

Ideas



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*"Before your dreams can come true,
you have to have those dreams."*

Dr Joyce Brothers

The different business models

There are lots of different ways of making money online. This guide, as the subtitle suggests focusses on e-commerce. That is the sale of goods. However that doesn't mean you have to have products to sell! The lions share of the guide is taken up with and implies through its presentation that you will be running a web shop with actual goods in it. However, I will also show you how to try out and run some other business models as well. You can then very easily interpret parts of the guide to fit your specific situation.

There are even some web businesses where you don't even need a web site! But these are only touched upon. However, again, the guides could be easily adapted should you wish to embark upon one of these business models. The reason that “How to make money online” focusses on the business models requiring your own web site is because having your own presence on the web is, I believe, the only way to achieve the long term goal which I am going to help you towards. That long term goal I am referring to is the business that earns you money when your not there. A residual or passive income if you like. Some refer to it as making money while you sleep. And the very best way of achieving this is to have a web site that does your work for you.

The businesses that can make you money without a web site, tend, without exception, to require significant ongoing maintenance and appraisal with no prospect of being able to just leave it to grow. This in my opinion is more like having a job. The ongoing maintenance and appraisal situation is also true, in the beginning, with a web site based business. But once your site based business is properly up and running, you really can, forget about it. If you want to that is. Here are some explanations of online business types.

Small niche physical retailer

This is where you sell a very small range of products, perhaps less than 25. To facilitate a pleasant shopping experience for your customers while giving you an easy to manage system, it is wisest to set up a 'shopping cart' software system. As the size of your range is quite small you could choose a very simple to manage and install package. However with a bit of extra complexity (covered click by click) you could also use more fully featured software. More soon.

Large niche physical retailer

This is where you sell a larger range of products, perhaps more than 100. To facilitate a pleasant shopping experience for your customers while giving you an easy to manage system it is wisest to set up a 'shopping cart' software system. As the size of your range is quite large you would probably be wise to choose a fully featured shopping cart software package to run your business. Again, more soon.

Single product sales focused

This is where you have just one 'killer' product to sell. Much more effort needs to go into the product sales copy and more care must be taken to make sure everything is just right because if your customers are not enticed by your single product you have lost them. Probably the best way to market this type of product is with a 'simple site'. That is a regular 'hand made' (don't panic templates supplied) web site. A shopping cart in this situation can add unnecessary complexity for you and your customers.

Info-preneur

Do you intend to write lots of really great articles, guides or reviews? Are you hoping to get thousands of visitors each day? You can make money by adding links to other peoples products and selling advertising space and displaying adverts from companies like Google who pay you every time an advert is clicked. You do not need to stock products or have a shopping cart system if this is your intention. What is most appropriate is a CMS (content management system) to organise your articles.

Affiliate marketer

A bit like the info-preneur but highly product focussed. Display and write about products from your niche but instead of selling the product on your web site you refer them through a system of affiliation to the product on somebody else's site and get paid depending upon how many sales you send them. Again, you do not need to stock products or have a shopping cart system if this is your intention. What is most appropriate is a CMS (content management system) to organise your articles and product promotions.

PPC specialist

Pay Per Click is covered but not as a business of itself. Simply you arrange affiliations as above but instead of having a web site you just pay for adverts on web sites like Google and Yahoo. Then you get paid when your adverts turn into a sale for the companies you are affiliated with. The trick to this business model is paying less for advertising than you make in commission from the sale. Although I don't cover this business model in great detail, it would be simple to give a try because how to start and manage affiliate relationships as well as Google Adwords IS covered with regard to promoting your own web site and products.

COMBO (combination of the other models)

Any combination or ALL of the above. This is probably the most secure model! The reason for this is that through diversity you make success more likely and sustainable. If this is your preferred option then you need a CMS and a shopping cart integrated together. More soon.

Business models conclusion

Don't panic about what to do or how to do it. Just make sure you are happy with your choice(s) and I will show you how to do it all soon. Also if you want to take a detailed look at the different paths this book will guide you along go and have a look on www.businessdreams.net and click on **Choose an online business**.

Finding a product niche

You choose. It might be a product, service or pure information site that you are already interested in. Or perhaps something you are expert with, have worked with or sold while in a job. So quite simply it could be anything. But surely I have to make sure there is no competition?

No not really. By choosing a small, narrow category you achieve several objectives. Firstly you become a specialist. People always want a specialist. When you specialise you focus your energy in becoming efficient, customer focussed and successful in a way that the big companies simply cannot. This will become apparent when you look into sales copy (the words you use to advertise), product image/information/details effectiveness.

I would consider a few more things when choosing your niche or your initial product range within your niche. Are these 'expensive' items? If you are going to go in to business selling top of the range vacuum cleaners, for example, then chances are that at some point soon you are going to have to make a hefty financial commitment. And of course once you have gone to the trouble of giving good value and incredible service how long is it going to be before that customer comes back to you? Probably a long time.

On the other hand vacuum cleaner filters would be relatively cheap to stock, repeat purchase and there is of course a wide range of vacuum cleaners giving a genuine opportunity to specialise with a significant range.

Of course I am not suggesting you now dive in to selling vacuum cleaner filters but the three principals mentioned would serve you well if you use them as rules.

- 1) Low investment.
- 2) Consumable (repeat purchase).
- 3) Reasonably wide range.

These days, because of intense price competition on 'high ticket' items, the big retailers slash their margins and then try to make their real profit with add on sales. I recently visited www.comet.co.uk. There plasma and LCD TVs and DVD players are superb value. But then look at a decent quality cable to connect them together. You can spend up to £100! On a cable! Now there's a potential niche market!

Then Google 'TV screen cleaners' and see the array of sites offering fancy cloths and tiny bottles of cleaner for up to £20! And all in one TV remote controls for £50. These are potential niche markets. TV's and other big ticket items are generally not exploitable markets unless you have something really special and unique to offer.

Of course if as mentioned before there is a product or service where you can add something that others cannot then this just enhances the value of your product. Ask yourself questions to get your creative juices going.

What have you done in the past? Have you sold any products before? What are you an expert in? What are you interested in? What do you admire? What products do you think are cool? What jobs have you done previously? What are your hobbies?

Go to the largest retail web sites like Amazon and Ebay. Look at the categories they have. Click on a category and see what sub-categories they have. Click on the sub-category to reveal the sub-sub-categories. This is the type of level where you can find inspiration.

Product ideas

In a way I have already covered how to find a product to sell in the previous section on choosing a niche. But I would like to go into a bit more detail with some more specific suggestions and ideas. If you honestly cannot think of anything to sell yet then I guarantee you will have something or a good lead in the next 10 minutes.

There are a number of sources and niches for products where the scope for new retailers, because of the enormous potential diversity is almost unlimited. Now I didn't say it was an easy arena, just unlimited. The product niche areas I am referring to can be roughly summed up as information, software and publication. Here is an explanation of each.

Information products

This is not the same thing as the info-preneur business model where you entice people to your web site and refer them to the adverts and products of your partners. I am talking about selling information products directly from your web site.

The information could be in the form of an e-book (PDF), voice recording or even a video. What is so great about these types of products is they are extremely cheap and simple to produce a CD or DVD that looks really professional. For example you can get a jewel case, wrapped, printed CD for under a pound per unit and a DVD case with printed disc and insert, wrapped like it would be in a store for just under £2 per unit.

And there are increasing numbers of suppliers who will sell in very small quantities, enabling you to get started at almost no risk at all. I have put an example in the business directory on www.businessdreams.net. Search for 'Disc authoring'.

Or for around £100 and £50 respectively you can get a good quality duplicator and disc printer and churn them out yourself. Although the cellophane wrap, in my mind is well worth the bit extra you would have to pay to have it done by a professional.

This is all well and good you might say, but what information am I going to put on the damn thing?! Easy. Revisit the niches brainstorming session but go deeper. What have you done in your life? What problems are you facing now or have you overcome? Have you stopped smoking at some point, could you do a 90 minute audio commentary to share how you succeeded?

Are you a parent? Have you helped your children to overcome a challenge. Potty training, stop nail biting. I know about a guy making a great living selling a range of products just like this. He has a disabled daughter and wrote about the struggles and joys of raising a disabled child. Everyone has something special or unusual to share.

Yes they are a challenge to produce, maybe they will even take a month or 2. It must be worth it though, to have your own business and the rewards that go with it. There is no limit on the ideas for this type of product. Can you sell? Have you been a manager? Passed your driving test with very high marks? Had a bereavement and you can share your thoughts to help others in the same situation? Can you cook?

The list goes on. There is no end of possibilities. Maybe you can focus on just one REALLY hot information product, or maybe you can introduce a whole range of them? You could even start your own brand.

The information products could be supplied on a CD or DVD as suggested previously or downloaded direct from your web site after payment. And you can create PDF documents for free using the OpenOffice software available via the Resources section on businessdreams.net. I show you how to easily set up downloadable products in the bonus content available on the Business Dreams web site.

Publication

Exactly the same as above except that you can publish your work. You can get a 100 page paperback book with high quality colour cover printed for about £3 per unit. Delivered anywhere in the world, no minimum order. WOW!

Use the niche and information product sections to brainstorm, create a book, manual, guide, cook book, photo album or anything else you like, turn it into a PDF using Open Office and then visit www.lulu.com to go through a very simple online creation process.

LULU could sell your product in downloadable PDF for free, from their site, giving ALL the money to you, or they will sell it in hard back or paperback, but then they keep a small percentage of the

profit. They will also supply your creations at cost price to you directly, to sell from your web site. And, as if that was not easy enough for around £70 (\$100) you can have them attach an ISBN and almost overnight it will be on Amazon and all major online bookshops. It will even be available to order from high street bookshops and libraries.

Other peoples information products

Now lets assume that there really is absolutely NOTHING that you could possibly, write or speak about. No problem, because thousands of authors around the world have created documents and given them away.

You can Google for free PDFs and e-books. There are millions and they cover just about every subject ever written about. In fact I have put a sample of technology e-books, for your perusal in the Resources section on businessdreams.net. The important thing is to read and consider the copyright information and limitations carefully. They are all different and it is important you respect the author/publishers wishes as you obviously don't want to end up breaching anyone's copyright.

Another great source of free material is ODL. That is open document license material. The license is closely associated with the GPL license for software (More in a minute). As long as you adhere to the license you can do almost anything with them. ODL material is especially good for technical work and software manuals. With ODL it is essential to understand the license. You can find high quality ODL material simply by Googleing or if you look on businessdreams.net you will find the superb GIMP graphics editing manual. This in fact is ODL. Find out at www.gnu.org/licenses

The key with any product is marketing your product well. When you are selling a product you obtained for free, you can bet you will not be the only one selling it. Therefore you have to do it right. Now every aspect of selling online is covered in this manual but what can help distinguish you from the crowd is product customisation.

Simply put you find the document you want to sell. Make sure it is of high quality. If you didn't enjoy/find it useful, chances are your customers will not either. Once you have found something great, you can then amend the cover, chapter titles, add in some extra content, take out the bits you didn't like and totally repackage the product. Then what about putting it in a smart cellophane sealed DVD, Voilà! A unique, high quality information product, ready to go in your store. Then why not make a whole range, brand them and build yourself a great reputation, great business and a great income.

As stressed previously, always read and re-read the license to make sure you do not infringe it in any way. If you find something that really inspires you and your serious about it, why not take the license along to a solicitor for a 1 hour consultation, just to be sure you can do with it what you plan?

GPL Software

Don't be put off by the GPL bit. This simply refers to the license the software is

used/sold/distributed under. GPL stands for the GNU Public License. Software made under this license is often referred to as 'open source'.

What this means is that the computer 'code' that makes the software work is openly available. Not just to view but to modify and distribute as long as it is done in accordance with the license. I am not going to be dismissive of the license. Far from it, you will be vigorously pursued through the courts if you are caught infringing it, but, the license pretty much lets you do whatever you like with it.

Copying and selling it being the key thing here of course. I must take the time to stress the difference between GPL software and freeware. Just because something is free does not mean you can re sell it! GPL software can be sold and distributed as long as you observe the license. Freeware might be supplied for free but it does NOT necessarily mean you can do the same with it.

One of the 'Must Do' issues is passing a full copy of the license along to anybody you sell the software to. In most cases this is simple because it is built in to the install program of the software. But it is your responsibility to check and provide it, if it is not there.

Now here are the really juicy bits. You don't need to know anything about programming to to download and use the products. And even better than that, at time of writing, there where around 200 000 titles available for just about every platform. Windows, Linux, mobile phones, the list goes on. And those 200 000 titles are spread across dozens of extremely diverse categories.

I cannot remember the last time I paid for software. And every application on my PC is 100% legitimate. Anything you want can be sourced for free under the GPL suite of licences. I have even taken advantage of the GPL license to sell software in the past. Around about the time Suduko was making a comeback I made quite a lot of money selling a range of GPL puzzle games. And I have several GPL product ranges in mind for the future, when I am not so busy with this book. The scope is genuinely and literally endless.

So where is this enormous resource and how do you make money from it? Visit <http://www.sourceforge.net>. There you will find many of the software titles available for instant download. Just because it is instantly available does not mean you can make instant money. You still need to go through the process of finding a niche product or range from what is available.

Quiz yourself again. What is your expertise, hobby or passion. Dig through the categories and sub-categories available on Sourceforge and find something of high quality that suits you. Take your time with this. If it takes you a week to find just one hot bit of software, don't despair, I guarantee you it took somebody a lot longer than that to write the software that YOU are going to make money with!

If you really cannot come up with something cool and personal what about a compilation. You could pick a popular title from a range of topics all sold together on one bumper DVD and then sell them individually for a lower price?

Check the type of license it is made available under and then check the limitations and resale rights at <http://www.gnu.org/licenses/>. Next think about how you will package the product? What will be your angle on the product? And then proceed with the rest of the guide.

It never ceases to amaze me at the incredible range of high quality open source software available today. And its FREE. Amazing! Many of the software applications in the businessdreams.net resources are open source and I have provided an extra sub category of quality GPL license software from a number of categories to get your creative juices going and to help you find your very own niche. You are free to sell any of the titles in the Resale Software category in the resources section on businessdreams.net.

Finding a supplier

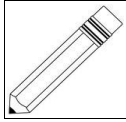
Of course you might have decided YOU are the supplier. Skip ahead to product viability if that is the case for you. When you have a few ideas start searching for a supplier or suppliers. Use the business directory on businessdreams.net provided but don't settle for the first one you find. Try and find at least a few.

Google for terms like 'wholesale fluffy-teddies' or whatever. Or 'fluffy teddy manufacturer', 'fluffy teddy distribution' etc. Follow links, dig deeper. Identify potential future competitors and see if they sell specific brand names and get Googleing for the brand names. 'TeddyCo', 'The Fluffy Products Company' or whatever. Keep digging deep and then dig deeper or you could miss out on the best supplier and one of the keys to a future successful business. This is one of the shortest chapters in the guide but perhaps one of the most amount of work required by you, for any chapter. Don't skimp on this bit.

Build a list of web sites for potential suppliers. Even better get names and phone numbers. Now contact them all and start asking questions like prices, minimum order values, delivery times, bulk discount quantities etc. Many suppliers will require you to fill in an application form and wait a few days while it is processed. This was always a source of annoyance for me but it has to be done. And you can minimise your frustration by contacting and making any necessary applications all at once.

Product viability

When you have worked through the above, you should be armed with cost prices and delivery charges etc. It is time to see if the market is viable for you. You need to research what price including any extras like P&P, VAT, and any other extras your competitors are selling it for. How quick do they deliver? Is it gift wrapped? Do they offer a generous returns policy? What about their after sales service?



Have you considered all of the following:-

- *The Product (most suppliers price lists exclude VAT).*
- *Packing materials.*
- *Postage/courier.*
- *4% transaction fee (approximate)*

Is there a market for your product?

There are lots of marketing and business start up guides which cover this topic. But a really good test is to see if other businesses are prepared to pay to advertise the same or similar items. Simply Google for your product and see how many sponsored adverts there are top and right. Is there a link at the bottom of the page to even more paid adverts?

If there are loads of advertisers then it is almost certainly a product which is selling. Don't panic if there is very few or even none. The whole point of my business model is that you have almost zero costs. Therefore you need a much lower turnover than a conventional web business to be profitable. Think about the potential market very carefully but don't be too put off by what other people are doing or not doing.

Viability final checks

Simply put, can you compete on price and service? If your proposed service package is not as good as the majority of your competitors then you need to think seriously about what you intend to offer. Do you compensate for this with a lower price?

If your price is a bit higher then this is not as important. This is especially true if you are comparing prices with the big stores that are not specialising. People will pay a bit extra for the extra information and focus you can bring to their shopping experience.

Of course if your service is better (for example faster is definitely better) and your price is the same or better at the same time as you are making a healthy margin; then you have almost certainly found your niche.

Summary

So by now you should have chosen what your going to sell, if anything and if you are selling a product are you stocking it or selling it through somebody else. If you are selling something, is it a wide range, a very small niche or a single product? You should have chosen a niche you are comfortable with. Will you be providing an information rich site as well as products?

If you are not selling actual products you should have a good idea of the type of advertising or affiliation you are going to focus on. The nice part about "How to make money online" is the 'do it yourself' part. You will not be paying any web designers or programmers. So if you want to completely or partly change your mind at any time you can. But having a clear picture in your mind

now will almost certainly speed deployment of your new business. Lets get on with it then!

