

Special Report:

The Ultimate Business Model for Newbies

If you've been around Internet marketing for any length of time, you should already understand how affiliate marketing works: you either earn a commission by promoting other people's products or you sell your own products and pay affiliates a percentage of your sales to promote you.

In this report, I want to show you the most common online business models and discuss their pros and cons. Then I'm going to give you a step-by-step blueprint designed specifically for people who are just getting started online and want to build a business that generates consistent, reliable income.

The three main methods that everyone talks about are:

- 1. Affiliate Marketing:** Drive traffic to other people's sites and earn a commission if you make a sale. Commissions are usually paid once or twice a month through PayPal or ClickBank.
- 2. Product Creation:** Develop your own product and sell it online. In most cases, people start out creating digital products such as an ebook, software, or a membership site.
- 3. Resell Rights:** Purchase rights to products that have already been created. These packages usually come with a salesletter, graphics, and a download page.

While these are all viable business models, the question is, which one is best for the newbie?

Affiliate Marketing: The Easiest Way to Make Money?

On the surface, affiliate marketing seems to be the ultimate business for people who are just getting started and want to make a few bucks online.

You've probably seen claims like these before:

- You don't need to create your own product
- You don't need to build a website

- You don't need to build a list
- You don't need to take orders
- You don't need to handle customer support

“All you have to do is DRIVE TRAFFIC to your affiliate link and the sales will start rolling in...”

Unfortunately, traffic generation is where most people fall short. They get discouraged and eventually give up.

Generating traffic is not as easy as most of the 'Gurus' claim...

1. Advertising costs have gone up and Google has made it harder for affiliates to get traffic without paying a premium price.
2. SEO tactics that worked yesterday may not work tomorrow because the search engines can and will de-index your pages without warning.
3. Web 2.0 is the latest rage, but who knows how long that will last? It seems that every time a new traffic strategy comes along, everybody jumps on the bandwagon and it eventually stops working.
4. Traffic exchanges? Safe Lists? Surfing for hits? Don't make me laugh... They're all about as worthless as FFA links.

And even if you do eventually figure out how to generate consistent traffic, there's another problem with affiliate marketing...

It's not a stable source of income because you're dependent on forces beyond your control.

The fact is, if you leave the sales process up to someone else, your success will always be dependent upon what that merchant does or does not do.

Product owners can change their affiliate links without warning, sell out to a competitor, or even drop their affiliate programs and refuse to pay their affiliates.

A few years ago, I promoted a membership site (I won't mention the name) that paid monthly recurring income. I built up over \$1000 in recurring commissions and never got paid a single dime for my efforts!

She said the database was corrupted and there was no way to figure out who she owed. So she just shut down the site and kept all the money.

There was nothing I could do about it. Even if I hired a lawyer, there was no way to prove how much I earned.

And then there are the ClickBank merchants who leave commission leaks all over their site. They make it too easy for people to steal your commissions.

There are ways to prevent commission theft. But the merchants don't care because after all, they just want the buyer leads.

Product Creation: How hard could it be?

Since affiliate marketing has so many flaws, creating your own products would seem to be the solution...

- More control over the sales process
- High profit margins (especially on digital products)
- You can get affiliates to promote you

The problem is, the process can be frustrating – especially if you don't know what you're doing. Choosing a market, writing the content, designing the website, and then hoping that it will sell...that's a lot of work with no guarantee of a return on your investment.

And let's face it, most people either can't or don't want to write a 60-page ebook. I've done it and it's a lot of work!

Of course, you can hire a ghostwriter. But good writers are expensive and you would still have to get someone to compile the book for you, write your sales letter, and design your website. The whole process could take months and if you're a newbie, it may never get done...

Creating your own product is a great idea if you're already making money online. But when you're just getting started you can't take the risk of going through all the work, effort and expense when you don't even know if your product will sell.

Resell Rights: The Ultimate Business Model?

So, if developing your own product isn't the answer and affiliate marketing alone is unpredictable...then resell rights must be the best solution. Right?

- You're still in control over the sales process
- You still have high profit margins on digital products
- You can still get affiliates to promote you
- And you can skip the whole product creation process

Well even though this business model seems like the perfect fit for newbies, it also has it's flaws...

I'm not going to get into all the different flavors of resell rights in this report. But I will say that there are basically three ways to buy a resell rights license.

1. You can buy a package of products that everyone else is selling
2. You can buy rights to a product that is limited to a certain number
3. You can buy exclusive rights to a product that no one else will be selling

Exclusive rights - even limited rights - can be expensive (up to \$1000 or more). And just like creating your own product, you have no guarantee it will sell. Again, not the best choice for newbies...

When you have an established business and a good-sized mailing list, you can take a few risks. And even if the product is a dud, you'll usually come out ahead.

You've probably seen those packages or membership sites full of resell rights products that you can buy for pennies on the dollar. Most of them are pure junk. But you can find quite a few diamonds in the rough that are worth selling.

The problem is...everyone else and there dog are selling them too (especially in the IM market).

So what's the best business model for newbies?

The Ultimate Business Model for Newbies

Here's the answer you've been waiting for...**All THREE!**

What you may not realize is this: you're not limited to just creating products, selling resell rights, or promoting other people's products.

Internet marketing is not linear...it's a progression. When you're first starting out, you need a plan that will generate quick cash. But over time your ultimate goal should be to develop a REAL business that brings in a nice monthly income.

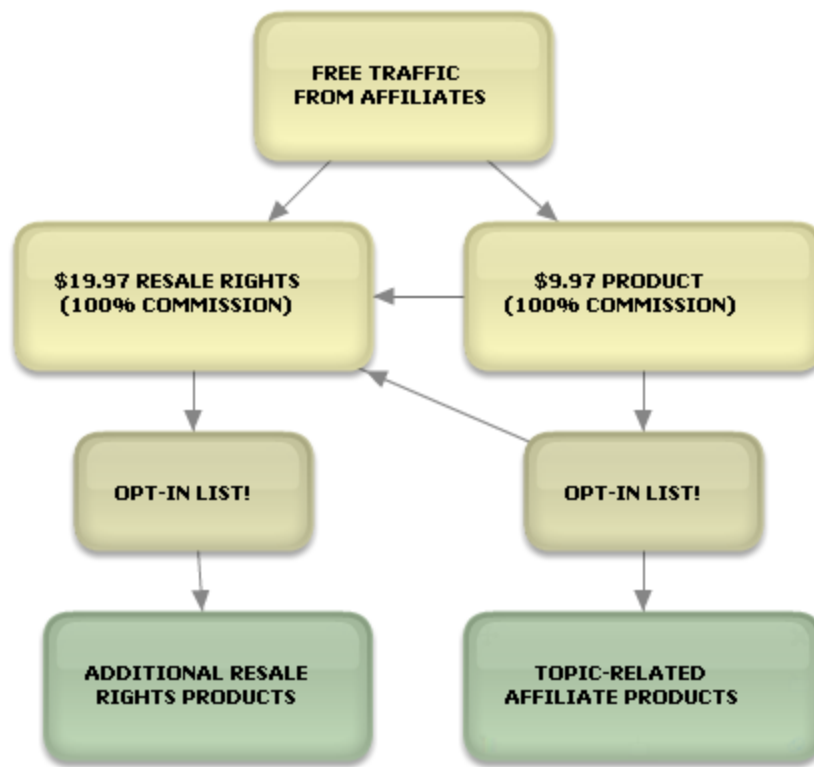
Now we've already determined that promoting affiliate programs from scratch is not the answer. It takes too long to generate free traffic and buying traffic is risky when you don't know what you're doing.

You want to make quick cash that you can inject it back into your business and make it grow. So here's the plan...

1. Start out selling low-cost resell rights products (\$7 - \$27)
2. Pay affiliates 100% commission to promote for you
3. Build a list of buyers and sell them high-quality affiliate products
4. Re-invest your cash into exclusive rights or create your own product

The diagram below illustrates one possible scenario. Obviously, there are many variations of this business model. For instance, you can add an opt-in box (popover, inline, etc.). You could use a squeeze page. You could add an up-sell, a down-sell, or a one-time offer...

But the main objective remains the same: **Get other people to build your list!**



This is what I call an “Automatic Money Machine” and once you set it in motion, it keeps churning out cash like clockwork. And you can go on to build another one.

I hope you enjoyed this report and take action on what you’ve learned.

Best regards,
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