

"I learned a great deal from reading it and think you will too."

—David Bach, *New York Times* #1 best-selling author of *The Automatic Millionaire* and *Start Late, Finish Rich*

INTERNET RICHES

THE SIMPLE MONEY-MAKING SECRETS
OF ONLINE MILLIONAIRES



Anyone can
be a millionaire
with these
powerful, proven
strategies!

SCOTT FOX

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2 STARTING YOUR E-BUSINESS

CAN YOU AFFORD NOT TO?

Figure 2-1.

FIRST YEAR STARTUP COSTS COMPARED:

TRADITIONAL RETAIL BUSINESS VS. YOUR ONLINE BUSINESS

	Traditional Retail Business	Online Business
PC & Internet Access	\$500–\$1,000	\$500–\$1,000
Office Space & Parking	\$5,000–\$50,000 (+ <i>multiyear commitment</i>)	\$0 (work from home)
Store Space Lease	\$25,000–\$100,000+ (+ <i>multiyear commitment</i>)	\$0 (work from home)
Furnishing/Decoration	\$1,000–\$25,000+	\$0 (work from home)
Signage	\$100–\$5,000+	\$0 (work from home)
Insurance	\$500–\$5,000+	\$0 (work from home)
Phone & Fax Lines	\$1,000–\$5,000+	\$300 or less (if using Internet calling and e-mail instead)
Printing of Marketing Materials	\$1,500–\$15,000+	\$0 (e-mail distribution of full-color marketing materials)
Marketing Postage	\$1,500–\$10,000+	\$0 (with worldwide reach via e-mail and Web)

Employee Wages	Variable	10% to 50% less via Web
Shipping Costs	Variable	Paid by customers or eliminated by digital delivery
Credit Card Merchant Account	\$600 set-up + sales percentage	\$0 set up (plus sales percentage)
Website Costs	N/A	\$100–\$1,000
Advertising	\$500–\$100,000	Pay for performance only
TOTAL ESTIMATE:	\$35,000–\$250,000+	<\$1,000

Figure 2–2.

HOW THE ANNUAL COSTS OF OPERATING AN E-BUSINESS WEBSITE ARE DECLINING OVER TIME			
	1998 Costs (estimated)	2003 Costs (estimated)	2008 Costs (estimated)
Domain Registration	\$40	\$15	Included
Website Design	\$1,000–\$15,000	\$150	\$100
Website Hosting	\$1,000–\$6,000	\$250	Included
Shopping Cart Software	\$600–\$6,000	\$500	Included
Credit Card Merchant Account	\$750–\$1,500	\$250	Not needed
E-Mail Marketing Tools	\$500–\$2,500	\$300	\$180
ONE-YEAR TOTAL	\$4,000–\$30,000+	<\$1,500	<\$300!

Figure 2-3.

MONTHLY UP-FRONT COSTS FOR ONLINE SERVICES, WITH ONE-YEAR CONTRACTS	
\$7.95	Website package, including:
	▲ Domain name registration
	▲ Website design template
	▲ Website hosting
	▲ E-mail accounts
	▲ E-mail Autoresponder
\$0.00	Credit card processing capabilities
	▲ Including shopping cart software
\$15.00	E-mailing list management software
	▲ HTML design templates
\$22.95	TOTAL

3 THE INTERNET'S FIRST MILLIONAIRE WAVE— EFFICIENCY

Efficiency Millionaire Exercise

Answer each of the following questions in your Millionaire Idea Journal. You can do most of this work in your head, but when you start to find original ideas popping up, be sure to write them down. You don't want to lose them!

- ▲ What are your five favorite websites?
- ▲ Do any of these online businesses help make your life more efficient, easier, or more fun? If so, how?
- ▲ What other Efficiency Millionaire people and companies can you identify in your life?
- ▲ What kinds of efficiency opportunities are being exploited by businesses like eBay, WeddingChannel.com, or ArtFairCalendar.com?
- ▲ Review again the questions I posed in this chapter. What businesses or situations did you write down?
- ▲ Can you imagine solutions to inefficiencies that are similar to those of your favorite websites or this chapter's Efficiency Millionaire example businesses?
- ▲ What processes in your day-to-day life are the most annoying?
- ▲ If you made it your goal, could you do anything to help reduce those frustrations that you and others must feel?

Be certain to write down in your Millionaire Idea Journal all of your responses to capture potential million-dollar ideas!

4 THE INTERNET'S SECOND MILLIONAIRE WAVE— PRODUCTS

Product Millionaire Exercise

Take some time to consider your answers to the following questions:

- ▲ What needs can you identify in your own life that could be fulfilled with better or more specialized products, packaging, materials, or parts?
- ▲ Are there products that you've customized to serve needs in your own life?
- ▲ Are there any off-the-shelf products that you regularly modify or rearrange or recombine to improve their efficiency?
- ▲ Could you market the technique you use to customize the product, or market the modified products themselves?
- ▲ What are the everyday items in your life that need a redesign or an upgrade?
- ▲ Can you turn any of these ideas into products?

Write down in your Millionaire Idea Journal the ideas that these questions should stimulate. They will be valuable ammunition for the continuing business development exercises later in this book.

5 THE INTERNET'S THIRD MILLIONAIRE WAVE—NICHES

Your Niche Millionaire Idea List

FIRST-LEVEL QUESTIONS

Write down as many answers as you can think of to the following questions in your Millionaire Idea Journal.

- ▲ Have you developed any professional expertise from your work?
- ▲ Are you particularly good at anything in particular?
- ▲ What are your hobbies?
- ▲ Do any of your hobbies involve skills that may be of interest to others?
- ▲ What hobbies did you used to enjoy that you have dropped over the years?
- ▲ Are there any topics or subjects that you are deeply enthusiastic about?
- ▲ What's unique about your town, your friends, or the way you live?
- ▲ Is there anything unique about your upbringing or family history that may be marketable?
- ▲ Are there regional or local specialties from your neighborhood that are ripe for sharing with the world?
- ▲ Do you have special access to any unique goods, services, celebrities, or information?

Please focus on these first-level questions for as long as it takes to come up with several solid responses to each question. Write down your

thoughts in the Millionaire Idea Journal. Don't be skeptical—include everything you can think of. The more ideas you have to work with the better.

SECOND-LEVEL QUESTIONS

Take the various niches you've identified from the previous question set and now ask yourself these additional questions about those niches, to help narrow the list down.

- ▲ Are other people interested in the topics you identified in the first-level questions?
- ▲ Is there anything unique about the audience you want to address that makes them an attractive potential market for you?
- ▲ Would this audience be local/regional/national/foreign, wealthy/poor, online/unwired, educated/less educated, religious/irreligious, urban/rural, professional/blue collar, old/young, etc.?
- ▲ Are you aware of any online businesses that are already addressing this opportunity?
- ▲ Could you add something to present the goods/services/information in an entertaining way that differentiates you from competitors?
- ▲ If you were going to pursue a business based on these niches, what would your initial product or service be?

THIRD-LEVEL QUESTIONS

Review the answers to the first- and second-level questions. From among the ideas you've listed, choose the *five* niche interest areas that you think may have the best business potential for you. Preferably pick five areas where you know the most or have the best idea of how your business would be different from potential competitors.

Brainstorming five target niches may sound like a lot, but try to force yourself to find five—it's usually the hard work of thinking of the last few that will stimulate your brain's creativity to produce the best million-dollar ideas.

Add your latest thoughts on these topics to your Millionaire Idea Journal. We will revisit your responses to these questions in Chapter 8, using them as the basis for further development of your potential e-business.

WHAT E-BUSINESS SHOULD YOU PURSUE?

Figure 8-1.

STEPS FOR IDENTIFYING THE RIGHT E-BUSINESS OPPORTUNITY FOR YOU

Phase	Steps
Interests & Idea Generation	▲ Identify interests, ideas, skills, and relevant personal attributes.
Customer (Target Market) Research	▲ Identify customer groups with whom your personal background suggests you would enjoy working and to whom you have something to offer. ▲ Evaluate the purchasing behavior of those groups. ▲ Compare those customer groups with the business models and competitors you identify as most relevant.
In-Demand Product Identification	▲ Research which products are most in demand. ▲ Research product suppliers and competitors online and get pricing
Competitive Advantage	▲ Analyze situation and personal resources to determine differentiating factors that could make your approach unique and profitable.
Leverage	▲ Apply results of analysis to the unique capabilities and reach of the Internet.
E-Business Model for Your New Business	▲ Compile the results of the previous steps to define the business model for your new e-business.

Leverage	▲ Apply results of analysis to the unique capabilities and reach of the Internet.
E-Business Model for Your New Business	▲ Compile the results of the previous steps to define the business model for your new e-business.

CHOOSING YOUR DOMAIN NAME

Figure 10–1. Bulk URL Reaseach Tool.

Low cost domain names, domain transfers, web hosting, email accounts, and so much more. - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <https://www.godaddy.com/gdshop/registrar/bulk/bulk.asp?se=%2B&app%5Fhdr=8ci=599>

Go Daddy .COM
Make a .com name with us!™

BobParsons.com
"Not so polite"
time saving tips -- that work!

FREE Ad-Supported
Hosting
with every
domain!

Is this really GoDaddy.com?
Verify the site for your protection!

My Account Support My Cart Check Email

Domains Hosting & Servers Site Builders Email SSL Certificates Business Domain Auctions Reseller Plans

Logout My Account Company Info Why our prices are so low Our Values What's New! FAQ Our Commercials XML URW RSS Feeds

It's easy to register your new domain names in bulk - and you'll save BIG too!

Registering more than one domain name? Just enter your names in the field below. Plus, get special bulk pricing when you register more than 50 domains!

FREE EXTRAS! WITH EVERY DOMAIN NAME

Enter each domain name you would like to register on a separate line, then click the "GO" button. You may enter up to 500 names:

Example: domainnameone.com
domainnametwo.com
domainnamethree.net
domainnamefour.org

Note: You can mix ANY domain extensions in this purchase. Bulk pricing will be applied based upon the total number of domains in your list -- no matter which domain extensions are entered. For instance, if you had 49 .com domains and 3 .net domains, the entire order would qualify under bulk pricing for 50-100 domains.

To continue please key in the access code displayed below.

113976

Enter access code:

When the "GO" button is clicked, the availability of all of the domain names will be verified. Please be patient, this may take a few minutes.

Bulk Registration Pricing (per domain)

	< 50	50+	101+	201+
.com*	\$8.95	\$6.75	\$6.75	\$6.75
.info*	\$9.95	\$6.75	\$6.75	\$6.75
SAVE! .us	\$6.95	\$6.75	\$6.75	\$6.75
.net*	\$8.95	\$6.75	\$6.75	\$6.75
.org*	\$8.95	\$6.75	\$6.75	\$6.75
SAVE! .biz*	\$6.95	\$6.75	\$6.75	\$6.75
.ws	\$9.99	\$6.75	\$6.75	\$6.75
.name*	\$9.95	\$6.75	\$6.75	\$6.75
Privacy	\$6.95	\$6.95	\$6.95	\$6.95

Pricing for 1-year registration

* Plus ICANN fee of 25 cents per domain name year. Certain TLD's only.

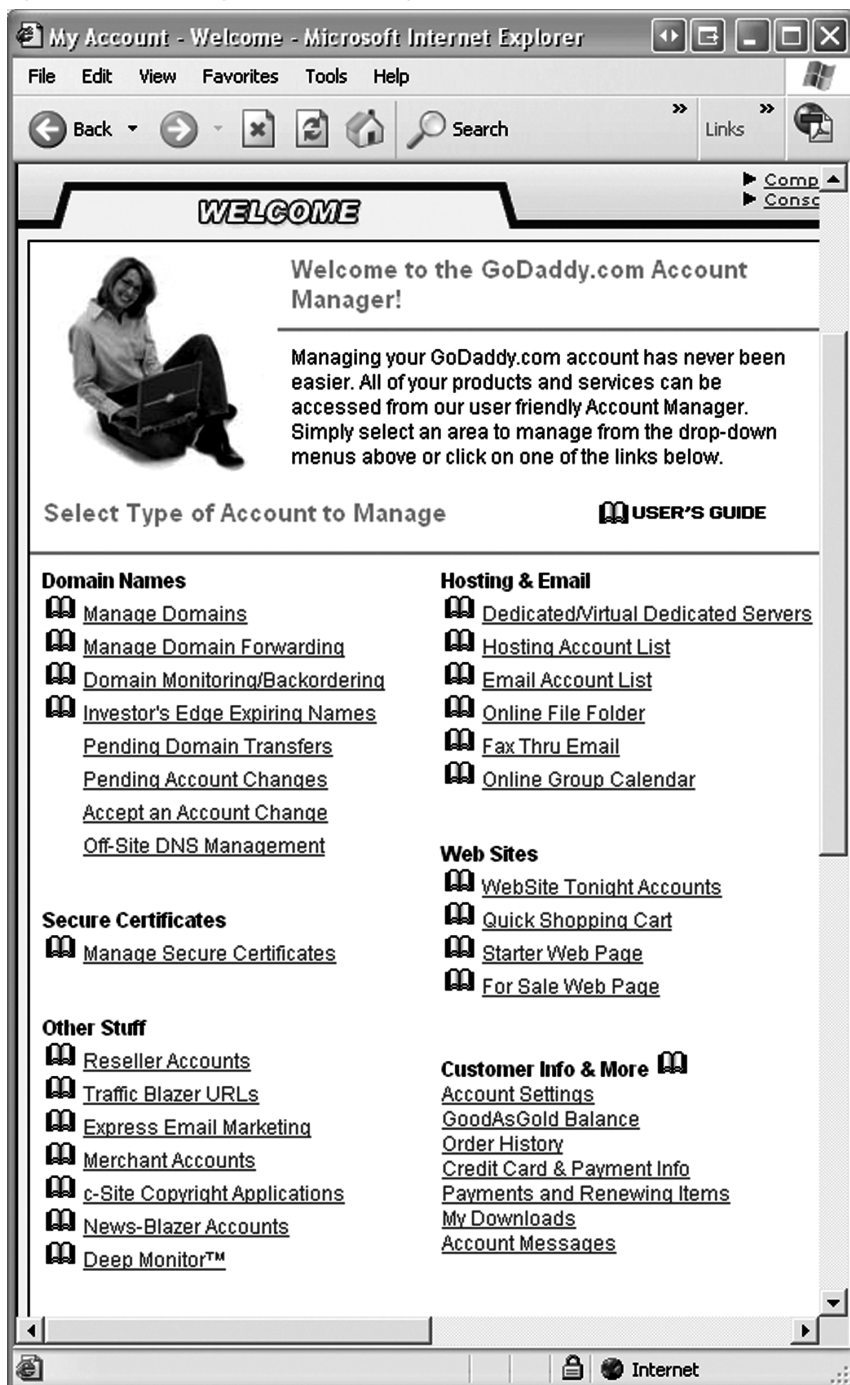
- NEW! Ad-supported Hosting with Web site builder!** Receive a Web site hosting package with Web site builder, and professionally designed templates - all included FREE with every new domain, transfer or renewal.
- NEW! Complete Email!** Now ALL new domain registrations, transfers and renewals include Complete Email. Get your own personalized email address (essential for small businesses) and 25MB total storage, absolutely FREE! (\$9.95/yr value)
- Save 70% off out competitor's rates! Compare our Prices!**
- Why our prices are so low!**
- Manage My Domains**
- Frequently Asked Questions**

All public domain registrations are registered in YOUR NAME not ours.
Domain registration and application fees are not refundable.

[Domain Dispute Policy](#) [Registration Agreement](#) [Renewal Policy](#) [ICANN Transfer Dispute Resolution Policy](#)

Internet

Figure 10-2. The GoDaddy.com Account Manager



HOW TO BUILD A WEBSITE IN ONE HOUR

Figure 12-1. The control panel screen of an iPowerWeb hosting account.

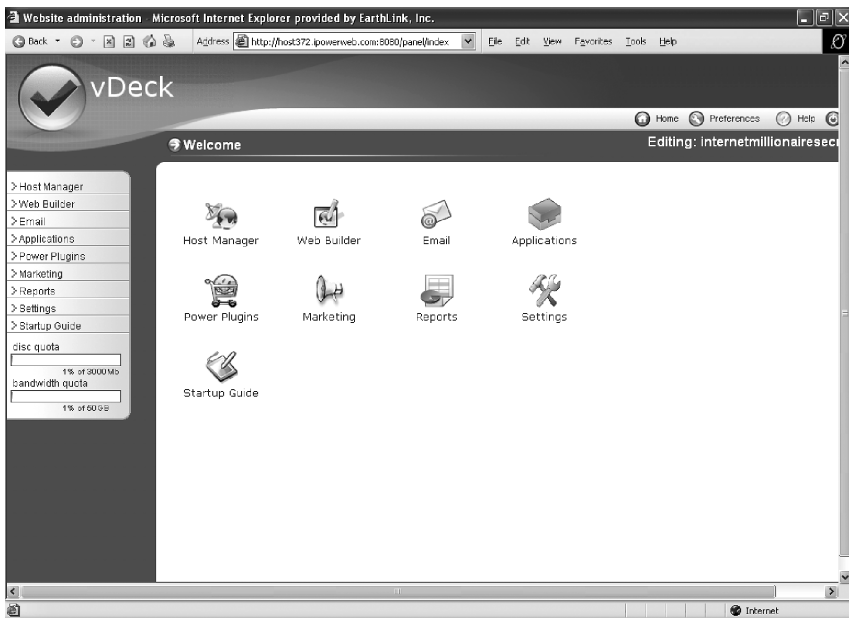


Figure 12-2. Main Web Builder screen.

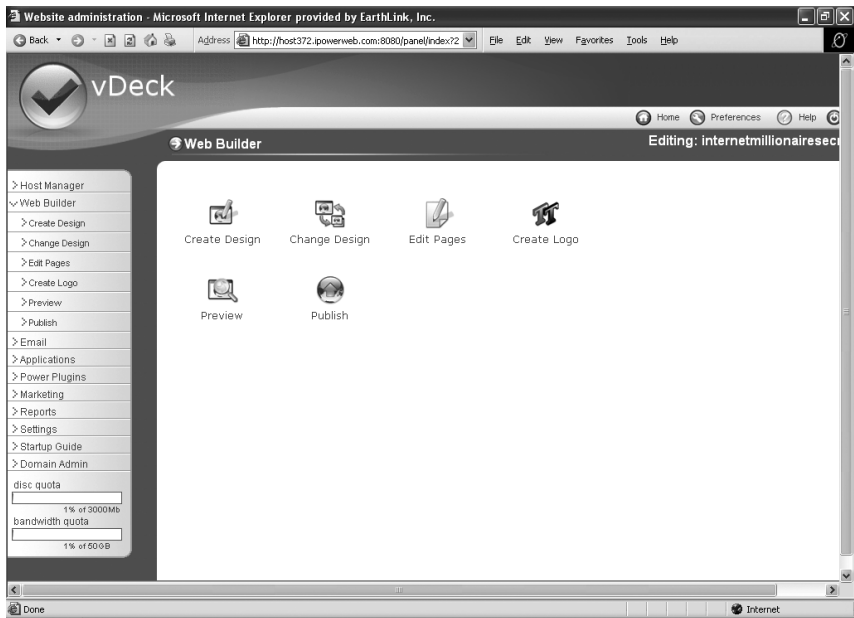


Figure12-3. Website template menu.

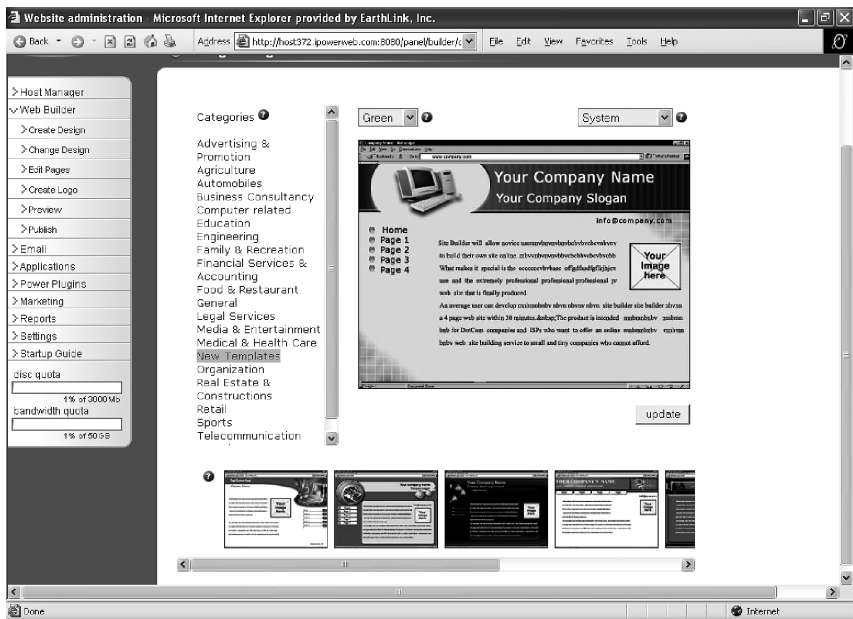


Figure 12-4. The “Create a Logo” screen.



Figure 12-5. Point-and-click buttons for adding new pages or updating page order.

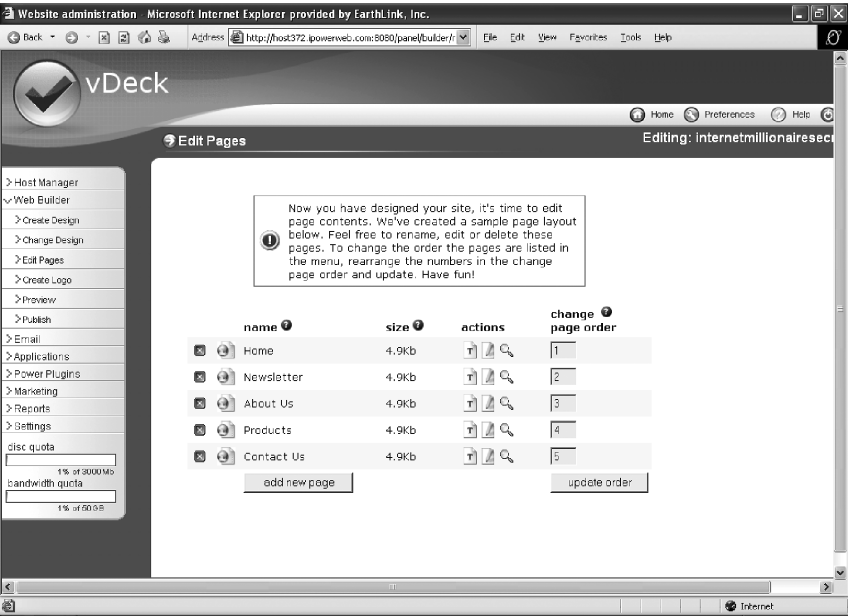


Figure 12-6. Screen for editing your website pages.

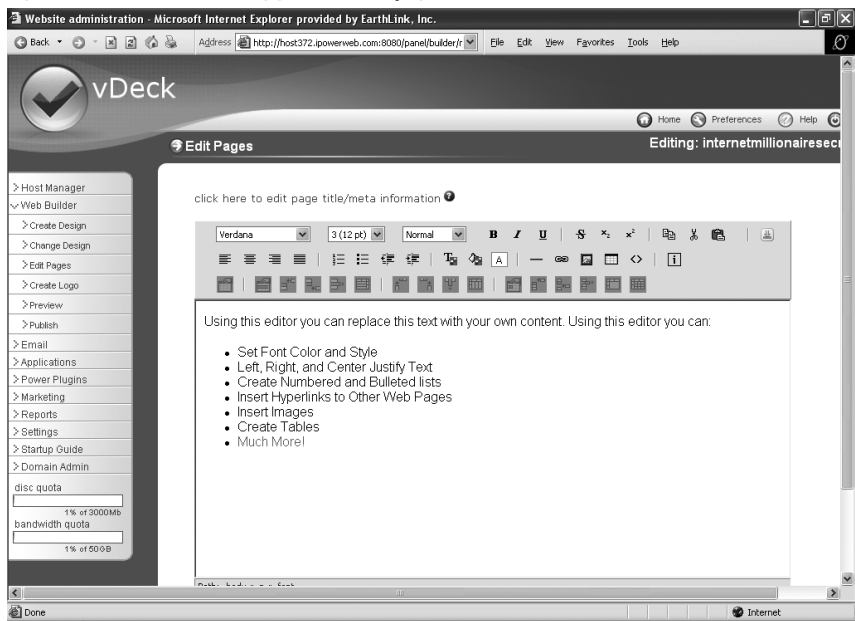


Figure 12-7. WYSIWYG page editor.

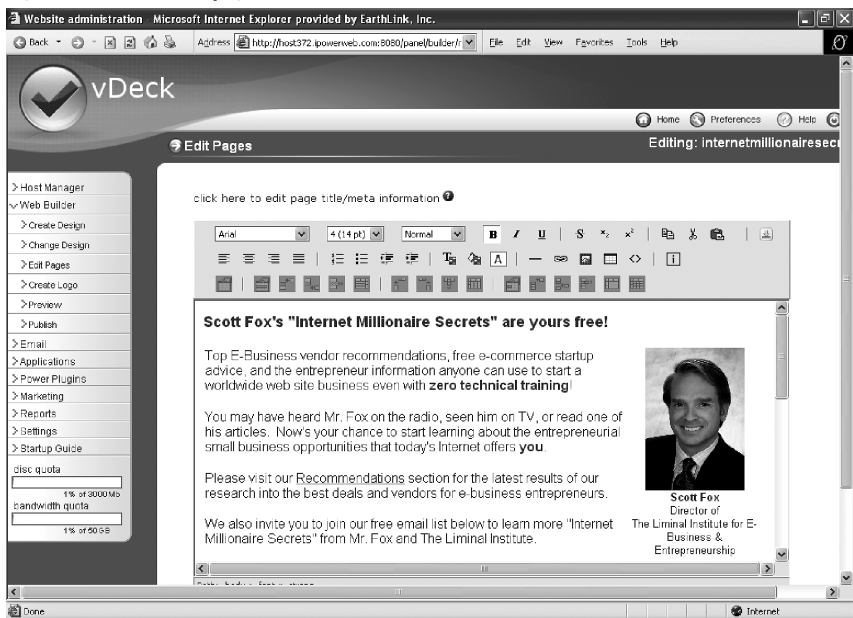


Figure 12-8. Preview of completed website page built using the WYSIWYG editor.



Figure 12-9. Template-based home page for InternetMillionaireSecrets.com.



E-COMMERCE SHOPPING CARTS

Figure 14–1. Overview of credit card payment processing.

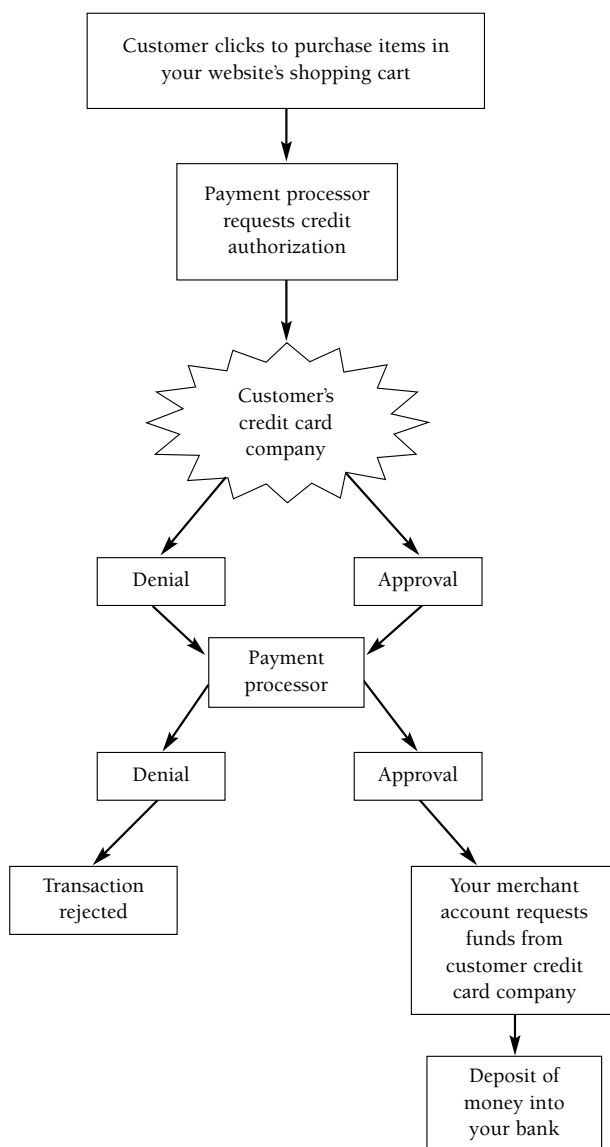




Figure 14-2. PayPal shopping-cart checkout screen.

PayPal - Send Money - Microsoft Internet Explorer


Address https://www.paypal.com/cart/checkout=1&page_style=

Payments by 

InternetMillionaireSecrets.com


Payment Details Secure Transaction 

PayPal is the secure payment processor for your seller, InternetMillionaireSecrets.com. To continue, please enter the required information below. [Learn more](#) about PayPal.

 **PRIVACY**
BBB Online
PayPal is a member of the BBBOnline

Pay To: InternetMillionaireSecrets.com

Payment For: Shopping Cart [View Contents](#)

Currency: U.S. Dollars 

Amount: \$5.00 USD

.....

If you do not currently have a PayPal account [Click Here](#)

.....

PayPal Login

If you already have a PayPal account, enter your log-in details below

Email Address: [Problems logging in?](#)

PayPal Password: [Forget your password?](#)

[Continue](#)

PayPal protects your privacy and security.
For more information, see our [Privacy Policy](#) and [User Agreement](#).

Internet

Figure 14-3. SweaterBabe.com checkout screen.

Cart - Microsoft Internet Explorer

Address http://www4.aisafe.com/cf/addmulti.cfm

File Edit View

sweaterbabe.com checkout

Product	Quantity	Price	Amount
Knitting Basics I Class - October 30th 10-1pm	<input type="text" value="1"/>	55.00	55.00

All prices are in US Dollars

Subtotal

Shipping

Tax

TOTAL

55.00

0.00

0.00

55.00

To calculate the cost of shipping, make a selection from the menu to the right and click on the recalculate button below.

Select your US State for sales tax

(Please note: your credit card will not be charged until your order has shipped.)

For gift items, please enter gift message:

Vouchers

If you have a voucher, enter its code and click on recalculate.

recalculate

checkout -->

Done Internet

Figure 14-4. KitchenKapers.com checkout screen.

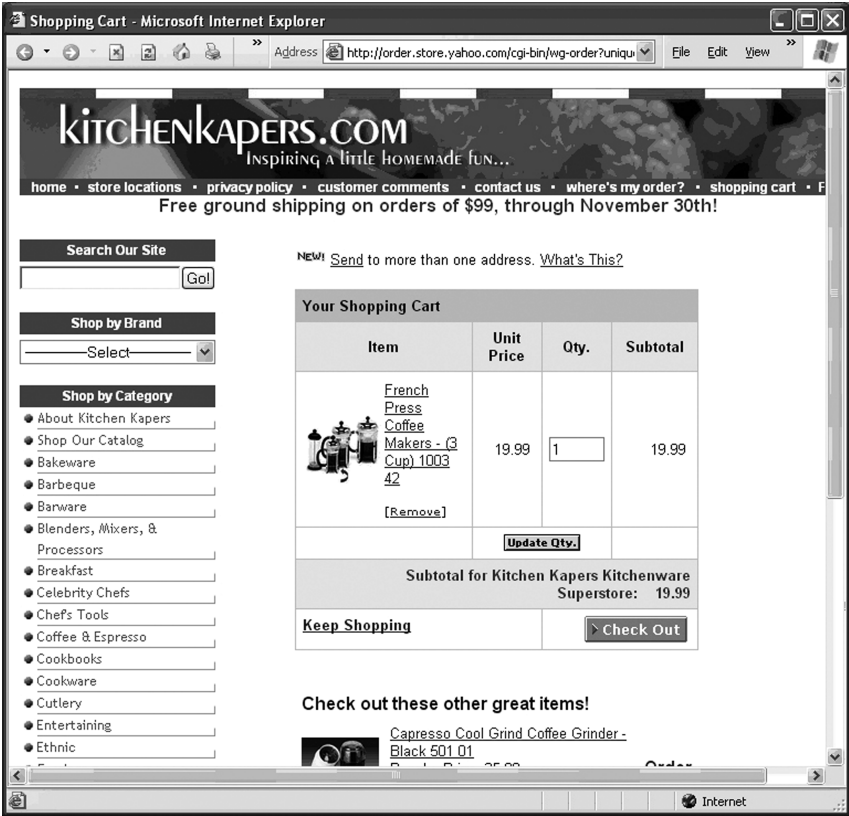


Figure 15–1. eBay user ID showing the number of successful transactions and positive feedback rating.

millions05 (31 ☆)

APPENDIX A

INDEX OF E-BUSINESS ENTREPRENEURS AND SERVICES

Internet Riches contains discussion of dozens of successful e-business entrepreneurs and service providers, including:

AmericanMeadows.com	Google.com
ArtFairCalendar.com	InternetMillionaireDomains.com
Bathboats.com	InternetMillionaireSecrets.com
BillOReilly.com	InventiveParent.com
BirdsJustWannaHaveFun.com	iPowerWeb.com
BlueberryBoutique.net	LiminalInstitute.org
Bookslut.com	LiveDeal.com
CafePress.com	MobileTracker.net
CommissionJunction.com	NormDarwish.com
ConstantContact.com	Rugman.com
CooksIllustrated.com	ScoobyMods.com
Craigslist.org	Seyberts.com
DigitalMediaWire.com	Sittercity.com
DrudgeReport.com	SweaterBabe.com
eBay.com	TheTshirtNexus.com
FARK.com	TrafficMatt.com
GoDaddy.com	WeddingChannel.com

APPENDIX B

INTERNET RESEARCH SKILLS

Another amazing benefit of the World Wide Web is the instant access it provides to information. As a new business owner, you should take advantage of online search engines like Google and Yahoo to learn about your new market, products, and competitors. Search engines are a critical weapon in today's business arsenal because they can provide so much information for so little cost.

If you are not already familiar with how to use a search engine, here are some tips for beginners, as well as more sophisticated tips for advanced users.

First, *think broadly*.

To start your research you should be general with your concepts and words. This is the key to successfully finding what you want using a search engine. Don't get fixed on a particular phrase or an overly specific description of the information you are seeking because that will limit the results you get back from the search engine. You are more likely to find worthwhile results if you first try several alternative names and phrases for the subject of your search in order to identify the most important key terms unique to that topic.

For example, in a search for the best suppliers of rubber bands, you might start by searching on RUBBER BANDS, but you should also try RUBBER BAND or just OFFICE SUPPLIES. Similarly, instead of CLASSIC CADILLACS, perhaps ANTIQUE CADILLACS would be a useful search. These variations can be important because the information on the Web was put there by different people from all over the world, so their local phrases, slang, and even spelling might not match yours exactly. Using synonyms to explore broadly at first will help you learn the key terms specific to your area of research; knowing those terms will later help you narrow your search to find precisely what you're after.

Being more specific is your goal ultimately, but it only helps after you've identified the appropriate unique words and phrases needed to locate pages focused on your desired information. For example, searching on FLEETWOOD, SEDAN DE VILLE, or ELDORADO (all models of Cadillacs) from the start would quickly

help you find more specific information on Cadillacs, but it would also narrow the search, possibly eliminating related information about other models like the Calais, Escalade, or Seville that may have been useful to you.

Even searching on common misspellings sometimes is useful, especially for difficult words like *accessibility* or when searching on people's names that have common variations, like Jim versus James or Johnson versus Johansson, and so on.

GOOGLE/YAHOO RESEARCH SKILL SPECIFICS

If you visit www.Google.com or www.Yahoo.com, you will see a blank box into which you can type your question. Click on the "Search" button and you will quickly get pages of results relating to your chosen topic.

The problem with search engines is that they are more about quantity than quality. Typing in general or nonspecific questions can easily return thousands or even millions of results. That many results essentially makes the search engine unusable.

By learning a few tricks, you can quickly improve your results. This is because most all search engines are built using the rules of "Boolean logic," which allows for search strings that can help you search more effectively. Here are some examples.

SEARCH TYPE AND EXAMPLE

AND. Wherever you have a blank space in a search query, a search engine interprets that space as the word *and*. So typing in CLASSIC CADILLAC will make the search engine look for pages that have both the word *classic* and the word *Cadillac* on any part of that page, even if they are not connected. Typing in CLASSIC CADILLAC to Google, you will get more than 2 million results from pages that contain those two words.

QUOTES. Typing your phrases in between quotation marks will force the search engine to look not just for the individual word, but for the words together and in the order you specify. So, if you type in "CLASSIC CADILLAC" (adding the quote marks), your search is narrowed down to a more helpful 120,000 results. A good start, but still too broad to be useful.

OR. Continuing the search, you could add the words REPAIR or MECHANIC to the query if you want to find someone qualified to fix a Classic Cadillac. You could type the query like this: "CLASSIC CADILLAC" REPAIR OR MECHANIC. This tells the search engine to look for pages that contain the phrase *Classic Cadillac* and also the word *repair* or the word *mechanic*. The OR search reduces the results down to about 11,600.

MINUS. Adding the minus sign (–) will tell the search engine not to include results with whatever term you place after the minus sign. For example, a query of "CLASSIC CADILLAC" REPAIR OR MECHANIC-DEALER would subtract any results that included the word *dealer* from your search. (It is important that there be a space in front of the minus sign but not after it.) This search technique trims our results down to about 600.

You can continue this process to narrow down your results until you find the information for which you are looking. Learning to identify the appropriate keywords is not hard; it just takes a little practice.

These tips will work on almost any search engine, so if Google is not your favorite, feel free to try them elsewhere, too.

SPONSORED RESULTS

Some search engine results are placed there by advertisers instead of being natural products of the search engine's search process. In practical terms, they are usually the results that appear across the top and/or side of a search results page under a heading that says something like "Sponsored Result" or "Advertisement" or "Sponsored Site."

Although it is annoying to be constantly barraged by advertising on the Web when you are a consumer, this type of advertisement can be very helpful to you as a business owner. It can help you locate suppliers and determine who your competitors are.

Supplier Searches. Finding reliable, affordable sources for your products or services is one of the foundations upon which any successful business rests. Whether you are following an Efficiency Millionaire, Product Millionaire, or Niche Millionaire strategy, you are going to be dependent on someone, somewhere for the goods, information, services, or technology that enables you to sell to your target market.

Using Google or the other search engines is a great way to find the best suppliers for you. By typing in keywords relevant to your needs, you can quickly locate firms offering such goods from all over the world.

With a few more clicks of the mouse, you can probably also e-mail these suppliers or visit their websites to obtain pricing and delivery information. The days of being dependent on local suppliers are over.

The Sponsored Sites section of search engine results is a particularly good place to look for potential vendors and partners. If a firm is advertising in these places, it is a pretty good indication that the company is familiar with e-commerce, will have a website to provide you with key information easily, and is more likely to do business online and by e-mail 24/7—all of which can make your life easier than it might be working with suppliers who still insist on phone calls or faxes during normal business hours.

Competitor Searches. Similar to locating suppliers, search engines are very powerful tools for learning about and keeping track of your competitors. By typing in keywords relevant to your product, niche, or target market, you will be able to call up listings of companies offering similar services.

You will find many competitors already listed in the Sponsored Sites section of the search engines. As with potential suppliers, this means that they probably have websites where you can learn about their services and pricing with just a few clicks of your mouse.

How can you find out how big a business your competitors are operating? It can be difficult to judge how successful a competitor is by looking at its website.

As I have shown you in this book, a good-looking site can be easily built without necessarily having a big business behind it. So here are two additional tricks I recommend for analyzing your competition: reverse link searches and Alexa.com searches.

▲ **Reverse Links.** One useful way to evaluate the popularity of a competitor's website is to learn how many other sites link to it. While this sounds like it would be complicated, it is actually quite easy. Visit Google.com and type link:www.thecompetitorsdomainname.com in the search box. Believe it or not, this easy trick will produce a list of every website listed in the Google database that links to your competitor's site.

▲ **Alexa.com.** This free website review and tracking service is owned by Amazon.com. You can visit Alexa.com and type your competitor's URL in the search box at the top. Click on Web Search and it will give you an extensive review and traffic analysis of the competitor's website (assuming it has enough traffic to be ranked).

If these techniques show few links or little traffic to your competitor's site, they may not be as big a threat as you imagined. Pretty handy, eh?

SO WHAT?

Why all this interest in search engines, you ask? Because information is a competitive advantage. If you know how to find higher-quality suppliers with lower prices, keep up with the news relevant to your target market, and efficiently monitor your competitors, your million-dollar business will be stronger and more profitable.

GLOSSARY OF E-BUSINESS TERMS

To help you navigate the complicated and often technical world of e-business, I've written this "plain English" glossary of 100+ e-business terms, buzzwords, and phrases.

Affiliate: A website publisher that has agreed to display commission-generating affiliate advertisements on its websites. The affiliate displays these ads in hopes of earning a commission or "bounty" from the advertiser when its users perform the action specified by the advertiser, such as clicking on an ad or making a purchase. Such commission-based advertisements are generally provided through affiliate-ad brokering services or directly from the advertiser.

Affiliate program: An affiliate program offers an online advertiser the ability to embed tracking codes in its website advertisements in order to track the users who click on its ads and make purchases. The advertiser then shares these ads with website publishers (often through an affiliate-program brokering service such as Commission Junction), who post them on their websites. Once posted on the publishers' websites the affiliate earns a commission ("bounty") each time one of its users performs an action specified by the advertiser and tracked by the affiliate program software. These actions usually include clicking on an ad to visit the advertisers' websites or make purchases there. *See also* Affiliate.

Angel: An investor in early-stage companies who generally invests more money on more serious financial terms than a friend or family member, but less money (and on less stringent terms) than a venture capital firm.

ASP: Application service provider. An ASP provides access to software through the Internet, often for a monthly fee. Contrast this with traditional software providers who sell a program package that users install and host on their own computers for a one-time purchase price or recurring license fee.

Autoresponder: An e-mail utility that can be configured to automatically send a prewritten e-mail response to any e-mail received, often an acknowledgment of receipt or thank-you note.

B2B: Short for "business to business." Refers to a business activity that targets other businesses as its customers (instead of targeting consumers).

B2C: Short for “business to consumer.” Refers to a business activity that targets retail consumers as its customers (instead of targeting other businesses).

Bandwidth: The amount of data that can be transmitted through a network connection. Dial-up connections offer low bandwidth and are consequently slow, while cable modems offer high bandwidth and can consequently transmit data more quickly.

Banner: A website advertisement that’s usually rectangular in shape.

Beta test: A testing phase late in the development of a new software or Internet-based product where a number of users are invited to use the new application in exchange for their feedback on improvements needed before the product’s release to the public.

Blacklist: In the Internet world, a blacklist is most often a list of e-mail senders who have been marked as spammers. Once posted on a blacklist, the e-mail sent from the offending domain servers will be refused delivery by other systems adhering to the blacklist.

Blog: Short for “weblog.” A blog is a regularly updated commentary by an amateur or professional writer posted on the Web. Topics covered by “bloggers” include any subject imaginable, and the entries are usually formatted to post the most recent entry first.

Bounty: In e-business, a bounty is most often a commission-type payment given to a website publisher by an advertiser when the publisher’s audience members perform an action specified by the advertiser, such as clicking on an advertisement or making a purchase.

Browser: The software program that you use to view the Internet. Usually Microsoft Internet Explorer, Mozilla, Firefox, Opera, or similar programs.

Business model: The process by which a business makes money. Simple examples include the retail sale of goods or services or publishing of content in order to attract advertising dollars.

Button: A website advertisement that’s usually smaller than a banner.

Chargeback: The refund of a customer’s purchase price (plus processing fees) for credit card purchases.

Competitive advantage: The advantage(s) that a person or business has relative to the competition. Examples include unique products, bigger marketing budgets, strong distribution, or experienced management. *See also* USP (unique selling proposition).

Content: An e-business word collectively encompassing information, pictures, video, music, commentary, or other human-generated creative works. Although an impersonal term, content is helpful shorthand when needing to distinguish a website’s information or entertainment offerings from its technical services or merchandise products.

Conversion rate: The rate at which a website’s visitors take an action desired by the business owners, such as converting themselves into paying customers by buying something. Usually expressed as a percentage, as in “14 percent of the 210,000 website visitors converted into newsletter subscribers, and 3.5 percent into purchasers.”

Cookie: A small computer file that many websites place on the hard drives of users who visit their sites in order to track the user's activity and provide an improved user experience.

CPA: Certified public accountant in traditional business but "cost per action" in the context of e-business. This is a type of advertising where the advertiser only pays a small fee for every online user who takes a specified action, such as buying an item on the advertiser's website or filling out a form asking for more information. *See also* CPC.

CPC: "Cost per click." A type of CPA (cost-per-action) advertising where the advertiser pays a small fee (usually less than \$1.00) to the website publisher or advertising service every time a website visitor "clicks" on a specified advertisement.

CPM: "Cost per thousand" (where M is from the Roman number for 1,000). CPM is the traditional way of charging for advertising, where an advertiser pays simply based on the number of people who view an advertisement. A banner ad on a website might command a \$5 CPM, meaning that the advertiser will pay the website publisher \$5 for every 1,000 impressions delivered (i.e., people who view it).

Craig's List: An extremely popular online network that offers free classified advertisements in dozens of major cities worldwide. The phenomenal growth of this service threatens traditional newspapers' advertising business and also offers a great resource for entrepreneurs to locate resources inexpensively.

Digital: Digital is a buzzword used to describe any information delivered via a computer-based system. The underlying structure of any information on a computer is composed of binary digital code (either ones or zeros, which are digits). Practically speaking, the process of measuring everything through tiny bits of computerized information is contrasted with analog media or information produced through more physical means, such as scraping a needle across a vinyl record to create sound or unwinding springs slowly to move clock hands to track time. The Industrial Age was based largely on analog technology; the Information Age's tools are digital.

Discount rate: This is not a discount of any sort from the entrepreneur's point of view, but a fee charged by a credit card processor for accepting a credit card payment. Usually 2 percent to 5 percent is automatically deducted from the monies received from the customer's payment.

Disintermediation: The removal of an intermediary. For example, e-business has disintermediated many middlemen because it can allow the consumer to deal directly with manufacturers, instead of having to purchase goods from intermediary distributors.

Domain: The domain is the central part of any website address before the ending suffix. It is also known as a URL, or universal resource locator. In the Web address InternetMillionaireSecrets.com, the "InternetMillionaireSecrets" part is the domain. Adding ".com" to it creates a complete domain name.

Domain forwarding: A setting on a domain name's Web servers that can automatically forward a website visitor from one domain to another. For example, if a surfer types in the domain "www.InternetMillionaireSecrets.net," she will automatically be forwarded to "www.InternetMillionaireSecrets.com."

Domain locking: “Locking” a domain means to configure a setting with the domain registrar service (from which you purchased your domain name) so that it is “locked” and cannot be transferred to another registrar or owner without confirmation from you.

Domain masking: Masking is when the same domain name that the user typed in still appears in the browser’s address bar, even though the site being displayed is actually located at a different URL (usually because the domain has been forwarded). *See also* Domain forwarding.

Domain registrar: A service that licenses domain names and often also offers ancillary services, such as domain forwarding, website hosting, e-mail, etc.

Double opt-in: Most e-mail newsletters simply require a new subscriber to input her e-mail address into an online form in order to start receiving the publication. A double opt-in list (as the name implies) requires an additional confirmation from the new subscriber, such as response to a confirming e-mail sent out after the initial e-mail subscription request is received.

Drop shipper: A service that ships out products upon the receipt of orders from third parties. Practically speaking, this means an e-business owner may advertise and collect orders for a product she does not own or ever take possession of because the orders will be supplied and fulfilled by a drop shipper.

EIN: Employer Identification Number. A tax identification number that is assigned to businesses in the United States by the Internal Revenue Service (IRS). The business equivalent of a Social Security number.

Enterprise: A big business. Commonly seen in the phrase “enterprise software,” meaning software designed to serve the needs of corporate customers.

Exit strategy: A strategy for concluding an activity and taking profits. Usually in reference to how a startup company hopes to sell itself or go public to cash in on successful growth.

Flash: A software program from Macromedia used for authoring web-based graphic experiences and websites. Often appears as animation or cartoons.

FTP: File transfer protocol. A method of transmitting files across the Internet. Often used to update website pages by “FTPing” files from the creator’s computer to the computer server that hosts the website.

Fulfillment: The packaging and shipping of goods from a warehouse to a customer. In e-business, fulfillment is usually in response to customer orders generated by a website. It is often accompanied by related services such as returns processing, customer service, warehouse storage, and gift-wrapping.

GIF: Graphic image file. A type of image file format commonly used on websites because it limits the colors in an image to 256, which reduces the file size and allows for quick downloading. (GIF is pronounced with a hard “g,” like the word *gift*, without the “t.”)

Gross profit: A business’s sales minus its cost of goods, but without deductions for personnel and overhead costs.

Guestbook: Web page software that allows visitors to a site to type in their names and comments to display to future visitors.

GUI: A graphical user interface (pronounced “gooey”). It is the design of the display that you see when using a computer, online or offline. It refers to the shapes, colors, and arrangement of the objects displayed on a PC screen. Most GUIs today use clickable icons to represent files and documents.

Hosting: A website is composed of files of documents and computer code. These files reside on a computer connected to the Internet, called a server, that is said to “host” them and thereby offer access to that website to online users.

HTML: Hypertext markup language. The basic computer language or code in which most Web pages have traditionally been written. In its simplest form, HTML consists of plain English (in English-speaking countries) augmented by “tags” that instruct the computer browser program how to display the text to a reader (by adding bolds, underlines, colors, and spacing). *See also* XML.

IAB: Internet Advertising Bureau. The IAB sets standards for advertising banners and buttons so that consistent sizes are used across the Web. These standards enable advertisers to more easily create and deploy the same advertisements across multiple sites.

IE: The Internet Explorer browser software program produced by Microsoft Corporation. It is the leading Internet browser.

Impression: A single viewing of a Web page or advertisement by a single person.

IPO: Initial public offering. When a privately owned company sells its stock to the public for the first time.

ISP: Internet service provider. A company that sells access to the Internet as a service. Well-known ISPs include Earthlink and AOL, as well as telephone companies selling digital subscriber line (DSL) service and cable companies selling cable modem connectivity.

Java: A computer language often used for Web-based applications because it is very good at transferring data across networks.

Javascript: A programming language most often used to add interactive features to website pages.

JPG: A file format for images originally developed by the Joint Photographic Expert Group (JPEG), it greatly compresses the file size of images commonly used on Web pages in order to offer graphics that are quickly downloaded.

Keyword: A word or phrase important to a subject or Web page relating to that subject. Keywords are used to help search engines identify the content on a page in order to index it appropriately so that Web searchers can locate it. Keywords are also used in pay-per-click advertising services, such as Google AdWords, that offer website owners the opportunity to bid on keywords relevant to their sites in order to have their advertisements displayed when a potential customer searches on or visits a website relating to the keyword.

Leverage: As with a physical lever, the concept of leverage in business is that disproportionately greater impact or reach can be obtained through use of a specialized tool or technique. In e-business, the inexpensive worldwide reach of the Internet offers greater leverage to a small business owner than was cost-effectively available to Industrial Age small businesses that were limited to local marketing.

LLC: Limited liability company. A type of company that combines the legal and tax structures of a traditional corporation with those of a partnership.

LLP: Limited liability partnership. A corporation-type business usually reserved for licensed professionals such as doctors and lawyers.

Merchant account: An account with a financial institution; needed for a business to accept credit card payments.

Meta tags: Descriptive words and phrases about a Web page's contents that a page owner can include in that page's code, but which remain invisible to the casual user. Traditionally used by search engines to categorize a website's content for indexing in the search engine's database.

Mobile: Wireless or cell phone related.

Monetize: To start making money from an idea, audience, service, or product.

Moore's Law: Most simply put, the concept that computing power will continue to advance rapidly and be accompanied by continued decreases in price. See also Chapter 2 of this book for more details on this "law" created by Gordon Moore, cofounder of Intel Corporation in 1965.

Nav bar: Short for "navigation bar." This is the line of menu options and icons that usually runs across the top of a Web page and/or browser. Clicking on it allows access to different functions and content offered by the program or website.

Navigation: A website's navigation is verbal shorthand for its arrangement of icons and menu choices that enable a user to "navigate" its services by pointing, clicking, and/or typing commands. *See also* Nav bar.

Newbie: A user new to the Internet.

Noozle: An e-mail newsletter.

Opt-in: Permission. When a user enters her e-mail address to request subscription to an e-mail newsletter or similar service, she is said to have "opted in."

Overhead: Common business term referring to the costs of running a business that are not directly related to production of its goods or services. Examples usually include office space and telephone lines.

Page rank: A number representing popularity and content relevance assigned by the Google search engine to each Web page in its database of websites. Page ranks generally start at zero for less popular pages and climb to 9 or 10 for the most trafficked sites on the Web.

Parse: Geek speak for breaking a subject or item down into small component pieces.

Payment gateway: *See* Payment processor.

Payment processor: A financial services company that specializes in obtaining authorizations for credit card purchases. An intermediary between the customer's credit card company and your e-business's merchant account, the payment processor receives requests for credit from the customer's transaction and verifies that the customer's credit card account approves such transactions so that your e-business's credit card merchant account can then receive the funds.

PDF: Portable Document Format. A document format (like Microsoft Word or WordPerfect) that allows you to create documents that preserve their formatting regardless of the user's system configuration and that cannot be readily modified

by the recipient. Created by Adobe Systems, PDFs are widely used for e-books and other documents that are distributed online when their authors do not want them modified.

Phishing: A fraudulent activity characterized by sending out e-mails that pretend to be from a financial institution or other trusted account provider in hopes of tricking recipients into clicking on links in the e-mail or visiting fraudulent websites to disclose valuable personal information.

Pixel: The smallest unit of display on a computer monitor. Each very small dot of light and color on your PC screen is one pixel.

Podcasting: The digital distribution of recordings, usually via the Internet. To create a podcast, a radio show or similar audio program is recorded and then offered for distribution on a Web page so that interested listeners can download it to their PCs or mobile media players for listening later, after the show has concluded its normal broadcast time.

Pop-under: A type of online advertisement that appears on your computer screen when visiting a Web page but is not visible until you close the current browser window. The page you visit triggers the ad to appear but only “under” the active window. *See also* Pop-up.

Pop-up: An online advertisement that “pops up” when you visit a Web page; it creates a new browser window containing an ad.

Portal: A broad term generally used to mean a content-rich website that contains a lot of information or functionality. Yahoo is an example of a general portal, while some others are more focused, such as iVillage.com, a portal providing content targeting women.

Productize: To create a new salable product out of preexisting information, services, or goods.

Profit margin: The amount of profit remaining after all of a business’s costs are deducted from its revenues. Usually expressed as a percentage.

QA: Quality assurance. The process of painstakingly reviewing all the information and links on a website to ensure that it is complete, fully functional, and accurate.

ROS: Run of site. An advertising term referring to advertisements that are placed randomly on any appropriate area of a website as opposed to being placed in a specific section like a sponsorship.

RSS: Really simple syndication. A software protocol that helps online publishers of information syndicate (i.e., automatically share) their information with other websites on an automated basis. RSS “feeds” often use XML to allow headlines or even whole articles of information to automatically appear on other websites once made available by the originating website.

Search engine: A huge database of information derived from World Wide Web pages that a search engine company (such as Yahoo or Google) compiles and makes available to users interested in finding information online. Users enter keywords to query the database for related results.

Search engine optimization: The process of adjusting a website page’s content, links, and meta tags in an attempt to influence the site’s ranking in the database

of a search engine. Often focused on determining appropriate keywords relevant to the site's content and ensuring that they are distributed in the site's content so that the targeted search engine will increase the ranking of the site for that search term. *See also* Meta tags.

Serial entrepreneur: A business person who has started multiple new businesses.

Server: A computer connected to the Internet that is specially designed to host websites and allow speedy access to their files via the Internet.

Shopping cart: Software that mimics the use of a shopping cart in the real world by allowing online shoppers to choose and hold items for purchase and complete the purchase process by making payment.

Soft launch: The launch of a website (or other product) that is done without accompanying publicity. Usually a soft launch allows customer testing and feedback without media attention in case bugs are discovered by the users.

Sole proprietor: An unincorporated individual who owns her own business without partners.

Spam: Unwanted commercial e-mail. It should be noted that not all unsolicited e-mail is considered spam by users if the commercial offer is targeted enough to be interesting to the recipient.

Sponsored links: Commonly seen on search engines and increasingly on content websites, sponsored links are advertisements for websites that are usually automatically generated to appear depending on the search results or content of the page displayed. The links displayed are often determined based on keyword choices bid upon by advertisers.

Spyware: Pernicious software programs that "spy" on a user's computer activities in order to collect data on usage, passwords, account numbers, or similarly valuable information in order to share it with the spyware's distributor. Spyware is often installed accidentally by users when downloading other programs that do not disclose its inclusion in the download, or by clicking on links in unsolicited e-mails.

Streaming: *See* Streaming media.

Streaming media: Audio or video content that is delivered to a user's PC in approximately real time. It is contrasted with downloading media, wherein a user clicks to download a piece of media and must download the entire file and save it to the PC hard drive before it can be played.

UI: User interface. The PC screen presented to the user that offers a software program or website's services for selection, usually by pointing and clicking using a mouse or by typing text commands.

Upgrade: To purchase or install a newer, improved version of a product or service.

Upsell: To offer a customer additional products, services, or options in an attempt to increase her order. The classic upsell is the McDonald's cashier's well-known refrain, "Would you like fries with that?"

USP: Unique selling proposition. The characteristics that any entrepreneurial business should look for in its products or services that distinguish them from competitors'. Similar to a competitive advantage but specific to the company's product/service. *See also* Competitive advantage.

VC: Venture capitalist. A financial firm that specializes in investing money in early-stage companies, usually in exchange for equity and management participation.

Virtual community: An online user group that shares common interests and communicates primarily through Internet tools such as e-mail, message boards, or chat rooms, as opposed to real-world face-to-face interactions.

Webcast: The transmission of audio or video content through the Web. Similar to a closed-circuit radio or TV broadcast but only available to Internet users.

Webmaster: A job title referring to the person who is in charge of a website's technical operations.

WHOIS: An Internet service that lists the owners of domain names.

WYSIWYG: "What You See is What You Get." A term used to describe various graphic or website-building programs that show the results of a user's input exactly as they will appear once published on a website. This is in contrast to other programs that only display work in computer code or in truncated versions of the expected output.

XML: Extensible markup language. One of the languages used to create Web pages. It offers greater flexibility and power for development of interactive features than HTML, the original markup language of most website pages.