



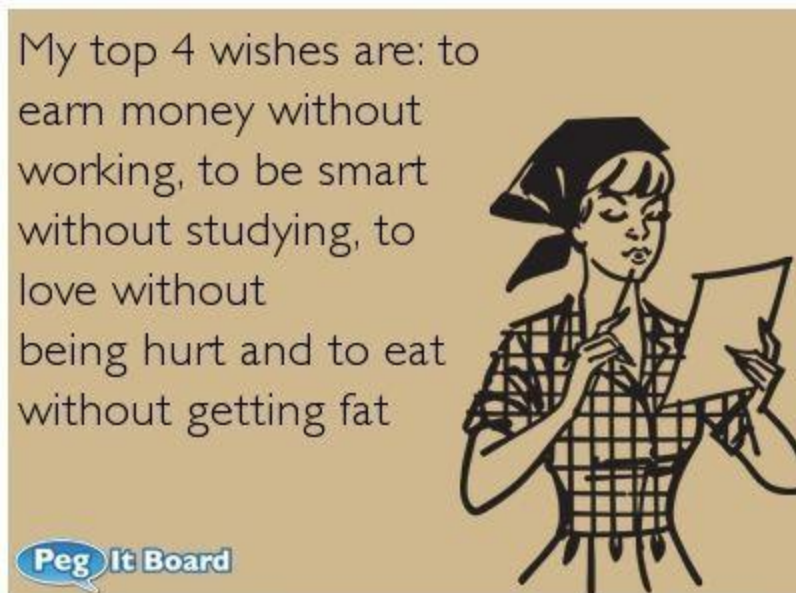
Making Money Online



Scott Seong
Broadband Media, Inc.

Money Humors

- Money cannot buy happiness but it's more comfortable to cry in Mercedes than on a bicycle.





Money Facts

- **78% of NFL players go bankrupt within 5 years of retirement.**
- **60% of NBA players and a very large percentage of MLB players file bankruptcy within 5 years of retirement.**
- **Becoming rich at early age has consequences, so manage your money wisely!**



Agenda

- Making passive income online
- Starting an ecommerce business
- Building a website
- Internet Marketplace
- Internet Marketing
- Q and A

Passive Income





What is passive income?

- Passive Income (also known as residual income) is money that comes to you even when you're not actively working.
- Active Income is money that stops coming to you when you stop working, such as a day job.
- To earn passive income, you'll need upfront investment – money, time, etc.



Passive Income examples

- Rental Income
- Interest from a bank account
- Dividend or Interest from stocks & Bonds
- Royalties from published book or patent
- Earnings from Internet Advertisement on Websites



Web Traffic = Money

- Google Adsense
- Direct Advertisement via AD Agency
- Chitika and other AD Network
- CPM = 1,000 impressions or pageviews
- CPC = Cost Per Click
- RPM = \$ earned per 1 CPM
- RPM range from \$1 to \$\$

Emerson Spartz

- Created Harry Potter Fan website, MuggleNet.com at age of 12.
- Over 160M pageviews per month or \$1.6M (estimated) per mo





Born	February 17, 1987 (age 27) LaPorte, Indiana, U.S.A.
Nationality	American
Occupation	CEO of Spartz Media
Known for	MuggleNet, OMG Facts, GivesMeHope



Arnold Kim - MacRumors

- 66M pageviews per mo
- \$10 per RPM ~ \$660K per month
- Launched in 2000
- Quit doctor's job and became full-time blogger in 2008.

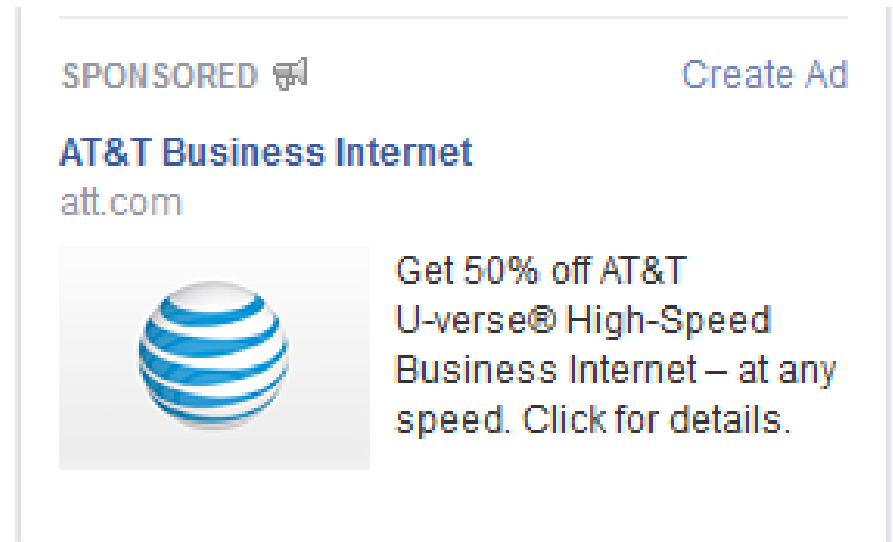
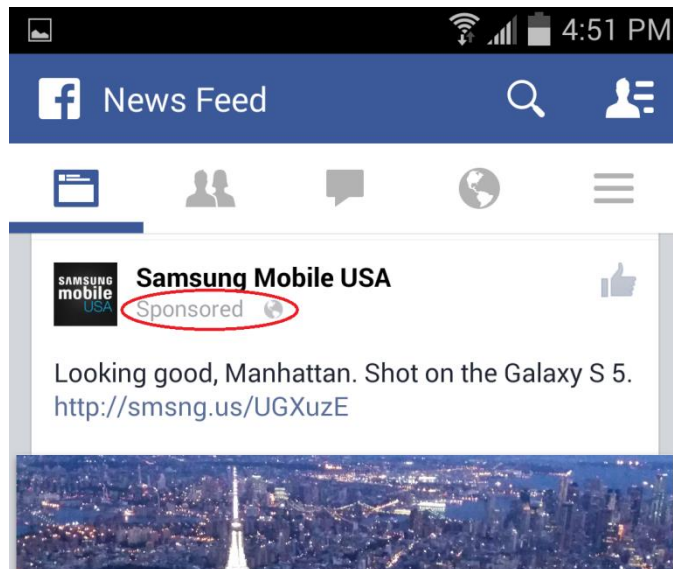


Web address	MacRumors.com 
Commercial?	Yes
Type of site	News, information, and rumors related to Apple Inc.
Registration	Not needed to view site but needed for forum
Owner	MacRumors.com, LLC
Created by	Arnold Kim
Editor	Eric Slivka
Launched	February 24, 2000
Alexa rank	 1,387 (April 2014) ^[1]
Current status	Active



Facebook

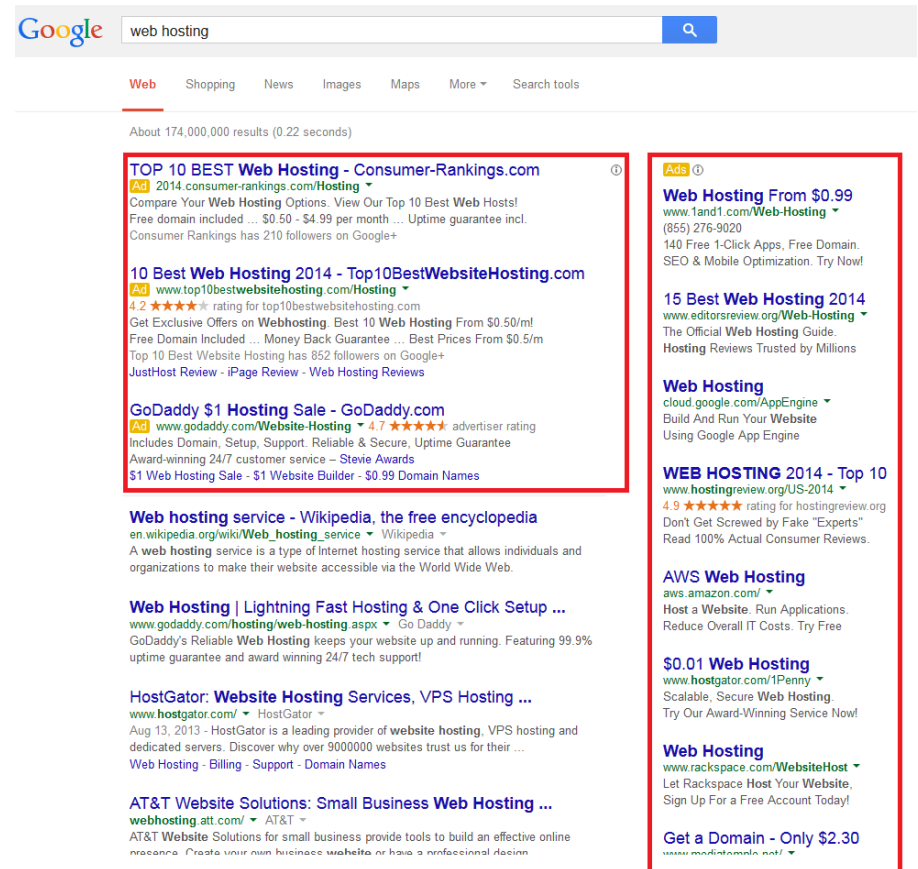
- May 2014 Valuation: \$189.96B
- Ad Revenue: \$10B, Profit: \$6B /yr





Google

- Valuation: \$400B
- Revenue: \$60B
- Profit: \$13B/yr
- #3 in the world by market cap



Google search results for "web hosting". The search bar shows "web hosting" and the results page displays "About 174,000,000 results (0.22 seconds)".

Web Shopping News Images Maps More Search tools

About 174,000,000 results (0.22 seconds)

TOP 10 BEST Web Hosting - Consumer-Rankings.com
Ad 2014.consumer-rankings.com/Hosting
Compare Your Web Hosting Options. View Our Top 10 Best Web Hosts!
Free domain included ... \$0.50 - \$4.99 per month ... Uptime guarantee incl.
Consumer Rankings has 210 followers on Google+

10 Best Web Hosting 2014 - Top10BestWebsiteHosting.com
Ad www.top10bestwebsitehosting.com/Hosting
4.2 ★★★★★ rating for top10bestwebsitehosting.com
Get Exclusive Offers on Webhosting. Best 10 Web Hosting From \$0.50/m!
Free Domain Included ... Money Back Guarantee ... Best Prices From \$0.5/m
Top 10 Best Website Hosting has 852 followers on Google+
JustHost Review - iPage Review - Web Hosting Reviews

GoDaddy \$1 Hosting Sale - GoDaddy.com
Ad www.godaddy.com/Website-Hosting 4.7 ★★★★★ advertiser rating
Includes Domain, Setup, Support, Reliable & Secure, Uptime Guarantee
Award-winning 24/7 customer service - Stevie Awards
\$1 Web Hosting Sale - \$1 Website Builder - \$0.99 Domain Names

Web hosting service - Wikipedia, the free encyclopedia
en.wikipedia.org/wiki/Web_hosting_service Wikipedia
A **web hosting** service is a type of Internet hosting service that allows individuals and organizations to make their website accessible via the World Wide Web.

Web Hosting | Lightning Fast Hosting & One Click Setup ...
www.godaddy.com/hosting/web-hosting.aspx Go Daddy
GoDaddy's Reliable **Web Hosting** keeps your website up and running. Featuring 99.9% uptime guarantee and award winning 24/7 tech support!

HostGator: Website Hosting Services, VPS Hosting ...
www.hostgator.com/ HostGator
Aug 13, 2013 - HostGator is a leading provider of **website hosting**, VPS hosting and dedicated servers. Discover why over 9000000 websites trust us for their ...
Web Hosting - Billing - Support - Domain Names

AT&T Website Solutions: Small Business Web Hosting ...
webhosting.att.com/ AT&T
AT&T Website Solutions for small business provide tools to build an effective online presence. Create your own business website or have a professional design

Web Hosting From \$0.99
www.1and1.com/Web-Hosting
(855) 276-9020
140 Free 1-Click Apps, Free Domain, SEO & Mobile Optimization. Try Now!

15 Best Web Hosting 2014
www.editorsreview.org/Web-Hosting
The Official Web Hosting Guide.
Hosting Reviews Trusted by Millions

Web Hosting
cloud.google.com/AppEngine
Build And Run Your Website
Using Google App Engine

WEB HOSTING 2014 - Top 10
www.hostingreview.org/US-2014
4.9 ★★★★★ rating for hostingreview.org
Don't Get Screwed by Fake "Experts"
Read 100% Actual Consumer Reviews.

AWS Web Hosting
aws.amazon.com/
Host a Website. Run Applications.
Reduce Overall IT Costs. Try Free

\$0.01 Web Hosting
www.hostgator.com/1Penny
Scalable, Secure Web Hosting.
Try Our Award-Winning Service Now!

Web Hosting
www.rackspace.com/WebsiteHost
Let Rackspace Host Your Website,
Sign Up For a Free Account Today!

Get a Domain - Only \$2.30
www.madefromscratch.net/



Help people and make money

- Affiliate Marketing – Product Review, comparison and coupons
- Blogging – Help people save money
- Create How-To videos on YouTube
- Find a topic you love – create niche site
- It takes long time to build web traffic.
Don't give up!



Some Examples

- Fatwallet.com
- Toddlertrampolines.org
- Androidlegend.com
- Anyfiles.org
- Iplocation.net
- Prepaidwirelessplans.net
- Webtrafficexchange.com
- Edula.com



How to build free traffic

- Social Media (FB, LinkedIn, Google+)
- Write useful, relevant and SEO friendly contents
- Offer Free Ebook
- Offer subscription – send email
- Answer others' questions on popular forums
- Offer information people need

Starting Online Store





What is ecommerce?

- Wikipedia defines ecommerce as:

Electronic commerce, commonly known as (electronic marketing) e-commerce or eCommerce, consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks.



Are you ready for ecommerce?

- You will be competing with very large companies in the Internet Space.
- Cost of Goods – hard to beat
- Cost of Shipping – hard to beat
- Limited resource & limited tools
- Find your niche



Characteristics of B2C

- Direct Sales to End Customers
- Shopping Cart
- Direct Internet Marketing
- 2% Conversion & over 10% advertising
- Ecommerce Margin
 - Below 5%: 27.5%, 6%-10%: 24.8%
 - 11%-20%: 27.5%, Over 20%: 20.2%
- Brick & Mortar – Over 25%

America's Top 10 Etailers



America's Top Ten Retail Businesses					
Rank	Company	Web Sales Volume	Rank	Company	Web Sales Volume
1	Amazon.com Inc.	\$19.2 B	6	OfficeMax Inc.	\$3.1 B
2	Staples Inc.	\$7.7 B	7	Sears Holding Corp.	\$2.7 B
3	Dell Inc.	\$4.8 B	8	CDW Corp.	\$2.6 B
4	Office Depot Inc.	\$4.8 B	9	Newegg.com	\$2.1 B
5	Apple Inc.	\$3.6 B	10	Best Buy	\$2.0 B

- Amazon: Founded 1994, Launched 1995
1st Net Profit of \$5M in 4Q2001 over \$2B Sales
- In 2008, \$645M profit with over \$19B Sales
- In 2012, over \$50B in sales
- Projecting \$200B by the year 2020



Success Requirements

- Item Selection
- Location – Internal Marketing
- Interior – Product Description
- Experience – Customer Service, Marketing Plan, Recurring Customers
- Data Analysis
- Passion - Execution

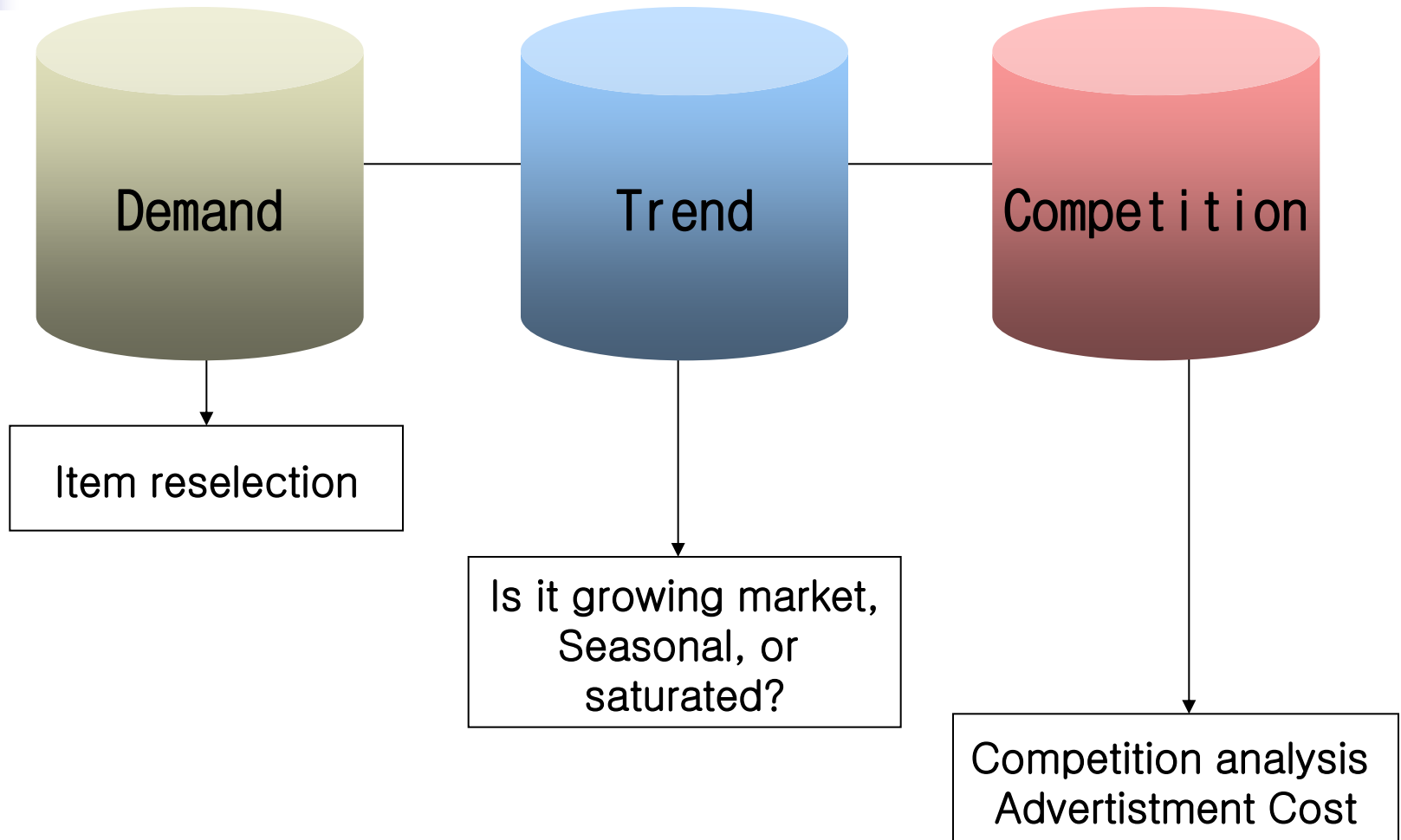


Success Requirements B2C

- Increase Traffic
- Increase Conversion
- Cross-Sell (Increase order size)
- Make visitors return



Analyze Item





Product Sourcing

- Domestic Sourcing
- Import
- The most important factor in becoming a successful online store!!



Starting a business

- Business Plan
- Legal Requirements – Register a company w/ State, Resale certificate, obtain EIN number
- Shopping Cart, EDI or Email
- Website Development
- Advertisement & Marketing Plan
- Execution

Website Development





Site Development

- Register a domain name
- Select a web hosting
- Select a shopping cart/blog software
- (ecom) Select a merchant account
- (ecom) Select a payment gateway
- (ecom) Install SSL Certificate for Secure Checkout
- Website Design – decoration



Yahoo Store

	Starter Sign Up	Standard Sign Up	Professional Sign Up
Monthly price	\$39.95/month	\$129.95/month	\$299.95/month
One-time setup fee	\$50	\$50	\$50
Transaction fee	1.5%	1.0%	0.75%
Recommended plan if you expect sales of:	Less than \$18K/mo.	\$18K to \$68K/mo.	More than \$68K/mo.
Maximum number of products you can sell	50,000	50,000	50,000



Amazon Webstore

Choose From Two Options:

WebStore by Amazon

One month FREE Trial*

 **SIGN UP NOW**

\$59.99 / Month

7% Commission

WebStore Features Include:

- ▶ Millions of Amazon.com shoppers pre-registered to checkout
- ▶ Amazon's [A-to-Z Guarantee](#) on all purchases - protecting buyers and sellers
- ▶ Amazon's proven marketing techniques
Product reviews, Best sellers
- ▶ Drive traffic by automatic submission to search engines
- ▶ No setup/listing fee
- ▶ Earn additional revenue by selling Amazon products
- ▶ Create multiple WebStores under one account

[See how it works](#)

Selling on Amazon.com AND WebStore by Amazon

NEW! One month FREE Trial*

 **SIGN UP NOW**

\$99.98 / Month

7% Commission on WebStore Sales
[Variable Commission](#) on Amazon Sales

WebStore Features PLUS:

- ▶ Earn additional revenue by selling inventory on Amazon.com from the same account
- ▶ Exposure for your brand to millions of Amazon.com shoppers
- ▶ Automatic link back to your WebStore from your Amazon [At-A-Glance](#) page
- ▶ Unified interface to manage inventory, orders and customers for both Amazon.com and WebStore

[Learn More](#)



Payment Options

- Credit Cards – Know your limits
- Paypal
- Purchase Order
- Amazon Checkout
- Check, Money Order, and etc.



Interior

- Item Title
- Item Description
- Item images & customer reviews
- FAQ
- **Reduce Customer calls**



Security

- SSL Certificate
 - * Standard SSL
 - * EV SSL – Green Address Bar
- PCI Compliance
 - Site Seal
 - BBB Seal
 - Customer Confidence

Internet Marketplace



Amazon, Ebay, and etc.



Choose from 3 subscription levels to fit your business:

START YOUR BUSINESS

Basic Store \$15.95/mo

- An easy-to-create, customizable storefront
- Sales and marketing tools

ACCELERATE SALES

Premium Store \$49.95/mo

- Advanced sales and marketing tools
- Increased customization
- Access to 24/7 customer support
- Robust analytics and reporting

MAXIMIZE EXPOSURE

Anchor Store \$299.95/mo

- Maximum visibility
- Access to 24/7 customer support
- Expanded sales and marketing capabilities for high-volume sales
- More customization for a truly professional look
- Advanced analytics and reporting

- Auction Listing
- Listing Fee + ~5% Transaction Fee



Selling on Amazon

Sell Professionally

- For Professional sellers who expect to sell more than 40 items a month
- **Unlimited sales for \$39.99 a month + [referral fee](#)**

Start Selling 

[view available categories](#) 

Sell Your Stuff

- For Individual sellers who expect to sell less than 40 items a month
- **\$0.99 per sale + [referral fee](#)**

Start Selling 

[view available categories](#) 

- Monthly Fee - \$40
- Transaction Fee – vary by category (~15%)

Internet Marketing



PPC, Shopping Portal, Email,
Affiliate Marketing



Internet Marketing

- Know your products
- 80:20 Rule
- PPC Advertisement
- Shopping Portals
- Affiliate Marketing
- Email Marketing
- ROI & Competition Analysis
- Ultimately drive more traffic to your site



Shopping Portals

- Nextag
- Bizrate (Shopzilla)
- Shopping (Ebay Company)
- Smarter
- Sortprice
- Google Shopping
- Price Grabber (Yahoo Shopping)
- Become



Email Advertisement

- Constant Contact, Icontact, & 3rd party
- Special Event Ads – Back to School, Labor Day, Thanksgiving, Black Friday, Cyber Monday, Christmas, New Years Day, Valentines Day, Mothers Day, Independence Day, and etc...
- CAN SPAM law



Miscellaneous Advertisements

- Banner Ads
- Content Ads
- **SEO**
- **Key to Success:
Targeted Marketing!!!**



ROI Analysis

- **Clicks, CPC, Fee, # of Sales, Sales Total, % Mkting, Conv**
- **CPC – Cost Per Click (i.e. \$0.25 per click)**
- **% Mkting – Amount spent to make a sale (lowers profit)**

Sort by: Date	Sort by: Clicks	CPC Rate (\$)	Fee (\$)	No. of Sales*	Sales Total (\$)*	% Mkting*	% Conv*	Cost per Order*	AOS*
Total:	241		\$60.25	7	\$812.04				
Avg:	120	\$0.25	\$30.13	3.5	\$406.02	7.42%	2.90%	\$8.61	\$116.01
Aug-04-2009	227	\$0.25	\$56.75	5	\$569.22	9.97%	2.20%	\$11.35	\$113.84
Aug-03-2009	14	\$0.25	\$3.50	2	\$242.82	1.44%	14.29%	\$1.75	\$121.41

Product	Clicks	Fee (\$)	No. of Sales*	Sales Total (\$)*	% Mkting*	% Conv*	Cost per Order*	AOS*	Seller Part Number**
Lenovo IdeaPad S12	13	3.25	0	\$0.00	-	0.00%	-	-	
Dell Inspiron 15 15.6" Notebook	8	2.00	0	\$0.00	-	0.00%	-	-	
HP Officejet Pro 8000	8	2.00	1	\$199.90	1.00%	12.50%	\$2.00	\$199.90	
Pentax K2000 SLR Digital Camera	7	1.75	1	\$183.88	0.95%	14.29%	\$1.75	\$183.88	

Running a business



Product Sourcing,
Logistics, Fulfillment,
Customer Service



Product & Customer Mgmt

- Cross Sell, Up Sell
- Promotions, Email, Coupons
- Distinguish yourself – Order status, Multimedia
- Customer Management, DB Management, Purchase Management, Feedback



Fulfillment

- Dropshipping
- Warehousing, Fulfillment Center
- Dealing with backorders
- UPS (No PO Box Delivery)
- FedEx (No PO Box Delivery)
- USPS
- DHL (Fading Out)



Customer Service

- Fast shipping
- Returns and refunds
- Price Match
- Reduce Customer Calls



Returns & Refunds

- Factory Defect
- Shipping Damage
- Description Mismatch
- Delivery Timeline Miss
- Dealing with difficult Customers
- Obtain RMA Request, Restocking Fee
- **RESELL ON EBAY or Craigslist!!**



Caveats

- Item description & price updates
- Credit Card Frauds – Merchant responsibility
- International Shipping/Customs Duties



Conclusion

- Passive Income – Blogging, YouTubing, Price Comparison, Coupon Site, and etc.
- Active Income – Online Store
- There is no free lunch – You'll have to work to earn the business

Q and A



<http://www.edula.com/docs/passive-income.pdf>

scott.seong@edula.com



References

- Smartpassiveincome.com
- Probloggger.com
- **stevepavlina.com**