

Chapter 1

What's New: The Latest Tools for Your Online Business

In This Chapter

- ▶ Exploring RSS and other new technologies to boost your business
 - ▶ Creating a business blog to produce word-of-mouth publicity
 - ▶ Turning to new online business resources: social networking and photo sharing
 - ▶ Expanding your e-commerce operation to cross-platform selling
 - ▶ Generating revenue via the Internet
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New technologies are always popping up in the world of online commerce. Things are started on a whim, or just to see if they'll work at all. When millions of people begin to participate, people think that there must be a way to make money off this opportunity. Companies with money then throw money at the project or buy it outright, and the project becomes more commercial in nature. Finally, average people, like you and me, pick up on these technologies and add them to our mix. Before long, they become part of the cyberspace landscape.

This scenario is still happening, and anyone who thinks it's too late to make money online has only to look at YouTube.com, MySpace, and other new venues to see that entrepreneurship is still alive. Keeping up with all the new trends in online commerce is getting harder and harder. This chapter gives you an overview of some of the many new and exciting ways to conduct e-commerce. If you've heard about e-commerce before and weren't attracted by the thought of creating a Web site and sales catalog, take a look at these innovative options for generating revenue.

Technologies You Need to Exploit

You can create an online business in some obvious ways. You obtain a domain name, which lets you have an address like `www.mybusiness.com`; you start a Web site; you create a sales catalog. These basics are still the same, and they are still important, but new ways to market yourself as an online seller are appearing. Pay attention to those that have been around for a few years and that you don't necessarily know about, like RSS and the other options I describe in this section.

Feeding your site with RSS

Half the battle with an online business is simply making yourself available to the people who choose to find out more about you. I'm a fan of the radio program, "Le Show," for instance (www.harryshearer.com/active/leShow.php). At the end of every broadcast, the host, Harry Shearer, lists the different formats in which the program is distributed: via public radio, the Internet, satellite radio, and shortwave radio. Why stick with one format when going through just a little more effort can multiply your audience dramatically?

To some extent, making your online business available is a matter of putting your sales catalog and your Web site contents in a form that people can read. Lots of people put out an RSS feed of their Web site along with the conventional pages created in HyperText Markup Language (HTML), eXtensible Markup Language (XML), Hypertext Preprocessor (PHP), or another markup language.



HTML, *XML*, and *PHP* are languages used to format or process information that appears on Web pages. *RSS* is a technology used to format content as an XML file so an RSS reader can display it. You don't need to know any of these tech-sounding languages in order to use them; you only have to use the right applications that do the formatting/programming "in the background" for you.

Setting up site feeds

Like many ways of publishing content online, you don't have to be a programmer to make use of RSS. You do, however, have to meet one important requirement: You need to make a commitment to actually update your content on a regular basis. The whole point behind RSS is that it gives consumers of information a way to automatically view new comments put out by bloggers or other publishers without having to open the Web sites of those publishers on a regular basis. If you don't update your content, all those RSS feeders won't retrieve it.

RSS: Not really simple, but still effective

RSS stands for *Really Simple Syndication*. Frankly, the name is misleading. If your head tends to reel when you think about JavaScript, PHP, XML, DHTML, and the many alphabet-soup types of Web page languages, RSS just adds a new level of complication. RSS is a new language that leads to a method for distributing words and images on the Web. The system works like this:

1. You get some content in the form of an RSS file. You have two options to obtain the content: You convert some of your own to RSS or you obtain someone else's RSS file.
2. You post the file on your Web server.
3. You validate the XML to make sure news aggregators can read it correctly.
4. You publicize your RSS feed in the directories that specialize in RSS listings.
5. Users around the Web use programs called news aggregators, or feed readers to subscribe to your feed. The feed reader checks automatically to see if the RSS file has new content since the last time it checked. If it does, the reader downloads the feed so the end-user can read it.

6. You keep your file fresh by updating it regularly so news aggregators continue to retrieve it for your audience.

After you wrap your mind around that scenario, you have to absorb another fact: RSS isn't a single format. Rather, there's a whole family of RSS format standards: They carry version numbers like 0.91, version 1.0, and version 2.0. Some publishers favor one variety, some another. You don't need to pick the latest and greatest standard; just pick the one you're comfortable with. News aggregators come in lots of options, including FeedDeomon, NewsGator, and many others.

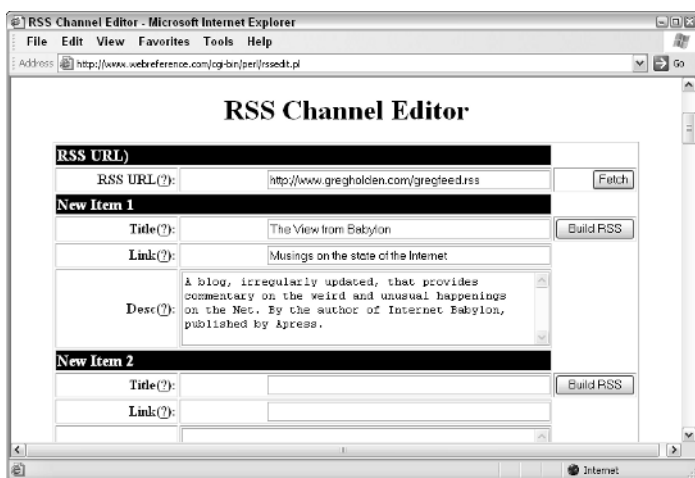
Should you climb the RSS learning curve and become a news feed publisher? If you produce content that you intend to update on a regular basis, the answer is yes. RSS is the wave of the future and will only grow more popular. And most of the software you use to create feeds or aggregate them is absolutely free, so your only expense is the usual sweat equity — something you get used to expending very quickly when you become an online entrepreneur.

After you commit to being a periodic publisher, and after you have a text file you want to convert, you can go on to the next step: converting it to RSS format. You have several options:

- ✔ **Built-in software:** If you use a blogging tool, like WordPress (<http://wordpress.org>) or Blogger (www.blogger.com), you can use the built-in syndication software. Blogger supports Atom, a different type of syndication format; see the next section.
- ✔ **Standalone program:** You can use a standalone, Web-based syndication program such as RSS Channel Editor (www.webreference.com/cgi-bin/perl/rssedit.pl). Figure 1-1 shows the form for RSS Channel

Editor that you fill out, and then it quickly builds your file. You simply make a link to the file you want to convert, and the program “fetches” it for you. Use RSS Channel Editor only if you plan to create RSS feeds on a regular basis and don’t want to install and maintain a standalone application on your system.

Figure 1-1:
You can reach a new audience of tech-savvy information consumers by creating an RSS feed.



No matter what option you choose, you end up with a file that you upload to your server space on your Web site. You then need to make a link to the file on one of your Web pages and publicize the link so people find out about it. After you get the system worked out, it becomes easier to update as well as repost your files and reach a wider audience than you ever could otherwise.



Validate your RSS file to make sure it’s in a form that news aggregators can read. An RSS file is comprised of XML commands, which need to be free of errors. Use an application, like Userland RSS Validator (aggregator.userland.com/validator), to make sure your file’s correctly formatted.

Atom

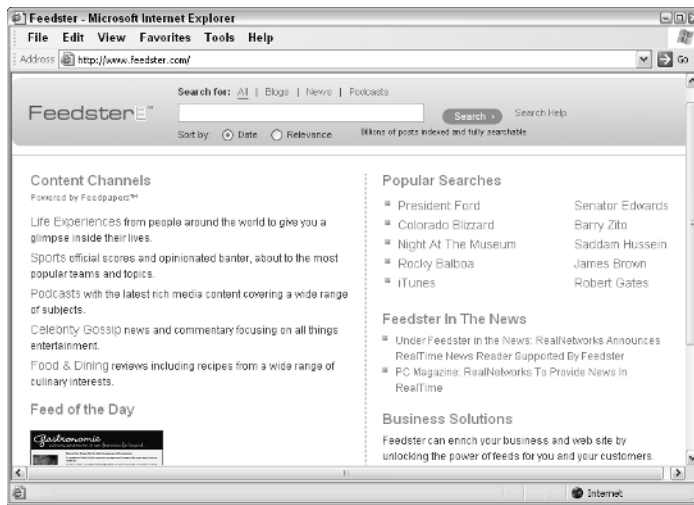
Atom is a syndication tool that doesn’t use RSS. Instead, it’s an alternative to RSS. If you use the popular blogging tool, Blogger, you automatically create a feed of your blog in Atom format. Blogger claims that Atom is superior to RSS because it feeds content not only to news aggregators but to Web sites and even handheld devices.

Feedster: A search engine for RSS feeds

Feedster is a search engine for blogs, podcasts, and other RSS feeds and is a good place to get an overview of the syndication world. When you visit the Feedster Web site (www.feedster.com), as shown in Figure 1-2, you begin to get an idea of what RSS syndication and site feeds are all about. Behind the

technical jargon, RSS syndication is about a new way to access information. Instead of turning solely to traditional information providers, such as newspapers and news radio, busy consumers can select what they're interested in and gather it in a single interface, where they can read it at their leisure (provided, of course, they have the leisure to read it). Many of those feeds come from newspapers and other traditional news providers, who are generating their own RSS feeds. It's great for small business owners like you who can talk up your products and services or just expound on your expertise in a particular area and find new potential customers.

Figure 1-2:
Feedster
and other
RSS
directories
provide a
new way to
access
information.



FeedBurner and other RSS syndicators

FeedBurner (www.feedburner.com) calls itself a “feed management provider.” It not only turns (or *burns*, to use the correct term) your blog into an RSS file but helps promote it as well. When you create a feed, you post an XML or RSS logo on your blog that lets others know they can subscribe.

After you “burn” your feed with FeedBurner or another tool, you publicize it by using a directory of such feeds. Look into Syndic8 (www.syndic8.com), which is free to use.

Connecting with new customers: VoIP

It's so easy to fall into predictable “Do and Don't” patterns with regard to technology. Do: You use a computer for computing. Don't: You don't use a palm device or a TV. Do: You use an iPod for listening to digital music. Don't: You don't listen to music on a cell phone.

The same applies to talking with people over long distances. You do use a telephone or cell phone to call someone across the country or overseas. You don't use tin cans, Morse code, ham radio, or your computer. But wait a minute. Sure, Morse code and ham radio aren't popular or convenient any more, but what's wrong with using a computer for talking to people by carrying on voice conversations? For an increasing number of individuals around the world the answer is: "Nothing at all." When it comes to making phone calls on your computer, look into the most popular software in the field, Skype (www.skype.com).

Skype is a form of communication called Voice over Internet Protocol. It allows you to talk to someone else with your voice through your computer, using a microphone. When you talk on a landline, you connect with someone else over the cable owned and maintained by the phone company. But the DSL (Digital Subscriber Line) connections that bring relatively high-speed Internet to my home (and possibly to yours) can carry both voice and data signals: In fact, they both share the same line. If you can use the same cable to talk over the phone, you can certainly talk over your computer, too.

That's what Skype is all about. You connect a microphone to your computer and talk to someone else who has Skype software. Skype is hardly the only Voice over IP service around. Vonage (www.vonage.com) is also very popular. I mention Skype because it gives you immediate, personal access to your customers, especially those on eBay. If you sell on eBay and someone has a question about one of your auctions, he or she can talk to you if you both have Skype, for instance.

Voice over IP can also help your business's bottom line. My own ISP, Speakeasy (www.speakeasy.net) offers residential VoIP service for about \$40 a month, and combined broadband Internet plus VoIP for \$83 a month. Compare that to what you're paying now for your landline and your Internet access, and you can save quite a bit (for me, the difference is about \$80 per month).



There are some potential downsides to consider with VoIP: You have to buy special phones; you have to realize that if your Internet connection goes down for some reason, your phones stop working; and if your connection is slow due to weather or heavy usage by others in your area, your voice signal might suffer. But on the other hand, it can replace your landline, while saving your fledgling business lots of money as well.

Blogging to build your business

In the late 1990s, Web pages were where it was at as far as e-commerce. In the late 2000s, the blog is the tool of choice for many online entrepreneurs. On the

surface, a blog doesn't seem like something that can actually make you money. A *blog* a sort of online diary: a running commentary that you add to as often as possible — every few days, every day, or perhaps even several times a day.

Blogs do make money, however. When you have a dependable number of viewers, you can generate revenue from your blog by these methods:

- ✓ **Placing ads:** You can use a service like Blogads (www.blogads.com) or Google's AdSense (adsense.google.com).
- ✓ **Asking for donations:** You make use of the PayPal Tip Jar (see Chapter 19).
- ✓ **Placing affiliate ads:** You sign up for well-known programs that steer potential buyers to Amazon.com or eBay.
- ✓ **Building interest in your Web site:** By talking about yourself, your knowledge, or your services, you encourage customers to commit to them.

Creating a blog to support your business is a powerful method to reach potential customers and strengthen connections with current ones. The word-of-mouth marketing that results from successful blog publishing is effective while being cost-effective: Advertising costs are miniscule compared to a traditional marketing effort.

What's the first step in creating a blog? I usually advocate thinking before clicking: Give at least a few minutes' thought to the kind of blog you want to create. An article titled "How Blogs Can Deliver Business Results" in *Entrepreneur* magazine describes several different types of blogs created by Denali Flavors to promote its Moose Tracks line of ice cream flavors. Each one took a different approach to promoting the same product:

- ✓ **Entertainment:** A blog, *Moosetopia*, is written by the Moose Tracks Moose, the product mascot.
- ✓ **Useful advice:** A blog, *Free Money Finance*, provides something that everyone needs — advice on how to handle their money. The connection to the product is a "sponsored by" Moose Tracks ice cream logo near the top of the blog.
- ✓ **Public relations:** Another blog, *Team Moose Tracks*, concerns efforts of the company's cycling team to raise money for an orphanage in Latvia. It reflects positively on the company and the brand.
- ✓ **Behind the scenes:** A fourth blog, *Denali Flavors*, takes a look at what goes on in the company.

The article (www.entrepreneur.com/marketing/marketingideas/article80100-2.html) reports that site visits went up 25.7 percent after the blogs went online; the company spent less than \$700 on all four blogs, too.

You can take any or all these approaches in your own blog, depending on the product you're trying to sell and your available resources. If you're selling a "fun" product, you might decide to take the entertainment approach; if you work for a big company, you might take the behind-the-scenes approach.

After you have a general idea of the approach you want to take, it's time to get started. The first step is to choose your blog host. You don't necessarily have to pay to do this; most of the best-known blog hosts offer hosting for free. They include:

- ✓ **Blogger (www.blogger.com):** Blogger doesn't have as many features as other blog utilities, but it's free.
- ✓ **TypePad (www.typepad.com):** TypePad has lots of features, but it costs \$14.95 per month or \$149.50 per year.
- ✓ **BlogHarbor (www.blogharbor.com):** Hosting packages start at \$8.95 per month; you get security and templates for designing blogs.

Take some time to look at other business blogs and examine how they use type and color. Often, for a purely personal blog, it doesn't matter if it's highly designed. But for a blog that has a business purpose, you need to make it look professional.

Next, determine who will do the blogging. You may not want to do it all yourself. If you can gather two or three contributors, you increase the chances that you can post entries on a daily basis, which is important for blogs. And if someone goes out of town, you'll have backup contributors available.

When you configure your blog, no matter which host you choose, the main features tend to be more or less the same. Figure 1-3 shows Gardening Gift Guide, one of the many blogs created by expert marketer Lars Hundley, who I profile in the sidebar, "Blogs plant seeds, gardening business blooms" later in this chapter. The blog includes some Google AdSense ads to drum up extra revenue; a link for visitors to post comments; categories that organize past blog posts; a chronological archive of posts; and links to other relevant sites, including Hundley's main Clean Air Gardening Web site (www.cleanairgardening.com).



For detailed instructions on how to create a business blog, turn to *Buzz Marketing with Blogs For Dummies* by Susannah Gardner and published by Wiley.

Perhaps the most difficult aspect of blogging isn't actually creating the blog, but maintaining it. Developing a schedule whereby you publish regular blog posts is important. It's also important to measure how many visits your blog and your business Web site get so you can measure results — be sure to do a

benchmark text beforehand so you can judge results afterward. Adjust your site as needed to attract more visitors but remember to stay “on topic” so you don’t drive away the audience you already have.

CASE STUDY



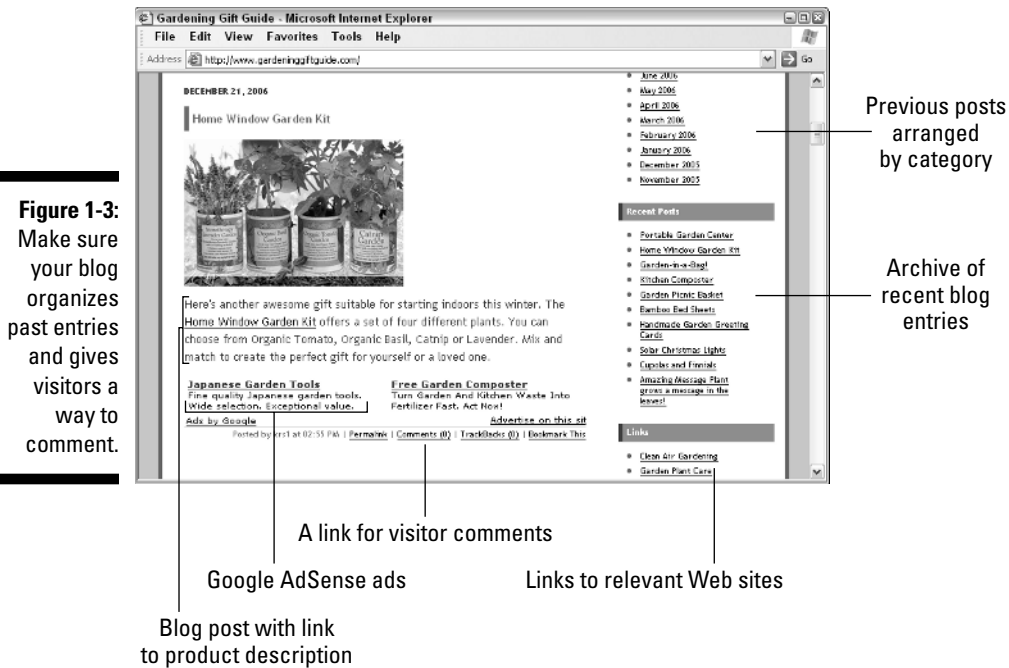
Blogs plant seeds, gardening business blooms

Lars Hundley is an expert with blogs, photo sharing, and social networking sites to market his products. His Dallas, Texas–based business, Clean Air Gardening (www.cleanairgardening.com), posted sales of \$1.5 million in 2006.

Products, such as tools for collecting leaves in the autumn, occasionally receive the attention of traditional media. Last October, for example, Clear Air Gardening was mentioned in *The New York Times* as well as on *Good Morning America*.

Lars uses a variety of blogs and online video sites to promote his Clean Air Gardening online business:

- ✓ **Practical Environmentalist** (www.practicalenvironmentalist.com): This blog isn’t branded for Clean Air Gardening or directly linked to the company, but it is intended to attract the same kind of environmentally aware person that is its typical customer. This blog is more of a free service than a hard-selling kind of blog.
- ✓ **Gardening Gift Guide** (www.gardeninggiftguide.com): This blog is a sort of Gizmodo or Engadget for gardening products. It promotes both products from Clean Air Gardening and interesting gardening products from other competing sites.
- ✓ **Compost guide** (compostguide.com/info/): This blog promotes several different companies. It’s designed to generate a lot of composting-related educational information, as well as keyword-rich pages and product promotion pages that give Air Gardening a growing body of search engine–friendly composting content over time.
- ✓ **Flash-based video on Clean Air Gardening**: Flash-based video helps sell products. Hundley films the videos with his Canon Powershot S1 digital camera that also shoots video. Then he edits them with his Mac Mini and converts them to Flash so that people can watch them with their Web browser directly on the page. One example is at www.cleanairgardening.com/patdesaustum.html.
- ✓ **Videos on YouTube.com**: Hundley uploads videos so that he doesn’t have to pay for the bandwidth. Then he embeds the YouTube video on his product page. That also allows people to find the products on the YouTube site and then click through to Clean Air Gardening.
- ✓ **Product and testimonial photos at Flickr**: He puts all his customer testimonial photos on Flickr and links to them from his testimonials page on his Web site. People can access these photos directly on Flickr (www.flickr.com/photos/cleanairgardening), and they can then use a link to return to the Clean Air Gardening page.



Finding New Resources for Your Online Business

The exciting thing about e-commerce in the twenty-first century is that there are so many new ways to conduct it. The core activity is putting your products and services online before a potential audience of millions and attracting the people who are already looking for exactly what you have to offer from those millions.

Social networking to meet your customers

In the days when the telegraph and telephone were the most high-tech communications technologies, people walked around town from merchant to merchant to do their shopping. Chances are they knew the merchant, and he or she knew them by name as well.

Social networking sites are the modern-day equivalent of the town square. When you go to a social networking site, you again strike up a personal relationship with a merchant; after you do, you're that much more likely to buy something from that person. They give potential customers another place where they can find you and get to know you. The best-known sites are

- ✓ MySpace (www.myspace.com)
- ✓ Friendster (www.friendster.com)
- ✓ Facebook (www.facebook.com)

If you want to reach a younger generation of consumers, places like Friendster and Facebook are among the best ways to find them. If you sell services that depend on personal contact with a customer, such as a group of musicians that plays for weddings or a wedding planner, people sometimes hire you as much for your personality and personal approach as for your actual work. In these kinds of fields, social networking sites are even more important.



Another networking site, LinkedIn (www.linkedin.com) lets you build a network of business contacts that can get in touch with one another and hopefully build a community.

Sharing your work with Flickr

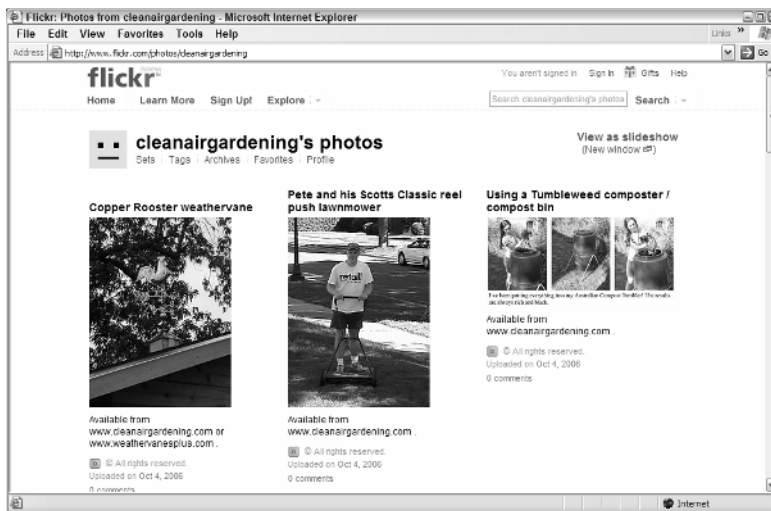
If you're lucky, your products sell themselves. But for some products, photos are a necessity. If you have a big piece of furniture, like a couch or a rare antique or a work of art, a description that consists solely of words just doesn't cut it. Photos give you a real selling point. Where can you post them online? You can put photos on your own Web site, of course. But the cool and trendy place for them to appear is at the popular photo sharing site — Flickr (www.flickr.com).

Flickr is free and easy to use. I can't think of a better business use for the site than the Clean Air Gardening customer photos, as shown in Figure 1-4. Lars Hundley (who I profile in the sidebar earlier in this chapter) invites his customers to submit photos of the products they've purchased, such as push reel lawn mowers and weathervanes.

Beyond eBay: Expanding to Amazon.com and more

eBay gives new entrepreneurs a great way to get their feet wet and discover what good customer service is all about. But after selling on eBay becomes routine, pay close attention to the fees eBay takes out of your PayPal or checking account every month. Moving from eBay to other marketplaces, or to an e-commerce Web site, is a good business decision for many sellers. That doesn't mean you have to abandon eBay altogether. Rather, keep a foothold on eBay and expand your business to new venues.

Figure 1-4:
Use photo
sharing
sites to
publish
photos of
your
products in
action.



Once you have a product line identified and (optionally) an eBay Store up and running, branch out to sites like these:

- ✓ **iOffer (www.ioffer.com):** This marketplace gives buyers the chance to make an offer for what you have to sell. It includes a software tool called Mr. Grabber that gathers your current eBay sales from eBay and lists them all for you so you can choose which ones you want to offer to your customers.
- ✓ **uBid (www.ubid.com):** This popular and well-traveled marketplace is ideal if you sell computers or other electronics merchandise and want to unload them at a bargain price.
- ✓ **Bidz.com (www.bidz.com):** If you are in a hurry and want instant results, list on this site. Your sale can take place in a matter of minutes after you complete the listing; buyers place live bids immediately, and the sale is over almost before you can shout “Sold!”



eBay and Amazon.com are well-established marketplaces. When you branch out and start to look for other places to sell, watch out for the “fly-by-night” operations. Stay away from sites that ask you for your e-mail address or personal information (such as a credit card number) before you do anything else. You should at least be able to shop and explore the site before you sign up as a seller.

Partnering with a service provider

Many sellers who want to maximize their sales volume to the highest degree possible decide to sign up with high-powered professional business services to help them configure and operate online stores.

Moving from doing all the work yourself to signing up with a service provider is like the difference between having a cleaning service and an individual cleaning lady. If you have a cleaning lady, you have to wait until that person can fit you into her busy schedule. A cleaning service might cost more, but it's always available, and you might have less stress in the long run.

By signing up with a company, like ChannelAdvisor (www.channeladvisor.com), Infopia (www.infopia.com), or Marketworks (www.marketworks.com), you not only gain the ability to create an online store, but you get help with publicizing it and conducting transactions.



You don't have to be a beginner to align with one of these marketing companies. One of the best online sellers I know, David Yaskulka of Blueberry Boutique (www.blueberryboutique.net), signed up with ChannelAdvisor, and he already knows a lot about marketing and selling online.

No pain, much gain: Electronic payments

For many consumers, buying online is a matter-of-fact operation. But for others, getting the money from point A to point B is still an iffy and nerve-racking operation. I see this all the time on eBay, which is the "front lines" for online merchants dealing with beginning buyers.

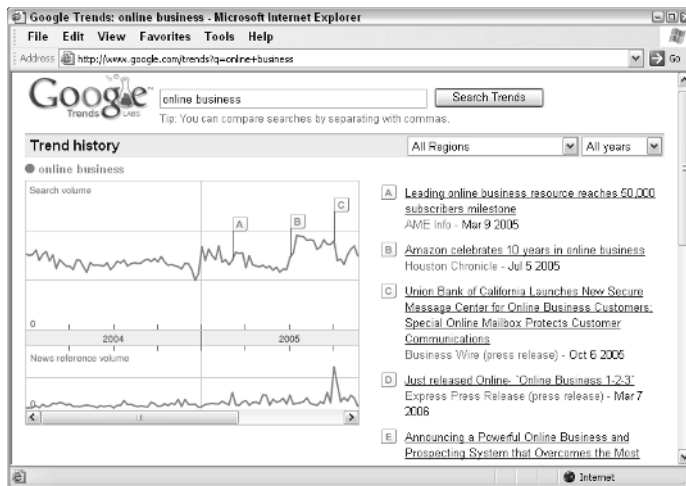
Electronic payment services, like PayPal (www.paypal.com) and Google Checkout (checkout.google.com), provide protection for you as well as for your customers. They help eliminate the possibility that you could lose money. They don't absolutely protect you from someone making a purchase with a stolen credit card but they help to a great extent, and I urge you to use one.

Google's world of business resources

In the past year or two, Google dramatically expanded its business services. Google has so many options for small business owners that I devote a whole chapter (Chapter 14) to hosting, calendars, e-mail, and many other useful tools for business owners.

A useful service for anyone wishing to take the pulse of Web surfers in general and online shoppers in particular is Google Trends (www.google.com/trends). This is a collection of searches done on Google's Web site. If you enter "online business" in the Google Trend's search box and click Search Trends, you get the results shown in Figure 1-5, which are decidedly unlike any search results you've probably seen from Google.

Figure 1-5:
Google
Trends
reports not
on Web
sites or
blogs, but
on searches
themselves.



The graphs on the left tell you how many times your phrase or keyword appeared on Google in recent years. The headlines on the right point you to news reports and press releases that use the search term. Often, they point to significant events and reports that have come out recently. After you know what people are searching for, you can identify products to sell (see Chapter 10), or you can choose keywords that help you place ads on Google AdWords or other search marketing sites (see Chapter 13).

Microsoft business tools

The other “big dog” when it comes to the Internet and e-commerce is Microsoft, which released some noteworthy tools around the time I was writing this new edition. One of them was a powerful new Web page creation tool, Microsoft Expression Web, which conforms to Web standards that enable content to appear correctly and consistently from one browser or computer platform to another.

Another business tool, Microsoft Office Live, features free Web hosting and a free domain name — and on top of that, free e-mail. All of that comes with the Basics version of Office Live; other versions carry a monthly fee but add shared applications that help a workgroup do scheduling and manage projects together. You find out more about Office Live in Chapter 15.

Selling Across Platforms

E-commerce works best when you can pop up in multiple locations on the Web. Don’t root yourself in one URL and sit there. Just think of the online “empire”

you can create: You can have a Web site, a blog, an eBay Store, an Amazon.com aStore, a Squidoo “lens,” and free Web pages on Microsoft Office Live, Yahoo! GeoCities, MySpace, and probably other outlets that didn’t even exist when I was writing this chapter. You can use your various online presences to refer to one another; by cross marketing, you gain more publicity and steer more customers to what you have to offer.

The anchor: Your home on the Web

These days, a *Web site* (a set of interlinked Web pages that link to one another and a home page) isn’t the most important sort of Web presence you can have. You can run an eBay Store; you can publish a blog; you can create a page on MySpace. In any case, you need a *home base*: a place where interested parties can find out more about you, contact you, and find out more about your business as well as what you have to sell.

Moving to brick and mortar

The trend for people who want to sell online is that they move from a brick-and-mortar store to an online Web site. In some cases (for instance, in the case of a number of successful eBay sellers I know), business on the Web is so good that they close down their physical presence and focus solely on their online business. Antiques store owners are the classic example; when a lot of these merchants started selling online and realized they could sell the whole year and reach more potential buyers than they could by “foot traffic”, they closed the door and didn’t look back.

It’s less common for successful online businesspeople who buy or rent space and open up shop at a physical address. But it does happen. In my book *eBay PowerUser’s Bible* (Wiley), I profile Kimberly King, who started selling on eBay and eventually opened a brick-and-mortar store where she can sell her wares to the public. Having a “real” store brings lots of advantages:

- ✔ **You drum up more business.** You get more local business, especially from people who bring items to sell on eBay on consignment.
- ✔ **You have space to work and store inventory.** Your family appreciates this because it keeps the clutter out of your home.
- ✔ **You can stick to a schedule and separate work life from family life.** This problem plagues many people who start an online business and find themselves sitting at their computers at 11 p.m. on a Friday night when their family members are in the den playing Monopoly.

Just as often, sellers who find themselves in the lucky position of being awash in inventory and orders purchase warehouses. They get plenty of room for shipping and storage, and they can have offices in their warehouse as well.



When you can choose your location, you get other advantages. The owner of Amazing Keys (www.amazingkeys.com) told me he located his warehouse in North Carolina close to a major airport so his shipments could get to their destinations that much more quickly.

Expanding to auction sales

If you already have a brick-and-mortar or successful online business, you have a head start on a successful eBay business. The words “eBay” and “business” don’t always go together in many people’s minds. But for many ambitious merchants, eBay is a full-time source of income. Sellers who are mostly likely capable of running a successful full-time business on eBay are ones who already have a source of inventory, a customer base, as well as a shipping and payment system in place.

Established business owners have less of a learning curve to climb; they solved the all-important question of where to find a steady source of merchandise to sell, and they can do cross marketing. They use their business cards and brochures to promote both their physical store and their online business; they publish the location of their store on their Web site; their Web site points to their eBay Store and vice versa.

Finding New Ways to Make Money Online

When I wrote the first edition of this book back in 1998, you could make money online in a limited number of ways. One way: sell through your own e-commerce Web site and catalog. Another way: eBay. A third way: eke out a few cents, or a few dollars, through banner ads or affiliate ads for Amazon.com. These days, all those options are still available. But many more have sprung up besides.

Search marketing

Affiliate marketing is one of the “oldest” ways to make money online. You place an ad on a Web page you own, steering visitors to a merchant’s Web site. If someone makes a purchase or signs up as a member, you earn a referral fee.

What’s new in affiliate marketing? The use of search engines as the place to publish affiliate ads is what’s new. Affiliate marketing works only if the site on

which your affiliate ad appears is visited by lots of potential customers. It stands to reason, then, that affiliate ads make more if they not only get someone's attention, but they appear on really popular Web sites. A colleague of mine — Anthony Borelli — figured this out a few years ago: He decided that, instead of placing ads on his own Web sites, he would place them directly on Google through its AdWords feature. AdWords lets anyone create short paid advertisements that appear either at the top or on the side of a set of search results.

Tony started advertising for eBay, Amazon.com, Monster.com, and other well-known online merchants that have affiliate programs. The rest is history: He's figured out how to make millions by placing such ads. He and I explain how to do this in the book *Affiliate Millions: Make a Fortune Using Search Marketing on Google and Beyond*, published by Wiley. But here's a one-minute synopsis of how to get started: Sign up for the Amazon.com affiliate program. Choose products and get some code from Amazon that steers shoppers to those products and that gives you credit as the affiliate who referred them. Sign up for Google's AdWords program (adwords.google.com). Turn to Chapter 13 for more information about AdWords.

Hopefully, your referrals generate more revenue than the "clicks" you have to pay for, and you end up with a profit. There's much more to affiliate search marketing than this, of course; you sign up with other search services (such as Yahoo! Search Marketing and MSN Search) and you use affiliate networks, like Commission Junction (www.cj.com), to suggest affiliate programs and handle payments. But these are the basics. Referrals are an innovative way to make a few dollars online (or maybe lots of dollars).

Selling your knowledge

Your teachers and parents always told you that studying hard pays off. They probably never thought your knowledge could make you a few bucks on the Web. Perhaps you weren't aware of the Web sites and services that can put some dollars in your pocket simply for being open with what you know.



The following Web sites probably won't really make you rich. Try these options if you have time on your hands or just want to establish a larger presence on the Web. Spreading your name and knowledge (as well as the URL of your Web site) can drive you more business, after all.

Being an authority (Squidoo)

Squidoo (www.squidoo.com) gives anyone the chance to provide a *lens* to the Internet — a single Web page that you use to display your knowledge on a

particular topic. By choosing an area of specialty, you get the chance to promote goods and services you know about and are willing to recommend. You also get to call yourself a *lensmaster*. A lens is typically about a hobby, sport, or idea, although it can be about a business-related subject as well. If you know a lot about hats, for instance, you can use your lens to point to Flickr photos of hats, eBay auctions for hats, Web sites devoted to hats, and your own hat-related business, for instance.

As far as revenue, you split your affiliate earnings: 50 percent goes to you (the lensmaster), 5 percent to charity, and 45 percent to Squidoo. In an interview on CNN Money, founder Seth Godin estimated that lensmasters might make \$1 or \$2 per day for each lens they build (see money.cnn.com/2006/02/09/smbusiness/squidoo).

Helping computers with your knowledge

Computers appear to be know-it-alls; they process information far faster than the human brain. But they can't really do it all. For some tasks, your poor computer is woefully inadequate. You can lend a helping hand and make a few (very few) bucks for yourself by signing up for a job with the Amazon Mechanical Turk (www.amazon.com/mturk), sometimes called Mturk.

The first part of Mturk's unwieldy name comes from the fact that it is a service provided by Amazon.com. The second part refers to a chess-playing automaton created in the eighteenth century. Employers post jobs called HITs (Human Intelligence Tasks) on the Mturk Web site. These are typically jobs that require humans to perform, by using their judgment or intelligence (or both). They might have to describe a product, choose the best restaurants in a town, or some other repetitive task. These jobs don't pay very well, but they can earn you either a small amount of money or maybe a gift certificate.



You can read more about the historical Mechanical Turk and get an overview of the Web-based version on Wikipedia (en.wikipedia.org/wiki/Amazon_Mechanical_Turk).