Chapter 1

Profiting from New Business Tools

In This Chapter

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*W*hen you open shop on the Internet, you don't just begin to operate in isolation. The whole point of the Web is the fact that it's a community. It's the same for businesses as it is for individuals. Whether you like it or not, you're not alone. You have access to thousands, even millions, of other businesses that are in the same situation you are – or that went through the same kinds of uncertainties you're encountering before they achieved success.

Advantages of Doing Business Online

The fact that you're online means that you enjoy advantages over businesses operating solely in the bricks-and-mortar marketplace. E-mail, blogging, and the Internet in general give you much better access to your customers – and there's no equivalent in the offline world. You also have access to services such as search engines that can help you find suppliers and do business research and marketing. This chapter provides you with a user friendly overview of the many new opportunities available to you when you start an online business, including tools, services, and opportunities for partnering so that you can advertise your new business in ways that help you succeed without breaking your budget.

Sometimes, a big step toward success is simply being aware of all the opportunities available to you. The worst reason you can have for going online is simply that 'everybody's doing it'. Instead of focusing on one way of advertising or selling, take stock of all the aspects of online business that you can exploit. Then when you create your Web site, select a payment option, or set up security measures, you'll do things right the first time around. The next few sections describe some advantages you need to make part of your business plan.

Operating 24/7

One of the first reasons why entrepreneurs flock to the Web is the ability to do business around the clock with customers all over the world. It still applies today: It may be 2 a.m. in the UK, but someone can still be making a purchase in Rome, Los Angeles, or Sydney from your Web site or eBay shop.

If you're just starting out and you're trying to reach the widest possible audience of consumers for your goods or services, be sure they're

  - ✔ **Small:** That means they're easy to pack and easy to ship.
  - ✔ **Something that people need and can use worldwide:** DVDs, CDs, computer products, action figures, and sports memorabilia appeal to many.
  - ✔ **Something that people can't find in their local area:** Many sites resell gourmet foodstuffs that can't easily be found overseas, for example.

Make sure that you appeal to a small, niche segment of individuals around the world. It's better to do one thing extremely well than lots of things badly. That applies to all businesses, from the smallest start-ups to the biggest multinationals. Keeping your business lean and mean improves your chances of success.

If you do sell DVDs online, be aware that DVD players are required to include codes that prevent the playback of DVDs in geographical regions where movies haven't been released to video as yet. A disc purchased in one country may not play on a player purchased in another country. You need to pay attention to the codes assigned to the DVDs you sell so that your customers will actually be able to play them.

Communicating with etools

Nothing beats e-mail, in our opinion, for reaching customers in a timely and friendly way. We know all about the immediacy of talking to people over the phone, the sophistication of desktop alerts, and the benefits of print advertising. But phone calls can be intrusive, alerts are expensive, and mag ads only work for certain types of business. As you can probably testify as a consumer, most people are wary of anyone who wants to market to them with an out-of-the-blue phone call that interrupts their day. E-mail messages can come in at any time of the day or night, but they don't interrupt what customers are doing. And if customers have already made a purchase from your company, they may welcome a follow-up contact by e-mail, especially because they can respond to you at their own convenience. Not only that, but you can include links to products and services in e-mails that could tempt customers into further purchases. You can announce new product ranges, special offers, even an entirely new business.

One of the most popular online communications systems, instant messaging (IM), is useful for keeping in touch with business partners and colleagues. But be very wary of using it to approach current or potential customers. Consumers are used to dropping everything to answer instant messages from friends. When they discover that it's a marketing message, they're not going to be happy – it's the online equivalent of taking a telesales call when you're enjoying a nice bath.

Besides e-mail newsletters, what kinds of communications strategies work with online shoppers? The following sections give a few suggestions.

Giving away a free sample

Greg was in the grocery shop the other day, looking at a hunk of luxury cheese that costs a pretty penny, wishing he could open up the package and taste-test it before handing over big bucks. The concept of the 'free sample' is one that everyone loves – especially Web surfers. Newspapers like the *Financial Times* and *The Independent* do it by making the first few paragraphs of archived articles available online; if you want to read the rest, you're asked to pay a pound, or a similar nominal fee. Amazon.co.uk makes brief excerpts of selected CD tracks available on its Web site so that shoppers can listen to the music before deciding whether or not to buy the CD.

On the Internet, software producers have been giving away free samples for many years in the form of computer *shareware:* software program that users can download and use for a specified period of time. After the time period expires, the consumers are asked (or required, if the program ceases to function) to pay a shareware fee if they want to keep the program. A tiny Texas company called id Software started giving away a stripped-down computer game on the Internet back in 1993, in the hope of getting users hooked on it so that they would pay for the full-featured version. The plan worked, and since then, more than 100,000 customers have paid as much as $40 (£22) for a full copy of the game, which is called Doom. id Software has gone on to create and sell many other popular games since.

Giving out discounts

One reason shoppers turn to the Internet is to save money. Thanks to sites such as PriceRunner (`www.pricerunner.co.uk`), Kelkoo (`www.kelkoo.co.uk`), and Moneysupermarket.com (`www.moneysupermarket.com`), which allow you to compare prices on various Web sites for books, holidays, electrical equipment, or whatever you like, shoppers expect some sort of discount from the Internet. They love it if you offer special Internet-only prices on your Web site or give them money off or 'promotional' offers.

Giving customers the chance to talk back

Another great thing about the Internet is that it gives customers the chance to get involved in the design and manufacturer of products. They can create

their own clothing ranges, sportswear, or even artwork and have it sent to them by post. Adidas is a famous example of a brand that people like to customise to their own tastes. Through the Web site, you can book an appointment at their Harrods-based shop, where you're measured up, given a choice of colour and design combinations, and even have your feet tested to see what combination of cushioning and support you need.

A number of forward-looking companies are building their reputations by letting customers voice opinions and make suggestions online. The shoe and sporting apparel manufacturer Nike isn't exactly a small business, but it's taken a leading position in building community among its customers. Every week, a live chat session is held for Nike customers. Discussion boards are also available; the site (`www.nikechat.com`) boasts more than 33,000 registered members and a total of 3.5 million messages posted.

Chat doesn't make sense unless you have a solid user base of at least several hundred regular users who feel passionately about your goods and services and are dedicated enough to want to type real-time messages to one another and to you. However, discussion groups are practical, even for small businesses; you can set them up with a discussion area through Microsoft FrontPage or on Yahoo! (`uk.groups.yahoo.com`).

Taking advantage of micropayments' rebirth

Credit-card payments make the Web a viable place for e-commerce. But the cost of the typical credit-card transaction makes payments of less than £1 pointless. The popular payment service PayPal (`www.paypal.co.uk`) charges 3.4 per cent plus a 20p fee for each sale, which makes it impractical for content providers to sell something for, say, 30p. Such small transactions are known as *micropayments*.

In the early dotcom days, the term micropayment was thrown around quite a bit, both by writers and by companies hoping that they could induce Web surfers to pay small amounts of money for bits of online content. Many of those companies failed to find success and disappeared, in part because the process of setting up micropayments was cumbersome and highly technical.

Today, micropayment systems are attempting a comeback. A large percentage of Web surfers have high-speed broadband connections and are used to paying for content online. A system called BitPass brings small payments to more than 100 Web sites. There's much more content online, including articles, music clips, and cartoons, that could only be sold for small amounts of money. If your business involves text, music, art, or other kinds of content,

you may be able to make a few pence for your work by using one of the following payment services:

- ✔ **BT Click&Buy:** Thousands of businesses around the world use BT's micropayments service (`www.clickandbuy.com`). It allows payments from as little as 50p to hundreds of pounds, whilst giving customers the option of being charged through their phone bill. Your customers get a 24/7 helpline and the reassurance that they're using a reputable company. But charges are fairly steep at just under 10 per cent commission plus a one-off set up fee and a small monthly charge.

- ✔ **mENABLE:** This Mobile Enable solution (`www.m-enable.com/content`) is a pretty natty bit of kit. It allows Web sites to charge for access, using micropayments over SMS, WAP, phone, credit card, or bank debit. The company has won awards for its secure service and has a big range of payment options, which you can tailor to your business's needs.

- ✔ **SpaceCoin:** This company (`www.spacecoin.com`) is based in Sweden but operates all over the world. It offers plenty of payment options, including its quick set-up Plug and Play Shop and shopping trolley software.

- ✔ **TechnaPay:** These guys (`www.tecknapay.com`) are WorldPay-accredited resellers who specialise in products complementing WorldPay's payment platform. On top of the usual stuff, they offer payment page design for £149, shopping trolley functionality, and even £50 cashback when you sign up to their service.

If you can link your Web site, eBay shop, or other venues to your offerings on these micropayment sites, you begin to achieve synergy: Your various sales sites point to one another and build attention for your overall sales efforts.

Auctioning off your professional services

There's nothing new about making a living selling your design, consultation, or other professional services. But the Internet provides you with new and innovative ways to get the word out about what you do. Along with having your own Web site in which you describe your experience, provide samples of your work, and make references to clients you've helped, you can find new clients by auctioning off your services in what's known as a *reverse auction*. In a reverse auction, the provider of goods or services doesn't initiate a transaction – rather, the customer does.

The UK government is a big fan of reverse auctions as a way of getting the best price for contracts. For example, say the Department for Culture, Media and Sport needs a new stationery supplier. It advertises the contract in the form of a tender and invites bids; the lowest bid (from a reputable supplier)

wins the deal. Even the Ministry of Defence is involved. Check out `www.contracts.mod.uk` if you don't believe us!

Elance Online, a reverse auction site based in the United States, enables professional contractors to offer their services and bid on jobs. (Go to `www.elance.com` and click Elance Online.) The site is ideal if you don't offer bits of content, such as stories or articles, but usually charge by the hour or by the job for your services. In this case, the customer is typically a company that needs design, writing, construction, or technical work. The company posts a description of the job on the Elance site. Essentially, it's a Request for Bids or Request for Proposals: Freelancers who have already registered with the site then make bids on the job. The company can then choose the lowest bid or choose another company based on its qualifications.

Exploring New Products and Services You Can Sell

The choices you make when you first get started in e-commerce have an impact on the success with which you target your customers. One of the main choices is determining what you plan to sell online. Because you've made the decision to sell on the Internet, chances are good that you're a technology-savvy businessperson. You're open to new technologies and new ways of selling. The 21st century has seen an explosion in products and services that were unheard of just a decade or so ago. If you can take advantages of one of these opportunities, you increase your potential customer base.

Music files and other creative work

Today's online customers are quite sophisticated about shopping online. You can make your music or audio clips available online from your Web site. The easiest option is to use your computer or a digital recorder to make the recording and save the file in `.wav` (Waveform Audio Format), MP3, `.ram` (RealAudio), or `.wma` (Windows Media Audio). Chances are excellent that your visitors have one or more media players that can process and play at least one of these types of files.

One of the biggest online music stories of the last few years is, of course, the music marketplace Napster (`www.napster.co.uk`). It started as an illegal site for sharing music cheaply, by bypassing licensing laws. After a clampdown a few years back, Napster went legit and is no less successful for that move. Groups routinely provide links to their albums on the Napster music site, where you can download each track separately for less than a pound each,

and albums for around eight quid. Even if you're just starting out in the biz, you can digitise your audio files and post them online so that others can download them in the same way.

Groceries and other household services

Small, easily shipped merchandise like golf balls or tools are undeniably well suited to online sales. But your online business doesn't need to be restricted to such items. Even perishable items like foodstuffs can be, and frequently are, purchased online. Initially, the field attracted *pure plays* – companies that devoted their sales activities solely to the Internet. They failed to compete with bricks-and-mortar shops.

The good news is that traditional bricks-and-mortar grocery shops are finding success by selling their products on the Web as a way of supplementing their traditional in-store offering. The Web site for Wiltshire Farm Foods (`www.wiltshirefarmfoods.com`), shown in Figure 1-1, gives its customers the convenience of 'meals on wheels' delivered to their door – but with an emphasis on quality. Elderly customers who aren't able to visit one of its outlets around the UK can buy tasty meals online and have them delivered.

Figure 1-1: Regional grocers and food producers are widening their customer bases thanks to the Web.

Big supermarkets such as Sainsbury's (`www.sainsburys.co.uk`) and Waitrose (`www.ocado.co.uk`), who spend millions of pounds promoting, maintaining, and selling through their Web sites, have conducted numerous studies into what makes people buy food online. Generally, people buy groceries this way for three main reasons:

- ✔ Cost savings
- ✔ Convenience
- ✔ Greater product variety

If you're able to offer food items that consumers can't find elsewhere, and at a competitive price, you should consider selling food online. People hate navigating multi-storey car parks and waiting in long queues at the checkout. People who live alone and who have difficulty getting out (such as the elderly or sick) naturally turn to buying their groceries online.

TIP

Are you interested in reaching online grocery shoppers online? The Food Standards Agency has a useful Web site (`www.eatwell.gov.uk/keepingfoodsafe/ shoppingforfood/onlinemailorder`) detailing the standards of quality, packaging, and delivery you have to achieve.

Customers have plenty of rights in this area; for example you have to make descriptions of your products full and accurate, and you must send a confirmation e-mail once your customer has ordered food. Non-food sellers also have to provide a 'cooling off period' of seven days, during which customers are allowed to change their minds and cancel orders. Also check out Food First (`www.foodfirst.co.uk`) for details and inspiration about the food industry.

M-commerce

The needs and habits of consumers drive what sells best online. These days, consumers are going online in many more ways than just sitting at a computer – that is, they're branching out from e-commerce to *m-commerce* (mobile commerce). Consumers are using their mobile phones, PDAs, and pocket computers to connect to cyberspace. Retailers are hungry to reach these new mediums any way they can; here are just three examples:

- ✔ Receiving an unsolicited text trying to sell you something is just as annoying as e-mail spam. So, what kinds of selling *do* work online? Here's an example: When Greg first got his spiffy new Web-enabled mobile phone, he thought it would be fun to get some gimmicks for the kids (at least, he told them the gimmicks were for them; they were for him, too). He went online and downloaded a ring tone that was available on his phone, and he later purchased a game that could be played on his phone as well. Companies like Jamster (`www.jamster.co.uk`) have made millions selling ringtones, mobile wallpaper, and games.

✔ With new and more powerful phones available, retailers have adapted and expanded what they sell through mobile technologies. On Dan's PDA, he surfs the Internet almost as easily as on his laptop. He can check out bargains at eBay.co.uk and shop online at Amazon.co.uk.

✔ M-commerce group Reporo (`www.reporo.co.uk`) has been going for a few years now. It lets you download Java-based software, which you can use to shop via your e-mail. Reporo has teamed up with a host of retailers, including Boots, Dominos Pizza, CD Wow, Firebox.com, and Game.

Companies selling software so that you can sell to mobile users are cropping up all over the place. One of the bigger ones, Bango (`www.bango.com`), has partnered with big mobile companies such as Vodafone, Orange, Telefonica, and O2 and can process micropayments through phone bills, premium SMS (text messages), and PayPal.

Adding Online Content and Commentary

Plenty of traditional publications have discovered that they can supplement home delivery and newsstand sales by providing some parts of their content online on a subscription-only basis. Typically, some content is available for free, while other stories are designated as _premium content,_ made available only to subscribers who have paid to subscribe to the site and who can enter a valid username and password.

The online versions of the _Economist_ (`www.economist.com`) and _The Spectator_ (`www.spectator.co.uk`) both have premium content that is available only to paying subscribers. However, more and more magazines are starting to offer extra content for free, reasoning that they'll make more money through advertising on a free Web site than through subscriptions on a paid-for model. For example, as we were writing this book, _The Guardian_ had just announced that more of its content would be accessible for no charge.

Blogging to build your brand

People have been speaking their minds for fun and profit for as long as there have been media to broadcast their words. Think about famous orators like Socrates, Lenin, and Martin Luther King. What would they have done in the age of the Internet? They would have started their own blogs, that's what!

A _weblog_ (_blog_ for short) is a type of online journal or diary that can be frequently updated. Blogs can be about anything in particular or nothing at all: You can blog about your daily activities or travels and let your family and friends know what you've been up to lately, or you can get your views and opinions out in the world and develop a community of like-minded readers.

Many blogs consist of commentary by individuals who gather news items or cool Web pages and make them available to their friends (or strangers who happen upon their blogs). This vision, in fact, was the original idea behind blogs, and the concept followed by many of the most popular ones: highlighting little-known Web sites or articles or shops in the media that readers are too busy to visit, and providing alternative views and commentary about those Web sites, news stories, or other current events.

Is it really possible to make a living by blogging? It's certainly possible to supplement one's income this way. Andrew Sullivan, who writes Daily Dish (`www.andrewsullivan.com`) in the United States, one of the most popular blogs around, reported on his site that he was getting as many as 300,000 visitors each day in the days leading up to the presidential election of 2004, when dedicated readers like Greg were flocking to politically oriented blogs to get opinion and analysis. After the election, visits went down, but they still hit 100,000 a day. And Sullivan could proclaim in his blog that ad revenue from an advertising service that specialises in blogs, Blogads (`www.blogads.com`), was making it possible for him to continue.

Of course, the best bloggers are good writers and have special knowledge that is in demand. If you plan to make money through blogging, it's absolutely essential that you have something to say. People aren't going to flock to a site that talks about daily life in a boring way.

One of the most popular blogs around is by former Microsoft whiz kid Robert Scoble (`scobleizer.wordpress.com`). For many years, 'the Scobleizer' was as much a public face of Microsoft as Bill Gates, and his insights into technological developments fascinated many. The same could be said for Seth Goden (`sethgodin.typepad.com`) who talks about marketing strategies in an inventive and engaging way. His blog is read by most people in marketing who want to sharpen up their skills.

Finding your niche

Blogging, like anything on the Web, works when you identify a niche group and target that group by providing those people with content that they're likely to want. The challenge is finding something to say and putting time and energy into saying it on a regular basis. Although Greg has set up his own blog at `www.gregholden.com`, he finds it difficult to devote the time and commitment for daily contributions.

Yet, the most successful blogs seem to be ones that are created by people who are used to writing something every day, such as journalists. Dan writes a news blog on his Web site (`www.realbusiness.co.uk`); it's easy to find time when you're paid to do it! Academic faculty members who are published and well regarded in their fields also run popular blogs. Even CEOs are getting

into it, although their position of responsibility makes their writing uncontroversial and therefore usually pretty boring.

What do you feel strongly about? What do you know well? Is there something you would love to communicate and discuss every day? If so, that's what you should use to organise your blog. A blog can be about anything you like – and we mean anything. A prime example: the Appliance Blog, in which an appliance repairman in Springfield, Oregon, provides a daily diary of his service calls and repairs. Along the way, he provides links to the Web sites of major appliance manufacturers as well as a forum where you can ask questions about your own appliance problems. The repairman's blog isn't a place where you can find out what he had for breakfast or what he thinks about world peace; it's focused solely on what he knows, and it's a useful resource for anyone who is having a problem with an appliance.

Starting a blog

How, exactly, do you start a blog? Most people sign up for an account with an online service that streamlines the process. Some of the best known are

- ✔ Blogger (`www.blogger.com`)
- ✔ Brit Journal (`www.brit-journal.com`)
- ✔ WordPress (`wordpress.org`)
- ✔ Typepad (www.typepad.com)

TIP

Before the year 2000, you had to be a programmer to figure out how to create a blog on your Web page. But a number of online services are available online to streamline the process for nonprogrammers. Blogger (`www.blogger.com`) lets you create your own blog for free, so it's a good place to start. Google owns Blogger, so the site enables you to participate in Google's AdWords program (see Chapter 13) as well, so you may gain some revenue from your blog. As with any Web-based content, you should do some planning and write down notes, such as

- ✔ A name for your blog
- ✔ What you want to talk about
- ✔ Some ideas for your first few blog entries

Then follow these steps:

1. **Start up your Web browser, go to the Blogger home page (`www.blogger.com`), and click Create Your Blog Now.**

    The Create Blogger Account page appears.

2. **Fill out the form with a username, password, and e-mail address; read the terms of service; select the Acceptance of Terms check box; and click Continue.**

   The Name Your Blog page appears.

3. **Come up with a short name for your blog; add that blog to the URL supplied and click Continue.**

   For example, if your blog is called ToolTime, your URL should be `tooltime.blogspot.com`.

   The Choose A Template page appears.

4. **Click the button beneath the graphic design (or template) you want to use and then click Continue.**

   A page appears with a light bulb icon and the notice Creating Your Blog. After a few seconds, a page appears with the notice Your Blog Has Been Created!

5. **Click Start Posting.**

   A page appears in which you type a title for your first posting and then type the posting itself (see Figure 1-2).

6. **Click the Publish Post button at the bottom of the page.**

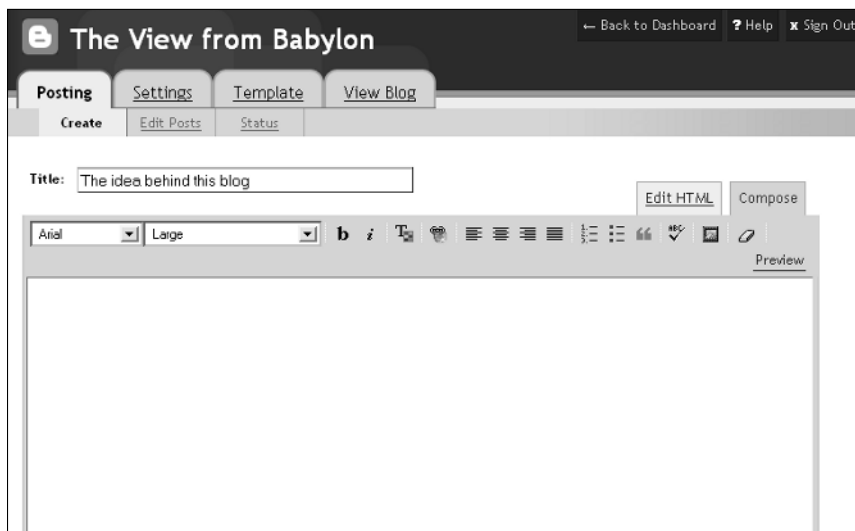   Your blog post is published online. That's all there is to it!

Figure 1-2:
Blogger makes it easy to create a blog for free and give it a graphic design.

Building an audience

Blogs that are odd, quirky, based on dramatic human-interest situations such as wartime journals, or that are politically oriented tend to be the most successful. That said, here are some ways to build up an audience for your blog:

- **Writing for other bloggers:** Your first audience will probably consist of family or friends, or other bloggers who live in the same geographic area or write about the same subjects you do. Contact those bloggers and ask them to exchange links with your blog; ask your other readers to spread the word about your blog, too.

- **Sprinkling keywords and categories:** Blogs are like other Web pages: Although their contents change frequently, search engines index them. The more keywords you include in your postings and the greater the range of subjects you cover, the more likely you are to have your blog turn up in a set of search results.

- **Posting consistently:** When readers latch on to a blog they like, they visit it frequently. You need to post something – anything – on a daily basis, or at least several times a week.

- **Syndicating your blog:** One way of spreading the word about your blog is providing a 'feed' of its latest contents, such as the headings of posts and the dates of the latest posts. This summary is automatically prepared in XML (eXtensible Markup Language) by most blogging tools. You make the feed of your blog available on its home page; sites that aggregate (in other words, collect) the feeds from many of their favorite blogs can collect them and quickly know when the blogs have been updated.

Book VII

Understanding Web 2.0

REMEMBER

If you can make a living at blogging or at least end up with some fun money at the end of each month, more power to you. But don't go into blogging with that attitude, or you'll lose interest right away. Look at a blog as another tool in your online business arsenal – another way of getting your message before the public, another place where you can steer visitors to your Web site or your shop on eBay or Yahoo!. It makes sense to treat your blog as a venue where you talk about what you like to buy and sell online and to strike up ongoing conversations among your customers and clients. In other words, you don't generate income with a blog by selling directly to the public. You try to build up a number of loyal readers and attract advertising revenue – or simply attract more customers to your Web site.

Building a Community

Studies consistently show that people who spend large amounts of time in community venues such as discussion forums end up spending money on the

same Web site. (eBay is the perfect example.) It's a *value proposition,* but you can't attach a specific dollar value to it.

Community building on commercial Web sites doesn't necessarily involve discussion boards or chat rooms. Anything you can do to get your customers communicating with one another will do it. On Amazon.com, a kind of community feel is created by the book reviews written by individual readers, and Top 10 book lists let visitors share their views.

Partnerships

The notion of online community cuts both ways: It's not only for consumers who visit Web sites and join communities, but for businesspeople like you, too. Some of the liveliest and most popular online communities are eBay groups – discussion forums started by eBay members themselves. And among those, some of the most popular are the ones in which sellers share tips and advice about boosting their online incomes, finding merchandise to sell, identifying mystery items, and so on.

Don't forget that even though you may run a business by yourself from your home, you're not really alone. If you need some encouragement, join a discussion group, or consult the tips and resources in the Small Business Associations section of this book's Online Directory.

Market research

Given the sheer number of consumers who are on the Web, it stands to reason that you can find out a lot about those individuals by going online. If you don't have any awareness of who your potential customers are and what they want, you may never get them to pull out their credit cards. You can do your own market research by going online to find your customers, listen to their views in chat rooms and on discussion forums, and do some market research. Approach consumers who already buy the types of products or services that you want to sell.

Consult the Guerrilla Marketing books (`gmarketing.com`) for insights into different ways to reach your target consumers.

The other aspect of market research that is perfectly executed with a Web browser is research into your own online competitors – businesses that already do what you hope to do. It can be discouraging, at first, to discover companies that have already cleared the trail that you hoped to blaze. The chances of doing something absolutely unique on the Web are small, but use the discovery as an educational opportunity to find out whether a market exists for your product and a way to sell it that differs from existing competitors. Take note of features displayed by your competitors' Web sites, such as the following:

✔ **Selling:** How does the Web site do its selling? Does it sell only in one location, or does its Web site supplement eBay.co.uk or Amazon.co.uk sales or a brick-and-mortar business? Does the site make suggestions about related items that a consumer may want (a practice known as up-selling)?

✔ **Design:** How does the site look? Is it well put together? What makes it attractive and does it draw you in? It's not the same to ask, Is it pretty? Many ugly Web sites are also virtual gold mines.

✔ **Organisation:** How is the Web site organised? Is it easy to find specific products or information about them? How many navigational aids (navigation bars, drop-down menu lists, site maps, and the like) are provided?

✔ **Depth:** How many levels of information are included on the Web site? The more information is offered on the site, the *stickier* (more able to hold a visitor's attention) the site becomes. Try to imagine how your customers will react to the content on your Web site; are they encouraged to plough on, uncovering new content, or better yet click through to buy some of your stuff?

In your review of the competition's Web presentation, make a list of features that you can emulate as well as features you can improve on. Your goal should not be to copy the site, but to discover your own unique niche and identify customers whose needs may not be addressed by the other venue.

Don't you wish you could install a hidden microphone to eavesdrop on your customers as they surf the Web? You can do some eavesdropping, but on a different part of the Internet – namely, Usenet. *Usenet,* the part of the Internet that consists of thousands of newsgroups, is separate from the Web but can be accessed from the Web through sites such as www.usenet.org.uk. You can 'listen in' on newsgroup discussions by finding groups that fit your type of commerce and then *lurking* – that is, reading the messages without responding to them. After acquainting yourself with the group's concerns, you can post your own newsgroup messages and begin to determine your customers' concerns more directly. Keep in mind, though, that it's important to avoid overt advertising for your business in a newsgroup, which can provoke an angry response from the group's membership.

Web 2.0 – What on Earth Does That Mean?

The phrase *Web 2.0* doesn't just mean the second generation of the Internet, although faster connections and greater bandwidth underpins it. In essence, Web 2.0 refers to the ability to collaborate and share information online, in a way that we weren't capable of doing just a few years ago.

Web 1.0 was all one-way traffic. A webmaster would stick something on a site, and you'd either read it or buy it. Now, users are demanding greater involvement in their Web experiences. They don't just want to look at Web sites, they want to help build them! Web sites like MySpace (www.myspace.com), Bebo (www.bebo.co.uk), Digger (www.digger.com), YouTube (www.youtube.com), and hundreds of others all rely on contributions from people like you and us to survive.

It all derives from people's desire to talk about themselves, or to put it another way, to be famous and respected. If you can offer this service to them in an innovative way, then you're bound to build traffic quickly. The great thing about Web 2.0 is that other people populate the site, so you need fewer resources to get the thing going. Bebo, for example, is rumoured to be worth more than £100 million, yet it employs just 12 staff members.

Web sites like Friends Reunited (www.friendsreunited.com) started the craze, by allowing people to write about themselves and seek out old pals. Other sites, such as Startups (www.startups.co.uk), set up forums so that users (in this case, startup businesses) could ask questions and chat about their experiences.

Wikis (Web sites that allow anyone to add their content), *social bookmarking* (the act of bookmarking your favourite Web sites for other like-minded people to share), *podcasting* (downloading audio files), and *vodcasting* (the same but for visual files) have developed from this trend. Now sites from the BBC to Google and Amazon use these cool tools.

The most famous example of a Wiki is Wikipedia.com, which has 5 million pages of content contributed by the public. The Web site is an encyclopaedia of people's knowledge, and despite the fact that anyone can edit it, it's almost totally accurate.

Pod and vodcasting are expensive and certainly don't suit all businesses. A few companies offer to film or tape things for you and convert the information into a downloadable file for your Web site, but it can cost hundreds of pounds a time.

If you want to learn more about what Web 2.0 really means, check out this short essay by Internet expert Tim O'Reilly. It's a nice comprehensive overview of what you need to know:

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www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html
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