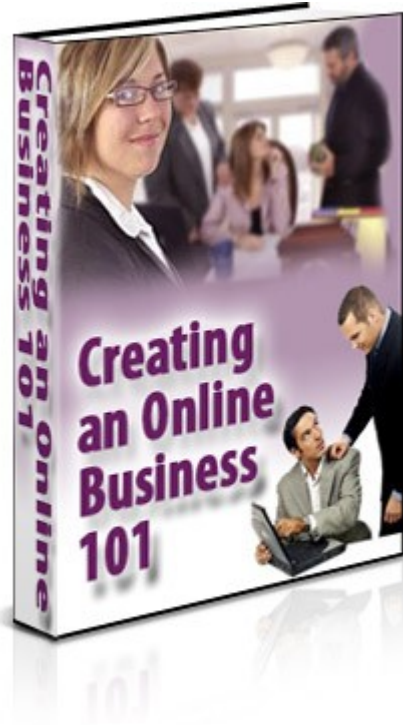


# Creating an Online Business 101



## A Guide on How to Set Up Your Own Online Business

Brought to you by: **Kevin Davis**  
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# **A Guide on How to Set Up Your Own Online Business**

By: **Kevin Davis**

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## **Introduction**

Hi fellow entrepreneur.

First, let me thank you for purchasing this exciting new guide on how to set up your own online business. I really appreciate that.

Now as you know, more and more people today have become dissatisfied with their jobs and their pension provisions. So the interest in starting an online business has begun to increase. Yet many who look at such a project find it difficult to know where to start because of the mountain of information available on the subject.

However, during this book we will help you to wade through the mountain of information available. This will, in turn, help you to decide on what is the right sort of online business for you.

One of the first things that you should bear in mind when setting up an online business of any sort, is that you must treat it as just that – a business. This means that you must be prepared to put in the time and effort in order to reap the rewards, even if you are only starting it as a part time venture at first.

Next, you must be prepared to invest some money into it. You do not need to put in large amounts, in fact, if you want, you could actually set it up on a very low budget. Also, what you should remember where an online business is concerned, the running costs are very low compared to a more traditional business.

However, the best place to begin is by picking what you like from the existing successful online business models already out there. So talk to others who have already made money in the niche that you have chosen, and then study, then implement the steps that they took to make it the success it is.

So now you need to think about just what sort of business it is you like to run. Some of the more popular types of online businesses to be found are: selling goods at auction sites such as Ebay, creating and then selling digital products (e-books are a good example of this) and setting up a custom storefront for your offline business. Also, you may want to make downloadable audio and video products for your customers, or you may just want to get into affiliate marketing instead. We will look at affiliate marketing a little further on in this book in a little more depth.

However, if you do choose to go with Ebay, one of the main advantages of setting up an online business based around this is as follows:-

1. You will have immediate access to millions of customers.

2. Plus you will have the opportunity to sell anything from cars to collectibles (say old sports cards).
3. Also, setting up an account on Ebay is straightforward, and the costs relating to auctioning items on this site are extremely low.

However, it is important that you familiarize yourself with the site. So take a look at the different categories and auctions that are already taking place. Also check out their “How to Sell” section on the site.

For some, the thought of creating their own products seems very daunting, but if you happen to be an expert in a particular niche, then coming up with ideas should not be that difficult. It is important that you carry out some market research to make sure that people would buy related items.

So spend some time writing down or recording any thoughts that you may have with regard to the subject. Then go back and edit where you need to by putting things into a logical order. However, if you are someone who doesn't like writing, then take a look at some other sites selling those same products or similar ones and get ideas from them.

Make a note, if you can, of what is selling well and formulate some questions that someone who is interested in this product might ask. If you are able to find a friend who will do an interview with you, getting them to ask you the questions you have produced. You can, if you want, record this interview and the make into an audio product which others can then download.

But if this just all seems too much, then why not get someone else to write some books for you? Think about hiring a ghostwriter. But this may be something to consider when you have a bit more money in the business account. So really, the next best way to make money with an online business is by selling someone else's products as an affiliate. As previously mentioned, we will look more closely at affiliate marketing in another chapter of this book.

The best way of starting an online business is to do it in an area that you are knowledgeable or passionate about. This will help you to focus your attention, as well as help to create a small income more quickly. But over a period of time, you will soon develop new skills, and through persistence and patience, you will soon see some very good results appear.

**Warm regards,  
Kevin Davis**

## **Chapter 1 –**

# **What Reasons Are There for Starting an Online Business?**

There are plenty of reasons as to why many people start an online business, and below we will provide you with just a few of them.

For many people, the main reason that they decide to start an online business is to earn an extra income. Usually, this is in addition to the income that they are already earning. However for others, what starts as a part time venture, soon becomes a full time one.

Another reason that people decide to start up an online business is that they have more control over their working life.

Also, it provides them with a chance to spend more time with their family and friends. Today much too much time is spent working, and many people find that they have little or no time to spend with those that they love.

Furthermore, there are other reasons as to why so many people now choose to set up an online business.

### **What rush hour?**

No longer do they need to get up in the morning to rush off to work and get caught up in all that traffic. Now that time which would normally be wasted sitting in traffic can be used to their advantage. Plus, it is up to you when you work, so if you don't want to start until late in the morning, you do not need to.

### **Prosperity**

Because of the rapid advance in technology, many online businesses today tend be prosperous, and so getting involved in this type of business is a good way to make some money.

### **Costs of Starting Up**

This is probably one of the biggest reasons as to why many people choose to start an online business. As many of the transactions are completed online, there is little or no need for lots of paper and documents. What one really needs in order to get an online business going is a computer, a high speed internet connection (ADSL), printer, fax machine and few other essentials that an office may need.

As you can see, these are just a few good reasons for why setting up an online business might be the ideal choice for you.

## Chapter 2 –

# Things That Need to be Considered Prior to Setting Up an Online Business

During this chapter, we will look at things that you need to consider before you actually set up your online business.

### **What product or service will you want to provide?**

For many people, they will start an online business based on knowledge and experience that they have already, while others may spot a gap in the market. But the most important thing that you can do is carry out research with companies and individuals that you do not know in order to get a more unbiased view.

Also, do as much reading and research on everything you can about particular areas of interest, as well as studying the pros and cons that this will have in relation to your overall goals. Plus, make yourself familiar with your competitors, as this will boost your confidence and enthusiasm for setting up an online business.

### **Where to work from?**

You do not need to work from home, but this is an option that many online business people prefer. But others prefer to have an office away from the home, as they find it difficult to focus, as well as feeling isolated.

### **How to market the business?**

It is important, if you want your online business to thrive, to ensure that you establish a web presence. The best way of doing this is by direct mail, networking, display advertising etc. But what approach works best for you will depend on the product that you are selling. The best way of finding out what will work, is by trying a different number of methods initially, and then go for it once you know which one is best. However, if you are unsure where to start, then look at how your competition is marketing their goods...if it works for them, it may work for you also.

## **Develop a Plan.**

Without having a blueprint on how to reach your goals, you may find that not just your efforts, but the resources may well be squandered. Having a plan provides you with focus, direction and momentum to keep the business on track. We will look further at setting up a business plan in the next chapter.

## **Check Laws and Regulations**

It is important that you check to see if there are any local laws or regulations in relation to setting up an online business from home. Also, you will need to get laws and regulations in regard to being self employed.

## **Setting up the Office**

More often than not, an online business will be conducted from the person's home. So it is important that you set up a home office prior to starting up the business. You should arrange to have all the necessary equipment that you will need such as computer, internet connection, printer, fax machine (but not essential) are just a few things that you will need if you want to be successful with your online business.

## **Chapter 3 –**

# **How to Set Up a Business Plan for an Online Business**

By setting up a business plan, you are road mapping your way to success. It will help you to develop your business goals and strategies, as well as providing you with a better understanding of the marketplace. It will also highlight any business strengths or weaknesses that you may have, as well as providing you with an opportunity to take a close look at your competitors. If you want, you can also include financial projections, historical data and growth expectations into your business plan.

With any good business plan, it should show who the target audience is, and just how the product or service that is being provided will meet or exceed their needs and expectations.

When organizing a business plan it is best if you break it down into sections such as:-

1. **Business summary** – The product or service you want to provide.
2. **Market analysis** – Research on the product or service and how the competitors are doing.
3. **Product positioning** – How to make it more prominent compared to your competitors.
4. **Market strategy** – How are you actually going to market it?
5. **Customer analysis** – Look at what the customer wants or needs.
6. **Financial analysis** – What you need to invest in order to set up the business and to keep it going while it is just getting started.
7. **Overall business goals** – What you hope to achieve in, say, a year's time.

But what is more important is that once a business plan has been developed, it should not lay in the back of a drawer somewhere. It should be a working plan that you can refer to when you need to.

The best way to make a business plan is to keep it simple (one or two pages should be all you need).

Certainly one of the best things you can do when starting an online business is to create a plan then stick with it.

## **Chapter 4 –**

# **What Type of Businesses Can You Have as an Online Business?**

In this chapter, we will look at some of the more common types of online businesses that people are running. Keep in mind, the decision is really up to you as to what type of business you want to run online.

### **Marketing Business**

This is one of the most common types of online businesses around. You can either run this business by exclusively marketing your own products, or by marketing those of other big budget companies. But this needs you to produce a visually striking web page that has all the necessary information and purchasing options on it for the products in question. In order for this business to be successful, it needs to be promoted effectively to potential customers via search engines, email or other sources. We will look at marketing in more depth in another chapter of this book.

### **Turnkey Internet Business**

This is a very trendy type of business to have online. This is where you would purchase a website from an already established sector and then run the business on a web platform that is provided to you by the established business. In order to promote such an online business, there are many different methods that you could use, such as promoting individual products or services to your online customers.

### **Internet Services**

This is a business where specific services are provided to online customers at a reasonable price. Such businesses are often set up according to a person's professional expertise and will provide services to their customers in relation to this. The types of businesses that will come under this umbrella are online consultancies, computer software assistance, and hardware trouble shooting and even such things as how to start an online business.

### **Medical & Health Care Facility Services**

This is where someone will set up a complete online pharmacy and the services related to this type of business will be offered to online customers. Such businesses will provide customers with medical consultancy, selling of medications and other medical charges. If you look further into this line of business, you will find that there are several medical

institutes who can franchise a person to run a virtual medical and health care facility for them.

But besides the ones mentioned above, there are many other kinds of online businesses around, such as entertainment websites, home decoration, dating, article writing, fitness, allergies, online chat and interaction and email servers are just some. But no matter what type of online business (“niche”) it is you decide to get involved in, it is important to plan carefully and have the ability promote the business professionally over the internet.

## **Chapter 5 –**

# **How to Go About Setting Up an Online Business**

The best way of setting up an online business today is as follows:-

1. Choose a niche and then specialize in it. Do not think that you are going to make big bucks by selling everything under the sun (unless you are using Ebay, but even this is getting more competitive today).
2. Choose or create a product. You can either use affiliate products or create your own.
3. Probably one of the most important things to do when setting up an online business is to find a good name. It should be short, easy to remember and reflect what your business actually does. Your domain name is the name by which your online customers will remember you by. A good domain name is one that is memorable, short and easy to spell. There are many websites around offering domain names, and prices can start for less than \$1.
4. Get your own website. Do not go for a free page on some affiliate site, but get your own. It is much easier to do than you think. Get some hosting (there are plenty of companies on the web today offering their services). Then buy a template system if you can not program (again take a look around the web and you will soon find plenty of companies offering web templates). Now all you have to do is start learning how to use it. However, if you are not technically minded then you will need to hire someone to handle all the technical aspects of your online business. This could include such things as building your website for you, the handling of your website hosting and the setting up of any domain names that you may require.
5. Always look for a secure and reliable host service provider. It is important that you examine the “uptime guarantee” that each service provider offers. Also, analyze the physical infrastructure of where your online business will be stored. But probably most important of all is that you should scrutinize the hosting providers “Back Up” and “Data Security” systems. This includes calculating how much time would be required to reinstall your online business if there was a complete infrastructure failure on the part of the hosting provider. This will help you to calculate the least possible loss to your business if such a situation arises.

6. Build a list. This is important so that you are able to repeatedly talk with visitors to your site. It is important that you keep the visitors updated as to what is happening with your site. This also enables you to contact them numerous times regarding whatever offer(s) you wish to present them.
7. Look at the ways in which you will handle the payments made by your customers. If you are selling an affiliate product, then this will not be a problem as the affiliate program will handle the payments for you. However, if you are selling your own product, then you will have to set up your own payment processing system. This will be looked at more closely in another chapter of this book.
8. Look at the ways in which you will arrange for goods to be delivered to your customer if selling your own products. You must look at local courier companies, as well as the postal service and find out which will be more cost effective for sending goods to customers. Also, you will then need to decide on the pricing system for the sending of packages to your customer's. But it is important that you choose a shipping company who you know is going to be reliable. Look especially at those companies who offer an online tracking system.

## **Chapter 6 –**

# **How to Set Up an Online Business on a Budget**

You have now decided to set up an online business, but your budget is very small, so how can you get going?

You could start off by looking for free domain names. Because there are so many companies around who are now selling domain names, the market has become quite competitive. But there are a few sites around that will register a domain for you at no charge. However, there is a catch with some of them in that they will set themselves up as the administrator for your domain and then only transfer ownership to you after a set period of time for free or will charge you a small fee.

If you are going to be setting up and launching a website, but do not want to pay the \$20-\$40 a month that you can typically charged for hosting, then don't. There are plenty of places on the web today that will host your site for free. But before you get too excited about this prospect, it is important to remember that there is a drawback to be had from using such places. Most of these free host sites will place a banner at the top of your pages for allowing you to do this. However, there are some web hosts around who do not charge you a fee or force you to have a banner on your site either. While there are others who will remove the banners completely for a small fee each year, which is nothing compared to what you would pay to get someone to host your site for you each month.

What if you are someone who does not have their own product to sell, but still wants to make money online? Then look no further than becoming an affiliate marketer. This we will look at more closely in the next chapter of this book.

## **Chapter 7 –**

# **Just What is Affiliate Marketing and Why Become an Affiliate Marketer?**

Many times you will have seen previously in this book we have mentioned affiliate marketing as a great way of setting up an online business. During this chapter, we will provide a more in depth look at what it is exactly.

Affiliate Marketing is a method of promoting a product in which an affiliate is then rewarded for every visitor, subscriber, customer and/or sale provided through their efforts to the actual company selling the product. The compensation or commission that an affiliate gets may be based on a certain value for each exposure, visit (pay per click), new customer (pay per lead), sale which is usually a percentage of the item sold (pay per sale or revenue share) or it may be a combination of any of these.

Many companies like to use affiliate marketing because they do not incur any marketing expenses unless the desired result is realized.

There are also some e-commerce sites around today which run their own affiliate programs, while others use third party services. These provide intermediaries who will track traffic or sales that are referred to them from their various affiliates. There are many businesses online today who owe much of their growth and success to the use of affiliate marketing. It has been especially successful for small and midsize businesses on the internet.

We have now looked at what affiliate marketing is, now let us look at some reasons as why it is a good type of online business to set up.

### **No Production Costs**

With an affiliate program, production costs are no longer an issue as the product has been developed and proven to be good. Best of all, it has all come out of the merchant's accounts and not yours.

### **Do not need a lot of money to set up.**

All you will need is a desk, computer, internet connection and word processing software to get started.

### **Costs Involved**

Normally it is free to join an affiliate program, and all the set up costs and shipping costs will be met by the merchant whose products you are selling. Plus, as you do not need any where to store goods, this is another reason for joining an affiliate program. So even

if you happen to live in a 1 bedroom apartment, you can still sell the biggest products going as an affiliate because all the goods are held by the merchant you are working as an affiliate for.

### **Choices**

There are thousands of products and services that you can choose from. So finding the right products for either a website you have already or one that you are planning to build is immense.

### **No need to have a Merchants Account**

This can be a time consuming and costly expense for anyone setting up a business for the first time. Certainly, it is even more so where an online business is concerned. However, as an affiliate, the merchant you are selling the product for will bear all costs, as well as handle the processing of all payments. So you never have to worry about any potential charge backs, fraudulent purchases or losing your merchant account completely as an affiliate. Plus, no longer will you be concerned with collecting and storing names and addresses of customers along with their credit card details, as this is all done by the merchant who you are affiliated to.

Plus, no longer do you have to worry about dealing with awkward or nasty customers and their complaints. This is down to the merchant to deal with.

Probably one of the best things about affiliate marketing is that you can make money while you sleep.

Another benefit to get into affiliate marketing is that if the product you chose isn't making money, then you can just dump it. Remove any links to the product and then start promoting another instead. This is because there are no long term contracts which bind you to selling one particular product, so the risk to you is minimal.

If you work hard at affiliate marketing, then the potential to earn a good income is high. It really depends on just how much you want it and how much effort you are willing to put in to the products you are trying to sell.

For an idea of just what kinds of products and services offer affiliate programs, check out [Clickbank.com](#) or [ComissionJunction.com](#). Both of these sites are generally at the very top of most affiliate marketers' lists.

## **Chapter 8 –**

# **Is Using an Online Payment System a Good Decision for my Online Business?**

There are many online payment services today which provide you with an alternative way to traditional payment methods. So unlike banks and credit card companies, services such as PayPal and CheckFree no longer require a business to have a merchant account. In fact, using services like this not only provides a quicker way for money to be paid online, but it is more secure than having someone sending you a check or cash. This is because the funds are electronically transferred to your account with them in order to settle any transaction made.

Such services have become especially popular among those who use online auction sites (such as Ebay), but also many other online businesses are now beginning to see the advantages of these services as well. However, what is important to know is how they work, and how to avoid any potential problems that may arise.

Such services use a relatively simple process in order to transfer money from one person to another. What you need to do is set up an account providing enough information which should include your real name, email address and credit card or bank account details (which are used to verify your identity). Then, in order for someone to pay you, they enter your email address and the amount of the transaction in question. This is then paid into your account, and can either then be transferred to your bank account, or a check can be sent to you.

However, many of the payment services will charge a small fee in order to transfer funds. For example, PayPal charges you up to 2.5% for each transfer that they make (but this all depends on the amount). But what should be remembered is that these fees are probably less than what you would normally pay for a credit card merchant account. Also, such services can be especially helpful when you need to arrange for small repetitive payments to be made to your account, such as affiliate rewards and commissions.

But there are some drawbacks to be had from using a payment service, and these are as follows:-

1. Many of them impose a daily or weekly limit on the amount of money that you send or receive. So if you want to exceed these limits you may find yourself incurring an additional fee for a “business account” or “premiere account”.

2. These services are not banks, and therefore are not subject to strict banking regulations or protected by Federal Deposit Insurance.
3. Often these services provide their customers with less protection against fraud and abuse than many credit card companies offer.
4. Also, they are sometimes quick to freeze a customer's account if they suspect fraudulent or other criminal activities are taking place. They can be so quick sometimes that some customers have found that their account has been frozen for no apparent reason whatsoever.

It is important that before you sign up to any payment service, you read through their terms and conditions thoroughly. Plus, also read through their terms of service agreement carefully. It is important that you fully understand and accept the service's dispute policy, limits on liability, their fee structure and any other rules or regulations that they may have. It is also important that you do not keep too much money in your account, rather hold in it enough to conduct a few days of business and any unused funds should be transferred over to your regular bank account.

Below are just a few more payment services that you may want to look at further when setting up an online business account.

1. **Authorize.net.** This service processes credit card and checking account transactions.
2. **BidPay.** This allows person to person payments, in which they accept a credit card payment from the payer and then send a money order through to the payee.
3. **BillPoint.** This also allows person to person payments, but from a credit card. Originally this system was being targeted specifically at Ebay customers.
4. **E-Gold.** This allows the payment in gold (silver, platinum or palladium) to be made from one customer to another using an account based system.
5. **PayPal.** This is probably the most well known of payment services, and it allows user to user payments. This is where a payer uses a credit card to pay money into another user's account. Or, in fact, they can use money they already have in that account in order to pay for the goods they have purchased.
6. **World Pay.** This service provides both an internet merchant account, and payment processing service in one package.

## **Chapter 9 –**

# **How do You Go About Marketing Your Online Business?**

In the final chapter of this book, we will look at various ways in which you can market your online business. The reason for marketing an online business is in order to get that all important traffic to visit your site. This traffic consists of visitors, who will then become your customers and start purchasing your product or service from you.

The first thing you need to do is learn how to optimize your website so that it will start getting ranked in the top three search engines (Google, Yahoo and MSN. The sooner you do this the faster it will get ranked and the sooner the traffic will start to appear at it. A great way of doing this is by investing in either a book, E-book or Ecourse on how to optimize your site, or you could try some of the following methods instead. The best way in which you can optimize your website is by ensuring you have back links to your site. This is where you have links to your site placed on other sites through various different methods. Below we provide you with some that are useful in order to get those all important back links to your website.

### **Link Exchanges**

This is where you exchange links with other websites that have complimentary products or services to your own. It will not only give you direct traffic from the link, but will help to increase your pursuit for getting ranked higher in search engines.

### **Write Articles**

It is important that the articles you write are interesting and full of useful information regarding your niche. This is probably one of the best ways around for gaining more traffic to your website. Not only is it free, as there are many article sites around where you can have your articles published for free, but each article you have published will be providing a link back to your site. This means that you are helping to gain even higher rankings where search engines are concerned. When writing an article, you should always include information about you, the author (this will usually be in a resource box at the bottom of your article), and do not forget to include that all important link to your own website.

By distributing to numerous article sites, you are not only gaining traffic (as when someone sees it on there, they will click on your link if they like what they saw), but also you get a link that points directly back to your site, which the search engines use to rank sites.

However, if you are someone who dislikes writing, then you could always look at using a ghostwriter. There are many sites around today who offer ghostwriting services, but when initially setting up an online business, this may not be an expense that you want to incur.

### **Online Forums**

When using these, do not forget to include your signature line at the end of any comments that you make, as this will then provide a further link back to your site. The best bet is to stick to forums that are on the same topic as what you are trying to sell. Not only will you be learning about your potential customer's desires, but you'll be able to establish yourself as an expert in the field.

### **Blogs**

Blogs are a great way of ensuring you get back links to your site. So why not start a blog on your website? But ensure that you post to your blog several times a week and think of it as news page for your site. Certainly blogging has become the in thing at the moment on the web. You only have to do a quick search to find out just how many there are.

## Conclusion

So hopefully the information that has been provided for you in this book will be setting you on your way to starting your first online business.

However, what you should remember is the costs of running an online business are considerably reduced. This is because you do not actually need an office...you can work from home. No need to employ others and all you need to get started is a good computer and good internet connection.

But there are some problems that you do not get with a traditional business, such as hackers, viruses, websites going down and data preservation.

However, the most important aspect of any online business is to generate traffic to your site. There is no point in you having a great product if nobody knows about it. So get a strategy in place which will generate the traffic required to bring in those all important visitors, and then sales to your site.

So the best way of starting any kind of online business is to sit down and write up a plan. Once you have done this, then you can start looking at all the steps that have been shown in the book on how to start an online business!

**Good luck with your future online ventures!**

Kevin Davis

## Resource Guide

The following websites were used to obtain information for this book:

[www.howtostartyourownonlinebusiness.com](http://www.howtostartyourownonlinebusiness.com)

[www.copywriting4dummies.com](http://www.copywriting4dummies.com)

[www.freelancing4newbies.com](http://www.freelancing4newbies.com)

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