

E-MAIL MARKETING

**MADE
EASY**

MALCOLM AULD

‘Malcolm Auld tells you all you need to know about e-mail marketing. Importantly, unlike most business writers, he makes it easy and entertaining.’

Drayton Bird





About the author

Malcolm Auld is one of the direct marketing industry's pioneers. In the course of a career spanning almost three decades, he has worked in Sydney, Melbourne, the US and Asia and has held roles as a retailer, salesperson, Managing Director of Ogilvy & Mather Direct, Regional Partner for South Asia of Euro RSCG Partnership, Executive Director of ThompsonConnect Worldwide, and National Marketing Manager for TNTGroup4.

In 1991 he founded his own agency, Malcolm Auld Direct (also known as MAD), which has evolved to encompass marketing training and education services. In 2000 Malcolm launched BuzzMail, Australia's first specialist e-mail marketing consultancy. His agencies have won numerous accolades and awards both locally and in the US, Asia and Europe. In 1996 MAD was the most awarded Australian agency in the direct marketing industry.

Malcolm created a groundbreaking column in *Ad News* titled 'Auld on Direct', Australia's first regular commentary on direct marketing. As well as being a frequent contributor to industry press, he appears as a guest marketing commentator on Channel 9's 'Small Business Show', in industry webcasts and chat rooms.

As one of the marketing industry's most prolific trainers, Malcolm has presented workshops and seminars to thousands of executives around the world. He is the author of *Direct Marketing Made Easy*, Australia's leading marketing title, now the preferred text in university and college marketing courses.

A major contributor to professional development in the marketing industry, he has helped to write the curriculum for the ADMA Certificate of Direct Marketing and the Certificate of e-marketing. He has also tutored on both courses and is much sought-after as a guest speaker in education programmes for ADMA, the AMI and AIM. Malcolm has been judging direct marketing, internet and advertising awards in Australia for 15 years, has twice served as ADMA's Chairman of Judges and has chaired the ADMA Pan Pacific Marketing Conference.

In his spare time Malcolm enjoys soccer, surfing, golf, winemaking and writing.

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The e-mail addresses, website addresses and business names included in this book were accurate and current at the time of printing. However, as the on-line and business worlds are subject to constant change, these details cannot necessarily be relied upon.

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During the conception of this book, my lovely wife Sharon and I have also conceived our first child – a damn wonder given the nights I spent at the computer. I thank you for your patience, understanding, unconditional support and cups of tea.

Foreword by David Barratt

If ever the time was right for the definitive book on e-mail marketing, it's now. But who should have the responsibility of authoring it? Who would take a balanced view of the topic? Who has the credibility and experience to impart the most appropriate information? From the moment I first heard Malcolm Auld speak about e-mail marketing, I knew that his knowledge and passion for the subject would make him the ideal person to write about it.

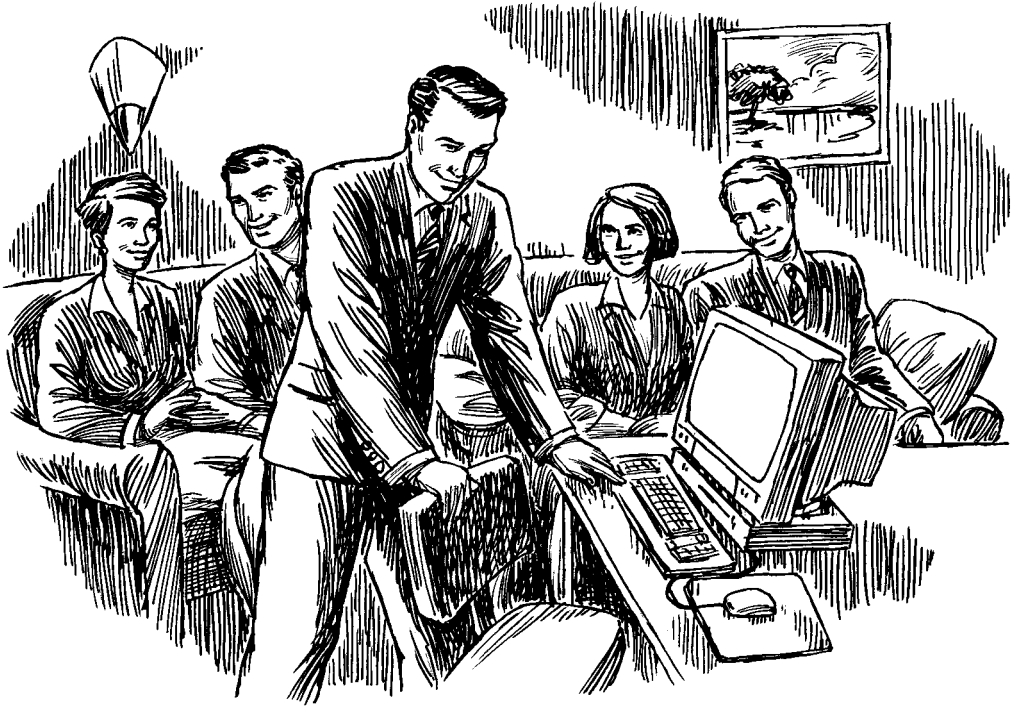
Malcolm Auld's career in direct marketing is nearly three decades long, yet he's still regarded as one of the industry's newcomers. The reason is that he's always explored thoroughly what's going on, what's fresh, and what's around the corner. More importantly, Malcolm practises everything personally. In *E-mail Marketing Made Easy* you will find literally hundreds of examples of e-mail case studies and gems – all researched in depth and many of them used by Malcolm himself.

E-mail Marketing Made Easy is as relevant to the most experienced marketer as it is to students. If you want to know about e-mail marketing's origins, its rapid evolution and where it's heading, it's all in this easy-to-read book. Have you ever stopped to think about why consumers use the internet, for example? The answer may change your current views on marketing, but don't stop at that point. Malcolm not only asks some hard questions in this book, he also provides answers, with the aim of helping you use e-mail marketing effectively.

This book is utterly engrossing, and not just because of Malcolm's chatty and humorous style. In it is the best e-mail 'how to' list to be found anywhere in the world. There's everything from planning and finding your target market through to constructing your e-mails correctly and even briefing suppliers – hallelujah!

The most rewarding outcome of reading *E-mail Marketing Made Easy* is knowing that it's been written by someone who has the intellectual rigour to be able to analyse the process from the marketer's point of view, in terms of e-mail marketing sensibly and profitably, and also from the recipient's point of view, in terms of relevance, choice and control. Enjoy!

*David Barratt is Director of One to One Marketing Communications Pty Ltd
and ADMA Australian Direct Marketer of the Year, 2001.*



T*hey laughed as I sat down at the keyboard,
but when I began to e-mail ...'*

Introduction

Welcome to the brave new world of e-mail marketing, the most significant revolution in marketing communications history. In the short life of the internet and the world wide web, e-mail marketing has emerged as the most powerful of all media. It's even forced marketers to totally rethink the way they design their websites – to minimise rather than maximise the number of visits made by their customers. This is a complete reversal of the contemporary thinking from just a couple of years ago.

In the last two years, e-mail marketing has become the hottest activity in the world of marketing. E-mail houses are proliferating around the world, and companies of all sizes – from sole traders to global multinationals – are building e-mail databases and starting e-mail communications. Articles on the subject have appeared on front pages of national newspapers and magazines, and an inaugural US awards competition has been launched.

It's a glorious time for direct marketers as the technology of e-mail allows them to deliver on their one-to-one promises of the last two decades. Mass marketing's taking a back seat as customers the world over identify themselves to marketers and volunteer to receive personalised communications via e-mail. Marketers can now reduce their mass media spending and directly focus on their customers and prospects. Many marketers are using their mass media presence to direct prospects to their websites so they can build their business – and relationships – by e-mail rather than via other channels.

Some marketers have realised they can cost-effectively build prospect and customer databases larger in size than the circulation of any mass media magazines in which they advertise. Consequently, they are creating their own publications – both digital and print – and sending them to the consumers on their database.

These publications only include advertising of the marketer's brands so it is a much less competitive environment in which to deliver their message. And obviously as they are becoming less reliant on traditional publications to advertise their goods and services, they can make better use of their marketing budgets.

As usual with marketing – particularly database- and technology-driven marketing – the US is leading the way. So while I've written this book from a 'downunder' perspective, there are many references to US services and sites, plus other international sites, as well as Australian references. I also try to balance some of the US-centric opinions about what's 'normal' in the industry as many international markets differ completely from the US in their use of e-mail. What applies in the US, doesn't always apply in other countries. This is particularly so with SMS.

E-mail Marketing Made Easy is designed to give you all the information you need to commence and conduct your own e-mail marketing programmes, regardless of the size of your business or in what country you reside. It's a practical 'how-to' guide that you can put into use immediately. I also try to put e-mail marketing into a broader context, to give you a bit of the 'why' as well as the 'how'.

As the marketing industry is so dynamic, it's impossible to cover all examples and case studies available, and someone will always have a different experience or contrary results to the ones an author uses. I've listed lots of reference sites and I encourage you to visit some of them to discover what different organisations are doing. Another good way to learn about e-mail marketing is by subscribing to newsletters or opt-in on websites to receive promotional e-mail.

To enable you to keep up-to-date with the latest developments in the industry and to give you access to other marketers' opinions and experiences, I've developed a monthly e-mail newsletter. Visit www.buzzmail.com to register. I invite subscribers to contribute examples, case studies and reference sites.

This industry's changing quickly and what works today may not necessarily work tomorrow, so please take a minute to subscribe to the e-mail newsletter and share your experiences with us.

Your questions are also welcome. You can submit them for inclusion in the newsletter or through the website. You'll also be able to participate in on-line forums to share experiences and learn from like minds in your industry from around the world.

And I encourage you to join our marketing community and provide us with your feedback. You can even review *E-mail Marketing Made Easy* at www.buzzmail.com or contact us via feedback@buzzmail.com.

This is in fact the revised third edition of this publication. This book started life about three years ago. I wrote it as a 25 000-word, A4 publication for distribution to my seminar attendees. I was the first marketer to conduct seminars in Australasia on e-mail marketing and I titled the publication, ‘They laughed as I sat down at the keyboard, but when I began to e-mail...’

In only a few months I’d distributed the first 5000 printed copies, so I developed the publication into an e-book available from a direct marketing agency website in Australia and from www.e-publicrelations.com.au – a specialist on-line public relations site run by Australian practitioner, Melanie Mayne-Wilson. As well, Drayton Bird contributed some UK content and offered it to visitors on his site – www.draytonbird.com.

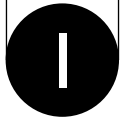
Thousands of copies have now been distributed, and the e-version is being used in university and college marketing courses in Australia, New Zealand, Asia and the UK.

As the e-mail marketing industry has grown so rapidly, but with a shortage of practical publications written to educate, rather than to promote, I’ve rewritten the book in this format. I’ve also changed the name to *E-mail Marketing Made Easy* to marry with my other book, *Direct Marketing Made Easy*.

I trust you’ll enjoy *E-mail Marketing Made Easy* and you’re able to put the ideas you gain to work immediately. When you do sit down at the keyboard and begin to e-mail, you’ll be astounded by the positive results.

Malcolm Auld

feedback@buzzmail.com



What's old is new again

During the height of the dot.com insanity, I discussed the craziness at some length with a marketing colleague. We tried to make sense of the hype. It's obvious you don't hire motor mechanics to prepare the marketing plan for a new car, so we couldn't understand why marketing managers were hiring software programmers to design and market their websites. Eventually we both agreed the industry was going through a stage a bit like teenage sex. Remember those days, when everyone claimed they were doing it but very few really were? And those who were doing it didn't necessarily know what they were doing.

The internet boom was like that, too. Marketers suddenly had a powerful new toy. Instant experts popped up like mushrooms, claiming they knew something, which nobody else did. The whole world was going to change overnight – yet what really happened? The more things changed, the more they stayed the same.

The on-line consumer has a long history

On-line marketing isn't new. For decades, people have had their groceries delivered to their home – in fact in many areas the green grocer would drive their truck down the street and you could shop on your doorstep. You could try the fruit before you bought it. They'd even bring the groceries inside for you at no extra cost. In my suburb, we could order our groceries, fruit and vegetables, meat, newspapers, soft drinks, bread and even oysters, fish and prawns via an on-line service, the telephone line service.

That's right. Thanks to the marvels of technology we could call these local outlets and place our orders – just as people do today via the internet – except instead of ordering via a data transmission, we used voice. We talked to humans in what's now known as 'real-time', and they interacted with us. Our suppliers had a powerful database – their brain – and they used special Customer Relationship Management tools – their memory and powers of suggestion – to cross-sell and up-sell to us.

The current internet-based home delivery businesses work along the same principles – they try to bring 'mum and dad' corner-shop-style service to customers via the internet and physical delivery systems.

Ages-old marketing techniques

Not that long ago, when you visited your local shop, the proprietor was able to converse with relevance with you because they'd taken the time to get to know you. After all, why wouldn't they? It was in the interest of their business success to know their customers. And they used sophisticated and sometimes very savvy relationship marketing tactics to contribute to the customer's shopping experience. For example, the local grocer would always give the kids something sweet to eat – probably to shut them up – while their mothers did the shopping.

When I was a kid, my local butcher used to phone my mother at home – obviously a pioneer of outbound telemarketing – to make her an offer. He knew the size of our family and how much we ate: 'Hi, Pam. The spring legs of lamb look great this week. Do you want me to hold one for you or can I drop it in tonight on my way home?' It was quite interesting how the humble butcher used such technology and high-tech Customer Relationship Management tools to build his business.

When you analyse it carefully, there's a lot about the 'good old days' that marketers try to emulate. Take building relationships, for example. The era of mass marketing meant the personal touch became the exception rather than the rule. But its effectiveness certainly hasn't gone away.

About 20 years ago, my parents and I became the local grocers in one of Sydney's northern suburbs. We did things the way our local grocer did when I was growing up – like free home delivery and carrying bags of groceries to the car. We'd take

telephone orders or handwritten orders on scraps of paper and deliver the groceries to the customer's home. We'd even suggest new products for our customers to try or tell them when products were on special, based on our knowledge of their purchasing. It was purely commonsense to do so.

To say the customers were sometimes surprised at the personal service is an understatement. It seems service levels had declined with the advent of mass marketing. I remember a new customer who insisted on tipping me for carrying her groceries to her car. 'This isn't America, madam. It's just part of the service,' I said to her.

That lady remained a loyal customer until we sold the business and she never once offered again to tip me, but she did refer a few friends to our business. In fact like most companies we always found our customers were the best source of new business.

Obviously it's impossible to replicate that day-to-day familiarity with your customers in most businesses. But, as marketers, we need to understand how to best approximate it, and that's what direct marketers have been doing for years.

Communicating with symbols and special language

People underestimate how simple, yet cleverly, things were done in the pre-internet days. All kinds of tricks and tools were developed to help people work smarter, and new technology really just builds on it. Take the example of language.

When I started my first job in an office, it involved international commodities trading – a sophisticated term for flogging tonnes of animal by-products overseas. We used to trade via the telex and telephone. These were quite expensive media back in the seventies, as the calls were all charged to us at international rates, and there were often long delays, particularly when dealing with India, Africa and Asia. Anyone who used a telex will remember we used a shorthand language with symbols and letters to convey messages, greetings or to demonstrate if we understood an offer – which you often had to do when dealing with customers from non-English speaking backgrounds. If I think about it, many of the symbols we used were quite similar to the SMS and e-mail language being used now.

And, of course, the secretaries all took shorthand via dictation from their bosses. This is a written language all of its own, understood only by those who write it – a bit like the language used these days on personal digital organisers.

New twists on personal service

It's interesting to track the evolution of an idea and see in which direction new technology will take it. Take the humble office lunch, for instance.

Our company and others in our building had an innovative lunch service set up with our local sandwich shop. Each morning, by 10am we'd write our lunch orders on a special form at reception – a bit like we used to do for our lunch orders at school. The order form would be collected by a staff member from the sandwich shop. Then at 12.30pm – just as we were getting hungry – the shop would deliver the lunch orders to reception. The receptionist would make an all-staff announcement and we'd go and collect our lunches. We could place late orders over the telephone or by dropping into the shop personally, if we wanted to.

When the fax was introduced to our business, ordering became easier. Some of the more progressive sandwich shops used sophisticated tracking technology to determine the most popular sandwiches: 'Geez, we're selling a lot of ham, cheese and tomato sangers lately, Maude.' As a result of their observations, they started to send faxes to our office with sandwich menus and special prices for frequently purchased items, to make selecting and ordering easier. They even had an order form called 'The Usual', where you placed your habitual lunch order with the sandwich shop and they kept it on file. Then each day you just faxed a 'The Usual' fax with your name on it and your order was delivered. Quite a simple system for everyone, really.

When I worked in New York, it took me a while to get used to the fact I could dial any of the local food outlets and place my order over the phone. I didn't even have to go to the reception to collect it. A delivery person would walk into my office and hand my lunch to me at my desk – in return for a tip, naturally. All it took was a quick telephone call.

Apparently now, thanks to the internet – that is, if you can access the internet in your office – you can go to a website and 'build' a sandwich on-line before ordering it on the website. The sandwich will then be delivered at a time nominated by you. While this isn't original thinking, it does demonstrate how the internet can take an existing idea and try to facilitate a more efficient and personal service.

Another way companies are using the internet to try to create a more personal service relates to the humble tradition of a drink at the pub. Along with several workmates, I used to patronise a local 'watering hole' a couple of nights a week

down at The Rocks in Sydney. As we walked in the door, 'Red', our barmaid, would pour us our favourite beer and serve it to us as soon as she could. We were regular customers, and in her database (brain) Red had logged what all my colleagues and I drank.

Alas, no more. Red's moved on, and I don't frequent the pubs like I used to. However, I do receive e-mails from a couple of switched on establishments to tell me what time they're having happy hour and what entertainment's on offer. I can even print out a coupon and present it to the stranger behind the bar to get a free beer.

One beer manufacturer I know of runs a promotion via SMS to tell you which pubs have a special deal on their beer that night. If I present an image stored on my mobile phone, I get the cut-price drink.

I guess it hasn't been all that surprising to discover many of the wide-eyed dot.com youth believe that because things have been new to them, they've been new to the world. If only they'd observed history more closely, many more of them might have built profitable businesses.

Permission-based direct marketing again

At my first ever job with marketing in the title, I created and managed a number of lead-generation programmes for our sales force. One of the long-standing golden rules of business-to-business selling was, and still is, to always get permission from your customer or prospect before visiting them. Cold calling wasn't allowed – it showed disrespect and wasted the customer's time and their company's money. It therefore wasted the sales representative's time and money. Instead, we'd make an appointment for a sales representative and then track the progress of that sales call with the representative as part of a prospect and customer relationship management programme.

Just imagine if a pharmaceutical sales representative called on a doctor without first gaining permission to do so. The rep would face a frosty reception and probably need a doctor afterwards. It's common courtesy and plain old commonsense to confirm an appointment – or to gain consent for the meeting.

The same permission-based marketing rules go for telemarketing to residential telephone numbers. If a person gives you their home telephone number, you always ask them when's the best time to call. And then you call when they request

you to – not at any other time. They've given you permission to call them at a specific time, so you don't abuse it. After all, nobody leaps out of the bath to watch a webpage appear on their computer but they often will to answer the phone – and if they haven't given you their consent to call them at home, you might as well forget ever getting them back as a customer.

What's exciting about the internet is that it's perfectly geared towards permission-based direct marketing, and website visitors appear receptive. The fact they choose to go on-line is the key – nobody's making them leap out of the bath.

Never underestimate the need for your prospect's and customer's consent. All direct marketing on the internet is supposed to be permission-based or the marketer will endure the wrath of the customer. This, too, is commonsense. If it's going to cost a customer or prospect the currencies of time and money to receive your marketing communications, it's common courtesy to ask them for their permission.

Maybe the next buzzword will be 'courtesy marketing'. A marketer named Seth Godin appears to have made a tidy living out of a very good book he wrote about this old chestnut, in its current context.

So, once again, it appears that 'what's old is new again'. Or, as those who've been around a few economic and technology cycles tend to observe, 'what goes around, comes around.' If only I'd kept some of those body shirts – they must come back in fashion again soon.

You need to be brave in this new e-world

New technology's marvellous. I've observed that it nearly always provides us with new ways to do the same old thing. You'll hear people say 'times change'. Well, times may change – and technology certainly does – but the basic reasons we use technology don't. We're still trying to cultivate the same type of customer relationship our butcher had with my mum!

But there can be the odd hiccup.

A couple of years ago, Ben, the five-year-old nephew of a colleague of mine, went to visit Santa in Grace Bros at Christmas – just as we've all done over the decades. He excitedly queued for his turn to sit on Santa's knee. He could hardly wait to get up and talk to the bearded one about Christmas and what a good boy he'd been

during the year. After asking his name and giving a couple of ho, ho, hos, Santa asked Ben what he wanted for Christmas. Indignantly the lad put his hands on his hips and scolded Santa with the words, 'Didn't you read my e-mail!'

A gobsmacked Santa spluttered a few excuses and felt more redundant than he'd ever felt in his life. This kid just defined a new generation. His new way of lobbying for this year's presents – just like we all used to do – by-passed the old-fashioned pen and paper. He believed Santa (or someone) had received and opened the e-mail he'd sent to Santa Claus.com.

Then, not long after this incident, a woman whom I'd been dating decided to call it quits. As a modern 20-something gal, she decided she 'didn't want a serious relationship until I'm at least 30' (well that's the excuse she gave me). A month later, e-mail was connected at her office and three months after that she was married to a guy she met on the internet in America – he'd courted her with e-mail.

So while new technology can change the way we do many things, you need to be prepared for unforeseen consequences. Just when you think you're on top of it all, something unexpected will occur to change your belief system.

The incredible e-pigeon communication revolution

Prior to the inevitable crash of the dot.coms the brilliant cartoonist Leunig published a cartoon titled the 'Information Superhighway Carrier Pigeon Extravaganza!' and I believe it highlights in a very simple way the hype about how the internet was supposedly going to change the world. The cartoon describes how every home will have a pigeon in it and everyone in the world will be connected by pigeons. We'll pay bills, do shopping and work from home by pigeon by simply writing a message on a cigarette paper and tying it to the pigeon's leg. Pigeons will change everything.

The cartoon's punchline is the response to the inquiry about what we'll say to each other in the e-pigeon revolution – things like 'hello' and 'have a nice day'. It led me to form a conclusion I regularly quote in seminars and training programmes:

'Just because you can, doesn't mean you will.'

To put it another way, just because you can now do some of the things you've always done, using the internet instead, it doesn't mean you should do so or that the internet way is necessarily a better alternative.

To explain this, let's look at how people are best taking advantage of the internet. According to Red Sheriff's research in Australia, three of the top ten most visited websites per week are White Pages™, Yellow Pages® and Hotmail. The most visited site is NineMSN, but media planners say that's possibly because it's a home page for so many people, particularly those who use Hotmail.

So one of the main reasons we access websites is to look up telephone numbers and the other is to send and receive free e-mail. How do you spend most of your time using the internet? Think about what you really do.

According to an international PriceWaterhouseCoopers survey in 2000, 83% of internet users felt e-mail was their primary reason for using the internet.

The great White Pages™ challenge

I occasionally have a little competition with Pearl, my personal assistant, which I call the 'great White Pages™ challenge'. I give her a company name and suburb or city in which the company is located. We then have a race to see who can obtain the telephone number first. Pearl uses old-economy technology – the printed version of the telephone book – while I use new-economy technology – my laptop connected to the internet.

I've never won the 'great White Pages™ challenge'.

Pearl always wins! On every occasion, by the time I open my browser and key in a search, Pearl's appeared at my door with the telephone number written on a piece of paper – or sometimes she'll e-mail the number to me, just to make a point.

How real are on-line sales?

When pushed, the direct sales computer manufacturers will admit the reality of e-commerce isn't as pure as it may seem. Depending upon which marketing manager you talk to, and they don't like being quoted, only 5% to possibly 30% of their 'on-line' customers do, in fact, purchase on-line. That means up to 95% refuse to buy on-line. I learned this while working on the Dell advertising account.

Their customers are similar to most people who use the internet in that they use the computer manufacturer's website for research. That is, they go on-line to work out the type of computer they want to buy. Once they've decided, they pick up the telephone and call a customer service representative to cut the deal. Customers

prefer to talk to a human when making their purchase. This is not unusual behaviour. Many traditional mail order traders found most of their customers preferred to order by telephone than through the mail.

In reality, these sales are on-line assisted sales, not pure on-line sales. The website has enabled the customer to research and shop around anonymously before making a purchase – just like many people do when they go shopping in a real shop. In fact, most computer manufacturers now do a lot of advertising on sites such as CNET.com, a website for computing and technology. This site is an excellent research resource where you can get price comparisons and product reviews before you visit a manufacturer's site. Now that the computer manufacturers finally understand how their prospects and customers use CNET.com and similar sites to gather information, they're placing advertisements on CNET.com to link prospects to their site to try to win the deal.

Some inside information on advertising your site

Here's a little fact you need to know if you currently believe successful e-commerce is a matter of running advertisements and waiting for the onslaught of clicks. It's not that simple. The advertisements of the 'direct' computer companies are often subsidised, sometimes up to two-thirds of the cost of the media, by the Intel Inside programme. That is, if a computer retailer runs an advertisement that includes the Intel logo – and it complies with certain requirements – Intel provide a subsidy to the advertiser on the cost of the media. And are those ads expensive? You bet they are.

So don't assume successful e-commerce is as simple as setting up a website, running some ads, then letting the computers do the rest. Even the best on-line companies in the world still need humans to make their sales, as well as subsidised advertising to help fund the business.

And one other thing you should know. If you don't have an existing call centre paid for by current 'off-line' sales, then the pure internet model won't provide enough business to cover setting up a call centre from scratch.

So be careful. Just because you can doesn't mean you will. Your foray into the internet and websites may at least lose you money and at worst send you broke, if you don't understand how to design your site and how your customers use the internet.

What's old is new again!