messages inside.

Since its inception, the Internet has grown from four to thousands of interconnected networks. In 1989 the ARPANET was decommissioned. The greatest measure of its success lies in the fact that when it was shut down no one even noticed. The number of users of the Internet began to grow and is still growing today\_ at a rate of 20% per month by many estimates. Amazingly enough, the speed of growth is increasing steadily all the time. At the present rate of growth, every man, woman, and child on earth will have access to the Internet by the year 2000. Obviously, this leads one to believe that the rate of growth will decline, but as of this writing, the current rate of growth is still increasing!

This rapid expansion is mostly due to companies and individuals joining the Internet to control phone and Fax costs, research costs, and other costs of doing business. Indeed, the first trick we all learn when we first arrive on the Internet is how to send E-mail, short for electronic mail. E-mail is probably the major force for this incredible expansion of the Internet. Sooner or later, people connected to the Internet begin to explore and find more and more resources and things that make their jobs easier, until eventually they wonder if they can perform traditional marketing functions that can help their business grow. The answer is a big yes, and we will show you how by the time you finish this book.

As soon as a business gets two or more computers, the first thing they are likely to do is to network the computers together. This allows for greater productivity and more worker cooperation. The two basic types of networks are local area networks (LANs) and wide area networks (WANs). A LAN is a computer network consisting of a group of a local (within a single building or campus) computers. A WAN is a computer network that ties distant computer systems (e.g., across town or across the earth) together. Most of today's companies today use some type of LAN and/or WAN technology, and the popularity of computer networks continues to grow steadily. Today it is possible to send computer files containing text, voice, pictures, even full-motion video over LANs and WANs. Each LAN or WAN might connect thousands of employees or related companies together. Using the network, you can broadcast messages and files to everyone or just to a special group of people. You can even have online conferences, or group discussions, and share your appointment calendars. All these functions make it easier for individuals and companies to function.

The Internet is an infrastructure, in place and functioning today, that ties thousands of LANs and thousands of WANs together. We are then able to communicate with a vastly larger audience. One must stretch the imagination to understand the number of users and the amount of information available on all of these independently maintained networks connected together by the Internet. So you can begin to see that the capability to research almost any topic and share any type of information that can be loaded into a computer\_ including photos, video clips, voice, and music recordings\_ is here now and available for all to use.

The productivity gains that we have experienced in the past using individual

LANs and WANs will pale in comparison to future productivity gains when we are all more proficient at using this super-interconnection, the Internet in all its glory. Soon, the Internet may feed the world!

### What Are People Doing in the Internet Right Now?

As veteran users already know, the Internet is a vital and active place right now. The purpose of this book is to explore ways to market your products and services to the millions on the Internet. Today, a relatively small number of companies use the Internet to market their products or services. However, this is changing rapidly as more and more businesses wake up to the Internet's potential as a marketing tool. Each day, hundreds more companies are implementing their own Internet-based publicity, advertising, and customer service plans. Some businesses are finding success right away; others have yet to discover effective techniques like those we describe for you in this book.

I believe the difference between early success and prolonged frustration is directly related to a company's overall knowledge of the Internet and how to use it. The quicker the marketing staff can learn how to use the various Internet services to their best advantage, the better are the chances of early success. In this chapter, we will quickly review the most popular Internet services to set the stage for a more in-depth coverage in later chapters.

So let's take the first step toward successful Internet marketing and introduce the top ten most popular Internet services today:

- Electronic Mail
- Telnet
- File Transfer Protocol (FTP)
- Mailing Lists
- Usenet Newsgroups
- Gopher and Veronica
- The World Wide Web (WWW)
- Archie
- WAIS
- IRC (Internet Relay Chat)

The software we provide on the diskette in the back of this book, along with the free software we will have you pull down from the Internet, will let you participate in all of the most useful Internet services.

#### Electronic Mail

One very common use of computer networks (including the Internet and online

services) is for one user to send mail (e.g., a note written within a word processing program) to the computer mailbox of another user. This function is called electronic mail or simply E-mail. If you have ever played "telephone tag" with someone you really wanted to talk to, you know how frustrating that can be. E-mail offers an alternative to telephone tag. When you send an E-mail message, the addressee's mailbox receives the message even if the addressee is not available. Later, when that person returns from their meeting, lunch, coffee break, or whatever, he or she looks in their E-mail box and receives the message. Figure 1.1 (on the next page) shows a screen from a typical E-mail session.

It is also quite easy to respond to an E-mail message sent to you because a return message can be automatically addressed and referenced with a couple of keystrokes. You can respond immediately or wait for a more convenient time. Not only can you send messages using E-mail but you can also send computer files. Files are the electronic "containers" in which information is stored inside a computer system. For example, I sent computer files containing the chapters of this book to my publisher over the Internet using E-mail. Since computer files can contain any type of information, you can also send spreadsheets, computer graphics, recorded sound, computer programs, video, and so on to anyone else or any group on the Internet via E-mail.

In addition to exchanging messages and computer files with another Internet user, E-mail allows you to send (or broadcast) a message or file to many people simultaneously—a very powerful feature. I use the E-mail feature quite often to send hundreds of messages to the same group of people, thus expanding the reach of my announcements from a few to hundreds of similar recipients. For example, I have used E-mail to automatically send press releases to hundreds of media outlets. Indeed, you may have found information about this book from one of my e-mail messages. We will teach you later how to use E-mail to distribute your press releases and sales literature to thousands of interested people who request this information from you as a result of the Internet promotions we will outline in Chapters 3, 4, and 5.

Once you get used to using E-mail, it's difficult to go back to the old-fashioned way of receiving messages via the telephone or what's often called "snail mail"—the U.S. Postal Service. To me, it would be like going back to the way the Native Americans used smoke signals. It's very liberating to be able to go have lunch or play a round of golf and know that the important people in your life will be getting the E-mail message you sent them before you left and that their reply may be available to you upon your return—all taking place at everyone's convenience.

Oh sure, you can always use an answering machine to answer the phone, but E-mail is far more useful than an answering machine in many ways. For example, answering machines can't automatically respond to inquiries while you are away. E-mail can.

With E-mail, I can effectively "handle" communications with hundreds, even thousands of people in a day without using anything other than my own desktop computer. Try to do that with an answering machine or even with a staff of people. E-mail is the main feature that causes people to subscribe to an Internet service.

E-mail is the Internet's most widely used feature. But this is only because it takes

new users awhile to find the necessary software and learn how to use the other Internet functions.

## Telnet

One of the most useful facilities of the Internet is Telnet. Figure 1.2 is a picture of a typical Telnet session. The Internet's Telnet function provides a method of making your computer a terminal (a device used to interact with a computer) on any Telnet-compatible computer on the Internet. Telnet allows you to do anything any other user of that distant computer can do including execute programs, participate in online "chat" sessions with other users, play games, send and receive files, and so on. In most cases you are required to know the user ID (sign-on name recognized by the distant computer) and must be assigned a password (a personal identification number such as you might use on your automated teller machine card) to get into most Telnet systems. Conversely, you can use Telnet to allow people all over the world to gain access and work directly with your computer network as if they were in the same room on your keyboard.

The Telnet function is most often used to log onto a commercial service such as Netcom, an Internet dial-up provider of Internet services, and have the full benefit of all their services such as newsgroups, E-mail, FTP, and more. With Telnet, you have the ability to have your local computer behave as if it were directly connected to the computer network at the other end. This can be very useful for technical support, or just gaining access to information in databases on the other end of the Telnet session.

Telnet provides a remote access to thousands of other computer services on the Internet. Libraries of information and huge databases (electronic repositories of information stored in a computer) of research material are available through Telnet. Each database may contain thousands of files you can use on your computer.

Telnet is easy to learn and easy to use. If you want to learn how to use it, just log in to your Internet account (We will tell you all about how to get an account in Chapter 4 for those who don't already have one) until you see the prompt, which should look something like "%" or "\$" and is often blinking. When you see the prompt, you can type

Telnet and then press the Enter key.

If you have this service a new prompt will appear that looks like this

```
<Telnet.>
```

From here, you would type in the address of the library, catalog, or database you wanted to search. In this example, you would type at the prompt

```
<ET>open books.com.
```

This is the address for an online bookstore called Books Unlimited. At this point, you would see their menus with lots of categories of book titles to search. When you have found what you want you can order or, in many cases, retrieve the book, or publication over the phone lines to be read at your convenience offline.

Telnet lets you have a conversation with a server at the target machine. By default, this conversation is a login session; if you type

```
<ET>(netcom:521) telnet Mikes.stanford.EDU
```

you will see a login prompt. You can only log in if you have a user account on Mikes. You can also use Telnet to connect to other services; for example, you can get a weather report by

```
<ET>(netcom:53) telnet ad.merit.edu
```

If you need to Telnet into Netcom from another machine on the Internet, its address is netcom.com.

You may see reference to Hytelnet in many places. This is basically the same as Telnet and is used in exactly the same way to research libraries, BBSes (bulletin board services), databases, Gophers (explained later in this chapter), and a myriad of other online services that provide information on virtually any topic of interest.

### FTP (File Transfer Protocol)

FTP stands for file transfer protocol. Using FTP you can access an FTP server (a computer on the Internet that is set up to offer information to other Internet users via the FTP protocol) and actually become a user of that distant computer as with Telnet. However, with FTP, the only thing you are allowed to do on the FTP server is download files (copy files from the FTP server to your computer) or upload files (copy a file from your computer to the FTP server). Figure 1.3 (on the next page) shows what you will see during a typical FTP session.

As in Telnet, during an FTP session your E-mail address is the password. Most FTP sessions allow you to use "anonymous" as your logon ID. Once connected, you choose files that you want transferred to you or from you to the other party. There must be an FTP client on one end (shown in Figure 1.3) and an FTP server at the other end of each session.

After you get to know FTP, you will likely find yourself using this feature of the Internet quite often to transfer files (containing anything from news stories to Hubbell Space Telescope images) from one computer to another. Many computer systems that won't let you use the Telnet function will let you use FTP to upload and download files.

With some older FTP programs, you must still master a few commands (computer words or phrases that instruct the computer to do something) involved when establishing and conducting an FTP session. However, many newer FTP programs (including the FTP program provided on the diskette in the back of this book) are now available for IBM-compatible personal computers (running Microsoft Windows) and Apple Macintosh computers that make FTP as easy as using your telephone. With these new programs, the user merely uses a mouse to "point and click" at menu choices to establish FTP sessions. When used in conjunction with a computer program called Archie (Archie is merely a program that lets you type in a search word you use to search for things), you can use FTP to search thousands of databases all over the world for the file or files which contain the information you are

looking for. Most directories (lists of the files stored in the computer) have a special file called an index file that you can open first that will tell you what information is contained in each file on that particular server.

## Mailing Lists

An Internet mailing list is a file that stores a group of names (and associated Internet E-mail addresses) with a common interest in a particular topic. Once a mailing list is started, any Internet user can add his or her name and E-mail address to the list (called subscribing to the list). By doing so, you are asking that you be included in the distribution of any information related to the mailing list's subject area. It's great because you start getting lots of messages from your subscribers in your mailbox and all of them, presumably, are interested in your product or service. Mailing lists are started by Internet users who wish to share information related to their particular area of interest with other Internet users. I use them to sell products.

As of this writing, there are about 100,000 mailing lists pertaining to virtually any subject imaginable, and the number of mailing lists is growing all the time. There are mailing lists used by scientists to keep each subscriber informed of scientific discoveries and theories. There are mailing lists used by government people to keep each other informed of important events. There are mailing lists used by computer technicians to learn more about the computers they work with. There is even a mailing list on how to make beer, even Japanese beer or Australian beer. Often, mailing list subscribers will spin off sublists to discuss a separate issue related to the original.

To subscribe to a list, you send E-mail to a list server, an automated computer program on the network whose job it is to allow Internet users to subscribe and unsubscribe to the list in question. When you find a list that interests you, you can subscribe by sending an E-mail message to the list owner's address. You are then automatically added to the mailing list. From then on, you will automatically receive a copy (in your E-mail box) of any message posted to that list by any other subscriber of that list. It's like subscribing to an electronic newsletter to which everyone can contribute.

There are lists of people, reference lists of programs, documents, and books, and nearly anything else you can imagine. There are even lists of lists! Once you subscribe to a mailing list, you can learn more about that mailing list's subject area by reading the messages posted by others or by posting your questions and watching for responses from other list subscribers. Each time you go into a mailing list and read the messages left behind by others, you learn more and more about the people in the list and the issues most important to them as a group. We will tell you how to find appropriate mailing lists for your business in Chapter 4.

I recently started a mailing list regarding advertising on the Internet, and it is developing into one of my main projects for finding new customers for my services. In Chapter 4, we show you how to set up your own mailing lists to find people with the interests that identify them as good prospects for your products or services. If you handle your mailing list(s) properly, you can eventually build up to thousands upon thousands of subscribers, each having demonstrated an interest in your mailing list's topic, without much effort on your part. These mailing list subscribers can be thought of as your prospects just as you would consider a mailing list that you purchase today

with Cheshire labels to paste onto your mass mailers. Think of a mailing list like your very own mass mailer without the postage, printing, or stuffing.

Creating a mailing list has traditionally been a carefully guarded secret by the Internet gurus and wizards, who think of themselves as having superior knowledge. We will dispel all this secrecy in Chapter 4 and show you how you can set up your own mailing lists with your own rules of operation.

One note of caution: You want to be careful about how many mailing lists you subscribe to because they can become very big and you may run out of hard drive space very quickly. Just one subscription can result in many messages coming into your E-mail box each day. A good rule of thumb is to stay clear of any list that is larger in megabytes than your hard drive's free space, or you'll soon be overwhelmed. By browsing in a list first to read the general thread (stream of past messages) taking place, you can eliminate this problem.

### Usenet Newsgroups

Called online conferences by some, Usenet newsgroups are just like mailing lists in usage and appearance. The only way to tell them apart is by the way they are accessed. Newsgroups are found by using a newsgroup reader program provided by the Internet service of choice. Mailing lists are accessed via E-mail. Because they are accessed by E-mail, mailing lists have a far larger potential audience—some 30 to 40 million E-mail users. Newsgroups, which are accessed only with full Internet accounts, have a far smaller potential audience—only about 10 million full Internet users have newsgroup readers installed. Only a few of the more popular newsgroups can have as many as 300,000 subscribers at any particular time. A more common number for newsgroups would be around 5,000 to 10,000 subscribers. Mailing lists frequently have millions of subscribers, and an average might be something like 20,000 to 50,000 subscribers.

Following is the list of the seven major newsgroup categories making up the top level of this hierarchy. Although there are other categories, most of the major newsgroups are found within this seven categories. Each of these seven categories has hundreds or even thousands of sub-newsgroups within the hierarchy.

COMP Computer related topics

MISC Miscellaneous topics

REC Recreation related topics

SCI Science topics

SOC Social related issues

TALK Like Talk Radio—anything goes

NEWS News

ALT Alternate topics that don't fit in elsewhere. This category alone has approximately 10,000 subtopics.

The COMP group is divided into hundreds of subgroups. You can get some idea about the subject of a given subgroup by the nature of the newsgroup's title. For example, the newsgroup titled comp.IBM.pc.multi-media covers multimedia issues as they relate to IBM personal computers.

As with mailing lists, you gain access to the information distributed via a newsgroup by subscribing to that newsgroup. As a subscriber, you can read messages posted by other subscribers and leave messages for the other subscribers to see. Others in the group doing the same thing will eventually respond to your questions or comments.

Millions of messages are added to Internet newsgroups daily. Some groups are moderated, meaning there is an administrator who filters through all the messages and only posts the ones he or she thinks appropriate for the group. An unmoderated newsgroup means that no one is in charge and all messages left by group members are posted. Newsgroups are very useful in learning about almost any topic. If the society as a whole is interested in a subject, you can bet there is a newsgroup devoted to that subject.

Mailing lists and newsgroups are the best way to get your feet wet in the Internet. As soon as you get your Internet account, you should join appropriate newsgroups to see how they work and to see what kind of interests they may hold for you or your business. The rules of Netiquette (etiquette on the Internet) don't allow you to post advertising in newsgroups. When it is done anyway, many subscribers find it very annoying because it's like junk mail in their E-mail boxes, and any single group could be comprised by a hundred thousand people at a time. Annoying your potential customers is not a good way to start your Internet marketing efforts. However, there are ways to carefully and effectively use newsgroups to market your products and/or services as we will see in a later chapter.

### Gopher and Veronica

As the name implies, Gopher is a computer program designed to "go-for" things you ask for. The Gopher program is designed to search through Gopher servers for the information you desire. A Gopher server is a computer system resident on the Internet that is set up to service the information requests issued by the Gopher program. Gopher servers house all kinds of information. For example, some bookstores maintain Gopher servers that provide information on the books they carry. Figure 1.4 is a screen capture of a typical Gopher session.

The Gopher program works best when it is used in conjunction with another program called Veronica, which provides another method of searching for information on Gopher servers. You will usually see Gopher teamed up with some kind of Gopher search program like Veronica because Gopher itself is merely a way to list information in an organized fashion. In Chapter 4, you will learn how to set up your own Gopher server containing information about your products and services.

When you start up the Gopher program on your computer, it presents you with a list of Gopher servers that are available to be searched. You then select the Gopher server of interest. If you pick the University of Illinois Gopher server for example, the Gopher program presents you with a list of the files available to you on the

university's Gopher server.

To demonstrate how a Gopher search works, let's look at a quick example. I used the Gopher client on my computer to search for books about the Microsoft's "Windows for Workgroups" computer program. All Gopher servers are linked to one another, so if you find one Gopher server, you will soon find them all. By searching and browsing one Gopher server after another, I finally found the following notation in a bookseller's gopher server:

"Networking Windows 3.1 for Workgroups, Barry Nance, John Wiley & Sons, 0-471 59583-7 \$22.95.

Microsoft's Windows 3.1 for Workgroups is a new peer-to-peer networking product designed for small businesses and small groups within larger companies. Barry Nance, networking columnist for Byte magazine, has written a book for the intermediate user that delivers focused installation, troubleshooting, and project management strategies while teaching general networking concepts.

Nearly one third of the book addresses the key issues of installation and troubleshooting, unlike competitors who give only chapter length treatment, 1993 softcover, 336 pp."

Another choice presented to me by this Gopher server menu was to fill out an order form and order this book, which I did. The bookseller asked for my business information such as name, address, shipping address, and credit card number, which I typed in. About a week later, the book arrived via UPS. This is but one of many ways of marketing over the Internet you will learn how to do later in this book.

The Gopher services on the Internet are very popular because they are very easy to use and learn. You don't have to be a genius to use Gopher, and it's quick, so you can find things fast. The Internet is not perfect, and you may have difficulty getting into many Gopher servers during high-usage periods. This is probably due to the traffic congestion caused when many users try to access the same Gopher server, or perhaps just due to the amount of traffic on the Internet in general. Peak usage times usually coincide with normal business hours in North America. If you have trouble finding what you want or getting through to any particular Gopher server on the Internet, don't despair—that is the nature of the Internet. Try again during off-peak hours (say, a late-night session).

The Internet's Gopher service will probably expand and improve greatly over the next few years because it is a very popular, intuitive, and useful tool. Everything on Gopher is presented in a logical, easy-to-use list of categories or other choices. However, each time a new Gopher server is added to the Internet, it must appear in the list of Gopher servers. This means that the list may expand one day to include thousands and even millions of computers, making the list extremely unwieldy. For now, however, it's a very useful and easy way to move around the Internet, going from one particular project to another with very little effort or bother.

We will teach you in Chapter 4 how to create a Gopher server for your own marketing use. One of the most important things you can do today because if you have useful information to offer on your Gopher server, it may be copied or mirrored by

thousands of other Gopher servers on the Internet, making it easier and easier for people to find your information. We will teach you how to use the Gopher in your overall marketing plan.

## The World Wide Web

The World Wide Web (also known as W3 or WWW) is the newest and most significant development in the realm of the Internet. It is also the fastest-growing segment of the Internet as well as the most user-friendly. It can contain your text, pictures, video, and sound information, whereas all other Internet services are limited to text only.

As with other Internet services, the World Wide Web consists of a group of servers on the network that are programmed to handle your information requests. You need a special program called a WWW browser to interact with WWW servers. Mosaic is an example of a popular and easy-to-use (via a graphical user interface) World Wide Web browser. Mosaic was written by a group of college students at the University of Illinois and is published as shareware, which means that you can get it at no charge (we include a customized mosaic browser on the disk in back of this book. See Appendix D).

You can think of the WWW as a vehicle through which anyone can publish the electronic equivalent of magazine pages. Any computer on the Internet equipped with a WWW browser can view these pages. Like magazine pages, WWW pages can present pictures and text in an attractive, even artistic, manner. It's the best form of electronic publishing on the Internet today.

One other interesting feature of a WWW "magazine page" is that the publisher can build in links from one WWW "magazine page" to other WWW magazines so that the reader can easily navigate through multiple WWW "magazine pages" containing related information. For example, my company's WWW server (with the front page shown in Figure 1.5 on the next page), called the Netcenter links to thousands of other publications on the Web. That's why I called it the Netcenter. (It is also the first screen you will visit when you use our customized mosaic browser.)

Chapter 5 is devoted to the World Wide Web and how you can market your products or services by creating your own World Wide Web server. Over time, providing your own WWW server (called your Home Page) will likely become the single most powerful way to market your products and services on the information superhighway.

In addition to Mosaic, there are currently plans for dozens of commercial versions, including Chameleon's Mosaic and one called Netscape by the original inventor of Mosaic sold by his new business called Netscape Communications. Netscape is one of the nicest WWW browsers to hit the market so far. Looking farther down the road, there is a newer generation of WWW browsers coming from companies such as BookLink who provide you with a universal browser that can seamlessly handle Gopher, FTP, Veronica, and WAIS, as well as World Wide Web browsing. Look for more of these in the future and don't buy anything until you've seen how this new kind of universal Internet viewer works. When they arrive, they promise to save money and make you more effective in your overall understanding of

the Web.

One of the first things you should do as soon as you get an Internet account is to use the diskette in the back of this book to find other programs such as the ones we just mentioned and others throughout this book. The BookLink Universal Viewer can be downloaded via FTP at [ftp.booklink.com](ftp:booklink.com).

Change to the /lite directory and you will find their shareware version. (Don't worry, all of this and more about program downloading is included in Appendix D, "How to use the Diskette in the Back of the Book." We obviously cannot fit everything we'd like you to have on the diskette provided with this book. However, the programs provided on the diskette do allow you to download free copies of the software needed to access WWW servers and to start your own WWW server. It will also give you an easy and fast Internet account at discount prices.

### Archie

Archie accesses a database of lists of files that match a given string. For example, It will list the location of files that match a given string. For example,

```
{ netcom: 48) archie emacs
```

will list all anonymous FTP sites with the filename emacs. Note that emacs does not match emacs.tar.z or emacs.doc, only files with the name emacs.

The command

```
(netcom:49) archie -s mac
```

however, will find files with the substring mac in them (ignoring case). It will match Emacs, emacs, macsyma, and many files having to do with DOS PCs.

A search like this may take a long time, not only because there will be so many responses, but because the servers prioritize requests according to complexity. This command may seem to hang because a particular server is down at the search site. You type

```
(netcom:501) archie -L
```

to get a list of servers, then

```
(netcom:501) archie -h servername ..]
```

to ask a different server to do a search.

### WAIS (Wide Area Information Search)

The WAIS system lets you search databases of text; it only works on documents that have been indexed specifically for WAIS. An index search will return a list of documents that match some of the key words you specify, as well as an indication of how good the match was.

To connect to a WAIS server, you could Telnet to

quake.think.com

and log in as user wais. Some examples of WAIS searches are:

```
waissearch -h quake.think.com -p 210 Stocks & Bonds
```

```
waissearch -h quake.think.com -p 210 Great Train Robberies
```

```
waissearch -h quake.think.com -p 210 Weather
```

### IRC (Internet Relay Chat)

IRC (Internet Relay Chat) is a multiuser, multichannel chatting network. A group of people can use a channel to exchange messages. Each person sees the discussion as it takes place.

Many users are identified by a self-chosen nickname, although anyone can determine your real login name. When you join a discussion, an announcement that you have joined will be sent to everyone currently in the group. Another message will be sent when you leave the group.

All IRC commands begin with the "/" character. Anything else you type is sent to the other people on your channel as soon as you press return. There are many IRC commands; these should get you started. Others on IRC are usually happy to answer questions.

/help	Gets help on IRC commands
/list -publi	Lists public channels that are available
/join #channel	Join a discussion on the named channel
/join 0	Leave the current discussion channel
/nick new nickname	Change your nickname
/msg nickname text channel	Send a message to a named user on your channel
/who # channel	Lists everyone on a given channel
/whois nickname	Shows the true identity of a user

It has been noted by some marketing people that you can log on to a chat session and find as many as 5,000 people all talking on the same channel. This is like an online conference. If the opportunity comes up, it is conceivable that a person could make a pitch for his or her product or service here on IRC. The best approach would be to pick individual chatters who seem to be your best prospects and send them E-mail offline. Then, if they want to get more information from you, they will know how to find you. More on this later. Better still, you can announce a conference day and time and then most everyone on that channel and time will be your prospect.

So What's the Mix?

Now that you have a feel for the 10 most popular Internet features, let's see the relative usage levels for these features.

The Internet is composed of approximately 2 million host computers. This means 2 million computers are connected to the Internet in such a way that they can provide and receive information from you as well as thousands of others at any given time. (For example, Prodigy, being one host, can handle 1 million simultaneous visits at a time. Most host computers cannot handle more than a few thousand simultaneous visits, however, there are ways to mirror other visits with other hosts if this number is reached.)

According to a recent University of Michigan survey,

There are 21,000 interconnected networks comprising the Internet. This means that there are 21,000 computer networks that might consist of thousands of computers in a corporation or a few computers in your offices.

Of the 2 million host computers, 640,000 are educational, owned by colleges, universities.

520,000 are commercial, owned by businesses.

220,000 are government owned.

700,000 are outside the U.S., and presumably broken down into similar proportion.

Sprint published a survey in 1994 that may shed a little more light on things. Looking at all the Internet traffic,

42% is file transfers.

17% is E-mail.

24% is other services including the World Wide Web info retrieval, file sharing, etc.

The file transfer portion is almost half the usage of the Internet, and this is also covered in detail in this book. You will be taking advantage of this file transfer capability of the Internet and we show you in great detail how to do this.

You cannot market directly into the E-mail category because you can only handle the E-mail user one at a time. Luckily, there are plenty of other ways, which we explain in great detail throughout the book, to get to the E-mail customer.

This "Other" category (24% of usage in 1994) is the fastest-growing segment of the Internet and has to do with the World Wide Web, because sharing files is what we do when we publish information on using the WWW methods. There are 8,000 WWW servers, with hundreds more being added each day. Many of these servers are set up by businesses attempting to sell a product or service. (We show you how to do this in Chapter 5.) This number is relatively small because the commercial use of the Internet is only a year or two old. However, this is the fastest-growing segment of the

Internet, and it is also the most promising in terms of commercial usage. This is also why we devote an entire chapter to creating your own Webspaces (Chapter 5). The World Wide Web is the segment of the Internet you will eventually want to use as your home base, your electronic headquarters. At that point, the other Internet functions can be used to promote your World Wide Web presence where the customer can get your most comprehensive information. The most successful marketers will use this approach. I call it "Operation Desert Storm" because you overwhelm your opponent with your superior strategies and know-how.

We will take you step by step through all of the major ways to reach the major segments of the Internet and show you how to use them to your maximum advantage.

### A Glance at the Internet's Future

The Internet today provides the world with a new kind of broadcast medium there for the asking. The Internet functions outlined in this chapter provide very powerful communications tools that you can use right now to market products and services as well as learn more about your customers. Today, the Internet's most popular feature is E-mail. The power to do much more is sitting there today, and we are all slowly but surely learning how to use it. If you are a publisher, you can distribute your books in electronic form over the Internet. If you're a radio talk show personality, you can record a radio talk show, convert the recording to a computer file, and distribute it over the Internet. The possibilities are endless, and it's really the combination of the computing power on our desktops and the communications power of the Internet that has captured the imagination of so many people.

And while there is plenty of marketing you can do over the Internet today, the future of the Internet holds even greater promise. I expect that the Internet will evolve the same way the television industry evolved in the 1950s and 1960s. In those days even television was alien, boring, and difficult for many folks to understand. Now we all have a remote control unit in our homes, and the trusty TV has become like a member of the family. I believe the Internet is now in the early stages of a similar adoption cycle. There will always be companies busy developing completely new ways of using the Internet, continually making it more user-friendly as Microsoft and others market newer and better Internet software. A good example of this is the Mosaic Windows browser that was just recently introduced and is already being used by millions of people to view the World Wide Web, the most graphical of all Internet systems. As these highly creative and technical people put their talents together, as happened with the TV industry in the 1950s, we will start to see the full potential of the Internet.

Someday, using the Internet will be as easy as sitting on your sofa using your remote control to flip through channels or "channel surfing" through its many services. We can do some interesting things with this power, such as show graphics and sell products, but the real potential will come when we are all glued to our monitors the way we are all glued to our TV sets. I believe this is where our entertainment as well as our information superhighway is going. To coin a phrase as well as to better grasp this potential, one might call it the "infotainment superhighway." If you start working on the Internet now, you will be better positioned to effectively use new Internet capabilities as they arise.

## What About the Popular Online Services?

CompuServe, America Online (AOL), Prodigy, DELPHI, and the new Microsoft Network are the most common examples today of online services. These companies have built their own private networks and provided functions analogous to many of those on the Internet. Some of the services the online services provide are very much the same as what you find on the Internet. On all online services, you can do E-mail with other members, access all kinds of reference material, participate in the equivalent of Internet newsgroups (called forums), and even see some graphical representation such as charts and pictures. Graphics are limited on most online services. AOL is ahead of the graphics game. Prodigy uses its online advertisements, which help defray the costs of bringing their services to members.

Although these online services are not directly part of the Internet, they could be considered kissing cousins because they provide similar function and are connecting their users to the Internet more and more. In fact, the boundaries between online services and the Internet are rapidly fading as most of the services continue to bring limited Internet service to their members. Most of the online services, for example, already exchange E-mail with Internet users. America Online was among the first to offer access to the Internet newsgroups and Gopher services as well. In fact, all of the most popular online services have announced future plans to provide full access to all Internet functions in the future, and many are already doing so.

At the time of this writing, there were approximately 7 million people who use one or more of these online services. These online services provided a very worthwhile service for their members and that they will continue to do so for at least a few more years, but unless they are merged seamlessly with the Internet, I believe they will not survive. The reason is basic economics. Will the average consumer be willing to pay \$15 to \$20 per month each for two or three of these services and another \$15 to \$20 per month for an Internet account? Probably not. Something will have to give somewhere.

Indeed, the online services seem to agree with this economic analysis, because they have all publicly announced recently that they not only intend to bring more Internet services to their members, but they are also aiming to service a niche market. For example, Prodigy plans to concentrate more and more on using technology similar to the blocking of adult movies on cable boxes, so that families may subscribe and not have to worry about what little Johnny is reading on the Internet. With the adult services on the Internet blocked out, Johnny can only do what Mom and Dad have planned for him. This could well be Prodigy's main market position, unless they come out with other major services soon. It's a particularly difficult one to understand when you consider that Prodigy has so much invested in shoving advertising at their subscribers. To me, this strategy conjures up images of Saturday Morning TV. America Online (Figure 1.6) is preparing to give its members more and more of a graphical feel to the Internet, even claiming to be developing multimedia (video, hypertext, sound, etc.) for their members' use. CompuServe will continue to develop as a business-oriented interface to the Internet perhaps even providing the only way to safely transfer funds between buyer and seller. DELPHI intends to provide their subscribers with proprietary databases and other kinds of special interest information to keep their membership rising.

Microsoft has also announced a new online service called Microsoft Network. This could be an extremely interesting service to subscribe to because, since it comes from Microsoft itself, you might see the best graphics, the best video and multimedia, more technical support, many more information providers, better access to Microsoft upgrades, and so on. As of this writing, no one (not even Microsoft) knows for certain what services will be offered on the Microsoft Network or how popular it will be. However, my feeling is that the Microsoft Network will gain millions of subscribers when they open for business in 1995. Windows 95 will also have a Microsoft Network connection built in.

I still feel that whatever Microsoft Network provides, the same things will be available directly over the Internet (don't forget that Windows 95 also has a built-in Internet connection), so the marketing strategies of all the online services are tenuous at best. The future will open up many opportunities, however, and it's not inconceivable that the online services will be able to change their marketing strategies and carve out their own niches for a long time to come. I hear from many people that after they open an Internet account and they learn how to use the World Wide Web, they find it hard to go back to CompuServe, America Online, Prodigy, DELPHI, and the others, mainly because of the expense. The online services never really became popular until they were able to bring the ease of use of Windows and the Macintosh to their subscribers, so it is easy to understand how Internet could eventually attract members away from these online services, even though currently they are all growing and evolving rapidly.

Since there is no single provider or administrator, the Internet has the disadvantage of lacking a large source of capital or a focused committee of experts to guide its development. One could regard this as the cup being either half full or half empty. I feel that the freedom afforded by the lack of a central controlling body gives the individual entrepreneur more power and that this will offset the advantage afforded the online services by their funding and their organized bureaucracy. Of course, only time will tell.

In summary, the Internet is like the early stages of the universe forming from vast diffused gases blown out of a central Big Bang. A few galaxies have already formed, but there's room in this rapidly expanding universe for many, many more. But what happened before the Big Bang?

#### What About Bulletin Board Services?

Another way computer users share information is through bulletin board services (BBSes). I am going to include them in our online marketing discussions because they are still a very viable way to market your products or services electronically. I am speaking about the BBS networks, of course. Most BBSes were started about 10 years ago (some go back as far as 15 years). Before BBSes, many computer hobbyists who wanted to communicate with other similarly interested parties would tinker together some software that would allow them to connect their computer to the phone lines. They could then communicate with other computer hobbyists around the world. This was like ham radio at this stage. There might have been a couple thousand people in the beginning who wanted or needed to talk to each other via their computer instead of their telephones. Over time, these computer "nerds" worked on ways to make this form of computer to computer communication easier, and they even found ways to let

dozens of people call up their computers at the same time. This was the birth of BBSes.

Very quickly, these people learned that they had a new medium for transferring computer information around the world via the phone lines. They developed more advanced bulletin board systems, and some of them got rich selling the programs necessary to set up a BBS or use a computer.

The BBSes usually were geared to special interests. Some hobbyists would be interested in farming, and so they would set up a farming BBS. Others might be interested in dating, so they would set up a dating BBS. Most were interested mainly in computers, so they used BBSes to transfer computer programs around to other computer users. This became a new industry referred to as shareware. As more and more computer "nerds" dialed up these local BBSes, they would find a program that would help them invent other programs for other users and this process created thousands of amateur, and even some professional, programmers.

Some of these early BBS administrators were so successful that they soon had to add dozens of phone lines to their homes. From there, some of them were smart enough to go into commercial buildings and install hundreds of phone lines to handle the demand for their services. The biggest and best BBSes today, such as EXEC-PC and Channel One, are very profitable. Of the 60,000 to 75,000 BBSes in existence today, however, only a small percentage are profitable. Most are operated as a hobby in the garage or bedroom with only one or two phone lines.

The shareware industry grew and grew via these bulletin boards because it was a natural way to distribute software to other people. Even if you had a small BBS in your garage, you might still have a subscriber base of callers numbering in the hundreds or even in the thousands. This was ideal for shareware programmers, because if you got your program into one BBS, another BBS operator would dial up and copy your program into his BBS and so on and so on, until thousands of BBSes might have your shareware program sitting on their hard drives and available to hundreds of thousands of people overnight.

Few of these shareware authors made any money, however, because their marketing skills were extremely limited. They literally gave away billions of dollars worth of product over the years. A few of the smarter ones went on to become multimillionaires. Peter Norton's little shareware company, Norton Computing (you probably have a Norton product such as Norton Utilities or Norton Desktop on your computer's hard disk) was eventually sold to Symantec Corporation for about 30 million dollars. Most did not do as well.

There are still smart marketers on the shareware trail even today. A new company called Apogee, started by two brothers a few years ago, is now about to be listed on the stock exchanges because their Shareware game, Wolfenstein 3-D, is selling millions of copies. The difference here was the design of the game. It's very well done, with fantastic 3-D graphics that make the game players feel as though they are really part of the scenery. The object is to escape from a German WWII prisoner of war camp. It's a shoot-em-up in the best tradition of arcade style games. The first level is given away freely, but as users become addicted to it, they are encouraged to purchase upper levels of the game, where you eventually track down and kill Adolph

Hitler. An average user can find the free game easily on any one of the 60,000 BBSes around the country. After the first level, he might spend a hundred dollars or more buying the rest of the game.

This was marketing genius at its best. The Apogee founders realized that within the shareware network of thousands of these bulletin boards, there was a marketing and distribution channel just waiting for their products. The problem was that they had to give their program away to convince the many BBS operators, called Sysops, or system operators, to accept the program for their own subscribers. The key was to develop upper levels to their game that was advertised in the first disk. This way, if you liked the game, you would see the advertising on your free disk, and a percentage of players would order the rest at normal pricing for software of this kind. It works in many shareware situations similar to this.

Most shareware authors are not able to make an upper level, or secondary program with as much power or added power as their first free disk, and this presents them with few sales. Most shareware authors are barely compensated for their time in developing their programs. This is due to a lack of marketing savvy in most cases. In my opinion, a vast majority of shareware authors could make a profit if they spent as much time planning their marketing strategies as they do on their program itself.

Unless you have a shareware program, BBSes have not traditionally allowed for any real marketing excitement, but that is changing all the time. BBSes should not be ignored, because they are destined to become a full part of the Internet and will thus provide another vehicle to spread your marketing message far and wide.

Even now, with the advent of the electronic book, new BBS marketing opportunities are presenting themselves. When I saw the shareware industry developing all around me, I decided to experiment with electronic books. I have dubbed them verbons, because they are a new technological hybrid between normal text or "verbiage" and online forms of communication. Hence the term "verbon." You may be reading this book in verbonic form or you may have the print copy, since it is available in both forms. If you are reading this book on your computer screen, you have the verbon.

In the early days of electronic publishing I was forced to give my E-books away and advertise in the book other books of mine that the reader could order. This system met with very limited success because it is not easy to convince people to buy a book when you have already given them one for free, yet many thousands of people did buy one or another of my electronic books. Distributing E-books over the BBS networks has become more and more profitable for me and my publishing company. However, I don't recommend this to anyone who is not seriously committed to publishing because it is not likely that you will make a significant amount of money from one title. If you have the expertise or the friends to produce a collection of books, there is a greater chance you can make money marketing via the BBS networks. I now have hundreds of authors sending me their books to be published by my company, and just a few years ago I was sending my books to publishers trying to get them to publish mine. The good news is that the BBSes are now just one of the major ways to distribute shareware or commercial programs. This means that the opportunities for programmers and E-book publishers are expanding rapidly. Today, you should consider publishing to the electronic community via the BBSes, the online services,

and the Internet because of several developments that continue to make it easier and easier to sell electronic publications and shareware.

First, with the sale of more and more computers and modems, more people are getting online every day. They have to go somewhere with all this hardware if they want to get the most for their money. BBSes and the Internet are still evolving to accept this wave of interconnectivity.

Second, more and more computers are becoming small enough to be carried to school, to the beach, to the back yard, to the office, and home. This means that computer users are more and more likely to read an E-book on their way home, at the beach, or even in bed.

Third, multimedia developments make it more and more acceptable to have your ideas presented in a format that is more than a print book and different from a TV show. The majority of people who buy computers for their home are doing so to help educate their children and to have a facility for learning what TV does not offer.

If you are a big commercial company developing software, you already know all this and you have already begun to market to this community. The small company just starting out should also utilize the BBSes and online services and the Internet to market its products with very little investment. With a little luck and a good product this successful experience can be leveraged up to a real commercial success. The example of Peter Norton is one that can be copied thousands of times in the future, and it should be easier and easier to do so, since Peter Norton started out with a total potential market of just a few million computer nerds. Today there are millions of ordinary folks to market to.

### Sizing the Internet Marketplace

Now let's focus on the marketplace represented by the Internet. First we will look at how many people are on the Internet. Then we will get a feel for the Internet's growth rate. Finally, we will look at the demographics of the online marketplace.

#### How Many People Are on the Internet Today?

Since there is no single point of control for the Internet, no one really knows exactly how many people are using or registered to use the Internet at any given point in time. To further confuse things, there are many conflicting estimates regarding the number of users currently on the Internet. This is why it's generally unproductive to spend much time thinking about the Internet in terms of any specific number of users.

However, as marketers we need to spend some time focusing on size of the potential market represented by the Internet so that our company can consider that information when making its Internet marketing plans. So, let's pause here and realistically ponder the question, "How many people can I reach over the Internet today?"

The most often quoted number of users on the Internet as of this writing in early 1995 is about 20 million. I am going to show you that this is a very conservative estimate. Almost anywhere you go to learn about the Internet, you will see this figure bandied about. However, some think this estimate is too high.

The New York Times recently printed an article that questioned these numbers and suggested that there were no more than 2 million people on the Internet. So, it all depends by what you mean when you use the words, "on the Internet." The Internet can mean so many different things to so many people, as you have already discovered with all the features listed above. Following suit, the San Francisco Chronicle came out with demographics that were at least a year old and attempted to dissuade the reader from marketing online by claiming that most of the Internet is just college students with no money to spend. Do you think the print media may be afraid of something here?

First of all, if you do a search of all the Internet host computers (defined as computers specifically set aside in a company to be a connection to the Internet) you will find that there are already about 2 million of them. Further scanning will count about 8,000 World Wide Web servers. For now, just consider a World Wide Web site as the ultimate in Internet presence. It's like having a full online magazine covering a topic. The industry average number of users per host computer is five. I think this is very low, but if you multiply 5 users times 3 million, you get 15 million users on the Internet who have the ability to use it. This is like saying there are 15 million telephones in the state of California. Not everyone is on the phone at the same time. We Californians do other things besides talk on the phone. At least we have a figure for total Internet users that seems fairly reliable. There are problems, however, because the number of people with E-mail addresses is known to be, at last count, about 40 million people.

It is conceivable that these people use their company's Internet address as their own, and there can be several people using the same address, so this is not too difficult to reconcile. We still have about 15 million user sites that we can count actually on the Internet.

I personally think the industry average of 5 users per node is extremely low, but I have nothing to base that on except intuition and the fact that when I see a computer network installed in a company, there are usually dozens of people in the company connected to it. But this is California, and the rest of the world may be entirely different. So, we'll continue to be conservative and just go ahead and accept 15 million as a good figure. It's better to err on the side of caution, I suppose.

We should also add the memberships of CompuServe, Genie, DELPHI, Prodigy, and AOL, too, because these people use E-mail services provided by these services, and now even Gopher and newsgroups are available. These online services also are gradually evolving by connecting up more and more Internet services for their members. By adding up the combined memberships of America Online, CompuServe, Genie, Eworld, and Prodigy, we reach a total of about 7 million users from these memberships alone. This brings us to a total so far of 22 million. (This includes, once again, 15 million directly on the Internet plus 7 million from the online services.) Remember, there are another 10-15 million BBS users too!

I feel this is the best number to think about when referring to online marketing or Internet marketing. Why? Because in an overall game plan, such as we are going to show you, you need to include each and every segment of the online population to maximize your efforts and your profits.

We have made no mention of overlapping memberships because there is no way to judge the size of this. Many people, myself included, have a Prodigy account, a CompuServe account, an AOL account, and an Internet account, so I at least have been counted four times in the preceding analysis. How many others there are like me who use several accounts is anyone's guess. I would have to guess at least 10%, perhaps as high as 20% of the total. Using 20% or about 4 million in the overlap category, this brings us back to about 22 million users. This bears out the 20 million common estimate better than any other method of counting that I have seen. One other thing to consider when making your online marketing plans is the bulletin board services (BBSes). Although they are not (yet) part of the Internet proper, they do represent additional people who can receive your marketing message electronically. From industry sources we learn that about 15 million modems are sold each year in this country alone. Since we know that a modem is absolutely useless on its own, this means that about 1 computer in 5 now has or will have a modem attached to it, in contrast to the 1 computer in 10 that had a modem attached to it just a few years ago. Therefore, we can see a trend that tells us something.

Other sources tell us that about 150 million personal computers have been sold in the 10 years since their introduction. The rate of sales increases every year. Today, about 50 million computers are sold each year. Many of these are upgrades that replace older models, but more and more computers are coming with modems built in as standard equipment. Since modems have been sold as peripheral equipment for personal computers for the last ten years, we can assume safely that there are at least 30 million personal computers with modems connected. (What we must add is that a computer network can allow as many as 20 to 30 people to share one modem. So, these numbers are very conservative and probably reflect half the market. In other words, there could easily be 60 million people around the world with modems or access to a modem.) This information adds up, because if there are 20 million people directly connected to the Internet, that leaves another 10 million users of BBSes. (In Chapter 3, we will show you ways you can reach this BBS marketplace today.)

Now let's turn our attention to an even more interesting aspect of online marketing potential—the growth rate of the Internet.

#### How Fast Is the Internet Growing?

Now that we have established our estimate of about 20 million current Internet users (not to mention 10 million more BBS users), we must consider the growth rate of the Internet to continue our assessment of the marketing potential offered by the Internet. One measure of the growth rate of the Internet is the rate at which a copy of the popular Mosaic (the easy-to-use World Wide Web browser) program is downloaded. The World Wide Web is the most commercial part of the Internet. This makes the proliferation rate of Mosaic a good indicator of the commercial usage growth of the Internet.

By all reports of services who track this sort of thing, about 10,000 people request a copy of the Mosaic program every day! This amounts to a growing base of Internet users that is increasing by about 300,000 people per month! Now, please don't forget that Mosaic is only one of several dozen World Wide Web browser alternatives in widespread use today. There are now at least two dozen companies soon to deliver a proprietary version of Mosaic. I have my own customized version for you on the

disk on the back cover. There are also completely different programs that accomplish the same thing, such as Netcruiser from Netcom.

The growth of Mosaic is only an indicator of how fast World Wide Web access is growing. You must first have an Internet account to be able to use Mosaic. Therefore, this growth rate of 300,000 people per month is only in the number of people who can see the Internet in its premier, graphical way.

I mention this figure because if you extrapolate backward (over the preceding year or so, for example), 300,000 new users per month represents over three and one half million people out there who are just getting started exploring the World Wide Web. And remember that this is just one of the Internet's many areas and as such only represents a subset of the growth of the Internet.

Another way the Internet grows is via the growth of membership of the online services providers. As of this writing, America Online had tripled its membership in the preceding year and advertised that they had crossed the 2 million user mark. One year ago they had only 300,000 members, so they have experienced a massive growth rate of 300% per year. All of these users have access to at least Internet E-mail and newsgroups, with more Internet capability coming along all the time. By the time this book is printed, they should have WWW access too.

CompuServe currently boasts slightly over 2 million members and they had about one million a year ago. Therefore, CompuServe is growing at about 100% per year. Prodigy has about 2 million users, and they had about half that many a year ago. So, they are also growing at about 100% per year. Another new service from Apple Computer, called Eworld, is adding thousands of Macintosh users each month to their rolls. Eworld could have as many as 5 million subscribers in a couple of years because it will cater to the Macintosh crowd, and later to Windows users. Competition may limit the growth of these online services. So far, however, the rate of growth is actually expanding overall.

A smaller factor to consider, but an important one in terms of rate of growth are the dial-up Internet providers. The Internet dial-up service providers such as Netcom and UUnet are currently signing up about 500 new members per day per each company! There are about 100 of these companies in the world today\_few of them as big as Netcom and UUnet, however. Conservatively, we could put this new direct dial-up figure at 100,000 more Internet accounts per month. Now, here's the wild card in this equation. How many of these new accounts are personal and how many are businesses each bringing in multiple users is unclear at this time.

Still another engine for Internet growth is waiting in the wings, namely, BBSes. Today, there are about 50,000 BBSes in existence in the United States alone (again, we're being conservative. I've recently seen numbers as high as 70,000 in trade magazines). Remember, BBSes are computer systems set up by your local computer gurus who have connected several phone lines to their computers and invite people to call them and use their local computer services. Many people got their first introduction to networking this way. To do this, they first had to acquire a program, called a bulletin board program, that allows multiple people to call in simultaneously on the phone lines and meander throughout their hard disks.

The bulletin board systems will likely become part of the Internet in the near future because they will provide a way for more users to conveniently access a BBS and conversely allow BBS users to get Internet access right through the BBS! However, very few BBSes at this point in time are actually connected to the Internet in any way. To connect to a bulletin board system, your computer dials the phone number and is connected via telephone lines and modems to the bulletin board system computer in someone's office or home. These range from hobbyist bulletin board systems to professional ones such as EXEC-PC or Channel One, who do have Internet access already. Imagine what may happen when all 10 million BBS users are allowed in!.

If you consider bulletin board systems to be a growth component of the Internet, you have to include all of these bulletin board systems (big or small) when considering the Internet's growth rate. Some of the larger BBSes have thousands of callers per day. How much of it is repetition, the same folks dialing back up the next day, is not easy to determine. This could arguably add another 10 to 15 million new Internet users. Judging by the 30 million modems that have been sold in the last few years, I don't feel that an estimate of 10 million individual BBS users is anything but conservative also. The BBS trade magazines all use this figure also.

The same thing is happening in the Internet technology, as we will explain more fully as we go along. Right at the moment, we have millions of people with modems who don't want to pay for the Internet connection but are willing to pay for a local BBS service to get the same kind of information. Most of us are realizing that the Internet provides much more than any BBS system and is priced about the same. So, we're all gradually moving over to the Internet directly. This is a gradual evolution and will not be completed overnight. My estimate is that by the end of 1996, almost everyone will have made the jump, even if that means that the BBS operators themselves connect up to the Internet and bring their subscribers with them en masse. This is happening too.

The last Internet growth area to consider, and quite possibly the largest contributor to the Internet's growth, is the corporate connection. When new companies sign on to the Internet, they usually bring with them their entire employee population. When a small company installs a modem onto their local area network, they usually enable all employees with computers to use this modem. That means that even if there are only 5 to 10 users on average for each local area network\_ our most conservative industry figure\_ it could mean that the Internet population is doubling or even tripling every year!

As you can see, the Internet is growing in so many different ways that it is nearly impossible to calculate a precise growth rate. However, if you look at the growth of all these facets of the Internet\_ the BBSes, the online services, the Internet itself\_ it is quite conceivable that the Internet is at least doubling every year!

Remember, what's driving much of this growth is the desire to control costs, and when you consider that a single 60-minute international phone connection costs about \$40 and an Internet account would allow for thousands of these types of communications for about \$30 per month, you can easily see why most if not all business interests with any kind of market exposure will be or are currently connected to the Internet.

I will also tell you that the Internet is still in transition in many ways. This means to me that someday, we'll all be using the same kind of networks, just as we all use the same kind of TV broadcast signals all over the world. Yes, there's European TV and there's North American TV, but it still winds up being TV programs that we all watch. I believe the Internet will standardize a World Wide Web.

If the Internet is not yet at 20 million users, it soon will be, based on any of these growth estimates. This is why I feel comfortable in using the 20 million figure. In fact, it has been said that at its present rate of growth, every man, woman, and child on the face of the earth will have direct access to the Internet by the year 2000, five short years away. Since this is unlikely, one would have to conclude that the rate of growth must slow down somewhere between now and then, but so far, the rate of growth continues to increase every month! If this growth continues, it is safe to say that the within 25 to 30 years the Internet will be regarded as a basic life support utility like heat, light, food, and water.

### What Are the Demographics of Internet Users?

Several demographics studies have been done recently that will help you in your considerations about marketing on the Internet. First, I want to state for the record that no demographics study is 100% reliable because everything is changing so rapidly on the Internet due to the rapid introduction of new hardware and software making it easier and easier every day to access the Net. However, these studies shed light on some aspects of the Internet that you need to know about.

We know that there are at least 20 million people to whom you can market your products and services on the Internet today and that that number is increasing at a fast rate. Now, we need to know what kind of people we are talking about. What kind of people use online communications on a daily basis?

To find out, let's start by looking at a survey of users recently published by CompuServe:

On CompuServe, 94% of users have a college degree.

72% are married.

The average number per household is 2.7.

The median income is \$92,000/year.

14% have children under 18.

90% use computers at home.

70% have CD-ROM drives.

CompuServe magazine has 1.2 million subscribers

CompuServe membership is growing by 100,000 per month. In 1994, this equaled a 36% growth rate.

I believe that these demographics are similar to those of direct Internet users. The typical Internet browser has a college degree or will have one in the next couple years (because of the high proportion of college students on the Net). This may skew the percentage of marrieds to be slightly less than 74%. I've seen other statistics that would indicate that the overall percentage of married users on the Internet is more likely to be about 60%.

The median income of Internet browsers will be slightly less too because the CompuServe members tend to be professionals, executives of large high-tech companies. I would still assume the home use of computers to be high among Internet browsers, but not as high as CompuServe because of the median income being lower. I still would guess it to be as high as 60%, however, based on the next set of statistics that we've gathered.

Here are the results of another recent survey done by Prodigy:

- There are 98 million households in America.
- 33 million households have PCs, or over one third.
- 9 million home computers have modems. This is changing rapidly because many major PC manufacturers, including Compaq and IBM, are now including modems with a standard setup. My guess is that this number will at least double in 1995, so 18 million homes will soon have a PC with a modem in it. This still means that the vast number of Internet browsers will be browsing from their work or office, which means that products and services that pertain to business usage will reach a larger market, in general, than consumer items. I expect this to gradually evolve, until by the end of the decade there will be as many consumer products sold on the Internet as business products.
- 5 million people subscribe to online services such as Prodigy, CompuServe, and America Online. Of these subscribers, 1.1 million subscribe to Prodigy, about 2 million subscribe to CompuServe and about 2 million subscribe to America Online. AOL is the fastest-growing of all three, however, and by the time you read this, I expect that the total number of online service users will be about 6 to 7 million, broken down as follows:
- In spring 1995, AOL will have approximately 2.5 million subscribers. Based on their present rate of growth, CompuServe will have about 2.5 million subscribers, and Prodigy will have about the same number. Smaller players like DELPHI and Genie could add another 1 million combined. New services like Eworld from Apple and Marvel from Microsoft are the major wild cards in all this, and they could easily add another 5 to 10 million online subscribers in 1995. How many of these will come from AOL, Prodigy, and CompuServe is anyone's guess, but I would bet that people don't drop their favorite service until they have had several months' experience with the new ones. This tells me that the range will be between 10 and 15 million online subscribers in 1995.

If the CompuServe demographics hold true for these other services (and there's no reason to see any major shift between services), then you have in these services outstanding demographics for purchasing many products and services. Very few other groups are as highly educated or earn as much money.

## Internet Marketing Case Histories

### Who's Already Out There?

Although marketing over the Internet is relatively new, there are numerous examples of companies (computer related and not) already having a great deal of success marketing on the Internet. Others investing in Internet marketing or about to include Ford, Merrill Lynch, J.P. Morgan, Bank of America, Dun & Bradstreet, J.C. Penney, and Mitsubishi to name a few. All told, there are about 21,700 commercial "sites" on the Internet as of this writing, up from 9,000 in 1991.

Pizza Hut has just finished an experimental three-month marketing plan on the Internet. They marketed and promoted their pizzas and found that their sales increased by 15% overall. This is a stunning success because it costs so little to do this extra amount of business. It's my guess that it cost Pizza Hut perhaps a couple thousand dollars to begin their marketing plan on the Internet, yet 15% of sales for this national Pizza chain has to be in the range of several million dollars of profit. Not a bad return on investment. All they did was create a World Wide Web server with their menu and an order form. Later, in Chapter 5, we will show you how to do the very same thing on your own personal computer.

Another major success is Sun Microsystems. They have stated that their Internet marketing plans have resulted in over one hundred thousand inquiries per day! How many of these have turned into sales is not known, but you can imagine what your profit might be from 100,000 inquiries.

Here is another example I would like you to consider. Recently, an Internet store received some print publicity in Newsweek magazine. This resulted in over 10,000 "hits" or inquiries per day on the computer where the store resides. This confirms a major theme throughout this book. You must coordinate your Internet marketing activity with your more traditional marketing activity in order to gain maximum exposure and success. Generally speaking, the more exposure, the better for any marketing strategy, including the one we teach you here.

I could give you dozens of other major marketing coups by high-tech firms. Hard drive manufacturers are selling thousands of hard drives on the Internet. Software companies are selling thousands of their programs on the Internet. Your business, no matter what part of the economy it's in, can have as much success as these or more.

General Electric just began their marketing on the Internet. It's too soon to tell, but judging by the appearance of their Home Page display and the kind of quality products they are promoting here, my educated guess is this will one day be a multimillion dollar profit center for GE. I know I could duplicate everything GE has done on the Internet in just a few hours. (Don't worry! We will teach you how to do this too.)

Nordstrom has become the first department store chain to announce that they are developing an Internet shopping center. They are the leading department store in the world as far as profitability is concerned, so they must know what they are doing. Nordstrom will assign a personal shopper to anyone who contacts them via their Internet store. Just as they do in Nordstrom's real-world stores, the personal shoppers will keep track of the customer's sizes, color preferences, birth dates for gifts, and so

on. Nordstrom will undoubtedly be followed by nearly all the other department stores and chain stores because it's so darned easy and inexpensive to have an Internet store or other marketing model on the Internet. We will show you how to do all these kinds of things in a step-by-step method simple enough for anyone to understand.

I know of a commodities broker who recently placed a small message about commodities prices in a newsgroup about commodities. He received about a dozen replies to his message, and many of these people became his customers. He told us that he basically doubled his client list and his income in a few weeks from this message. They wanted more information from him, which he was able to send easily on the Net. When they saw his knowledge of this investment vehicle, they became customers. He goes on to say that his old average cost of acquiring a new customer was \$400. His cost of doubling his client base was zero, just a few hours of his time.

There are also a myriad of computer consultants and other consultants making money on the Internet. The computer guys are the first general consultants to make money because they knew about it from word of mouth. As the word about the Internet spreads, probably every other form of business will be represented.

I have bumped into many financial consultants who tell me they are picking up many new clients just by visiting the newsgroups and mailing lists and leaving their calling card. (You will learn how to do the same in Chapter 4.)

I have several lawyer clients who are doing well. There is the famous case of the immigration attorneys from Phoenix Arizona who went too far and got flamed (a reprimand in the form of many strongly critical electronic mail messages) like crazy for advertising by sending junk mail to millions of addresses they found. Even though they were censured for this, they are back on the Internet with an advertising agency. They feel they've learned so much, they can now charge a fee for instructing others. They claim that they made about \$50,000 net profits from this one unpopular venture in the Internet. Imagine what might happen when they get it right!

Tupperware is actually holding "virtual" Tupperware parties over the Internet. I know of several multilevel or network marketing companies who are finding many thousands of people to join their downline organizations globally over the Internet. Volvo and Alfa Romeo are distributing photos and other information about their new cars over the World Wide Web. Toyota even has an interactive test drive via America Online. Hyatt Hotels Corp. promotes its hotels and resorts offering discounts for those who say they saw it on the Internet. Xerox allows customers to tryout their software products over the Internet.

GE Plastics is the first Fortune 500 company to get on the Internet in a big way. They recently unveiled their World Wide Web server in a high-profile media event. They are providing over 1500 pages of information to help customers use their resins. Roswell Books has doubled their sales of computer books simply by opening an Internet bookstore.

I have even visited a medical doctor online. His name is Dr. Foster Carr, and he is really changing the way you might think of medicine. For a very nominal fee, about half of what you might spend at your local clinic, the good doctor will diagnose all your ills. You might visit him if you're feeling down. His address is

[www.cts.com/~drcarr/digmed1.html](http://www.cts.com/~drcarr/digmed1.html).

He has a very nice practice set up and running online. He can refer you to places where you can have an X-ray or a blood test, and he takes over from there. Everything is extremely well conceived and I will bet that this doctor will become America's number one medical advisor in terms of numbers of patients if he keeps this up. My prognosis is long-term health care at very reasonable cost from this doctor and probably many others like him.

Ultimate proof that Internet marketing is here to stay is in the form of an article in the San Francisco Chronicle on January 31 of this year. It tells us that "Catalog I\_ the TV shopping venture whose participants include Williams-Sonoma, Inc. and the Sharper Image Corp.\_is scaling back its cable programming and plans to try its luck on the Internet. The article goes on to explain that Spiegel Catalog and Time Warner have decided to cut TV hours of broadcast and will launch their World Wide Web server in the spring of '95. On line buyers will be able to choose from companies such as Spiegel, Eddie Bauer, Sharper Image, Crate & Barrel, Williams-Sonoma, Inc., The Nature Co., Bombay Co., Neiman Marcus, Time Warner's Viewer's Edge, and Book of the Month Club. When you find a company like Time-Warner abandoning cable TV to go to the Internet, it tells you something\_actually it's yelling something. Marketing people who listen will be more successful than those who don't, in my opinion.

The best category to serve up on the Internet right now is information (newsletters, books, pamphlets, reports, etc.), because the Internet is the information superhighway. This is the easiest type of product to sell, and the main reason people are getting online is to find information. As an example, I have a client who publishes financial newsletters. He told me recently that it took him 15 years to build his subscriber base of about 10,000 subscribers. Since he started working with me on the Internet, he has nearly doubled his subscriber base in just five months. The rate of increase is the really astounding part. He tells me that he is now growing at about 20% per month. This is not surprising when you realize that this is the current rate of growth for the Internet as a whole. Therefore, he is just getting his proper share of the growth. He is also succeeding because we are doing everything right. You will know how to do everything right after you have absorbed everything in this book.

I recently attended a conference via the Internet. The organizers reported that they reached an attendance of about 6,000 attendees and did no advertising except announcements over the Internet. They probably had another 10,000 attendees like me who could not travel to Chicago but were able to get all the news and announcements in summary form delivered to my desktop daily. I believe this is the single use of the Internet that will someday dramatically change business travel and even vacation travel. With more and more technological breakthroughs, it is just a matter of time until the Internet will be able to give us videoconferencing and live presentations to more and more users. We can already see many travel destinations in pictures and video on the Internet. Figure 1.7 is from the Web location of the Hawaii Visitor's Bureau, where one can learn about Hawaii, see many great pictures, and even book reservations at several resorts. This is not yet widely used, but shows a great deal of potential to many businesses. I'm certain this kind of use of the Internet will increase to the point where very few of us will have to physically travel to meetings and conferences and trade shows. In fact, one of the things I m doing currently is

promoting what I call the First Online Trade Show as part of my Netcenter, because I can demonstrate many products online for companies. (We teach you how to demonstrate your new products in Chapter 5.)

Of course, I would be grossly negligent if I didn't tell you that there have been many failed attempts at Internet marketing. I have noticed several dozen, and I will probably find hundreds more in my ongoing browsing and research efforts. However, there are no more failures in this new medium than there would be in any other medium. Most business people are not really good at marketing in general, I have found. It's relatively simple to develop a good and necessary product or service and yet it's another kind of an art and a science to be able to successfully market a product or service. Most people who are on the Internet today are not making any great profits right now, and it's primarily because of one thing, lack of marketing skill. You won't have this handicap, because you will have read this book from cover to cover and studied every detail.

All of this is just a small sampling of what can be done on the Internet and stories like this are the basis for all the hoopla. If Pizza Hut can increase sales by about 15%, by being on the Internet, as they recently announced, then you or anyone can do at least as well. Fifteen percent of a \$100 million business is about \$15 million. Nothing to scoff at when you consider it must have taken them about 10 to 20 hours to create this Internet strategy. It's not difficult if you possess the information that we are providing.

### Should I Start Marketing on the Internet Today?

By reading this chapter, you are beginning to get the understanding necessary to decide whether or not you should start (or expand) marketing of your products and services over the Internet today. You have to ask yourself the question, "Should I invest my time, energy, money, and other resources marketing my products or services over the Internet or should I work on something else?" Of course, there is no one right answer to this question for every situation. However, consider once again the following:

No sane person will advise you to stop marketing your products and services in ways that are presently successful for your company. By all means keep doing whatever works. The old adage, "If it ain't broke, don't fix it," certainly applies here. Any Internet marketing activities you kick off should provide additional exposure and should complement your traditional marketing efforts (and visa versa).

- The current Internet user base (20 million plus)\_coupled with the enormous growth rates of online services, modem sales, E-mail usage in business, bulletin board systems, corporate connections, and more\_give you an indication of the very mysterious but apparently exploding numbers of Internetusers. This market is clearly too large and growing too fast to be ignored for long. The Internet is here today and strong. The tools and knowledge you need to market your products and services over the Internet are available to everyone today.

Even if you think the Internet may not be ready for your products or services

quite yet, or that you might not be ready for the Internet, you can't get involved too early in something as massively interesting and potentially rewarding as the Internet.

Presumably, this is why you purchased this book, and we don't intend to disappoint you. It is early in this new business cycle. Most of us are just learning how to move around in this new medium. There is much to learn. However, we have the aid of incredibly talented and motivated people working for companies like Microsoft and IBM and Intel and others to help us in our quest. Remember, the corporations who are building the information superhighway represent the biggest single chunk of investment capital in the world. Companies like Microsoft, Apple, Hewlett Packard, MCI, AT&T, Sony, Matsushita, IBM, Intel, Toshiba, TCI Cable, Time/Warner, McCaw Communications, and so on are all placing billion-dollar bets that the global economy will evolve this way. Generally speaking, throughout all known economic history, those who have gone along with the big money are the ones who have survived the best. It is my firm hope that you learn here how to bet your money on the same horses the big boys are betting. The biggest gamble of all could be in doing nothing to address this potentially huge and growing market.

- If you already own at least one computer and a modem, it does not have to cost you anything to start marketing your products on the Internet. The bad news is that anything truly valuable will eventually take time and money to develop. If you have the money to hire people to work on this for you, this is one way to develop. If you don't have the money to do this, it will require lots of your time. The more you invest, whether time or money, the greater your exposure, and the greater your exposure to the markets you wish to reach, the better the end results in most cases. Time spent in exploring the Internet can be costly. You will need to fully understand where your customers tend to congregate on the Internet, the best way to reach them, and the best way to deliver to them and support the sale.

For these reasons, I recommend getting started on your Internet marketing plans for the Internet immediately! Good luck.

## **CHAPTER TWO**

## CHAPTER 2

### Online Marketing Basics

Almost everyone has had some type of marketing experience in his or her life, be it long-standing professional involvement or memories of a childhood lemonade stand. Whether you are an old hand or just getting started, this chapter will lay the groundwork for the topics covered in the rest of the book. We will start with some marketing basics and then look at how to blend basic marketing techniques with the culture of the Internet today and tomorrow.

#### Online Marketing Is Direct Marketing

Online marketing, or marketing on the Internet, is the pursuit of profit utilizing the Internet as the medium. The product or service that you want to use to pursue that profit is up to you. You may be a butcher, a baker, or a cowboy. It doesn't matter, as long as you have something you can exchange for money.

In thinking about how to best describe Internet marketing, I began by focusing on the similarities and differences between Internet marketing and other more traditional marketing environments. As it turns out, the Internet is most similar to direct mail marketing. There are several reasons for this. First, direct mail has to do with selling by sending people information. The Internet provides an expanding universe of information delivery possibilities. Second, in direct mail marketing, you attempt to find and identify people who are most likely to want your product or service. You need to locate prospects and turn them into customers. You must do the same thing when marketing over the Internet. Third, in direct mail marketing, you need to sell your prospects from a great distance. You might be mailing your initial brochures or sales letters to 100,000 people all over the country. When marketing over the Internet, you deal in the same kinds of numbers but the average distance has increased in general because the Internet is global, not national. Given that Internet marketing is much like direct mail marketing, let's review some basic direct mail marketing concepts that apply directly to Internet marketing. One thing you will always need to do is think creatively as NASA does as shown in Figure 2.1, which shows their Home Page on the World Wide Web.

#### Direct Marketing Basics

You may have already been introduced to the following way to remember the key points of direct mail marketing. It's an acronym, AIDA. It stands for:

Attention

Interest

Desire

Action

In any marketing approach, first you have to get their attention. Then, you must

create an interest in your product. Then, you must build desire for your product in the prospect. Finally, you must ask the prospect to take an action. He or she must fill out a form, call an 800 number, send in the coupon any action will do so that there is a commitment to purchase by the prospect.

If you watch TV commercials, or read magazine ads long enough, you start to see this pattern repeated over and over. I just saw a beer commercial that used this formula exactly. The beer company got my attention by showing a pretty girl in the scene. Then they got my interest by showing me a close-up view of a chilled glass of golden liquid bubbling refreshment. Then they built the desire by showing me images of a desert and how thirsty the actor was. I became very thirsty, too. Then they reminded me that I could go to the refrigerator and get myself one of their products, or if I did not have one in the refrigerator, I could get one at a local market. Many thousands of people take that action every day, (perhaps not in direct response to this advertising, but it certainly helps to remind all the beer drinkers, or they would have stopped advertising this way long ago).

Automobile commercials are another good example of this formula. You can bet that the ones that do not are not pulling as much new business in as the ones who do follow this formula. I can think of several times when I have seen a commercial that goes on for some time showing pretty pictures, not telling me what the product is. I think these are commercials that are done by advertising agencies to impress everyone with the talent at that agency, but I'll wager these commercials do little or nothing to sell product. When commercials hit the formula, they sell product again and again.

Why does the formula work? Well, the answer is related to human nature. Most of us are not walking around all day thinking about your product, so you have to grab our attention away from whatever we are involved in at the time. Next, you have to make a statement, show a picture that will get our interest or else you are likely to lose it. Next, you use all your resources to build the desire for the product. Interested people are not necessarily buyers, but people who truly desire your product may become buyers in the immediate future. Then, finally, you ask them to buy.

The AIDA formula is the main reason that you see headlines in newspapers. The publisher is trying to get your attention. The bigger the headlines and the more shocking, the more newspapers they will sell. They have known this for years. The rise of the tabloid press came as a result of their attention-grabbing headlines like, Elvis Found Sleeping on Park Bench with Alien from Mars. Don't laugh! They sell millions of newspapers every day with headlines just like that.

You start to build desire by working with the interest in the product. Since you don't know if anyone you're talking to is really interested, you merely assume the interest. Those who have an interest will hang on every word, and those who have no interest will disconnect. If you can start with a known assumption that works all the time, you have a head start.

Lets say you know that everyone who buys your cars was first interested in them by learning in the newspapers and TV stories that your car could get 100 miles per gallon. You start with this point of interest. Then, you move on to other points you know should also interest the buyer such as the leather seats, the environmental

controls, or the hood ornament. Whatever it is that you do should pique or build their interest in your product. You keep doing this in order to build the desire to buy.

You probably know that people buy to satisfy their desires, but what you may not realize quickly is that desire is an emotion. Therefore, we have to get emotionally involved with a product before we make the conscious decision to buy it. Building desire for a product is a very mysterious, magical kind of thing. I have tried to explain this many times, and I come up short every time.

Its just like sex! The closest analogy anyone has ever used is the one about a physical relationship with another person. Somehow, if were destined to be together, the desire builds in each person. Some of this desire is based on pheromones, or chemicals that our bodies generate and that we sense subconsciously. This is whats known as chemistry. People often say they fell in love, got married, or formed a relationship because the chemistry was justright. Theyre really talking about this pheromone stuff.

The same goes for building desire for our products. We either make the case for desire or we dont. The Honda car company makes the case very well for Hondas, and this is why Honda has been the top-selling car in America for decades. American car makers are now catching on to building desire and are slowly gaining back the number one spot. The Studebaker car company did it for awhile, but long ago, they lost the magic somewhere along the line and there are no Studebakers in production any more. Its difficult to put your finger on it, but you know how to build desire or you dont.

Its not just detailing the interesting points of the product or showing pictures or giving test drives, or Studebaker would still be in business. To get the desire to the right level, you have to coax and tease and make allusions to the better life-style your product will bring. Its selling the benefits and not the features. Its everything else that you have ever heard about selling and more. The car companies, the tobacco companies, the beer makersall found out long ago that you have to make the buyer believe that buying your product is going to lead to a better way of life. For better or worse, this is marketing.

Were not naive enough any more to believe that smoking is going to lead to a better life, so American tobacco producers have to look to other markets, such as Asia and Europe, where smoking is still fashionable to keep their profits coming in. With all the traffic and smog that cars bring with them, were almost ready to throw over the love affair with the car. Were not quite there yet, because we all need a car to get around. The day will come, however, when an alternative vehicle will hit the roads that does not cause pollution and is able to reduce traffic. Then, the traditional gasoline powered car manufacturers will be forced to find other ways of selling us their cars.

What greater proof can I offer that buying is an emotion. It is not by accident that we speak about an addiction to cigarette smoking and the love affairs with our cars. Desire is what gets us into so much pleasure or pain in life. Be careful what you wish for, you may get it!

As soon as you have grabbed their attention, built up the interest, and produced a

real desire, get them to take an action. Whether its picking up the phone, coming into a showroom, going to the store, or sending in a form, some action is now required. Desire alone doesnt get it. This action is what distinguishes the difference between a warm body and a new customer.

If you have ever had any success with direct mail, you know that these concepts work, that only these concepts work, unless you have a very unique product or service that must be sold differently, and that there are exceptions to every rule. Nike doesnt need to do any real marketing of their athletic shoes any longer because they have become part of the American way of life. Shaquille O'Neal wears them, or is it Michael Jordan? The only way we can really distinguish Nike from their competitors nowadays is by which athlete endorses them. I can never remember who is who, nor do I really care. The kids who buy the shoes know the difference, and thats all that matters to the respective marketing directors.

Sooner or later you ask for the order. You make them take some action. They will either do what you want or they will not, based on everything that you did before. If you grabbed enough attention, you have the people looking at the rest. If you are able to show why they should have an interest, they will continue to follow your plan. Then, finally, if you do enough of all this to really build their desire, they will be right with you when you ask for them to fill out an order form or questionnaire. This is the general way to begin to plan your marketing materials, whether you are creating an infomercial, a brochure, or a newsletter.

### The Flavor of Internet Marketing

In the rest of this book, well be showing you how to grab their attention, pique their interest, build their desire, and get them to take an action that will make them a customer of yours. But well be doing it all with new and creative tools, faster mechanisms, far less costly materials. Well be doing it on the Internet. Lets start by considering the nature of marketing on the Internet.

### Online Marketing Defined

Online marketing, or marketing on the Internet, is the pursuit of profit utilizing the Internet as the medium. The product or service that you want to use to pursue that profit is up to you. You may be a butcher, a baker, or a cowboy. It doesnt matter as long as you have something you can exchange for money. Exchanging your product or service for money on the Internet is easier than anyplace else you might care to market. Marketing on the Internet is also a faster process overall because you dont have so many impediments such as having to deal with printing, envelope stuffing, the post office, bulk mailing, and so on. Finally, when done correctly marketing over the Internet can be more cost effective than more traditional marketing means, and you will not have to wait long weeks, months, or years to find out if your efforts are going to hit paydirt.

### Cool Tools

On the Internet, you can use hypertext, video, sound, graphics, text, animation to make your point. Piquing interest and building desire may be easier on the Internet because you can build what I call virtual experiences of your product. Since the combination of the Internet and the personal computer is a very interactive experience,

you can build into your display all manner of interesting things allowing for the prospect to uncover and discover even the subtlest feature of your product. You can actually let them dissect it if you want or need to. This process of interactivity with your information is the most intriguing part of this new marketing medium, and there will be many very creative people who are able to invent ways of making this one of the most amazing aspects of our society.

For example, if I were in the automotive business, I would place video and, of course, still photos of my latest car models, but more than that, I would show off the new features such as antilock brakes by having a simple animation showing the new stopping power of these brakes, or I might demonstrate the stereo system by having the prospect see a replica of the stereo system on which he or she can turn the dials and press the buttons and hear music, an experience that is part of my selling process the more, the better. Not only does this give my prospect the ability to kick the tires, but he or she is able to look into the luggage compartment, pop open the glove compartment, or even watch a visual demonstration of how a new fuel injector sends more power to the engine. You are limited on the Internet only by your imagination. It's a hands-on interaction that helps to build desire and can lead to a desired action.

Having the prospect take the desired action is also easier to do on the Internet than in other media. If you were to advertise on radio, you would have a real problem trying to get the listener to take an action toward buying your product because most radio listeners are in their car driving to or from work at the time and both hands are very busy. Even if you advertise on TV, although you have your prospects at home, they are relaxing on the sofa or easy chair and not likely to get up and make a phone call just for you. When you are marketing on the Internet, you are likely reaching prospects who are already in a working mood or a business frame of mind. Whether they are using their computer at home or at the office, you have your prospects in the right frame of mind and the action. Further, taking the desired action is very convenient if that action involves, say, filling out an online form. After filling in with all the personal information that you need, the customer merely clicks on a button and the form is E-mailed to you at the speed of light. There is no post office to act as a middleman here. You don't have to wait two or three days, or even a week, to get notification of the prospect's interest in your product or service. The notification is sent to you, perhaps even while the prospect is still looking over your offer. Of course, the prospect's response might or might not lead to a sale. At this point, your sales staff must be trained to know how to handle these online responses effectively.

#### Information is the Watchword

Remember, it's called the information superhighway, not the advertising superhighway, because it deals mostly with information. If you happen to be selling information, you definitely should use the Internet to pursue a profit—it's a natural. If you carry hard goods, such as cars, trucks, clothing, computers, and so on, you can still use the Internet either to build recognition of your company or to actually sell directly to the consumer. However, keep in mind that on the Internet, you are expected to provide some information of value for free, even if your sole objective is to sell something. If you don't provide the users with some information of value, you will be perceived poorly by the Internet community, and this will limit the effectiveness of your marketing efforts. The combination of information and interactivity will lead to sales.

With some creative ideas and thoughtful planning, you will find a way to provide the Internet community with information they value (give to the Net) while at the same time marketing your product or service (take from the Net). We will show you, step by step, how to do exactly that.

### A More Level Playing Field

The beauty of this information revolution or the communications revolution, whatever you want to call it, is that it empowers each of us to be as significant or as powerful as a J.C. Penneys, a Sears, Roebuck, or even an IBM. Since there is no physical location to the Internet, you don't need any fancy storefronts or slick packaging. We are all equal in the starting gates when it comes to the design and conception of our ideas. The look and feel of our product can be as nice as that of any other product offered on the Internet. Whether you spend a million dollars or only a small fraction of that budget, products marketed over the Internet can be presented with the same level of professionalism and flash. Through the power of today's low-cost desktop computers, you can create truly beautiful presentations for the Internet community that effectively communicate everything you want to communicate about your products or services. These tools can make your Internet marketing efforts as effective as those of the largest corporations, even if you are a small business.

You can even demonstrate your products to millions of people all over the world in an online, automated fashion without ever leaving your office. You don't need a huge budget, fancy clothes, a limousine, an entourage, or a New York-based PR firm to give your products or services the same look and feel as a product developed by IBM or Sears.

For an example of how the Internet can level the playing field, consider the look and feel of advertisements presented by Prodigy, an online service put together by IBM and Sears, Roebuck. This year, Prodigy will finally show a nominal profit after posting losses totaling nearly one billion dollars! IBM and Sears together have invested more than a billion dollars to create this online environment, which is full of product advertisements, and Prodigy sports some very high-class advertisers today. They have many of the top-flight magazines such as Time, Newsweek, and Business Week within their domain, yet none of these very well-heeled national magazines has yet to publish a single photograph over Prodigy.

On the Internet, I know college kids who put their résumés with photographs out for the entire Internet population to view. Many of them have actually been offered great jobs or started new companies. The point is, the look and feel of your marketing approach on the Internet can now be at least as good as anything the major players are able to produce even better, if you have some creative staff.

What other advertising medium can offer you the same pizzazz and access as that available to the largest companies in the world at a price you can afford? If you want to compete with Coca Cola or Pepsi to attract attention on television, be prepared to spend upward of a million dollars a minute! Yet, on the Internet Coke and Pepsi can't do anything any better than you or I no matter how much money they spend. This is the even playing field we have all been waiting for and must be foremost in your mind when planning your marketing strategy. No longer are consumers forced to buy one of two different brands because of a lack of shelf space where people shop. There

are no shelves on the Internet, so no preselection by the distribution channels is necessary. All channels are open. Everyone is equal. Solutions to consumer needs can now be offered by millions of players instead of a handful of powerhouse companies. Can you compete with the large corporations in the world even if you are not one of them? On the Internet, the answer is a resounding, Yes, I can! In fact, the Internet will cause competition to escalate to new levels because the entrepreneur will love this new frontier and will be enabled to compete like never before. The entrepreneur can move faster and make decisions easier than the big corporations run by many faceless committees. Perhaps a more compelling question is, Can large corporations effectively compete with the smaller more responsive, energetic, and creative companies appearing on the Internet daily?

That is the nature of Internet marketing today. However, the situation could change suddenly in the future with government regulations and bureaucracy now in the hearing stages in Congress. The next Congress could do something that would inhibit all this freedom on the Internet, but I doubt it. Start writing those letters. Tell them to leave well enough alone, to keep their hands off this last bastion of freedom!.

### The Internet in Transition

The Internet holds bad news for those unable or unwilling to keep step with the fast changes currently being driven by the fast-paced and flexible Internet environment. For example, today's graphics-based marketing message will need to become a multimedia message complete with video, animation, and high-fidelity sound on tomorrow's Internet. We have to be prepared to be multimedia producers because this is the direction the technology is taking us. AT&T has announced plans to bring Internet connections to every home in America. This breakthrough will doubtless be followed by all the other long distance service providers, or at least most of them. The reason? All communications companies are scrambling to get their share of the communications dollars. The Internet traffic will provide a large percentage of it, no doubt, and they can taste it.

Several conferences have been held recently in which products are discussed that may take the Internet communications revolution all the way to your cable TV converter box. Dubbed the set top box, this technology is being explored as a way to make your desktop computer communicate with all the other computers on the Internet via the cable TV converter box now in about 70% of American households. The challenge for all of us will be to gain as much momentum as we can while the Internet transitions from mostly E-mail to mostly video and perhaps even virtual reality. We continue to see the Internet using mostly E-mail services. Perhaps they are experimenting with FTP or file transfer and learning how to do Gopher searches and perhaps even directory searches. There are still millions of Internet users who aren't even aware that there is so much more beneath the surface. If you use E-mail at work, your network administrator or computer department chief may be blocking the most creative parts of the Internet from your use because your job description does not include any real marketing duties. Even in many corporations, the Marketing Department itself may be just learning about their Gopher server, or are only now thinking about installing one. It may be months later when most companies make the transition to World Wide Web. This pace of change rapidly continues.

The World Wide Web is the fastest-growing segment of the Internet and is the

most graphical of all the Internets services. In my humble opinion, the World Wide Web is where you want to concentrate your efforts because it will work more and more like TV, with its ease of use, and more and more like Windows, with its fun and simple mouse clicking and hypertext interaction. At the present time, however, most of us Internauts are still struggling to learn how to view newsgroups and send E-mail. This is changing rapidly, but it still requires the Internet marketer to know how to use all of the Internets segments to promote and push his overall strategy.

So, the Internet is in a transition itself. Competition among the online services, competition among the phone companies, even competition among the bulletin board providers, provides us with the major thrust in this transitional phase. And this transition is happening so fast that you need to get involved with online marketing right now or risk having to play catch-up with your competitors.

### My Six Rules of Netiquette

One of the basic facts about the Internet is that it was started by scientists and educators for the transmission of scientific and educational information. It was not intended to be used for commercial purposes. You have to realize that there are people on the Internet who don't want it to turn commercial, and these people mostly are involved with the newsgroups. When you invade the newsgroup part of the Internet, you're invading an area of cyberspace that people avidly guard against commercialism. The people who maintain the newsgroups have come up with certain rules about who should use the newsgroups and why, and you must honor them, or else you will get flamed. Flaming means that hundreds or thousands of people in the newsgroup are told about your infractions and they send you mailbombs—useless, meaningless mail that will clog up your mailbox. Worse, they can complain to your Internet provider and have your account disconnected.

There is no court of appeals. There are only those who write the rules, and they can be very tough and deserving of your respect. If somebody in a newsgroup replies to one of your postings and tells you to cease and desist and gives you a reasonable argument for doing so, heed the words carefully and re-examine this book for techniques on how to survive in the newsgroups with greater harmony.

You can make a living by doing things right and without offending anyone or any group on the Internet, so you need to pay attention to the next section and learn how to avoid problems on the Internet.

Remember, there is no one to enforce the rules except the members of the Internet. It's not like the CIA is going to come down on you for breaking them even though they do have an Internet Home Page, as shown in Figure 2.2.

Let's review some basic Internet manners or Netiquette. When I first heard the term Netiquette, I thought it was something devised for all the Emily Posts and Miss Mannerses out there. I'm the type of person who likes to test the limits and the boundaries of anything new to see what I can do. If you are like me, you will want to listen. You want to read the six rules of Netiquette that I learned as a result of ignoring them and testing the limits. I was burned, and my ignorance cost me a good deal of time and energy. Therefore, I mention it to you here as a very important warning. Take Netiquette seriously. Learn all about why certain key players, mostly Sysops

(short for systems operators), want you to do things their way. I believe we have worked out some master strategies in this book that satisfy most of these requirements and yet allow you to get your marketing job done.

Here are my six rules of Netiquette, which you should never disobey:

1. Never reveal any company or personal secrets. This sounds a little obvious, but I recently read a message in a marketing newsgroup where an entrepreneur is complaining that his location is not getting any responses. Now, the whole world knows that his location and his abilities are inferior. This is tantamount to buying a TV commercial during the Super Bowl and telling the world that your products are poisonous, unhealthy, fattening. This fellow committed marketing suicide, and he doesn't even realize he alone is responsible. Also, your competitors are probably reading your postings, and if you give hints on how your product is made or produced, you could be breaching your own security. Again, this sounds obvious, but I see people break this rule every day on the Internet, and I have gained lots of strategic advantage over my competitors, just by reading.
2. Don't pretend to be too smart. The newsgroup members who joined up before you and learned a few tricks now think that they are smarter than you as a new subscriber. There is a certain kind of orientation period you have to go through before coming off like an expert. Therefore, wait a few weeks or months after getting onto the Internet before you try to claim that you are an expert at anything. During the first few months, you are a neophyte and you want to be asking questions. Never make blatant statements of any kind until you are absolutely sure of your remarks. If you start an argument, you waste your own time and the bandwidth of the Internet on meaningless dribble.
3. Never rub anyone the wrong way. Don't get anyone mad at you on the Internet. If you sense hostility of any kind coming from a newsgroup subscriber, back off. Relax, take a day or two to calm down before replying or better yet, ignore it. Always be polite. Don't say or do anything inflammatory. If you step on someone's toes in any way, merely apologize like a gentleman or a lady. Remember, the Internet is interconnected in many ways and a bad reputation can cast enough doubt about you and your products to ruin your chances of success. Don't self-destruct by getting into arguments on the net. I have seen enough stupid arguments (and have been part of some) to realize what a stupid waste of time it is. (There are people who love to argue; don't take the bait.)
4. If you do get flamed in any group for something you've done accidentally, apologize immediately and stay aloof so that the controversy can die down and they have forgotten who you are or don't care any longer. If you do something out of ignorance, plead your ignorance to the group and ask forgiveness. Now, you should see the better part of human nature come forth and the same people who were going to flame you will try to help you by pointing out to you where to find things and how to do things. Always pay attention to their advice 90% of the time, it's accurate and it will help you.

Always look around for friends, associates, and people with related ideas, problems, and so on. You would want to do this anyway in any marketing

strategy, but on the Internet its very smart to have colleagues, cohorts, and people you can count on to support you so that you can learn more and test your ideas by asking them. You make friends and avoid enemies simply by asking questions when you first arrive on the Internet. The more questions you ask, the more you will learn and the more friends youll make. Go blundering around without any assurances that youre doing the right thing and youll make only enemies. Again, this can cost you lots of time, and time is money.

5. Most important, never post any blatant advertising in newsgroups, except the appropriate newsgroup that allows advertising. Use the third-party technique of a satisfied customer talking about your products or services in a positive way. If you have a satisfied customer, ask for a testimonial in the appropriate newsgroup.

Newsgroups should be treated today as groups of people getting together to learn more about a particular subject. They dont want to waste their time with blatant advertising. However, they dont mind hearing about your products and services, if its related to the group interests, and if it comes in the form of one group member telling another. This is the meaning of news in the newsgroups as best I can gather. Its not that they are all posting news items such as those Dan Rather or Tom Brokaw would deliver. But news about a product or service that relates to the subject of the newsgroup in question is accepted as news, most of the time!

If you try to post this news yourself, it might easily be construed as advertising and self-promotion. If you post it in the form of a press release or a testimonial or answer a question someone in the group has put forth with information about your product or service, this is acceptable.

6. Never use CAPITAL LETTERS. They dont like that. They regard it as YELLING! Personally, I like using caps to emphasize some of my words, but do it in a newsgroup and youll get some criticism for it. Dont look for trouble. Go the easy way, use lowercase.

### The Three Laws of Internet Marketing

During my Internet marketing experiences, I have developed a few laws of Internet marketing that will help you maximize your success. Lets look at these laws now.

#### The First Law: Keep It Appropriate

You must be careful to provide/distribute information over the Internet only to those who have expressed an interest in receiving such information. For example, anyone who takes the time to find, join, and participate in a newsgroup on a particular topic is an excellent prospect for selling products and services related to that same topic. If you make your product or service known to the newsgroup subscribers (without breaking the rules of Netiquette), you can increase your sales. However, you will alienate any newsgroup readers by posting information that is not in keeping with the topic of the newsgroup.

You must also remember that what you think is appropriate and what the newsgroup as a whole thinks is appropriate may be completely different. I will use the

example of the newsgroup devoted to the pop music satirist Weird Al Yankovic. One might think that posting of files that related to similar music products by similar artists would be totally appropriate, but the newsgroup subscribers may only want to deal with Weird Al records and lyrics here. In that case, you might alienate the Weird Al fans (many of whom might be interested in your products), simply because they see you as inappropriately interfering with their communications with irrelevant information. Stay exactly on target with your Internet marketing efforts. Give them the information they want, and tie that to your product.

### The Second Law: Use All the Internet Services You Can

To get the maximum bang for your Internet marketing buck, see that your marketing message is distributed in as many ways as possible, to as many interested Internet users as possible, as often as possible.

At present you might start with FTP and Gopher. However, the World Wide Web is the fastest-growing method of transport. We don't know exactly what that means in terms of numbers because WWW is newer than the other Internet distribution methods. We can, however, tell you that as of this writing, some sites on the World Wide Web were getting over 100,000 hits (visits by browsers) per day. Some were getting into the millions of hits over a period of a few days. One place announced they got 1 million hits per day! If the numbers continue to increase, as they most probably will, you can see why the World Wide Web and the Internet are already getting so much publicity. It is my prediction that sometime in 1995, the numbers of people visiting a few of the most popular sites on the Internet will exceed most prime-time TV shows viewer reach on a daily basis.

At present many people still use Gopher, FTP, or BBS gateways or the online services. Therefore, you must hedge your bet and reach the largest possible number of Internauts by providing them with their favorite method of getting your information, whatever method that may be. Each area of the Internet reaches large numbers of people. You ignore any of them at your own peril.

### The Third Law: Keep Your Contributions Full of Real Information

The information you distribute online (sometimes called your postings, articles, etc.) to market your products can be as short as one or two sentences or as long as a multimedia presentation. As long as it contains real information of value to the readership, not just promotion of your product or service, you will be generally accepted everywhere on the Internet. If someone objects, you can always come back with, Hey, it's the information superhighway! I'm merely providing information for the Internet users. Anyone with any sense would have to accept that statement if true. You have to use your own judgment as to whether or not this rule is true in each instance. Use your imagination, but keep it relevant.

If you want to market effectively on the Internet, you will have to produce as many contributions as you can. Then, you also need to help people find them. Most important, your articles must contain some information that is useful to somebody. If you are simply and blatantly marketing your products without offering any other information of value, your contributions will not be read by enough people to get you any real market exposure.

The way to put some information content into your articles is to think creatively. You could create a weather report for the nation and plug your company as the sponsor at the bottom, the way they do it on TV. A sports report would do the same thing. If too many of us are producing weather reports or sports reports, they will all begin to compete with one another and dilute each one's effectiveness. Therefore, you will have to think up new ways of giving information to the reader so that your information will be accepted and read by a large number of people. This gives you the exposure that you need. Be original.

An example might be to create a comic strip that relates to life in the 1990s or a TV critic cartoon that pokes fun at the TV shows. These are two examples of general consumer information. Many times, however, you will want to appeal to a specific target audience who are your customers. Stock quotes are a good example of this specific information approach. Even though most people do not dabble in the stock market, perhaps your target audience does. If you are a stockbroker or have any financial service to sell, this might work best for you. If you are a car dealer, you might reproduce (with permission) a consumer report about models of cars in your class, if it's favorable to your car. If not, you might produce something that compares the mileage statistics of all popular cars again, if it's favorable to your car.

The reason you need information in your promotional pieces is that Internet viewers have a remote control device in front of them all the time—the mouse (or the trackball or some other pointing device). The instant they determine there is nothing in it for them, they will use this device to quickly discard your contribution and will move on to other points of interest on the Internet. Time is critical to most Internauts because they are paying an average of \$5 per hour.

The reason we know this is because of what we know happens when pictures are presented on the World Wide Web. If the picture is too large and detailed, the file size makes the picture transfer across the phone lines at a pace that may take as long as two minutes. Nobody is going to sit there waiting for your picture to transfer across the phone lines. What people do is cancel the view and move on to somebody else's information. This is shown by countless studies and statistics on the Internet and is the one major rule we can count on. We will refer to this fact of life by telling you throughout this book how to avoid problems with files that are too large and take too long to get to the viewer.

I only mention it here to explain why your contribution has to contain useful information. If it does not, people will skip over it, and the effectiveness of the contribution is lost. Another factor to consider is that many people on the Net are charged by the amount of time they spend there. Therefore, they may actually get angry with you for thrusting your presence in front of them and costing them money. This can backfire on you. However, if you have real information, even though they may not need that information or care about that information, users are forgiving enough to realize that this is part of the information superhighway, and with this approach you will not receive too much negative energy.

## The Twelve Steps to Online Marketing

In order to help guide you through your first venture into online marketing, we will guide you through a step-by-step process to get you heading down the right path. The

good part of all this fast-paced stuff is that its not expensive if you make a mistake. Nothing about Internet marketing has to cost you lots of money, so you can afford to learn by your mistakes. Its a huge learning process for everyone right now because everything is changing, including theInternet itself. The single most important word for you to remember is not megabytes, bandwidth, Mosaic, or anything technical. The most important word for you to remember is the word experimental. Everything you do, in the beginning, should be considered experimental. You want to look around and see what other people are doing. Find out if they are successful. Then formulate your own plan and strike out on your own. If you are successful, you will know almost immediately. Have a little patience. Wait to get a real flavor for what youre doing, and you will gain more and more inside knowledge of the net. Dont be reluctant to make changes all the time. On the Internet change is good!

Nobody in this world can guarantee your success by following any set pattern. Far be it from me to try and pull a fast one on you. We merely provide these 12 steps as a framework that was built based on my experience and on what is working for most today. You have to be quick enough to see whats going to work tomorrow. Dont worry, what we will show you here will give you plenty of help.

Remember, above all things when you finally arrive on the Internet that very few people have any more knowledge than you. After you read this book and understand everything in it, you will be better prepared than most people who blindly attempt to market their products on the Internet. The Internet requires your constant attention and constant planning and involvement. But if you give this much, it can give back a thousandfold.

To get you started on that road, we will now introduce these 12 steps to online marketing. Later chapters will guide you through the execution of these steps in greater detail:

1. Define your objectives.

In any marketing effort, you must have objectives or goals in mind. Most readers will probably want their goal to be the generation of direct response orders, so we will assume that is the objective for most of what we tell you in this book. However, there are many other objectives you can achieve by adapting what we show you in this book:

- Generating direct response orders

- Building a list of prospects for future promotions

- Increasing brand awareness or corporate image

- Gathering information about customer preferences to help guide future product development

- Testing consumer response to discounts or other special offers

- Finding business partners, dealers, or franchisees for your products

Improving customer service

Recruiting talent, members, employees, subscribers, etc.

No matter what your goals, keep them in mind as you create your online marketing plans. Also determine what constitutes a success versus a failure, at least in broad terms. However, since online marketing will be a completely new experience for many readers, don't cast your marketing plans in stone. Move slowly and cautiously. Become a student of the online world. You can learn a great deal without spending huge sums of money. Be prepared to continually restructure your marketing plans and revisit your objectives as appropriate.

2. Identify the products or services you will initially offer.

As with almost any new project, it usually makes sense to start your online marketing activities in a small way and then expand your efforts as you learn what works. In keeping with this spirit, select one or two products from your product line to start marketing online. It might be helpful to pick a product with a successful and reliable sales history through direct response marketing so that you at least know the product has appeal, thus removing one of the variables in your online marketing experiment.

You will learn a great deal by concentrating on one product or service in the beginning. Later on, you can expand to hundreds of products or services, or put your entire catalog on line. You see there are no set rules. It's up to you.

3. Get on the online services and observe.

The only way to begin your online marketing activities is to get online. As soon as the online services have millions of subscribers and are quite easy and inexpensive to join and use, I suggest you begin your online marketing activities there. Everything you learn about marketing on the online services will be directly applicable once you get directly on the Internet. To access the online services, you will need a computer system of sufficient power, a modem of sufficient speed, and the necessary software (see Chapter 3).

If you are not already a subscriber to America Online, Prodigy, CompuServe, or Microsoft Network, you should pick one or two of these four and subscribe. Although you will eventually wind up subscribing to all of these services (provided you find success with the first one), you can start with any one of them. We will tell you exactly how to get online with these services in Chapter 3. Use these first to get further information about the Internet and how it works. This book is just the beginning of your research efforts.

4. Create info-tools about your products.

An info-tool, by my definition, is a computer file that contains information about your product, services, business, and so on. These can be short messages, reports, books, newsletters, or excerpts from longer works whatever you can create to tell the world what you do. Let me give you an example. Let's say that you have produced a new way of making peanut butter or you sell an old-fashioned item we all need, paper clips. You tell people about your peanut butter or paper clip with an interesting and informational angle, such as how to make the world's longest paperclip chain or 1001

things you didn't know about peanut butter. This is news to most of us on the Net. In other words, find a way to make your business sound fresh to the world, or at least new to the universe of Internauts. Tell the story so that people will know what is so great about your product. We will look more closely at creating info-tools in Chapters 3, 4, and 5. This is not advertising, it's information.

#### 5. Distribute info-tools over the online services.

Once you create your arsenal of info-tools, it becomes time to get on the online services and distribute them in many different areas. This is when you make your debut in the online marketing world. You will want to move slowly and cautiously, and make sure you stick to appropriate areas and exhibit appropriate behavior.

The online forums welcome most contributions of this nature if they are relevant to the focus of the forum. Chapter 3 will show you where to get your info-tools distributed far and wide over the online services.

#### 6. Get on the Internet and learn.

After you have learned and had some success marketing your products or services in the online services environment, it is time to expand your efforts onto the Internet.

If you have not had at least minimal interest in your products or services as a result of your marketing in the online services environment, you may want to go back to step 1 and rethink your entire project. It could be that your prices are too high, or your product is too easily matched by others already online ahead of you with a very big and potent online presence.

If you have had some success with marketing in the online services environment, then it is reasonable to expect that you will do at least as well on the Internet, where there are ten times as many people in one place. However, you will need to learn new skills to reach them because, unlike the online services, there is no single, easy-to-use interface that reaches them all. That is developing more and more each day with Mosaic as a reader and the World Wide Web as the main distribution hub of information, but for the foreseeable future, you need to master methods of reaching people who stubbornly cling to more cryptic areas of the Internet.

As with the online services, the first step in your expansion onto the Internet is to get directly on the Internet and quietly observe. You should be able to use the same computer hardware to access the Internet as you used to access the online services. The diskette in the back of this book provides you with the software you need to begin roaming the Internet. (Appendix D tells you how to use that software.)

If you don't already have direct access to the Internet, you will need to contact an Internet service provider. Once you are on the Internet, look around at the vast resources. Learn where your prospects and others in your industry hang out while you gain knowledge and experience. The Internet Roadmap also provided on the diskette included with this book will help you find the most important Internet hangouts. Chapter 4 will help you get your feet wet directly on the Internet.

Once you get on the Internet, the first thing you should do is to get free copies of the high-powered, second-generation, usually Windows- or Macintosh-based

programs that will save you time and money. Don't worry, we will give you complete instructions where to find and how to get these programs. On the diskette in the back of this book, we have included my Official Roadmap to the Information Superhighway. This is a Windows Help file that will point you to thousands of useful places and programs on the Internet that you can use. You also have the best jumping off point on the disk, my NETCENTER.

The second thing to do is find yourself a group of friends online who can help you find your way around. Ask lots of questions. The people who came before you on the Internet are dying to show off their new-found knowledge by taking someone like you under their wing. Ask them where groups are that you know relate to your business in some way. Keep asking because everyone knows just a little of what you need to know. The more people there are advising you and giving you directions, the better prepared you will be. The competition will not do this. If you do, you will stay light-years ahead of them. All it takes is the ability to know what questions to ask and how to ask them. After reading this book, you should know exactly what you need to ask to get your plan into action.

Finally, it may be worthwhile to develop an online personality. This isn't something I or anyone can teach you. You just have one or you don't the way that a disk jockey develops one or he doesn't. The most successful DJs are the ones whom you remember, and you dial them up on your radio more often. You want the same kind of leadership to begin to develop in your attitude. Always defer to others who have already established this online identity. Don't scoff. Always show the utmost respect and get them to teach you what they know. Believe it or not, this is the greatest source of privileged information you may ever know. Some of these people have doctorates and masters degrees in the subject in which you are a freshman.

My advice is to take their advice become a student of the Net. You'll know when it's time to graduate.

#### 7. Distribute info-tools using newsgroups and mailing lists.

Once you begin to know your way around the Internet better and have established a nice entourage of online buddies, it is time to start distributing your info-tools; that is, it is time to start marketing on the Internet. Since the Internet newsgroups work like the forums of the online services world, we will start our Internet marketing activities in newsgroups and the closely related mailing lists. Chapter 4 will be your guide to marketing in the newsgroups and mailing lists.

#### 8. Create your own newsgroup and mailing list.

We will show you how to be the master of a large number of Internauts who join your newsgroup or mailing list.

Once you have mastered the mailing lists and newsgroups, and you feel you are squeezing every ounce of profit from the ones available to you, you can begin to think about creating your own newsgroups and mailing lists. At present only about a dozen newsgroups have been created for the sole use of any given business or enterprise. I created one for the purpose of promoting my own business and I'm happy to say it's growing rapidly and becoming filled by thousands of people interested in corresponding with me and reading my many info-tools.

In Chapter 4, we will show you how to start your own newsgroups and mailing lists. This activity can be extremely rewarding. For example, I have an Internet mailing list of over 40,000 people with interests that make them good prospects for my services. It took me only a few hours to start this mailing list. If I had to rent such a list as in the traditional direct response marketing world, it could have cost me upward of \$500 per thousand names, or about \$20,000.

#### 9. Set up your own Gopher or FTP server.

The FTP and Gopher Internet functions act like an electronic newsstand from which you can distribute all your info-tools. Think of it as an automated repository of information-laden marketing material that is available to anyone and everyone on the Internet. Once your info-tools are loaded into the system, no further attention is required (until you want to add or update info-tools) and the information is available whenever your computer system is turned on. The FTP or Gopher server software on your system will automatically send your info-tools over the Internet to anyone who is interested and it's absolutely free to both you and the end user.

Once you have your Gopher or FTP server set up, your job is to publicize its whereabouts to ensure that large numbers of Internet browsers are continually reading your info-tools.

A Gopher and/or FTP server is essential if you are distributing larger computer files (long info-tools). Chapter 4 will show you how to set up your own Gopher or FTP server.

#### 10. Set up your own WWW server.

The single most important thing you must do on the Internet is to achieve market exposure. We show you how in great detail in Chapter 5. The World Wide Web is the fastest-growing and most commercial part of today's Internet. This is what makes starting your own World Wide Web server the most promising component of our 12-step online marketing plan. Most of you will want to participate in this most exciting new way to do things.

It is also the most fascinating of the 12 steps. In fact, starting my own WWW server has been one of the most creative and adventurous things I have ever done, and I predict that many of you will feel the same way. It's like being able to start your own broadcast TV station or radio station with only a few hundred dollars, a couple thousand at the most. Today on the World Wide Web, there are companies (like Nordstrom) who use it to advertise their goods with pictures and text and even video. Catalogs are ideal for this medium because you can place your entire catalog on a Web server and let people browse at their convenience. I predict that soon, most major catalog houses will be converting to this method of selling and forgoing the old-fashioned method of direct mail, and many smaller businesses will do the same.

If you have anything that can be photographed or drawn or animated or videotaped, the World Wide Web server can broadcast these images of your products to millions of people each day. Try doing that during the Super Bowl and compare costs. And during the Super Bowl your prospects are half-sloshed. On the Internet they are all very sober.

Its not easy to set up a WWW server, but its something everyone can do with a little study and patience. I set mine up in a few days and Im now selling advertising just like NBC, CBS, Time, Newsweek, and others. You can use yours to sell almost anything you can imagine. My WWW server is buying me a new home after only a few months, and will eventually make me a millionaire. I started it with zero additional dollars. We will show you how in great depth. Prepare to learn about HTML and, coming later, SGML. Dont worry, we devote half a chapter to teaching you. No problem!

#### 11. Augment with traditional promotions.

In order to get the maximum effect from your online marketing, everything you are now doing in print media, TV, radio, and so on, should mention your Internet address. This supplements everything you do on the Internet and is important in letting the world know you are a player on the Internet.

Also, place your Internet address on your letterhead, your mailers, your flyers, your print advertising, your business cards, and so forth. Eventually, you may well be doing a majority of your business online, but it will take time before your entire market has made the connection.

The companies that are most successful right now on the Internet are those who can coordinate their Internet marketing activity with their more traditional advertising and promotion. Why? Because the market is still young on the Internet and you have to tell everyone where you are. Eventually, this will not be an issue, as everyone will be able to find you more and more quickly. For the moment, you want to stress urgency in letting the world know that you are online. It makes for great publicity, and with a little knowledge of PR, you can probably get the print media to publish articles about what youre doing online, because everyone finds this interesting and novel at the moment. Take advantage of this mood.

#### 12. Interact and go back to step 1.

Loosely translated, this means that you learn as much as you can from all of your efforts to succeed on the Internet and when you learn enough you go back to the beginning and make all necessary adjustments.

We have explained that the Internet is changing very rapidly. Therefore, your approach must be a dynamic and flexible one and you must keep that thinking cap on at all times.

In Figure 2.3, you see the Internics Home Page. These are the folks who will issue you your Web Domain name, (explained in Chapter 5) when needed.

## HOW TO BUY THIS BOOK.

**Call 800\*989\*6733 (mention Source 382)**

What you have onscreen is a sample of our Print book entitled, "Marketing on the Internet, a StepByStep Guide to Marketing Your Products and Services on the Internet". If you would like to learn about how to market your products on the Internet, this is the most complete book on the subject. Published by Maximum Press with over 400 pages of information on how to create an Internet Presence for your company, with complete instructions and dozens of illustrations. Nothing left to the imagination.

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