

CHAPTER 1

Strategic Planning

Everybody and His Uncle Has a Web Site

At last count, there were over 10 million! If you don't have a Web site and are in the planning stages, stop everything else and register your domain name **ASAP**. Just choosing your name can be a difficult task and is sometimes expensive. Much of the time, somebody else owns it. While "dot-edu"(educational institution) and "dot-org" (nonprofit organization) are important and useful, they are considered less desirable than a "dot-com"(commercial enterprise) address if you are launching a Web business. A ".org" registration is intended for exclusive use by **nonprofit organizations**. Whatever your direction, it is important to register a name. It is difficult and time consuming to type in a long Uniform Resource Locator (URL) address. In the name game, the general public has preferred shorter names and addresses.

This controversy has domain-name speculators registering domain names in hopes of selling them at inflated prices. "**University.com**" sold for \$530,000; "**Drug.com**" for \$823,456; and "**Bingo.com**" for \$1.1 million. A Houston entrepreneur sold "**Business.com**" to **eCompanies** for \$7.5 million!

One of the best and original registration sites on the Net is **networksolutions.com** (recently bought by **VeriSign** for \$16.8 billion). This corporation has already registered almost 5 million domain names. The industry is currently undergoing a makeover with the introduction of the federal government's nonprofit organization called "The Internet Corporation for Assigned Names and Numbers"(ICANN). Their purpose is to oversee the introduction in the domain-name registration business. More companies are now allowed to compete in the arena. New companies such as **realnames.com** are also offering an alternative to the Internet search-engine game by registering keywords and keyword phrases.

Musicians, Music Educators and **Arts Organizations** need to understand direction and definition before developing Web sites and merchant accounts. The Internet is a 24-hour money machine going down the track at light speed. Technology has made it possible for everyone to market anything including digital entertainment for next to nothing. Every time you turn around, someone is putting a dot-com, dot-net, or dot-org in front of you. Television and radio are just getting warmed up. Online technology provides a low-cost, extremely useful way to display merchandise, attract customers, and handle money. Promotion and marketing are the key factors.

The Internet increases your reach and revenue streaming. Some traditional “brick and mortar” stores have gone completely online. Questions about defining your identity and developing future audiences will be answered by the end of this book.

Organizations are using online sales structure to sell everything—automobiles, music, travel, computers, and anything else you can think of! Auction and music sites are among the most popular. These Web sites are the new business models representing the incredible opportunities available on the Internet. Pure Internet doesn’t have the infrastructure cost that offline business does. A Web site from a small business can look as good as a site designed for a multinational conglomerate.

You and Your Organizations Are Next!

Music-related sites are among the most-visited sites on the Web. Mp3 and downloadable technology, while still in their infancy, are not to be ignored! Music is tailor-made for the Internet. The Dell computer model set the standard and revolutionized the selling of PCs directly to the consumer. **Digital downloading is here!** This will be discussed in tremendous detail. As you know, getting online has become extremely easy and is affordable. The Internet is developing and creating smart customers. Many organizations are beginning to understand the Internet and its power. People who shop online do research and are beginning to use shopbots. Price and service are extremely important in today’s marketplace. It’s brick to click!

As a fund-raising group, you actually have the advantage!

The majority of customers will support you and your organization if you are professionally and ethically presented. Schools and organizations have, since the dawn

of time, sold items at extreme markup prices to make a profit. Your virtual store can offer a myriad of items. Fund-raising companies have traditionally taken 50% or more of the profit. This is all changing. In **Affiliate** and **Associate** revenue alone, the profit is **100% in your favor.** You can create and design your own profit margins based on your product selection or services. A simple music or arts cookbook designed by your organization could be sold as a downloadable product. Your site can have sponsors and, eventually, paid advertisement.

Marketing your site is one of the key factors of success. The subject of Internet marketing alone could fill an entire volume. This basically involves the ability to create, develop, and execute plans to sell your service or product. The Internet provides us the ability to interact with customers in new ways. If you are on a limited budget, then the use of search engines, linking, and e-mail are excellent tools for you in the marketing game.

The Internet offers a myriad of opportunities for effective marketing. Your strategy regarding advertising needs to include everything from animated GIF banners to meta-tag and keyword placement in the HTML code. The ability to co-brand and use affiliate marketing creates customized relationships for you or your organization. This will be discussed in detail in Chapter 3.

The Internet is not just a new color on the palette but an entirely new canvas. It's time to understand and take advantage of this new opportunity. Just as local merchants set up shops years ago (brick and mortar), the new business platform in the 21st century is the Internet (click and mortar).

The potential for earning large amounts of revenue has arrived

—24 hours a day, 365 days a year!

When you set up your virtual store, it is important that your knowledge of the product and service be targeted. Maybe your goal is to market and sell products or auction items. Maybe your goal is seasonal products or e-donations. Maybe your goal is to sell your music, products, or services. Define your identity! Good business structure has foundations that need to be developed. Your Web site needs an e-commerce layer, content-management layer, and database management (among many things) for complete success.

You must develop a strong foundation!

Many **Musicians, Music Educators**, and **Arts Organizations**, as well as parent organizations/ booster clubs, are using the Internet to host content. It is one thing to host information and photos on a generic site, but it's an entirely different concept to design and implement a successful e-commerce business. Your business outline needs to incorporate your identity, marketing, revenue, financial, and management plans. Security and privacy issues also need to be addressed. Displaying an official security certificate or seal will encourage consumer confidence and help e-commerce grow.

You may want your e-commerce site to incorporate a merchant account. The ability to accept credit-card payments greatly enhances your business, adding credibility in the workplace and increasing your potential for immediate sales. This takes research and needs to be affordable. Credit card acceptance is extremely valuable even if just for the simple purpose of allowing charity and e-giving donations. This will be discussed in Chapter 2.

This book is designed to give musicians, music educators, and arts organizations the inside tips and knowledge to achieve financial success using ethical and professional standards in regard to e-commerce and fund-raising.

There are too many “sharks” on the Internet selling you the “Instant Get-Rich Scheme.” Success comes from **research, strategy formation, design, operational planning, and hardwork!**

Let's continue in detail with the Internet, free Web access, design/redesign, and making money on the Net.