

The beginners' guide to

# GETTING ONLINE

**FLYINGSOLO**  
MICRO BUSINESS COMMUNITY

Proudly supported by



# Introduction

When Flying Solo first ventured online in 2005, the internet was present, but not as all-consuming as it has become today. Social media didn't exist and websites were just a nice-to-have. Boy has that all changed!

Today, an effective website and digital marketing strategy comprise perhaps your most important and cost-effective business building tools.

So what options do you have for positioning yourself in this new reality?

The digital horse has bolted long ago. You can shut the creaky gate and yearn for the good old days, or you can hop on for the ride and embrace digital as the opportunity of a lifetime.

We favour the latter, but if you're hesitant, we're here to hold your hand.

In this report, proudly supported by Optus Business, we explore some essentials of websites and online marketing. We hope it will help get your new business flying online, or your current business soaring even higher.

We invite you to share your journey with us and learn more at [flyingsolo.com.au](http://flyingsolo.com.au)

**Love your work!**



**The team at Flying Solo**

# Table of contents

<b>CREATING AN EFFECTIVE WEBSITE.....</b>	<b>4</b>
Yes, you need a website .....	4
Seek professional help .....	5
Cover the basics .....	6
Inject your personality .....	6
An online brochure is a fine place to start! .....	7
Simple tips on writing for the web .....	8
<b>GETTING FOUND ONLINE.....</b>	<b>11</b>
Search engine optimisation (SEO) .....	11
Search engine marketing (SEM).....	12
Online social networking .....	13
<b>IS AN ONLINE BUSINESS FOR YOU?.....</b>	<b>15</b>
Beware the passive income myth .....	15
How can you make money online? .....	16
Advantages and disadvantages of an online business .....	19

# Creating an effective website

“ *The internet has been the most fundamental change during my lifetime and for hundreds of years.*

**Rupert Murdoch**

You can embrace it or you can ignore it, but you can't deny it. The mushrooming global online marketplace is disrupting the value proposition of every industry, and yes that it includes us soloists.

The global nature of the internet has given rise to new players and models that are redefining the value of music, movies, design, manufacturing, telecommunications, finance, advertising, consulting, publishing and the list goes on. Digital first arrived as the destroyer, before becoming the saviour.

The same 'level playing field' of the internet that helps small businesses tackle corporates, also helps corporates go global and tiny bootstrappers to take on everyone, from anywhere. In the online marketplace, location, money, education and experience no longer command the fat premium they once did.

Today, across many industries, you'll find experienced professionals and high-end solution providers being undercut by much cheaper offerings, increasingly from all corners of the globe.

For established businesses, large and small, this can be highly aggravating and threatening. Indeed, we see passionate and divided discussions about it on Flying Solo.

Beyond geography, online technologies can also remove many of the traditional limitations of speed, quality and price. The reality of the internet is that there will be ever faster and cheaper options. So unless you want to join the price war, differentiation on quality is now more important than ever. You're now competing with the best in the world. The internet is globalisation on steroids.

## **YES, YOU NEED A WEBSITE**

If you're one of the surprisingly high numbers of people still wondering if you need a website for your new or established business, the answer is emphatically 'yes'.

In fact, the business world has moved beyond that question. It is now a given that an effective, up-to-date website is one of your most important and cost-effective marketing tools.

If you have a limited marketing budget, it is arguably the one investment likely to give you the greatest return over time.

From our surveys, we know that just behind word-of-mouth the web is one of the best sources of new business. However, while the majority of micro business owners have a website, less than 50% have one they're happy with and at the time of writing, over 20% are yet to invest in one at all.

Delving deeper it turns out that only a small proportion have optimised their website to get found on major search engines – meaning they're online but largely invisible.

Statistics like these show there is plenty of room for improvement for those willing to get serious about online marketing strategies to grow their business.

We believe a reason for the seeming ambivalence shown by many soloists is that ecommerce is often dismissed as either being irrelevant, or a firm resident of the 'too hard basket'. Frankly, in many instances, it should be neither.

# Creating an effective website

Those without a full understanding of what the web can be used for tend to write it off, saying 'I get all the customers I need without a good website!' or 'I've got nothing to sell online.'

The web is not just about attracting new customers or online sales. It can help you better service your existing clients; increase customer loyalty; increase your profile as an expert; create additional passive revenue streams; enable you to charge more; attract media attention; open up totally new business opportunities... and ultimately boost the value of your business and your brand.

A website also enables you to experiment, or at least research and develop. Gone are the days when you needed printed price lists and signboards before you could sell anything. Today most sales collateral remains solely online and can be amended, updated and even withdrawn, in an instant. As such, your website can be used as a pre-cursor to offline sales, enabling you to track consumer interest and buying patterns; allowing you to determine new product offerings; and revise sales propositions before spending fortunes on point-of-sale material.

Even if you're not web savvy, don't despair, none of this is rocket science and the tools available are getting easier to use by the day. More good news: the internet is still a reasonably level playing field where smart, nimble and fast-learning micro businesses can outwit bigger competition.

If you don't have a website, start the process as soon as you can. If you do, block out some time for a review to make sure it's working as hard as it could be for your business.

## SEEK PROFESSIONAL HELP

Unless you're one of the very rare breed who has solid technical and design skills, you will need to find a web developer and designer to help you set up your website. Sometimes, 'developer' and 'designer' come in the same package (often a soloist) although often they are very separate services.

While many businesses can, and should, keep it simple to start with, it is important to invest as much time and money as you need to create a site that meets your objectives.

The process sounds simple. First, create an effective website. Second, get the right people to visit it. But it's definitely easier said than done, and it can be a confusing and time-consuming undertaking for the uninitiated.

Community member, Jane uses a great analogy to explain just why it needs close attention:

As a consumer of web design services I don't know what I don't know. But when I wanted a kitchen designed and built, I didn't go to some builder and say 'I want a kitchen. How much will it be?' I spent months working out everything I wanted down to the last drawer pull, the exact quality of the wood and the size of every cupboard down to the last millimetre.

Clearly, web development is a rapidly evolving topic that warrants thick books of its own! So, for the very latest tools, tips and how-to advice, visit the technology sections of Flying Solo's article library and forums.

For now let's focus on the key messages you need to convey and some of the strategies you can use to create an effective online presence.

# Creating an effective website

## COVER THE BASICS

A website is, at its simplest, a marketing tool. So before you get to the nitty gritty of designing and building a website, it is most important to focus on what you want to say, and who you want to say it to.

You'll have to know the ins and outs of your customer's needs, business objectives, industry, target audience and offerings if your website is to be effective.

No matter what kind of business you have, at the very minimum your website will need to quickly and clearly convey to your target audience five key messages in plain English:

1. What do you do?
2. Who for?
3. How is it of benefit?
4. Why are you different?
5. How can people contact you and /or make a purchase?

## INJECT YOUR PERSONALITY

All successful websites have these marketing bases covered. But to ensure your site stands out amongst your competition, it needs to reflect your personality, too. It is important to be authentically you within your solo business, and your online presence is no different.

The world does not need another website full of generic phrases, stock photography, jargon and bland corporate speak. Disappointingly, countless soloists use the web to appear bigger than they are, à la the Wizard of Oz. This manifests in 'About' pages without photos (or worse, stock photos of random people in suits) and frequent use of 'we' instead of 'I' in written language. Making a site from this mould can be a missed opportunity.

We soloists are so lucky: we get to convey our personalities into our websites in a way that the big corporates just can't replicate, despite their best efforts.

Visiting a brilliant micro business website is like listening to an engaging expert speaker: clear, intelligent and full of personality. It quickly becomes evident that they know their stuff and can talk about it in a way you understand. You've never met them, but feel as if you know them. As an example, here are a couple of snippets from websites that do this well.

### **This from a building company:**

*We're builders. That's about as complicated as it gets. We have a simple vision: to be widely known as Australia's best builder. We're passionate about doing things right the first time.*

### **An advertising agency:**

*We're a full-service advertising and graphic design agency. Everybody says that, so we thought we should too. In reality, every agency has its strong points. Below are the things that we excel at - maybe we'll be a good match for your company.*

### **And a software developer:**

*Tens of thousands of companies use our software every day to become heroes, cure headaches, start revolutions, blow socks off and even fall in love!*

# Creating an effective website

Getting more personality into your own business website is not as hard as it sounds, all you have to do is work on the words until you're happy that they sound authentically you.

To test this, when you read your website aloud as if you were explaining to a friend what you do, it should sound natural. If you are cringing or you and your friend are wondering where the 'real' you went, there's work to do.

Next, strip out the corporate speak and impersonal language and boil your message down into plain English. You'll know it's right when you can read it out loud comfortably. More tips on writing for the web shortly.

## **AN ONLINE BROCHURE IS A FINE PLACE TO START!**

At the risk of suffering the wrath of website developers and online marketing consultants the world over, we're going out on a limb to assure you that there is nothing wrong with a simple 'brochure' website, i.e. a basic site that consists of a few pages of information.

This is especially true for those in start-up mode or for established businesses taking their first steps into a serious online strategy.

Online marketers, though, argue that the internet is completely different from print. Their view goes along the lines of:

You need to engage your audience in a two-way conversation and take them on a journey. Write articles, run surveys, be controversial, add new content regularly to entice visitors to return, optimise your content for search engines and generate backlinks by participating in social marketing.

They're right, of course. But the problem is that it all sounds very difficult. Why? Because it is.

Unless you enjoy writing, are willing to immerse yourself in the online world and have a decent grasp of web technology, creating a thriving business website, blog, community or social media presence takes a lot of time and effort.

It's great if you can do it, but it's not for everyone. Realistically it's not for the majority of people. Even those who are wholeheartedly engaged online can struggle to raise their profile enough to make it a worthwhile investment in either time or money. That's where the online brochure website steps in.

Blogs, video, audio, email newsletters, social media, search engine optimisation, surveys, forums, clubs, live support, animation, personalisation and interactive elements can all have their place, but first things first.

Before graduating to the latest and greatest, it's important to master communication 101. Whether it's a brochure, email, proposal, letter, meeting or website, the fact remains that the most important things people want to know are what you do, who for and how will it benefit them.

A clear and concise brochure website is the minimum platform you need before you can leverage the full interactive and networking potential of the internet.

It's very simple, yet surprisingly uncommon, and definitely worth a try if you're intimidated by the seeming 'complexities' of having a website.

# Creating an effective website

## SIMPLE TIPS ON WRITING FOR THE WEB

While we encourage engaging professional help where the budget allows, it is not always practical to outsource the task of writing your own web copy (or 'content'), at least not the first draft. Your site needs to reflect your personality, remember?

You may feel overwhelmed and not know where to start. Navigating the online world is not something that can be fully learned from books or classes. The best way to fully understand how it works is to get your feet wet.

If you're comfortable behind a keyboard, drafting (or refreshing) the copy for your website, contributing to a blog or newsletter or engaging via social networking sites can all be ways of doing this.

If you're a digital immigrant\* you'll need to learn the myriad ways writing for the web is different to writing for printed material.

According to usability guru Jakob Nielsen, reading from computer screens is 25% slower than reading from paper, and 79% of readers scan the content of a website rather than reading the content word by word.

A key difference is that web content has the ability to be interactive, meaning you can obtain a direct response from the reader. This is why so much writing is conversational because typically what goes online is the start of a conversation.

What follows are some general tips to keep in mind when writing quality content for your business website.

### Scanability

- Use headings that summarise the key benefit/function of the page to show the reader they are in the right place.
- Cover most important points by first writing in the 'inverted pyramid' style – start with the conclusion, followed by the supporting information and end with more detailed background information. This way, readers can stop at any time and still pick up the most important points.
- Use short, succinct and punchy text with lots of bullet points, tables and sub-headings making information easy to scan and absorb.
- Use relevant, meaningful headings and subheadings, rather than obscure 'clever' ones that make people work to understand the meaning. This is also very helpful for search engines.
- Less is often best – aim to keep pages to between 100-400 words unless detailed business or technical content needs to be explained.
- Similarly, stick to one font and size wise, only use a handful of heading/body conventions. Don't go crazy on the colours: black text on a white background is easiest to read by a country mile.
- Use simple sentence structures – if you're struggling with punctuation it's probably too complex.

---

\* A digital immigrant is anyone born before the late 1970s, as opposed to digital natives who have been surrounded by technology from an early age. A quick test: think of the thing you take photos with. Do you call it a digital camera? Or a camera? The latter is the language of digital natives.

# Creating an effective website

- Use bold text more frequently than you would in print to highlight benefits and key points.
- Information should be broken into manageable chunks to make it easy to read on screen.
- Include one idea per paragraph as readers will often skip over any additional ideas if they are not included in the first few words in the paragraph.
- Consider presenting complex or in-depth information in downloadable documents or 'more information' links rather than as long sections of unbroken text.

## Language

- Establish credibility – avoid exaggerated claims or overly boastful language and where possible, include links to other sites with supporting information or quotes.
- Use plain English and avoid jargon or industry insider terms. It's better to be emotive, friendly and contemporary than verbose or stuffy.
- Use the active rather than the passive voice (e.g: 'ask for a quote' not 'more information on gaining a quote can be obtained by clicking here').
- Ensure accuracy – grammatical errors or bad grammar can detract significantly from the brand impression.
- Generally avoid writing in uppercase as it is harder to read and many interpret it as being SHOUTED AT and therefore rude.

## Navigation

- As people may find your site through search engines, it's not just your home page that needs to be welcoming. Each page must stand alone.
- Contact details on each page are a must. Also a clear and distinct call to action should be included on pages to tell the user where they should go next in the sales process.
- The vast majority of your visitors will likely be looking for the same three or four main things, so make sure it is simple for these to be found easily.
- Avoid transitional language like 'as mentioned above' or 'on the next page' because web pages are not read in order like an essay or magazine.

# Creating an effective website

## Links

- Make sure links are relevant and add valuable information – don't add links for the sake of it or readers may get lost by clicking off to different sections.
- Underline links, and avoid using underlining anywhere else.
- Use descriptive links such as 'Download an ABC fact sheet now', rather than 'Click here'.
- Not all these ideas will be relevant all the time, but applying these to your website will provide a good foundation for content that works.
- If, having read what's required, you doubt your ability to put this together, you can hire a copywriter who specialises in writing for websites. Alternatively, you could get an editor to review your draft to ensure it meets the criteria we've outlined. Don't forget, the Flying Solo directory can help you find the resources you need.
- Even if you have no budget to speak of, a second pair of eyes is a very good thing. So if you don't engage any professionals, asking a friend for their view, or seeking feedback in the community reviews section of the Flying Solo forums is good practise.
- Of course you can have the purdiest, slickest website in the world, but it won't mean a thing if it's languishing on page 15 of Google. This leads us neatly on to the topic of getting found.

# Getting found online

““ *The success of a page should be measured by one criteria:  
Does the visitor do what you want them to do?*

**Aaron Wall**

It's been said that a website with no traffic is like a billboard in the wilderness. As with any aspect of your business – online or offline – it's essential you make people aware of your offering.

The tried and true offline marketing, networking and word-of-mouth initiatives can all be great ways to drive traffic to your website, but they're really just the tip of the iceberg. In this section, we'll touch on the basics of a few of the more powerful online marketing methods to get your website found.

Broadly speaking there are two ways you can access potential customers online. Either you can attract prospects to your website using Google and other search engines, or you can go to where your customers are already using social networking communities.

The primary method of attracting is Search Engine Optimisation (SEO) and Search Engine Marketing (SEM). These are topics many business owners dismiss as too technical, or best left for the propeller heads, but search engines and digital technologies are becoming such a fundamental part of consumer behaviour and marketing, that every soloist needs to have a grasp on the basics.

To help get you started, here is a straightforward explanation of what are, for many of us mortals, slightly intimidating, jargon-y terms.

## SEARCH ENGINE OPTIMISATION (SEO)

Put simply, SEO is the art of writing, developing and promoting your website online so that it will appear higher in the search engine results for specific terms relevant to your business.

For example if someone goes to a search engine and searches for 'office furniture Brisbane' then you'd like your business to appear on the first page of the results. If you sell office furniture in Brisbane that is!

First, you need to identify the specific 'keywords' and phrases that people would use to find your services. A starting point is to ask yourself 'What would I put in Google to find the products or services I provide?'

Next, optimise the text and code of your website so it is found when those keywords are entered into a search engine. There is a balance between having keyword rich content and it being pleasantly readable and authentic. Articles on precisely how and why to use keywords abound on Flying Solo.

Search engines love lots of unique content that is relevant to your business. To feel some of this love, you need to step up from the basic brochure website and add new information regularly. The good news is new content gives you fresh opportunities to use relevant keywords in page titles, introductions and headings.

Encouraging other reputable sites to link to your site through backlinks is another extremely important part of the process as it acts as a 'vote' for your website in search algorithms.\* Again, this is usually achieved by having valuable content that people want to link to.

---

\* A search algorithm is 'An algorithm for finding an item with specified properties among a collection of items'. That's cleared that up, then. Basically it's the 'secret sauce' that search engines use to prioritise where sites rank compared to each other in search results.

# Getting found online

## SEARCH ENGINE OPTIMISATION (SEO) *continued*

### How's your website doing now?

Here's a quick experiment to help you see how your website is performing against your competitors.

Hop onto google.com.au and type in the main keyword or phrase related to your business, along with the name of your suburb or region. For example, 'landscaping Bendigo' or 'graphic design Hobart'.

Results may show your business is nowhere to be seen or that you're being outranked by some new upstart. Alternatively, you might be pleasantly surprised to see that you're high in the results. If so the chances are you've paid some attention to optimising your site and are now enjoying the benefits.

How easy it is to rank highly will depend on how popular your search terms and location are. Ranking highly for more competitive industries or major cities is infinitely harder – say for example 'websites Perth' – but for smaller local businesses there's often a wealth of prime online real estate yet to be tapped into.

Of course, there's a whole lot more to SEO than we can hope to cover here, so hit the web and read up on it. Or better still, if your budget permits, talk to a professional.

## SEARCH ENGINE MARKETING (SEM)

SEM involves paying for your business to appear alongside search results for specific keywords.

When potential customers search for your selected terms in a search engine like Google, your advertisement will appear alongside the search results. Because you generally only pay when someone clicks on your ad, it is very targeted and results-driven. This explains the phrase 'pay-per-click' (PPC) that you've doubtless heard.

This can be effective if you are in a highly competitive industry where natural SEO is difficult, or to guarantee search traffic when you're just starting out.

Although many search engine marketing options and pay-per-click providers exist, the most popular is Google AdWords.

For the unfamiliar, SEO and SEM may sound like a dark art, but once you get your head around the basics you'll find there's plenty of simple actions you can implement to improve your rankings and get your visitors to 'do what you want them to do', as SEObook.com's Aaron Wall said at the start of this section.

There's no doubt that a great website combined with effective search strategies will bring results. But, only if you work at it.

# Getting found online

## ONLINE SOCIAL NETWORKING

Social networking involves interacting with friends, family or business colleagues to expand your network by sharing relevant information, news and opportunities.

It is nothing new. We humans have been doing it through word-of-mouth for centuries. The massive difference now is the internet exponentially multiplies the ease and speed at which social networks can grow. It has created an explosion in online social networking with sites like Facebook, Twitter, LinkedIn, YouTube and hundreds of others enabling the rapid proliferation of networking between consumers and businesses. But it's not just about these dedicated platforms: online forums have been established for longer and are where a good deal of online social networking takes place.

Flying Solo's surveys show that in 2008, social networking sites and forums were the top way of finding work for 28% of respondents, leaping to 43% in 2010-11. Still it lags a way behind traditional word-of-mouth, cited as the most effective source of new leads for around 85% of respondents in both surveys.

While online social networking or social media is mainstream and here to stay, don't worry that you've missed the boat. We believe the best business opportunities are yet to come.

### Think before you dive in

There is plenty of justification for using social media for business, but for many, the rush overshadows the reason. A quick trawl through the activities of many businesses on popular social networking sites reveals a gulf where a strategy ought to be.

Any form of networking or connecting surely needs to have a clearly defined rationale: Why am I doing this? What do I hope to gain? And yes, 'simply for connection and friendship' is a perfectly valid strategy.

Unfortunately, because the world of online networking is so easy to enter, it is attractive to those with a tendency to dive in and blurt it all out. But when was the last time someone gate-crashed a face-to-face networking event and had any success with a 'Look at me! Look at me! I'm brilliant!' approach?

Online, this kind of clumsy, ill-considered activity happens all the time. What's worse, because the offender can't see a mass of incredulous, horrified faces, he/she and other observers, assume it's the way to go.

And so the behaviour proliferates and the medium's effectiveness is diluted.

People remain uninterested in how good you are, they want to know 'how can you help me?'

Clearly such an aggressive approach does not and will never work. The side effect is that these naïve newbies soon run out of steam and abandon their social media accounts and forum identities, never to be seen again.

'Yeah, tried that.' they say 'It was useless.'

# Getting found online

On the other hand, those who use it wisely will find social media works equally as well as traditional word-of-mouth. In fact, they're becoming synonymous.

To paraphrase a comment from one Flying Solo forum member:

Once you do good work for someone in the online forums, word spreads quickly. People tend to trust you more than if they found you on some random website. Clients coming via Google see me as a computer rather than a real person and are ten times more painful than those who find me on Flying Solo.

Of course, social media is about more than helping you promote business. A more valuable outcome for many is how it can help you observe and learn from others, which is where forums are so effective.

The last word on this goes to Flying Solo community member Vanessa who remarked:

Social media marketing is about starting a conversation with both current and potential future clients. You could have 5000 fans, however if only 5% of those fans interact regularly with your page... what's the use of the 5000?

It's not about the numbers. It's about providing information, community and BEING SOCIAL. People forget it's called SOCIAL media. Not 'me me me' media.

Follow, connect and commune with the right people and you'll pick up new skills, generate new ideas, create more opportunities and have more fun. You'll also work out why it's well worth all the bother.

We've discussed the importance of a website and online marketing to support all kinds of micro businesses. Those who are really inspired may consider a purely online business. Could this be an option for you? That's what we'll look at next.

# Is an online business for you?

““ *I'm going to do this crazy thing.*

*I'm going to start this company selling books online.*

**Jeff Bezos**

The strong lure of flexible hours, selling to a global marketplace and generating income while you sleep makes running an online business very appealing.

Indeed, there is a whole industry built around selling the idea that an online business can enable you to escape your job, earn a six figure income and retire in a few years – all working part-time from anywhere.

The tantalising promise varies from sales letter to telegraph pole, but some of the common features are:

- It is very simple. If they can do it you can too.
- They have access to secrets (usually about seven) that others don't want you to know.
- You don't need any experience or special skills.
- It doesn't require selling.
- It will deliver high levels of passive income quickly.
- It is a 'turnkey' system that simply needs to be switched on.
- It requires working a few hours a day on your home computer.
- It needs only a small, highly-discounted, upfront investment.
- There is a strict limit on the number of people they can let in.

## **BEWARE THE PASSIVE INCOME MYTH**

Going into any business venture with the idea that it will make you rich quickly with minimal effort is a mistake. This is sometimes referred to as the 'lottery mentality'.

While passive income, financial freedom and early retirement are all possible, like achieving anything of value, there are no shortcuts. It takes consistent effort, persistence and elbow grease.

Talk to self-made people who have achieved freedom, passive income and a pot of gold, online or off, and you'll find they've worked their butts off for it.

As serial entrepreneur, Marc, puts it:

As a soloist in my last five companies I can say it's not about 'passive income', but 'recurring income'. It is certainly possible to make money while you sleep without stock, staff and a lot of the headache. But it certainly isn't passive at least not at the start.

Making this distinction from 'passive' to 'recurring' income is really useful, as it maps the path to making money while you sleep, without suggesting that it is easy.

Cutting through all the hype and empty promises out there, there are many legitimate strategies for creating new income streams online.

# Is an online business for you?

## Get back to basics

With an online business, like any other, it is important to step back and examine the business fundamentals.

What's your business idea and vision? What's your business plan? Are you suited to working in your own business? What are your strengths? What products and services will you offer? Who is your target audience? What's your revenue model?

For the purposes of this section, let's assume you've done the necessary homework and are considering starting an online business, or moving your existing business online.

## HOW CAN YOU MAKE MONEY ONLINE?

During the internet boom, and still today, many online businesses start up with no clear path to revenue or profits. However, unless you have access to significant financial reserves, you will need to define a clear path and timeframe to profitability.

While all businesses, online or offline, share the same basic principles, here we explore models more relevant to the online world.

There are several ways online businesses can make money.

## Ecommerce

One of the most well-known models is selling goods and services direct to customers via an online store. Examples range from huge global stores such as Amazon, through to small, local online stores selling anything from high-tech cameras to homemade crafts.

In the past, this model typically involved selling physical products, accepting orders, billing, credit card payments and shipping goods.

The rise of digital media has meant sites selling virtual products such as software, ebooks, music and digital photographs have become increasingly common. These operations have the advantage of being able to deliver products instantly with no postage or handling costs. Apple's iTunes store is a global example of a business selling downloadable products.

## Advertising

The online advertising revenue model works by attracting a large number of visitors to your website and then charging advertisers a fee to run advertising or sponsorship on your site.

Typically, the way to attract a large audience is to create and publish high quality content such as articles, images and video, or, host user generated content such as forums or reviews. This advertising model is not new. It is used by newspapers or television stations that publish popular content and then charge organisations a fee to advertise to their audiences.

# Is an online business for you?

## **Affiliate marketing**

Affiliate marketing involves selling other people's products to your customers for a commission. Typically you don't purchase the products, or even get involved in accepting payments or delivering the product. An affiliate simply acts as a middle man connecting customers to sellers and taking a cut of the sale price, either via a flat fee or a percentage on all transactions.

As an example, you might recommend an online training course to the readers of your website or email newsletter. If you are registered as an affiliate of that course, anyone who clicks from your site to the training site and makes a booking is tracked and their purchase will generate a commission for you.

Affiliate marketing is an attractive, low risk option for many people because it can be up and running quickly and cheaply, and can potentially generate a passive income stream. However, because the commissions are often very small per sale, it can take a huge amount of time to build up a large enough volume of sales to make significant income.

## **Building online communities**

Another effective way to grow an online business is to provide a platform for like-minded people to interact on a topic or activity that they all are interested in. A common example of this is an online forum, such as a group of keen rock climbers who might get together online to discuss equipment and good climbs.

From a business point of view, the objective is to build a community of engaged members and then find ways to convert this into revenue. One way can be to sell advertising or sponsorships. Our rock climbing website or forum might be sponsored by a clothing or equipment brand for example. You may also be able to sell relevant products, offers and services to your community.

Another example is eBay, which brings together buyers and sellers and makes money as the provider of the marketplace.

## **Software applications**

Those with specific skills in developing online software-based products, such as games, applications or training tools, can charge people to access them.

## **Email newsletters**

Even with many newer messaging options, publishing an email newsletter is still a low cost way to build an audience for advertising, product sales or affiliate marketing. The most important part, and also the most difficult, is generating regular high quality content that people are willing to subscribe to and to trust as an ongoing and valuable source of content.

# Is an online business for you?

## **Blogging**

Blogs contain articles or 'posts', that usually cover a specific niche topic. Blogging is popular the world over because of online systems that let you set up a free blog in minutes.

Again, content is the key to a successful blog. If you have a passion or expertise in a specific topic then blogging can be a way to raise your personal profile and attract a large readership. Once you have built up a sizeable audience over time you have various ways to generate revenue.

## **Membership websites**

Membership websites charge members to access and read the material or tools on the website. For example premium news websites can reserve many of its articles for paid subscribers only. With the huge array of free content online, charging people to access your site is notoriously difficult and requires unique content of the highest quality.

## **Business directories**

Another common online business model is online directories where businesses pay a fee to appear in the directory. Prospective customers can then find that business using the directory. Often directories will focus on a specific category.

Most successful online businesses make money through using a combination of these revenue models.

# Is an online business for you?

## ADVANTAGES AND DISADVANTAGES OF AN ONLINE BUSINESS

Constant technological change, the speed of growth and the global marketplace offers great opportunities as well as great challenges to the online business owner.

### Advantages

- **Low start-up costs.** Compared to renting and setting up physical premises, the cost of starting an online business is relatively low. A computer and an internet connection can get you started.
- **Global market.** Online you potentially have access to a huge global audience compared to only working face-to-face with local customers.
- **Freedom and flexibility.** Working online from your computer, especially if you work from home, means you can set your own hours.
- **Always open for business.** Your business can be operating 24/7. Once you are up and running, you can potentially make money while you're on holidays or asleep!
- **Measurement.** A digital business enables you to track marketing campaigns precisely so you can tweak and optimise until you hit the winning formula for profits.

### Disadvantages

- **Intense competition.** With very low barriers to entry the online business world is fiercely competitive. You not only have global customers, but global competitors too!
- **Specialised knowledge.** If you're not highly web savvy, developing an effective website can be a real challenge. It requires an ever-changing understanding of technology and design.
- **Isolation.** Business online can sometimes be lonely for you and impersonal for your customers. Many customers still like dealing with real people and hesitate to buy online without seeing the goods for themselves.
- **Security concerns.** Even today, many shoppers remain fearful of credit card fraud when providing personal details over the internet. As a smaller start-up it can be hard work to gain people's trust.
- **Long time to profitability.** Many of the online revenue models such as advertising, affiliate marketing, even product sales, require very high volumes of traffic to convert into significant income. Building this can take years of hard work and success is not guaranteed.

Ultimately you need to figure out how to attract people to your online business and then work out how you will use this traffic to generate income.

While the business models and techniques vary in the online world, the same business fundamentals apply.

Any business requires a high degree of planning, commitment and hard work, and, when executed well, starting your own business can deliver enormous rewards.

# About us

## FLYING SOLO MICRO BUSINESS COMMUNITY

Established in 2005, Flying Solo is home to Australia's micro business community.

Fresh articles from our team of experts are published daily on topics including starting out, networking, marketing, working smarter, living smarter and technology.

Plus our thriving online forums are the ideal place to seek advice and build relationships.

Stay up-to-date with our regular newsletters, list your business in the member directory, gain insights from our surveys, make real-life connections at our live events and much more.

You may be flying solo, but you're not alone.

[www.flyingsolo.com.au](http://www.flyingsolo.com.au)



Optus Business is right behind the Flying Solo community.

The digital economy has opened up many opportunities - and it isn't just something that benefits large business. To help your business harness the power of these new technologies Optus has introduced Optus OfficeApps, a new portfolio of cloud services for Small & Medium Businesses.

Optus OfficeApps is designed for growing businesses, frustrated with how time consuming it is to manage and maintain their IT systems. It provides online email, collaboration, back up and security solutions that take the hard work out of operating a business, so you can focus more on growth. And unlike other cloud-based solutions, Optus Office Apps provides migration assistance and 24/7 support.

For more information about Optus OfficeApps, please visit

[www.optusbusiness.com.au/officeapps](http://www.optusbusiness.com.au/officeapps)