

Succeeding Online.com[™]



A Small Business Workshop

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by
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by
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Contents

Should You Go Online?

What Products Sell Best Online?

What About the Internet Bust?

Online Basics

Web Design

Servers & Hosting

Transferring Files

Marketing Methods To Succeed Online

Basic Promotion

Domain Names

Search Engines

Email Marketing

Online Referral Marketing

A Final Word

Should You Go Online?

There are a lot of questions we ask ourselves about going on line, but the first question is "Should I even bother?" The biggest mistake is not to try. It is better (and not all that expensive) to have a small online presence to profile your business than not to be online at all. This is often called a splash page or a business card page. It will not do much to promote your business, but it is better than not being online at all.

Most studies have shown that more than half the population in the United States accesses the Internet and it adds credibility to your business if you can at least show a presence there. More important, it gives you a chance to explore and experiment in the online world. We run into people and hear stories every week about people that come to realize that they have been missing a great opportunity to expand their business online, where previously they thought that the online world didn't even apply to their business. Here's an example...

We read a story recently about a plumber who had "no need" to go online but gave it a try. Why would he need a web site? His business required him to be there all the time and he couldn't travel much beyond a certain physical area. How could being online help him?

Once he put up his web site and began to market it a little, he noticed that people were writing to him for advice and asking him questions. After all, he was an expert. He also started finding that there were places online where people gathered to discuss ideas and learn more about home improvements and repairs. These online communities are often known as "forums" where people can read and post messages and interact.

He decided to create an "FAQ" section on his web site which began to grow rapidly. At one point he aggregated all of this content into an informational advice packet and realized that this information was very valuable to many people from all around the country. The little splash page that he put up turned into a new business providing reports and how-to advice for home improvement projects. The Internet expanded his business in such a way that he eventually was able to replace much of the income he was earning running around to people's homes.

I can site a few examples of business people who have operated multiple retail locations and that have consolidated those locations while increasing business by focusing on their Internet presence. I personally have a friend in the business of selling used hubcaps who, less than 6 years ago operated more than 5 retail

locations in Southern California. Today, by spending time on his web division, he has been able to reduce his overhead, closing all retail locations except for his primary store, and doing much more business than he used to, but primarily online.

The only way to really answer the question of "Should we go online?" is to begin the process. Get smart about finding your way around the Internet and see what other people in your industry are doing. You don't have to be the first one in your industry to have an Internet presence to be successful. It's a big world and there is still plenty of room for creative entrepreneurs to succeed in the online world.

What Product Sell the Best?

This is a question that is still being defined, but there are plenty of examples to learn from. The Internet is continuing to evolve. It is our opinion that the form it will ultimately take has not even been imagined yet. The growth and acceptance of high-speed access will change how the Internet is used and will increase the options that people have to offer online.

Up till now, the easiest products to sell online seem to be informational and impulse purchasing items. The reason for this is that the Internet has made information instantly accessible. Many businesses are using the Internet to package and sell their expertise in areas where they would not physically be able to do business anyway (like our plumber). This is a way to expand your business to new areas.

Of course, there are many examples of literally all types of products being successfully marketed online. Here is a list of the biggest categories (don't let this limit you... new categories are being created as I write this)...

Computer hardware and Software

Books - e-Books

Event Tickets

Music / Videos

Travel

Toys

Consumer Electronics

All of these areas reported significant growth in 2002 and online sales growth rates continue to outpace retail growth rates.

Niche Businesses

A key strength of the Internet is its ability to bring buyers and sellers from far away places together. If you are in an unusual business and find it difficult to find customers, you need to get online. The very scale of the online population makes these types of businesses best suited for online success.

There is always someone with the same interests as close as your computer, so if you specialize in special breed of dogs, duck eggs, or Cow Pie Clocks (There is such a site - cowpieclocks.com), then you need to get online. Niches and specialty items do very well online.

What About the Internet Bust?

In 1908, there were 241 automobile manufacturers in the United States. The mass production of cars was a revolution that inspired the same kind of hype and investment that the Internet did in the mid 1990s. Over the years, these multiple companies merged, were bought out, or died for competitive reasons. This is a natural course of events for any major industry and the Internet industry is no different.

The hype and investment that was rampant through the 1990s is over and today the Internet still represents a significant opportunity for businesses to expand without the false expectations and doubt that accompanied its early growth. The same rules that you apply to your business must apply to the online marketing division of your business. To succeed, you need to think it through, know where you are going and make sure that it pays for itself over time. Spend the time learning what the Internet can do for your business and you will probably find a way that it will help you to grow.

Online Basics

Now that you've considered the basic question, "Should I go online," your next step is to learn about the basics of having an online presence. There are a few things that you need to have set up. You can approach it two ways:

1. Learn the basics and run things yourself
2. Hire someone to help you.

The choice you make here depends upon your time and monetary budgets. Many professional businesspeople do not have the time nor the inclination to go on a new learning curve. They would rather spend their time earning money, doing what they do and paying someone to take care of their online efforts. Others may have a very limited budget but a little more time on their hands and if inclined, may want to learn about how to handle their online efforts on their own.

Generally speaking, there are three things that have to happen in order for you to go online:

1. Create Your Web Site Files

You have to create your web site files or have someone create them for you. These web site files are called "http" pages, which stands for Hyper Text Transport Protocol and is the programming language of the Internet. If you are doing it yourself, you will need software that can create these files for you. It's not all that hard. Microsoft sells "Front Page" as part of their office suite and this program allows you to create web pages the same way that you create MS Word documents. There are many other programs that do the same thing. Another of the biggest Internet software makers is Macromedia. To learn more about each of these programs and to see how much they cost, visit their web sites. You can get a list of "off-brand" versions for less by visiting Tucows.com, an online service that lists lesser known, but often still very high quality software programs.

<http://www.microsoft.com>

<http://www.macromedia.com>

<http://www.tucows.com>

The cost for these types of programs can range from \$49.00 for the least expensive off-brand programs to as much as \$600-\$700 for the name brand versions listed above. If you are not inclined to go through a learning curve for software like this, web developers can be hired for about \$40 to \$100 per hour. A typical basic web site should cost you no more than \$1000 today.

2. Arrange For An Online Server

The files you create will need to be available online 24 hours a day 7 days a week. This is accomplished by placing your files on an Internet server. Don't worry, you don't have to buy a server or hire a Systems Analyst. All but the largest companies online actually rent server space in data centers. This is often called an "Internet hosting service".

Hosting services are large data centers that are specifically built to be comfortable to computers and that are connected to the backbone structure of the Internet. These data centers have guards, air conditioning to keep the computers nice and cool, and Systems Analysts on staff to monitor the servers and to troubleshoot if there are any problems.

All you do is pay a monthly fee for using some space on one of those servers that is connected to the Internet 24/7. As you grow, you may eventually rent a whole server for yourself or for your company, but in the beginning, the most common way to server your Internet files is by using a "shared server"

The cost for this type of service ranges widely and depends on the quality of service you need. It is an area where you should not skimp, usually costing from \$12 per month on the low side to as much as a few hundred per month for more complex services like online shopping sites and sites that take credit cards online. By the way, you can find shared web servers for less than \$12 per month, but we are suspicious of these "bargain" services as the performance of your site can go down drastically and you may never know why. The reason is that many unscrupulous hosting companies place way too many web sites on a server. There is a point where too many sites begin to "break" a server's ability to serve web files properly.

There are literally thousands of hosting companies online. Here are a few to look at (including us):

<http://www.interland.com>

<http://www.verio.com>

<http://www.personaweb.com>

3. Transferring Your Web Files

Once you have created your web files and have arranged for a hosting service, you will need to transfer your web files to that server. There are several ways to do this depending on who your hosting provider is, but the most common method is called "File Transfer Protocol" (FTP).

FTP software is plentiful and easy to use once you get the hang of it. The most common programs will show you two windows, with your computer files in one and the server's computer files and directories in the other window. Just ask your host what directory to place the files in and then once you connect, you can just drag and drop those files into place.

The most popular (and free) FTP software on the market is offered by a company called IPSwitch. You can download it at:

<http://www.ipswitch.com>

Here again, if you hire a web developer, you will probably not have to deal with this aspect of things at all. They usually upload your files for you.

Online Basics

Start Off Line

A web site can serve a number of purposes...

It can inform and answer frequently asked questions

It can sell for you

It can save you time

It can help you with customer service

It can open up otherwise unreachable markets

It can open up otherwise unknown product categories for you

It can be set up to take orders

But it can't do any of these things if nobody knows about it. We find it puzzling to see how many businesses spend money to put up a site and then never advertise it.

You need to add your web site and e-mail addresses to all of your advertisements. Print them on your bags and hand-outs. Place them in your store window. Print them on your business cards. Send out an announcement post card to your existing customers. By using word of mouth and off-line advertising you will create opportunities and learn from your customers. You will be surprised by the suggestions that will come from sending people to your web site.

Welcome Suggestions

If a customer sends you a complaint or suggestion about your site, take that very seriously as these are the seeds of innovation. Many restaurants have created additional business by making it easy for people to place take-out orders online before coming to pick them up. This idea came from customers who were visiting online menus and then suggested it to restaurant owners.

Tell your existing customers about your new web site any way you can and be sure to check your e-mail at least once per day so that you can take advantage of any ideas or suggestions they may offer.

Domain Names

A domain name is your unique Internet address. You see them every day. Generally they take the form of:

<http://www.amazon.com>

but they should also work if someone types in:

www.amazon.com

or even:

amazon.com

A domain name is not required to have a web site, but if you want the online portion of your business to be taken seriously, you should have your own domain name. You can buy them very cheaply and register them for one or two years at a time. Here again, you can do this yourself or have your web developer reserve it for you. If you have your developer do it, be sure that he places the registration in your name, not his.

Finding a good domain name should be an important part of your online strategy and requires some thought. Every domain name is unique. It is the pointer for the whole world to your site. Here are some considerations for picking your unique domain name:

- 1.) Pick a name that is easy to spell and easy to tell. You should be able to rattle it off to others with ease.
- 2.) Shorter is better
- 3.) Always try to get a .com ending. There are others like .net, .org, .info, .us, .biz, .us.com, and more. The problem with others is that people tend to mistype them. A dot.com ending is usually the best.
- 4.) Domains can contain dashes: (we-sell-autos.com) but these are not always desired. There are some exceptions which we will discuss later.
- 5.) Some marketers advise that your domain should tell what you do. Others think it is better just to use your business brand name. Both have pros and cons.

6.) Consider registering more than one domain and pointing the others to your primary site.

You can check to see if a domain name you are considering is available by going to:

<http://www.affinitydomain.com>

This is a wholesale domain name site and offers a suite of tools at the lowest prices.

Email Marketing

A big benefit of having your own domain name is that you can now create and use your own unique e-mail address. Up until now, you may have been using an address like:

mysugarbaby3257@aol.com

or something like it. This may have been fun in college, but in a business environment it is not only unprofessional, but it advertises AOL instead of your business. You can still keep this e-mail address for personal use, but once you have your own domain name, you can create what is called an alias e-mail address (also often called a "forwarding e-mail address"). The way this works is that create a user on your e-mail address, then you set it up so that it automatically forwards to your home address as follows:

Julie@MyBusinessName.com

forwards to >>>

mysugarbaby3257@aol.com

So now you can receive e-mail from your friends and business associates at the same place, but not give up your private identity.

At the same time, every time you send out or give out your e-mail, you are advertising your business instead of AOL. One more huge benefit of using an alias for your business is that if you ever have to change from AOL (or whoever you use), you won't have to notify all of your friends and business associates. All you would have to do is to change the forwarding address to your new personal e-mail provider. One change is all that's necessary.

Domain Name Web Traffic

It can be a bit time consuming, but many online entrepreneurs are succeeding by registering what are called "type-in-domains." Studies have shown that about 28% of web surfers will try to find what they are looking for online by typing it in their browser location window. Here are some examples of type-in domain names:

CheapTravel.com
DuckEggs.com
FreeCreditReport.com

These can be very valuable because they bring highly interested, highly targeted visitors to your site. They are difficult to acquire as most of the easy to remember, short domain names have been reserved, but it is sometimes possible to get them. There are plenty of good domains that are dropped by the existing owners every day. Some online services monitor this activity and report on it to you. Here are a few sites that offer this service. Some of them are free:

<http://www.snapnames.com>
<http://www.deleteddomains.com>

Remember that most of the domains that drop are worthless, but with some patience and perseverance, it is possible to score a meaningful and valuable type-in domain name that will drive valuable online traffic to your site for years to come.

Search Engines

It's been estimated that about 40% of web surfers find what they are looking for by typing key words into online search engines and directories. Search engines also represent a powerful segment of prospects. Remember these are people who specifically sought out your products or services. They went to a search engine, typed in words and phrases representing what they are looking for and if your site was relevant, the search engine brought them directly to your site. What a powerful way to bring qualified visitors to your business!

Getting Lost In the Morass

Some years ago, when the Internet was beginning to grow, it was very easy to get listed and found in online search engines. There weren't as many sites and the engines were anxious to build their directories and databases as big as was possible.

Today that situation has changed. Most search engines are much more selective and want to choose quality sites that bring value to their search customers. When you consider that there are about 30 million domain names registered and many of those represent hundreds of web sites, it's easy to see how your site can be lost in the morass.

At the same time, very few people understand how search engines work. With that knowledge, depending on the competitiveness of your business, it is possible to work the search engines and get higher rankings on the search terms that are important and relevant to your business.

Search Engines and Directories

Marketing using the search engines is a very specialized field and it's a moving target. The online search field changes rapidly with mergers and acquisitions as well as changes in how search engines rank their listings. There are also differences in how listings are accepted. Another factor that comes into play is that many search engines borrow results from each other when their own results don't bring up a quality answer for a particular search. Their goal is to be useful and relevant to their search customers.

For these reasons, it may be advisable to seek professional help for search marketing. It takes a lot of time and there is a deep learning curve so you may be better off leaving this to a pro.

Of course many people have been successful doing it on their own. Here are some of the basics to remember and some help in getting started.

Online search providers can be broken down into several categories and there are solid leaders in each category. We will list and define the various types of search engines and directories here in the order of their importance.

Although it is easy to use the term "search engine", to describe all online search services, many search services are more accurately described as "online directories." The difference between a directory and an engine is that directories are usually human powered and human edited, whereas "engines" are powered by software algorithms and databases.

Today, many directories charge a fee to review your site for inclusion. This is not all that bad as it eliminates a lot of the fluff that used to exist when most search engines were free. Finally a third breed of search engine has emerged over the past few years that is very important today. It is called the pay-per-click search service. This type of service allows advertisers to competitively bid on search terms and then gets them ranked generally within the top three results when a searcher looks for those key words (or phrases). Then the advertiser is charged for each click-through.

Let's take a look now at a few of the most important search services. We'll start with the most important directories and how to submit your web sites to them.

Online Directories

The Open Directory Project (ODP) is one of the most important online directories. It is edited by an army of volunteers and the directory is used by hundreds of other smaller directories as a basis for their search. Your site has to be working well before you submit it here. There is no charge for submitting, but acceptance is not guaranteed. Acceptance is up to the discretion of the editor in your category. Make sure your site looks and works well before submitting here and stay away from superfluous hype.

Submit at:

<http://www.dmoz.org/add.htm>

Yahoo is the big elephant of search directories and is a valuable place to be listed. They offer free listings for non commercial sites, and a paid review service for any other sites. It costs \$299.00 to get your site reviewed. This does not guarantee acceptance either although the vast majority of submitters are accepted. Yahoo's goal is to have useful content for their visitors and each submission is reviewed by a human editor who will disqualify a site if links are broken or if the site does not meet their standards. You can get all of their standards and information at:

<http://add.yahoo.com/fast/add?+Business>

Real Search Engines

Google is the largest and most widely used search engine online. It is also a wonderful tool for web masters and online merchants because it is still free to submit your site to them. They take a lot of pride in their technology and have an extensive database of sites. Many other sites including Yahoo deliver results from Google as part of their search, so a good listing in Google can be multiplied over and over in visitors and sales. For information on submitting to Google, go to:

<http://www.google.com/addurl.html>

Inktomi is another search engine that uses algorithms to rank web sites. They offer a paid search submission service, but are not as expensive as Yahoo. Inktomi is an important search engine. You can submit a paid listing to Inktomi through their partner PositionTech at:

<http://www.positiontech.com/>

Alta Vista is one of the oldest search engines in existence but has slowed down a lot recently. It's still important to submit to them. They have plenty of users. Alta Vista has a free and paid option. Of course, the paid option gets you listed faster. Here are the submission pages:

http://www.altavista.com/web/express_incl
<http://addurl.altavista.com/addurl/new>

Lycos (aka Fast) is another search engine that has been around for a long time but has evolved. They work closely with Fast and AllTheWeb.com who have put together a very efficient web search tool. You can submit your web site here:

http://www.alltheweb.com/add_url.php

Pay Per Click Search Engines

Overture is the pioneer in this category and it is the largest. You have to be careful as this can get expensive but if you have the budget, this is a sure way to get to the top of the list in short order at:

Alltheweb.com
AltaVista.com
HotBot.com
Lycos.com
MSN.com
Netscape.com
Yahoo.com and more

The key is that you must be one of the top bidders for any particular search word or phrase. It's all explained at their site. To submit and to get suggested search phrases, go to:

<http://www.overture.com>

Looksmart and Google also offer pay-per-click services. You can view their terms at:

<http://www.google.com/ads/>
<http://listings.looksmart.com/>

Looksmart has angered a lot of their customers in the past year by changing their terms of service frequently, but they are worth investigating.

There are other search engines, but the ones listed here are the most important.

Search Engine Optimization

Many companies specialize in the optimization of your web site in order to help you rank higher within the search terms of your choice. This does work but is an activity that is filled with as many things NOT to do as there are things TO do. It is not an activity to be taken lightly because some practices that have become popular amongst amateur search optimizers are actually highly frowned upon by the search engines. Search engines have reacted by deleting some web sites from their databases entirely and that is not good.

So make sure that if you hire a search engine optimization firm, that they are clear with you about the techniques that they employ and that they understand the difference between real optimization and search engine spam.

If you are inclined to learn about search engine optimization, here are a few excellent places to begin:

<http://www.searchenginewatch.com>

<http://www.selfpromotion.com>

Email Marketing

e-mail has emerged as one of the most effective and least expensive direct marketing methods available today, however, it is also an area that is highly abused by marketers and that requires an investment of time to make sure that you do it right. Here are a few pointers.

- 1.) Don't be a spammer. There are a lot of unscrupulous marketers that gather and sell e-mail addresses by the millions. These types of solicitations are now bordering on being illegal. They take up space on servers and waste people's time. So don't fall for the spam scams.
- 2.) You can buy targeted lists of e-mail addresses that have given the owners permission to sell their e-mail addresses to certain types of business. Another more effective way to advertise is to piggy back off of one of thousands of online "e'zines." There are plenty of special interest online weeklies that will allow you to advertise and the rates are generally very competitive.
- 3.) Gather your own list of e-mail addresses from your customers and friends and ask their permission to send updates and information on changes or new products, etc. You will need the right kind of software to manage these e-mail addresses. Our favorite is Group Mail by Infacta.

<http://www.infacta.com>

Online Referrals

Years ago, car salesmen used to use a system called the "bird dog." Basically a bird dog was a person that the salesman paid a bounty to for referring them customers. Today, thousands of web site owners do the same thing using "Online Affiliate Programs." These programs allow you to track where your visitors come from and to pay an incentive to other web site owners who refer them to you. It's a great way to increase traffic to your site and besides the cost of the software, doesn't have to cost you much unless you get sales. Visit this site to learn more about affiliate marketing:

<http://www.affiliatespot.com>

A Final Word

The Internet Boom and Bust is over, but the Internet and all of its potential uses have just begun. We think the biggest mistake any business owner makes is not being online in some capacity. There are still hundreds of uses for the Internet that we haven't thought about. Today's world of instant communications opens up plenty of opportunity.

Think of this... Reuters reported that in 10 days, Americans had bought over 70,000 packs of the Iraqi Most Wanted Playing Cards. Louis Amoroso, founder of GreatUSAFlags.com of Lake Forest, Illinois, the exclusive marketer for the cards manufactured by United States Playing Card Co. of Cincinnati, Ohio, had originally projected sales of 500 decks a day. In a period of a few months, they sold the millionth deck. Who would have guessed and would it have happened without the Internet?