

But What Do I Sell?

By Elena Fawkner

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So, you want to start your own online business. You know you have to create your own website, start your own ezine and generate traffic to your site before you can make sales.

So far so good. But ... sales of what, exactly? What do you sell?

Fortunately, the options are many and varied. Basically, though, everything falls into one of two categories ... products or services. We're going to take a closer look at a few relatively easy options for when you want to get started and get started NOW.

= PRODUCTS

What kinds of products can you sell from your website assuming you don't already have something available? Your best bet is anything that can be delivered digitally such as software and information products.

When it comes to selling software or information products, you have three basic choices:

1. you can create your own product from scratch, e.g., by writing a software program, a cgi script or an e-book;
2. you can join affiliate programs and sell products already created by other people and earn a commission for every sale;
3. you can join a multi-level marketing (or network marketing) plan; or

4. you can acquire resell rights for products already created by other people and keep 100% of the profit.

Option 1. is a must-do. Eventually. But when you're itching to get started, you don't want to have to wait the 3 or 4 months it takes you to write your ebook before you can launch your online business.

Option 2. is great for a quick start but you're working on commission. Someone else is getting the lion's share of the profit for your hard work.

Option 3. is a good choice if you're a natural networker. For more information about MLM and whether it might be right for you, check out my article "Not MLM! ... Why Ever Not?" at <http://www.ahbbo.com/notmlm.html> .

Option 4. (along with option 3.) is where the real money is, at least compared to option 2. Acquire the resale rights as well as the product and you're not working on commission any more -- you're working for serious profit.

Where do you go to acquire products that can be delivered digitally with full resale rights? There are several good sources but here are a few tried and true sources, each excellent places to start:

eBookPublications

<http://www.ahbbo.com/ebookpublications.html>

eBookWholesaler

<http://www.ahbbo.com/ebookwholesaler.html>

FreeToSell

<http://www.ahbbo.com/freetosell.html>

= SERVICES

What kinds of services can you sell from your website? How about advertising space in your ezine or on your website? How about a members-only area of your site, access to which requires payment of a membership fee?

= Advertising Space

Since you really need to be publishing an ezine on a regular basis to stay in contact with, and generate, web site visitors, it makes sense to make money from something you already have to do anyway. Selling advertising space is a good revenue-generator.

Don't try selling your ad space until you have a minimum of 1,000 subscribers or so. Until you get to that point by all means offer free ads in your ezine though. That's a good way to generate subscribers and get your readers used to seeing ads in your publication. Ad swapping with other publishers during this period (and beyond) is also a good way to generate new subscribers.

Once you reach the 1,000 mark, you can start offering your ad space for sale. The days when you could publish an ezine with a classified ad section of 20 or 30 ads are long gone. Ezine readers are much more savvy and discerning and, as a result, ezine advertisers are much more selective and will look for ezines that run few ads and which place them strategically amongst the content, or "meat" of the ezine itself rather than being stuck in a great glob that nobody reads at the end.

Think also about sending solo mailings to your list as another source of revenue. Be particularly circumspect when it comes to these mailings, however. Solo mailings are very effective when targeted to the right audience and so advertisers love them. Ezine subscribers have varying attitudes towards them though. Some will immediately unsubscribe from an ezine that sends solo mailings. Others will accept them so long as the ezine itself is worth receiving.

Personally, I don't worry about losing subscribers just because I send solo mailings. The acceptance of solo mailings (which are, in my case, limited to one per week) is the price I ask my subscribers to pay to receive my ezine for free. The advertising revenue I receive is how I pay my costs and make a profit. If people aren't prepared to receive a solo a week in exchange for the ezine then they'll unsubscribe and that's fine with me because they're not prepared to make a fair exchange and were never going to buy from my advertiser anyway.

There are no hard and fast rules when it comes to pricing your ads. Basically, you want to achieve some measure of equilibrium between supply and demand. If you have more demand for your ad space than supply, increase your prices until demand is in line with supply, do not increase the number of ads. The more ads you run, the more you dilute their effectiveness for your advertisers and the less likely your advertisers are to place repeat business with you. In other words, by taking a short-term increase in profits, you sacrifice the longer-term profitability of your business. You're cutting off your nose to spite your face.

Conversely, if you can't sell all your ad space, reduce

your prices. Try and get to a price point where the demand for your ad space is roughly equal to your supply. If you have an occasional ad spot vacant don't worry - just run an ad of your own instead. But if you regularly find yourself with half your ad inventory unsold and you're not running an excessive number of ads, this is a signal your ads are overpriced and it's time to reduce your prices or make the strategic decision to run your own ads instead of others'. In fact, in many instances you'll make more money from your ad space by advertising your own products and services than you will from selling the ad space itself.

How to set your price? As I said above, there's no hard and fast rule. Whatever brings about equilibrium between supply and demand. My own pricing formula is \$5 per 1,000 subscribers for a single classified, \$10 per 1,000 subscribers for a sponsor ad and \$20 per 1,000 subscribers for a solo. That pricing structure is right for me but may not be right for you.

Your pricing will also be influenced by how specific or general your target market is. If you publish an ezine on a relatively esoteric subject with a small but highly targeted market, you'll be able to sell your ad space for a higher price than you will if you publish an ezine on a really general subject (such as "internet marketing") with an extremely large but also undifferentiated market. For this reason, it's not the size of your list that dictates your advertising pricing, but rather how targeted your list is to the subject matter of your ezine and your advertisers' products and services.

Similar principles apply when it comes to selling advertising space on your web site.

Bottom line: advertisers want and will pay for results, not how many subscribers you have on your list.

= Paid Subscriptions

Paid subscriptions are another good way of generating income, whether they be for your ezine or web site.

A great resource if you want to go this route with your ezine is Monique Harris' Paperless Newsletter (see <http://www.ahbbo.com/paperlessnewsletter.html>).

As far as your website is concerned, by utilizing password protection you can effectively cordon off areas of your website for paying members only. This requires some technical set-up but your webhost will generally offer some sort of basic password protection capability. For more

advanced systems, you'll need to get hold of a specially designed cgi script for this function.

When it comes to pricing your subscription services, although no doubt there are exceptions to the rule, the better approach is to charge a monthly access fee rather than an annual fee. A monthly structure allows you to set a relatively low initial price, thereby making the decision to sign up more of a no-brainer for your subscriber, and it also gives you a recurring monthly income. It's also possible to charge more overall than you could under an annual structure. For example, most people would not hesitate to pay, say, \$9.95 for monthly access to a site they perceive as valuable, especially knowing they can cancel at any time. But those same people may hesitate if that initial investment was \$120 (\$9.95 multiplied by 12 months).

With the appropriate payment processor and software, subscription fees can be set up to be automatically charged to your subscriber's credit card each month unless and until they cancel.

= THE ROLE OF CONTENT

These are just a few of the options available to you to generate income from your own online business. The bottom line with respect to all of them though is the quality of your content. It doesn't matter how good your product line is if people have no reason to visit your site in the first place.

So, put first things first. Pick a subject matter for your site that you are passionate about. Do the hard work of creating a truly valuable resource for people interested in the same thing. Publicize it to death. Publish an ezine on the topic, again with high quality content, to draw them to and, more importantly, BACK to, your site again and again and again. Then, and only then, will you have a chance to get your product or service in front of them. Then, and only then, will you have a chance to make the sale.

There's no disputing that the main reason we go into business is to make money. If you don't have this as your objective, then you're engaging in a hobby, not running a business. But when it comes to doing business online, the reality is that you have to give before you can get. So give your site visitors what they're looking for. Do that and they'll visit you again and again and refer their friends. Do that and you'll actually have customers to sell your products to. Don't do that and, although you may have the greatest product or service in the world, no-one but you will ever know about it.

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