

The Ten Golden Rules of  
Online Marketing  
**Workbook**

Turn Your Website into a Profit Center

Jay Berkowitz

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To Bonnie. Thanks for supporting me for so many late nights and so many weekends at the laptop.

To Shari. Thanks for allowing us to share your story.

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## Introduction

The Ten Golden Rules of Internet Marketing evolved from a presentation I gave at a Direct Marketing Association meeting in Ft. Lauderdale, Florida, in July, 2003. At the time I was directing the marketing for a \$50 Million dot-com called eDiets.com, and I wanted share my experience with, and enjoyment of, internet marketing with the audience.

I was a classically trained marketer. I had the privilege of working on some of the greatest brands in marketing history including Coca-Cola, McDonald's and Sprint. When the internet came to prominence in 1994/95, I selected a job marketing the website for a shipping company over flashier jobs with a major toy manufacturer and an international restaurant chain. I quickly discovered that the internet was a marketer's dream.

After years of trying to prove the value of television, radio and print advertising, and months of waiting for direct mail program results, the internet brought it all together in real time -- the testing capabilities of direct marketing, the communication power of print and creativity rivaling television and radio.

Internet marketing arose in the mid 1990's following the invention of the web browser and widening internet access. There were no courses on internet marketing and no books to read. Those of us lucky enough to be involved in the field in the 'early days' had to learn by trial and error. I wanted my presentation to be a short cut for internet marketers, an easy-to-understand how-to course to help people save time in succeeding online.

Following the presentation I was approached by five or six of the attendees and they said "we need to hire you as a consultant." One of the people who approached me, Shari McConahay, said "We have a small website that I started for my family's' costume store in Dania Beach, Florida, called Annie's Costumes. We need some help with email and search marketing." Shari became our first client, and my good friend. I will tell the story of The Ten Golden Rules of Internet Marketing with a focus on Shari's story -- I think it brings the Ten Golden Rules of Internet Marketing to life to follow a real business and a real website.

Not every business sells something on its website, so we'll have a lot of examples from our own Ten Golden Rules business-to-business communications, and several other case studies from large and small clients.

We'll talk about the art and science of internet marketing, creativity and analysis. We'll look at strategic website design, leading strategies for search engine marketing including natural search engine optimization and pay-per-click advertising, we'll explore measurable media including banner advertising and affiliate marketing, and we'll share dozens of free tools, websites and techniques that work for small retail businesses, like Annie's Costumes, and strategies that form the marketing plans for some of the biggest internet marketing programs in the world.

Since internet marketing is constantly changing, we will keep updates for the book on our website [www.TenGoldenRules.com/book](http://www.TenGoldenRules.com/book). Please visit as often as you wish to read articles, case studies and updates.

And please join the conversation. Comment on our blog, listen to our podcast (links to both at [www.TenGoldenRules.com](http://www.TenGoldenRules.com)) and please call the podcast with questions and comments, there is a 24 hour digital answering machine at 206-888-6606 and we'll answer your questions on the podcast.

Lastly, an invitation to reach out to me personally to connect, network and do business. Full contact information is available at [www.TenGoldenRules.com](http://www.TenGoldenRules.com) or email me: [Jay@TenGoldenRules.com](mailto:Jay@TenGoldenRules.com), or find me on Facebook, LinkedIn or at [www.Twitter.com/JayBerkowitz](http://www.Twitter.com/JayBerkowitz) .

## Golden Rule #1 – There are No Rules

When I sat down with Shari McConahay at the Annie’s Costumes warehouse for our first business meeting, she confessed to me that she was a little confused by internet marketing.

“We tried banner advertising and we got some sales, but we’re not sure how well it worked,” she said. “We want to try email marketing and I keep hearing that search engine marketing is the only way to go. Another expert told me that affiliate marketing is the only strategy for us. I just don’t know what the answer is.”

I explained, that in my experience with internet marketing, there is no perfect answer for any one website, and sometimes, one strategy that works well for six months may start to slip in performance after a couple of more months. This is the genesis for *Golden Rule #1 – There are no rules.*

I told Shari that traditional offline advertisers follow a set of rules or conventions. They do research to determine consumer wants and needs. Sometimes they even show consumers ideas for ads in focus groups, small research session of 2-12 people, and ask them how they would react to the ads if they saw them on TV. Then they take the consumer feedback, modify the strategies and the creative and produce the ads. Then they air the ads and sometimes they do some research, typically telemarketing phone calls when you are about to sit down for dinner, to determine if they had changed your ‘intent to buy’ or ‘brand awareness’ or ‘brand preference.’

“I know half my advertising is wasted...”

The father of modern advertising, retail baron John Wanamaker, is credited with this saying "Half the money I spend on advertising is wasted; the trouble is I don't know which half." Marketers believe that, overall, they know what they are doing and often product sales respond to advertising and marketing tactics, particularly when you have some real news about a product or you clearly communicate a great offer that catches the public’s attention and interest. But for the most part, they share Wanamaker’s belief that, advertising and marketing activities seem to have a positive influence on product sales; but, it is just hard to measure a direct cause and effect relationship.

In 2002, I joined an aspiring dot-com company called eDiets, following my experience marketing big brand websites, Coca-Cola, McDonald’s and Sprint. I thought that I could apply my experience successfully marketing brands and products in this pure internet marketing environment. eDiets didn’t sell any physical products at that time, when a customer signed up for an eDiets diet, they received online meal plans, menus, shopping lists and expert advice through the computer. Sophisticated programs used the customer’s self-reported height, weight, age, medical conditions and dietary preferences to calculate a unique, recommended diet and exercise plan for each customer.

At the time, the eDiets sign-up process was six pages long. It was designed by a group of male programmers and it used fairly dark colors. The company believed in testing different web designs and different offers and methods of internet marketing. So, I applied my traditional marketing know-how. “Over 90 percent of our customers are women,” I theorized, “and our web pages are dark and ‘male looking,’ plus it takes six pages to sign up for the diet. Let’s try a short three page sign up with current, fashionable feminine colors such as the oranges and pinks being used in design and popular magazines.”

The head of the IT design department tried not to roll his eyes when he heard my theory, and he explained that the current sign-up process had been tested dozens of times and the current web pages were the product of extensive testing. He was happy to have me develop the new test and prove that they already had a winner.

## A:B Testing

So I set off to work with a designer to develop ‘my’ short three-page sign up using nice, soft feminine colors for testing in the real online environment. Within about a week we had the designs complete and the IT team had incorporated them into the computer systems to allow a customer to actually sign up for an eDiets diet. We ran what is called an A:B Test for about one week: half of the people who came to eDiets saw the existing six-page sign up (version A) and half of the visitors were presented with the new softer colors and resulting three-page sign up (version B). I asked Shari which version she thought ‘won’ in the test, that is which version signed up a higher percentage of visitors as customers. She said “The shorter, three page test with more feminine colors won, didn’t it?”

I explained, “Much to my surprise, my three-page test didn’t deliver more sales, in fact, the six page, darker colored sign-up process was about 10 percent more effective than the new test.” However, we did discover a very interesting development. One page on the new three-page sign up was very effective in convincing people to sign up for our free eNewsletter. Typically, people who signed up for an eNewsletter would read the articles, diet success stories and recipes and a high percentage of them would sign up for the diet within a few weeks. “So what did you do next?” she asked.

Our next step was to develop a new version of the six step sign-up process with a revised eNewsletter sign-up page. We tested the old six-step process against the new six-step sign up with a revised eNewsletter subscription page and had a new winner! The new process generated more sales and more eNewsletter sign ups, which would result in more sales over the next several weeks.

Shari was excited. She said “OK great, let’s start testing sign-up pages.” I had to put on the brakes. I explained to Shari that we would be testing the sign-up process in the future, but that would take some time.

I further explained that ***Golden Rule #1 – There are no rules*** represents the strategic approach that you have to take with your internet marketing. You must assume that what

works in one industry may not work in your industry, and a design or an offer that works for one website, may not work for your website. And something that works today may not be effective in 3-6 months. The powerful thing about internet marketing is that you can test different variables quickly and inexpensively and you can measure the results very accurately.

We were able to test different sales funnels within one week at eDiets because we had more than 100,000 visitors to the website every day. We were among the top five online advertisers in the world and we could run an A:B test, the tests described above where we sent half of the people to one set of creative (version A) and half to another creative test (version B) and in one week, more than 500,000 test cases delivered reliable results .

## An Advertising Test

Since Annie's Costumes did not have high traffic year round, they would've had to run the test through Halloween to get scientifically reliable results and it would be too late to apply the test results for their peak season. However, there were a number of variables Annie's Costume could be testing and the results would have an immediate impact on sales and profitability.

For example, Shari had signed a contract to run banner advertising on the Yahoo! website. This advertising contract delivered a fixed number of banner impressions: This meant that Shari had contracted Yahoo to show her banners several thousand times as people surfed around the Yahoo! site. I suggested we should test different banner images to determine which banners received more clicks and more sales. Shari was excited to get testing and she gave me a sample of the banner that they were planning to run for the Yahoo! test.



I explained to Shari that the best strategy for banner advertising was not to test banner advertising, but instead to test banner creative. We developed dozens of different creative designs for the banners. We tested different messaging, different creative and different call to action messages designed to generate a click through to the Annie's Costumes website.

We analyzed all of the different designs for three key criteria:

1. Did they generate a click?
2. Did they generate a sale?
3. Did they generate a contest entry?

Internet marketing is not about driving traffic to a website. Internet marketing is defined by the ability to measure what works, and to build on your success.

## Ten Tips for Banner Design

1. **Consumers read banners left to right and top to bottom.** You should design your banners with this in mind.
2. **Banners must have a call-to-action, or two.** The best place to put the call-to-action is in the bottom right-hand corner of the banner so you catch the reader's attention and then when he/she has read the banner, he/she comes to the button to click on to take action.
3. **Bigger is Better.** The 468x60 pixel banner is a dinosaur the sooner it clicks itself out of existence the better. Try to buy larger banners such as 728x90, 450x450 pixels, 350x250 pixels and 160x600 pixels.
4. **A picture is worth a thousand words.** Show an aspirational image, top left on the banner to immediately capture the reader's attention. The image should be something the viewer would realistically aspire to, such as a healthy model for a diet ad, not a stick thin runway model, or a nice middle class house, not a mansion.
5. **Banners are like billboards.** Use five to six words maximum in the headline, for smaller size banners, three or four words is better. Write involving headline copy.
6. **Ask a question.** Customers will click on a question that intrigues them, or one they are seeking an answer to. A good question encourages the to click to find out the answer.
7. **Rich media rocks.** Rich media banners are designs that move, flash, change pictures or words, or those that have an interactive component. You'll get three times the click through and two times the sales, on average, when you use rich media.
8. **Interactivity = productivity.** A button to click, a form to fill out or a link to a free offer will improve performance.
9. **Select colors that stand out on the page.** Is the page white and blue? A black banner will "pop" off the page, get noticed and get clicked at a higher rate.
10. **A home page IS NOT a landing page.** When someone clicks a banner promoting a Harry Potter costume, it is a mistake to send them to the home page of Annie's Costumes forcing them to search again. Develop targeted landing pages with information relevant to the content of the banner, or direct the click to the area of your site with appropriate content

## Action Step 1-1

Visit three of your leading competitors or top performing websites who operate similar business models to your own. Use the Way Back Machine <http://www.archive.org> to review the development of these sites.

1. How often do they change their sites?
2. Are there any logical evolutions that would make sense for your website?

## Action Step 1-2

Go through the sign up processes for three leading websites in your industry and three leading online companies. If possible go all the way through and purchase their product, if not follow the 'Sales Funnel' right to the final button. At each step, capture a screen shot using the print screen function on your keyboard. Copy each screen shot into a PowerPoint or Word document. Print out these pages in color in the order the consumer sees them on the website and paste them up on a wall or white board. Now do the same with your website.

1. What steps are common throughout the sales funnels you captured?
2. What can you learn from the leaders?
3. Are there any steps that seem redundant in your funnel?
4. Are there any ideas you see in the printouts that you can test?
5. Ask your webmaster to pull a log file or analysis from your web analytics software and identify where customers are leaving the sales funnel. Are there clues on these pages? Do a disproportionate share of customers leave when you ask for an email address or credit card? Might a long page that users have to scroll down work better as two or three separate steps?

# Case Study – The Annie’s Costumes Home Page on Wayback Machine

Using the Wayback Machine you see the evolution of Annie’s Costumes website through to the introduction of a UVP ‘Win a Free Plasma TV in 2003’ and the current site.



2001

Welcome to

# ANNIESCOSTUMES.COM

The Web's most complete source for costumes for all holidays and occasions and costume accessories: masks, hats, capes, makeup, and more!

---

AnniesCostumes.com is

*"The Best Little Horror House on the Web!"* If you miss Annies, you miss Halloween!

We have been costuming the WWW since 1996.

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ANNIE'S SITE MAP:

Click on the link boxes below to view pictures of the costumes or accessories.

<a href="#">ADULT SIZE COSTUMES</a>	<a href="#">CHILD SIZE COSTUMES</a>	<a href="#">TEEN SIZE COSTUMES</a>
<a href="#">COSTUMES FOR YOUR PETS</a>	<a href="#">ANIMAL MASCOT COSTUMES</a>	<a href="#">COSTUME ACCESSORIES</a>
<a href="#">MASKS</a>	<a href="#">WOMEN'S SHOES &amp; BOOTS</a>	<a href="#">MEN'S SHOES &amp; BOOTS</a>
<a href="#">HANDBAGS</a>	<a href="#">MAKEUP</a>	<a href="#">NOVELTY TEETH &amp; FANGS</a>
<a href="#">COLLECTABLES</a>	<a href="#">MASCOTS</a>	<a href="#">HATS</a>

2002



Extreme Halloween Network

# ANNIESCOSTUMES.COM

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Product Search:

Go    

*Welcome to AnniesCostumes.com*

The Web's most complete source for costumes for all holidays and occasions and costume accessories: masks, hats, capes, makeup, and more!

AnniesCostumes.com is *"The Best Little Horror House on the Web!"* If you miss Annies, you miss Halloween!  
We have been costuming the WWW since 1996.

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**HALLOWEEN DELIVERY - GUARANTEED!**

**WE WON'T SHIP IF IT WON'T MAKE IT BY HALLOWEEN DAY.**

Our costumes are in stock and we are shippin' them out to you *fast!*

More merchandise arriving daily!

We have live online inventory, so if you can add an item to your shopping cart, it is in stock & ready to be shipped!

[CLICK HERE & SEE HOW TO GET YOUR COSTUMES & ACCESSORIES IN TIME FOR YOUR HALLOWEEN EVENT](#)

[CLICK HERE TO TRACK YOUR ORDER!](#)

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**HALLOWEEN COSTUMES FOR 2003!**

THE TOP 150 COSTUMES  
FOR HALLOWEEN 2003

Site Map:

- [Adult Costumes](#)
- [Deluxe Adult Costumes](#)
- [Plus Size Costumes](#)
- [Children's Costumes](#)
- [Teen Costumes](#)
- [Pet Costumes](#)
- [Cell Phone Costumes](#)
- [Accessories](#)
- [Masks](#)
- [Makeup](#)
- [Mascots](#)
- [Jewelry](#)
- [Hats & Headpieces](#)
- [Teeth & Fangs](#)
- [Glasses & Cloaks](#)

2003



The Extreme Halloween Network Presents:

# Annie's Costumes.Com

- VIEW CART OF CHECK OUT
- CUSTOMER SERVICE
- SIZING CHART
- E-MAIL US
- SHIPPING & TRACKING
- PURCHASE ORDERS

Product Search:



Site Map:

- Home
- [Adult Costumes](#)
- [Deluxe Adult Costumes](#)
- [Plus Size Costumes](#)
- [Children's Costumes](#)
- [Teen Costumes](#)
- [Pet Costumes](#)
- [Cell Phone Costumes](#)
- [Accessories](#)
- [Masks](#)
- [Makeup](#)
- [Mascots](#)
- [Candy, Props & Decorations](#)
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- [Teeth & Fangs](#)
- [Capes & Cloaks](#)

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WIN PRIZES! ?  
 HAVE FUN!  
?

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[Adult Costumes From The Roman Era](#)



2004