WINNING IN ELECTRONIC MARKETING

The online community gives novices the power to sell like the pros. Here's one example of this new medium's fascinating capabilities.

By Cecil Hoge Sr.

What does electronic marketing success take? Limited ability, ambition, practicality and drive can, under the right circumstances, acheive limited success. But for a faster track, more is required. I trace electronic marketing success, study it in the making and analyze what bigger success requires. I have observed in less than a year the march of initial success of one newcomer to electronic marketing, David Bagno. Let me summarize it for you.

David is 34 and lives in Lake Grove, New York. He is a fast learner and a natural teacher of any subject he masters. He is competitive, confident, flexible and versatile. He is a musician and a performer. He is a composer and a piano teacher. He is a programmer. He has created more than 50 courses on computer, covering 17 subjects, including music, phonics and math. He has courses for preschoolers to retired adults. He has spent virtually nothing to promote or advertise. David started marketing electronically in May 1993 with no marketing experience help. By fall of 1993 he created a part-time income of more than $400 a week using free, electronic PR. How he did this and expanded into mass distribution and school sales is a lesson for every direct marketer.

David took up piano at 19 but he composed as he learned, from the start. Although he was barely accepted into a top music program at The State University of New York at Stony Brook, he got approval to do his own research project to study the physical anatomy of the hand as it relates to playing the piano. This gave him a new approach to improve and accelerate piano-playing techniques. It helped him to develop his performing ability, compose better and then become a better piano teacher. It helped him teach beginners to play sooner and to perform beyond their previous abilities. Many were children, some were retired adults and some had physical disabilities. He started to perform professionally soon after he began teaching for however little he was offered.



Composer-turned-businessman David Bagno

At 30, he began to use his first digital instrument, a synthesizer keyboard, which led David deep into the world of computers. In 1991, he bought a small Macintosh. By 1992, he had sold everything; he had to buy a far more advanced Mac, a Quadra. That year, he put every ounce of strength he had into learning and mastering the brand new world of MIDI technology, which allowed him to produce professional-quality recordings that he composed. One student of David's sent an audiotape of "The City of God," one of David's most outstanding compositions, to the music director of WNYC-FM. It was played on WNYC's program of undiscovered composers and got enough reaction from listeners that leading classical music stations throughout the U.S. began to play it. Meanwhile, David was acquiring new computer skills. At 33 he acquired a modem along with the habit and ability to use it. He joined CompuServe and then America Online.

He began to log-in to the special interest forums of both. He noticed that members of the online community helped each other. He saw that much information was given without charge by providers of information, each uploaded from their own computers to the forum library where anyone could download it to their own computers. Anyone might ask for advice, posting their request on the notice board of the forum library much as on the cork board of a supermarket. Others often answered with their own notice, often helping still others in

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the process. Some who gave information did it as a sample of still further, more detailed information each at a small charge, particularly shareware computer programs or even personal consulting. He also noticed that CompuServe and America Online kept a score board of the most downloaded programs and that those most requested were sought after by publishers, retailers, CD-ROM collections of most popular software and by editors and reporters interested in reviewing the best of the new programs. He realized that it was a method of PR, a means of free advertising, a way to start in business without investments.

He started to upload in early May 1993, on America Online, two music programs, "The Math Musician" and "The Music Lab" for download. The response was poor. At that time, music took so long to download that it was too expensive for most online users. But by then David was interested in teaching far more than music. He analyzed what kind of teaching he could do best, which could be downloaded fast, at the lowest cost to the user and give more benefit than programs created by others. Later in May, he offered "The Talking Spelling Bee," "The Talking Alphabet," "Spell Well" and "The Math Lab," which brought in encouraging numbers of downloads followed by the first mail orders. In late June, *The Richmond Times* ran an article featuring four of David's programs. "The Talking Alphabet" was an immediate success and became a top 10 America Online file the first month it was posted. So was "The Talking Spelling Bee." By the end of the summer of 1993, both were posted in the "America Online Hall of Fame" and two others were posted in the "Top Macintosh Downloads." But David decided to race ahead and compete for more winning programs on a wider scale.

By late summer David uploaded a number of other programs on America Online and also on CompuServe. By mid-November he uploaded a total of 35 programs, which began to be among the most downloaded in their categories. Some of these programs were "The Talking Times Table," "The Ultimate Math Machine," "First Lessons in Math," "The Addition Magician" and "Things Kids Should Know." Programs were offered as shareware but registered users got more; registration cost $15. Then David began to upload a number of programs, disable all but one and offer that one as shareware. The others were listed in the directory index of the disk along with a message offering to give the key to unlock each in return for mailing $15 to David's Setauket box number.

David's programs for the disabled, the old, the disadvantaged as well as very young children began to attract increased attention from different groups in quite different ways among educators. Students were spreading the word one to one. Parents were sending in reports of their children's success with the programs. Home teaching groups began to use the programs. Teachers were spending their own money to buy programs to use in their classes, and then persuaded school districts to begin to pay for site licenses for unlimited use in schools. His programs were included in the Educorp collection, the most widely distributed CD-ROM collection of educational shareware in the U.S. In addition, Long Island University committed to use David's software as part of its curriculum for teaching graduate students and computer consultants how to use the computers in the classroom.

The computer networks began to note how much sales of connect time revenue David's programs were creating. The high download counts shown for David's programs were getting an increasing by-product of response from media and marketers. In Dublin, Ohio, the editors of

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CD-NAUTILUS, a leading magazine on CD-ROM, saw the response results, sent for the programs, realized the application to CD-ROM disc presentation and ran two full-color pages on David's "Music Lab" and "Reading Lab" series of programs and featured them in direct mailings sent all over the U.S. In California, Ken Simpson and his partner, David Kosh, were launching a new line of Mac computer games and teaching programs for mass merchandisers. Ken, long experienced as a consultant and marketer in the Mac computer field was getting E-mail from friendly scouts in various parts of the country about David Bagno's remarkable high download counts. Soon Bagno was given a free trip to California and then a lucrative contract for six of his programs, which will be in 1,500 outlets nationally within 60 days, and perhaps double that by year's end.

In Detroit, Michigan, Quality Computers was getting similar reports and soon David was signed up to supply 6 more programs to them. The first ads broke in *Computer World* in April. A quarter page in QC's catalog went out to 250,000 customers and prospects, mainly school buyers. A full page is scheduled for the September catalog. Meanwhile, various teachers were being missionaries in their own businesses, sometimes even starting one to distribute David's programs to school districts. By now David had more than 50 programs.

I questioned teachers of various grades and subjects from preschool to adult education, several specialists in home schooling, and even teachers of the physically disabled and slow learners as well as some who worked with retired adults. When they told me that David's methods had acheived results substantially more successful than traditional methods, I asked why. I watched David give a lesson to a 6-year-old boy and drew my own conclusions as well as interviewing him and his mother separately. My summary is:

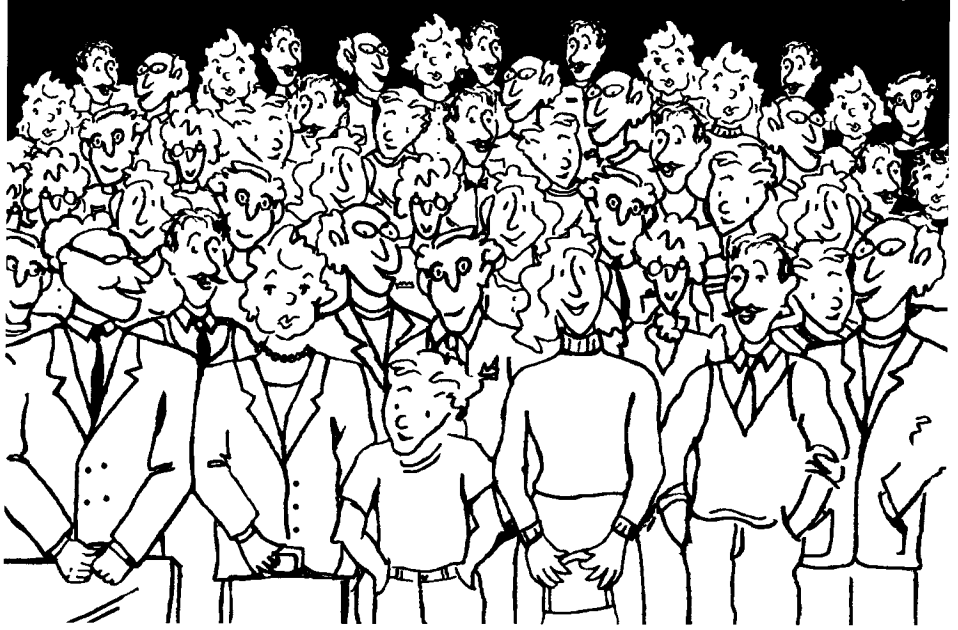
Each lesson is built step by step to the requirements of the human hand, eye, ear, reflexes and body. The complex is scientifically and subtly subdivided into the simple. The robot-synthesized voice used in every lesson fascinates children and gets each word across to adults. The personalized use of the student's name customizes the lesson just as a personalized computer storybook. The personalized encouragement by the robot-like voices gives needed support. Color, graphics and action are used to great effect. Notes, numbers, symbols and words are big and very easy to read. The design is professional. The visual and sound effects combined with the robot-like voices admonish mistakes but instantly show how to redo correctly. Marking and scoring of performance for each lesson are available at any time to audit each pupil's progress.

Meanwhile, David is mastering Novell's "Visual Application Builder," an exciting way to develop programs that work on different computers, which David considers the next generation of computer languages that will make others obsolete. But David says, "I count on nothing. I work as if no effort by anyone will produce any business. I must come up with entirely new ways to teach, compose, perform and promote them more broadly than I ever have. What will David get into next? The first steps are to broaden into the Windows environment, the Power PC, CD-ROM but also on radio, TV, online and each interactive form as it develops." He can be reached at 516/471-2767 or via CompuServe 73113,1555 or Internet:ecrdave@delphi.com. ■



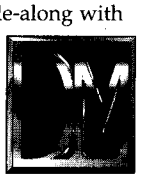
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