Online

Home-Based

Businesses

A Guide to
Internet Riches

by

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Table of Contents

Online Home-Based Businesses

Introduction

A well-known speaker started off his seminar by holding up a $20 bill.

In the room of 200, he asked, "Who would like this $20 bill?"

Hands started going up.

He said, "I am going to give this $20 to one of you but first let me do this." He proceeded to crumple the dollar bill up.

He then asked, "Who still wants it?"

Still the hands were up in the air.

"Well," he replied, "What if I do this?" And he dropped it on the ground and started to grind it into the floor with his shoe. He picked it up, now all crumpled and dirty. "Now who still wants it?"

Still the hands went into the air.

"My friends, you have all learned a very valuable lesson. No matter what I did to the money, you still wanted it because it did not decrease in value. It was still worth $20. Many times in our lives, we are dropped, crumpled, and ground into the dirt by the decisions we make and the circumstances that come our way. We feel as though we are worthless.

Online Home-Based Businesses

But no matter what has happened or what will happen, you will never lose your value.

This anecdote is but all too relevant in the Internet marketing arena.

I have webmasters telling me about how good their site is, how they are going to be the best in what they are doing, etc, etc. Six months down the road when I went to check on their site, it's gone.

What happened?

A lot of them probably got busy, or got discouraged. For some, when it was clear that the money is not just going to drop from the sky, just move on to the next get-rich-quick scheme.

But I will bet that friends and family influenced a lot of them. There will be questions like: "Have you made money on the net YET?" or "When are you going to stop playing around on the Internet and get a real job?" or "You are trying to make money on the ..... Internet??!?!?"

We have all been there.

It is up to us, as Internet entrepreneurs, to know our field and persevere. The Internet is a dynamic place, and setbacks and failures are the norm rather than the exception. Believe in what you are doing and don't give up.

A failure is just a simple miscalculation, of being in the right place at the wrong time, or just a matter of bad luck. A failure

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must not diminish your determination and in no way reflects badly on you. Rather, a failure just takes you one step closer to success.

That said, we must also continually learn and upgrade ourselves. We must have confidence in ourselves but yet be open to new ideas and suggestions.

"I find the great thing in this world is not so much where we stand, as in what direction we are moving: To reach the port of heaven, we must sail sometimes with the wind and sometimes against it, but we must sail, and not drift, nor lie at anchor."

Oliver Wendell Holmes, Jr.
US Supreme Court Justice

Chapter 1

Why Should You Start a Business?

We have been told many times that the new economy is upon us, or to prepare ourselves for the new economy, or what new jobs will be created by the new economy, or what jobs will be lost. It has been given different names, such as knowledge economy, network economy and the information age.

Rather than quibble over names and definitions, we will all agree that changes are happening in the world and will continue on in an accelerating pace for the foreseeable future. These changes will profoundly affect the way we work, play and do business.

Let's spare a moment to look at the changes and how they affect us:

Flexible Work Arrangements

More and more companies are adopting work arrangements that are not strictly 9 to 5. It comes in many guises and is advantageous to both employees and employers.

For employees, it allows them time off to take a sick child to the doctor, or to avoid the morning rush hour.

For employers, it allows them to retain staff on a reduced workload, while they peruse other interests. They can also look at their employees as subcontractors, employing them to get a job done, rather than on a per hour basis.

In some cases, with a mobile phone, a notebook and an Internet connection, the employee can effectively be the office. The employee can work anywhere she wants and still be as effective as if she was right there in the office.

Technology

Vending machines are everywhere. From selling Coca-Cola to snacks, there are now some that will charge your mobile phones. If you think about it, those vending machines are doing what used to be somebody's job.

Make a call to your local government department. An answering machine picks up the call, right? An operator was put out of a job.

Take a look at yourself. You can probably handle a word processing program. If you need to write a report, you probably do it yourself, including the graphics. If you need to view a pdf document, I'll bet that you will install the reader yourself. And I'm guessing that your job has nothing to do with computers. With the help of a computer, you have taken a few jobs away yourself.

And it will get worse. Computers are getting cheaper, more powerful and smarter. Round the corner are computers better able to emulate human abilities. Soon you will see computers that can understand human speech and read printed text. And

I'm sure that you have seen robots that can actually walk, on 2 legs.

Soon they will be on the streets and taking away even more jobs.

The Rise of India and China

"In the same way that commentators refer to the 1900s as the American Century, the early 21st century may be seen as the time when some in the developing world, led by India and China, come into their own," said a December 2004 study by the U.S. National Intelligence Council.

The study further noted that there could be a "definitive break with some of the post-World War II institutions and practices." The study also said that India "could emerge as the world's fastest-growing economy" by 2020, overtaking China.

With a combined total population of 2.4 billion people, more than one third of the world's population, they cannot be ignored.

The Internet

Although the Internet has its beginnings in the 1960s, it actually started to evolve into the net that we know in the early 1990s when the first properly developed web-browser, Mosaic, was introduced.

Since then, Internet usage has exploded, with an estimated 13.9% of the world's population connected as of 2005. That is a staggering 889 million people!

Online Home-Based Businesses

Today, the Internet has become an integral part of our lives. From emailing our colleagues and friends, to playing games, to setting up blogs telling the world about our personal lives, the Internet has truly become our constant companion.

All this has not escaped the attention of the big businesses and corporations. They have come online to reach markets they have never been able to reach before. With the Internet, marketing to Mr Gandhi and Ms Hiroko has become nearly as easy as marketing to Mr Smith in the next office.

With most of their customers online and easily accessible, some companies have decided to cut out the middleman. Instead of appointing a distributor in a foreign country to deal with foreign customers, they will take over or at least minimize the role of the distributor, preferring to deal directly with their customers.

Even the average Joes on the street have jumped onto the bandwagon. They have set up businesses on the web, hawking their wares on the global marketplace. And some have done pretty well for themselves.

Conclusion

So, what does all this mean to you?

To put it in a nutshell, the world is changing and it will continue to do so at a faster and faster rate. Your job, which you feel is secure, may not be in 5 years time. What is worse, it may be rendered obsolete by technology or changes in the economy.

Online Home-Based Businesses

To meet these challenges head on, you need to upgrade and diversify. Upgrade yourself so that you are the best that you can be in your chosen profession. And you can diversify by taking on more responsibilities at work, thus making yourself more indispensable.

If you are sharp enough, you would probably realize that upgrading yourself and taking on more responsibilities does not necessarily mean more pay. But it will most certainly mean more hours at work.

Which is why more and more people are looking to go into business for themselves. And that is why you are here now.

Starting a business 10 years ago would probably have meant spending a good part of your nest egg, or going into debt. But, with today's connected world, and the right choice of products and business, an online business can be started for a pittance.

There are no guarantees in life, just as there are no guarantees that you will be able to build a successful online business, but don't you owe it to yourself to at least look into it?

Advantages of Being the Boss

Flexible Hours

What is the first thing that comes to your mind when you saw "Flexible Hours"? Visions of afternoons spent playing golf, or shopping at the mall? Maybe you were thinking of working 3 days a week and taking 2 days off?

Sorry to burst your bubble, but "Flexible Hours" means that you have more control over when you work, and not how many hours you work.

As the boss of a business that is just starting up, expect to work more than 8 hours a day, rather than less. But you will have the freedom to take a hour off for a dental appointment, or to take a day off when you really need a break, without having to ask for permission.

You are Working for Yourself

Ever really stopped to think where you are heading? I mean, really stop whatever it is that you are busy with and think about where you want to be financially in 10 years time? Are you going to be able to achieve that goal? And be brutally honest.

If you are holding down a job right now, I would be quite sure

that your answer will be that you are not going to be achieve what you want in 10 years time. Although you are earning a monthly salary with yearly increments and good bonuses, that dream of a luxury yacht, or retiring early is just way out of reach.

You can work 12-hour days for the rest of your life, but those dreams will remain just that - dreams. :(

The company can take off because of your hard work, and you can get nice fat bonuses, but the only person that will be getting that luxury yacht will be your boss. You are never going to get that yacht.

Things will be different when you are running your own online business.

If you work very hard, the sky's the limit. It will be a struggle in the beginning, but in 10 years time, that luxury yacht can actually be a no-brainer.

You Can Make a Lot of Money

I know, this ties in with the previous topic about working for yourself, in which I implied that if you work real hard, you can make a lot of money (luxury yacht). But I feel that the fact that you can really make a lot of money is so important that it deserves a topic of it's own and it needs to be stated explicitly.

If you have the drive, ingenuity and resourcefulness, running a business of your own can really bring in the big bucks.

The Downside of Being the Boss

"You get to boss people around, you can choose when you work and you make a lot of money - there is a down side?", you ask. As with practically all things in life, the roses will always come with thorns.

The Buck Stops Here

Former U.S. president Harry Truman had a sign with "The Buck Stops Here" inscribed on it. In so doing, Truman was announcing that while those beneath him could duck responsibility, as the then president of the United States, he has to bear the ultimate responsibility.

As an employee, you would encounter many problems which you can safely shirk responsibility. So long as it is not under your job scope, you can say, "That's not my problem." The problem will be solved by somebody who is paid and trained to solve it. If nobody claims responsibility for the problem, the problem will ultimately have to be solved by the boss himself.

But as the boss of the business, "That's not my problem." cannot be in your vocabulary. You and you alone are ultimately responsible for the success or failure of your business, nobody else.

It's Lonely at the Top

As the boss of the business, you have to expect a bit of isolation from your employees. Even if you have a consultative form of leadership, looking at your employees as partners and peers rather than subordinates, you will not be one of the boys. As the boss, your priorities and goals are different from them and that is what will set you apart.

In fact, to keep your business running smoothly, it may be best to maintain a little distance. There may be times in which you have to do the unpopular but necessary like firing somebody and you will definitely appreciate the distance then.

Financial Security

If you are used to getting a paycheck every month, this aspect of running a business may be pretty hard on you. Instead of enjoying a paycheck every month, you are going to have to hand out not one but many paychecks. :(

This is going to be extremely difficult and stressful at the beginning when your business is not profitable yet. Every month you will see your operating capital being depleted, with little prospect of a surplus the next month. But then, maybe this will spur you on to achieve heights even you didn't dream possible.

Types of Online Businesses

Although the Internet has been around for quite some years, it has evolved to the net as we know it less than 10 years ago. And in that short time, it has truly become indispensable, featuring prominently in our work and play.

And, as is inevitable in any medium in widespread use, the Internet has also become commercialized. And that is why you are here now, exploring the possibility of utilizing the net for your own monetary gain.

Before we look further into a business on the web, it will be good to know about the different types of online businesses found on the web:

> **Extension of an Offline Business.** A large established company may find that it is necessary to have a web presence. In many cases, this online venture will not be a business in itself, but merely serves as an extension of its marketing department.
>
> In some cases, this web presence may not be directly related to marketing or selling. The company may use its online presence for market research or information distribution. Online forums may be set up to gather feedback, or the company may make their catalogues and product specifications available online for their customers' convenience.

Online Home-Based Businesses

Large Online Business. This type of company will start with an entrepreneur with a brilliant idea. He will solicit funds from venture capitalists, or even start with his own funds. A company is born and it will start hiring MBAs, programmers, systems analysts, graphic designers - whatever it takes to be online in 6 months time.

I would not put my money in such a company. The professionals hired, while undoubtedly competent in their own line of work, may not do such a good job in the online environment.

Take, as an example, the graphic designer. She would probably design a very impressive flash presentation for the home page of the site. It will tell of the merits of the company and it will no doubt be well received by all in the company.

But a web surfer (their customer) is not going to be at all happy with the presentation. Firstly, it takes forever to download even on broadband, and a lot of us are still on 56k dialup. Secondly, it takes over the computer's speakers, which will not be well received by those that are listening to music, or on the phone, or watching television. Thirdly, there will probably be no option to skip the presentation, if one so desires. And lastly, the presentation talks only about the company, not about how the company can benefit the surfer.

However, things are changing. Professionals hired during the dot com craze at the turn of the century have learnt that the net is a different kettle of fish altogether and they are adjusting.

Online Home-Based Businesses

Testament to this is the turnaround of Amazon.com. In 2001, they reported a loss of $567 million. But 3 short years later, in 2004, they were in the black by $588 million.

Small Online Business. A single individual typically starts this. This guy may already have a small part time business of his own and is looking to the net to expand his sales. Or, he may be attracted by spam he got in his email promising large sums of money for little or no work.

After a few months most would have given up in disgust. They would have tried out the so-called business opportunities offered, many of which are outright scams and all of which would have failed to live up to their claims.

A select few will remain. They would have developed a discerning eye and seen through the get-rich-quick schemes for what they really are - get-rich-quick schemes for the starters of the schemes. They will ferret out the more legitimate opportunities, or start one of their own, and go into business for themselves.

This ebook is about online businesses that can be started by a single person, with limited resources, working alone in his garage.

Online Vs Offline Businesses

Extremely Low Startup Cost

Perhaps one of the most attractive aspects of business on the web is the extremely low startup cost.

If you were to consider a normal offline business, we'd be talking about some sort of office space or shop space, one or two employees at the very least, some kind of inventory, maybe renovations, and lots of other smaller expenses.

Even if you were to work on a shoestring budget, you may need at least $50,000 to run for a year.

And a lot of businesses do not show a profit in the first year.

Do you have $50,000 to spare? And that's just for the first year!

The Internet, on the other hand, actually allows you to start a business at ZERO cost. There are lots of free stuff on the net. You can use those resources to start a business at no cost.

Of course, it is highly advisable for you to pay for certain things, like a domain name, web hosting and one or two services that will help automate your business. Your business will run more smoothly and gain more credibility, and be more profitable in the long run.

Online Home-Based Businesses

Remember what they say about free things, "You get what you pay for."

For a start, let's talk about $50 to $100 a month. You can afford that, right? Bet that's less than your kid's allowance.

Global

In the offline business world, even if you have a product that appeals across borders, you are going to have a massive organizational nightmare in figuring out how to expand regionally, not to mention globally. And that's assuming you have the financial muscle to even consider it.

In an online business, a global reach is the norm rather the exception. Every online company is effectively a global company, with the potential to sell globally.

But if you want to sell to any Tom, Dick and Harry on the web, you must choose your products or services carefully. Granny's Heavenly Cookies will probably sell to almost anybody on the web but if you are selling real estate in Florida, you are going to have a very select and localized audience.

You Can Work Part Time

For most offline businesses, working part time is not an option - at least during the starting stages. Every day that your business is running is costing you money - money for the utilities, money for the rent, money to pay your employees, etc.

You are gonna have to quit your job and work on your business fulltime to make sure it turns a profit - before you run out of money.

For an online business, you can keep your day job. Your monthly expenses will be very low as compared to offline businesses and so there is no need to be profitable as soon as possible.

Only when you find that your business is starting to generate a serious income, and you are having problems coping with its demands, do you have to consider quitting your day job.

First Impressions Count

The street location of a business, or the building it is in, will give the visitor the first impression of the size of the business. In many cases, this first impression will be the determining factor as to whether the business makes a sale.

When you are online, however big or small your company is, you will still occupy one screen of your visitor's monitor. As a small business, with a well-designed site, you will have a much greater chance of impressing your customers and stealing them from your bigger competitors.

Chapter 2

How Do You Start an Online Home-Based Business?

Well, you start right at the beginning, of course. :)

But seriously,...

An online home based business is not something you want to start on a whim. It takes a lot of work and planning to make it successful.

And even then, a lot don't make it.

Ask yourself honestly if you have what it takes.

Are you willing to risk your time, effort and money on a venture that may or may not succeed? Do you have the patience and skills needed to plan and execute an actual business? Can you stick it out when the going gets tough? Can you come up with a better product than your competitor?

And….if you fail despite all your efforts, can you pick yourself up, dust yourself off, and soldier on?

So, you ask, why am I trying to make it sound so difficult to

start and run a successful online business?

Because it is.

The chances that an offline business will fold within the first 5 years is normally put at 80% - 90%. That's quite slim. That works out to 1 to 2 guys out of every 10 guys.

Let's be optimistic and say that of those still alive, 50% are doing well. In other words, after 5 years, 5% - 10% of offline businesses will be doing well.

Now, take a look at an online business. The barrier to entry is very low. The online world is global in nature. With the changes in the world economy, more and more people are looking to start a business. And where do they look? The Internet.

So, you will have a lot more competitors in an online business, and the success rate will drop. In an online business, the success rate will be less than 1 guy out of every 10 guys. Pretty bad odds, if you ask me.

I hope you are convinced that it is going to be a struggle to start and run a successful online business. Not impossible, but hard work, perseverance and ingenuity are required.

But if you are prepared, let's continue.

What is an Online Home-Based Business?

A lot of you may want to start an online business without knowing what it really is. You may have heard of some guy starting a business online and making like a gazillion dollars. Or, perhaps a computer friend was telling you that he's dabbling in an online business. Or, maybe you really don't know and you're here to find out.

Well, let's define a business as an entity created with the objective of making a profit from the sale of goods or services.

Which makes an online home based business as a business that mainly conducts its activities online and operates from home.

> **Definition of an Online Home Based Business**
>
> 1. An online home based business is a entity created with the objective of making a profit from the sale of goods or services that mainly conducts its activities online and operates from home.

There are many sites that advertises ad placing as an online business. Basically, in ad placing, you are paid to place ads for the site. The amount that you are paid depends on the number of ads that you place.

Online Home-Based Businesses

Is that really an online business?

I think that it depends on your attitude. Take an ad placer that looks at ad placing as a job. What do you think this ad placer will do during the course of his day? Place ads, of course. And that's about all that he will do.

Let's take another ad placer with a business attitude. During his day, he would probably place ads. But a significant part of his day will be spent in looking for ways to place ads faster, or to outsource his ad placement, or even investigating the feasibility of starting a similar business.

Many business owners will fall into the first category. Their businesses are making a good income, but they are not looking to improve their processes, or break into new markets. They are doing the same thing day in, day out, and earning the same amount every month. Their business has actually become a job.

In an online business, with the Internet in constant flux and getting more competitive by the day, if you are not moving forwards, you are moving backwards.

To hammer home this point, let's add a second clause to our definition of an online business:

> **Definition of an Online Home Based Business**
>
> **1. An online home based business is a entity created with the objective of making a profit from the sale of goods or services that mainly conducts its activities online and operates from home.**
>
> **2. This entity must, over time, find ways and means to**

generate more profit from less effort and/or resources.

Pay close attention to the second clause. It is the difference between achieving success or merely making a living.

Starting Up

I remember a time a few years ago when I was asked to design and build a project from scratch. The project was a simple distributed control system controlling multiple ceiling fans. And it has to be finished like, yesterday!

I rushed through the project like my life depended on it and a month and a half later, it was complete. Actually, I was quite proud of myself. It was finished in record time and I don't think anybody could finish a similar project that fast. I was wondering if it was a good time to ask for a raise, but…..

My boss took one look at it and asked, "Would it have been better if you had networked the modules together with a single cable?"

And he was right. If I had designed it the way he suggested, it would have been cheaper, easier to design and faster to complete.

What happened?

In my blind rush to complete the project as fast as I could, I started design with the first feasible concept I thought of, and just kept going. If I had just waited a day or two, considered alternatives, I would have come up with the better design that my boss suggested.

Online Home-Based Businesses

By rushing, I had actually wasted time, instead of saving it.

Needless to say, I decided it wasn't a good time to ask for a raise. But I had learnt the lesson well and in future projects, I made sure I spent enough time planning before starting.

I'm sure you are all raring to go. But before you go charging into the Internet selling anything that moves, spend a bit of time preparing. It will take longer but in the long run, you will be more profitable.

Believe me, I have been there. ;)

We shall continue with preparations that you should do as you plan your business.

Internet Access

You will be online a lot of the time. It will be best to get a broadband connection with unlimited access.

Computer

A lot of your work will be done on your computer and it has to be in good working order. Good working order should be defined as follows:

- You can work on the computer for 8 hours continuously without it crashing. This includes being able to connect to the Internet continuously for 8 hours without getting disconnected.

- It doesn't take forever for an application to load. I would

look at anything up to 10 seconds as typical while 15 -
30 seconds is a little too long.

- Maintain a good backup routine. There are many
  options available, but I would recommend using a
  portable hard disk or thumb drive, or writing to CD
  ROMs.

- Backup at least once a week.

- Make sure the computer is available when you need it.
  Any kids chatting, or hubby checking up on the sports
  news must make themselves scarce, when you show
  up.

Software

Each and every business is different and so are their software
requirements. I have complied a short list to get you started.
You will have to add to it as you move along in your business.

- Word Processor. If your computer doesn't already have
  one installed, you could try WordPad. It doesn't have a
  lot of features, but it comes free with Windows.

- Html Editor. You are going to have to do some form of
  web page design or editing. Even if you were to start
  from a ready made template, you are still going to have
  to put in your content.

- Graphics Editor. At some point you are probably going
  to need a graphics editor. You can try the Paint
  program that comes with Windows.

Online Home-Based Businesses

- **Ftp Program. You will have to upload your site onto the web. For most web hosts, you will use FTP to do that.**

Online Security or Viruses, Spyware and Other Nuisances

When I first sat down to write this section, I was thinking of a paragraph or two advising you not to be complacent. This will be followed by a short list of simple, commonsense advice on how not to get infected.

But as I was searching the Internet for some statistics on virus infection, I began to realize the actual scale of the problem.

Although viruses are still a big threat, a multitude of other threats like Trojan horses, DDOS attacks, plishing has emerged in recent years.

These threats are more sinister than the common virus infection.

In the old days, a lot of viruses are there just to cause mischief. You will get a message telling you that you have been infected, or the virus will automatically reboot your computer, or, my personal favorite, your screen will freeze and bits and pieces of it will drop to the bottom.

The intent was to tell you that you have been infected. That was the end in itself. The virus writer has no other malicious intent.

Security threats these days are not so "benign".

If you are not careful, your usernames and passwords can be compromised. Imagine what a hacker can do with the username and password to your bank account! It is also possible for a hacker to gain control of your computer, copying or deleting files at will. Or, he can use your computer to launch an attack against another computer.

When nobody is at home, you lock your door, don't you?

What about your computer? What are you doing to make sure nobody breaks into your computer?

Don't be complacent about online security. Learn as much as you can and take the necessary steps to protect your computer.

The following are some simple tips are start you off:

- **Install anti-virus, spyware and firewall protection for your computer**

- **Stay up-to-date with software patches**

- **Never open attachments of any emails from an unknown source**

Computer Literacy

You will spend a lot of your time on the web looking for information, emailing and chatting. The rest of your time may be spent in writing articles, designing web pages or maybe even writing programs.

Every single one of the above activities requires a computer.

Most of those activities will require that you be logged on to the Internet. If you are not good in computers or the Internet, you have to do something about it.

It will be a lot to take in but just learn it one thing at a time, one day at a time. In a few months I guarantee that computers and the Internet will be like second nature to you. You will still have a lot of things to learn but you will have acquired the basics.

Finances

Running an online business is very cheap as compared to offline businesses. I would look at $50 - $100 per month (not inclusive of Internet access charges) as more than enough in most cases. Do note that more may be needed at the start for the purchase of software, computer hardware and ebooks.

It is usually recommended that you work on your business on a part time basis until it starts to generate a significant income. Once that happens, you can then consider quitting your job to work on your business full time.

Deciding on a Product

You have decided to try starting an online home-based business - what you lack is a product.

Try to get ideas for a product by surfing the web and seeing what other people are selling. Go to ebay and see what's being auctioned. Try joining an online forum and asking.

Remember that you are selling the product online, so if possible, take advantage of it. The ideal online product should be downloadable or accessible online by your buyer. Payment should be online, although you may want to offer offline options. There should be no need for maintenance or servicing for the product.

Do bear in mind that you will be working long hours promoting and selling this product. Find something that you can be truly passionate about. You will definitely be able to sell it better.

Let's take a look at some of the products that can be sold online:

- **Physical Product.** Actually, anything that can be sold offline can be sold online. But, given the global nature of the Internet, it would be best that you choose a product that is small and can be sent to most parts of the world without too many customs restrictions. You

might also like to consider a product that is consumable, to increase the chance of repeat business.

If you are really considering a physical product, you may want to check if the product can be dropped shipped to your customer. Essentially, what the drop shipper does is take over the warehousing and shipping of the product for you. The dropshipper will ship the product direct to your customer, with your company's name and address as sender. To the customer, it will be as if your company shipped the product.

- **Informational Product.** This will be an ebook on a certain subject. This is an ideal product to sell online as you do not have to worry about inventory or shipping. Once your customer pays for the product, they will be directed to a site where they can download the ebook immediately.

  If you are inclined to, you can write the ebook yourself. However, there are also ebooks which you can download for free or a small fee, that gives you the right to resell it for profit.

- **Software.** If you are a programmer, and you have a great idea for a software application, you can go ahead and give it a try. However, like ebooks, there are also software applications which gives you the right to resell it for profit.

- **Advertising.** Your product does not have to be tangible. It can simply be advertising space on your websites, or your newsletter.

Your Income Stream

So, now we come to everybody's favorite topic, how to make money from an online business? ;)

Unlike an offline business, where usually the only profits will come from the sale of your products, an online business offers you the possibility of multiple income streams.

The following lists the various ways you can earn from your online business:

- **Sales.** A pretty traditional way of making money is to sell your product. Works as well online as it does offline. :)

- **Affiliate Programs.** You can join affiliate programs to promote another company's product. When you make the sale, you will be entitled to a commission. This is a good way to start if you don't have your own product, or don't want to keep stock or receive payments.

    Take your time and shop around for an affiliate program that pays well. It's not easy selling on the net and I would expect to be well compensated for my efforts. I would consider a 20% - 30% commission as fair compensation for my efforts.

- **Residual Income.** Residual income can be defined as

income derived not as a direct result of your efforts. For example, you can sell web hosting at $10/month and get a 20% commission, which works out to $2/month. If your customer renews the next month, you will automatically get another $2, without any additional effort on your part. In fact, you will get $2 per month for as long as your customer renews.

Another way you can earn residual income is from the efforts of your referrals. Most affiliate programs have at least a 2-tier structure, allowing you to earn some commission from the sales of your referrals.

A word of advice if you are planning to build a business from the residual income from your referrals - hope for the best but prepare for the worst. A full 90% of your referrals will probably sit on their behind and do absolutely nothing while 9% may bring in a sale or two. Only 1%, if you are lucky, will perform well.

● **Advertising.** There are many ways you can earn advertising revenue from your site. You can enter into a private deal with another webmaster to display his banner on your site for x dollars per month. Or, you can join a banner exchange and display banners for cash.

You can maximize your advertising space by introducing popups, popunders or slidein ads, but the general rule of thumb is - one is more than enough. Many surfers find these irritating but will probably tolerate one, but not more.

However, with ad rates being rather low, advertising revenue will just supplement your income. Unless you have a very popular site, your fortune will not be made in advertising.

- **Subscription.** If you have information that surfers will pay to access, then you can consider a subscription-based site. Surfers will pay a one-time fee, or monthly fee, to have access to your site. Or you can have a free site, but a subscription-based newsletter.

Domain Name

You just have to register a domain name. A site without its own domain name looks unprofessional. It looks like you are a here-today-gone-tomorrow type of site.

I would really think twice before buying from or trusting such a site.

Besides, if your web host goes out of business, a lot of your promotion efforts will be wasted.

Before deciding on a name, use the following tips to give you an idea of how to choose a better name.

Your Domain Name Should be Catchy, Short and/or Easy to Remember

Take a name like "KeliBooks.com".

Think you can remember it?

Maybe.

Now imagine that you have been surfing the web for the last hour looking for a certain book and have been encountering names like "Books-n-Such.com", "MyBooks.com" and "PrestigeBookshop.com".

Do you think "KeliBooks.com" will stand out?

I don't think so.

Now...how about a bookshop by the name of "Fatbrain.com"?

Bet you can remember it. It'll probably stick like a leech to your mind. I think you'd be hard pressed to forget it.

That's the kind of name you want for your site.

Make Sure it is Easy to Pronounce and Easy to Spell

Think of "QuittingYourJob.com". It's easy for you to tell your friend the name of this site over the phone, right? You'd just say, "Quitting your job dot com".

How about a site with a name like "GoodJobs4U.com"? Gonna be a bit of a problem, right?

Also, don't use hard to spell words like, "avalanche" or "phenomenon".

Word of mouth can be a good way of promoting your site. Try to make it easier for surfers to spread the word about your site.

Try For a Generic Name

Generic names are names like:

www.business.com
www.lampshade.com
www.parrots.com

You get the idea.

Generic names are great because surfers might type it in without ever knowing about your site.

Say, you have a company that sells monitors at www.monitors.com. If a surfer wants to buy a monitor, he might just type in "monitors.com" to see what comes up. More traffic for you. J

Practically all the generic names would already have been taken up but you can try for names that are not in common use but is very common in your field of business or expertise.

Try to Start the First Character of Your Domain Name With "A"

Not always possible but do it if you can. Or at least try to get the first character as close to "A" as possible. In fact, it would be even better if you can start with a digit.

Why the fuss with the letter "A"?

Many directories list sites sorted by their domain names. Sites with "A" in their domain name will be very close to the top of the list. :)

Site Design

The design of your site depends on multiple factors, including your business, your product, marketing angle, etc. Probably what I can do here is outline in general what is important in most sites and you will have to fill in the details.

Don't Reinvent the Wheel

Probably the first thing you want to do is to visit some of your competitor's sites. It will give you an idea of what your site could look like, what features you want for your own site and serve as a starting point for the design of your site.

Ease of Navigation

In many cases, you don't read a web site like you would a novel. You don't start from page 1, continue to page 2, and so on.

You would probably "read" a site like you would a reference book. Maybe you will read the introduction to get an idea of what the book is about, and then you will skip to the table of contents to look for the location of the information that you need. In some cases, you may turn to the index at the back of the book to see what pages of the book the information you want is referred to.

Notice the navigation aids - the table of contents and the index. The first will be found at the beginning while the second, if available, at the end of the book. This is a standard observed by all books.

Your site should be as easy to navigate:

Main Menu. You should have a menu, located either at the top, left or right, that directs users to the various sections of your site. This menu should be available from every page of your site, and at the same location.

Site Map. If your site is relatively large, and you feel that users may have a problem locating the information they want even with a main menu, consider including a site map. Site maps give much more detail than the main menu and users will have an easier time locating the information they want.

Search Engine. If your site is a very large site, including a search engine is a good idea.

Fast Loading Pages

Many webmasters will have broadband or cable connections and they tend to forget about the poor souls still struggling with dialup.

It is best that you keep the size of your pages as small as possible to accommodate the users with slow connections. A general guideline is to keep the size of your pages below 100k.

Graphics

Pretty graphics are nice to look at. But unless your site is about graphics, it's probably best to keep it to a minimum. It distracts the users from your site, and increases the load time for your pages.

Don't forget to optimize the graphics that you use. The jpeg graphic format is a compressed format. You can choose to compress it as much or as little as you want. The more you compress it, the smaller it becomes, but the image is of a lower quality.

To optimize your jpegs, start with a jpeg of acceptable quality. Save the jpeg with more compression and view it. If the quality is acceptable, save it again with even more compression. Do it until you get an image with unacceptable quality. The image before that will be your optimized image.

Note that you cannot go from a low quality image back to a high quality image. So remember to save your high quality images into a separate directory before trying any optimization.

Consistency

We discussed consistency regarding the location of your main menu. This consistency should extend to all areas of your site. In other words, your fonts, color scheme, buttons, etc, should be the same for all pages of your site.

Testing

The computer on your desk is called a PC, or personal computer. Whenever I am asked why a particular computer behaves in a strange way, I will remark that the computer is called a "personal computer", and thus will exhibit its own personality. :)

Similarly, surfers viewing your site will also have their own personal computer, with their own particular combination of software and hardware. Therefore, it is best to test your site under as many different types and versions of hardware and software as possible.

> **Browsers.** Although IE is the dominant browser, some of your users may be running other browsers like Netscape or Firefox. Test your site in as many different browsers as you can. Also, don't forget to test it under different versions of the same browser.
>
> **Screen Resolutions.** Don't forget to test your site under different screen resolutions.
>
> **Java and ActiveX.** Many sites depend on Java or ActiveX to display properly. If your site needs a Java enabled browser, try it with Java disabled and see how it looks. If possible, it is best that your site will function correctly even if the users have Java or ActiveX disabled.

Search Engine Optimization

Unlike what some search engine optimization companies would have you believe, optimizing your web site for the search engines is not that hard. The following guidelines may not get you the first position in the results for your keyword phrase, but it should put you within the first or second page. That's excellent, considering that for some competitive keywords, there are literally millions of results.

Keywords

Make a list of keywords that your customer will use to search for your site. For a site about online businesses, the list would look something like: online, business, home-based, opportunity, etc.

From the keywords, you can form keyword phrases like online business, or business opportunity. These phrases are what you expect your customer to type into the search engine, and what you are going to optimize your site for.

Domain Name

You can consider including your keywords into your domain name, like ExcellentOnlineBusiness.com.

Meta Tags

The meta tags of interest here are the "title", "description" and "keyword" tags. For the "title" and "description" tag, make sure you include your key phrase. The "keyword" tag is not so useful and search engines largely ignore it, preferring to decide for themselves. Nevertheless, it doesn't hurt to include a "keyword" tag with all your keywords.

Web Page

Include your keyword phrase as close to the top of the page as possible. And don't forget to repeat it a couple of times.

Graphics

If you have any graphics on your page, include an "alt" tag and see if you can fit your keyword phrase as part of the text of the "alt" tag.

Directories and File Names

Don't just name your directories and html files with a, b, c, etc. Give them descriptive names like business, online, etc. Helps you in your search engine rankings, and makes your web site easier to maintain later.

Promoting Your Web Site

I was having a conversation with a so-called Internet marketer some time ago. I asked him about his Internet marketing techniques, hoping to pick his brain.

He looked at me and said: "Traffic exchanges."

Okay, although traffic exchanges are quite useless for some sites but since his site is about Internet businesses, I conceded that traffic exchanges is a viable marketing tool for his site.

"But, how about your better ideas? Maybe those that takes a bit of time that you haven't gotten round to implementing yet? Maybe we can work together."

He looked at me with a blank stare and I realised that he has been solely using traffic exchanges to promote his site.

Unfortunately, a lot of marketers fall into his category. They will concentrate on one or two techniques, to the exclusion of all others. Don't be like them.

There are a thousand and one ways to get visitors and most of them are free. You will still need to do a lot of work to get the visitors, but this is the arena where your ingenuity really comes into play. Learn about the basic techniques and concepts, combine them if appropriate, add in some of your

own ideas, and you will have a killer marketing plan.

Let me go through some of the more common marketing techniques.

Search Engines and Directories

For search engines, I would recommend just getting a list of the top 10 search engines and submit your url manually to all of them. If you want to submit to the smaller engines, see if you can find an automatic submission service. The traffic you get from the smaller engines are minimal and it's just not worth the time to submit individually to them.

Unlike search engines, which will crawl your site and index it automatically, directories are run by human editors. Again, just pick the top directories and submit manually to them. Do take the time to read their submission guidelines so that your submission will not end up in the trash. And don't forget to start the title of your site with an "A", if possible. ;)

Spend a bit of time looking for directories that caters to your particular market. Such directories may receive a lot of targeted visitors and a listing could make a big difference to your bottom line.

Traffic Exchanges

As a member of a traffic exchange, you visit other members' sites, and earn credits. You assign the credits to your own site so that other members will visit your site.

Traffic from these exchanges are usually not of a high quality,

as most are webmasters seeking to earn credits for visits to their own sites.

PTR Sites

Or paid-to-read-email sites. These sites pay their members to receive email from you, or to visit your site. As with traffic exchanges, effectiveness is limited as the members are more interested in getting paid than in your site or your email.

Pay Per Click Search Engines

You pay a certain amount for each click from the search engine to your site. Can be pretty effective in some cases but try to go only for the bigger engines. There is a greater chance of fraudulent clicks from the smaller engines.

When you are writing your advertising copy for PPC engines, be mindful that you are paying per click. Word your copy in such a way so that only people who are interested in your product will clickthrough.

Link Exchanges

Many sites have a link exchange directory. The webmistress will link to your site in exchange for a link from your site to hers. The idea behind link exchanges is that the more inbound links you have to your site, the more the search engines will favor you and the higher you will be in their results.

Newsletter

Let's face it, most visitors to your site will never return. Either they don't like your site, or there are too many similar sites for yours to stand out, or they forgot your domain name, or one of hundreds of other reasons. A newsletter is a good way to remind them of who you are and what you stand for, and to get them to visit your site again.

Signature

You know the few lines found at the end of an email detailing the sender's web site, email address and maybe a short advertising message? That's the sender's signature.

Unsolicited advertising is usually frowned on on the web but a signature at the end of an email message, or forum posting is perfectly acceptable.

Participating in Forums

Find a forum or forums relevant to your site or business. Lurk for a while to be familiar with the rules of the forum. If you feel that the forum members are your target market, then start participating.

Remember that useful and constructive posts are going to win you more friends and fans than blatant advertising. By all means, include your web site in your signature, but in the forum posting, bring up your web site only if it is relevant to the discussion.

In time, you will become a respected member of the forum.

That is the best advertisement of all.

Writing Articles

Writing articles is a great way to get traffic for your site. Post the articles on your site, and include a small resource box at the end of each article with your name, url and a short description of your site. Allow other webmasters to reproduce it on their own sites provided the articles remain unchanged and your resource box is included.

Conclusion

The techniques outlined are among the more commonly used. Most are effective to some extent, but they can be much more effective when adapted to your particular site.

For example, I get many link exchange requests at my site at QuittingYourJob.com. Rather than just linking to them and forgetting about them, I include their name, email and site details in a database. Every time I start a new site, I can include their site in a link directory and email them inviting them to exchange links. If I have an ebook to promote, I can also include it in the signature of the email.

Chapter 3

Examples of Online Home-Based Businesses

We are now close to the end - the end of the beginning. In the past couple of chapters I have given you a short overview of what it takes to set up an online business, from choosing a domain name, to getting a product, to setting up a site and actually making money.

Now is the time to put it all together. The following sections will introduce you to 3 different individuals, and the type of online business they plan to start. I have tried to make the examples as diverse as possible, so that you can see the many possibilities available to you.

The first person you're gonna meet is Larry, a secondhand car salesman. He's pretty good at his job, but he doesn't see himself selling cars for the rest of his life. So, he has turned to the Internet for the Next Great Opportunity.

Next will be 2 good friends, Kit and Katie. Kit is an advertising copywriter for a large ad agency. She has always harbored ambitions of starting her own agency and since she has just quit her job, has decided that now is the time to strike out on her own.

The last person is Edward. He is a computer programmer with an avid interest in chaos theory. He has developed a computer model of the stock market, based on the premise that the market is a chaotic system, which has an uncanny knack of predicting the direction of the market.

The narrative style is intentional. You will get a feel of the individuals, and how the business is merely an extension of who they are and what they know.

The Opportunist

Larry has been online for a year or so. He has made the rounds of the so-called "business opportunities" and have lost more money than he made. But despite those setbacks, he knows that there is money to be made - only that there is not going to be an easy way to do it. He has decided to abandon the get-rich-quick schemes and set up a proper online business.

He doesn't have a lot of money to spend, and he has a job, so he can't work on it full time - not at the start at least. It should be something he has some interest in so it won't be too boring. Should he sell a product? His own or somebody else's? Maybe he should just sell advertising. But with the rates so low, he will need a lot of traffic to get a decent income.

After thinking it through for a while, Joe decided that he wants a "clean-cut" business. He has thought through what he needs to sell his own product. He will have to handle customer inquiries, payments, shipping, refunds, and a whole lot of other stuff. That's pretty messy. If he were to sell other people's stuff, and just earn commission, that will be pretty clean-cut.

But again, what product?

He knows that products relating to Internet marketing sells

pretty well if properly marketed. But it seems that everybody he knows is an Internet marketer, so the competition's going to be pretty intense. Something relating to finance like insurance, stocks or loans might be quite lucrative but he knows next to nothing about such stuff. He smiled thinking about him giving somebody else financial advice - "Gonna advise them to bankruptcy", he thought wryly.

And then it struck him. He will sell girls. Ahemm….not porn but dating services. There are tons of legitimate dating services on the web that pays you well when you refer a member, even if it is a free member. You get paid even better if that member upgrades to a paid member.

Being a bit of the ladies man himself, he knows about attracting the opposite sex. He can start a newsletter about dating. It can tell about how to dress, or speak, what to do on a first date, how not to appear too eager, and lots of other good stuff.

Most dating services offer a ready-made site for their affiliates so he does not have to worry about designing his own site. As for the site for his newsletter, he can probably get his computer friend to put together a simple one page site for him. But even without the newsletter, he can write articles to promote the dating services.

Summary of Larry's Plan

Aim

Start the business on a part time basis, while holding a full

time job. Learn the ropes of the business. As income from the business increases, quit the job and concentrate on the business full time.

Product

Dating services, or to be more specific, memberships to online dating services.

Marketing

Write articles about dating, relationships and such stuff and submit them to relevant sites and newsletters for publication. In addition, he can put together a simple site to attract subscribers for him newsletter.

Expenses

$100 - $200 per month taken from his full time income.

$50 per month will be spent on web hosting, domain name registration, autoresponders, ad tracking and Internet marketing products.

$50 per month will be spent on registration fees for the services that he is promoting. He reckons that the best way to promote those services is to have a first hand experience of the services.

The rest of the money will be used in paid ads in related newsletters and web sites.

Income Stream

He will be paid when somebody signs up for a free or paid membership at a online dating service. Also, if he has enough subscribers and can find interested advertisers, he can sell advertising space in his newsletter.

The Copywriter

Katie couldn't help smiling as Kit regaled her with choice details of what transpired on the day she walked out of the office. Seems that a client was unhappy over the results of an ad campaign and her manager had implied that Kit's copywriting skills needed a little brushing up. He actually had the audacity to suggest that she consider a refresher course at the local university!

One thing about Kit - you can tell her her hair's a mess or her shoes are the ugliest you have even seen, and she will just grin sheepishly at you and tell you that she's been working a little too hard. But tell her that her copywriting skills are not up to par ….. Katie was glad she was not on the receiving end that day.

"He's already called to apologize, and I know he just said it to appease the client, but I'm not going back. I thought it through and …. you ready for this? I am going to start my own ad agency."

It took a moment for Katie to realize that her best friend was not kidding. She has no doubts as to her friend's ability to run an ad agency, but she knows that Kit is passionate - very passionate - about copywriting. Katie knows that she will be roped in to "assist" in the running of the agency but in no time at all, she will be running the whole show while Kit will be sitting in her corner somewhere doing her copywriting.

Online Home-Based Businesses

Not that Katie minds being the "boss" but it's going to be a big risk for Kit, financially. An ad agency needs a posh office, good location and talented people, all of which costs big bucks. Kit's gonna have to dig deep into her nest egg, and then some. And there is no guarantee of success.

Katie has been thinking of using Kit's copywriting skills to set up a small business online. The financial risk is much lower and now seems to be the time to broach the subject.

"Actually, I've been thinking along the same lines. But instead of setting up the usual brick and mortar business, let's do it in cyberspace. All you have to do is to write the ads, and I will get the products, place your ads and collect the money. Don't worry, I'll give you a small commission - if your ads are good."

"You wish! 50% of everything or you are walking home tonight."

"Oh yeah! I'll just call your brother, he's just dying to pick me up."

Over the next few hours, in between bouts of good-natured teasing and friendly rivalry, they managed to formulate a plan. Kit will identify a market segment with good potential. Katie will search the net for products in that segment that offers affiliate programs. That way, they do not have to keep stocks or even purchase the product - they simply earn a commission when their leads purchase the product. Kit will write advertising copy for the product while Katie will look for online ezines and web sites to post ads. For a start, they will refer customers directly to the product's web site, although they plan to design their own site and sell their own product at a later date.

Online Home-Based Businesses

Katie intends to track the response to their ads, so that they can tell which sites or ezines give a better response and which one of Kit's ads perform better. They can increase their ROI (return on investment) and become more profitable.

Summary of Kit and Katie's Plan

Aim

In general, Kit will take what she knows - writing ads - from an offline environment to an online one.

Product

No predetermined product. General guideline would be a product that's relatively easy to sell, offers an affiliate program and pays a good commission.

Marketing

Katie will focus on placing paid ads in targeted ezines and web sites.

Expenses

No fixed monthly expenses. Expenses per ad campaign will be determined on an ad hoc basis.

Income Stream

Income is based on the product they are currently promoting, and the commission it pays.

The Computer Programmer

It was just 6 months ago that Edward ran his first simulation with his newly completed Chaotic Stock Market Simulator. The results were impressive - with the system making money in 19 out of 20 trades.

He remembered blowing a cool $500 that night taking his parents and 6 sisters out for dinner. All he told them was that he stumbled on something big and that there will be lots more dinners like that soon. Since they were getting a free meal they decided to simply eat first and ask questions later.

In the following days, as he ran further simulations with more data and more markets, Edward began to realize that he had jumped the gun. The system was actually winning trades in only about 75% of the time. And once you include real life trading factors like the bid-ask spread, slippage and the trading commission, the numbers looked worse.

Finally, after another 6 months of testing and program refinements, version 2 of his program is ready. It has managed to take everything the Edward can throw at it and still show a relatively healthy profit of 5% per month. There are some markets that the system cannot trade reliably, like thinly traded or very volatile markets, but it can filter those markets out before trading.

Tonight, Edward will take his family out for the second time.

They are going to try out the new Japanese restaurant across the street from where he is currently working.

Tomorrow, Edward will start "selling" his software. First, he will have to get somebody to design and program his site. He already knows what he wants for the site. It will be a subscription-based site with the subscription set at $100 per month. He intends to offer a trial subscription of $10 for the first month so that they can be assured of the accuracy of his prediction. The site must be able to receive credit card payment and must be able to bill the customer when his subscription is up. He must also be able to upload his daily analysis onto the site without too many hassles. There will also be an affiliate program that pays $25 per month for each referral.

As for promotion, Edward knows exactly what he is going to do. He will go to the local stockbroking office - he's got some friends there - and offer every one of the brokers a free membership to his site. Once they find out the value of his site, they are definitely going to recommend his site to their clients. The brokers will earn commission as their clients trade, in addition the $25 affiliate commission, while he will make money from the subscription fees and the broker's clients will make money from his trade recommendation.

Summary of Edward's Plan

Product

Advice on trading the stock market.

Marketing

Edward will use his offline connections at the local stockbroking office to market his site to the brokers and their clients.

Expenses

Edward will have to pay a web designer or a web design company to design and program his site. A site like his could cost anywhere from a few hundred to a few thousand dollars.

$50 or less per month will be spent on web hosting and domain name registration.

Income Stream

Each member of his site will pay him $100 per month.

All About Spam

by Elena Fawkner

Spam. It's the bane of anyone who conducts business online. It's becoming such a major headache that law-makers the world over are struggling to legislate it out of existence, alas without much success. For the time being at least, it's here to stay, so let's take a look at the dreaded stuff -- what it is, what it isn't, what you can do about it and how to avoid doing it yourself.

What It Is

What it is, is the registered trademark of the Hormel Foods Corporation (see http://www.spam.com). It's canned meat, very popular with the military so I understand.

Purists, however, will tell you that, in the Internet context, spam is either a single article posted repeatedly to large number of Usenet newsgroups or email sent to a large number of addresses. In its previous incarnation, for an email to be spam it had to be sent in large quantities. That was the key characteristic. Now, of course, the definition has broadened and the focus has shifted from one of quantity or volume to recipient-consent, more particularly the lack

thereof, regardless of the number of recipients.

The term "spam" comes from a famous Monty Python sketch. As explained by Hormel Foods itself: "Use of the term "SPAM" [in the Internet context] was adopted as a result of the Monty Python skit in which a group of Vikings sang a chorus of "SPAM, SPAM, SPAM ..." in an increasing crescendo, drowning out other conversation. Hence, the analogy applied because UCE [unsolicited commercial email] was drowning out normal discourse on the Internet." For the rest of spam.com's interesting position statement on the use of its trademark in this fashion, see http://www.spam.com/legal/spam/.

A good spam analogy is the unsolicited telemarketing calls that invariably come when you're in the middle of dinner. The difference between spammers and telemarketers, however, is that telemarketers don't have the gall to expect you to pay to receive the call (other than in terms of your time). The spammer, on the other hand, does indeed have the gall, and in spades.

The generally accepted current definition of spam encompasses five categories of email.

1. Unsolicited ads sent via email to any number of recipients (even one). Some people would not agree with this definition on the grounds that if it's only sent to one (or only a few), then it is not sent in sufficient quantity to qualify as spam. Personally, I don't give a flying fig how many OTHER people are receiving the same rubbish, I only care that I am.

2. Unsolicited bulk mailing, regardless of its nature. This would include bulk mailing of the latest round of dumb blonde jokes, not just commercial advertising material. Again, I don't really care what kind of rubbish it is, only that it is rubbish and

it's landed in my inbox.

3. Off-topic postings to mailing lists, newsgroups or other forms. I would agree with this definition where the off-topic posting was commercial in nature, frivolous (such as jokes) or completely irrelevant (such as religious sermonizing to a completely disinterested group) but wouldn't consider it spam if, for example, someone belonging to and regularly contributing to a mailing list related to cats posted an "off topic" message with a question about their sick dog.

4. Using mailing lists or newsgroups in a manner outside the volume or frequency its readers signed up for. It's one thing to sign up for an ezine, it's quite another to be bombarded with the ezine owner's advertising messages three times a day, every day.

5. Adding someone to a mailing list without consent and requiring them to opt-out. This is particularly annoying. Not only has someone had the temerity to arbitrarily add you to their list without your consent, they require YOU to take a positive step to get off it!

I would add a sixth category, and if you're an ezine publisher you'll know *exactly* what I'm talking about:

6. Signing up for an ezine using an autoresponder address so that the ezine publisher receives your advertising every time they send the ezine that you signed up for.

Whether you agree with the above definitions or not, they all have one common thread ... whether the recipient consented to receive the mail.

That's a good rule of thumb and you won't go far wrong in your business mailings if you ask yourself this question every

time before you send a message: did the recipients (and each and every one of them) consent, in some form, to receiving this mail? Now, obviously, not every one on your list has specifically emailed you and asked to be added to your mailing list. For example, most list members will have subscribed themselves to your ezine by completing a form at your site, or website visitors will have indicated consent to receiving updates about your site by supplying their email address when submitting a survey that clearly stated that by submitting their email address they consent to receiving email from you from time to time.

And NO, for our purposes, it doesn't change the character of a spam email to include removal instructions. It's spam when it's sent to someone who didn't in some way ask to receive it. The wrong is in the *sending*. Period.

You've no doubt been the recipient of (way too much) email that starts out "This is not spam [just love these]. This message is being sent in compliance with H.R. Bill 12345 which states that the sender of an email cannot be prosecuted for sending unsolicited commercial email if the email contains remove instructions."

In the first place, to the best of my knowledge, such a bill has not yet passed into law (although several do finally appear to be close to proclamation). In the second place, the provisions of such legislation will be relevant to whether the transmission of the email concerned is *lawful*. The issue of spam as it relates to you and me and our online businesses is about more than whether it is lawful. It is about whether it is good business practice to make the recipients of your advertising bear the cost of your sending it without asking you to do so in the first place.

Whether it's lawful or not, it's just NOT good business

practice and people have every *right* to object to paying ISP fees for the privilege of receiving junk mail.

What It Isn't

Bulk email sent to an opt-in list is not spam. What's opt-in? Simply, it means that the recipients "opted" to receive email from you by taking some positive step such as providing an email address for that purpose, or by confirming they wished to subscribe to an ezine (or, in the case some third party subscribed them without their knowledge, failing to unsubscribe themselves) when the publisher sends an acknowledgement of subscription including unsubscribe instructions in case the person had been subscribed by a third party.

Just because it's sent in bulk doesn't make it spam (under the currently accepted definitions). I publish an ezine each week and send it to my opt-in list of several thousand people. That's not spamming because, to the best of my knowledge, each person on my list signed up to receive it. The fact that several people on my list may have been signed up by malicious third parties as part of a concerted mailbomb attack (with the intent that the recipient be flooded with mail from all quarters) doesn't make ME a spammer unless I know that the person didn't subscribe, wanted to be removed and I failed to remove them ONCE they gave me the correct email address used to subscribe them! To protect yourself from this type of complaint, see "How to Be Sure You're Not Doing It" below.

Whether it's spamming to send email to someone just because they've emailed you first is a gray area. Some people staunchly maintain that they're free to email you anything

without fear of being guilty of spamming if you send them anything first. Personally, I don't subscribe to this theory. If I subscribe to your ezine, I don't think that entitles me to bombard you with my advertising. On this view, it follows that those "subscribers" who have signed up to my ezine using an autoresponder address that sends an ad in response to mailings of the ezine, are spamming. (And if I can be bothered one day when I'm very, very bored to find out who you are, you'll be booted from here to Kingdom come.)

By the same token, how is one to initiate a business transaction if no-one can make the first move? I receive, on a fairly regular basis, email from people wanting to do business with me. These emails are, without question, commercial solicitations -- they're making me a business proposal. Spamming? Not in my book. If someone takes the time and trouble to select my site or me as a prospective business partner, they'll get a considered response. But send the same message to 1,000 of us (such as an invitation to participate in your new affiliate program) and you've just crossed the line. Where that fine line is is not easy to determine. It's easy to say from the edges what's spamming and what isn't but the closer you get to that fine line in the middle, the blurrier it becomes.

How To Reduce It

So, now that you know what spam is, how do you reduce it?

=> Spam Filters

The first way is using spam filters. These are the equivalent of caller ID to weed out the telemarketers (all those "unknown caller" calls you get).

Three spam filters recommended by the authoritative zdnet.com (http://www.zdnet.com) are Novasoft's SpamKiller which filters email against an extensive listing of known spammers, subjects and headers (free trial, thereafter $29.95 to buy); Contact Plus' SpamBuster which comes with an editable list of 15,000 spammers (free trial, thereafter $19.95 to buy); and Fundi Software's Mail Guard which previews messages and blocks those from defined sources at the source (free to try, $20 to buy).

=> Filter Function

In addition to these commercially available spam filters, your existing email program already probably provides a filter function. These built-in filters can normally be set up to filter emails with particular words or characters in the subject line (such as $$$$$, FREE!!!!) as well as emails without your email address in the "To:" field. Make sure to make a list of ezines and mailing lists you are a member of before finalizing your filters though, otherwise you'll delete everything without your email address in the header.

=> Protecting Your Email Address

An often-recommended (but, as I will explain, dubious) strategy is to protect your email address from harvesting by putting in some obviously-to-be-removed characters in your email address where it appears in the "From" field, for example, yourname@isp.nospam.com . The theory is that a human (as distinct from a spammer's email-address-harvesting robot) wanting to respond to your email will know enough to delete the "nospam." part of the address. In theory that's all very well. In my experience though, there are plenty of people out there who are clueless when it comes to this sort of technicality (many of whom are your prospective

Online Home-Based Businesses

customers) and will not understand what's going on when their mail to you keeps bouncing. A VERY good way to lose prospective customers.

=> Never Reply

NEVER NEVER NEVER respond to spam or act on the "remove" address. At best the address probably won't work. At worst, you'll confirm to the spammer that your address is valid and mail to it is being read. The result of which, of course, is more of the same.

=> Use Separate Email Addresses

Use a separate email address when posting to newsgroups and mailing lists since these are rich sources of email addresses for spammer-harvesters.

=> Go Big Game Hunting

Spend all your time hunting down spammers and prosecuting them to the fullest extent of the law. There is NO END of resources devoted to that very subject. There are people out there, I kid you not, who have made it their life's work to track down the source of every single piece of unsolicited email they receive. You too can join this most worthy cause. Of course, you will put yourself out of business in the process because instead of spending your time on productive business activities you're spending it tracking down the source of all of your spam email. But, of course, if you put yourself out of business you will no longer need an email address and need never bother with spam again! What a clever little vegemite!

So, if you're bored out of your tree and have absolutely NOTHING better to do with your time and figure that spammer-

hunting is at least as worthwhile an expenditure of time as watching Oprah or Blind Date, be my guest. I recommend the CAUCE ("Coalition Against Unsolicited Commercial Email") website at http://www.cauce.org as a good place start your new crusade.

=> Avoid Providing Your Email Address

If filling out forms online, avoid giving your email address if at all possible. If that's not possible, then made sure you check "no" next to the box that asks if its OK to send mail to that address.

=> AOL Users

If you're an AOL user, delete your member profile. These profiles are a rich source of personal information ... a spammer's dream.

How To Be Sure You're Not Doing It

Here's a few rules to help keep you on the straight and narrow:

=> DON'T send anything (except genuine business proposals to carefully selected individuals), especially commercial advertisements, surveys, questionnaires etc. to anyone who hasn't given their permission to receive it.

=> DON'T send chain mail. I don't care what the mail says will happen to you if you don't pass it on. What will happen to you if you do is worse.

=> DO use the BCC field to send bulk mail to your opt-in list, NEVER the CC field. By placing the email addresses of your recipients in the BCC (blind carbon copy) field, those addresses are "blind" or hidden from the view of the recipients. If you put them in the CC field, everyone can see everybody else's address.

=> DO be selective when it comes to your email source. Don't fall for the million addresses on this one $9.95 CD hype. There are reputable sources of email lists you can rent or buy if that's the way you want to go. Try http://www.postmasterdirect.com as one example. Remember: you get what you pay for.

=> DO state your terms of use of email addresses clearly. If it's a condition of receiving your ezine that your subscribers accept daily ads from you, say this up front at the place on your site where the prospective subscriber provides their email address.

=> DO verify email addresses/subscriptions by emailing subscribers to confirm receipt of their subscription and providing them with a way of unsubscribing if someone else subscribed them. Some publishers require the subscriber to email back an acknowledgement. That's called "double opt-in" which is even safer.

=> DO keep a record of all subscribe requests if you publish an ezine so you can prove, in response to an unjustified spam complaint, that the recipient did, indeed, opt-in to your list.

Although spam appears set to be an unfortunate fact of Internet life, by utilizing the above techniques you will minimize much of the inconvenience, distraction and just plain hassle that goes along with it. Hopefully one day in the

not too distant future, someone, somewhere will finally come
up with an effective means of eradication. Until then, we'll all
just have to keep putting up with it.

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Are You Living on an Island of Fear?

by Dave Cole

In the movie, "The Castaway", Tom Hanks played the role of a FedEx delivery man. His job was to fly all over the world making sure that the packages were delivered on time.

One fateful trip found his cargo plane flying through a nasty storm somewhere in the middle of the South Pacific Ocean. The plane crashed near a tiny, deserted island. The only survivor was Hanks.

Upon awakening the next day, Hanks found himself all alone. Alone with nothing except the clothes on his back.

So picture this: no matches, no tools, no food, no shelter, no communications, only 1 small flashlight along with a few packages containing some useless items that had washed up on shore.

He learned to survive a meager existence sleeping in a small dark cave. His food came from coconuts and the few fish he managed to catch.

Tom Hanks was captured and held prisoner on an island with seemingly no hope of ever escaping. Every day the island dictated to him how he was to live.

He was trapped on that island because he saw no way of escape.

His fears of losing what small sense of security the island provided, as despicable as it was, prevented him from trying to escape to a better life. A life he knew existed, but now only dreamed about.

Looking out over the vast expanse of the ocean, he constantly thought about that better life. But those thoughts soon returned to seeing the opposition and competition that prevented him from returning to what was rightfully his.

4 long years later, Tom Hanks made a decision. He had grown sick and tired of having a nothing life. It was either die a nobody, going no place, on a nowhere island, continuing to live a struggling and pitiful hand to mouth existence, or......die trying to escape to a real life.

The Pacific Ocean was the obstacle. His opponent was his own fears of overcoming that obstacle.

He made a plan to escape. The day arrived and Hanks set sail aboard a make shift, rinky dink raft of logs tied together with tree bark and video tape.

He met every adversity the South Pacific could throw at him. It wasn't easy, but finally, the rescue came.

The movie portrayed a very intense drama. An analogy of what life is like for many people. Thousands of folks every day feel trapped in a nowhere life. They feel like their life is being wasted, like they are going nowhere, on a nowhere island with little hope of escape.

Online Home-Based Businesses

Every day these people trudge off to a boring and hopeless job that offers only an existence but no real sense of satisfaction in life as accomplishing anything.

These people know there is a better life out there, a life they so desire, yet it seems so far away. They are trapped on their own island of despair.

Held there, not by the island itself, but by their own fears of not being able to overcome the adversity and opposition that lies between them and their dreams.

A few do escape from that island. They are the ones who finally become sick and tired of living a wasted life, they are the ones who overcome the fear inside.

They start out from their island, not really knowing if they will make it or not. But they look at that sea of difficulties square in the eye and say, in the unforgettable words of Admiral David Farragut, "Damn the torpedoes, full speed ahead."

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Dave's E-zine provides you with valuable info on how to market your online business and how to make money online. All subscribers get 1 Free ad every week. Get your FREE subscription today.

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FAQ: How to Get Insanely Rich on the Internet

by Linda Cox

Welcome to the Total Idiot's Guide to Internet Success!

Let's begin:

Q: How long will it take me to get insanely rich?

A: Depends on you. Probably two weeks. Some people take as long as a month.

Q: Does it take hard work or long hours to get insanely rich?

A: No. This is the Internet.

Q: Can just anybody get insanely rich?

A: Yes. This is the Internet.

Q: How do I proceed?

A: As you're surfing around the net you'll see banners and links that say things like "Make Fourteen Million Dollars in Ninety Days, Click Here to See How!" Simply click the link to get started.

Q: It won't really take ninety days though, will it?

A: Of course not. They just say that so you'll be pleasantly surprised and so it doesn't sound like hype.

Q: Okay, I've found one that says "Retire to Your Own Caribbean Isle in One Month!" Is that good?

A: Perfect.

Q: What does MLM mean?

A: Nobody really knows. Morons Lose Money has been snidely suggested by the little-brains.

Q: I signed up and now I sell low phone rates. They say it's the easiest thing to sell because everyone uses a phone. And since it's MLM, by the time my third level is operating I'll be making $345,915.45 per week.

A: Conservatively.

Q: They say the first step is to get my mother into the program. Why is my sponsor happy that Mom has Alzheimer's?

A: Your sponsor is a shrewd business person. People with any sort of memory disorder make the best targ... uh, clients. You can switch

your mother's long distance carrier for her, and then start calling the other members of her support group.

Q: That sounds a little fishy.

A: The ends justify the means. You are offering people substantial savings on long distance. It's for their own good.

Q: How else can I get new business?

A: Spam. Spam. Spam.

Q: I thought spam was bad.

A: No, spam is good. Anyone who says it's bad is just jealous because their brains are too small.

Q: But won't I lose my web host and ISP?

A: In the get-rich-quick business, it's important to cultivate a zen-like non-attachment to service providers.

Q: What else can I do to promote my new business?

A: Here's a list of suggestions:

--Sign up with a free website provider and fill your site with zany colors and flashy banners.

--Join every free banner exchange.

--Get your own free-for-all links page.

--Join every opt-in email list with the word Money, Rich or Lackwit in the title.

--Buy software that submits your site URL to the 15,000 most important search engines.

--Buy software that submits your ad to the 50,000 most-read free classified sites.

--Buy software that submits your link to the 100,000 most popular free-for-all link pages.

--Hire a bulk emailer.

--Sponsor a golf tournament.

Q: Okay, I've done all that and I'm still not rich. I haven't even driven my hitcounter to its knees yet. What am I doing wrong?

A: It's possible that you're not very bright. Consult one of your friends who has retired on their Internet earnings.

Q: What if I don't have any friends who have retired on their Internet earnings?

A: Then contact someone on the Internet who has retired on their Internet earnings.

Q: What if I've never heard of anyone retiring from their Internet earnings?

A: Well, then maybe you can be the first.

Linda Cox (J.A.M.G.) was actually a real-world corporate marketer for many years before going on the net without a net. Now she's Just Another Marketing Guru.

Email: Linda@LindaCox.com

"I am Never Losing Another Job!"

by Karen Goodale

I'd never forget the day that Kathy approached me on that rainy April morning. The office had been buzzing with rumors about the company closing down but nobody seems to know anything concrete. Kathy, with her penchant for cutting it short and sharp, simply said two words, "It's confirmed."

That was in April of 1998. It was my third job loss in 15 years. Needless to say, I was devastated. I knew I would need to find a new "job" to make ends meet. But I didn't want to lose yet another job.

I had also started thinking more about what my life would be like when I was ready to retire in the future, since I'd never had a job with a company that offered a pension plan, or retirement benefits.

It was then that I made a decision to start looking for a home business that would eventually give me more control over my income, and to make my "own" job security.

I had been a "hobby" candle maker for several years, and my first idea was to try expanding it into a small business.

I rented a space at a crafter's mall and had a fairly good eight months there until the crafter's mall suddenly went bankrupt, and I had to move out! I was discouraged, but still not ready to

give up, so I designed a web site at www.heaven-scent.com to sell my candles online.

The online competition was tough, but I was able to build a small retail customer base, and several wholesale accounts. I made candles during the summer, even when it was 90 degrees, to be ready for the local fall/holiday craft shows, and did the Farmer's Market during the summer, even though very few people wanted to buy candles in hot weather. I had to add more and more "new" things to keep up with the competition, but all I really ended up doing was spending more... and making less!

It took me a while but I finally had to accept that my candle business was not ever going to "make" me any real money, and I would be lucky to just break even down the road.

I went online searching for a business opportunity I could work at part-time, while still making a valiant attempt to turn around my candle business.

From what seemed like "millions" of business opportunities, I happened upon a web site that belonged to an Independent Associate with the Watkins Company, and emailed him for more information. I had been using Watkins products for a number of years, and simply loved them!

What I learned about the Watkins business opportunity itself impressed me just as much as the products had, and I didn't even look at any other opportunities. I just knew that Watkins was the one for me! I learned that Watkins is ranked among the top ten home-based businesses in North America by Business Startups Magazine, Success Magazine, and Executive Female Magazine.

When I started my Watkins business I was mainly interested in

doing online marketing, since I was working a full-time job, plus still struggling with my failing candle business.

It wasn't easy at the beginning. I spent many sleepless nights working online, doing advertising to build a customer base, answering emails, phone calls and helping other new Watkins Associates getting started with their own businesses.

I also started a Watkins Ezine newsletter including monthly recipes, product specials and monthly contest with now over 700 subscribers.

In less than 2 years I had reached Manager level with Watkins. Although I would like to take credit for my success, much of the credit must go to Watkins itself - a company with a 135-year history, and a solid reputation for quality.

In January 2003 I earned an all-expense paid vacation to Ireland with Watkins, and in July 2003 reached Bronze Manager level with the company. I am finally making more with Watkins that I make at my job, and look forward to finally quitting my "day job" in 2004 to work Watkins full-time. After 5 1/2 years I love the products, and the business even more than when I started! I can't tell you how great it feels have some "control" over my own future!

Though Watkins won't be the "right" business for everyone, I hope that my story will at least encourage others that are looking into starting an online, or home based business to know it is very possible to be successful at it!

My best advice on being successful in whatever business you choose is:

Online Home-Based Businesses

#1 -- If you have a craft hobby, and want to turn that craft/hobby into a business, I would do as much research and business planning as possible on how you will market your products, advertising costs, time required, etc. A hobby that has low cost supplies and is something that would be popular any time of year could make wonderful products for a business.

#2 -- If you decide to go with an established company, and market their products, choose a company that has a solid reputation by doing some research first. Choose a company whose products you will buy yourself. If you wouldn't buy the products you sell, you can't expect others to either! Besides, using the products you offer gives you the "first hand experience" with the products, and you will be much more comfortable in recommending them to your customers.

#3 -- Once you choose your business... just don't give up! Many people start a business, and expect to make a "complete living" at it in just a few months. This just isn't going to happen... but if you can learn to appreciate every little bit of extra income you earn in the early months. If you earn $25 the first month... why not add this to a mortgage payment, or pay an extra $25 dollars on a credit card bill, or even save for your next vacation! As you continue to work on your business you will be amazed at how it will grow for you over several years!

Karen Goodale is a manager with Watkins. She is looking forward to quitting her day job and working with Watkins fulltime.

For more information on Watkins products, or the

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business opportunity, please visit her site at:

http://www.homebusinesslife.com

Online Economics 2001: Davids Win, Goliaths Lose

by Daniel Rutter

My day job is at News Interactive here in Australia. I write reviews and a column for the australianit.com.au Web site. And, wouldn't you know it, The Great Dot-Com Purge has now made it to the Dot-Com-Au parts of cyberspace, too.

No names, no pack drill. But if you're an employee of a big company with a stable of Web sites that haven't been paying their way - and which don't have a revenue graph that suggests they're likely to make money before the sun expands to swallow the inner planets - then, ah, pre-paying for your company parking for the next year might turn out to be a bad decision, OK?

So I'm listening to the radio the other day, and a Fairfax mouthpiece (John Fairfax Holdings is a major print-media competitor to News Limited here in Australia) is making sage pronouncements about how News Interactive just laid off a hatful of people. About a third of the total staff.

The Fairfax chap didn't say the obvious, of course - "we're losing a lot of cash too, so either we'll be doing the same thing pretty soon, or we have collectively decided that we're teapots". No, he was talking about how major media

operations that run lots of Web sites must recognise the realities of the marketplace, tra la. And, wait for it, "move towards a subscription model".

Whereupon everybody near me fell about laughing.

Subscription Web sites do work, once in a blue moon. The classic example is the Wall Street Journal site, a one-year subscription to which costs $US59.

But just as every buy-things-online site isn't Amazon, every subscription site isn't the WSJ.

If you're not presenting very high value information to a pretty well-heeled readership, charging subscription fees is just a great way to hugely reduce your server load. Your visitors will sprint off en masse to get the same stuff somewhere else. "Subscription" is practically a curse word among Web venture strategists.

Subscriptions are not a cure for the Fairfax and News Interactive and, for that matter, AOL Time Warner site-profitability woes. All of these organizations have enough financial inertia to run wegiveyoufreecash.com for arbitrary periods, of course; none of them are pruning (or going to prune...) their Internet staff because the whole supercorporation's headed for bankruptcy otherwise. But industry-wide cutbacks are happening anyway, whether or not companies absolutely have to make them, simply because there are lots of sites that don't make money and don't look likely to.

What is the cure for the profitability problem, then, I hear you ask?

Well, nothing is.

Online Home-Based Businesses

This is hardly an earthshaking new discovery I'm about to expound, but since I didn't hear a thousand voices raised in a heartfelt cry of "Bullocks!" when the dreaded S-word was mentioned on the radio, it could just be that some people thought it to be a perfectly reasonable plan. I'll bet you that some people in my office believed it was.

I know that, because plenty of times, when I've been discussing some goofy, badly flawed Web site business model with its merry exponents (at various different dot-coms, not just News), they've said to me "So what do you want us to do? Just give up?!"

Well, yeah.

There's a few online business ideas that are just absolutely raving mad, but some others aren't that bad. They're in some way related to a thing that could work.

There's income, there's outgoings, all you have to do is see if and when the former will exceed the latter.

Often, though, it doesn't take long to figure out that a particular site is not even vaguely likely to generate enough money to cover its costs.

And big media companies have a problem in this respect. They are, by their nature, incapable of doing anything in a small way.

Big media companies have huge overheads to pay. They're companies with three hundred yards of fluorescent lighting, cleaners that come through every night, fire exits to handle an office occupancy of a thousand persons, cafes on the bottom floor and a masseur who comes in on Fridays. They've got

Online Home-Based Businesses

marketing departments, creative departments, programming departments and system administration departments. They've got ads on TV and on radio and on the sides of buses. They've got security guards and parking lots lit all night by metal halide lamps. They're companies with sound and video editing booths, with which they create multimedia content that, rounded down to the nearest thousand, nobody ever views.

All of this stuff, you'll be staggered to learn, costs money.

And so big media companies just absolutely positively cannot make money from sites with relatively small revenue - even though lots of other people can. And do.

No matter what big media company radio interview victims may say, "free to air" Web sites can make money. Plain pay-per-eyeball banner ads are becoming lousier and lousier sources of income with each passing day, but it is eminently possible to get a decent revenue stream from a non-subscription site that does nothing but tell people things.

You just make deals with people who sell products or services relevant to the audience you attract, you don't surround the links to your sponsors with "CLICK HERE TO SUPPORT THIS SITE" exhortations, and the sponsors therefore get a decent flow of people who are genuinely interested in whatever they're selling. The click-through rate may be lousy, but the value per click can be very high.

Establish this value - which, thanks to referrer tracking, is much easier than telling whether print or TV or radio ads work - and Shazam!, you've got yourself a business model.

But it's still not likely to add up to nearly enough money to cover the outgoings of a major media company.

Online Home-Based Businesses

The clincher, the simple point, the open secret that nobody in a major media organization with a Web arm - which is all of them - ever mentions, is that sites with a very small staff and none of the big-company overheads can compete very effectively with a large number of the major-leaguers.

I should know this. I've got one - dansdata.com.

Dan's Data is my part-time hobby site. It makes me about the average Australian wage, all by itself.

Its staff is as follows:

1) Me.

Its premises are as follows:

1) My bedroom.

OK, that's not counting the input of my friend who spends 20 minutes now and then to unwedge the server when it gets puzzled over something. But I pay not all that many dollars to have the site hosted by a big US outfit, and I've signed up with a few Web ad companies for pocket-money ads, and I've got a deal with Aus PC Market for more lucrative click-throughs (and no, if you click on that link just there, it will not make me any money). Dan's currently gets about a quarter of a million pageloads a month.

If I switched to working on dansdata.com full time, I could roughly double its revenue, I reckon. Which would make it a perfectly worthwhile gig by itself, for one person.

For two people, it'd be a lot less exciting. No way could two people make the site twice as valuable as one.

Online Home-Based Businesses

For four people, well, I suppose it'd beat being on the dole.

And if this site were a property of a big New Media venture with no option but to tie it in with the rest of their progressively synergistic hybridized multi-tiered leverage paradigm, thereby forcing creative people and marketing people and coders and sysadmins to spend time on it, Dan's Data would be a dismal flop.

Oh, it might make one or two hundred thousand Australian dollars a year. Maybe quite a bit more, if the sales people managed to pull in serious ad deals. There are lots of sites that make that kind of money.

And it could have a couple of reviews a day going up, and news as well, and Java games and competitions and buy-me links to whatever affiliate site suited the owning company. I could be Executive Editor or something, and a few other journos could help me push through the product.

It'd certainly look a lot nicer; it doesn't take a design guru to look at the site and see that as an HTML and Photoshop guy, I make a great hardware reviewer.

But once you subtract the wages for all of the cooks that have a hand in making the big media company broth so tasty, you find you're back in the red for things like news and review sites. My site's better focused than most, and it's got a good niche; computer hardware enthusiasts tend to have a hard time keeping money in their wallets. If you've got a sports news site, you'll find it much more difficult to converting eyeballs to dollars.

So there's only so much gold in them thar hills. Big companies may be able to get hold of more of it by digging a big expensive mine, but it turns out that single people squatting

by the river with a pan end up with better margins.

This is an unusual phenomenon. In traditional media, as in most areas of enterprise, the big boys can almost always do a better job. There are huge economies of scale, and revenues generally increase arithmetically with the audience.

But in the Web world, entry and operating costs are ludicrously low, and you don't need a zillion people or any large expensive objects. A popular site needs a serious server - even little old Dan's Data pumps out around ten gigabytes a month - but someone else will do that for you for a few hundred bucks a month. You don't need broadcasting licenses, distribution networks, warehouses, janitors, security guards or helipads.

Now, this argument doesn't work for every kind of content-focused Web endeavor. Particularly those that primarily just repackage existing content from newspapers and TV shows and so on. They can be quite lean and mean, and provide plenty of reader value for not much expense.

How much readership they leech from the things they repackage is open to debate, of course, but viewer and reader numbers are even more fudgeable than Web statistics. No worries, mate.

But if you're a big media outfit with tens of millions of dollars to spend, your stable of, say, 20 sites, isn't going to be all lean and mean. You're going to want a tick in every box.

Does someone else have a gambling site? Then you need a gambling site!

Does someone else have an auction site? Heck, we'd better get our slice of the pie!

Online Home-Based Businesses

They've got a real estate site! And a job-hunting site! A dating site! A restaurant guide! Webmail! Stock tickers! Horoscopes!

Why don't we have that stuff!? Let's get it!

Something must be done, this is something, therefore we must do it!

Now, don't ask me why on earth a US company would want to start a mainstream book-shopping site when Amazon already exists. Or why anyone would start a new auction site in a market already well served by Ebay. Or an Aussie gambling site when you can already go to the William Hill site, belonging to a big British bookmaker, and place credit-card bets on Australian sporting events in Australian dollars. Or on Spanish sporting events in Norwegian kroner, for that matter.

I suppose companies do this sort of thing primarily because they can. They've got the budget. You've got to spend money to make money, old chap. Heaven forbid you should bite the bullet and hand some of the dosh back to the big boss.

If your half-baked Web ideas turn out to be big winners, you're a hero, after all. If they flop, then oh well, the market changed and you changed with it, lessons must be learned, plenty of jobs out there for experienced management, what a wild ride, eh?

It would appear that this particular roller-coaster's trundling back into the station, now, and a significant number of the passengers dropped out of their seats on that last twisty bit. Tolerance of online concepts that looked like duds to start with and have been proven to be just what they seemed is now in short supply. Never mind whether the shakeout happened in a smart way or a silly one; it's happened.

And now that it has happened, on the large scale to various dot-com big boys and in a small way to the scads of unfortunate minnows who signed up with now-dead site networks, perhaps fewer of us will find ourselves working in places that feel like one big consensual hallucination.

I probably will.

You see, when News Interactive rolled out the guillotine, I got the chop. I'm only going to be there for a few more days.

Maybe I'll be back as a contributor. Maybe I'll write for The Australian and have my work put on the Web along with all the other newspaper people. Maybe I'll do something else.

It's been nice being a remora on the side of this particular whale, though. And you'd better believe that if I find a cushy gig at some other place that I don't think has much clue about where it's going, but which clearly has lots of enthusiasm to pay me big bucks to push it along, I'll take it.

See? The little guy wins again.

Daniel Rutter runs a successful site at http://dansdata.com offering hardware and software reviews, hints and tips, how-to articles and other computer information.

Physics Exam

The following concerns a question in a physics degree exam at the University of Copenhagen:

"Describe how to determine the height of a skyscraper with a barometer."

One student replied:

"You tie a long piece of string to the neck of the barometer, then lower the barometer from the roof of the skyscraper to the ground. The length of the string plus the length of the barometer will equal the height of the building."

This highly original answer so incensed the examiner that the student was failed. The student appealed on the grounds that his answer was indisputably correct, and the university appointed an independent arbiter to decide the case. The arbiter judged that the answer was indeed correct, but did not display any noticeable knowledge of physics. To resolve the problem it was decided to call the student in and allow him six minutes in which to provide a verbal answer which showed at least a minimal familiarity with the basic principles of physics.

For five minutes the student sat in silence, forehead creased in thought. The arbiter reminded him that time was running out, to which the student replied that he had several extremely relevant answers, but couldn't make up his mind which to use.

Online Home-Based Businesses

On being advised to hurry up the student replied as follows:

"Firstly, you could take the barometer up to the roof of the skyscraper, drop it over the edge, and measure the time it takes to reach the ground. The height of the building can then be worked out from the formula H = 0.5g x t squared. But bad luck on the barometer."

"Or if the sun is shining you could measure the height of the barometer, then set it on end and measure the length of its shadow. Then you measure the length of the skyscraper's shadow, and thereafter it is a simple matter of proportional arithmetic to work out the height of the skyscraper."

"But if you wanted to be highly scientific about it, you could tie a short piece of string to the barometer and swing it like a pendulum, first at ground level and then on the roof of the skyscraper. The height is worked out by the difference in the gravitational restoring force T = 2 pi sq root (l / g)."

"Or if the skyscraper has an outside emergency staircase, it would be easier to walk up the staircase and mark off the height of the skyscraper in barometer lengths, then add them up."

"If you merely wanted to be boring and orthodox about it, of course, you could use the barometer to measure the air pressure on the roof of the skyscraper and on the ground, and convert the difference in millibars into feet to give the height of the building."

"But since we are constantly being exhorted to exercise independence of mind, undoubtedly the best way would be to knock on the janitor's door and say to him, 'If you would like a nice new barometer, I will give you this one if you tell me the height of this skyscraper'."

The student was Niels Bohr, the only person from Denmark to win the Nobel prize for Physics.

Why do Most People Fail to Make Money on the Web?

by David Lim

Success in any venture, whether online or offline, big or small, can almost be 100% assured, given enough time, drive and capital.

But we live in an impatient society - people to meet, places to go, things to do. This Internet venture is just one of many things that you want to do.

You just want to "get it done", or succeed, and move on.

So, what is the quickest and best way for you to do it?

The first step would be to study those who have come before you, and failed. Failure, in itself, is not bad. There are many successful persons who have said that it is failure that have brought them to where they are now.

But failure is a waste of time.

So, take some time to look through the following examples of how people have failed. Study them and make sure you understand why they failed. You will save a lot of time and money, by not making the same mistakes.

MLM Programs

You may be lured by MLM programs promising easy money. The advertisements will typically have words like "prelaunch", "forced matrix", "spillover", "explode" and "get in early".

The advertisements will generally give the impression that the programs are new, and that if you get in now, you can sit back while somebody else builds your downline, or does the work, for you.

I suppose there may have been some rare cases where you reap the rewards while somebody else does the work, but most of the time, those expecting easy money will be disappointed.

Unless you have some insider information, by the time you find out about a (launched just minutes ago) program, many thousands before you would have found out about the same program...and they will be sitting in the choice spots that you thought was yours. :(

There is good money to be made in legitimate MLM programs, but it still boils down to pure hard work.

Shopping Malls

Some have built shopping malls with a wide assortment of products. They have stocked the malls with everything from pencils and rulers to the kitchen sink, and more. The rationale is that with a wide selection, there will be something for everybody.

They will proceed to promote their malls in free classifieds, ffa links and banner exchanges. Some may even pay for advertising.

They will get a trickle of traffic from their advertising, but many of them will not even sell a single item!

Web surfers are generally more interested in looking for specific information rather than shopping. If you were to offer them what they need first, and then attempt the sale, you would probably do very much better.

That means building a site or mall with a narrow focus, catering to a specific audience.

Paid to Surf the Web

There are many sites that will pay you for practically anything that you do online, including reading email, visiting sites, searching, chatting, playing games and even listening to the radio.

I guess you can make a couple of bucks from such programs but I don't think anybody has managed to make serious income from such programs.

Automated Marketing Systems

And then there are those marketing automated systems. Invariably they will start with what you already know - that Internet marketing is hard work, that it isn't easy to succeed, and that it takes a lot of perseverance.

And they will tell you that most will eventually fail.

They will continue by claiming that after years of experimenting, they have come up with an automated system that does the recruiting, selling, marketing or whatever else needed. A system that guarantees your success.

All you have to do is to follow their system to the letter, and you are on your way to riches.

There are many variations on the above theme, too many to go into here. Generally, you will be asked to pay a one-time fee, or a monthly fee, or do some grunt work and you will get a reward that is ridiculously disproportionate to the work, or intelligence, or money that you put in.

If you are tempted, as I have been, ask yourself this question:

"If I did develop such a system, would I sell it at such a low price?"

or

"If I did develop such a system, would I be selling it at all???"

I built a great site but nobody came

There will be some that have done their homework.

They will have decided on the theme for their site, registered their domain and built their site. They optimized their pages for the search engines and submitted them. They approached webmasters of similar sites and exchanged links. Some may

even have started a newsletter.

And then they waited for the masses to come.

Three months passed and a trickle of traffic started to come into the site.

Another three months but the expected torrent of traffic just refused to materialize. And they gave up in disgust.

Actually, this group of people had it right. But they were too impatient.

The process of getting decent traffic to a site is like falling dominoes - the first falling domino will hit the second one, which will hit a third, which will hit a fourth, and so on. The dominoes fall one at a time, not all at the same time.

Similarly, it takes time for you to promote your site and get it listed in the search engines. This will bring in some traffic resulting in more people knowing about your site and more links to your site. Which leads to a better ranking in the engines and more traffic. Which leads to even more links leading back to your site and an even better ranking in the search engines. Leading to even more traffic and....I think you get the picture. ;)

But all this takes time. It probably may take up to a year before you can get any sort of decent traffic to a new site.

I'm sure that you can think of lots more ways that a person can fail on the Internet. On the whole, I think you will agree that failures can probably be traced back to one or more of the following factors:

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- a lack of understanding of Internet marketing
- a lack of drive
- a lack of patience
- greed

We are all subject to the above "sins". Get it under control and you WILL start making money from the web.

David Lim is the webmaster of QuittingYourJob.com, a business resource for the entrepreneur looking to start, or grow an online home-based business.

This article may be reprinted freely, provided this resource box remains intact.

Why Some People Will NEVER Succeed, No Matter How Hard They Try....

by Lee Benson

After being an online marketer for over four years, the truth FINALLY hit me. I'd absorbed so much hype and so many worthless marketing strategies and, worst of all, I'd seen and heard WAY too many failures to count, that the powerful thought of realization conjured in my mind.

I had what alcoholics would refer to as a "moment of clarity". And at the risk of sound enthralling, my "Internet Business Enlightenment" hit me like a brick.

What had happened?

My business buddies had come and gone in their bucket loads. My trusted friends who once spoke with raving ambition in their voices had died from the scene and left me with nothing more than the memories of the hopes and ambitions that had once powered their aura.

Metaphorically, the Internet appeared in my mind like a ghost town. The houses, that once provided shelter for the world's most motivated ambitions, had now been boarded up and a

Online Home-Based Businesses

"For Sale" sign hangs outside.

In literal terms, I'd seen my "best net friends" drop from my ICQ contact list like flies. I was suddenly noticing returned mail errors when I tried to contact my business mates by e-mail, and the worst feelings came when I received notifications of their intent to quit.

WHAT WAS GOING ON? Why Did I Feel So Strongly?

To put it bluntly, the ambitions that once were, died. My most regular contacts online had quit this Internet marketing 'lark'. Quite simply, they realized the hype.

They were sick and tired of spending endless amounts of cash on worthless marketing techniques, wasting hours of their life on pointless promotional junk, and getting ripped off by the "get rich quick" nature of the 'net.

They had given Internet marketing "the finger", and in return it had given them a bad taste that would plague their mouth every time the phrase "make money online" was mentioned. The worst thing is, tens of thousands of folks that I don't even know go through the same thing EVERY year.

* And honestly, is it at all surprising? *

Every search I do for "Internet marketing" churns up 100s of worthless websites, plagued with affiliate links, bad site design and promises of millions. The limitations of off-line business has been removed, and so has given way to a world of hype, scams, lies and false hope and promises.

No wonder thousands of businesses are actually LOSING money online. It's like a mine field. Thousands walk through the field, thousands get blown up and disappear, and only a

few people actually make it safely to the end. WAKE UP EVERYONE!

You want to know WHY I'm still here after this time, owning a successful business that I run from the home office? Want to know WHY I haven't joined the rat-race that I see clog up the roads at 9am and 5pm every day? Want to know WHY I don't quit, throw in the towel and say goodbye to all of this HYPE?

The Answers:

1. I don't listen to any of it! Although I'm NEVER skeptical of life's possibilities, I am realistic. Sure, you CAN become a raving success online. But why take advice from the self-proclaimed gurus that haven't achieved it?

2. I keep a VERY open mind to my own possibilities and have confidence in my own judgments. I know that by thinking in a successful and positive frame of mind, I can achieve it.

3. I DRIVE myself with a burning desire of true success, and will absolutely stick to that at all costs. My tenacity (persistence) grows every day, I stay focused at ALL times.

4. I work like heck and learn everything I can. Over the past few years I've learned more than my entire school education taught me in terms of real-world practicalities and skills.

5. No matter what life throws at me, no matter how much the circumstances can hurt, I stand up and say "I'm not affected". I NEVER give up. I NEVER quit. I keep striving for success.

So What Will You Become?

I'm going to tell you something now that I wish I'd been told a long time ago. Internet success doesn't come from a few

search engine submissions, worthless FFA postings and a site plagued with affiliate links. It comes from UNIQUE ideas, with UNIQUE creations, fueled by an over-powering ambition to SUCCEED.

You have two choices. Join the FEW who discover that the Internet (like so many things in life) takes hard work, smart thinking and a positive attitude for success... Or join the THOUSANDS that follow the hype, waste time and money, and die the Internet death.

Those two paths await. Which route will YOU take?

Until next time, Lee Benson, the SUCCESSFUL British Marketer.

Email: lee@ezinetactics.com

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Lee Benson dedicates his life to Internet marketing and the principles behind creating SUCCESSFUL online websites. Use his powerful formulas for success and learn why his PRACTICAL tips are producing THOUSANDS in profit. You can read Lee's exciting life story and success info at http://www.ezinetactics.com.

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About The Author

David Lim is the webmaster of <u>QuittingYourJob.com</u>. It is a site that offers information, advice and resources for a newbie looking to start and run an online home based business. Probably the best thing about this site is that it tells it like it is, without any of the hype that is so typical in other similar sites.

David Lim is an engineer by profession. But when he lost his job in 2003 because the company folded, he decided that it was time for a change and started learning about marketing on the Internet. He still does engineering on a freelance basis, which can take up a lot of his time. He spends the rest of his time maintaining, improving and looking for new ways to promote his site.

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