A MARKETERS GUIDE TO THE INTERNET

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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
- @ Cafe Macs and Windows PCs

INTERNET GEOGRAPHY

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

TELECOM BANDWIDTH

- P.O.T.S: Plain Old Telephone Service
- Corporate Networks
- Internet Backbone
- Telephone Cable
THE DOMAIN NAMING SYSTEM
- law.net.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 Time Warner Pathfinder
- 232,000 registered users (subscribers) to HotWired
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
THE THREE LEVELS OF INTERNET ACCESS

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

PUBLICATION
- Sharing Files
- Gopher & WAIS
- Newsgroups

THE THREE LEVELS OF INTERNET ACCESS

TRANSACTION
- Telnet timesharing
- World Wide Web

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

THE THREE LEVELS OF INTERNET ACCESS

ANCILLARY BUSINESS

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/eb 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

COMMERCIALIZATION
- Business to business environment
- High-end consumer applications
- Cable & satellite paths to the home
- Secure payment techniques
- Online catalogs

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

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