

Making Money Selling Other People's Products

A lot of people are now getting into online businesses and online marketing either to supplement their "real world" income or for it to become their primary source of income. Why? Because online marketing just provides them a lot of benefits!

First, you can reach just about anybody in the world who has Internet access if you market your products online. That means a wider market for you, which can translate to larger profits. Second, setting up an online business requires only a fraction of the cost required to set up an actual business establishment, which means a lot of savings for the business owner.

Another aspect that has attracted a lot of people towards online marketing is the fact that one doesn't have to have his own products to get started. In online marketing, one can start making a lot of money just by selling, or even by just trying to sell, other people's products. And getting started with this kind of marketing strategy is actually quite easy. All that one needs to do is to set up an agreement with an online retailer or merchant, and after everything is settled, one can immediately start making money by selling the merchant's or the retailer's products.

Incidentally, the most popular and the fastest growing method of selling other people's products online is affiliate marketing. Affiliate marketing, in its simplest definition, is a relationship between an online merchant or retailer, who has products to sell, and his affiliates, who are willing to promote the merchant's product on their website.

In a typical affiliate marketing set up, the merchant provides his affiliates with banners and text ads that links to his site. The affiliates will then get these ads posted on their website and they get paid whenever traffic or sales is directed to the merchant's website. Affiliates are often paid on commission basis, although other online merchants would opt to pay a fixed fee for the affiliate's compensation.

Starting to make money online with affiliate marketing is relatively quick and easy. All that one has to do is to sign up as an affiliate for an online company that offers affiliate programs. An alternative method, and usually an easier one, is to sign up as a member of an affiliate network—a network that hosts a variety of affiliate programs for different online merchants or retailers. Signing up is usually free, although other companies and networks may require you to pay a particular fee. Such fees, however, are made as

payment for additional services that the company may render, like providing you with tools and assistance to jumpstart your online business.

When you sign up with an affiliate marketing program, you are usually required to fill out a form containing information about yourself. Some affiliate programs may also require you to present the URL of your website and describe its contents. This will allow the retailers to verify that you actually have a website with contents that are relevant to their products. Some affiliate programs, however, won't require you to have a website. After filling out the form and all, you are then allowed to choose the affiliate programs you want to promote.

After signing up with an affiliate program and being an actual affiliate, you are now ready to start making a lot of money by selling other people's product online. How do you make money? There are actually a number of ways for you to earn money as an affiliate, and most of these ways depends on the type of affiliate marketing program you've gotten into.

Many affiliate marketing programs compensate their affiliates in either of three ways: pay-per-click (PPC), pay-per-sale (PPS), or pay-per-lead (PPL). In pay-per-click affiliate marketing, the affiliate is paid whenever he directs traffic to the merchant's site. PPS and PPL affiliate marketing programs work rather differently. In PPS, the affiliate only gets paid when his referral converts into an actual sale. In typical PPS affiliate programs, the affiliate would usually get 15% to 20% commission for each conversion. PPL affiliate programs work the same way, although affiliates are paid a fixed fee whenever his referral converts into a lead for the company.

Some affiliate marketing programs are two-tier programs, wherein the affiliate is also allowed to recommend other affiliates to the merchant. In such affiliate programs, the affiliate would not only be paid for the traffic or sales that he would direct to the merchant's site but also for the traffic or sales directed by the affiliates who signed up with the program through his recommendation.

Yet another way of earning more profits with affiliate marketing is through residual affiliate programs. Residual affiliate programs are affiliate programs where the affiliate gets paid a number of times for as long as the merchant keeps the customer the affiliate has referred to his site. One form of residual program gets the affiliate paid a commission every time the referred customer purchases something on the merchant's site. Another form of residual affiliate program gets the affiliate paid a percentage every month for as long as the company keeps the referred customer.

With a lot of options available and a lot of ways to earn money, affiliate marketing is undoubtedly the most popular and the easiest way to make money by selling other people's products online. As to how much money one can get from affiliate marketing actually depends on the affiliate. A dedicated and hardworking affiliate would certainly get more from the program compared to those affiliates who would simply sign up and forget about the program later.