

# ***DIGITAL SELLING POWER!***

The Private Marketing and Selling Secrets  
of An Internet Self-Publisher

By David Vallieres, Pres/CEO  
<http://ePublishingEtc.com>  
<http://GoBizInfo.com>

# Introduction To *Digital Selling Power!*

I think a small explanation of how this book came to be written and *why* is in order. It's not enough just to assume that your readers know why your book exists. For anyone to do so would make them guilty of hubris. Sometimes the reason for the existence of a book is not self-evident. So please allow me to introduce myself and share with you, what I hope to be, interesting reading and of some instructive benefit to you as a budding entrepreneur in the emerging world of electronic publishing.

There are few things that come easy to me. Writing is one of them. But I love the written word, I love books and I love the business of publishing.

I started my first profitable publishing venture at the age of 19 with my brother. I have written newsletters, short stories (under assumed names), reports, sales letters and articles. My love of the written word and books has contributed to my illness. I contracted Bibliomania in 1979 (literally, a *bibliomaniac* is someone who is "mad for books" and is the only disease associated with collecting). I collect books, I deal in used and out-of-print (OP) books and *Electronic Publishing 2001*, was my 3<sup>rd</sup> completed self-published book.

I've always been fascinated by publishing and computers. I took graphic design and advertising in college then switched to computers. I was an early adopter of DTP (desktop publishing) and learned *Ventura Publishing* (an early page design program) from a local businessman I did some ad design and copy writing for. I also worked for a company that sold \$30,000 graphic design computer systems to colleges, universities and businesses in 1985 before I decided to enter the public sector.

In 1995 I had this gnawing feeling inside that I *should* write a book. I can't tell you why. I suppose after reading thousands of books in my life, it seemed like

a natural thing to do. I loved books, I read two to three books a week and it simply occurred to me that, "I can write a book too!". The question was, *what should I write about?*

It wasn't an easy question to answer. My interests were wide and varied. I could write on a number of subjects, but I wanted to give real value to my readers. I wanted them to benefit from my writing. It occurred to me then that the way to provide the most benefit was by sharing with them my experiences and my successes in bookselling.

I had been a collector and dealer in used and out-of-print and collectible books since 1979 and had done very well selling them on the Internet. So I used those experiences and I wrote my first book-length manuscript, "*How To Make Money Selling Used, OP and Collectible Books on the Internet*". It wasn't an electronic book - but I used the Internet to advertise it. I sold it as a start-up manual for new booksellers. The manual included two 60-minute audio tapes (recorded on a portable tape recorder!) of me rambling on about bookselling on the Internet. Actually, the *information* was great - if you could get past the hissing and noises in the background on the tape ☺.

The 'book' was printed on my laser printer and placed in a 3-ring binder. I duplicated the audio tapes on my son's boom box. The manual and tapes sold for \$175.00. I did pretty well with it. I'm still surprised I got orders for it because my Internet page selling the manual was terrible and I didn't take credit cards at the time. People ordered by calling my house and leaving a message on my answering machine or sending me an email. Then I'd wait for the check to come in. But that was in the relatively early days of Internet commerce and it was a novelty, I suppose, to order anything over the Internet even if it was delivered physically.

All of my writing and book selling were moonlighting activities. For 15 years I worked for others while yearning to break free and work for myself. To

pay the bills I worked as the executive director of two non-profit community development corporations and, at one time in my career, was the director of economic development for the municipality I lived in. To say I was extremely dissatisfied with the political wrangling I had to deal with on a day-to-day basis is an understatement. I needed a way out and I found it through my love of books.

I had been selling used, OP and collectible books (and a few other items) on eBay for about 2 years and was doing really well. I decided to do it full-time, leave all the security of my 9-5 job behind and take the plunge. I knew I wanted to write another book, but the question of ‘*what should I write about?*’ came up.

Once again I looked at my *experiences* to determine the subject matter that would be of benefit to my readers. I decided to write a book about my experiences on eBay. That was the first book I self-published that was 100% 'digital' - available for instant download from my web site. The book started as a 34 page report titled, *7 Ways To Make A Six-Figure Income On eBay* (now titled, *Bay Secrets*) in Adobe's PDF file format. I sold a lot of those on eBay and on my web site. The book eventually grew to 175 pages. *To date I've sold over 1,400 copies of eBay Secrets*. I continued to sell collectible books on eBay and through Internet used book exchanges like abebooks (<http://www.abebooks.com/>) and Bibliofind (<http://www.bibliofind.com/>).

While finding new ways to make a full-time living online I converted *How To Sell Used, OP and Collectible Books On The Internet* to digital format, *eBay Secrets* was already in digital format and I had edited and revised a third book on day trading by Richard Wyckoff (the famous stock trader at the beginning of the 20<sup>th</sup> century) called the *Day Trader's Bible* into digital format. Every time I added a new e-book to my web site I increased my income. Now, I'm not the brightest person I know, but you don't have to tell me to do things twice. My customers were giving me plenty of not so subtle hints that if I wanted more money from my writing, all I had to do was add more titles to my site. That was one motivation for writing this book.

My customers were telling me to write another book, I was motivated to write another book, I wanted to write another book, but that nagging question popped up again- ‘*what should I write about?*’

Like I said, maybe I’m not the brightest person around, but I was beginning to see a pattern develop with the first two books I had written- they were both based on my recent *experiences*. And they were extremely beneficial to my readers because readers were able to learn from both *my failures* and *my successes*. I read someplace once that the greatest teacher anyone can have is *experience* but it’s also the most expensive – the author recommended learning from the *experiences* of others to save time and money. It’s good advice.

Anyway, that’s how this report came to be written and *why* it was written- to share with you, dear reader, the experiences of electronic publishing as I have experienced them over the past several years.

I don’t claim it’s a literary masterpiece or even that it’s well written. All I claim is that it’s what I’ve learned about electronic publishing, what works and what doesn’t work and how you can use the Internet to sell your content profitably, just as I have.

With that I wish you much success, a special blessing and these words of encouragement: “*Never, ever give up. You never know when success is just around the next corner!*”

-Dave Vallieres

# Opportunities For Profit

Electronic commerce allows authors the opportunity to self-publish. It's technologically easy enough to create content. Content and creation tools are accessible to almost everyone. But as MightyWords (one of the first online content marketplaces and publishers) discovered, "*It was just too easy to publish work that wasn't that good*".

Only a small portion of authors who write for the traditional publisher (physical books) ever make enough sales to generate substantial revenue. That may change with electronic publishing, but probably not. Self-published authors have the opportunity to eliminate traditional publishers and go directly to their audience to sell their work- so net profits will be larger. Stephen King did just that in got over 500,000 people to download digital copies of his e-book, *The Plant*. He reportedly netted \$450,000 in profits.

**There is also the issue of quality especially if the information chain is redefined.** The publishing chain, as it's now defined, incorporates a number of quality filters such as copy editors and proof readers which may be difficult to apply in the electronic environment. Self-publishers will learn that they need to be their own 'quality control' or contract for it. One site that's used frequently by online self-publishers is Editor.com (<http://editor.com>). They provide proofreading, editing, ghost writing, content consulting services and more.

On-line publishing will also become increasingly fragmented and confusing to the end-user unless it controls or establishes quality control. Evidence of that occurred recently (11/2000) when MightyWords (<http://www.mightywords.com>), decided to eliminate 7,500 of the 10,000 self-published electronic titles on their site.

Managing director of MightyWords, Judy Kirkpatrick, said the company, which is partially owned by Barnes & Noble.com, ... "couldn't afford to provide the editing, proofreading, layout, and cover design services needed to make all 10,000 of its titles marketable".

In other words, their marketplace was fragmented. It had to decide between charging authors for these services -- "moving toward becoming a vanity publisher," as Kirkpatrick puts it -- or becoming much more selective about the titles it sells. "*You can't build a Web site with the right kind of infrastructure, the right kind of customer support, and the right kind of marketing for free,*" Kirkpatrick said.

So the company chose to husband its resources, notifying authors that all but 2,500 of the site's titles would be removed by the second week of December. It asked authors of its surviving titles to sign a new contract that reduces their royalties to 30% of a work's selling price, down from 50%. And it eliminated authors' ability to upload titles directly to the site, substituting a new, stricter selection process.

"*There is a value MightyWords provides that warrants compensation of some kind,*" Kirkpatrick said. "*What we have chosen to do, as opposed to moving toward becoming a vanity publisher, is publish fewer works upon approval.*" The new submissions policy limits works to four categories: business and management; computing and technology; health; and self-help and requires that authors provide a competitive analysis and marketing strategy along with their manuscripts.

I was lucky. I was one of the authors asked to sign the new contract. I had 2 self-published titles listed with MightWords when this policy was implemented. One was continued under the new policy, one was dropped because it didn't meet their profile. It is not the only means of marketing my titles, of course, but for many self-published authors the new policy was a severe blow.

But Kirkpatrick says marketing is what the change is all about. "*We've been selling content for a long time now and we've learned a lot about who's buying it,*" she says.

Pay close attention to what Kirkpatrick says next. It cost MightWords several million dollars to learn who their market is:

Kirkpatrick says, "*The company has identified 'harried professionals' looking for medium-length, 'need-to-know' information as its best customers.*"

That meant, for starters, banishing most of the site's fiction.

"We really don't think that fiction is the category that will catch on electronically first," Kirkpatrick says. "There is so much great fiction already available in print."

Kirkpatrick denies, however, that MightyWords' policy shift means the company is giving up on Internet self-publishing. "I would only agree with that if there were no self-published titles remaining on the site, which is not the case," she says.

She points to MightyWords author Verne Harnish, author of a 12-page, \$2.00 document called "*Mastering A One-Page Strategic Plan*," as an example of the kind of go-getting self-publisher who is most likely to succeed in the new medium. "He is not an author per se, but a business expert on this topic who has done things with us and on his own to market his title," says Kirkpatrick. "It's now a very good bestseller."

In other words, stay in touch with your market, understand what they want and give it to them.

MightyWords is mostly described as an e-book site by its customers and competitors, but CEO Chris MacAskill disagrees with that view.

What MightyWords is, according to MacAskill, is a '**digital marketplace**' **that specializes in works that are longer than a magazine article and shorter than a book.** Most MightyWords customers print out the "e-matter" they purchase on the site before they read it.

MightyWords is also a work in progress. After launching as a kind of literary eBay in March 2000, and receiving a \$20 million investment from Barnes & Noble in June 2000, MightyWords rapidly filled up with nearly 10,000 self-published works. Then the site radically adjusted its business model, as we

mentioned, informing thousands of authors it would no longer host their work.

"It was just too easy to publish work that wasn't that good," MacAskill said.

Within the next two weeks, customers noticed far fewer selections, closer to 2,500. And MacAskill promised the quality will improve as the company adjusts to this emerging market.

"We've learned a lot of lessons," he said. "One is that our best customers tend to be technically adept professionals. That shouldn't have surprised us: They were the first to adopt cell phones and Palm Pilots. We also had to recognize the power of brands. Even eBay, our original model, relies on brands."

*eBay?*

"The seller might be anonymous, but think about it: He is selling a BMW motorcycle - *a brand you know*. He can also display a picture so you can see if it's exactly what you want...", MacAskill states.

Brand recognition, knowing your market and giving it what it wants...it's starting to sound more like a traditional publishing venture than high-tech digital publishing. But in life and the Internet, "there's nothing new under the sun" and the Internet will not change what people want to purchase...only the *way* people decide *what* to purchase and *when*. The basic motivations of making a purchasing decision never change.

# Products That Can Be Sold Electronically

The web has suffered from the same drawbacks which beset multimedia publishing in its infancy:

Namely, a lack of business direction-- and, the hi-jacking of business operations by technologists without any business knowledge. It is important that publishers identify the product they are selling and to whom they are selling it, the market demand and its suitability for on-line delivery.

Electronic goods, mostly, consist of:

- electronic journals, magazines and newspapers
- electronic books (e-books)
- multimedia CD-ROM
- software
- computer games
- spreadsheets and formulas
- music (MP3's, etc)
- on-line databases

The products most suited to electronic commerce are on-line databases and electronic journals, music, magazines and newspapers ... but the real commercial success of ePublishing may ultimately include any file that can be stored electronically- as these can be accessed, paid for and delivered directly to

the users PC.

We mentioned startup, Zden.com. The European Internet company provides digitally (and not so digitally) creative and productive people with a platform to sell and expose their original content/work in files (digital formats) and, at the same time, provides buyers of digital copyrighted material with a large catalogue of original content/work in files (digital formats).

What kind of files? Any and all of them: Jpeg, mp3, avi, doc, txt, xls, ppt, gif, ... Zden is a "*marketplace to go shopping for digital stuff*" according to their web site - music, videos, flash animations, text, spreadsheets... every kind of digital format can be purchased/sold. As they say, "*It is like the open market you visit on weekends. Instead of vegetables, meat and fruits, Zden will have files (content in digital format). And instead of being just on weekends, it's on every second...*"

A model for the future of publishing? Maybe. An eBay for digital content? Or just another MightWords who hasn't learned their lesson yet?

The purchase of electronic books is more problematic as we mentioned. Besides the security and copyright issues there are social and cultural issues involved in the process of selecting and *consuming* books.

There's also a perceived value issue that needs to be addressed. For example, other digital goods such as software for your computer has a high perceived value because of *what it will do* for the buyer. It's a plug 'n play product- buy it, load it and it does what it's supposed to do (hopefully) without any further intervention.

E-books, on the other hand, are 'content' (digital 1's and 0's) that don't do anything except sit on your hard drive. Not only don't they *do* anything, but the end-user actually has to exert effort to use it- they have to read it get the intended benefits.

Then there are also those quality control issues. Quality control will become a primary issue as e-book buyer sophistication increases.

There are opportunities for selling e-books and e-content utilizing strategies, that right now, may seem radical or unusual. We are in the very early stages of an entirely new industry - there are no industry "norms". **That's what makes it exciting and potentially the most profitable chapter to be written in Internet history.**

# Current Best ePublishing Practices

The Internet presents a mode of delivery which may ultimately challenge traditional publishing. If you believe Patrick Ames, Founder of Books Virtual Corporation (<http://bookvirtual.com/>), “...*society is moving whole-heartedly into the digital domain, on multiple levels, and we cannot leave without our books*” ([Towards A Digital Book Renaissance](#), Ames, p 4).

Traditional publishers have mostly utilized the web as a *marketing tool* and not as a method of distribution and selling.

Investment has been in developing web sites as an *advertising tool* and not in the technologies and skills required for *payment of digital goods and delivery*.

Electronic publishing has been used to compliment rather than replace traditional print products. However the growing interest in on-line media and the changing role of the end-user means electronic publishers, e-content developers and entrepreneurs have to address their on-line and electronic publishing strategy and change their models if they want to profit from this area of e-commerce.

According to Digitz.com (<http://www.digitz.com>) in Charleston, SC electronic publishers are well advised to consider formatting their work for print as well as for online distribution. Digitz converts current PDF E-book titles to a Print On Demand (**POD**) format. This means that if you are selling E-books, you can now add print on demand capabilities to your site by simply adding a link to a new product.

When a customer orders a print on demand (**POD**) title from a site, the owner simply processes the order and then places an order at Digitz.net's customized ordering page. When they receive the order they print the book and

ship it directly to you or your customer from a file stored on their server. The price of their services are affordable for even the smallest of publishers- starting (at the time of this writing) at just \$99 per title for set-up and per book costs of about \$6.50 for a 200 page book. One of the biggest advantages to this system is you can order one book at a time.

Digitz.net considers itself the Internet's first true "one at a time" on-demand book printer and fulfillment operation. Others are sure to follow.

Traditional publishers may not be able to keep pace with this kind of innovation. Opportunities will grow exponentially for electronic publishers, self-published authors, content developers and entrepreneurs.

At one time there were no *publishing houses*. There were only printers and all authors were, by necessity, "self-published".

Electronic commerce offers benefits to both the self-published author and the consumer. The more entrepreneurial authors/publishers can develop new and customized products, as well as creating new markets. They are able to create new business, reduce costs, increase competition and generate additional profit streams. The consumer benefits from increased choice, ease of access and a better standard of service.

There are practices being employed in the digital marketplace that can serve as models for electronic publishing. As I've mentioned, we are still very early in the development of business models. Some of the following companies and self-publishers have made successfully transitions from offline content sales to online and some are taking advantage of the electronic marketplace as a new form of content sales and distribution.

Most users subscribe (for a fee or free) to on-line news-feeds and electronic magazines or **ezines**. One of the winners in online subscription business is The Wall Street Journal online (<http://www.wsj.com/>). For an annual

fee you get current WSJ news and an extensive archives collection. There are lots of independent publishers how do exceptionally well online selling subscription and digital information products online. We'll discuss a few of them below. But let's continue to look at some offline-to-online successes:

Dialog ([www.dialog.com](http://www.dialog.com)), US Search (<http://www.ussearch.com/>) and several other database gateways charge per search, record or amount of information downloaded in bytes. These are commercial organizations with private and public databases or reference libraries. They were already established brands, offline, before turning their attention online.

Harvard Business Publishing (<http://www.hbsp.harvard.edu/>) is tackling this problem of electronic publishing by offering it's comprehensive archives of articles from the Harvard Business Review online. Most content on the site is available in Adobe's Portable Document Format (**PDF**). The only exclusions are the Business Case Studies which are purchased online but delivered via the U.S. mail.

HBS publishing is profitable, but they have an established off-line brand that they are successfully marketing online.

The one successful independent publisher that you could spend the next several weeks studying is Monique Harris. Monique is an information publisher whose rags to riches story is well known in Internet marketing circles.

Monique has been online since 1996 marketing her self-published material. She co-authored *Make Your Site Sell* with Dr. Ken Evoy released in March 2000. She has products that include, *How To Successfully Sell Information Products Online*, *The Online Infoseller Jump Start Kit*, *The Information Marketers Internet Mastery Program*, and *How To Make \$100,000 A Year Promoting and Selling Market Research Reports Online*. She is literally a one-woman information publishing powerhouse!

Her *Digital Publishing and Promotion* newsletter (<http://www.sellyourbrainfood.com>) is required reading for electronic publishers.

Another very successful digital publisher online is Harmony Major. Harmony has been marketing online since 1998, and is the author of *Simply, eBusiness*, an e-business and marketing startup guide, and *Yahoo! Secrets*, a guide to getting a #1 listing on Yahoo.

Harmony's articles have been published in several major online publications, including Active Internet Marketing (A.I.M.), DEMC, Internet Marketing Challenge (IMC), and others. She designs and maintains a growing network of online business and marketing websites, which include:

Simply, eBusiness (<http://SimplyeBusiness.net>)

Yahoo! Secrets (<http://YahooSecrets.com>)

ExpertOnEbiz.com (<http://ExpertOnEbiz.com>)

Home-Based Heaven ONLINE (<http://HomeBasedHeaven.com>)

Site SELLING Power (<http://SiteSellingPower.com>)

Through hard work, perseverance and long hours, Harmony was able to go full-time (at the tender age of 20) with her e-business after only one year online. This is even more remarkable considering she was homeless at the age of 6. To read a compelling story about the obstacles Harmony had to overcome when starting her business, go to: <http://simplyebusiness.net/> and scroll to "A Story Destined to Change Your Life." It really is worth a visit.

For the start-up e-publisher or e-content marketer there are three ways of approaching the problem of using electronic commerce technology.

First, electronic publishers can allow customers the option of paying for one-off items without incurring subscription charges. By allowing access via the internet, providers could allow individuals to purchase an electronic product using credit or debit card technology or by allowing them to set up individual accounts using a suitable model. This model is suitable for e-books, reports, music, etc.

The second method would enable the consumer to go straight to the

creator of the product (using the publisher as the 'gateway') and make the purchase in the same way. By doing so the storage, delivery and distribution elements of the information chain are eliminated.

The third way involves measuring the 'stream' of data consumed by the end-user. Sometimes called the Taxi Cab model the user is billed from the moment they click on a specific link (the meter), and the measurement is based on bytes downloaded not time. Video on demand and some adult content sites use this model.

Content Exchange (<http://www.content-exchange.com/>) is a marketplace for content developers and electronic publishers. According to their site, "The rapid growth of the Internet is opening up fantastic and lucrative new markets for all kinds of content professionals (writers, editors, photographers, and so on). Whole new marketplaces for their work are appearing. Publishers, companies, and organizations of all stripes are eager to find high-quality content for their Web sites, intranets, e-mail publications, and other online venues. Content Exchange™ is a marketplace that brings content professionals ("talent") together with online publishers ("venues")."

Content-Exchange is setting up a database of content providers and content users. In the meantime they are using paid classified ads to generate revenue and news articles to draw interest in the site.

You can set up your own database to publish on the web without any programming knowledge by using eCriteria (<http://204.1.220.85/eCriteria/>) to create your own Web database. Without any database or programming experience you can create and manage Web databases that put your data live on the Web. Users can search your content and download anything on your site. You can even put your data in a secure area of your web site for paid subscribers.

MightyWords (<http://mightywords.com/>) is one the first *native* publishers on the Internet. They host content from self-publishers and provide an EC

gateway. But there's a selection process. They also expect their "published" authors to share a large part of the responsibility for marketing their own titles.

In the same class, but with a fraction of the number of titles, is Intellectua (<http://www.intellectua.com/>). Intellectua says that products are only as good as the people behind them, "Which explains why we have chosen to *only* publish the work and words of authors *worth reading* and learning from. People with the knowledge and *experience* to give you the business and technical advice that you can bank on." Their titles include *.COMstruction- The Basics, How To Install CGI Programs*, and *Links To Free Publicity On The Internet*. You can purchase the entire content or, using their **knowledge al a cart**<sup>TM</sup> purchasing option allows you to purchase individual chapters of the book. Their goals are modest- 100 titles on their site by the end of their first year in business.

Booklocker (<http://www.booklocker.com/>) is another publisher of e-books, similar to MightyWords, but again, with fewer titles. They also have a strict criteria for acceptance. They've been around since March 1999 and have recently expanded to include print-on-demand (POD) in addition to electronic delivery of books. Like some online publishers, they limit submissions and are not accepting creative writing, children's books and poetry. Non-fiction, especially business and finance and 'how-to', is prevalent on the site. Prices for e-books at Booklocker range from \$3.95 to \$149 (for a course in creativity titled *AWAITING THE KISS: A Study in Creativity*).

In contrast to the non-fiction publishers above, eMarketer (<http://emarketer.com/>), and Forrester Research (<http://forrester.com/>) successfully publish staff authored electronic research reports at the higher end of the market (\$200-\$500 each). EMarketer changed from an annual subscription-based model because it was unprofitable before publishing their research reports. AllNetResearch (<http://allnetresearch.internet.com/>) markets the research reports published by others around the net. If you publish research reports you can sell your content on their site which is part of the Internet.com network.

# **Business Models For ePublishing**

*"In the future, there will be even weirder business models." -- Tim Berners-Lee (Creator of the Web)*

The majority of Internet users now access information free of charge and this is going to be a difficult attitude to change. Consumers are the most difficult to convert to a fee based system. Businesses on the other hand are accustomed to paying for information, especially specialized information.

Businesses are also beginning to make more focused use of the Internet by intranet and extranet technologies. So, businesses are willing to pay for information which will add value to their enterprises.

The same problems of charging and pricing which faced the first database providers are comparable to the problems facing those who wish to sell digital products on the Internet. We might call these 'native' models.

Most models for internet commerce, however, have been transplanted from the bricks and mortar marketplace. Although some of these models are successful (such as ad revenue and list sales) they don't fully embrace the concept of a pure internet commerce.

Let's take a look at some native and transplanted models:

## **Native Internet Models**

The library model: Academics, researchers and librarians were the first to realize and exploit the internet for accessing and disseminating information free of

charge to their community of peers. Dissemination is primarily web based (HTML), by database access or by email.

The freeware model: This model is used by the software community to provide users with applications for free download or free trial downloads. Netscape and MS Explorer are the best examples of this model. The free trial model is adopted when issues are of concern to the software developer.

There are literally thousands of software developers and publishers who market software online using a trial model or a model based on disabling certain features. If you want every feature of the program some form of payment or registration is required.

The information barter model: A similar model to direct marketing where a company purchases a database of information from an organization (usually a utility company). In the on-line environment information is also sold to others and used to produce customized products according to user preference. Internet news sites use this method of business. Amazon.com is probably the best example.

Digital products and digital delivery model: Digital products exist in the virtual world and can be delivered via digital methods, e.g.: WWW, ftp, CD-ROM or on-line databases. There is a distinct difference between these products and those which involve digital purchase but physical delivery.

Access Provision Model: Used to provide access to the Internet and is therefore the model adopted by Internet Service Providers (ISPs). Some ISP's are purely advertising supported, such as NetZero.

Web Site Hosting: Many ISPs provide additional services to users such as email and web servers free of charge but are sustained by advertising revenue.

Private Access Model: Web sites will sometimes have certain areas that are

restricted to non-member. Once you become a member you receive full or partial access to premium services or information. The Wall Street Journal online is a good example of this.

Entrepreneurs who also utilize this model include:

Jonathon Mizel (<http://www.cyberwave.com/>),

Marlon Sanders (<http://www.higherresponse.com/>)

Dr. Ralph Wilson (<http://www.wilsonweb.com/>),

Monique Harris (<http://www.sellyourbrainfood.com/>),

Harmony Major (<http://sitesellingpower.com/>),

Allen Says (<http://www.profitsecrets.com/>), and

Declan Dunn (<http://activemarketplace.com/>).

There are many more. These entrepreneurs sell monthly or annual subscriptions to specialized business information and access to a peer community. This model is fee based and often is sustained by advertising and/or affiliate revenue as well.

### **Transplanted Bricks and Mortar Models**

Mail order model: This is the model used in most electronic commerce web sites. The user purchases goods from a web "shop" and pays for them via the web using credit or debit card. The goods are then physically delivered to the consumer.

Advertising based model: Adopted by most of the search engines and other free sites. The most common form is the banner advertising hypertext link which

takes the web user to a particular site or service. Revenue is generated by the advertiser.

Free trial model: Normally used in the software industry. Users can "try before you buy", the user is provided with downloaded software sometimes with limited functions and given a period of time to use the product before deciding to purchase.

Subscription model: Users subscribe to products and services such as electronic journals or databases for a limited period before deciding whether to make a permanent subscription. Similar to the free trial model, however the user continues to pay a subscription rather than the one off payment associated with the free trial model.

Direct marketing model: The use of electronic mail to promote goods and services. Known as spamming and universally loathed by most of the internet community.

Real estate model: Selling of space on web sites. For example an estate agent advertising property might also sell space to other actors in the property market such as solicitors or surveyors.

Incentive scheme model: Combined with advertising and often offering the chance to win prizes or attain free goods.

Toll gate Model: Become a portal site with a directory of specialized web site destinations all within your web site.

Don't believe for an instant that you can't creatively mix and match these models or parts of them to develop an model that suits you and your business objectives. A combination of models is the most likely solution for a profitable business.

Pure internet commerce redesigns the business processes involved in the

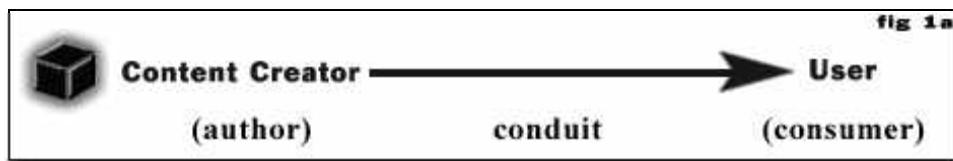
publishing industry.

## **The New Paradigm For The Information Chain**

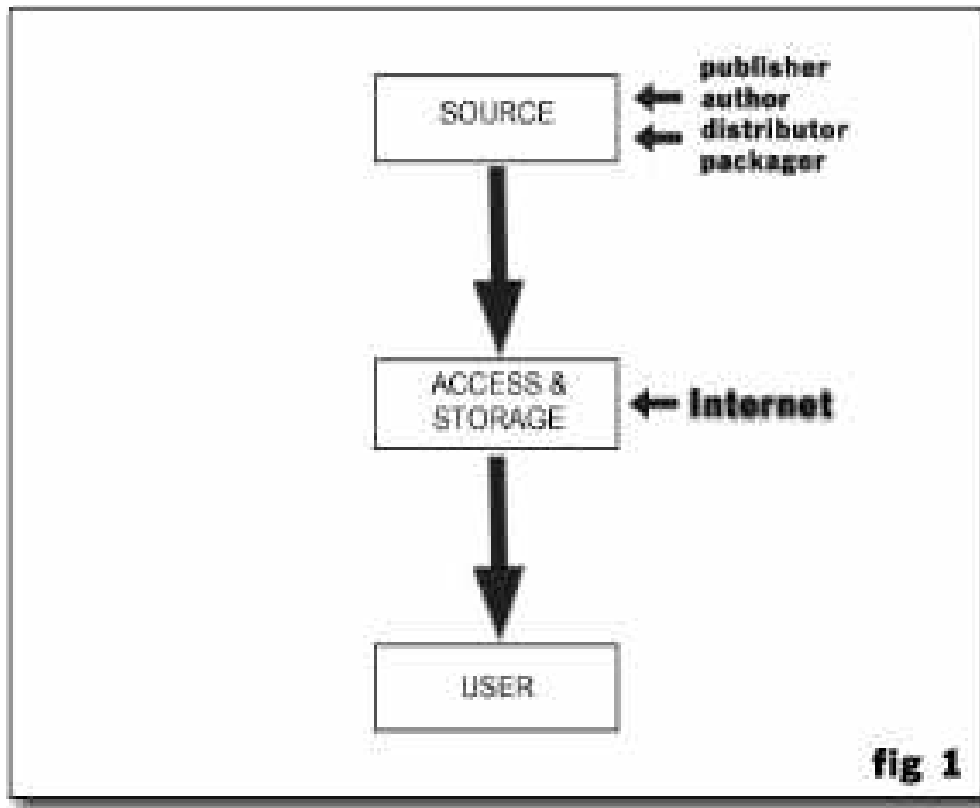
The information chain continues to redefine itself according to technology and cultural changes.

There are many versions of the information chain however there are three parts of the chain which we will look at in the context of digital publishing.

Figure 1a shows the relationship between the content creator (normally the author) and the end-user or the 'consumer' and a conduit for delivering the information.



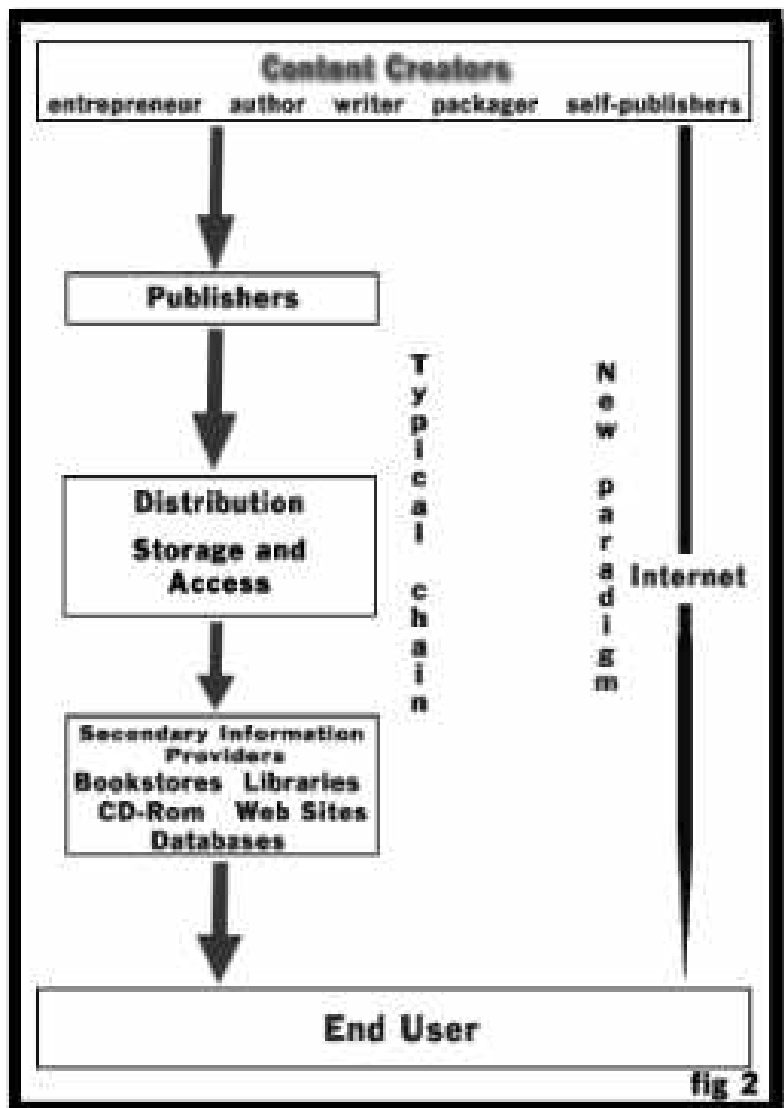
This is the broadest possible relationship. The digital publishing chain outlined in Figure 1 includes an expanded definition of 'author' and 'conduit' to include such variables as 'access and storage'.



In this expanded idea of the information chain, the author is not the only source of information. The sources include *publisher*, *distributor* and *packager* showing that there are a variety of ways from whom information can be generated.

In addition the 'conduit' for information delivery expands to include the components of access and storage of the information.

Next we look at the traditional information chain side by side with the new paradigm of electronic information publishing:



Before we examine the diagram in detail, let's define some of the traditional players in the traditional information chain.

Who's who in the traditional information chain:

- The content creators: Includes entrepreneurs, authors, writers, packagers and self-publishers - they create the product which is sent to the publisher.
- Publishers: Those who are responsible for selecting material, ensuring quality,

editing, copyright, marketing and production.

- Distribution: Usually specialty firms servicing the physical delivery of the product – the function distinct from the actual publishing process and is usually undertaken by a third party.
- Secondary information providers can also be involved in the distribution process. They can provide indexing, abstracting and cataloguing services and offer access to sources through information gateways.
- Storage & access: Includes libraries, bookshops, secondary information providers. Products are stored at some physical location usually a library or bookshop. Often there is a cost involved in the storage of these products, however this would usually be at the distribution level where stock may have to be warehoused.
- End-User: The consumer of the information or content. The consumer is the last level but the most important.

## **Electronic Publishing Information Chain**

Technological innovation within the publishing industry has the potential to alter the publishing process. These changes are outlined in Fig 2 (above).

Basically, although the players remain the same, the publishing process is different in that the delivery can be directly from the source making intermediaries unnecessary. The major change occurs when self-publishers consider the ease in which they can deliver information directly to the end-user. In this case, it is assumed that distribution is completed electronically.

In this new paradigm, the “Internet” takes on many of the functions of the traditional information chain such as Publisher, Distribution, Storage and Access and Secondary Information Provider.

It’s not that these functions will be *replaced* in the new paradigm – but that they are transformed.

For example, the new Internet publisher can provide the quality control necessary to increase the acceptance of e-books.

There may be potential strategic partnerships that can be developed between publishers and electronic storage facilities that could provide security, DRM and fulfillment of digital goods ordered by end-users.

And secondary information providers can play an important role in the new paradigm by building customer databases through which digital goods can be sold in niche markets.

So although the traditional information chain is being redefined, so are the players in the traditional chain. The new paradigm is opening opportunities for services to the new electronic publishing industry that have not yet been exploited.

## **Issues For Commercial Electronic Publishing**

Any model for electronic commerce in the publishing industry has to address certain issues -

- security
- copyright
- payment (micro and macro payments)

- delivery

We have laid a solid foundation for understanding electronic transactions as they relate to digital goods and service sold over the Internet and we've compared traditional publishing to the opportunities for electronic publishing.

The next section of the book I'll help you build a profitable marketing methodology applying what we've learned so far.

We'll also discuss practical applications of electronic publishing and what's necessary to do so securely and profitably for the small content entrepreneur, self-publisher and independent publisher.

# **Basics Of Marketing (Digital Goods)**

Does the marketing of digital goods present the entrepreneur, web site owner or self-publisher with problems not inherent in the marketing of physical goods?

The professional methods of marketing never change. It's the mechanics of marketing, the medium of the message that change: Instead of billboards, it's banner ads; letters sent through the post are now emailed; web sites replace brochures and full-color catalogues; live chat with customer service representatives replace 800 numbers, etc.

Eugene (Gene) M. Schwartz, the copywriter that helped Marty Edelson, launch *Boardroom Reports*, said marketing is like playing the stock market or being an atomic scientist. Marketing, speculation and science are all alike- they all deal with immense natural forces, thousands of times more powerful than the men who use them. In science, the forces are the fundamental energies of the universe. In speculation, the forces are the billion-dollar tides and currents of the market place. *In marketing, the forces are the hopes, fears and desires of millions upon millions of men and women, all over the world.*

The men who use these forces did not create them; they can't turn them or shut them down; neither can they diminish them or add to them in any way. *All they can do is harness them!*

So what works? What can you and I harness this immense power? Gene's answer: Innovation. Continuous, repeated innovation. A steady stream of new ideas- fresh new solutions to new problems. Created above all not by the impossible route of memory- but by analysis. And what is analysis? *It's a series of measuring rods, checkpoints, benchmarks and signposts that show you where a particular force is going, and enable you to get there first.*

When I visit Internet discussion boards like Tony Blake's (<http://www.ablake.com/forum/>) or any of the other high traffic business sites that discuss marketing on the Internet, I continually see posts that say something like,

“I wrote an e-book I want to sell online- but I’m afraid it will get ripped-off. What do I do? Help!”

Most of the responses try to alleviate the fears of the person who posted. And they all make really good points... especially those who say it's really unnecessary *from a marketer's point of view* to worry about your e-books getting ripped off. You can protect yourself, do what's necessary to prevent it from happening, but it will happen, it does happen! So why worry?

I think creative individuals, especially those working on their first book, get paranoid about their 'rights' being violated, their work stolen, etc. They think that what they're writing is so 'special' and 'important' that it needs to be locked up at Fort Knox. I'm not poking fun at new writers. I remember how I felt when I wrote *my* first book!

## **Books are a commodity**

They are something *useful* designed to be distributed. 99.9% of the time *commercially* distributed. They are an article of trade. Also remember that they are a 'product'. We tend to think of books less like a physical products than most, because you do not buy them for their physical properties alone - you buy them for the *ideas* they contain.

Here's the definition of a 'commodity' from the American Heritage Dictionary:

*com· mod· ity* (ka-m d' -tē) *n.*, *pl. com· mod· i ties.*

1. *Something useful that can be turned to commercial or other advantage.*
2. *An article of trade or commerce, especially an agricultural or mining product, that can be transported.*
3. *Advantage; benefit.*

©2001 by the American Heritage Dictionary. All rights reserved.

As an e-content entrepreneur, self-publisher or web site owner who wants to make profits from the sale or distribution of e-books and e-content let's face a fact: All books, including electronic books are a commodity, an article of trade, something *useful that can be turned to commercial advantage*. They are to be bought and sold, hopefully for profit.

Books, just like other types of products and other types of commodities do not sell themselves. It takes people with skill and knowledge to sell them. That's why most professional marketers are more prosperous than *writers*. The US Department of Labor reports that writers (as an occupation) earn an average of \$7,500 per year. Most writers are not able to earn a living from writing alone. Even 'published' authors will find it difficult to make a living with a single book.

The first question an author is asked upon signing a contract for a first book is, "What else do you have?" The publisher knows that 'one book' authors will never be able to sell enough copies of their first book to make any real money for them or the authors. It takes several books, within the same genre, to build the author's presence in the consumers' mind. Speaking to yourself, "What else do you have?" should be your mantra as a publisher or content developer/entrepreneur online.

There are some writers who hit it big with a single book, but that's very unusual.

My own experience writing, publishing and marketing books on the Internet proves this. One book made me some money. Five books made me even more money. The more books I offered to my web site visitors the more profits I made. Many other publishers and content entrepreneurs will confirm this phenomenon.

If you publish a book with a traditional publisher, who is responsible for promoting it? If you answered the publisher, you're wrong. Sure the publisher will announce the book to the trade, get a few reviews, but if it does not do as well as expected they remainder it and, later when sales have all but died, declare it out-of-print. The poor writer is lucky to be able to keep his/her advance with that kind of marketing effort!

Accept the fact now that not all the responsibility to market the book rests with the publisher. The author must take full responsibility for promotion of his or her work- and that's where the majority of writers fail. As a writer your job is two-fold once you've made the commitment to become a 'writer': 1) To promote,

promote, promote your work non-stop; and 2) To keep writing and write another book, and then another book after that as soon as possible.

From a marketers point of view, *the only job of that first book is to get your readers to buy your second book, and the only job of the second book is to keep the reader hooked enough on your writing to buy your third book, and on and on...*because that's where the money is.

## **Marketing e-Books On A Web Site**

Let's get back to our discussion of the writer, e-book author/self-publisher who's concerned about copyright infringement or outright theft.

A problem facing the industry is a lack of standards for e-books. Right now there are NO standards for e-books. Adobe's Acrobat is about as universal a standard as there is. But there are hundreds of alternatives. Most e-book sellers (with exceptions such as BookLocker.com and Intellectua.com), are doing what they think is best *for them* not their customers.

Until there are standards we either have to rely on the integrity of our customers not to copy, rip-off or share our e-books or simply market and manage our electronic rights under a new paradigm.

I suggest choosing a new paradigm.

I' take off my 'writers' hat for a moment and put on my 'marketers' hat and suddenly a new paradigm emerges that says, "Hey they're going to share my e-books with anyone they want anyway (and there's very little I can do to stop them), so *why not give them what they want and even help them do it?*"

That's why I grant unlimited digital resale rights on some of my e-books at ePublishingEtc.com. I want my customers to share my books. And I want them to make a profit doing so. In the process, I help myself to more profits by figuring out ways to help my business customers make more money by selling more and more of my books.

Forrester Research ([www.forrester.com](http://www.forrester.com)) came out with the report mentioned earlier on the e-book market (*Content Out Of Control (9/2000)*), that basically said – "digital security won't stop content theft on the Internet. Publishers must focus on selling better services and products, not 'locking up assets". I couldn't agree more.

It occurred to me that worrying about the illegal sharing of my e-book titles was doomed to end in frustration and that I can choose to develop profitable long-term relationships with my customers instead- especially those who are reselling my content on web sites around the Internet.

If the thought of offering resale right to your customers does not appeal to you or you oppose it, you might try offering two editions of your e-book. One with advertising in it that could be either be free or available for a small fee with the other edition being ad-free for sale. You'll achieve the same effect- if people are going to distribute your e-book anyway, you might as well get the ad exposure.

The question then is, "How do I, as an e-content marketer, stand apart from the rest?"

I classify e-books (and online information in general) into three basic categories:

- 1) "Don't need to know- not interested"; (customer response, "I'll pass")
- 2) "Nice to know - looks interesting, but..."; (customer response: "ho hum", \*insert yawn here\*)
- 3) "This looks great – just what I've been looking for!" (customer response, "Where do I pay?")

When I'm looking for info (especially on-line) I ask myself these questions.

For example, one morning while surfing the net I went to Responsys.com. The service looked interesting (in the "nice to know" category) so I took the time to sign up for a free demo of their service.

I was ready to leave the site when I noticed a link to a free report they

were offering too. The link said "download now", and since I was at their demo sign-up 'success' page I thought the link would take me directly to the report. Instead, when I clicked on the link, I got a page with a "registration form"...asking me all the stuff I *just* answered when I signed up for the free demo.

Suddenly I'm in the "Don't need to know-no time", category. I simply didn't have the time to enter all my information *again* - so I passed on their free offer. Too bad they didn't link the report with the free demo offer. That would have made a lot of sense and it would have been a nice 'bonus' for signing up for the free demo.

If you want people to buy or download your e-book you have to answer the critical question of your target audience, "why do I need this info?" – their response will it fall into category 1, 2 or 3 mentioned above.

If it's in category 1 or 2, chances are you need to re-think your e-book's title or the headline and ad for your e-book. You need to determine the e-book's "appeal", its' primary benefit to the reader and make that clear to your reader.

This is where Gene Schwartz's idea of marketing as 'innovation and analysis' is so important. You may need to test several titles in subtle ways to your target audience before you find one that works well. One way to do that is by writing an article about your upcoming book (what it's about, etc.) and put the proposed titles as a link to your article. Put the title on your home page. Rotate and change the title once a week and try several different titles. See which one gets the most click-throughs to your article by using a counter on your page with the article or by 'coding' the link. For example:

One title might be:

*The Sleep Walking Murders*

Your link to your article would look like this:

<http://www.yoursite.com/article.html>

Your 'coded' link would be:

[http://www.yoursite.com/article.html?sleep\\_walking](http://www.yoursite.com/article.html?sleep_walking)

When someone clicks on the 'coded' link it registers a 'hit' in your server logs. The REAL URL for the article is everything before the "?" - your 'code' is "sleep\_walking". Everything after the "?" will not affect the visitor clicking on the link to get to your article. Count the number of hits you get for each title. Just be sure to change the code to correspond with your titles every time you make a change!

If one performs better than all the others, then you have your title.

### **Marketing e-Books Using Email – A Case Study**

The concept behind using email to sell digital goods is simple. You produce the product, send out email to potential customers, and count the orders that roll in. The customer database, the specific offer, the appropriateness of the message, and other factors will vary, but the basic method of email marketing is the same whether we're talking about a new company with one product or a multibillion-dollar corporation with hundreds of items for sale.

What doesn't change from Company to Company is that they all have something to sell.

One company, though, has found a way to sell *nothing*, and still get orders. They're Logos Research Systems Inc. (<http://www.logos.com/>)

This electronic book publishing company used email marketing to sell a product that didn't yet exist, and in the process, it generated hundreds of thousands of dollars in sales and still made customers happy in the meantime.

This wasn't a case of fraud. Everything was well stated in their email and aboveboard in every way.

Here's the idea: Logos, which sells a range of Christian electronic books

and software, had developed a strong database of loyal consumers.

Back when the company had no budget for promotion to speak of it focused on building an email address database in every way possible: The telephone "on hold" message notified consumers of the opt-in email list and invited them to join; Customer service employees asked if callers wanted to receive an email invitation to the list: The sales force mentioned the list to each potential customer: etc...etc.

The company decided to put that database to good use. And as they were aware your customer base is the most profitable source of new revenue you could ever have as a business. Rather than simply email members about new products available (which is the way most companies do it) -- it used the database to help *create* a product and then *sell* it.

The Unabridged Theological Dictionary of the New Testament (a 9,081-page, 10-volume reference work containing more than a dozen languages and discussing 2,300 "theologically significant words") already existed in print form. The company was considering putting this reference work in digital form. To create this as an electronic text -- in other words, to put it into the Logos Library System format -- would undoubtedly be a massive and expensive undertaking for the small company. Their plans were to produce the book in a variety of languages, include links and search capabilities that would require massive text relational building.

The company didn't want to invest in creating the electronic text unless it knew it had a profitable number of individuals willing to purchase the volume in digital format, so Logos went to its database using a 3 step system that can be called nothing less than brilliant.

Here are the details:

On January 5, 2000, a mailing was sent out to the more than 60,000

members notifying them that Logos was *considering* producing the Unabridged Theological Dictionary of the New Testament in digital format. Members were asked to reply if they would be *interested* in purchasing the e-book at a pre-release price of just \$150. They were not asked for any further commitment. Two reminders were sent out over the following month. Logos received sufficient response, so they confidently proceeded to the second phase.

Two months later, Logos announced to members that due to their response, the company had decided to proceed to the next phase - keep in mind that at this point, Logos had not put any work into the production of the e-book. On March 5th, members were sent an email message containing a link allowing them to place a pre-order and individuals were told that if “*enough consumers preordered, production of the electronic text would begin, but credit cards would not be charged until the product was ready to ship*”. On May 18, Logos sent out an email letting members know the work was nearing completion and describing some of the enhancements in the electronic edition.

On June 21<sup>st</sup>, with the project almost complete, the vice president of Logos, sent out a message thanking customers for making the entire project possible. On July 7<sup>th</sup>, the shipping announcement was released via email and those who pre-ordered were notified that their credit cards would be charged.

The result? The company booked \$300,000 worth of pre-orders *alone*, more than double the cost of producing the text in electronic format. The site continues to draw in more orders for the work. Plus, the technique worked so well that Logos designed a whole new secure database/shopping cart system to continue with this marketing idea for a whole range of new products.

Consumers are hungry for digital products and are now beginning to realize the potential of electronic commerce to obtain them. It's up to us, the content developers, creators and the owners to find ways of satisfying that hunger.

Gradually consumers will become used to paying for information created on the Internet and this will be the first step to developing the full potential of commercial electronic publishing via the internet.

There are opportunities to develop new markets such as individual consumers and SMEs, while developing and customizing new products and services for existing customers such as libraries and large commercial organizations. Government and industry bodies are taking steps to ensure consumers are protected in the on-line environment and this will surely play an important role in developing electronic commerce.

The publishing industry has to address the added problem of intellectual property and copyright. Any business model adopted by the publishing industry for the purpose of electronic commerce would have to accommodate these areas.

When an appropriate model for business is applied electronic commerce has the ability to redefine the publishing information chain. The two static entities in the information chain are the content creator and the user. These two actors have existed since man started to communicate information. It is interesting to note that in redefining the information chain in an age of high technology the chain returns to those two actors.

### **Focused Marketing: 20 Of The Most Effective Ways To Promote Your Web Site And Digital Products**

When it comes to promoting your web site and promoting your products online there are a lot of options. That can actually be a BAD thing.

Let me explain.

Not having any experience in web site marketing you could be thinking to yourself, "*Self -- if I do this method of marketing today...will I be wasting my time*

*(again) or is this going to work?"*

No one likes to waste their time. You want *results* (money or hits or whatever) and you want them NOW. Please understand, there is NO such thing as "Get-Rich-Quick" especially on the Internet so...get that out of your mind once and for all. Take responsibility for your results and start doing it NOW. I'm not saying results can't come *fast* – sometimes they do – but if you want a business that is successful over the long-term don't rely on home runs - go for the singles and double's and occasional triple's.

If you want REAL and LASTING results, listen up. Below are 20 really good, solid (dare I say *fundamental*?) web marketing strategies. If you do *at least 2 (different) marketing ideas each day for the next 10 days* I guarantee SOMETHING will happen. You may not make a million dollars or even a few thousand, but ***something*** will happen. And believe me, SOMETHING is always better than NOTHING! Agreed?

You'll sell a few more products than you usually do.

You'll get more subscribers to your ezine or mail list than you did before

You'll get some surfers to bookmark your site so they can come back later (you can't measure this, but, it will happen).

If you do at least 2 or more of these marketing ideas each day for the rest of this year...**WOW**...hold your hat!! Your web site could really take off. By the way- don't make a habit of doing #9 more than once each day ;-)

OK... ready?

[illegible]

**1 Participate in discussion forums relevant to your area of expertise or product**

line (for a nice list of discussion boards see the DISCUSSION FORUMS FOR ENTREPRENEURS at: [http://www.entrepreneur-web.com/index\\_1.shtml](http://www.entrepreneur-web.com/index_1.shtml))

**2** Write an article and submit them to online publications (check egroups ([www.egroups.com](http://www.egroups.com)) for "PublishInYours" and "article\_announce")

**3** Post an article your web site and submit the URL's to the 12 major search engines (check out DumpTruck (<http://www.trafficstudio.com/dumptruck/about.htm>) for a simple submission software program *-and it's FREE*).

**4** Submit a new doorway page from your web site to the 12 major search engines (try one of the most powerful doorway pages creators to help- RankHigher (<http://www.filehouse.com/rankhigher/>))

**5** Creating an 'opt-in' email list and sending occasional notices with special offers and information to the list.

**6** Posting helpful and relevant info to relevant newsgroups (this is different than participating in Discussion Boards above) with your URL and tag line in the signature (do not use blatant adverts- check out [www.deja.com](http://www.deja.com))

**7** Changing and updating, and adding to your web site content

**8** Creating a logo and 3 to 10 word 'tag' for your web site. Think about building strong brand identity- something that's memorable (a great book on Branding that belongs in EVERYONE's library is Rob Frankel's "Revenge of Brand X" - <http://www.revengeofbrandx.com/>)

**9** Taking short (20 minute-60 minute) rests in the afternoon (no kidding...I get my best ideas when I get away from my computer and do something totally unrelated

to my business)

**10** Constantly brainstorming (alone or with other like minded netrepreneurs) and creating new products and promotions for existing customers

**11** Crosslinking all your products and adding a shopping cart to you web site

**12** Start your own or join an affiliate program

**13** Write an e-book (or at least work on writing one) that can show your expertise in a certain area

**14** Give something away on your web site and change the offer once every week or couple of weeks

**15** Place small inexpensive 'sponsorship' type ads in ezines that relate to your product or service (see Listz at <http://www.listz.com/> or Ezine-Universe at <http://ezine-universe.com/> for targeted ezine you may be able to place ads in)

**16** Publish an ezine (get it started by announcing it in New-List at <http://new-list.com/>)

**17** Submit your home page to 2,000 FFA sites daily (Yeah, do this one daily. Have a bad experience with FFA pages? Hate the autoresponder junk mail you get when submitting to them? - Set up a freebie mail address so you don't get them in you primary email box. Will they actually send tons of traffic to you web site? No. Why should you do this? The reason you do this is that after you submit you have 2,000 web sites ALL linking to your web site. Some search engines will rank you higher. It's just one 'extra' thing you can do to get noticed by the engines. And besides it takes about 10 seconds of my time and with GetFound software at <http://getfound.webcaddy.net/foundload.htm>) BTW- the reason you

do this daily is that the FFA links are rotated and yours will get kicked off -- usually within 24 hours if not a lot sooner.

**18** Offer to do joint ventures with someone who has a list of customers that would be naturally be interested in your product or service. (split the costs and revenue or let your JV partner keep 100% of the revenues and you keep all the buyers names- works if you have a 'back-end')

**19** Sign up for pay-per-click engines like [www.GoTo.com](http://www.GoTo.com), [www.Google.com](http://www.Google.com) or [www.SparkList.com](http://www.SparkList.com) (probably the three best, although Google is not a 'pay-per-click' engine, they charge per impression).

**20** When you have a sizable list (minimum of 1000 opt-ins) swap ads with ezines communicating with your target market (and the swap doesn't have to be 1:1. For example if your list is 10,000 and the list you want to swap with is 5,000 you should get 2 ads in theirs for every one you run in yours, etc.)

## **How To Sell A 'Free' e-Book**

Why would you want to give away an e-book you've worked so hard to create?

There are lots of reasons. One of the best reasons is it helps establish your writing ability and expertise in a certain area.

Another good reason is to draw attention to your other e-book that you really selling. There's a good deal of profit potential in this strategy. But even if you're giving an e-book away, as an incentive to joining your email list or to sell your other e-book, you still have to follow some common sense marketing rules.

The first and best way of giving away a free book is by 'selling' it.

I'm not being smart...honest. Whether or not people pull cash out of their pocket to acquire your e-book is irrelevant. It still must be 'sold' to them....or rather they have to be sold 'on it' before they will:

- 1) Take the time to read your offer of a 'free e-book';
- 2) Take the time to download it;
- 3) Open the darn thing and actually read it (which, I'm guessing is your goal)

Consciously or unconsciously before anyone takes advantage of a "free offer" of any kind they look at the opportunity cost (i.e. accepting your offer over ever other offer they are presented with at that moment).

If your offer is the best available at that moment and it's compelling - most people will take advantage of the opportunity to at least read your offer and download the book.

A well structured, benefit rich, compelling offer is a prerequisite to "free" or "for sale" e-book offers.

Being a stubborn SOB, I learned this stuff the hard way- by trial and error...lots of errors...until it actually started clicking.

Now, having said that, here are some sources that are better than others for promoting a free e-book. One of the best ways to promote an e-book is to offer it on eBay as a test (eBay does not have a 'free' area- yet so you'll have to really 'sell' it, even if it's only a penny). My e-book 'eBay Secrets' details how to do this successfully, but there are many resources (a lot of the free) that can help you as well. Just do a search on Yahoo for "ebay marketing" and see what happens!

Here are some additional resources to help to start promoting the book through articles, posts and directory listings, etc:

<http://zden.com/>

<http://infopost.com/>

<http://e-bookad.com/>

<http://ideamarketers.com/>

<http://e-booknet.com/>

<http://sellyourbrainfood.com/> (resource)

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

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

Finally, give your readers a chance to join your 'updates list or 'announcements list'. Building your own email list is the easiest and most profitable long term strategy you can employ.

### **How To Sell A 'Free' e-Book On Online Auction Sites**

Nothing happens on its own. We all have resources and abilities that we are not using. If you want to improve your economic condition "X" number of days from today, then you need to do something about it TODAY.

OK?

Some will start to read this book like they're on fire ...rushing from page to page ...excited by the opportunity ...the information ...and burning to get started.

Or you may be interested in pursuing this opportunity but are cautious. You want all the details before committing to a plan of action. You will move forward but move forward step by step-- slowly and deliberately toward your goal.

If you recognize yourself in either of these scenarios then Y-O-U are the one I wrote this next section for -- you will find what you're looking for here.

### **Generate A Constant Flow Of Traffic and Sales With Almost ZERO Marketing and Advertising Costs**

The problem for most small businesses is not finding a product or service to sell, or customer service or how to count the money you make...it's...

"How do you generate enough traffic to your web site and make enough sales every day to make a living?"

Internet marketing gurus will tell you that you need to start an ezine ...or

participate in discussion groups ...or use bulk opt-in email ...or do reciprocal linking ...or do banner advertising through a free exchange ...or become a search engine positioning specialist...etc... etc... etc...

Hey, I'm not against any of these things. They all have their place in Internet marketing.

But, for the small business person, the mom or dad who wants to someday quit their job so they can have a life with their kids, or the store that's beginning to feel the pinch of Internet competition and wants to learn how to make a web site make money...all of the things mentioned above take...

- ❖ Time,
- ❖ Money, and
- ❖ Non-cash resources (that you probably don't have).

Let's take starting an ezine, for example. Have you ever started a newsletter or magazine or newspaper?

Starting an ezine is not as hard to put together as these, but you have to deal with a lot of the same issues:

- ❖ Who going to write each issue?
- ❖ What's the editorial focus going to be?
- ❖ How will you build a subscriber list?
- ❖ Will it be verified opt-in or double opt-in?
- ❖ Will you sell classified ads in the ezine?
- ❖ If you sell classified ads how much will you charge?
- ❖ How will you verify mailings for the advertiser?
- ❖ Where will the ezine be hosted?

- ❖ How will you deliver the issues? Will you send plain text or HTML or PDF or...?
- ❖ How will you let your subscribers opt-out of your list?
- ❖ Will you keep your list private or place it with a list broker?
- ❖ Have you developed a Privacy Policy?

All of these questions (and much more...this is only a partial list) must be answered before starting your ezine. AND it's before you have even made \$1 profit from your Internet business.

Let's talk about participating in discussion groups to market your web site.

Most, if not all of the really good discussion groups will not allow blatant advertising messages. So you really have to participate and be willing and ready to offer helpful advice and tips or ask serious questions in your posts.

To do that you need to study the discussion thread for a while, or "lurk". Find a discussion thread that interests you, ask a reasonable and intelligent question or post a brilliant and helpful response to a question. You will get some traffic to your site doing this.

It takes time though. I've spent days lurking groups and responded to less than 6 questions I felt competent to answer. For all that work I only got 5 new visitors to my web site.

You might say, well, gee Dave, why not post more often to the discussions? Believe me, you don't want to get flip or post something really stupid...remember you're trying to promote yourself. You have to at least look like you know what you're doing!

If you post more often than once a day to any of these groups you're going to look like a discussion board spammer- that's a very bad thing.

If you want my opinion the best discussion board for business is Anthony Blake's (<http://www.ablake.net/forum/>)

OK, let's take reciprocal linking.

Sounds pretty good...and if done right...will work beautifully. Not an overnight solution but in 4 to 6 months you can dramatically increase traffic to your site.

But again -- it's time consuming. It may take days and weeks to get just a few links on other sites. And remember since you're exchanging links you have to set up a page on your site with all these links and maintain it. But it does work. In fact I rate it the #2 way to generate really qualified traffic to your web site, besides mine.

If you're going to do reciprocal linking look into a program called Zeus (<http://www.cyber-robotics.com/>). It will automate most of the tasks of setting up the links for you including automatic robotic search of web sites you can link to, automatic email requests for linking to the webmaster of each site and automatic creation of the link directory for your site. It's pretty amazing but expensive.

So, how does the average web site owner or wanna-be Internet entrepreneur begin to generate a constant flow of traffic and sales in less than 7 days from today with ZERO marketing and advertising costs?

The answer is:

## **L-E-V-E-R-A-G-E**

Leverage in business transactions is what created millions for stock traders during the early 1900's. If you bought stocks on margin in 1910 you only had to put up 10% cash.

So you buy \$10,000 worth of stocks for just \$1,000.

That's L-E-V-E-R-A-G-E at work.

Real estate fortunes are created using leverage. As little as 5% down allows anyone with decent credit to purchase and control hundreds of thousands and even millions of dollars worth of real estate.

That's L-E-V-E-R-A-G-E at work.

Another form of leverage is called "employees". Your boss or employer hires you to 'leverage' his or her time. Since they can't do everything, they hire you to do it.

One of the key ratios that business analysts look at is the 'Revenue Per Employee' - how much average revenue is generated by each employee for the company.

The Revenue Per Employee (REP) to average employee salary should be about 5 to 1. So if your paying your employees and average of \$25,000 a year, your REP should be about \$125,000.

When I was the CEO of a non-profit community development corporation, we used this ratio as one of the benchmarks for the organization. Yes, even non-profits measure this.

My "Revenue Per Employee" averaged about \$200,000. That's how much the average employee was bringing into the organization in the form of gross revenue (funds) each year. Not all the employees did this equally- that was the average. The average employee in my organization made less than \$20,000 a year. That's about a 10 to 1 ratio.

That's L-E-V-E-R-A-G-E at work.

Why would a company hire people to work for them if they lost money doing it? Does that make sense? Of course not.

Listen, you get hired for a job for one simple reason: It will make a profit for the employer. And you thought it was for some other reason?

Leverage is the key to business success in the 'physical world' and it's the key to success in the 'virtual business' world too.

We will now see how to use the Internet as L-E-V-E-R-A-G-E to promote your product or service and generate a constant flow of traffic and sales on your web site with the added bonus of self-generating and automatic testimonials.

I 'lurk' on dozens of Internet discussion boards. Once in a Blue Moon someone will ask if there are any good business 'uses' for ... online auction sites...let me think....

Most businesses on and off the net just don't get online auctions.

They think they're flea markets. They started that way, but have evolved way - way beyond that. Online auctions started in 1995 (Labor Day, 1995 to be exact). And personal trading communities were born.

Who is the poster boy for online auctions today?

Ever hear of "eBay"? Started Labor Day, 1995.

Listen very carefully. There are now hundreds of "personal trading communities" (PTC's) around the net.

EBay (and other PTC's) are not about trading Pokemon cards or Pez dispensers...they're about ...

## **L-E-V-E-R-A-G-E**

What is the stock, bond and commodities market? A 'central marketplace' where millions of registered users trade stocks of companies that produce goods and services 24 hours a day, 7 days a week, non-stop, world-wide.

Are you beginning to see the BIG picture here?

EBay has expanded to the point where just 40% of it's transactions have to do with antiques or collectible items.

That means that 60% of the items being sold on eBay are goods and services that do not fit the collectible and antiques category such as brand new digital cameras, computers, books, stereos, etc

Sun Microsystems sells its \$6,000+ servers on eBay. It makes money, finds new customers and generates leads - all for free.

There are literally hundreds of 'business uses' for eBay or any of the other PTC's like Ubid.com, keen.com and more.

One of the least understood and least used business uses of PTC's is generating constant traffic to your web site, sales and FREE lead generation for just about any kind of business.

eBay is the biggest and the best online auction site around. It is 'the market' for dynamically priced goods and services on the Internet. I mention eBay a lot in these modules, but the strategies and techniques are applicable to any online auction site or personal trading community.

You might say, 'Well Dave, I have a service business. How can eBay help ME develop constant flow of traffic, sales and generate FREE leads?'

Done right, eBay can be set up as a FREE lead generation machine for any kind of business.

Here's how:

### **Here's How I've Used eBay To Generate Leads and Sales**

Let's say you have a service business. This is what I would suggest you do starting today:

Put together articles you've written (original material is best), posts to discussion groups and organize them into an short e-book (or e-booklet) and list it under the appropriate category on eBay. In your description you include a link back to your web site (more about this later).

Of course, in the book you'll demonstrate your superior knowledge of your subject area for your type of business and include a link (or several) to your website and include additional contact information...and how much easier it is to use \*your\* services than if the customer did the service themselves.

If you're selling a service, use the e-booklet technique to generate leads. Or if you want to actually make money on eBay and generate leads...you could spend extra time on your e-book, put together some great original material and sell it for a good/fair/reasonable price.

It doesn't matter what kind of service your provide...you should always be ready to educate your buyers. This technique has been very effective for me (selling rare and collectible books and e-books) - plus - if you do it right - your leads will actually cost you nothing. Here's how it works:

If you're looking for leads by selling your e-book you sell your e-book on eBay for a buck --some nominal amount.

If you have a good Title, good cover design etc, people interested in the subject will bid on it. You collect your \$1.00 per e-book-- your delivery costs are "ZERO" because it's "digitally delivered" and your only fees are eBay's listing fees, which should be covered by the buck you get from each successful bidder.

Now here's a bonus to this "system": All the email addresses are sent to you \*automatically\* when the auction is complete by eBay.

Bammm! You have a built-in automatic lead generating machine going--all you have to do is make your e-book so attractive people bid the dollar to get it- all the email addresses are sent to your mail box automatically.

You can build a significant mailing list in a very short period of time using this method.

Just make sure after you have delivered everyone with their e-book that you ask permission to keep them on your FREE "updates list" - and give them an opportunity to sign-up or opt-out.

How about non-payers? My humble opinion on that is- send them the e-book anyway! Hey! You're trying to promote your services, right-- and to get the word out.

Who knows, they may feel so guilty so sent the darned thing for free- they may just buy your services to relieve some of that gnawing guilt!

Here's the "Formula" in order:

- Create an 'e-book' or 'e-booklet' that informative and helpful but still educating people about your product or service;
- List it on eBay in the appropriate categories at a nominal opening bid and put a link back to your website on the listing;
- Collect the money at the end of the auction;
- Collect the "qualified" leads and ask them to opt-in to your mail list then follow-up with them to sell more.

What about the link back to your web site? How does that fit in?

When I was very active on eBay I would run an auction for an e-book and I'll suddenly start getting more orders on my web site. I checked my web site logs to see where the traffic is coming from and saw that they were coming from the link I put at the bottom of each of my listings on eBay.

In fact I received constant traffic and sales - all I need to do is list auctions each day and the traffic and sales to my web site never stop.

Now, you have to make sure that you have a web site that actually works well. One that sells your product or service. One that features the benefits of your product or service and has several ordering options to make this work.

You also need a way to allow people to opt-in to a mailing list or update list, so if someone does click on your link at the bottom or top of your listing (and they're not ready to order) you have a way of capturing their email address when they visit your site.

There's another factor working here...it's called 'feedback' on eBay's site. Here's how it works:

You sell something. The person you sell it to likes it. They go to eBay's site and are given a chance to 'leave a comment' about how well you handled the entire transaction-they call it 'feedback'.

If you did a GREAT job, they leave you "Positive" feedback. (This is the BEST)

If you did just an "Okay" job they will leave you "Neutral" feedback. (You don't want "Neutral")

If you did a really poor job they will leave you "Negative" feedback. (This is very BAD for you)

All feedback really is, is "Testimonials" for your product or service or you!

The system is really ingenious. It generates for you AUTOMATIC, CONSTANT testimonials for your business.

A hard thing for most small businesses is to ask for testimonials from their customers. It's tough. You have to ask them to say nice things about you...in writing!

But with eBay's system of feedback, you get these automatically!

Now, not everyone will leave you feedback. Some people forget or they get busy. You can use an email follow-up to remind them to do it for you with a link directly to the page to leave you feedback.

THIS IS VERY IMPORTANT. When people want to bid on your auction or buy from your web site, they WILL check your feedback. If the feedback you have is 99.9% Positive...chances are they will see you as:

- ✓ Credible
- ✓ Reliable, and
- ✓ Someone they want to do business with

Since the feedback's you receive are 'public' comments, you can also use them:

- ✓ On your web site
- ✓ In your email marketing
- ✓ In your direct mail pieces
- ✓ Anywhere you want!

If you can't picture what 'feedback' is and have never seen it before search for "seller= Online-Auctions" on eBay's search page to see mine.

Last time I looked it was all Positive- but here's something that happened recently that shocked me...

A bidder on one of my auctions left me negative feedback. But if you'll notice from the feedback on my eBay ID-I have ZERO negative feedbacks. That's because eBay did- what they NEVER do- they REMOVED IT.

Here's what happened:

This gentleman (*cough, cough*) had the nerve to leave me negative feedback for the auction... *but*...he never paid me for the item and he never even received the item!

In my estimation the eBay feedback system is great- I love it...but as I found out it has it flaws.

The feedback system is meant to be used only when a transaction is completed or when this is a disagreement between parties about the payment or receipt of the item after private communication between the two parties has concluded either successfully or unsuccessfully.

In this case, the winning bidder left feedback without contacting me at all- he just left the negative feedback. In addition, he hadn't paid or received the merchandise so he had no basis upon which to leave negative, positive, neutral or ANY kind of feedback.

I was successful in getting eBay to remove the feedback-but it is extremely RARE for them to do that.

Use eBay's system to generate AUTOMATIC testimonials, but remember it does have its flaws.

The point is that you can use eBay and other online auctions sites like eBay to generate constant traffic to your web site, e-content sales and testimonials.

But how about making serious money with online-auctions?  
You can make serious money with eBay and other online auction sites.

Even though I talk a lot about eBay, the principles and methods are applicable to just about any online auction site. I talk about eBay because, as of this writing, they are still the most active and best known dynamic pricing site.

It's not every day that an opportunity so promising, so easy and so much fun comes along, but that's exactly how I feel about online-auctions. The barriers to entry are extremely low – just about anyone can set up shop there. It's interesting to note that over 40,000 people make their living on eBay alone\*!

And let me make a prediction: Almost 90% of all Internet commerce transactions will contain at least one element of 'dynamic pricing' similar to online-auctions in the very near future.

Consumers have embraced the 'dynamic' pricing model, and it's only a matter of time before trading online is done 'dynamically' - in a way that will remind you of the stock market: Prices rise, demand slacks off; prices are lowered, demand accelerates - equilibrium is a fleeting moment.

\* [Source: Ebay 1999 Annual Report, Forrester Research and Gomez.com]

# Digital Delivery Methods

Delivery defines the type of products which can be sold electronically- electronic goods which have no "physical" delivery process. The products are delivered by data streams. At this time they involve no delivery cost or time costs either to the vendor or the consumer.

There are two models for digital delivery that seem all inclusive when contemplating the types of delivery that the Internet makes possible:

Single order: This type of delivery is associated with the electronic ordering and payment of goods of a single transactional nature.

Subscription order: The user subscribes to content provided by the vendor for a time period and if the products are accepted the subscription is continued. If the user decides the products are not suitable then the subscription is cancelled. The subscription time period can be fixed or recurring.

A problem that many people have when contemplating selling their original content over the Internet is security of that document.

I'm going to assist you in looking at the choices currently available to solve each of these concerns. Not one solution is 100% fool-proof but some come very, very close. By the way, if you have been struggling with this problem for any length of time, you're not alone- it's an industry wide problem.

Also, please note that this is focused on digital products only as we have already defined them. Examples include:

- Written Plans/Specs For Making Toys, Furniture, Crafts, etc.
- How-To Instructions
- Articles Written On:

- Health
  - Family
  - Business
  - Politics, etc.
- Original Music / MP3's / Digitized Music
- Software
- Digital Art
- Interviews With Personalities (print or audio)
- Original Cartoons
- Photographs
- Short Stories
- Poems
- Market Research
- Full Length Books
- Reports
- Spreadsheets & Math and Science Formulas
- Digital Videos
- Anything that can be stored on a computer (with few exceptions)

We're not talking about digital products that you may be giving away... as a bonus, premium, incentive or to demonstrate your work to generate leads and sales for other products. There are a lot of easy to implement solutions for this kind of distribution. Some of which are mentioned below. But be aware that you are still vulnerable to your freely distributed work from being copied and distributed against your knowledge and/or will as well.

## **Protecting Your Original Content**

The primary concern here, in this section, is to protect your original digital copyrighted work from being copied and distributed without being compensated for it. Compensation could be cash or it could be in the form of recognition.

I related my story of what happened to an e-book I was selling on the Internet on my web site. To make a long story short, I was selling my first e-book quite successfully when suddenly, sales stopped to a near halt. I received an email shortly thereafter informing me that my e-book's location and password had been distributed on various newsgroups and that I should check my server logs to see that it was true. I did and found that hundreds of copies of my book had been downloaded. My book was being stolen, and I had no indication it was happening.

I'm sure I'm not the only one who has had this problem – you may have had it too, whether you knew it was happening or not! I was lucky-- someone actually sent me an email and told me about it.

Others aren't so lucky. They created their original content and have been sucked dry of profits, without ever knowing what hit them.

If we want to reduce the problem further-- the real problem is NOT the file (if it's password protected) it's the PASSWORD itself -- it's ability to unlock your content. Because it's seen by the buyer it can also be copied and shared illegally.

The closest solution to password protection I have ever seen offered is Perimele's Pay2See software and DRM solution. Pay2See allow you to encrypt your e-content then upload it to your server. A customer purchases the content and upon completion of payment the file is downloaded to their computer and decrypted automatically. The buyer never sees the password for the encrypted file, it's all done through the transaction- completely transparent to the buyer.

I used it for a while on my ePublishingEtc.com site to sell content with mixed results. Some customers complained that they were charged but never received the content they ordered. Others had no problem at all. As Pay2See grows and matures it's a solution worth looking at.

Let's take a look at current best practices when it comes to securing a document for sale online:

1) Password protected web sites: You have original content that is only available to paid subscribers. You sell access to your password protected site. Once a username/password combination has been stolen, the thief can get in, steal your content.

Password protected sites won't protect your content if your HTML is exposed when they access your site. There are a number of Javascripts and other products that lock a user from 'right clicking' on your web page. When 'right clicking' is allowed, your HTML source code may be viewed and copied. Installing the scripts will disable the 'right click' function on most browsers. Try [www.javascripts.com](http://www.javascripts.com) for some good scripts.

For example, a very popular site on the net is <http://www.passthison.com>. A very sharp direct marketer, Sanford Wallace the developer/owner of this site, has a script that disables your ability to 'right-click' on the page and view the source code. And that may discourage some casual cyber thieves.

But anyone with a little net savvy will simply go to "View" -> "Source" on their main browser navigation bar and look at the HTML code on the page and copy it!

Unfortunately it's too easy to all but the novice web user.

2) Encrypt your HTML code: There are a few products available that will 'encrypt' your HTML code. If you're selling access to a protected directory on your site you may think about using this, especially if you're using proprietary code. It won't prevent people from stealing your visible content, because they can always highlight the text and copy it, but if you want your code protected - this is a help.

I recommend WebCrypt 200 available at Moonlight Software:

<http://www.moonlight-software.com/webcrypt.htm>

3) Password protected web sites and e-content: You have original content that is only available to paid subscribers. You sell access to your password protected site. Your e-book or other downloadable content is in the password protected directory too- anyone who gets the password to the site can also go straight to the e-book file (<http://mysite/private/e-book.exe> -or whatever the name of your e-book is) and download it directly using the password for site access.

4) Password protected e-books (on a non-password protected area of your site): Any e-book that's sitting on your server or someone else's, even if it's password protected, is vulnerable. One password, one file...hackers love it.

The closest thing I've seen to an inexpensive DRM e-book protection system is Sunil Tanna's Active E-book Compiler (<http://www.e-bookcompiler.com/>).

Sunil's product allows you to enter up to 1000 different passwords per e-book. That makes the chance of your password being 'shared' very low since every time the e-book is copied or downloaded it changes the "password number". Sunil states that just giving your e-book 100 unique passwords reduces the risk of 'password sharing' to 1% or less.

The downside to this system is that it makes customer service a real headache. Every time someone orders your e-book you have to ask them to get the "Password Number" from their e-book and then look it up and send it to them. If you're planning on selling a lot of e-books, handling these requests (especially when you're looking up one password out of 1000 or even just 100) is time consuming. Not to mention that fact that you have to manually ENTER each password one-by-one into the program! Sunil said he's working on a 'bulk password' upload- I hope he does.

An added benefit, this product is very nice for graphic design or copywriting for clients.

Let's say you're designing web graphics, logos or other graphic work for a client. How do you send secure drafts or sketches for approval? Active E-Book Compiler allows you to disable the 'right click' function in the e-book compiling process and there is no "View" -> "Source" file menu in the compiled book. So your jpg's and gif's are secure from being copied using this method. You can also disable the 'print' function if you're doing any kind of writing for hire.

When I send work to a client for approval I watermark the image, put the image in a web page and then compile it using Active E-book. The compiler creates an \*.EXE file that I send as an attachment to the client. You can also add a 'password' so only your client can view it. They can see it, but they can't copy it.

I recently discovered another small 'flaw' in programs like this that compile your HTML into e-books.

If you open the e-book and 'bookmark' the page you're on, the entire page and graphics are stored on your hard drive as a 'temp' file. You can then access those pages and the graphics by going directly to your temp directory and pulling them out.

There are also shareware programs available that let you 'look' inside an 'EXE' file to see what components it contains-- then gives you access to those individual files.

Again, nothing is 100% fool-proof. Like I've been saying if someone really wanted to rip you off they could do what I just described or they could use a 'screen capture' device like the free one at:

<http://www.analogx.com/contents/download/system/capture.htm>

...and, if they had the right software and lots of patience they could clean up the image by removing the watermark one pixel at a time.

Even if you're selling a 'printed' information product there are lots of people who will tell you they got ripped-off -- just the same -- by someone who copied it (and replaced the original seller's name with their own) or scanned it and started selling the copies off their printer!

5) Adobe's Content Server2 (TM). For file locking and key distribution this is the cutting edge solution for commercial distribution of PDF documents online.

System Requirements:

- Microsoft® Windows® NT 4.0 with Service Pack 5, running Microsoft IIS 4.0
- i486™, Pentium®-based, or Pentium Pro-based personal computer (Pentium or Pentium Pro recommended)
- 40 MB of available hard-disk space
- 128 MB of available RAM
- CD-ROM drive

Cost? \$5,000 for 128 bit PDF Merchant software PLUS 3% royalty payable to Adobe for each and every file sold using the system.

In terms of functionality, the Adobe Content Server can communicate with e-commerce systems on NT, UNIX or Linux. ACS itself runs on MS NT or Windows 2000 and requires SQL 7 and MS IIS.

The downside is the price, the royalties and you can ONLY use it with PDF file formats. Also, if you don't have a dedicated server you can run the software on, you may be looking at an additional expense.

6) PayPal's Web Accept. PayPal makes it easy to enter the ecommerce game. All you need is a PayPal Business Account and a product to sell. They are coming out with a 'shopping cart' which would be very useful.

The problem with using PayPal's Web Accept is that they include the 'Return URL' in the link your customer clicks. If you're selling a digital product your customer can go directly to your content download page and never pay you.

If you're selling a physically shipped product then that's not a problem.

7) ClickBank: A lot of entrepreneurs selling e-content use ClickBank, and for good reason. Their interface for credit card transactions is secure, has real-time validation and quick. They are probably the best service available for real-time cc transactions without the need for a merchant account (they're technically a 're-seller' of your digital content and use their merchant account).

The downside: ClickBank has a one-time \$49.95 activation fee, and a \$1 + 7.5% fee per sale. There are no monthly fees. There's no 'shopping cart' function. And there's a limit on the amount they will allow you to charge. Initially you get set up for approval at \$15.00. If you have some transactions and a good record with no charge-backs, they will raise it to \$50. In very rare cases you can get approved up to \$100- but that is their established limit.

Is there a solution that fits all?

The answer is "Yes" and "No". Just what you wanted to hear, I'm sure!

You want 100% fool-proof, safe and secure documents? Do put them on the Internet, don't share them with anyone, don't print them and don't sell them to anyone! Keep them on your hard disk, encrypt them with a program like Crypto from <http://www.gregorybraun.com/> so no one will ever see them!

That's the only 100% fool-proof solution I know of! Not exactly practical for those of us who make their living on the Internet, is it?

## **Options For Safely Delivering Your e-Content**

So now that we've established that there is no 100% fool proof system, let's look at a way that comes very, very close.

1) Upload your original e-content to a folder on your web site only after your client has paid for the content.

The drawback using this technique is the time involved in uploading the content every time a purchase is made. The way to get around that is uploading the content once to several *different* folders then rotating the URLs that you pass out to each customer. If you have a lot of products that's not much of a solution. But if you have 2-3 products it will work. If you have one product simply upload the e-content to a folder and then occasionally 'rename' it using your ftp program 'rename folder' function.

2) Deliver your e-content to your customer via email. This works only if your customer has an email account that allows file attachments or you're sending relatively small files >1MB. Be aware that a lot of email services do not allow emails over a certain limit to be delivered. If your file is 1.2MB and your customers email service doesn't allow anything over 1MB, you won't get your content delivered and, in many cases, you won't even know it! They won't tell you it can't be delivered, they will just 'kill' it. Then you get a nasty email from your customer asking where there content they purchased is.

3) Use a secure email delivery service - like the one at <http://www.hypersend.com/>. The customer pays, you send the file through Hypersend (who bills themselves as the "Courier" of the Internet). The service is FREE, by the way, up to 100 transfers a month.

A nice feature of the system is that the file is encrypted on Hypersend's servers until it's ready to be 'picked up' by your customer. Also, you can tell exactly when they picked it up through a 'confirmation of delivery' feature you can view on your account page.

The downside is the you have to upload it to Hypersend (they do not permanently store an of your deliveries) each time someone buys your content and if your customer does not have the Hypersend 'agent' on their computer they have to register, download the software agent and then pick up the file they

purchased. That's extra steps your customer may not like.

4) Password protect each one of your e-content files and store them securely on your server. When a customer pays, send the URL and password for that file. Simple, direct and will work in most cases. The drawback is that the customer pays then has to wait to download and get the password.

5) Password protect your e-content and let your customer download them. A simple to implement alternative to the above is to let your customers download your password protected e-content first, then send the password after they have paid. This is a better solution, since they have the content already, all they need is the password to unlock it.

The problem using this technique with PDF files is this: If you password protect a PDF file, you MUST enter the password for it EACH time you open that file. Your customer may get annoyed (I know I would) if they enter the password once, then ever time they go back to the content (that they have already purchased!) they have to find the password to open it each time thereafter. What a pain in the neck. Your customers will be emailing you years from now asking you for that password again because it was lost.

6) Packaged PDF: A variation of the above.

Here's how it works:

I create the original content, format it for online distribution using with either Adobe's PDF file format or Microsoft's Reader format.

With Adobe PDF I set the security features so no one can 'change' the document, but DO NOT set a password. Then I use WinZip's ([www.winzip.com](http://www.winzip.com)) password protection feature to 'wrap and zip' the file. Then I allow my customers

to download the content they want at anytime, even without paying for it. When they are ready they can get to the web site and pay or pay on the spot.

What I like about this technique is that the customer:

- Gets the file immediately;
- Can 'open' the WinZip container and actually view the e-content sitting there just as promised;
- When they are satisfied the product is there they can pay and get the password to unlock the Zipped file;
- They don't have the problem of entering the password every time they want to open the PDF file.

To see how I do it just go to my ebook pages:

<http://epublishingetc.com/ebay.html>

<http://epublishingetc.com/ep-2001.html>

<http://epublishingetc.com/trader.html>

<http://epublishingetc.com/books.html>

And download to your hearts content (and buy ☺!).

7) There's a potentially very good alternative to Method #6 above for safely and securely selling digital content on the net called OrderButton.

The features and benefits are:

- Free to sign-up for the service and you can start receiving credit card orders in seconds...
- There's NO monthly fee, NO set-up fee, NO statement fees, NO monthly minimums and a discount rate (the rate they charge you for the service) of 7% of gross sales....

- The ability to sell digital content as well as tangible products on the net...
- Includes REAL-TIME card authorizations, a shopping cart and SSL secure ordering capability...
- A RECURRING billing option...(great for subscription sites or selling large ticket items in installments)
- Ability to BULK UPLOAD via a CSV file multiple items or your entire catalog at one time...
- Customization of the order button on your web page...
- Collection of customer data once- so they don't have to enter their name, address and payment information every time they want to buy something from you ( *what a convenience for repeat customers!*)...
- With a single OrderButton account you can sell on MULTIPLE web sites...
- A nice (although limited) control panel for vendors...
- Demographic reports...
- Sales reports...
- Automatic email receipts to customers and vendors, and...
- A download link (for digital sales) directly to the file being purchased AFTER they have paid for it...

The last point is what caught my attention...It's still not a perfect solution, but it's very close...closer than any service I have seen to date.

Now, you can do all of the above if you love to tweak CGI scripts and Perl scripts, get your own Internet Merchant account, shopping cart software, pay gateway fees, statement fees, monthly minimum fees, etc... Here's everything you will need:

- **A Secure Online Order Form**  
For **Shippable Products** and **Downloadable Goods**
- **Real-time Credit Card Processing**
- **An Internet Merchant Account**
- **A Customizable Order Interface**
- **A Virtual Terminal**  
A web-based virtual terminal gives you the flexibility to process offline orders (received via telephone, mail, fax, or in person).
- **A Web-Based Order Management System**  
A web-based administration center gives you the ability to manage your account, to generate manual transactions such as authorizations, captures, credits, or voids, and to track transaction activity through comprehensive online reports.
- **Instant Transaction Notification**  
When a transaction is made on your site, both you and your customers receive a receipt via e-mail.

But you'll still worry in the middle of the night if it's working OK and you're not losing orders, but for FREE you can get OrderButton's entire package and at a discount rate that's very competitive....and since they're running Linux on Apache servers they're probably pretty stable.

Click here to get more info from the OrderButton site:

<http://orderbutton.net/>

Now here's how I use the service to accept payment in real-time and deliver my ebooks safely, securely and instantly:

I go to, "*Create A New OrderButton*". After I setup the Title, Description, Category, etc, I go down to "*Shipping*" and check the button that says "*Service/Software*". Checking this button means that the product will be delivered electronically and no shipping charges will be added to the customer's order.

Now here's the secret:

I go down to “Options” and erase all the filled in options (“color”, “size” and “other”) and fill in the first box with “PASSWORD” and then write the password for the ebook or file I’m selling in the box directly across from it.

When someone clicks on the link to buy a report, all they see is the ‘password’ NOT the download link. Without BOTH they can’t access the ebook.

After they have completed their purchase they get the link to download the report or ebook.

When designing your own do-it-yourself secure e-content delivery system you should consider your customers convenience and weigh that against your need for securing your e-content.

Good luck in selling digital content on the Internet ! If I can be of any assistance please email me at: [mailto:selling\\_power@gobizinfo.com](mailto:selling_power@gobizinfo.com) or visit me online at <http://gobizinfo.com/>