



***WHITE
PAPER***

INTERNATIONAL BUSINESS & THE INTERNET

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INTERNATIONAL BUSINESS AND THE INTERNET

(Marketing Your Software Internationally)

In today's high-tech world, the vast global communications network called the Internet makes it easier than ever to reach millions of potential international customers. But should the Internet be a part of your sales and marketing strategy? Will your competitors benefit from your absence? While the Internet may not turn your business into an overnight success, it can certainly provide an excellent additional channel for lead generation and sales. Find out what makes international marketing on the Internet different than marketing to local customers. What makes on-line marketing collateral different from the written collateral currently in use? Do I need to know or use a foreign language? What laws and regulations apply to doing business internationally over the Internet?

The author explores these and other issues by helping you understand the on-line marketplace and determine if the Internet is right for you. Learn how to attract and identify on-line customers. Find out how to start simple without spending a lot of money and how to cost justify your Internet marketing program. Understand how to identify your requirements and determine your vendor alternatives. Explore reasons why Internet projects fail and what you can do to avoid the on-line pitfalls. Learn how you can enhance your corporate identity and customer service with the Internet. Whether you start simple, or take the cyberspace plunge, there are plenty of valuable resources available to make your job easier and your on-line marketing program a success!

INTRODUCTION

"Today, a vast new frontier is opened. A frontier in which men, both large and small, powerful and weak, stand together, poised at its threshold. A frontier where each will stake his claim and control his destiny. Where each stands an equal chance of success or failure."

Those words were uttered over 100 years ago by a young Irish immigrant in his description of the opportunities created during the land rush for the Oklahoma territory. We can almost sense the enthusiasm this young man must have felt as he stood alongside thousands of others, ready to stake his claim and create his fortune in this new frontier. These words provide an almost uncanny resemblance to the opportunity now available through the technology of the vast global computer network called the Internet.

Did you catch the key word in that last phrase? It's the reason why we're all here today... "global". That's right, the Internet is global. One of the major mistakes organizations make when entering the on-line marketplace is forgetting that the marketplace place is indeed global. Whether you want to believe it or not, there are potential customers around the world who will not only buy your products or services, but who are actually out there

looking for them. Don't ignore those customers! In 1941, Wendall Wilke said, "The isolationist believes that while international trade may be desirable, it is not necessary. He believes that we can build a wall around America and that democracy can live behind that wall. The internationalist declares that to remain free, men must trade with one another, must trade freely in goods, in ideas, in customs and traditions and values of all sorts." Don't fall into the trap of the isolationist by not having a global perspective when entering the on-line marketplace.

LESSONS LEARNED

But what does having a global perspective really mean? It means that we adapt our strategy to fit the cultures and customs of our new market. It means that we follow the hard learned lessons of other companies who have gone before us...

Let's take a quick look at some of the key issues to remember when entering new markets.

Entering International Markets

(Key Issues)

- Language
- Local Customs
- Currency

One of the major lessons we have learned is that we must enter the market as a cultural equal. This means that a business must enter the new market using the native language, abiding by the local customs, and dealing in the local currency. In other words, we need to make it as simple and as comfortable for the consumer to conduct business with us as possible. Even though much of the global business is conducted in English, using the local language in advertisements will persuade the consumer that you are serious about their business and will make it easier for them to understand. An awareness of the culture of the country where you are conducting business will also allow you to avoid some of the classic blunders that we have all heard about regarding words not translating directly or phrases not always meaning the same thing in another language. Pricing your product in the native currency and accepting that currency is one of the major factors (if not the major factor) in creating comfort in consumers doing business with your firm. There are two reasons for this. First, people understand their own currencies and know how to value products in recognizable denominations, and, secondly, the consumer does not want to have to try and calculate or go to a bank to have the currency conversion done for them. If you are going to have a successful global strategy, you must plan for these issues.

ENTERING THE GLOBAL MARKETPLACE

A global sales and marketing strategy must also include product and marketing localization as well as a plan on how to enter the market. Sales strategies, marketing campaigns, follow-up, service and repair/warranty costs all must be taken into consideration. Most of this can be overwhelming, or at least very difficult, for a small to midsize company entering a new market.

Traditionally, entering new markets was an expensive, tedious and time consuming task which could only be undertaken by large organizations. It required years of careful market analysis, strategic planning and hundreds of millions of dollars. Obviously far too expensive to be undertaken by small companies. However, today there exists an easy way of entering the global marketplace with minimal investment in time, money and effort. That way is called "The Internet".

WHAT IS THE INTERNET

First let's talk a little about the Internet and where it came from. I know many of you have already had this history lesson, so you might want to take this time to tune out and think about all the important work you're missing at the office today. The rest of you should pay attention!

If you ask a technical person what the Internet is, he'll probably go into excruciated technical detail, using acronyms and cryptic words you've never heard before. Then, thinking he's impressed you with his knowledge, he'll undoubtedly ask you for a raise. For those of us in the business world, who prefer a less convoluted description, it is, simply stated, a group of linked computers around the world which creates the cheapest, easiest and fastest method of delivering and retrieving information all over the world.

History of The Internet

1969 - Started as ARPANET (Advanced Research Projects Agency)

1971 - Fifteen Computers Hooked Together

1973 - First International Connections (England and Norway)

1976 - Queen of England sends out first E-mail

1982 - TCP/IP Protocol Selected as Communication Method

1984 - Domain Names Introduced

1986 - NSF Created "Backbone" by Connecting 5 Supercomputers Together

1987 - Backbone managed by NSF, IBM, MCI and Merit Network, Inc.

1989 - World Wide Web Project Introduced at CERN

1992 - World Wide Web Released by CERN

The Internet was originally established by the U.S. Department of Defense in 1969 as part of a research project on reliable networks. It allowed engineers and computer scientists to share computer resources, which were very expensive, for academic and military research. Today, the Internet is comprised of a large interconnected network of computers and communications systems, including phone lines and satellites.

By the mid 1980's, the network was controlled by the National Science Foundation, which connected five super computers together, forming what is now considered the "backbone" of the Internet. Initially, the Internet was used almost exclusively by government interests and universities. However, by the early 1990's the user community had significantly expanded into commercial and individual interests, who were connecting sophisticated computer hardware to the "backbone" at an unprecedented rate.

The World Wide Web was introduced in 1989 as part of an ongoing research project at CERN, the European Particle Physics Laboratory near Geneva, Switzerland. From only fifty World Wide Web sites in August 1993, use has skyrocketed.

Today there are over 150,000 World Wide Web sites and over 50 million computers connected to the Internet worldwide. No one really knows for sure how many people that actually represents, but it is estimated that over one million new people access the Internet for the first time each month.

The multimedia capabilities of the World Wide Web mark a new horizon for commercial marketing on a global basis. It is estimated that the World Wide Web is growing at a rate of between 3% and 11% per week. Even the on-line services such as CompuServe, America On-Line and Prodigy now offer some type of access to the Internet and the World Wide Web. America On-Line alone signs up 10,000 new customers each day.

But why the explosive growth over such a short period of time? Well, several recent trends are responsible.

Reasons For Explosive Growth

- Mass Proliferation of PC's and Connectivity Hardware
- Built Up Demand For a New Way of Linking People with Information
- Access Is Immediate
- Cost Effective
- There Is a Direct Link From Buyer To Seller

- Global Reach

First, the mass proliferation of personal computers (PC's) and telecommunication hardware has made it easy for an average person to obtain the necessary equipment and software for connectivity to the Internet.

Second, we have experienced a pent up demand for a new way of linking people with information. The Internet also provides a number of advantages, such as immediate access, low cost, and a direct link to the source of the goods, services or information. Not since the introduction of the television has there been such a convergence of technology and new advertising media.

And, even more appealing to business than the rapid growth of the Internet, is its ability to inexpensively reach potential customers throughout the world. The Internet is now accessible in over 130 countries worldwide. More importantly, the Internet is growing at a faster pace internationally, than it is in North America. For example, in 1994, the number of North American Internet hosts grew by 100%. In Eastern Europe, the number grew by 130% and in Africa, by 147%. Similar figures apply for 1995. The Internet is becoming more international all the time.

BUSINESS ON THE INTERNET

But what are businesses really doing on the Internet? While reliable data on Internet access and use remains scarce, statistics show that people actually do use the Internet to find, evaluate and purchase products. In October of 1994, the University of Michigan Business School released results of a survey which found that 66% of Internet users used the Internet to find products and that 16% of the users actually purchased products they found on the Internet. These findings were supported by the results of a second survey released by CommerceNet and Nielsen in October of 1995. Another recent survey indicated that 73% of Internet users had a positive attitude about the advertising they saw and that 53% visited their favorite sites at least once per week.

In 1994 alone, businesses sold over \$200 million worth of goods and services on the Internet. Forrester Research predicted that Internet related revenues would reach \$300 million in 1995 and exceed \$10 billion by the year 2000.

Here's an example of some currently successful businesses on the Internet...

Examples of Successful Businesses on the Internet

- Virtual Vineyards
- Digital Equipment Corporation (DEC)
- Sun Microsystems
- Fidelity Investments

- PC Financial Network
- PC Gifts and Flowers
- Internet Shopping Network

1. "Virtual Vineyards" sells California varietal wines at retail prices between \$6 and \$100. 100% of all sales come from the Internet and last year they grossed over \$1 million. Their success was due in part to their use of Internet technology for providing services to their customers, such as an on-line wine glossary, wine selector, recipe post and monthly newsletter.

2. Digital Equipment Corporation (DEC), sold over \$15 million worth of product over the Internet in 1994.

3. Sun Microsystems processes over 45,000 product inquiries on a daily basis from the Internet.

4. Fidelity Investments receives over 150,000 requests for information on a monthly basis.

5. PC Financial Network, in June of 1995, had accounts with assets totaling more than \$2.8 billion from 100,000 on-line customers.

6. PC Gifts and Flowers sold more than \$4 million in 1994 through Prodigy.

7. The Internet Shopping Network, started in April of 1994, now claims to be the largest electronic shopping mall in the world.

So does this mean that all businesses on the Internet are successful? Absolutely not. What I've just described are some of the more publicized success stories. Very few businesses, whether they are on-line or on Main Street in your local town actually make \$1 million dollars in the first year. However, most on-line businesses agree that the cost per lead is substantially less than any of the conventional marketing methods. The results of a survey released by ActiveMedia in May of 1995 revealed that 22% were profitable then, another 40% expected to be profitable within 24 months and another 9% anticipated being profitable in 36 months. Only 15% expected that they would not become profitable.

UNDERSTANDING THE ON-LINE MARKETPLACE

The most important aspect of understanding the on-line marketplace is to remember that it has the ability to dramatically level the playing field for business. If your web pages look good, your company looks good, regardless of your physical location. Company size has little or no bearing on the success of the site. Success lies in carefully exploiting key niches, not necessarily from mass market appeal.

This concept is exemplified in John Naisbitt's most recent book, *Global Paradox*, which focuses on his perception that "the bigger the world economy, the more powerful its

smallest players". This is because small and mid-size companies have the ability to restructure rapidly to take advantage of new technologies, such as the Internet.

He goes on to point out that "although people want to come together to trade much more freely, they want to be independent politically and culturally". Nothing could fit this concept better than the Internet. While it is no more feasible to find a regular Marshall Fields shopper cruising the streets of Bombay looking for new bargains than it would be for a Moscow housewife to be found stocking up on winter clothing at WalMart, the Internet transcends those physical boundaries. It makes the seemingly impossible, possible.

But, is the Internet right for your company? I'm sure we've all heard the old adage, "Will it play in Peoria?". Well, today we have to ask ourselves a different question... "Will it play in Cyberspace?". To answer this question, you must first be very clear about what your Internet objectives are. For example, if your objective is to get product inquiries only, then your strategy should be designed around this objective. Don't be disappointed if on-line sales are weak if sales is not your strategy. Marketing is by far the largest commercial use of the World Wide Web, but this doesn't mean that other companies haven't been successful with other strategies, such as customer service, internal communications and vendor relations.

Here's a list of common uses of the Internet in business.

Business Uses of The World Wide Web

- Publishing Company and Product Information
- Publicity
- Purchasing
- Customer Support
- Internal Communications
- Product Research
- Product Sales

COMPANY AND PRODUCT INFORMATION

Over 70% of all on-line business use the World Wide Web for listing product and company information. Most agree that the cost per qualified lead, generated from on-line inquiries is substantially cheaper than any of the conventional marketing techniques.

PUBLICITY

In addition to marketing, 33% of on-line businesses also use the Internet for some type of publicity. On-line publicity can take the form of press releases, FAQ's, which stands for "frequently asked questions" about products or services, electronic newsletters, shareholder information, what's new sections and calendars of upcoming events. Even your E-Mail signature file is a form of publicity.

PRODUCT SALES

About 40% of businesses are using the Internet for product sales to both international businesses and individual consumers. Many of those businesses say that up to 30% of on-line sales come from international customers. Customers they would never have been able to reach using their current conventional marketing techniques and budgets. While having the right information available at the right moment can make the sale happen, very few companies have the ability to actually complete the entire transaction on-line.

Several problems exists...

Difficulties Associated with On-Line Sales

- Language
- Currency Conversion
- Payment
- Shipping
- Service and Support

First of all, while the person reading the information may understand English, the decision maker may not, and as a result, the sale will be lost because of an inability on the part of the reader to relate the information to the decision maker.

Secondly, the potential customer may not know how to convert the value of your product to a familiar currency. Unless you provide a method to relate your product price in multiple currencies, the customer may dismiss the purchase as too difficult or too expensive.

Third, even if the customer can convert the price to a familiar currency, can you accept the payment in that currency. Converting currencies from checks drawn on foreign banks can be an expensive proposition and often consumes more than the profit margin would have been on the product. Companies with consumer targeted products may try to dismiss this issue as not being a problem, since customers can purchase with credit cards. However, unlike the 2 or 3 pre-approved credit cards you and I get in a week, access to

credit cards in other countries is still very limited. In the Middle East, for example, you must have the equivalent of up to \$100,000 US as a security deposit just to get a credit card.

The fourth issue is shipping. Even if your product is priced competitively, it may be cost prohibitive once you add in the cost of shipping to another country. Research your shipment options amongst the major carriers. Select the shipping option which makes sense for your particular product. Be sure to include the shipping cost on your order form. If you want to process on-line orders, then you need the ability to provide the customer with a total price at the time of purchase.

The last issue is customer support. Don't forget that you have to support the products you sell. If your organization is not equipped to service and support your product overseas, then you probably shouldn't be selling them there. On the other hand, if your products don't need on-sight support, then you may be able to solve this problem by providing on-line service. Be prepared to respond to support questions in multiple languages.

Bear in mind that on-line inquiries and sales are a function of the quality of the information you present about your company and its products. Quality on-line information should incite impulse buyers. Be prepared to service that desire by providing a method to complete the entire transaction on-line. Including the actual delivery of the product if applicable.

DEVELOPING YOUR INTERNET SALES AND MARKETING STRATEGY

Since the focus of our conference today is international marketing, let's go into a little more detail and see just what's involved in setting up an on-line marketing strategy. As mentioned before, the most important criteria is determining the correct objective. First, you'll need to examine the demographics of the Internet and decide whether or not they're right for your company.

Internet Demographics

Who are your customers?

Where are your customers?

How do your customers buy?

Will Internet users buy your product?

Will your competitors benefit from your absence?

1. *Who are your customers?* Chances are, no matter who your target market is, a percentage of those people are already on the Internet and more are signing on each day. There are however, some particularly good segments to target on-line. For example, if your product appeals to universities or students, almost all major universities throughout the world are now on-line. Governments are also well represented. Many governments

throughout the world now have some type of access and representation on the Internet. Businesses are also a good target, but may not be represented in all segments just yet. Technical organizations, public relations and journalists have been represented strongly, but are losing ground rapidly to businesses from all sectors. Consumers are mostly represented by young affluent males which are well-educated, earn incomes of up to 40% more than the average and who carefully consider purchases before buying. Yet, don't be dismayed if your target consumer is women. They are the fastest growing segment of the Internet right now.

2. *Where Are Your Customers?* If your target customers are spread over a large area, it makes sense to expand internationally using the Internet. However, another good approach is local specialization, where you cater only to a specific group of local customers such as ordering food, purchasing tickets or buying groceries.

3. *How do your customers buy?* There is a high correlation between people who buy through mail order and people who buy over the Internet. This is not to say that others won't buy your product, just that you need to consider how the purchase is made. Credit cards work out okay, but cash based business won't do well. Invoiced and billed accounts do amazingly well on the Internet also.

4. *Will Internet users buy your product?* Products from almost every category are now being sold over the Internet. Just last month, the first automobile, a 1996 Ford Explorer, was purchased over the Internet, with delivery being made directly to the purchaser's home. No pushy salesmen, no test drive. This is not to say that cars are going to be the biggest seller over the Internet, but certain categories, such as software, books, music, computer hardware and electronics have fared better than others.

5. *Will your competitors benefit from your absence?* Certainly, because one sale lost due to a lack of an international presence is a sale which profits your competitor instead of you. Before taking the plunge into on-line marketing, make sure you investigate what your current competitors are doing in cyberspace. You may even find competitors you never knew you had. Compare your strengths and weaknesses with those of other on-line competitors. Remember, in cyberspace, perception is reality. So if your competitor is there, and he exploits your weaknesses, you stand the chance of losing market share.

SUCCESSFUL ON-LINE MARKETING

Companies who are successful in the on-line international marketplace understand the differences between conventional marketing and on-line interactive marketing. They also understand the rules associated with the use of the Internet. Those who know the rules and play by them have a much better chance of success. Analyzing the success or failure of a particular company won't tell you the rules, but, on the other hand, relying on statistics and trends won't identify the potentially lucrative exception.

Here are a couple of key points to remember about the on-line marketplace.

On-Line Marketing

Key Points

- Misunderstood
- Interactive
- Different Demographics
- Different Promotion
- International
- Immediate
- Inexpensive
- Ever Changing

1. *Misunderstood.* The Internet is often misunderstood because it seems too technical. You don't have to know how to program a computer to market your business internationally on-line. However, you do need to know the technical aspects of reaching and responding to the people who visit your site on the Internet. The best way to overcome this issue is to, once again, get hands on experience by using the Internet.

2. *Interactive.* Internet marketers use the phrase two-way marketing for what takes place on the Internet. With two-way marketing, your prospects are given the feeling that they are in control of the material being read. They may navigate directly to sections of information which are of particular interest, such as specifications, requirements or prices. Users may see as little or as much of your information as they desire. Some will read none and immediately request more information by mail, while others will read everything and make a decision to buy right away. Most of the people visiting your site are coming with the predisposition to see you and your products. As a result, they are often much more receptive to what you have to say as long as you let them control the flow.

3. *Different Demographics.* In addition to being upscale and educated, most Internet users are information junkies. If they don't like what they're reading, they'll move on to something more interesting. If they like what they see, they'll stay. Be prepared to provide the message your customers are looking for.

4. *Different Promotion.* Different promotional techniques are also in order on the Internet. While promotion still involves advertising and creating product awareness, it needs to be presented in a way to hold the customer's attention. The Internet is excellent for promotion because it can make your information available to tens of millions of people throughout the world. But unlike television or radio, if done correctly, you will find a gimmick to bring people back to your site over and over. A gimmick is some type of free information which is updated on a regular basis, such as weather reports, traffic reports, stock quotes or industry specific information, products tips or tidbits.

5. *International.* One of the most common mistakes made by on-line businesses is to forget that the Internet markets to the world. For now, many international Internet users are English speaking, but as pointed out earlier, access to the Internet is growing more rapidly internationally than domestically. These users will always feel more comfortable viewing information in their native language.

6. *Immediate.* Another common mistake is forgetting that the response is immediate. The time lag between first contact and a sale may only be seconds. We all know that when a customer is ready to buy, we should not put up roadblocks. This is why the ability to complete the transaction on-line is so very important. Many potential customers will simply not take the time to even telephone in an order or print an order form and mail it in. They want information, and more importantly, response, and they want it now!

7. *Inexpensive.* As compared with other forms of promotion and advertising, on-line marketing has a low setup cost, low maintenance cost, and a low cost of completing the transaction. Even more important is the ability to easily customize or tailor your message, making the success rate substantially larger than other more common types of marketing.

8. *Ever Changing.* Don't ever forget that you cannot just put up a World Wide Web site and leave it alone. The information must be updated on a regular basis or it will get stale. Users will return to your site if you update information on a regular basis, but will get tired of seeing the same old thing if you don't.

DEFINING YOUR REQUIREMENTS

There are several issues to consider when defining your on-line requirements and selecting your vendor. The first issue is to decide whether to establish your on-line presence yourself or to do it with a partner, an outside firm that can provide all of the services that you feel your company will need. There are many firms which specialize in particular areas of the Internet and, while utilizing different firms to create different aspects of your presence can be totally transparent to your customer, the coordination and logistics of dealing with multiple vendors may not be worth the headaches. The specific requirements established for your company's on-line presence should dictate the firms that you select to provide the services.

When selecting vendors, make sure that they meet all of your requirements, such as servicing the multi-cultural global marketplace. Make sure that language conversions include localization of the information. Make sure that the firm has expertise in international business and trade regulations. Try to locate a good mix of business acumen, marketing skills and technical competence. Make sure they have the capabilities to collect the information required to qualify your prospects and sell your products. Keep in mind that information needed for market research in other areas of the world might be different than what is used currently.

If you plan to sell products or services on the Internet, make sure that the vendor can handle payments of multiple types and in multiple currencies. It is important that the transactions are secure and that many different types of credit cards can be accepted

(remember that there are other credit cards in the world than the ones you are familiar with). Checks and wire transfers, in local currencies, should also be accepted. Your commerce vendor should be able to help with the trade laws and regulations affecting your product sales to other countries and an adequate audit trail of international sales should be maintained.

HOW TO "GET YOUR FEET WET" WITHOUT A LARGE INVESTMENT

The Internet and especially the multimedia capabilities of the World Wide Web has created some very interesting possibilities for establishing a low-cost presence in the global marketplace. The Internet gives a business the ability to overcome many of the obstacles normally encountered when entering new markets. The costs of establishing a presence, opening an office, obtaining forms and permits, filing fees, sales costs, opening dealerships and establishing partnerships, which were once major barriers, can now all be handled on the Internet.

Because the Internet is new, complex and changing, pricing for World Wide Web services can vary greatly from vendor to vendor. Costs can range from several thousand dollars to several hundred thousand dollars, depending upon how complex you want to get. The average starter site should cost no more than \$10,000 to \$15,000. In order to make sure you get the best deal possible, make sure that you understand the issues involved in setting up an on-line presence. Secondly, make sure you decide your own objective, don't let the technical people, or the vendors dictate your needs. This is definitely a formula for failure. Watch out for hidden costs and costs that penalize you when you become successful. For example, try to avoid vendors which charge by the hit or by the amount of data served. Your local Internet Service Provider (ISP) pays one flat rate to be connected to the Internet, regardless of the data moved.

RULES AND REGULATIONS

When it comes to rules and regulations regarding business on the Internet, there is only one common sense rule to remember. If it's illegal or not acceptable off of the Internet, it certainly isn't acceptable on the Internet. There are, however, some common laws and guidelines which you should make yourself aware of.

Internet Rules and Regulations

- Acceptable Use Policy (AUP)
- Tort Law
- Intellectual Property
- International Laws
- Trade Laws

- Federal Laws

The first thing you will hear about is what's called an "Acceptable Use Policy" (AUP). The current AUP is one that your Access Provider expects you to follow. It is NOT law. It is a guideline for your activities and forms the first level of regulation on the Internet. It is a contractual way to manage your relationship with other Internet users. If you violate, your access provider can kick you off the system. This AUP is sometimes called "netiquette".

The second type of regulation is tort law. Tort law is a broad legal area for remedying wrongs between parties. Again, if you can't do it off the Internet, you can't do it on the Internet. This includes areas such as false advertising, fraud, negligence, misrepresentation, trademark infringement and slander.

The third is intellectual property. This includes software, patents, books, videos, music, photographs, fictional characters, copyrights, graphics and web pages. As a result, it is illegal to include graphics and information from other Web sites in your Web site as if it were your own creation.

The big issue with international law is the jurisdiction. International trade rules and regulations must be followed when providing products and information to foreigners. The United States Department of Commerce is a good source for information regarding international trade.

Trade Laws are essentially controlled by the Export Administration Act of 1979. In order to export certain products, you must have an export license. This list includes some computer products, electronics and software. Also included is specifics as to where things can and cannot be exported.

Federal laws include the Computer Fraud and Abuse Act, which prohibits unauthorized use of the computers owned by the federal government, computer acts that are detrimental to commerce, and computer acts that reveal information that infringes on a persons privacy. This Act was amended in 1994 to include access without authorization to any computer used in interstate commerce. Which, by definition, includes all Internet computers. The theft of information under this Act is considered a felony.

One final law worth mentioning is the Electronic Communications Privacy Act, which prohibits electronic eavesdropping.

CONCLUSION

In summary, remember, there are no magic formulas for success on the Internet. The old conventional rules of sales, marketing and customer support still apply. Common sense should guide your way. The customers that you are trying to reach, whether they are individuals or businesses, are out there, they are always more comfortable doing business in their own language and in their own currency. The on-line global marketplace offers an easy, inexpensive method of entering new markets and extending product life. A

company desiring to take advantage of that opportunity requires the necessary ingredients for success, which should be carefully obtained from qualified professionals with expertise in the on-line marketplace. I'd like to briefly share a list of the ten most common mistakes made by businesses on the Internet. Hopefully they will help you avoid the on-line pitfalls and obtain success.

Formula For On-Line Failure

1. Assume the hardware and software are compatible.
2. Don't get internal support.
3. Try to build Rome in a day.
4. Try to do everything in-house.
5. Don't shop for services wisely.
6. Don't allow for culture changes.
7. Don't follow the rules.
8. Assume customers will find you.
9. Assume it's finished.
10. Don't listen to feedback.

First, never assume that the hardware and software you are purchasing will work together. Remember, it's a salesperson who's telling you that it will work. Given the nature of the UNIX operating environment, and the number of different types of computers connected to the Internet, make sure you know the pieces will work together before buying.

Second, make sure that you have internal support for your on-line presence. When mustering that support, show what your competitors are doing on the Internet. Be prepared to answer questions like: How long will it take? How do you know our customers are on the Internet? Wouldn't an on-line service like Prodigy, CompuServe or America On-Line be cheaper or easier? Justify the project in simple business terms that make sense to executives.

Third, don't overdo your first try at an on-line presence. After all, Rome was not built in a day. A simple Web presence will get you on your way to producing results, before the project goes over schedule and gets axed out of someone's budget.

Fourth, be careful not to try and re-invent the wheel. There are hundreds of inexpensive, even free, programs to assist you in your Web site development. You'll look better to your superiors if you produce results on schedule than you will if you create 2 million lines of code which need to be maintained.

Fifth, be careful not to get ripped off by vendors who want to charge a lot for the same work others will provide cheaply. Avoiding getting ripped off comes from investigating and understanding the on-line marketplace.

Sixth, be prepared to adapt your corporate culture if the "fairy godmother" of Internet success smiles upon you. Many organizations have not reacted to their initial success and as a result, could not take full advantage of the Internet.

Seventh, follow the rules of the Internet we just discussed and you will have no trouble. Some companies didn't and they have since been convicted of fraud, libel, false advertising, obscenity and other offenses.

Eighth, don't ever assume customers will come to your site just because its there. On-line promotion will play a key role in your success, or lack thereof.

Ninth, never assume your Web site is completed. Walt Disney, on the day Disneyland opened said, "As long as there is imagination left in the world, Disneyland will never be completed." Make sure you continually update the information and offerings on your site and make sure you factor those costs into your on-line marketing budget.

Finally, make sure you listen and react to the people visiting your Web site. Expect there to be criticism and react immediately. Treat your feedback as valuable research. After all, you don't often get feedback from conventional marketing activities. When is the last time you heard of someone calling to complain about a television commercial.

So... Is the Internet for everybody. My answer is "yes". However, not everyone will make a profit from the Internet. Be smart about it... but don't be left behind. It will become part of everyday business and it is international. Get in now... learn... grow... react to change... and watch the results!

About the author...

Jeffrey L. Punzel is founder of AssureBuy. Mr. Punzel combines an outstanding record of corporate achievement with a solid technical background, including over twelve years of experience in advanced operations management and information systems technology. Prior to forming AssureBuy, Mr. Punzel was president of a local software development company and has worked as an industry consultant in the areas of advanced logistics and high-tech marketing.