KaChing

$

How to Run an Online Business that Pays and Pays

JOEL COMM

NEW YORK TIMES **BESTSELLING AUTHOR**

FOREWORD BY **MARK VICTOR HANSEN**

KaChing

KaChing

How to Run an Online Business that Pays and Pays

JOEL COMM

Contents

Foreword

For the first time in human history, the playing field has been leveled because the Internet makes it possible for each and every one of us to plug in electronically and make money. Whether it's with our own product, as the affiliate of somebody else's product, as an application for products such as the iPhone and the PulsePen, or whatever. Your fortune is waiting in front of you and this book is going to show you how to get from here to there in the smoothest, easiest, most omni-effective way possible.

If you take your passion, your problem, or your pain, you can turn it into profit and you can do it online more elegantly and effectively than any other way in human history because you can do it in the privacy of your own home. If you read my book *The Richest Kids in America,* 80% of them have made absolute fortunes by applying the new electronic media. The new fortune, the 21st century real estate fortune is in the Internet media. It doesn't matter when you come online, it matters *that* you come online, and come into total awareness that this book teaches you how to use it and maximize it to your benefit and the benefit of all those whom you're going to serve.

Each of us has content that we don't even know we have. Thanks to a book called *The Long Tail*, you can pick a very specific niche market and become vastly rich for the first time in human history. It's never been more exciting with companies like Google that make more profit than anybody else and has become the number one brand in the world. In eight years, they've become bigger than Coca-Cola and Campbell's Soup, and you can use the power of everything that Google has to make your product, service, or information sell in multiple ways for multiple pays. We are in the digital age. We've left the information age, come into the digital age, and everyone has got compression and you can go straight from you and your product that you could invent in your mind today, press a button, and have it become money in your immediate tomorrows.

The beautiful thing about the Internet is that you can be the broker. Somebody else has got the market. You have got the people who want to buy it and you take the in-between fee. This book teaches you how to master money-making online, in the sweet now and now.

What you're about to read from my friend Joel Comm is how to have a massive, passive, permanent income online and have it be residual so you get paid again, and again, and again into your future.

You're going to learn all the techniques, tricks, and secrets of how to make yourself the authority figure, with mega credibility, so people will want to throw their cash at you. Get results! You're going to be back in the saddle of high finance again with an awareness that you didn't have before reading this great, grand, and terrific book.

—Mark Victor Hansen
Co-creator, #1 *New York Times* bestselling series
Chicken Soup for the Soul®
Co-author, *Cracking the Millionaire Code*,
The One Minute Millionaire, and *Cash in a Flash*
Author, *Richest Kids in America*

Introduction—Creating Your Personal KaChing Button

When the Internet took off, it introduced a whole bunch of new sounds into our lives. We've grown used to hearing the two-note ring that tells us we have mail. We can recognize the rising sound of Windows opening up across a crowded Starbucks. And we all know the death-knell "bong" warning us that we've just done something wrong.

But there's one sound we don't hear on computers, even though it's been part of our lives for decades: the "KaChing" sound a cash register makes when it opens.

That's a real shame, because to an entrepreneur, there's no music like it.

It's not just the announcement that you're getting money—although that's always very nice. It's the declaration that you've achieved success.

You've made a sale!

You had an idea. You did the research. You created your product, and when you launched it in the marketplace . . . it worked!

You were right!

People *do* like the idea. They like it so much, they're even willing to put their hands in their pockets and give you their own money for it. There's no greater proof of your ability than that.

It's an incredible feeling. Not even your first paycheck can compare to it. There are no risks involved in renting your skills to an employer. There's no investment, so the rewards are much lower, too.

But when you're setting up your own business, when you're launching a product—even if it's a product as simple as an ad-supported web site—you're investing your time, your passion, and yes, perhaps a little of your money, too. It's the biggest test you'll ever take. It's not a test of your knowledge. There are plenty of people around with brains like encyclopedias who are barely making

minimum wage. This is a test of your imagination, your creativity, and your ability to get things done.

The stakes are higher, the thrills are higher, and the rewards when it all comes together are so much higher, too.

If you are the owner of a brand-new store opening your doors for the first time, you have no idea whether your dream will fly or whether you're going to be shutting down before you've even had a chance to declare your first end-of-season sale.

But when you open your cash register and hear that Ka-Ching sound for the first time, you know. Even if the business doesn't succeed—and many new businesses don't—you know you've achieved something.

You've taken a business idea from concept through implementation to launch. And you have persuaded someone to buy. You got there.

If you've done that once, you can do it again. And again. And again.

You have what it takes to be a successful entrepreneur, and you're going to be hearing that ring of success for the rest of your life.

But we don't get that on the Internet.

When a check from Google lands in your mailbox, there's no KaChing sound.

When money arrives in your PayPal account, you might hear the sound of an incoming e-mail, but that's not the same as "KaChing."

Maybe that's a good thing. In a bricks-and-mortar business, sales usually come in spurts. People line up, hand over their credit cards or their cash, and process their purchase. Each sale is an event, one that can be celebrated with its own ring.

Online, sales come in all the time. Day and night, weekday and weekend, from Washington, Wisconsin, and Wellington, New Zealand, anyone, anywhere, anytime can push a button on his or her computer and give you money.

And you don't have to do anything. You don't have to stand behind the cash register. You don't have to count the change. You don't even have to smile and wish your customers a nice day.

It's all automated. Set up the system and your online business will practically run itself. All you have to do is cash the checks.

It would be nice to have a KaChing, though.

This book isn't going to make a KaChing sound. It's going to do something even better. It's going to help you create a KaChing system. It's going to explain the principles behind an Internet business that makes money, and it's going to provide real, practical advice to help you build your own.

Those suggestions aren't going to be general ideas about what might work or what should work. They're not going to be theoretical. They're going to be the real strategies that have worked for me.

If you count dialing into local bulletin board systems (BBS) in 1980, I've been online for more than 30 years. I built my first web site in 1995. That might not sound like a long time, but in Internet years, it feels like forever. When I launched my first site, there were only about 25,000 other sites on the Web. In September 2009, Netcraft, an Internet services company, found that the top half dozen or so hosting companies alone were serving an incredible 226,099,841 web sites.

With that growth has come the money. Advertising distributed by the top four online ad agencies—Google, Yahoo!, Microsoft, and AOL—was worth $32.9 billion in 2008. In Britain, more advertising money is now spent on the Web than on television.

And that's just the cash spent persuading people to buy. In 2008, Forrester Research estimated the value of retail sales made online worldwide at more than $200 billion.

That's a fantastic opportunity. It's a gigantic gold mine, and it's one that everyone has access to. You don't need to own a giant media company to take a share of that revenue. You don't need a degree in computing, communications, or advanced nuclear physics to make money online. You just need to know how the system works and have the patience and the drive to succeed.

In the time that I've been online, I've seen all sorts of ways that entrepreneurs can divert the funds flowing on the Internet toward their own cash registers. Not all of them have proved to be as great as promised, but the best ideas have stuck around. They've proven their value to sellers, to buyers, to publishers, and to advertisers.

In this book, I'll describe those methods, and I'll explain how you can make them work for you.

I'll begin by talking about the New Web Order.

The Internet has revolutionized the business environment. It hasn't just created an entirely new way of buying and selling products and services, it has also democratized business.

If once you needed capital, contacts, experience, and an appetite for risk to become an entrepreneur, today you don't need anything more than a computer and an Internet connection. That's a genuine social revolution. It's capitalism for the masses. It's the chance of KaChing for people who don't even own a cash register.

In Chapter 1 I talk about what it means for you and how people like you have been using that new landscape to make a mint.

Then in Chapter 2 I discuss what you need to build an Internet business. You won't find a long equipment list here. Instead, you'll find a discussion of ideas because that's really what you need to succeed online. Understand what you love, recognize your passion, and you'll know your niche. Success will follow. I explain how to do it.

Presenting that passion will usually come by delivering content. It's often been said that content on the Internet is king. I prefer to think of it differently. I like to think of content as *KaChing*. Good content is money, and the better the content, the greater the amounts of money. In Chapter 3 I talk about more than a dozen different ways to turn content into cash.

Content is usually delivered on web sites, but that's not the only way of getting information from you to people willing to pay for it. Another method is through information products sold across the Internet. These can be incredibly powerful and open a whole new opportunity to sell knowledge for its true value. In Chapter 4 I tell you what you need to do create your product line—and sell it.

Information certainly isn't the only kind of commodity you can sell online. Affiliate programs have now become a standard way for savvy marketers to sell anything from cars and computers to books and buzz saws. Just one of my sites alone generates five-figure commissions every single month through affiliate sales. It's simple, and it's certainly rewarding, but you have to find the right products, the right market, and follow the rules. Chapter 5 explains what I do to make the sales.

Affiliate sales should come in a steady flow, but the best kinds of sales are subscriptions. These are guaranteed payments that you can

rely on month after month. They can form the basis of a business, giving an entrepreneur a solid foundation on which to grow. They require a little more thought than conventional web sites, but they can be lucrative, valuable, and enjoyable. My membership site has brought in tens of thousands of members who pay $78 per month each. In Chapter 6 I tell you what I do so that you can do the same thing.

And once you're achieving success, you'll find that you've picked up two more assets that are more valuable than anything you'll have sold until now: *knowledge* and *experience*. You can't sell those assets, but you can sell the benefits of those assets. Coaching programs are a fantastic way to give back to the community of entrepreneurs—and make even more money from your achievements. In Chapter 7 I explain how to offer both group and personal coaching, and how to use branding and PR to bring in clients.

Finally, in Chapter 8 I provide a bunch of examples that illustrate many of the strategies that I've described in this book. There's no point in reinventing the wheel when someone's done all the hard work for you. One of the most important steps to success is to build on the achievements of others. When you achieve success, you can be certain that others will be building on your accomplishments, too. You'll be able to use these case studies as models for your own business.

In a bricks-and-mortar store, there's only one way to generate a KaChing sound. It happens when a customer agrees to swap hard-earned cash for the product the store owner has agreed to sell. Online, your opportunity is much, much bigger. There are five primary methods of making money on the Web, and I explain how I use all of them in my multi-million-dollar Internet business.

By the time you've finished reading this book, you'll have all the information you need not just to create a successful online business—that's easy—but to create an online business that makes the most of *all* of the Internet's most powerful revenue-generating opportunities.

That's not a one-off KaChing ring. It's a constant chime that will accompany you as you continue to grow and develop your online business.

Let's start by looking at just what those opportunities can bring.

KaChing

The New Web Order—How the Internet Has Brought Opportunity to Everybody

My first KaChing moment was not a pleasant sound. It was more like a thud than a ring. It wasn't the tinkle of a bell, and it wasn't even the pleasing sound that the cash drawer makes as it opens.

It was the sound of a cardboard box landing on the kitchen table.

But to me it was sweet music.

The year was 1994, and I'd already been playing around with computers—the simplest kind, the type that are less powerful than today's MP3 players—since 1980.

Of course, when I say "playing around" what I actually mean is "playing."

I'd had all the right intentions when I bought my first computer. I'd looked at the manual that explained how to create BASIC code and tried to write a few simple programs. I even got the screen to show "Hello world!" and felt very proud of myself. But I also discovered that to play a game all you had to do was stuff a floppy

disk into a slot and wait for the program to load. That was so much easier and so much more fun.

I never did learn programming. In fact, I can't code my way out of a paper bag. I leave that to those who are far more knowledgeable and talented in that arena. However, I have always had a love for computer games.

Games cost money, and back in the mid-1990s, I had the sort of income that meant every penny had its place. My career until then had consisted of a mixture of disc jockeying at weddings and bar mitzvahs and selling encyclopedias door to door. I couldn't really justify feeding my hobby with every new game that came out. That was when I spotted my first computer-related business opportunity.

It happened while I was reading reviews in a computer games magazine. I realized that the reviewers were getting their games for free. They got to play all the new games, and they didn't have to pay for any of them. I liked the sound of that. I was all for getting free games, especially if all I had to do was write my opinion of them afterward.

But I didn't have any writing experience then, and I couldn't see a magazine hiring me to write reviews—even in return for free games—just because I liked playing them. So rather than hit the phones and hear a series of rejections, I created my own games magazine.

The *Dallas Fort Worth Software Review* was never the most popular publication in the world. Some of the early editions might even have had a readership of . . . one. Two if a friend came over and happened to pick it up.

But when I called the software companies, told them I was a writer for the *Dallas Fort Worth Software Review,* and asked if they'd like to send me review copies of their new games, one question they never asked me was how big my readership was.

In fact, the only question they asked was, "What's your mailing address?"

When that first game was delivered to my door, and I laid the box on the kitchen table, I knew I'd had my first success. It wasn't money. I still hadn't made a dime. But I had a plan, the plan had worked, and I was off and running.

Soon games were pouring in from all the major software companies, and I didn't have time to play them all, let alone review them all. So I put an ad on an Internet bulletin board system—there were no forums back then—offering free games in return for reviews. That meant the games could continue to come in and I could continue to produce my little games magazine without breaking too much of a sweat. The small readership, however, was a problem.

That problem was solved by the Internet. When the Web really took off, I was ready. Playing with computers made me aware of its growth—and its potential—so I took all of the game-related content I had collected and put it on a new web site called WorldVillage.com. I also invited other writers to come in and submit content on any subject that interested them.

Today, WorldVillage is still going strong and continues to enjoy hundreds of thousands of visitors each month.

That's one Internet success story. As you'll see, it's not without its stumbling blocks—no business story ever is—but it has two key components that are essential for understanding (and duplicating) online success. They sum up the opportunity that the Web has brought to anyone with even a hint of entrepreneurial spirit.

The first is that online business success is open to *anyone.* I am a shining example of this. I'm not an expert. I still can't program. I still hire out the writing on many of my sites as well as their management to people who can do these things better than I can. I've always been interested in computers, but I'm not what you'd call a professional computer person.

The point is you don't need to complete a course in advanced programming. You don't have to know what HTML is, what a server looks like, or that Ruby on Rails isn't the name of a grunge band. Knowing those things might help—at least on the technical side. But you don't *need* to know them. I've met plenty of Internet millionaires who think that style sheets are programs handed out at fashion shows. It hasn't stopped them from creating successful site after successful site.

The second key component to the story of my first online success is that I still play computer games. They're fun. I might play them less now than I used to, but I still sit with my family sometimes

in front of the screen as we battle monsters together. I am pleased to say that I am a Level 80 Warrior in World of Warcraft.

The reason the *Dallas Fort Worth Software Review* and then WorldVillage succeeded was that I was doing something I loved. I didn't set out to make money. I set out with the idea of doing something that I enjoyed. Because I enjoyed it, I was willing to put time and effort into doing it well. And because I put time and effort into doing it well, other people enjoyed it, too.

When that happens, there's always an opportunity to make money, especially on the Internet.

That's what this book is all about.

It's about what happens when you take a passion, place it on a platform that's open to anyone who wants to climb on to it, and then plug in the pipes that bring in the cash.

The result sounds a lot like KaChing.

So, Just How Easy Is It to Begin Building a Web Site?

To someone whose only experience on the Internet is reading the news, checking the sports scores, or perhaps answering e-mail, the online world can look pretty daunting.

Telling an Internet user that there's a fortune to be made online is a bit like telling a moviegoer that there are millions to be made in movies. Of course there are . . . if you know how to handle a camera, write a script, find the production money, hire actors, edit the footage, and distribute the film. If you know how to do all that— and can make movies that people actually want to see—then, sure, you can make millions.

But creating successful web sites is not like shooting successful movies. Creating movie blockbusters is complicated. Creating Internet content is very, very simple. It was always meant to be simple, and today it's easier than it's ever been.

You can now be online with a new web site in less time than it takes to read this page.

And you can do it for free.

You won't hear your first KaChing right away. You'll still have to stock the site with content, plug in the systems that will pour in the cash, and let people know you're around. That will take a little time. But it won't require any skills more specialized than the ability to press a mouse button or choose an option in a drop-down menu.

It wasn't always like this. Although the Internet was always meant to be a place that anyone could use and anyone could build on, for a long time that really meant anyone who had the patience to read a programming manual the size of a shoebox.

Today, the Internet really has met its promise of being a truly democratic space. Those with a desire to earn and a willingness to learn as they go can have the beginnings of a profitable online business in minutes.

Usually, that takes one of two forms.

The traditional method has always been to create a web site from scratch. You bought a domain name from a service like GoDaddy.com, rented space on a hosting service, and placed the domain on the host's server. Then you used a special program to write the code and upload the pages. Whenever users entered the address of one of those pages in their Web browser, your page appeared on their screen.

This is still how most web sites work. It's how most of mine work. Doing it all manually provides the greatest amount of flexibility. But it's a little tricky, as it takes time to learn—or money to pay someone who already knows how to do it—and it's no longer necessary.

Web developers have made complete templates available to anyone who wants to use them. The prices vary. Some companies offer them for free; others charge thousands of dollars for a template that's unique, easy to customize, and filled with the latest Flash animation.

Whichever option you choose—and both types are no more than a quick search away—once you've bought your domain, all you have to do is upload the template and fill it with your content.

Alternatively, you can also use a content management system like Joomla! or Drupal. These are free programs that act as a kind of storage system for web site publishers. They sound frightening, but they've actually simplified web publishing enormously. Once you've taken the first leap of buying a domain and placing it on

a server—a process that will take even the newest of publishers just a few nervous minutes—they'll allow you to add articles and use modules and extensions to place all sorts of preprogrammed goodies, such as RSS feeds, sidebars, and automated storefronts, on your web pages.

The first steps might feel a little strange. But once you have even a basic web site up and running, you won't be able to stop. You'll be experimenting and playing, and in no time at all you'll have become something of a web development expert simply because you're enjoying it. It happens. And it happens because it's now so simple.

Web site templates might have taken the sweat out of design, but there's an even easier and faster way to get on the Web. When Evan Williams, who would later go on to help create Twitter, launched Blogger in August 1999, he continued a process of simplification that cracked the Internet wide open.

A *blog* (short for "web log") is a very simple type of web site. Instead of having multiple static pages, the content on blogs is updated regularly and displayed in chronological order. That keeps readers coming back to see what's new. Older content gets buried but can be recovered from archives and by using searches based on keywords and subjects.

The benefit of blogs has always been their simplicity. While you can now upload all sorts of content, including video and real-time Twitter streams, writing a blog is not much different from writing in Microsoft Word, then saving it on the Internet so that everyone can see it. The attraction of a blog is always the content. If you can say something interesting—about any topic at all—you can build a successful blog.

Evan Williams certainly made a success of Blogger. Ten years later, Google bought the site for an undisclosed sum, and now Blogger is said to have 300 million active readers who consume the 388 million words uploaded through the service every single day (Figure 1.1).

Blogger, of course, now has plenty of competitors. Word-Press.org provides a lot more flexibility. It's open source, which means that anyone can build on it and create plug-ins that give publishers even more options. But unlike blogs on Blogger, it doesn't