

A MARKETERS GUIDE TO THE INTERNET

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Graphics Research Laboratory

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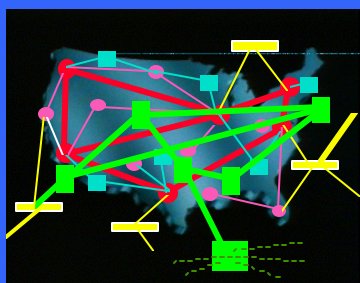
GOALS OF THE COURSE

- ◆ Fully comprehend the Internet and the World Wide Web
- ◆ Understand the marketing and advertising opportunities
- ◆ Use the principal features and visit the important sites

RESOURCES

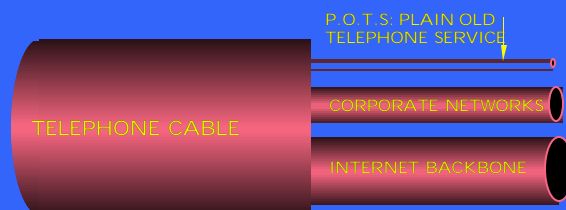
- ◆ Jack Powers, *instructor*
- ◆ Eric McErlain, *GRLab associate*
- ◆ Ian Butler, *GRLab associate*
- ◆ Course book and slides
- ◆ Web page
- ◆ @CafeMacs and Windows PCs

INTERNET GEOGRAPHY



University
supercomputers
College PCs and
minicomputers
Corporate
research groups
Commercial
Provider Access
Commercial
Dial-up Users

TELECOM BANDWIDTH



THE DOMAIN NAMING SYSTEM

- ◆ lawnet.law.columbia.edu
- ◆ locis.loc.gov
- ◆ www.mgdtaproom.com
- ◆ www.met.fu-berlin.de

PEOPLE@DOMAINS

- ◆ president@whitehouse.gov
- ◆ KellyPowrs@aol.com
- ◆ ir000655@interramp.com

THE VOLUNTEER CULTURE OF THE NET

- ◆ RFCs
- ◆ STDs
- ◆ FAQs
- ◆ RTFM

INTERNET STATISTICS

- ◆ >130,000 domains in Jul 95
 - ◆ 26,000 in Jul 93
- ◆ 74 fully-connected
- ◆ 77 partly connected countries

INTERNET STATISTICS

- ◆ 9,000 newsgroups posting 50 megabytes per day
- ◆ 115,827 commercial domains
- ◆ >400 commercial presence providers
- ◆ 18 million WWW users (Nielsen)
- ◆ 2.5 million purchasers (Nielsen)

INTERNET STATISTICS

- ◆ 500,000 hits/day to the Playboy Home Page per day
- ◆ 90,000 user-sessions/week to TimeWarner Pathfinder
- ◆ 232,000 registered users (subscribers) to Hot Wired

THE THREE USES OF THE INTERNET

- ◆ COMMUNICATION
- ◆ PUBLICATION
- ◆ TRANSACTION

THE THREE USES OF THE INTERNET

- ◆ COMMUNICATION
 - ◆ Electronic Mail
 - ◆ Listserv mailing lists
 - ◆ Internet Relay Chat

THE THREE USES OF THE INTERNET

- ◆ PUBLICATION
 - ◆ Sharing Files
 - ◆ Newsgroups
 - ◆ Gopher & WAIS and other "legacy" systems

THE THREE USES OF THE INTERNET

- ◆ TRANSACTION
 - ◆ Telnet timesharing
 - ◆ World Wide Web

HOW TO CONNECT

- ◆ THE SERVICE
- ◆ THE WIRE
- ◆ THE SOFTWARE

THE SERVICE

- ◆ Commercial on-line services
 - ◆ Partial Access, Part Time
- ◆ Internet Access Provider
 - ◆ Full Access, Part Time
- ◆ Direct Internet Link
 - ◆ Full Access, Full Time

THE WIRE

- ◆ P.O.T.S:
Plain Old Telephone Service
 - ◆ 14.4 to 28.8 kbps
- ◆ Digital Phone Service
 - ◆ 64 kbps, 1.5 Mbps, 45 Mbps

THE ACCESS SOFTWARE

- ◆ Commercial on-line service
- ◆ Windows/Mac programs to access text and file transfer
- ◆ World Wide Web browsers

ACCESS EXAMPLES

- ◆ America On-Line
 - ◆ \$10 per month plus local phone call
- ◆ PSI Interramp
 - ◆ \$75 per month plus local ISDN call
- ◆ PSI InterMAN
 - ◆ \$1,200 per month

DISCLAIMER

The network you are about to experience is live. Some of the features may seem arcane and esoteric, others may seem frivolous, some may not even work when we try to use them. But this is the real thing, the Internet in the Fall of 1995.

HANDS-ON THE INTERNET

THE THREE LEVELS OF INTERNET ACCESS

- ◆ COMMUNICATION
- ◆ PUBLICATION
- ◆ TRANSACTION

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- ◆ PUBLICATION
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 - ◆ Gopher & WAIS
 - ◆ Newsgroups

THE THREE LEVELS OF INTERNET ACCESS

- ◆ TRANSACTION
 - ◆ Telnet timesharing
 - ◆ World Wide Web

ANCILLARY BUSINESS

- ◆ RESEARCH
 - ◆ Market intelligence
 - ◆ Trends Analysis
 - ◆ Directories and databases
 - ◆ Lurking on the net

ANCILLARY BUSINESS

- ◆ INTERNET BUSINESSES
 - ◆ Publishing and consulting
 - ◆ Access and presence
 - ◆ Malls and Main Street
 - ◆ Production & fulfillment

INTERNET MARKETING ENVIRONMENT

- ◆ Internet demographics
- ◆ Internet Culture
- ◆ Global presence
- ◆ Direct response

ON-LINE ADVERTISING

- ◆ DISPLAY ADS
- ◆ ADVERTISER WEB SITES
- ◆ CATALOG WEB SITES
- ◆ DIRECT EMAIL

DISPLAY ADVERTISING

- ◆ DEMOGRAPHICS
 - ◆ 66% male, 25% > \$80K hh income, 64% college degrees
 - ◆ 66% work, 44% home, 8% school
 - ◆ Average 5.5 hours per week

MAGAZINES

- ◆ Hot Wired, Pathfinder
- ◆ Wall Street Journal
- ◆ ESPN, Discovery Channel

SERVICE SITES

- ◆ Yahoo
- ◆ Lycos
- ◆ Netscape
- ◆ Prodigy

MAIN STREETS

- ◆ American Express University
- ◆ Women's Link
- ◆ Zima Z-Spots

WWW AD RATES

- ◆ TimeWarner Pathfinder: \$40,000/qtr
- ◆ Hot-Wired: \$30,000/qtr, 232,000 subs
- ◆ ZDNet: \$10-25,000/qtr, 2.5 mil hits/wk
- ◆ Playboy: \$10,000/mo, 200,000 hits/day
- ◆ Wall Street Journal: \$50,000/6 mos
- ◆ World News: \$1-5,000/mo depending on placement, 16,000 visits/mo

ACCESS TECHNOLOGY

- ◆ Hardware, software and inclination
 - ◆ Netscape or MS Internet Explorer
 - ◆ Enough RAM, disk, cpu speed
- ◆ Telecom speeds and costs
 - ◆ 2,400 baud to 28.8 kbps

ADVERTISER WEB SITES

- ◆ CORPORATE
 - ◆ On-line annual reports
 - ◆ Contact lists and email

ADVERTISER WEB SITES

- ◆ PRODUCT MARKETING
 - ◆ Marketing communications
 - ◆ Update and product briefs
 - ◆ Newsgroups
 - ◆ Demos, samples

ON-LINE ORDERING

- ◆ Catalogs with 800 numbers
- ◆ Inventory system links
- ◆ On-line transactions
- ◆ On-line delivery of digital products

CATALOG WEB SITES

- ◆ VENDOR CATALOGS
 - ◆ Direct selling
- ◆ ON-LINE MALLS
 - ◆ Catalog aggregators
 - ◆ Niche catalogs

DIRECT EMAIL

- ◆ DEVELOPING LISTS
 - ◆ Incenting addresses
 - ◆ Signing up new members
- ◆ BUYING LISTS
 - ◆ Un-subscribe and screens

APPROPRIATE PRODUCT MARKETING

- ◆ Can be delivered on-line
- ◆ Has strong brand image
- ◆ Can be bought sight unseen
- ◆ Makes a nice on-line demo
- ◆ Is hard to find or order
- ◆ Can be bought on an AmEx card

THE ON-LINE AD

- ◆ Perfectly Zappable
- ◆ Perfectly Measurable

TEMPTING THE CLICK

- ◆ Creating prospect incentives
 - ◆ Product-related info and demos
 - ◆ Discounts and coupons
 - ◆ Editorial/game environment
- ◆ Direct response orientation
- ◆ Video game design skills

INTERACTIVE ADVANTAGES

- ◆ Customization
- ◆ Timeliness
- ◆ Comprehensiveness
- ◆ Searchability
- ◆ Economy
- ◆ Transaction

MULTIMEDIA ELEMENTS

- ◆ Typography
- ◆ Illustration
- ◆ Photography
- ◆ Hyperlinks
- ◆ Television
 - ◆ Sound
 - ◆ Animation
 - ◆ Video
- ◆ Participation

INTERACTIVE DESIGN

- ◆ Strong editorial content
- ◆ Tempting the return click
- ◆ Content plus community
- ◆ Continuous update

CLICKSTREAM AD RESEARCH

- ◆ Who, what, when, where, how and how long... page by page
- ◆ The Web server log
- ◆ I/Pro, IAudit, Nielsen...

AD PRICING OPTIONS

- ◆ Standard space ad deal
 - ◆ Should have rate card and audit
 - ◆ Bottom-up TFN CPMs
- ◆ Basic rate plus per inquiry
- ◆ Per inquiry only
- ◆ Percentage of transactions
- ◆ Confusing combinations

SECURITY AND ENCRYPTION

- ◆ OFF-WEB AUTHORIZATION
 - ◆ 800 fulfillment house
 - ◆ Email
 - ◆ Audiotext

SECURITY AND ENCRYPTION

- ◆ BROWSER ENCRYPTION
 - ◆ Netscape
 - ◆ Internet standard
 - ◆ Server-dependent

PAYMENT METHODS

- ◆ On-line credit card
- ◆ ECash and Internet Checking
- ◆ First Virtual VISA/MC service
- ◆ Spend and collect

LINKS TO DISK AND PAPER

- ◆ CD-ROM/Web hybrids
 - ◆ Disk catalog + web ordering
 - ◆ Integrated CD/Web browser
- ◆ Web faxing and beeping
- ◆ Web "document delivery"

THE FUTURE OF THE INTERNET

◆ GROWTH

- ◆ Web multimedia broadens access
- ◆ Telecom costs, esp ISDN
- ◆ Commercial sites draw large blocks of serious business users
- ◆ Estimates of 100 million worldwide users in 2010

THE FUTURE OF THE INTERNET

◆ COMMERCIALIZATION

- ◆ Business to business environment
- ◆ High-end consumer applications
- ◆ Cable & satellite paths to the home
- ◆ Secure payment techniques
- ◆ On-line catalogs

THE FUTURE OF THE INTERNET

◆ TECHNOLOGY

- ◆ Increasing bandwidth
- ◆ Animation, audio and video
- ◆ Telepresence and videoconferencing
- ◆ Encryption and privacy schemes
- ◆ Sun Hot Java and other helpers
- ◆ Cable modems

THE FUTURE OF THE INTERNET

◆ GLOBALIZATION

- ◆ English (or at least Unix code and HTML) as the world language
- ◆ Transborder communication, publication, transaction
- ◆ Translating web sites

INTERNET STRATEGIES

- ◆ Developing a netpresence
 - ◆ Email
 - ◆ Publishing
 - ◆ Transactions
- ◆ Partnering for design, programming and production
- ◆ Small risks, big rewards