Easy Rules To Guarantee That Your Dot−Com Doesn't Become The Next Dot−Bomb

By Corey Rudl

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Late last night I turned on my television and discovered a used car salesman trying to sell this cheap clunker of a car to recently pink−slipped and bankrupt dot−com unfortunates.

Apparently if you want to trade in your luxury sports car, these guys would be "happy" to give you a great deal on something more "economical."

I saw this and I started to laugh. I mean, you have to give these guys credit. They're pursuing a niche. But it also convinced me that it's time to publicly address some of the rumors that have been flying around.

With media doomsayers spouting predictions of dot−com fallout, both investors and e−business owners are understandably nervous. And here at the Internet Marketing Center, we've been fielding a lot of your questions about the future of e−commerce.

Everyone wants to know, "What separates the dot−coms from the dot−bombs?"

It's a good question, but before I answer, I want you to think about something for a moment. Did you know that between 1998 and 2000, online shopping GREW A STAGGERING 580%?

It's true. Forrester Research reported growth from $7.8 billion US in 1998 to $45 billion US in 2000.

Now think about this. Online consumers couldn't care less about the dot−coms dropping off the Web. MORE AND MORE PEOPLE ARE COMING ONLINE TO SHOP, and the number of purchases that they're making each year are continuing to increase.

Those new to e−shopping are making 9 purchases a year and those with more Web experience (5+ years online) are making 20 purchases a year (Forrester Research).

So what's going on? Online spending is growing at fantastic speeds... e−Shopping is becoming a routine part of consumer life... yet all we're hearing about right now is failed dot−coms.

One by one, companies like Furniture.com, Pets.com, MotherNature.com, Toysmart.com, Living.com, Mortgage.com, Garden.com, etc... have closed their doors, and each time the pink slips are handed out, the media has a feeding frenzy.

Feature stories promising easy wealth and overnight success have now turned into the dot−com obituaries. It's enough to make your head spin.

And that's why these statistics I've just shown you are important. Obviously the whole story is not being told. If online shopping has increased by a whopping 580% in the past 2 years... and if shopping online is becoming a regular part of consumer life... all of this money must be lining someone's pockets. But whose?

That's not as hard to figure out as you might think. First, let's take a critical look at the dot−com failures −− the "dot−bombs." You can learn a LOT by analyzing the common mistakes that were made...

TOP THREE MISTAKES MADE BY DOT−COMS GONE DOT−BOMB:

MISTAKE #1: Tried to be everything to everyone.

Consider Pets.com for a moment. Their target market of Pet owners was HUGE! But so were the obstacles they needed to overcome to turn a profit −− "Pets" is a very general market. There are dog owners, cat owners, hamster owners, bird owners, fish owners... I could go on! And each of these groups has different needs when it comes to pet food, pet supplies, pet toys, etc...

Marketing to and meeting the needs of all these different groups of people, with all these different products and services, is no small undertaking. I'm not saying it can't be done, I'm just pointing out that it costs money... A lot of money.

And this leads us to the next mistake...

MISTAKE #2: Threw millions of dollars of venture capital at an unproven business plan that required years of blood, sweat, and tears to reach profitability.

Creating a nationally recognized brand requires deep pockets and a whole lot of patience... and this means you need investors with really strong stomachs.

When the market softened up this past year, many investors became frustrated −− and even panicked −− as the dot−coms continued to vacuum up millions of dollars of investment capital without any sign of turning profitable.

Could these companies have succeeded with continued investment? For many, definitely. But when investors withdrew their support, they never got their chance.

So finally, we arrive at...

MISTAKE #3: Invested buckets of cash in unprofitable advertising.

The simple truth is, banner advertising just isn't as profitable as it once was. Ads that once pulled 5 to 10 percent click−throughs are now lucky to pull 0.6% to 0.8%.

Unfortunately, while this shift was happening, many dot−coms just continued to blindly throw millions of dollars at unproven, often untargeted, advertising that pulled extremely low returns.

Sadly, they might as well have been lighting piles of cash on fire −− at least they would have saved a few pennies heating their office space. But then, hindsight is always 20/20...

LEARN FROM THEIR MISTAKES AND BUILD LASTING, PROFITABLE SUCCESS WITH THE FOLLOWING RULES:

RULE #1: Focus on a well−defined niche market.

Rather than trying to dominate a huge, general market like pet owners or car owners, narrow your focus to a targeted "niche" like parrot owners or women interested in learning about automotive maintenance and repair.

The truth is, running two or three web sites that each target a specific niche market is the EASIEST WAY TO MAKE MONEY on the Internet. Everyone is looking for the "big money" makers so, all too often, niche markets are ignored. Yet this is how I have made most of my money online!

I find a targeted niche market, figure out what they want, develop the product, and then offer it to them. Easy, right? Well, it gets even better because I then automate the entire business from beginning to end, thereby freeing myself to start this process all over again.

Find a niche market. Figure out what they want. Develop the product. Offer it to them. Automate the business. Start another and diversify. That's it. Sounds too easy to be worth millions, right? Wrong! There is a LOT of money to be made this way.

RULE #2: Develop a strong Unique Selling Proposition

If you have a lot of competitors in your specific industry, then you need to develop your own unique selling proposition (USP). You need to emphasize what makes you better than your competition. Explain to your customers exactly how and why they'll benefit from doing business with you as opposed to someone else. For example...

− Your product/service might cost less than others.
− You may have a higher quality product or service.
− You offer a better guarantee than anyone else.

− You might target a specific age group, industry, or type of person.
− You provide special knowledge or advice that is not available anywhere else!
− You offer special incentives that no one else does.
− Your customer service is better than your competition's.

Whatever your angle, the bottom line when promoting your product or service is to EMPHASIZE WHAT MAKES YOU SPECIAL OR UNIQUE. Find an obvious void in the marketplace and fill it! Adjust your company or product to meet a specific need and then specialize, specialize, specialize!

RULE #3: Spend your advertising dollars wisely.

Once you have defined your market and developed your unique selling proposition, figuring out who you're advertising to and where they hang out online suddenly becomes way easier. And this means that you can strategically place your ads where they'll PULL THE MOST TARGETED POTENTIAL CUSTOMERS.

As e−business owners get tired of spending their limited advertising dollars on high priced CPM (cost per thousand ad impressions) that pull pitiful results, the demand for more performance−based advertising continues to increase. PAY FOR CUSTOMERS... NOT OVERPRICED, UNPROVEN ADVERTISING.

RULE #4: Model success.

Obviously there are a lot of steps involved in building a profitable e−business. You need a strategically designed web site, you need a quality product or service, you need killer sales copy, you need a flawless sales process... you need a cutting−edge marketing campaign designed to blow your competitors right out of the water!

That's why you'll be far better off - and way ahead of your competition −− if you TAKE THE TIME TO EDUCATE YOURSELF. Why reinvent the wheel when you can learn from someone who has been there, spent the cash, researched the techniques, and made the mistakes for you?

RULE #5: Have a well−developed business plan that includes a clear definition of how you plan to profit.

Plan to profit. That probably seems obvious. Unfortunately, too many people get caught up in some plan or scheme and don't take the time to research, test, and plan exactly how they're going to make their money.

An *idea* is NOT a business plan. It's just that... an idea. It becomes a plan when you've researched it, defined your market, figured out exactly how you're going to market yourself, and planned to PROFIT WITHIN A SET PERIOD OF TIME.

SO WHAT'S THE BOTTOM LINE?

Is there still money to be made on the Internet? Definitely! With online shopping having increased by an incredible 580% over the past two years and the Internet becoming an everyday part of the consumer lifestyle, now is an excellent time to be starting or promoting your e−business.

Think about it... The economy is correcting itself after a huge spurt of uncontrolled growth, giving you THE PERFECT OPPORTUNITY to learn from other's mistakes and strengthen your own business plan.

Take advantage of your competitor's hesitation at this dramatic turning point and scoop up your share of the market by going after a well−defined niche market with a strong unique selling proposition. Be smart with your advertising dollars, educate yourself, model success, and plan to profit.

Once you've dominated one niche market with this strategy, you can start to expand your focus... or go after a completely different niche. Whatever you decide, as long as you follow a well−researched plan and test everything along the way, this is a fantastic opportunity to profit from consumers' increased acceptance of e−commerce.

Understanding Dot Pitch

By Kevin Hinton

Looking for a monitor and want a better understanding of all the options available? Well in this article we will explore the Dot Pitch. Dot Pitch is a measurement of the smallest visual component on the display (a Dot). At the highest resolution (more on this in the next article) each pixel will equal the one

Dot, at lower resolutions a pixel will encompass more than one Dot.

The Dot pitch is measured in millimeters, with the measurements ranging from .30mm to .15mm. The smaller the Dot pitch is the sharper the image will be and the higher the resolution you will be able to set.

For more information of monitors visit:

Kevin Hinton −

Understanding Dot Pitch
"Whois" on first?
The New Dot−Biz TLD compared to Dot−Com
Domain Name Strategies Maximize Profits
The Dot Edu Domain Name Extension Explained

Profit−dot Com eBusiness Training Center
Stress The Silent Killer
The Amazing Bonus Pack
Copywriting Crash Course
Build Your Own Mail Order Empire