



The Seven Fatal Mistakes That Almost Every Business Owner Makes on Their Web Site

... and how to avoid them

by Gihan Perera

First Step Communications

www.firststep.com.au

Liability disclaimer

The material contained in this e-book is general and is not intended as advice on any particular matter. First Step Communications and the author expressly disclaim all and any liability to any persons whatsoever in respect of anything done by any such person in reliance, whether in whole or in part, on this e-book. Please take appropriate legal advice before acting on any information in this e-book.

You Own the Reprint Rights

I believe this e-book contains vital information, so I'm giving you free electronic redistribution rights. Yes, it's yours free! This is \$57 value.

This means that you can give it away to other people. You can send it to your mailing list (but no spam, please)! You can give it away on your Web site. You can even sell it for any price you'd like and you get to keep 100% of the profits! Or you can use it as a free bonus in a product bundle. It's up to you.

The only restriction is that you must not change it in any way, which means that you must distribute it in its original PDF format in its entirety.

Introduction

Any fool can create a Web site. And many fools do.

There are millions of business Web sites on the Internet. And most of them don't work. They cost money, they frustrate people who visit them, they take up the Web site owner's time, effort and energy. And they don't give them anything in return.



Why? Because they make some basic mistakes.

The reason is simple: Many Web designers (in fact, **most** Web designers, I'm sad to say) are more concerned about the fancy graphical look of the sites they build than whether the Web sites work! It's like the advertising industry, which gives out awards to attractive, funny and "clever" advertisements, not the ones that make the most money for their clients!

Fortunately, your Web site can be different.

What's in this e-book?

I've identified **seven fatal mistakes** that almost every Web site owner makes on their Web site. Of course, we make sure that our clients don't make those mistakes! But the vast majority of Web sites do make one or more of those mistakes (and it's usually more than one).

This e-book goes through these seven mistakes, and – more importantly – tells you how to avoid them.

When you understand **and apply** what you'll learn in this e-book, you'll be ahead of 99% of other business Web sites.

Why me?

If you've never heard of me or my company First Step Communications, you might be wondering who we are and why I'm claiming the right to tell you about the mistakes that people are making on their Web sites.

We've worked with over 100 clients in Australia, New Zealand, Canada, South Africa, the U.K. and Singapore. I first started using the Internet in 1988 (many people think that it hadn't even been invented back then!).

In the time since then, I've seen it go through many changes. I've seen people make money from it, and I've seen them lose money from it.

I've heard people say that since the "dot com crash" on the stock market, there's no money to be made on the Internet. And I know that other people are making millions – literally – from it. And I'm not talking about huge companies – I'm talking about small business owners, just like you and me.

So I've been around the block a few times, and I know what works and what doesn't work. Now I get to share with you the secrets that I've learned over the years.

Mistake #1: Being obsessed with getting new site visitors

Of all the mistakes you could make, this one could cost you the most.

Most Web site owners have an overriding obsession with getting “site traffic” – in other words, getting more people to visit their Web site. It’s as if getting more visitors will automatically mean more customers, and hence more money.

But just getting more visitors doesn’t necessarily mean that you’ll increase your profits. In fact, in many cases, it’s almost exactly the opposite, because getting new visitors can be very expensive.

Step into the shoes of a typical Web surfer ...

What happens when somebody is looking for something on the Internet?

Assume this is somebody who hasn’t heard of you before (otherwise they would just type your Web address directly into their Web browser, or click a link in their Favorites collection) and hasn’t already found a supplier (otherwise they would go directly to that supplier’s Web site).

So they fire up a search engine like Google and type in some words about your product or service. They typically get thousands – and sometimes hundreds of thousands – of search results.

With luck, your Web site is in the first three pages of listings. Research shows that most Web surfers don’t go past the first three pages of listings, and will almost invariably go for results on the first page.

Actually, it’s not a matter of luck – it’s all about careful search engine marketing to make sure that you’re on the first three pages.

This usually means one of two things: Either you “optimize” your pages using various special techniques to make sure that Google lists you on the first page; or you pay Google to show your advertisement on the page.

Both of these are valid marketing strategies, but both of them involve some work and expense on your part.

If you sell a commonly-available product or service, you could find yourself competing with hundreds of other suppliers, and this becomes a

time-consuming and costly exercise. Remember that all these other suppliers are also fighting for placement on the first three pages.

So it's a very competitive environment.

And I've only talked about a very small part of Internet marketing – that is, search engines. There are literally hundreds of other techniques for bringing visitors to your Web site, including: Publishing articles, exchanging links, Web rings, banner advertising, sponsorship, media releases, e-zine advertising, and so on.

But of course the more of these you pursue, the more you lose focus – not to mention time and money!

More importantly, even if you **do** get these people to click on a link in Google and visit your Web site, it's another task in itself to convince them to buy from you. You have to overcome all their objections, fears, concerns and natural resistance to making a commitment.

The Internet is the least-trusted selling medium in history, so don't expect to get a flood of customers, even if you do happen to strike it lucky and get a flood of site visitors.

I know that I've painted a pretty bleak picture of Internet marketing. So I'll assure that you I'm not **against** doing any of these things. They are all valid, and can all bring qualified new prospects to your Web site – and hence to your business.

My point is that you shouldn't think **only** about getting **new** visitors to your Web site.

What's the alternative?

What if you could bring people to your Web site with little or no cost? And what if those people automatically trusted you? And they had already convinced themselves that they were willing to make a commitment and buy your products or services?

Would that interest you? I bet it would!

But where can you find those people (I hear you cry)?

Easy – they are your own customers!

Yes, I'm talking about the people who have **already** bought from you in the past. I'm suggesting that you spend at least as much time on using your Web site to provide a high level of service to your existing customers and clients.

After all, it's so much easier to sell to existing customers than to find new customers. Look at the advantages: They know (and trust) you, you can reach them easily, you can sell them additional services that complement what they've bought already, and you've already established a business relationship with them.

I know that this seems obvious, but most Web site owners miss this point. They spend all their time and effort marketing their services to **strangers**, while ignoring the gold mine of potential riches in their own backyard.

And, by the way, I'm not talking only about customers who buy from your Web site. I'm talking about **all** your customers.

So how do you put this into practice?

The most important technique is to establish a client mailing list, where you can send them special offers, updates, announcements, news, freebies and special gifts, and so on. We're going to talk about that more when we get to Mistake #3, so I'll wait until then to talk about it in detail.

Another powerful technique is to build a special password-protected "clients only" area on your Web site, where you provide additional value **exclusively** for your clients and customers.

An example will make this clear...

Suppose you operate a book shop in a shopping centre. As part of your marketing, you do all the usual things: Book sales, author signings, seasonal offers, loyalty card with discounts for frequent customers, and perhaps even a mail order catalogue.

But every other book shop is doing the same thing, and the big book chains are doing it on such a big scale that you can't possibly compete with them.

What's the solution? The answer is that you **don't** compete with them! Instead of taking them on head-to-head in a fight that you can't possibly win, you give your customers a boutique solution that your competitors aren't offering.

Here's how ...

As part of your customer loyalty program, you give every customer access to a password-protected area of your Web site. In that area, you could offer:

- Book reviews of new releases
- Advance notice of books coming into the shop
- A discussion forum, where other customers can provide their comments on books they've read recently
- A rating system for new books, where customers "vote" on their favorite books
- A method for customers to get in touch with each other to form book clubs
- Advice on how to set up and operate a book club successfully
- Discount vouchers on future sales
- Expert advice and comments (from you) in response to customers' questions
- ... and much, much more

The possibilities are endless, and I'm sure you can get a handle on how to adapt this idea to your own business.

You're providing so much added value that customers can't help but remain loyal to you.

And the key is that by doing this on your Web site, it becomes a "self-service" offering for your customers, so it takes up very little time, effort and money on your part.

Take another look at the example above, and go through each of the items I've listed in the customers-only area. You'll discover that most of them require only a single up-front effort to get going, and then they run themselves automatically. A few of them involve on-going work (such as the news of updates and new releases), but even then the time investment is small.

Getting started

So how do you get started with setting up a password-protected area on your Web site?

The first step is to make a list of all the things that you could offer to existing customers – just like I've done in the example above. Step into your customer's shoes and ask yourself what would make the experience really special for them.

A word of warning: Be careful not to self-censor here. In other words, don't discard an idea just because you think it might be too expensive or time-consuming for you to offer. When you talk to an Internet consultant, you might be surprised at how little in costs.

The next step is to talk to a professional Internet consultant. Yes, you **could** set it all up yourself, but it does involve some technical work beyond basic Web design. So it's much better to talk to somebody who can see the full picture from a technical viewpoint.

We've worked with many businesses to build this sort of system, and our experience is that this can be a very profitable part of your business.

Examples

Here are some examples of what we've done for our clients:

Matt Church is an international speaker (see www.mattchurch.com.au) who speaks to conference audiences regularly. He offers "Member Login" on his Web site, with a password that he sells to his audiences.

Stef du Plessis (see www.stefduplessis.com) is a South-African speaker who specializes in developing people in organisations. He conducts a number of assessment tools on his site, and these are available only to paid clients.

Leigh Farnell (see www.LeighFarnell.com) is another professional speaker who works with corporate clients. He offers a special password-protected section "Farnell U" on his Web site.

The Professional Speakers Association (see www.professionalspeakers.org) is an European organisation that gives its members access to resources behind a password-protected section.

Summary

The first fatal mistake that most business owners make with their Web site is having an obsession with getting new site visitors, at the expense of serving their existing clients. Put your time and effort into using your Web site to serve your existing customers, and they'll keep coming back over and over again.

Of course, that doesn't mean you should ignore new customers altogether. It just means that you have to be strategic about how you deal with them when they visit your site.

Which leads us to ...

Mistake #2: Turning people away with a boring Web site

Let's face it. Most Web sites are boring.

Research about Internet users shows that if you don't capture your site visitor's attention within 8 seconds, they will leave – probably never to return.

Yep, eight seconds is all you've got. That's the average time that an Internet user takes to make a decision about whether to continue looking at your site or – with one click of their mouse – go somewhere else.

So take a long, hard look at your Web site, and ask yourself whether it gives them something in the first eight seconds to stay there. If not, you're probably wasting almost all the time and effort you put into getting the person there in the first place (Heck, most Web sites don't even **load** in the first eight seconds)!

Be honest with yourself. Is your Web site really compelling enough to grab the site visitor's attention and keep them interested? If not, you'd better fix it – because Internet users are notoriously impatient.

How much money are you throwing away?

If you're still not convinced, look at how much money this is costing you:

- How much did your Web site cost you?
- How much are you spending on hosting fees and other regular maintenance?
- How much money are you spending on bringing traffic (i.e. visitors) to your site?
- Most importantly, how much money are you **not** making because you're losing your site visitors before they've had a chance to check out what you've got to offer?

Remember that it doesn't really matter how many people visit your Web site. Heck, you could probably figure out for yourself how to get lots of visitors (for example: spending a lot on advertising, or "tricking" people by promising something you can't deliver). But if most of those visitors just leave after seeing the first page, it won't make a difference – or at least, not a **positive** difference – to your bank account.

Of course, perhaps your Web site isn't only about getting new site visitors, so not all of this money is being wasted. But for most business owners, getting new customers from your Web site is important to you, so I bet that a large proportion of your marketing dollar is being wasted – simply because you're not engaging your site visitors as soon as they come to your Web site.

This is not an academic exercise. I sincerely encourage you to add up all the costs of running your Web site, because when you know how much it's costing you, it will give you a great incentive to make it better!

The magic of improving your conversion rate

If you discovered that you're currently wasting a lot of your marketing money, take heart – because the solution is close at hand.

As I've said already, the key figure is not the number of visitors to your Web site, but the number who become customers. This is known as **the conversion rate**, which is simply the percentage of site visitors who become customers. If 1 in 10 site visitors buys from you (a very high conversion rate, by the way!), that's a 10% conversion rate. If it's only 1 in 50, that's 2%.

Even a small conversion rate like 2% is considered pretty good, but I bet that – if you're like most Web site owners – your conversion rate is even worse than 2%.

The good news is that if your conversion rate is low, it's relatively easy to improve it. As you can imagine, it's much easier to double a 2% conversion rate to 4% than, say, a 40% conversion rate to 80%!

And remember that – all other things being equal – doubling your conversion rate has the same effect as, and is far easier than, doubling the number of visitors to your site.

Look at the conversion rate you're currently getting. If it's less than 2%, just think about what difference it would make in your business if you could increase it to just 2%. Go ahead – do the calculation. For example, if you're currently getting a 0.5% conversion rate, then increasing it to 2% means a four-fold increase in your profits!

What does that mean to you in actual dollar figures?

The little-known secret to getting new customers to buy

There are many, many techniques for improving your conversion rate, and you'll find many of them in *Make MoreSales*, available from gihanperera.com/make-more-sales.html.

There's one strategy I'd like to talk about here, and it relates specifically to the topic of this area – in other words, your Web site being boring.

In a nutshell, the strategy can be summarized as: **Get them engaged right away.**

Research shows that people who get involved in doing something are more likely to continue doing it. Conversely, if there's no initial involvement, it's much harder to convince them to take action later.

In his book *Influence*, Robert Cialdini describes this as the "commitment and consistency" principle. The hardest part of getting people to take action is getting them started, because there's a natural inertia that makes most people resistant to change.

But you can make that work **for** you, because it also means that once people have started on a course of action, that same resistance to change makes it more comfortable for them to keep going than to stop.

If this is the first time you've heard this, it might seem strange to you. But you'll find plenty of examples of this in real life.

A perfect example is the mail-order book club that offers you "4 books for \$4" as a special starting offer. They lose money on that first sale, but they know that once you've subscribed to the service, you're likely to continue using it and they will make money on future sales.

Mobile phone contracts are another example. Telephone companies know that the monthly subscriber is a much more valuable customer than the pre-paid user (So much so, in fact, that Optus – one of Australia's big telecommunication companies – was accused of using sneaky wording to classify a large number of its pre-paid subscribers as monthly subscribers, in order to make the figures look better to the public).

So how do you engage your site visitors?

First, get rid of any "fluff" on the front page of your site. If your front page is just a big graphical animation, get rid of it. If it has any big pictures on it, get rid of them.

In fact, get rid of all pictures on your front page (There **are** exceptions, such as a well-designed animation to grab the site visitor's attention, or a photograph of the Web site owner to increase credibility. But most pictures on Web sites are a waste of time and bandwidth).

Second, offer them something free. That will grab their attention, because "free" is one of the 16 most attractive words in marketing (The others are "you/your", "love", "fun", "money", "save", "results", "new", "health", "easy", "proven", "safe", "guarantee", "benefit", "how to" and "now").

Third, **engage the visitor in some action.**

Giving them a free article of information is useful, but is passive because it doesn't engage them in taking much action. A better option is to give them a free download of a special report or e-book (like this one).

Even better, engage them in something interactive, like a survey or self-assessment questionnaire. This engages the site visitor's mind, because now they have to reflect, think, consider and get involved in your Web site.

Examples

David Penglase provides a number of free assessment tools on his Resources page at www.davidpenglase.com/resources.html.

Thought Leaders (see www.ThoughtLeaders.com.au) is a program for creating and delivering powerful messages. The Web site has a free "proficiencies audit" to help you determine your strengths and weaknesses in presenting to audiences.

The third example is from Stef du Plessis, whose site we've seen before. Stef offers a free "Thinking Preference Profile", a sophisticated tool for checking your thinking style, at www.stefduplessis.com/thinkingpreference.html. This is different from the others I mentioned in one respect: It requires the site visitor to "sign up" before they can do the assessment. I mention this here because it leads nicely into the next topic (which is coming up soon).

Summary

It's not enough to just get visitors to your Web site. If it's a boring site, you'll be making the second fatal mistake. Your aim should be to engage those visitors first and eventually convert them into paying customers.

The quicker you can get them involved and the deeper the level of engagement, the more likely they are to take further action.

Of course, just because somebody gets involved in your Web site doesn't mean that they will buy from you immediately. This is why you have to avoid the third fatal mistake ...

Mistake #3: Assuming the customer will buy on the first visit

Many Web site owners put all their eggs in one basket. They assume that somebody will visit their Web site, read all about the products and services on offer, and immediately make a decision to buy.

That's almost always a mistake. Not every site visitor is ready to buy. Sometimes it takes more than one contact (some research indicates that it takes up to 6 or 7 contacts) until they are ready to move from being an interested prospect to a paying customer.

This means that even if you've successfully got them to your site and engaged them in your offer, if you're relying on them to buy from you on the first visit, you'll probably fail most of the time.

The key factor here is **trust**. How much does the site visitor trust you? If you're a well-known name with a well-established brand, then the trust level is probably high. Similarly, if you're dealing with existing customers rather than strangers (as I discussed in Mistake #1), then again you've probably established a high level of trust.

But if you're dealing with strangers – in other words, people who are visiting your Web site for the first time – **and** you don't already have credibility in the customer's eyes, chances are they don't trust you – yet. And if that's the case, it's very difficult to make the sale. In fact, it's virtually impossible.

How much is this hurting you?

Of course, trust is an abstract concept, so it's difficult to put a figure on exactly what is meant by a "high trust level". However, I **can** give you a method to determine this to some extent. It won't give you an exact figure, but it will give you a rough guideline.

Take the product or service that you're offering, and ask yourself "Who is the recognized leader in providing this product/service?"

For example, if you're selling books in Australia, then the leaders are Amazon.com, Barnes & Noble, eBay and others on the Internet; and local book chains like Angus & Robertson, Dymocks and Collins.

If you're selling accounting services, the leaders are Ernst & Young and other big firms.

If you're selling pet food, the leaders are probably the large supermarkets.

If you're selling sales training packages, the leaders are Zig Ziglar, Tom Hopkins, Brian Tracy and the like.

If you're selling accommodation, the leaders are the big hotel chains.

Now ask yourself, "Why will a site visitor buy from **me** rather than from *[insert the leader here]?*"

This is a crucial question, and I can't emphasize it enough.

You'd better be asking it yourself, because you can bet your bottom dollar that your site visitor is asking it in their own mind.

If your Web site doesn't answer this question, you won't get the sale. It's as simple as that.

And it's obvious, too. The leader in your field has the trust of the customer. You don't. Until you can establish that trust, forget about trying to sell them something.

Now look at the other side of the coin

That's the bad news. Of course, the flip side of this argument is the good news: When you **do** establish trust with a visitor to your Web site, there's a good chance that you can keep marketing to them for a long, long time.

And if you believe the research that says that it takes up to 6 or 7 contacts until they are ready to buy, it means that you have to put some effort into establishing that trust.

Here's the key: Trust is about building relationships, not conducting transactions.

If all you do is attempt to sell, sell, sell, your customer will see you as just a salesperson, and eventually you will be an unwelcome pest.

On the other hand, if you build a trusted relationship with that person, they will see you as an advisor, an expert and a welcome guest. And so of course they will be more willing to buy from you.

There's nothing unethical about this approach. You're not establishing a relationship just to keep selling them stuff; you're establishing a relationship so that you can help them, and you're helping them by selling them your stuff.

There's a subtle difference, but it's important. In fact, it's **less** ethical to sell them stuff without first ensuring that it serves their needs.

Start this relationship on your Web site

Here's what this means for your Web site: You must, must, **must** capture their e-mail address before they leave your site.

This is crucial. Without it, you've got no way of keeping in touch with them in the future. Even if your Web site offers great value, you can't just assume that people will keep coming back to it regularly.

Here's an example that proves my point: Many major newspapers, which have high-value, ever-changing content, also have a free e-mail mailing list, so that they can e-mail the headlines to their subscribers every day, instead of relying on those subscribers to come back to the Web site.

It should go without saying, but I'll say it anyway: You **must** have somebody's permission to send them e-mail. Otherwise you **will** be an unwelcome pest. At best you'll be ignored, and at worst you might even be breaking the law.

Because of the ever-growing problem with spam (unsolicited e-mail), Internet users are very wary of giving out their e-mail address to strangers. So you have to offer them strong incentives, such as:

- A clear privacy policy that assures them that you will keep their e-mail address confidential;
- An assurance that they can unsubscribe from the mailing list at any time;
- A special offer – such as a free e-book or special report – if they join your mailing list;
- An indication of how often you will be e-mailing them, what you will be providing, and what benefits you are offering.

Despite the spam problem, e-mail is still the most powerful way of reaching your customers and potential customers.

Marketers are looking at newer technologies, such as RSS, but these haven't yet caught on with the general Internet community. So e-mail is still your best Internet marketing tool.

Keep separate mailing lists

E-mail is such an important tool that I recommend you manage separate mailing lists for different groups of people.

For example, people who visit your Web site would join a general mailing list. People who download a free report could also be on another mailing list, for specific follow-up. Your customer mailing list (for people who **have** bought from you in the past) could have special offers that are not available to non-customers. Customers who bought a particular product could have their own mailing list, so that you could send them updates about that product.

So ensure that your mailing list software allows you to create multiple mailing lists.

Examples

Many of our clients publish excellent e-mail newsletters, and I strongly recommend that you sign up to them, just to see examples of effective e-mail marketing campaigns. Here are some that are publicly available:

- Max Hitchins – www.HospitalityDoctor.com
- Rachel Green – www.RachelGreen.com
- First Step (our own) – www.firststep.com.au
- Robyn Pearce – www.gettingagripontime.com

Many of our clients use our custom-designed software “CourseBot”, which manages multiple mailing lists for you. You can find out more about it on our Web site at www.firststep.com.au/coursebot.html. I’ll also talk about this when we get to Mistake #6, because it’s also an extremely powerful tool for creating new high-profit products on your Web site.

Summary

As we’ve seen, the third fatal mistake most Web site owners make is to hope that customers will buy on their first visit. Most customers will take 6 or 7 contacts with you before they make a commitment to buy. So make sure you grab their e-mail address so that you can e-mail them – with their permission – and build a trusting relationship.

When they’re finally ready to buy, you must offer them a smooth, easy transaction. And that leads us to Mistake #4 ...

Mistake #4: Making it difficult to buy

Imagine going to your local supermarket and watching the shoppers. They pick up a shopping cart, wander around the aisles collecting their groceries, and eventually take them to the checkout to pay.

But imagine if two out of three shoppers got to the checkout queue, then suddenly changed their mind and left the store, abandoning their shopping cart full of products.

In the real world, this would be bizarre. Sure, there are valid reasons for this behavior – the queues might be too long, they realized that they've overspent their budget, and so on. But these are the exception rather than the rule.

In most cases, shoppers will dutifully fill their shopping carts and complete the transaction at the checkout.

But it's the other way around in the on-line world. Studies have shown that **most** shoppers who start buying on a Web site abandon the process before completing it.

Why? The reasons vary, but in most cases it can be summarized as: **The Web site makes it too difficult to buy.**

Remember that the Internet is probably the least-trusted shopping medium in history. Lots of people are making lots of money from it, but many others lose potential sales because of a poorly-designed ordering system.

Here are some of the dumb things that Web site owners do that annoy, upset and even scare their users:

- Force them to "register" as members before they can buy anything.
- Not using a secure server.
- Adding unnecessary steps to what should be a straightforward process.
- Not publishing a clear privacy policy on their Web site.
- Not providing a variety of payment options, especially for people who are worried about giving their credit card details on the Internet.
- Not publishing a telephone number that allows a wary customer to talk to a real person.

- Not publishing a full street address that reassures the customer that this is a legitimate business.
- Assuming that all customers are from the same country, and not providing a handy currency converter for international customers.
- Making it difficult to determine postage and handling costs, or not even publishing them at all.
- Including a whole block of incomprehensible fine print for Terms and Conditions, instead of writing them out in plain, easy-to-read language.
- Not publishing a refund policy, or making it so heavily weighted against the customer that it's a deterrent rather than an incentive.

You've probably seen some of these mistakes already on other Web sites. Make sure that you don't make the same mistakes.

You could be losing most of your shoppers!

Remember that the research shows that **most shoppers** abandon the shopping process. In fact, some of the research suggests that the number of these shoppers is as high as 80%! If you believe that research, it means that you're missing out on 4 out of every 5 sales.

So that hard work you put into getting more traffic to your site is wasted!

Imagine what would happen to your business if 80% of your customers came in the door, talked to you about your products and services, **made the decision to buy**, but then walked out before completing the transaction. That might well be happening on your Web site.

But you CAN turn this around!

The good news, of course, is that if you could convince these potential customers to complete their order, you would increase your profits instantly! And all this happens without having to get one extra visitor to the site.

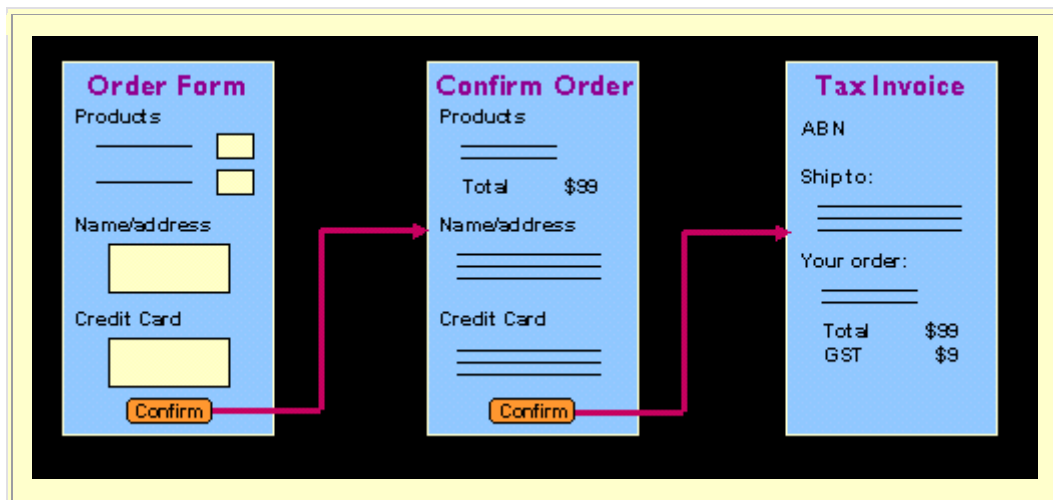
Look at how much of a difference this could make to your business. If we take the 80% figure quoted above, convincing just half of those people to complete the transaction would mean that that number drops to 40%. This means that you've now got a 60% completion rate, compared with 20% before making the change. **That means you've just trebled your income!**

Keep it simple

The secret to making this work is to keep it simple.

Our e-commerce software simplifies the process for our clients by providing a simple, step-by-step process for their customers. I'll explain it here so that you can see an example of a good ordering process. Of course, ours isn't the only one that offers this service, but it's a good example (and of course, it's one that I know very well)!

We set up a three-step process for the customer to place an order: Order form, confirmation page and invoice/receipt.



The customer first fills in the order form, including all the information for their order (e.g. name, contact details, shipping address, quantity of each product, shipping options, credit card details).

(Alternatively, if you have a lot of products, the e-commerce system also allows you to create a "shopping cart", where customers choose products from any page of your site. After they have selected all the products, they click through to the order form).

The confirmation page repeats most of the information the customer entered, and also calculates the total amount of their order. So it adds up the quantities, adds the appropriate postage and handling fee and includes or excludes GST.

If the customer is ready to order, they click a "Confirm" button to confirm the order. They can also print this page and fax it or mail it to you if they don't feel comfortable sending their order over the Internet.

The Web site then accepts the order and displays a tax invoice, which the customer prints and keeps for their records. It also sends them a confirmation message by e-mail. If their order includes downloadable

products, such as e-books or software, it also automatically includes instructions for them to download these to their computer.

This step also sends you, the Web site owner, the details of their order for further processing (for example, for you to ship the product to the customer). At this step, the Web site also processes the credit card transaction.

As you can see, the process is easy to follow and doesn't have any unnecessary steps like forcing the customer to "register" before making a purchase. It makes sense every step of the way, just like it does in the supermarket when the customer wheels their shopping cart to the checkout.

Summary

The fourth fatal mistake that most Web site owners make is that the buying process on their Web site is way too complicated. Use a simple process that makes it easy for customers and doesn't scare or frustrate them.

One thing that affects customer trust is a Web site that is current and up-to-date. Which leads us to Mistake #5 ...

Mistake #5: Not keeping your site current

A few years ago, Stanford University in California, USA conducted a massive survey of over 4,000 Internet users in North America and Europe. Their objective was to answer this question: "What makes a Web site credible in the eyes of Internet users?"

You probably won't be surprised to find that the answers included things like customer testimonials and easy-to-find contact information.

But one of the least-expected responses was that people find a Web site credible if it's current and up-to-date. Or, putting it the other way around: Your Web site's credibility **decreases** if it's out-of-date and hasn't been changed in a long time.

When you think about it, that makes sense. After all, if you were shopping in "the real world", and you came to a shop with broken windows, a run-down look, rubbish on the sidewalk, and a musty smell as you opened the door, you'd probably turn around and walk away, right?

Well, Internet users do the same thing when they visit Web sites.

Another response from the survey was that Web site credibility decreases if there are any mistakes or errors on the site – regardless of how small they are.

Again, this makes sense: After all, you'd expect a good Web site to be professional and checked carefully for errors.

Many Web site owners fall into the trap of thinking that creating their Web site is the end of the journey. It's not – it's only the beginning. So they build their Web site and then leave it there, hoping it will turn into a money-making machine. Not likely! If you don't do anything about it, it's more likely to turn into a virtual millstone around your neck.

You MUST be able to change your site yourself

It's vital that you, the Web site owner, can change your site regularly to reflect changes in your business.

If you don't have the ability to do this, or it's too expensive, then you might as well take down your Web site and forget about marketing your

services on the Internet. Internet users can tell very quickly when a Web site is out of date, and we know from the research that they will be suspicious of that site.

So you're probably losing most of your potential customers simply by not keeping your site up-to-date.

How to make it happen

In some ways, running a Web site successfully is like running a car. You make a reasonably large investment initially, and then there are small "running costs" such as gas, oil and water to keep it operating smoothly. From time to time, you need a major service, and occasionally you might perform a complete overhaul or even trade it in for a newer model.

The key difference between a car and a Web site comes in those "small" running costs. These are the updates you make to your Web site to keep it fresh, current and aligned with your business. A Web site without them is like a car without gas – it may look very pretty sitting in your driveway, but it's not going to do much for you!

So how do you take care of the running costs of your Web site?

Let's look at three options ...

First, there's the Full Driveway Service, where you pay somebody else to do it. This is like paying somebody else to fill up your car when it runs out of gas. The problem with this approach, of course, is that you pay every time you need to change your site.

If you do decide that this is the best option for you, we recommend that you make some sort of arrangement with your Web designer to pay a retainer to cover small changes to your site on a regular basis. This will probably be cheaper than paying for each and every change individually.

The second option is to become a qualified mechanic. This is the other end of the scale, where you learn all the skills to create Web pages yourself. You become the "auto mechanic" so that you never have to pay anybody else for looking after your car.

Some organisations take this option, and may even have a full-time staff person assigned to this task. But for others, it's not the best option, especially if it distracts you from your core business.

The third option, and the one we find is best suited for most of our clients, is to get the right tool set so that you can update certain parts of

the site yourself. In other words, you get not just a car, but a small service station as well.

With the right tool set, you can change the text and pictures on each page, and you can add new pages. You don't change the overall look of the site (color scheme, menu buttons, header and footer of each page, and so on). But you generally wouldn't change this anyway, unless you're an experienced graphic designer.

Why is this so important? Because it means that you can change your Web site at any time, from any Web browser, at no cost.

Would you like to advertise a new event that's happening next week? No problem – you can add it to the front page of your Web site. The same goes for new customer testimonials, new products, media releases, new staff profiles, and anything else on the site.

It doesn't cost you anything, and it doesn't require a degree in Computer Science.

The key is that you have **simple** tools to update your Web site. The set of tools that we provide includes a password-protected administration area on your site, and an editor that allows you to make changes in a similar way to Microsoft Word. For example, you can highlight text, create bullet lists, insert links, insert pictures, change fonts, and so on.

You don't need to download any special software, and you don't need to learn FTP, HTML, CGI, HTTP or any other fancy acronyms.

Summary

The fifth fatal mistake most Web site owners make is that their Web site doesn't change, and so it quickly becomes dated. That turns off site visitors because they don't think the site is credible, and they are worried about doing business with you in case there's no longer anybody behind the Web site.

So make sure that you have a simple set of tools to update your Web site. It's essential that you can do it yourself and that it doesn't cost you an arm and a leg every time you have to update it.

We've come a long way since we started this journey of looking at the seven fatal mistakes. If you've successfully avoided the first five mistakes, you will be way ahead of most Web sites. But you might still be leaving money on the table. Which leads us to Mistake #6 ...

Mistake #6: Failing to leverage your value

I first started using the Web in its early days (which was only as far back as 1994). There was no Amazon.com, people were just starting to put Web addresses in e-mail, and Yahoo was just a small Web site being operated by two university students from their spare room.

In those days, there were very few commercial Web sites. When commercial Web sites did come along, almost all of them were for promoting businesses. In other words, they were like an electronic brochure. And let's face it – most commercial Web sites today are **still** just electronic brochures.

There's nothing wrong with that, of course. After all, it's perfectly OK to have a Web site that promotes what you've got to offer.

My point, though, is that there is so much **more** you can do when you've got a Web site. I hope that you've already seen some of the potential in the things I've mentioned already – for example, interactive quizzes and a password-protected section.

But there's even **more**, and I'm talking here about creating a brand-new product range in your business. Your Web site gives you the chance to build new low-cost, high-margin products – all based on your existing expertise.

Look at that last sentence again: You can create products that have a **low cost** (to you), but you can sell at a **high margin**. Some of them can sell for two, three, ten or even hundreds times their cost, which means greater profit for you.

I'll give you an example ...

Suppose you operate a life coaching business, and most of your clients see you for a two-hour personal coaching session once a week. That can be a profitable business, because it mostly involves your time rather than cash out of your pocket. But it's also a time-consuming business, for the very same reason.

What if you could deliver your coaching without the time investment of spending time with each client? In fact, what if your coaching business was making money even while you were asleep?

Yes, it's possible – using your Web site.

Over time, you've probably discovered a few common principles that apply to a large number of clients. Of course, each client has different requirements, but I'm sure there are some principles that apply to them all – for example: setting clear outcomes, breaking down tasks into small steps, taking action every day, measuring progress regularly, creating rewards for achievement, and so on..

You could use this expertise to build an on-line course, which is based on these common principles that you use. The course is delivered by e-mail, and delivered automatically at weekly intervals.

Of course, this isn't a substitute for your one-on-one personal coaching. But some people would actually **prefer** the on-line version – perhaps because it's less personal, can be done on their own time, is cheaper, or suits their learning style better.

People who visit your Web site could buy the on-line course directly. Your Web site would enrol them in the course, which means that you send the course information in weekly e-mail messages. Of course, this would all happen automatically, so that you're not spending your day keeping track of what e-mail goes to which person!

Many of our clients are professional speakers, who present at conferences and training sessions to live audiences. Many of them are now using on-line courses to deliver their material in another way.

Does this work for other businesses?

The idea of providing on-line courses isn't limited to people who sell "information". Whatever business you're in, you have the potential to leverage your expertise.

Here's the key question to ask:

What do you know that you can teach your customers?

When you know the answer to this question, you know your unique expertise. And because it's something that your customers would like to know, there's a good chance that they are willing to pay for it.

For example, suppose you operate a pet shop. What do you know that customers would like to know? One example that springs to mind is dog training courses. Some people will take their dog to classes, but others might be quite happy to buy this information on the Internet.

What if you don't know how to train a dog? That's OK – get somebody else to write the course for you, and split the profits! Don't be limited only by what you know – you can also gain leverage by considering what **else** your customers are interested in, even if you don't have this expertise yourself.

I've talked a lot about on-line courses, and that's just one example of the type of product you could create and sell on your Web site. Here are just a few other examples:

- Ask somebody to interview you on various areas of your business, and make these **audio interviews** available on your Web site. For example, in the pet shop business, you might conduct interviews about health of your dog in winter, how to teach your cat not to scratch the furniture, how to teach your parrot to talk, or what to do with pets when you go on vacation.
- If you consult to clients over the telephone (coaches do this, as do consultants, professional speakers and other advisers), **record the phone calls** (with the other person's permission, of course), and make these available on your Web site for a fee.
- In some cases, you will require a more visual component, so you can produce short **video clips** or use **photographs** to demonstrate certain things. For example, if you sell gourmet foods, you can offer a "recipe of the month", with step-by-step instructions either as a video demonstration or a series of still photographs.

There's really no limit to the possibilities when you start exploring them for your own business.

The beauty of creating on-line courses – and indeed, many of the other products you can create on your Web site – is that you do all the work **once**, and then everything happens automatically. You write all the course material once, schedule it to be sent out at weekly intervals (or monthly, or whatever schedule you choose), and then everything else takes care of itself. It's the ultimate form of passive income, because it really **can** make money for no on-going effort.

More examples

I'll share a few real examples of work we've done with clients to help them leverage their expertise. This will help you to get your creative juices flowing for your own business.

The first is Allan Bolton, who runs Quality Health Australia (www.qualityhealth.com.au). Allan speaks at conferences and sells on-line courses to corporate clients. When he speaks at conferences, he gives out a password for audiences to get access to on-going health

material and on-line courses. You can visit Allan's site, but you won't be able to sign up for his courses because they are only available to clients.

Kerrie Mullins-Gunst, at KMG Consulting

(www.kmgconsulting.com.au), offers a free mentoring course on her Web site. By offering a free course, Kerrie achieves a number of things:

- When people subscribe to the course, she gets to keep in touch with them regularly. This is just like a free e-mail newsletter – which we discussed earlier – but a “course” has more perceived value than a “newsletter”.
- Potential consulting clients see the quality of the material that she can provide.
- People who sign up for the free course might be interested in buying other courses later.

David Penglase, who runs David Penglase Seminars

(www.davidpenglase.com) says that his on-line courses have made him “a truckload of money”. David saw the potential for on-line courses right away, and they paid for his entire Web site within three months. He offers courses for sale on the Web site itself, but in fact most of the course income comes from selling them as part of his training packages. He not only makes more money, it increases his credibility because clients see that he can offer on-going value, not just a one-off training course.

The last example I'm going to give you is professional speaker Keith Abraham (whose Web site is at www.keithabraham.com.au), who has really put a lot of thought into making this make money for him. Keith recently estimated that his on-line courses have been responsible for bringing him at least \$350,000 of business.

Wow! Imagine what you could do with an extra \$350,000.

Like some of the other examples you've seen, Keith uses on-line courses in a number of different ways:

- Visit his Web site and you can sign up for free courses (a great way for Keith to keep his name in front of people).
- Conference and workshop audiences get access to “members only” courses.
- Keith includes courses as part of his corporate packages, to add value and increase credibility.

Keith gave us one of our best client testimonials, which I'm happy to include here:

“You would be crazy if you didn’t use Gihan’s CourseBot software. We have over 6,000 people log on receiving emails of information from us every week. For the small investment, I can remember winning one project worth \$120,000 that was because we had this software.”

This could create huge profits for you!

Don’t underestimate the value of creating on-line courses and other Internet-based products that are based on your expertise.

Sure, you can build a successful Web site without them, but you’re leaving lots of money on the table.

You already know how much time, effort and money it takes to get people to visit your Web site. Then you have to convince them to buy from you. Then you have to persuade them to complete the order. Then you’ll work hard to establish a long-term relationship with them.

Are you going to waste all that effort by just selling them your standard suite of products and services? Even if these are high-margin products, why not invest a bit more time up-front to create even **more** products for them?

You don’t even have to sell them!

After beating you about the head with the idea of selling new products, I’m now going to turn around and suggest that you can even make money by giving them away.

Yes, that’s right – you can make money from these products even if you give them away.

I know that sounds strange, but it’s true! You see, the key is that these products are delivered directly from your Web site, so they can be completely automated. After you invest the time in creating them, it then doesn’t cost you anything to deliver them to customers. So you can use them as leverage for making other sales.

Not convinced? OK, I don’t blame you, because it **is** a strange concept at first. So I’ll show you **25 different ways of making money** by writing an on-line course and then giving it away ...

First, you can use the on-line course to lead more people to your Web site. You can:

1. List it in directories of free resources
2. Swap links with related Web sites

3. Tell people to visit your Web site to get the free course
4. Create promotional CDs with the links to the free course on your Web site
5. Give it as a gift to people who refer a friend to your business
6. Tell other people to refer their clients to your Web site, so they can enrol in the course
7. Promote it in newspaper advertising (Yes, you pay for the advertising, but it gets a better response than advertising a paid product)
8. Mention it in radio interviews (even those that don't allow commercial advertising)
9. Give it to colleagues to put on their Web site

When they're at your site, you can use your on-line course to encourage them to buy. You can:

10. Make a limited offer, so they get the course free only if they order by a certain date
11. Offer it as an incentive for people to sign up to your e-zine
12. Make it a free sample – i.e. a cut-down free version of the full product
13. Use the course to help them identify their problems (But of course they have to pay for your products/services to get the solutions)
14. Give it away, using the reciprocity principle, which says that people who get a favor from you are more likely to do you a favor in return.
15. Demonstrate how much value you're willing to give away for nothing, which makes them wonder just how much more they will get when they pay
16. Demonstrate your credibility as an expert in the field
17. Help Internet users get comfortable with using new technology like e-mail courses, so they are more likely to buy your other electronic products

Now, how can your on-line course get them to spend more money in each transaction? You can:

18. Put a dollar value on the course, and bundle it together with your other products
19. Use it instead of discounting (i.e. Instead of offering a discount on a product, offer them the added value of the course instead)
20. Offer it as a freebie for people who leave your site without buying, so that they still get something from you, and might buy from you in the future (This is extremely powerful, because you'll be e-mailing them regularly in the future, so you're constantly "in their face", but **with their permission**).

Finally, you can use your course to encourage them to buy from you again. You can:

21. Offer it as an incentive for signing up to your mailing list
22. Send it as an "unadvertised bonus" immediately after they order your product, so that it's a pleasant surprise and avoids buyer's remorse
23. Send it to loyal customers as a gift later, which reminds them that you exist
24. Offer it free as part of a "clients only" special offer
25. Send customers a course later that tells them how they can get more value out of the product or service they bought

OK, some of these ideas might not apply to you, but I hope you can see how to adapt them for your own business.

Summary

The sixth fatal mistake Web site owners make is that they limit themselves by making their Web site just a passive marketing tool for their products and services. Instead, look at ways of creating new products and new income streams for your business. We talked about on-line courses as one example, and there are literally hundreds of other potential products.

For more about our on-line course software, visit our Web site at www.firststep.com.au/coursebot.html.

Mistake #7: Measuring the wrong things

The final fatal mistake that Web site owners make is not so much in their Web site itself, but rather in **how they measure its success**.

This is as important as anything else you do with your Web site. If you choose the wrong way of measuring success, you'll end up counting the wrong things, and it won't translate into extra profit in your pocket.

I'll give you a few ways – some good, some bad – of measuring success. I've included the bad ways because many people still use them, not realizing that they are deficient.

Hits

The simplest, most obvious and **least effective** measure of tracking is to count the number of hits you get. In fact, some Internet marketers say "HITS = How Idiots Track Success".

Every time somebody's Web browser requests something from your Web site, that's counted as a "hit". The catch is that every graphic on a page is requested separately, so a Web page with text and 10 graphics registers as 11 hits. A Web page with text and 20 graphics registers as 21 hits. But obviously that doesn't mean that the second page is twice as good!

So counting hits is virtually useless. The only time you can use it in a reasonable way is if you run a new marketing campaign while keeping your Web site the same. Then, if the number of hits increases, you can conclude that the marketing campaign has worked.

Page views

When a visitor looks at a page on your site, this counts as one "page view". When they move to another page, that's another page view. This is a better measure than hits because it's not distorted by the number of graphics on a page.

Many Web sites count page views, and use this as an indication of how well their marketing campaigns are working. This is valid (to a certain extent), because if this number is increasing, it means that either you're

getting more visitors, or the visitors are looking at more pages. Both of these are good for you.

Unique visitors

When a visitor comes to your site, they may look at various pages before leaving. This is considered one visit, regardless of the number of pages they view. This is the best method of measuring the real number of people visiting your site.

Most of the well-known Internet marketing strategies – such as search engine optimization, affiliate marketing, linking strategies, writing articles, pay-per-click advertising, sponsorship, off-line marketing, and others – are designed to increase the number of unique visitors to your site.

Conversion rate

The three measures we've used so far have an obvious limitation: They just count how many people visit the site, not how many buy what you've got to offer. There's not much point having thousands of visitors if they are the wrong sort of visitors – in other words, they don't eventually become customers.

So now we'll look at three other measures – all of which more accurately help you determine your bottom line.

The first of these is "conversion rate", which is simply the percentage of site visitors who become customers. I've already talked about this when discussing Mistake #2, so I'll just briefly re-cap here.

If 1 in 10 site visitors buys from you (a very high conversion rate, by the way!), that's a 10% conversion rate. If it's only 1 in 50, that's 2%.

Calculating your conversion rate is easy. Just divide the number of sales you get in, say, a month, by the number of unique visitors you had that month.

Many Web site owners focus on increasing the amount of unique visitors, and forget about improving their conversion rate. But that could be a mistake. It's often easier to improve a 1% conversion rate to 2% than to double the number of visitors – and they both have the same effect!

Profit per visitor

All other things being equal, a simple – but stupid – way to improve your conversion rate is to drop your prices. If everybody else is selling music CDs at \$29.95, and you sell yours for \$9.95, then there's a good chance that you'll get a high conversion rate. But that's also gouging a huge hole in your profits, so that's a good way of going broke fast.

That's the problem with conversion rate alone. A better measure is the "profit per visitor", which is the conversion rate multiplied by the profit you make on each sale.

For example, if you have a 10% conversion rate and make \$20 on each sale, your profit per visitor is \$2.

Notice that we're talking about profit per visitor, not profit per sale. Most businesses know their profit margin on each sale (\$20 in the example), but very few of them know their profit per visitor (\$2).

Why is it useful to know the profit per visitor? Because now you know how much you can afford to spend in advertising. If you know that each visitor to your Web site is worth \$2 in profit, then you can spend up to \$2 to bring each visitor to your site. For example, you might buy pay-per-click advertising for \$1 per click, which is usually considered high, but you know that you'll double your dough.

Lifetime value per visitor

There's one measure that's even better than profit per visitor: It's the "lifetime value per visitor". In other words, instead of looking at each site visitor as a single one-time transaction, consider how much they are worth to you as a customer over their entire lifetime of dealing with you.

Most businesses spend all their advertising money on getting new customers, and forget all about marketing to their existing customer base (We talked about this way back in Mistake #1). And yet it's much easier – and more profitable – to sell more to your existing customers: They trust you, it's easier to reach them, you can offer them additional services, you know more about them, and so on.

This means that even if your Internet marketing campaign costs more than the profit per visitor, it can still be worthwhile if you know that it will bring you a customer for life. You can afford to **lose** money on the first sale, knowing that you will make it up in future sales.

Summary

I've given you six ways of measuring the number of visitors to your Web site, each slightly more complex than the previous one.

How far are you willing to go? Well, that depends on how serious you are about being a success!

As you go further down the list, the measuring becomes more sophisticated, but it also becomes more accurate. If you're only counting hits, you're just wasting your time. And if you don't know the lifetime value of each visitor, you're probably not spending enough on marketing.

Conclusion

That's the end of the e-book.

Here's a summary of the seven fatal mistakes again:

- Mistake #1: Being obsessed with getting new site visitors
- Mistake #2: Turning people away with a boring Web site
- Mistake #3: Assuming the customer will buy on the first visit
- Mistake #4: Making it difficult to buy
- Mistake #5: Not keeping your site current
- Mistake #6: Failing to leverage your value
- Mistake #7: Measuring the wrong things

Now it's up to you!

I hope you've learned something from this e-book. But more importantly, I'd like it to spur you into action – because, of course, what matters is not knowledge itself, but **applied knowledge**.

If you read this report and do nothing, that's just as bad as not reading it at all. In fact, it's **worse**, because you've wasted your time!

So please **take action**, and start **now**.

Sign up to my free e-zine

I suggest that you sign up to my free e-mail newsletter *Make More Money From Your Web Site* (if you haven't done this already). It's free, and full of great profit-building ideas for your Web site (even if I do say so myself)!

Sign up at www.firststep.com.au/newsletter.

Can we help you?

As I mentioned at the start of the e-book, we've worked with clients throughout the world in a variety of businesses. I've personally used all of the ideas in this e-book with real business clients. We have a lot of repeat business because **we know what works** and – more importantly – **we can make it work for you**.

Here are some of the things that people say about the service that we offer:

“Who says you can’t make money from a Web site? My site paid for itself in the first three months. Now every transaction is straight profit!”

– David Penglase, www.davidpenglase.com

“My Web site has paid for itself many times over, and is consistently rated as one of the best in my industry.”

– Chris Rewell, www.chrisrewell.com.au

“Life By Design got an amazing 2000% return on investment in 6 months from all the enhancements you did to our Web site. Thank you – we are excited about the future with you.”

– Ian Hutchinson, www.lifebydesign.com.au

“Just three weeks after launching our Web site, we got to #1 in Google for our main keywords. Well done guys ... I’m proud to be associated with you.”

– Max Hitchins, www.hospitalitydoctor.com

So, if you’d like to work with us, feel free to visit our Web site at www.firststep.com.au and get in touch with me.



Gihan Perera

