



Website Startup Guide - Mix and Match Your Advertising Offerings

There are literally thousands of people out there right now who want to start their own online business. The problem is where to begin and how to get started.

Oh sure, they know they can buy a domain and a web hosting account, but that is not the problem. The hold up is that they don't know what to sell on their websites that will allow them to make a nice income to supplement the income from their regular jobs.

Day and night, people browse this World Wide Web looking for a hint or an insight that will point them in the direction of the next big thing on the internet.

Let's be honest. Most people who want to start an online business are only looking for enough extra income to pay an extra car payment or to buy some clothes for their kids. Not everyone is looking to get rich online.

Looking For Something To Sell

Most people online who are looking for an opportunity to make money look first to common themes of products they already buy.

If you go to Google and type in "flowers" for your search, you will find 339 million pages found. If you take the same search to Yahoo, you will still find 202 million results. With that kind of competition, why would anyone want to try to break into that industry as an online entrepreneur?

Suppose the next thought takes the aspiring entrepreneur to “jewelry”? A Google search will turn up 551 million to Yahoo’s 261 million pages. Again, why would someone try to tackle such an overcrowded marketplace?

On top of that, as part-time entrepreneurs looking for some extra money, they don’t have the time or resources to try to knock heads with these major corporations who run the competing websites in these markets.

Add to that the need to handle actual products and product fulfillment, and your part-time start-up entrepreneur really starts to lose interest. People tend to shy away from product fulfillment related industries. Their homes are already crowded enough without adding retail products to their space.

Something To Sell That Does Not Require A Warehouse or a Huge Investment

It is at about this time the opportunity search changes gears. There are many forks in the road, and the road you choose can be as hard or as easy as you make it for yourself.

Where to go from here:

1. Digital products – E-books and Software
2. Product Drop-Shipping
3. Affiliate programs
4. On-site Advertising

Let’s look at each one of these individually:

Digital Products – E-Books and Software

We all have some kind of knowledge to share. If you determine that you have some kind of knowledge that you can share, then there is likely someone out there in the world who would be willing to pay you to obtain that same knowledge.

E-books are an ideal way to disseminate this information. With the e-book format, there are no printing costs, since your book is stored as a digital file. Self-publishing a digital ebook is not nearly as hard as you might think it would be.

Software is a similar beast. Since it is a digital product, you don’t have to cover the costs of packaging and distribution. You can sell your software online, cutting out the middleman, keeping the extra profits for yourself.

Product Drop-Shipping

Some wholesale companies will allow you to buy products from them on a piecemeal basis. Of course, the cost is a bit higher than what it would be if you bought products a pallet at a time, but the convenience to you more than makes up for the additional cost.

The “drop-shippers” allow you to sell a product to your customers, and then you can take the money you collected from your customer to the drop-shipper. The drop-shipper will ship the product directly to your customer.

In some cases, the drop shipper will even put your own custom label on the outside of the container, making the fact that you used a drop-shipper completely unseen by your customer.

To find wholesale companies who offer drop-shipping services, check these folks out: <http://www.myaffiliateprogram.com/u/worldwid/b.asp?id=3601>

Affiliate programs

With an Affiliate program, you can register with a seller, and the seller will give you a unique URL that you can use to promote their products or services. When someone uses “your affiliate URL” to visit the seller’s website, the seller will track that person until the visitor leaves the site. (Some Affiliate sellers will drop a cookie on the computer of the visitor, and if that person returns to the seller’s website within one year, then you will get credit for that visitor returning to the seller’s website.) If the visitor buys a product or service from the seller, then your account will be credited for bringing a buyer to the website. This will result in your earning a commission for bringing the buyer and seller together.

On-Site Advertising

Both Google and Yahoo’s Overture services offer an option to webmasters to carry their advertising on your website. When someone clicks a link on your website and visits the advertiser’s website, then you would get paid a small payment for having connected the potential buyer to the seller’s website.

This is a type of advertising that pays you when someone visits the seller’s website. Contrast that with the Affiliate program, which pays you when someone buys a product from the seller’s website, and then you can see the fine line difference between the two types of advertising.

How Much Can You Make Utilizing On-Site Advertising?

Truth be told, there are a lot of people on the internet who makes tens and hundreds of thousands of dollars per month --- yes, I said, "per month" --- using only Google's on-site advertising program, called AdSense. The rest of us make hundreds or thousands per month.

The truth is that with Google's contextual advertising program called AdSense, your income is based on what the advertisers are willing to pay for your traffic and how much traffic you can generate.

The Profit-and-Loss Factor for the Advertiser

It is a matter of profit-and-loss for the advertiser. If the advertiser pays one dollar for a visitor, and every 35th visitor buys what the advertiser is selling, then the advertiser is getting one buyer for every \$35 spent. If the advertiser's profit margin is enough to afford spending \$35 to acquire one customer, then the advertiser will feel his advertising is worthwhile, and he will keep on coming back for more advertising.

If on the other hand, the advertiser is only earning a gross profit of \$20 per transaction, then he or she will have a hard time justifying the \$35 advertising expenditure.

This is why you will find that most Google and Yahoo advertisers are only willing to spend 25 or 50 cents to get one visitor to their website.

And then depending on a number of factors, you will only earn 30-50% of the gross revenue that Google or Yahoo earned for that visitor.

Taking the lowest case denominator approach, 30% of 25 cents is roughly eight cents that you will be paid for each visitor that you send to an advertiser.

Some of these guys who are knocking down ten thousand dollars a month are actually doing so at eight cents per click! What is their secret to success? They are getting thousands of people to visit their website everyday.

The Profit-and-Loss Factor for the Affiliate Seller

On the flip side, let us take a look at the same scenario for the Affiliate seller. Instead of paying for visitors, advertisers are paying for actual sales.

The Affiliate seller knows his or her margin well enough to know that they can afford to pay anywhere from 2-50% of the actual transaction amount to the person who referred the buyer to their website.

The Affiliate seller is not paying for advertising on a gamble, instead, they are paying for advertising on a sure thing.

It is not unheard of to earn \$20, \$50 or \$200 on a single Affiliate sale transaction.

If you are able to convert one person in thirty-five to buyers of an affiliate product or service, you could conceivably make more money with less traffic, than the guys knocking down the big bucks with AdSense.

Mix-and-Match For The Greatest Success

This is really important to your bottom line. If you fail to heed my advice, your website may fail to survive.

Unless you are the owner of a product or service sales website, then you will be relying on the various advertising opportunities to survive.

You are best to mix-and-match your offers for the greatest success. Yes, do set up Google AdSense on your site, but also set up Affiliate programs on your site.

You may sell a few products each week, and the sale from those products might make a good income for you. But, for the people who arrived on your site who are not interested in your main offering, give them another advertisement to click on before they leave. This way, you can get the Pay-Per-Click advertising revenue from those people who chose not to buy the products and services that you are selling through the Affiliate programs.

Diversification Is Your Key To Success

Don't let yourself be fooled by the idea that you can be profitable with only one product or service offering or advertising revenue generator. Many people have entered this medium with a Made For AdSense (MFA) site, and many of those people have gone out of business in just a few months.

Don't put all of your eggs in one basket. Or else, when you fall, you will have nothing to show for all of your hard work.

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