

Internet Business Models

Chapter 1: Introduction

Internet Marketing 101

Welcome to “”. In this book, I will take you by the hand and lead you step-by-step as you learn all about the basics behind marketing online.

So what makes me qualified to teach you this? Well, simply because I was a newbie at one point in time and since then had been making a living online!

What This Book Will Teach You...

This book is written in layman terms. I will not confuse you with a whole bunch of HTTPs, FTPs, HTMLs, SEOs, SERPs... It is written in a way that is simple enough for ANYONE to understand (yes, you don't need to be a techie or have a masters degree to understand the principles in this book).

Although the target audience in this book are total newbies, experienced marketers will still be able to pick up a thing or two. After all, pride and presumption turn off our minds the same way a closed parachute is useless – both only work only when they are OPEN!

You will learn all about popular Internet marketing business models, the correct mindset, the right way to plan your work and many more tips and tricks on how to get started the RIGHT way!

What This Book Is NOT About...

This book is NOT a magic pill. There is NO get rich quick scheme. If your idea of a business model is to earn money without providing value to others, then you are on the wrong ship.

The best education... is **REALIZATION**. There is no seminar, E-book, audio interview or video tutorial that will make you a whiz at Internet marketing. Developing the skills of an Internet marketer is just like riding a bicycle – you don't learn to ride a bike by reading the instruction manual! It is very personal and practical at the same time!

There are many Internet marketing models available. Each and every one of them can bring you lots of money; some might even make you a fortune!

This book does NOT presume to give you the secret formula for every business model because it is impossible! There are just too many ways to make money online. But what I am going to do for you is present the popular business models in layman terms and lead you on a path of self-realization so that you are very clear what you want to do and how to develop your own skills online!

Start Investing In Your Education TODAY!

There is no such thing as a free lunch in this world. There is no one in this world who is willing to share their 'rice bowl' (a Chinese term for source of income) with you so if you want to get something done, you must do it by yourself and invest in your education.

So let's get started immediately!

Chapter 2: Getting Started

Developing A Winner's Mindset

Did you know that there are more than 90% of people who attempt to start an Internet business fail to make a stable income online much less break even?

The statistics are scary – the same way most 'real world' business startups fail within their first two years of operation (and those that DO survive, struggle to make a profit due to competition and rising costs!)

However, most of the failures can be traced to one problem – a wrong mindset!

Now, I know you are probably thinking, "Yeah, yeah... attitude is everything, be positive, blah blah blah... (not one of those motivational pep talks AGAIN!)"

If you think you have 'arrived', then you probably have a long way to go. So you must always have a teachable attitude!

However, having the correct mindset isn't just about having the right attitude ALONE... you must also have the proper vehicle that will get you to where you want to go.

Allow me to give you this simple illustration.

Having the positive attitude is very important, no doubt... but without the right vehicle for success, you are no different than a person driving a car with the WRONG ROAD MAP!

You can be really determined... but you are just wasting gas and driving in 'circles'!

You can be really positive... to the point that driving around in circles doesn't even bother you at all! (After all, you are so positive, you probably wouldn't even care if you are wasting gas!)

You can even get really fired up (like what they do to you in motivational seminars telling you to PURSUE YOUR DREAM) but it will only get you to the wrong place faster!

Make no mistake about this. A lot of people out there are totally fired up about making money online and starting their first Internet business. But if you do now have an understanding about how to generate traffic, building a relationship with your target audience, pitching the right offer and doing things properly, it is very hard for you to succeed with just pure determination alone.

In the next few chapters of this book I will go into more detail, but suffice for you to know for now, you must develop the proper mindset which is

Good Attitude + Right Vehicle = Guaranteed Success!

How Many Hours Should I Spend Online?

People ask this question a lot. Most of them ask this out of fear because they find the idea of spending hours in front of the computer petrifying...

The question is NOT, "How many hours should I spend...?" but rather, "**How should I effectively spend my time online?**"

To set the record straight, the key to building a successful online business is directly related to your level of passion.

A person who is truly passionate about spending his time online will no doubt achieve success much easier compared to a person who grudgingly drags himself in front of the computer and does the bare minimum.

There are many business models on the Internet that you can use in regards to your passion. You can blog about your favorite hobbies all day and people will be able to see your passion.

Well, if you really want a rough figure, it really depends on your aptitude. If you love to surf the Internet and you are fairly competent with computers, you can get by with 3-4 hours a day (assuming you use your time productively). If you are not technically savvy, you might have to work twice as hard (but with the right attitude, you can outsource most of the tasks and be the 'brain' rather than the 'hands').

Chapter 3: The 6 Phases Of A Marketing Funnel

TRAFFIC

LEAD CAPTURE

BUILD RELATIONSHIPS

SELLING PHASE

MONETIZATION

AUTOMATION

Building a business online is actually quite similar to building a business offline. The sales process is similar but the actual ways to do it is summarized in 6 simple steps:

- Building Traffic (Getting your customers to your website)
- Lead Capturing (Getting the casual window shopper into your customer list)

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- Building A Relationship (Getting your customer's trust)
 - Selling Phase (Pitching the right 'offer' to your target audience when all the variables are right – doesn't need to be a product that you can sell)
 - Monetization (Making money out of the people who visit your site)
 - Automation phase (Repeating the entire process over and over again having them fully automated and making money for you while you sleep!)

Traffic

Traffic is probably one of the most important aspects of the entire funnel. You can have the best looking shop, the most beautiful products, even top-notch customer support, but if you don't have a sign that leads customers to your doorstep, you would be out of business very quickly.

However, not all traffic is created equally. There's untargeted traffic, and targeted traffic! Just because someone offered to sell you a list of a MILLION subscribers for a thousand bucks doesn't mean that you are going to be the next Internet marketing champion...

So how does one easily find loads of targeted traffic? You must determine these 3 things:

- (1) They are willing to spend money to buy stuff**
- (2) They like what you are selling**
- (3) They may or may not buy from you depending on the situation**

These are very obvious truths, but before you say, “I’ve heard it all”, think again! Freebie seekers are NOT your idea of targeted traffic, after all, we start an Internet marketing business to MAKE MONEY by selling products, otherwise we would be known as an Internet marketing giveaway store.

Secondly, when they are willing to spend money, you have to sell them stuff that they WANT to buy – don’t sell a steak to a vegetarian (it’s not about the price).

Lastly, some will, some won’t... SO WHAT? Even when all the variables are right, some people just won’t buy from you (maybe not today)... that’s just the way people are! Some buy when the timing is right. Some prefer to buy right after they get their paycheck, but keep all these people in your pipeline. You will never know who might turn out to be a solid buyer one day.

Lead Capture

Lead capturing consists of setting up two very important tools:

- **Your landing page/squeeze page/opt-in page**
- **A product to giveaway**

Now, to be realistic, this is just part of the picture. Actually, writing a good squeeze page requires one to write an attention-grabbing headline, convey benefits and so on and so forth. But basically it covers the two important aspects – you are giving away a FREE report in exchange for the visitors’ name and E-mail address.

That is the purpose of a squeeze page – you direct targeted traffic to your squeeze page, and you capture their contact information.

Build a Relationship

You've got their name and E-mail – what next?

Advertising experts have claimed that a person seldom commits to a product unless they see the same product over and over again for at least SEVEN times!

Does that mean you build a relationship by telling them to buy your product seven times? Of course NOT... but actually yes... if you do it in a subtle way.

The key to building a strong relationship with 'cold' prospects is to provide value to them through your autoresponder (more on this in a later chapter). Value could be small or big – even good advice will 'warm up' your cold prospects.

Because once you got their attention and they start listening to you, you can be sure to pitch them some of your wares and encounter less resistance.

The Selling Phase

It's time to get to the bottom-line of Internet marketing. We all want to make money and the best way to do so is to sell them our stuff (or sell them other people's stuff otherwise known as affiliate marketing).

This is when a properly crafted sales letter comes into play!

Do not worry if you are not a trained copywriter. When it comes to affiliate marketing, all the marketing materials are all done for you! All you need to do is pick a GOOD

product that gives a GOOD conversion and all you need to do is dump all your targeted traffic there!

But most important of all, you have targeted traffic, you've built a solid relationship with them and you've also identified their needs – what they want to buy. Once you've met all those points – get ready to make some sales!

The Monetization Phase

Building an Online business is all about making money. After all, what's the point of getting into a business (other than pleasure) if it is not about the profits?

There are 4 main ways you can make money online:

- (1) Sell Your Own Product** – You could charge for membership access, sell E-books, audio interviews or video tutorials.
- (2) You Can Promote An Affiliate Program** – All of the above in the first point except that you are not the one in charge of conversion and product creation. You get paid commissions for each successful sale!
- (3) You Can Sell Advertising Space** – Instead of selling products, you can 'rent' the space on your websites, blogs or membership sites and sell links, pay-per-click advertising, pay-per-impressions advertising or a 'monthly rental' fee
- (4) You Can Sell a Service** – you can sell your services online as a voice-over artiste, copywriter, ghostwriter, pay-per-post blogger or even a graphics designer. You don't even need a sales letter for selling your services. Sometimes, you don't even NEED to be the one doing the service because you can act as a middleman!

The Automation Phase

I won't go into much detail here because of the technicalities involved, but basically it makes (good business) sense to optimize and streamline all your processes so that it becomes as automated as possible. You either automate through hiring people to do the menial tasks for you or you setup enough traffic sources through your reputation or content sites to drive enough traffic while your websites do all the work.

Chapter 4: The Path of The Marketer

Here are the two main paths you can choose while you are online. They are generally regarded as two schools of making money online:

- **Internet marketing**
- **Niche marketing**

The Way of the Internet Marketer

Internet marketing is targeted at those who want to focus on these industries:

- Business opportunity niches (creating businesses that is targeted towards people looking for new ways to earn extra income)
- Making money online via teaching others how to make money online (coaching or marketing to other marketers)
- Network marketing opportunities (or other opportunities involving multi-level compensation plans or recruiting other recruiters)
- Reseller niches (focusing on marketing E-products to OTHER resellers such as resell rights, private label rights, private label graphics and many others).
- Any other money making niches whose target market focuses on others who want to make more money.

This industry is usually more competitive and aggressive. However, the target market is usually more willing to buy, usually have more cash flow and have a fixed running cost that they will spend on to keep their businesses going.

The Way of the Niche Marketer

On the other side of the coin, we have niche marketing. This term is coined because the marketers who focus on this niche target end users that mostly exclude the niches mentioned in Internet marketing.

In other words, niche marketing is everything else that Internet marketing (or business opportunity niches) are NOT.

They focus more on the end user in non-Internet marketing niches.

Here are examples of niche marketing:

- How to take care of your pets
- Healthy living or weight loss
- Self-improvement and motivation (although it may intertwine with make money niches sometimes)
- How to buy cars or other entertainment
- Hair growth or beauty
- Music or movies
- Any other niches in everyone's daily life that people are willing to search for information for.

These are just a few examples, but I think you get the idea who niche marketing targets. Basically, they focus on the end user and not opportunity seekers and resellers. These niches have a market of their own and it usually has much less competition compared to the make money online niches.

Monetization techniques for this niche usually involve Google AdSense (if you are using the publishing model) or affiliate marketing. You can even create your very own product if you want to if you are an expert in a niche (for example, if you are good at playing designer board games, you can design guides that teach people how to excel at board games).

Chapter 5: Popular Business Models

This is not an exhaustive list but it should give you a general idea on what are the best business models on the Internet...

Your Own Product

While you can start off promoting other people's products as an affiliate, eventually when you get better with marketing you will want to have your own product.

It gives you more flexibility, control and above all higher profit margin because after transaction fees you keep the rest of the sale!

And you get to step into the shoes of a vendor recruiting affiliates to promote YOUR product – and you leverage off their efforts!

High Ticket Programs

Moving up the ladder, you can offer higher-end training programs such as consulting, coaching and even Done-For-You services to a select few Clients. The great thing about High Ticket is that you don't need to sell so many in order to hit your monthly income goals. It's easier to reach your income goals in chunks of \$5,000 payments than say, \$37 offers.

E-Commerce

If you don't like the idea of selling digital products, that's okay – you can run your own E-Commerce store selling tangible products! While it has its drawbacks, the great thing about physical products is that they are consumables... and that means you get to earn repeat business from loyal customers over and over!

Advertising

If none of the above appeals to you, you can take advantage of your traffic network and sell advertising to other product owners and mailing list owners who are looking to reach more audience who have yet to hear of them.

When you look at the likes of Google and Facebook, their main income comes from advertising... and who's to say you can't do this at least on a smaller, personal scale!

So there you have it – this is a roadmap used by most newbies to get going and at least get clarity. This is a crash course and complicated topic simplified. It's now up to you to walk that journey!