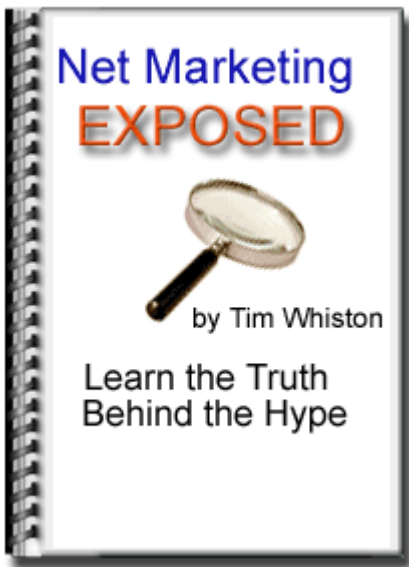


# Net Marketing Exposed



Presented by

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## Defining Your Budget

### Section 1: Introduction

#### Important Note From the Author

The information you are about to absorb may be unsettling. The content of this e-book is unlike the sugar coated, glossed over ad copy you are accustomed to reading.

However, this knowledge is crucial to your success. The truth contained in the following chapters may not be what you would like to hear, but it's exactly what you need to know.

Net Marketing Exposed also contains the links to some very powerful marketing resources. You can find these links throughout the following chapters, and in **Section 5: Useful Tools and Resources**. These products and services have helped me build a strong foundation for my business, and I encourage you to take full advantage of them.

If you like the contents of this e-book, be sure to check out my free [ezine](#) so you can receive more great information each month when I publish a new issue! Each monthly update is packed full of useful information and entertaining articles that you don't want to miss.

Thanks for your interest in Net Marketing Exposed. Now hang on and enjoy the ride. 😊

Sincerely,  
Tim Whiston

#### Marketing Basics - Just in Case

Most people join their first affiliate program or online opportunity with little idea of what marketing is all about. Some people believe marketing is a synonym for the word advertising. Others assume marketing is a simple reference to the act of selling a product or service. While advertising and sales fall under the umbrella of marketing, the larger objective of the marketer is to plan, execute, and adapt the entire process of moving products and services from their source to the end user in a profitable manner.

To think of yourself as a marketer means to look beyond the simple act of placing your ads. You must consider the larger picture.

Who needs your product? Where can you find these people? What form of advertisement would appeal to this group of prospects? What objections might you need to overcome when selling your product?

Marketing students are taught a set of principles known as the Marketing Mix. First introduced on a large scale by Neil Borden in 1964, this curriculum is also referred to as the Four P's; Product, Price, Place, and Promotion.

**Product** - The product is both the substance and the presentation of goods and services offered to the customer. This includes the appearance and functionality of physical products, customer support service, and even the emotional benefits the customer will receive as a result of their purchase.

Any packaging the physical good arrives in is also considered to be part of the product element. By this token, the nature in which a particular service is delivered can also be construed as part of the product.

**Price** - This is how much you charge for your product or service. Factors involved in pricing consideration might include geography, time frame, and quantity. Also, pricing variables regarding services rendered could be relative to the different levels of service provided.

**Place** - This is where and how your product is made available and sold. Will you sell it through an online auction site, or from your own internet shop? Will you market your product offline, and if so, where exactly will you do so? The question of place is often answered by where your target market can be found.

**Promotion** - Here is the element most people can readily identify with. Promotion encompasses the advertising and pitching of your product or service. This process involves identification of and communication with your different target groups.

While this is definitely food for thought, it's no more than a humble beginning. To be a successful net marketer, you should educate yourself at least enough to grasp and manage the basics of marketing theory and practice. Correspondence schools, night classes, info sites, books written by successful business people, and casual association with knowledgeable, productive individuals are all examples of cost effective education.

## Net Marketing Defined

So what exactly is net marketing? I like the following distinctions.

**network marketing**: 1.) The process of building relationships and referring others to profitable business opportunities. 2.) Distribution of product or service through personal contacts and network building as opposed to traditional methods of retail. 3.) Multi level marketing; MLM

**internet marketing**: The enactment of a marketing plan via the world wide web.

Quite often, the term net marketing implies a mixture of the above specifications. For purposes of this e-book, a net marketer is someone who engages in referral marketing through the internet.

## Multi-Level Marketing vs. Network Marketing - Any Difference?

Multi-level marketing is a business model that relies on the building of referral networks, or downlines, in order to move products and generate revenue. Often, the participants in these models play the role of both distributor and customer.

For example, let's say you decide to become a distributor for an MLM company. To do this, you are usually required to purchase a minimum amount of product each month.

You are (in theory) able to recover your monthly investment, and see a profit, by recruiting other distributors, all of whom are also required to meet a minimum monthly order. As per the compensation plan of the MLM you have joined, you will receive a percentage of the money your referrals (also called your downline) spend on their monthly orders. Additionally, you will receive commissions from the purchases of people your referrals recruit. Your downline, or referral network, may extend through several levels, thus allowing you to earn recurring income from a large number of distributors, many of whom you did not have to refer directly.

MLM can be traced back to the 1940's, when a company called Nutrilite began distributing vitamin products and health supplements via network building. Within a decade, a company called Amway was formed. Amway eventually bought Nutrilite, and is still one of the largest MLM companies on the planet.

It is worth mentioning that the founders of the original Nutrilite company were also involved in the founding of the vitamin/health supplement industry in the 1920s. It is therefore far from coincidence that so many networking opportunities focus on wellness products.

The popularity of MLM opportunities grew steadily during the 1960s. This market enjoyed tremendous growth in the 1970s, and saw another strong surge in the 90s.

By 1998, just three years after the mainstream inception of the world wide web, the "internet gold rush" began. By the year 2000, the revolution was in full swing. Network marketers hailed the coming of a new age in personal prosperity and MLM success. Web based network marketing systems can be found in various formats and structures, but the overwhelming majority of these programs are based on the concept of referring others to a potentially lucrative business opportunity.

It should be noted that while network marketing and MLM are generally interchangeable terms, not all internet marketing systems are actually multi-level. Many income opportunities pay straight commissions on direct sales volume, and do not compensate you based on several levels of referral purchases.

This type of income opportunity is often called a one tier affiliate program. The term one tier refers to the commission structure, which is a simple one level system where you earn a direct percentage of your personal sales instead of receiving payment on several downline levels.

This model is used by many companies, including large retailers like Home Depot and Dell. Some of these systems offer commissions for the sale of products, while others pay affiliates on a recurring basis for selling monthly membership packages. Since one tier affiliate programs often rely on some type of referral activity to propel the sales process, they can be accurately placed in the category of network marketing.

Many one tier affiliate programs in the net marketing niche focus on business to business products and services. This is due to the fact that most net marketers use community type

venues, like safelists and traffic exchange systems, as their primary advertising resources.

Everyone within such reciprocal communities is trying (often quite desperately) to sell something, so the rationale behind the business to business approach is clear. When surrounded by frantic sales reps, it makes sense to offer tools and services that assist in the marketing process.

Honestly though, the proliferation of business to business marketing has gotten a bit out of hand. There are currently tens of thousands of people online trying to sell each other advertising/management products that make it easier to... sell products and services... er.... to each other. Ridiculous, isn't it?

One key difference between standard affiliate programs and MLM opportunities is the cost of participation. Most affiliate programs are free, (though paying affiliates tend to be eligible for higher commissions) whereas nearly all MLM systems require some form of regular purchase in order to maintain an active, or income qualified, status.

Many six figure earners, and even millionaires, have been created by the multi-level/network marketing industry. Network marketing is a viable way to achieve real wealth and financial freedom for those who are able to navigate the maze of nonsense and implement a strong marketing plan.

However, it is utterly false to assume that anyone with a computer and \$50 can simply jump on the bandwagon and start making a fortune. Contrary to what many companies claim, there is a great deal to learn before an individual can achieve any real success with MLM. Like any business, there is a right and a wrong way of doing things.

Many less than scrupulous people have sought to exploit the MLM model by running pyramid scams designed to create big profits for the few at the expense of the many. A pyramid scam is a fraudulent multi level system where all earnings are paid out from the membership fees of new recruits.

In general, the small group of people who launch the program, or at least join very early, will rake in a nice profit, while the earning potential gets smaller and smaller for those who join later in the game. This is because, as the pyramid structure grows, the market for new referrals will become saturated, and fewer people will join. The pyramid will eventually collapse when new enrollments cease, and this of course will result in financial loss for those who joined in the last stages.

So, a few slick talking con artists, thinly disguised as savvy marketers, conceive and launch a much hyped "opportunity", then collect large sums of money by luring unsuspecting entrepreneurs into the scam. In general, these operations are here and gone within a short amount of time. By the time people realize a scam is underway, the program founders disappear into the night with millions of dollars.

Also, many systems that comply with legal requirements are basically slave work for the distributors because of an unreasonable compensation plan. You may have seen these models... "First you have to fill your aluminum matrix with 9 people to be income qualified. Then all you need to do is purchase 300 points of product, and sponsor one ultra plus distributor, and you are qualified to earn an aluminum incentive of \$20". (????!!!)

Today, there are literally thousands of MLM companies to choose from. Some are built on a solid foundation. Others are a poor model that is doomed to fail. Still others are outright scams like those discussed in a previous paragraph. How does the new or intermediate entrepreneur select an opportunity that is both honest and profitable?

There is the trusted method of trial and error. Hundreds of hours and thousands of dollars can provide quite the learning experience, and many successful marketers have undergone just such a curriculum.

Diligent research is also highly recommended. Reference a potential opportunity through the better business bureau, or look for it on your favorite scam alert web sites and forums.

It is not the purpose of this e-book to identify scams. Rather, I will be focusing on the prevalent delusion among net marketers that anyone with a computer can easily make a fortune, and the efforts of many network marketing programs to acquire and retain customers by creating and perpetuating this delusion.

### False Advertising?

The simple fact is that most advertisements are designed for the purpose of generating revenue. Full disclosure of all facts is often seen as bad business. While organizations like the FTC do strive to regulate the claims made by income opportunity providers, overall false advertisement legislation has been greatly relaxed in recent decades.

Are we to honestly believe that McDonald's offers well prepared, flavorful food products? Likewise, where does Wal-Mart get off telling us they care about people in light of their mindless, robotic approach to employment and customer relations?

Clearly the whole truth is not being presented in the ad campaigns launched by these organizations. Of course, this doesn't mean the fast food giant and the retail behemoth are illegal scams.

They broker real products at clearly marked prices, and despite questionable assertions regarding the end result of each transaction (i.e. customer satisfaction), they are essentially playing a fair game. The same can be said about the majority of net marketing programs/resources.

### The Ugly Truth

According to the Direct Selling Association, a Washington D.C. based organization with the mission of supporting and representing the direct sales/network marketing industry, retail volume in the U.S. network marketing community has reached an excess of \$30 billion dollars a year in goods and services. It is estimated that **over 14 million people in the U.S. are MLM distributors or network marketers.**

These figures can easily be compounded in view of the global participation network marketing is currently enjoying. More people are entering the MLM/network marketing arena with each passing day.

But how many of these hopeful masses are getting a return on their investments of time and

money? Almost none by comparative figures.

That's right. Evidence compiled from various surveys and numerous independent research projects suggests that less than 10% of all network marketing participants are able to recover their initial/recurring investments, and less than 1% ever realize a profit.

Robert L. FitzPatrick, author of the book *False Profits* and internationally recognized authority on multi-level marketing, compiled some interesting statistics on four very popular network marketing opportunities. According to FitzPatrick's research, approximately 1% of the affiliate membership earns the majority of commissions paid by these programs in any given year. The following table illustrates these findings.

<b>COMPANY</b>	<b>percentage of commissions paid to top 1 %</b>
Nuskin (top 1.18%)	74%
Nikken (top .75%)	58%
Melaleuca (top 0.98%)	54%
Cyberwize (top 0.62%)	51%

In the above examples, less than half the total commissions are disbursed beyond 1% of the total membership. It's a safe bet that much of the revenue paid to members outside of the top percentile is irregular (not steady) income. Only a very small number of people are reaping the kind of rewards advertised by these companies.

According to Jon M. Taylor, Ph. D., President of the Consumer Awareness Institute, the odds of winning a game of craps in Las Vegas by rolling snake eyes is 323 times as great as the odds of profiting as an Amway distributor, 111 times as great as profiting as a Nu Skin distributor, and 69 times as great as profiting as a Melaleuca distributor. This data is based on his own extensive research, which includes interviews with thousands of distributors and statistics published for Caesar's Palace in Las Vegas on April 6, 2001.

Dr. Taylor also conducted an extensive survey of Certified Public Accountants (CPAs) and other tax document preparers in the states of Idaho and Utah, two areas with above average MLM participation per capita. Response to this survey was consistent throughout 200 interviews. Not a single CPA recalled anyone reporting a significant amount of income from MLM participation, though losses were reported with a good deal of regularity.

One tax preparer in particular stated that in a 32 year period, all of his clients that were involved in MLM lost money. The average annual loss per individual was \$1,500.

A manager of H&R block in northern Utah stated that in 25 years of filing an average of 12,000 tax returns per year, he could not remember a single client who reported a profit from network marketing activity. Likewise, a tax software developer interviewed by Dr. Taylor said he had never, in the process of training thousands of tax preparers across the U.S., encountered anyone who had seen a profit reported by MLM distributors.

According to FTC statistics, the annual turnover rate of Amway distributors is 75% within the first year, compared to the 26% failure rate traditional small businesses suffer within the first 12 months. Over 90% of Amway distributors quit within four years. By contrast, non

MLM small business models have a 62% failure rate over a period of six years. NuSkin, another very large network marketing organization, reports an average annual turnover rate as high as 70%. Melaleuca, a company with fantastic products but a ludicrous compensation plan, has admitted to a more than 60% annual drop out rate among distributors. This information was divulged by company officers in 1999 after being taken to court by affiliates who challenged the official claim of a 94% retention rate. Ironically, a key selling point of most MLM/network marketing systems is an inflated suggestion about the massive failure rate among traditional small businesses.

Would such large numbers of people be walking away from these income opportunities if they were actually making money? Not likely.

SFI (Secure Future International) boasts a membership of over 8 million affiliates world wide, and claims to have "shown millions of men and women how to cash in on the internet." This MLM giant is without a doubt one of the most highly promoted opportunities in the net marketing industry.

I have two friends who were listed in the top 100 earners of the SFI affiliate program multiple times in the year 2004. I was intrigued to find that during the months of being listed in the top 100, neither of these individuals generated more than \$90 of sales. If millions of people have been shown the way of prosperity, how is it that two affiliates with less than \$100 in sales can earn a place in the company's list of top 100 earners?

Clearly, very few people are making good money with MLM opportunities. It's easy to see from the information above why there is such a large amount of public skepticism regarding these programs.

The statistics outlined in this section paint a portrait that contradicts the warm and fuzzy exclamations found on most network marketing home pages. The reality is, quite simply, most people who join an MLM opportunity never make a dime.

But what about one tier affiliate systems? How do they stack up in terms of loss to profit ratio among members?

Numerous programs were researched during the compilation of this e-book, including Lots More Group, the Page Swirl system, Tracecom USA, and divisions of Hit Exchange 101. On average, the one tier affiliate programs I was able to collect statistics for have paid commissions to 24.72% of their registered users.

It would appear that one tier affiliate programs, especially those based on business to business products, enjoy a much higher percentage of income earning participants than MLM structures. Remember that most affiliate programs can be accessed for free, so the actual loss of monetary investment may not apply. However, it is still evident that only a minority of affiliates are generating any kind of regular commissions.

#### Recommended Resource

A quality income opportunity is hard to find in this sector. As you may have guessed by now, I'm one of the biggest cynic in this business. I don't take the idea of recommending a net marketing system lightly, and I would never

suggest one unless it could stand up to my own thorough, often ruthless analysis.

**MPAM** is a very well known net marketing system that has a positive track record in the areas of management integrity and member training. The focus of this program is internet marketing fundamentals and the use of multiple income streams to build a foundation for your business.

Some brief statistics, current as of 11/05:

More than one million members have registered accounts with **MPAM**, which operates on a single tier affiliate platform. Of these million plus affiliates, roughly 1,000 are active participants. Approximately 50 members (5%) receive regular monthly commissions, and around 200 affiliates (20%) are paid commission on an irregular basis.

With 25% of the current membership enjoying some type of income, **MPAM** is easily outperforming the majority of MLM biz opps on the web. As of this writing, over \$259,845 has been paid out to affiliates since 2001.

### Worth Your Time?

Is it worth your time and money to explore network marketing, given the immense failure rate discussed in previous sections? A valid question, and one that only you can answer for yourself.

My intention in publishing this e-book is to drive home a very clear point: If you are thinking about net marketing as an easy way out of financial hardship, or a quick road to big money, you should save yourself a lot of heartache and put your time/money into something else.

If, on the other hand, you are prepared to do some research, muster a good deal of focus, and budget a realistic amount of working capital for your net marketing venture, I'd encourage you to go for it. Only a small percentage of people see a profit from net marketing, but this small percentage still amounts to several thousand successful entrepreneurs.

I put a couple thousand dollars in my pocket during the 12 months prior to writing Net Marketing Exposed. Not enough to buy a yacht, but enough to confirm that paypal works in two directions.

I have friends that make more money on the net than with their full time jobs. For that matter, I know folks who don't have full time jobs outside of the home, because they earn enough through net marketing to make a career out of it.

The opportunity to profit from the combination of network marketing and the world wide web is very real. However, your strategy, work ethic, and scope of expectations must be

very well grounded before this can happen.

## Section 2: The Big Lie

Emotional manipulation is an important part of any advertising campaign, and this element is highly visible in the promotional copy used by most network marketing companies. How many times has a well written pitch relieved you of that "one time, life changing investment", or enticed you to "do yourself a favor and act now"?

It's important to remember that a good deal of research has been done to determine what motivates people to seek out net marketing opportunities. New opportunity seekers represent a very diverse market segment. Here are a few examples of the types of people that get involved in this business.

- People with substantial, high interest debt who are seeking relief income
- People who earn below average income and are struggling to pay their bills
- People who earn above average income and are seeking alternative investment options
- People with extremely demanding jobs who are looking for more personal freedom
- People nearing the age of retirement who are looking for supplemental income
- People with physical disabilities that are unable to pursue traditional employment
- People who do not function well in a structured environment and want to be their own boss

As you can see, individuals from many walks of life come to the net marketing niche for a variety of reasons. However, the same basic appeals can be made to every one of these target groups with great success. Suggestions like "get the money you deserve, spend more time with your family, generate a secure residual income, enjoy the freedom of setting your own hours," and "you are in the right place at the right time" are well received by the emotional centers of anyone on the list above.

We see essentially the same claims on just about every MLM website. The wording may be slightly different, but the information being presented by thousands of net marketing companies is nearly identical. The following section summarizes the recurring theme found on sales page after sales page, and attempts to shed light on the reality of each individual claim.

### Anyone Can Do This

The thesis statement of nearly every major network marketing system is the suggestion that "Anyone can do this, regardless of business experience or financial resources." Ironically, two major reasons for the failure rate discussed in the introduction of this e-book are lack of business knowledge and lack of investment capital.

While a degree in business applications is not necessary to launch and build a profitable net marketing venture, you shouldn't expect positive results without some knowledge of marketing and commerce. There is far more to this game than posting free classified ads and telling your friends how they can get rich buying and selling vitamin packets.

Over 70% of the distributors featured on Amway's Higher Ground video and Profiles of

Success web site are individuals with a professional business background. A similar ratio can be found when reviewing SFI's President's Club profiles.

It's true that a human being can set his/her mind to just about anything and create the desired reality through focused intention and hard work. However, the idea that anyone can go from fry cook to millionaire in a few weeks by following a "proven system" is absolutely absurd.

Does this mean you should avoid net marketing if you have no prior business experience? Of course not!

What I am saying is simple. If you have no clue what business is about, be prepared to learn, and accept the fact that until you empower yourself with more knowledge, your results are going to be minimal at best.

#### Recommended Resources

**Profit\_Arena** is an amazing, free educational platform that allows you to learn the ropes of this business from some of the industry's top earners. This program offers a first class education on a variety of subjects in the net marketing field. If you are serious about gaining **real knowledge** that will help you build your business the right way, then I urge you to have a look at **Profit\_Arena** today.

**Focus\_4\_the\_Future** is another free educational asset that I highly recommend. This system uses live conference training to educate net marketers of all experience levels on a number of topics relating to internet marketing success. Click on over to the **Focus\_4\_the\_Future** conference page to find out when the next class begins.

### Something for Nothing

"You can do it all for FREE!"

Not likely, I'm afraid.

One of the most puzzling things about the net marketing community is the presence of a large group of people with little or no money to invest in their business venture. Certainly not everyone fits into this category, else there would be no internal economy to keep the industry afloat. But the number of freebie seekers is quite high. The sweatshop manipulators (discussed further in Section 3) have done a superb job of convincing folks that money can be made in great abundance with no need for the investment of start up or maintenance capital.

The discussion forums are filled to capacity with moaning spirits who spin the sad tale of "I'm still not making any money (sob, sniff)". Often these poor souls tell of how they are single parents, or unemployed at the moment, or perhaps recovering from serious injury and

really need the money. A majority of the time, members of the poor me club say they can't afford to spend money on advertising, web hosting, or upgrades because their budget is so tight.

Oh, the humanity of it all! I mean, they deserve to make a fortune just for accessing the web and opening a free affiliate account, right? Please!

At the risk of sounding harsh and uncompassionate, these people need to get over it. We only deserve what we create for ourselves. It doesn't matter how broke we are, or what kind of tough luck we have had over the past six months, no one owes us a single thing unless we earn it! The world wide web is a fantastic communication device, not an elaborate welfare system designed to be a haven to the poor and unfortunate.

The reality is that all business ventures require some type of monetary investment. If money is so tight that you are worried about having your water cut off for failure to pay the bill, you should probably adjust your priorities and reconsider this whole net marketing thing until you are in better shape financially.

### Your Own Business

"Join our affiliate program and you will be running your own business!" A bit of an oxymoron, eh?

Let's look at this suggestion again for the sake of clarity. Join someone else's program, in order to run your own business?

An affiliate marketer is essentially an independent sales rep. This can become a full time job that pays impressive commissions, but it is not necessarily the same as starting and running your own business.

There is a distinct difference between business as an activity, and business as an entity. An affiliate or MLM distributor is doing business when they sell and recruit, while the proprietors or corporate officers that fund, develop, and manage the program are the actual owners.

### All The Tools And Training You Need

"We'll give you all the tools and training you need to build your downline and sell products for high commissions." This is another popular half truth.

Most companies will provide members with cookie cutter text ads, replicated web pages, and colorful banner ads that brand the company name, but these resources are actually of greater benefit to the program owners than the individual affiliates. This point will be covered in greater detail in a later section.

A few programs do actually offer some pretty nice tools, but only to affiliates who choose to upgrade, or pay additional fees for stand alone marketing resources. In other words, these marketing resources are actually another income stream within the system.

While listening in to a conference call in the spring of 2005, I heard a friend of mine who

has made a good deal of money with net marketing suggest that a company's true intentions can be seen in the way marketing support is handled. This is something that had occurred to me before, but as the conversation grew from this thought, I really started to weigh the subject in my mind.

In 2002, the popular network marketing company Pre-Paid Legal Services reported a gross income of \$304 million, with a profit of \$27.1 million dollars. 20% of the total revenue generated (\$60.8 million) came from distributor purchases of legal insurance, and \$17.5 million in earnings came from tools sold to their distributors.

In May 2004, the NBC program Dateline aired a show in which hidden cameras were taken into Amway recruitment meetings. Video collected by these cameras showed that many of Amway's heavy hitters generated significant revenue from the sales of books, video tapes, and other training material to new distributors. Such tools, the new recruits were told, would help them to achieve success within the Amway system. While specific data on the money generated through the selling of such tools is unavailable, estimates put the profits in the millions of dollars.

If you are involved in a network marketing opportunity, here is something you may want to consider. Does the company behind your opportunity offer free, quality marketing resources that are designed to help affiliates promote and sell, or are you required to pay extra for valuable promotional tools?

If a network marketing company has a solid product line, shouldn't they go the extra mile to give their affiliates some powerful tools and resources with which to promote and sell? Isn't the point of network marketing to build a customer base and move products through contact building?

I have a bad feeling about a company that exploits their affiliates by charging them for sales tools. Can such a company truly be concerned with the ultimate goal of empowering their sales force and moving product? It seems clear to me that a program inclined to generate additional revenue off the backs of their distributors in this fashion is more interested in making the quick buck than in building a real, product driven enterprise.

And what about the cutting edge affiliate training most network marketing companies claim you will receive? This typically amounts to a series of pre-written emails new affiliates receive during the first week(s) of their membership. Some companies take this a step farther, and include a training resource section in their members only area. While there are a few programs that offer some useful tips, very few network marketing systems make strong retail training and quality marketing education a part of their curriculum. When all is said and done, the tired and insubstantial mantras "just keep trying" and "if you believe it, you can achieve it" are the extent of the mentoring received by most new members.

### Recommended Resources

I cannot overstate the importance of seeking out quality educational programs to help you learn the basics of this business. It's worth mentioning the following programs a second time, because they represent top notch training resources for serious net marketers.

The **MPAM** system will literally take you from the first step of organizing your work area, to the process of building your own site and getting top search engine placement. From generating loads of website traffic, to finding and building productive income streams, this program gives you everything you need to know about growing a profitable web business.

**Profit\_Arena** is an absolutely free, no catch training resource that allows **you** to learn from some of the biggest names in the net marketing sector. Please, do yourself a favor and take advantage of this fantastic utility right now. If you take the time to study the knowledge found in the **Profit\_Arena** course, and you work hard at applying this knowledge to your business plan, you will make money.

### No Face To Face Selling. It's A Turn Key System!

Many people are attracted to net marketing by the idea of making sales in an automated, anonymous fashion. The idea of easy money with no real sales work has been perpetuated by the copywriters as yet another way to persuade would be entrepreneurs to buy in.

According to the Direct Selling Association, only about 5.5% of all product sales made through MLM or net marketing companies occur via automated online transactions. Almost 80% of all sales are made face to face, with the remaining 15% being the result of telephone or email communication.

So much for the easy street approach. It seems that even in the year 2005, real interaction is a highly relevant part of the sales process.

### It Only Takes (insert number here) Other People To Make This Work

A lot of programs like to use a minimum downline figure to present their opportunity in a more feasible light. For instance, you might be told that it only takes three direct referrals to pay for your membership fee(s). The math involved in this presentation is simple enough, but the real world dynamics are an altogether different story.

If a program only requires a low, one time membership payment, recovering your investment may not be too difficult. On the other hand, if this one time fee is a large amount of money, you could find persuading others to follow your lead is no easy task.

Very few programs will stop with a one time fee. It is far more desirable to collect recurring income by charging monthly participation fees or requiring minimum monthly order volumes. These ongoing expenses are justified by the incentive of residual income earned from your referrals.

Referring 3 to 5 new affiliates isn't that hard to do, but keeping them on board month after month is a quite a challenge. Remember the high turnover rates discussed in Section 1?

People aren't going to keep paying membership fees and/or purchasing minimum product

shipments if they aren't making any money. Since most people will fail to produce positive results, they will quit, and you will have to find replacements in order to keep your income intact.

You will most certainly become frustrated and give up if you fall into the "refer three and it's free" mentality. If you decide to commit to a program that relies on a multi level pay structure, you are well advised to think BIG in terms of your recruitment campaign.

Most successful MLMers preach the ideal of duplication. In simplest terms, this is the process of recruiting new affiliates and teaching them how to do the same. Your new affiliates, in turn, should teach their referrals how to recruit and train new affiliates, and so on down the line. Duplication is beautiful when viewed on charts and graphs, but the hands-on aspect of this strategy is far less glamorous.

Many people will join an opportunity program just out of curiosity, or because they believe they will get rich simply for registering an account. These people will then sit there in your downline structure, doing nothing. Depending on your referrals to make it happen for you is a very good way to develop stress related health problems, but a very poor way to build an income.

It takes a strong plan, appealing incentives, and a great deal of hard work to build a productive network within a multi-level system. Be prepared to give constant attention and support to your downline, and toss the fairy tale of "it only takes (insert number here)" out the window.

### Interplanetary Networking?

Another great selling point is the downline chart that illustrates just how wealthy you can become by filling your referral structure. Again, the math is straightforward with such depictions, but the feasibility is akin to finding a rabbit hole that leads to wonderland in your back yard.

Let's look at an example of the downline requirements presented in a potential earnings chart. This simulation is based on the golden pipe dream of everyone referring only three affiliates.

<b>Downline Level</b>	<b>Number of Affiliates if Everyone on the Previous Level Refers Only Three People</b>
You	3
1	9
2	27
3	81
4	243
5	729
6	2,187
7	6,561
8	19,683

9	59,049
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If a program had 1,000 members who filled the above requirements, affiliates would need to be recruited from neighboring planets, as the earth's population of 5 billion would be unable to sustain such a structure. Please be aware that the above chart is not just a figment of my sarcastic imagination. Representations of this nature can actually be viewed on the comp plan pages of many MLM websites.

### It's Just A Numbers Game

"It's all just a numbers game". How many times have we heard this in relation to any type of sales work?

Many sponsors and program owners will try and drill this mentality into your head. They encourage you to tell everyone you know about your opportunity, and to get as many hits as you can to your affiliate site. As I will illustrate more in Section 3, it is the program owners and top affiliates who will benefit the most from this rather mindless numbers game attitude.

The idea of promoting to everyone you can possibly make contact with is actually quite juvenile. Think about it. You can spend lots of money on bulk web traffic, put many hours into posting your ads in as many places as you can think of, subject all your friends and family to your sales pitch, and you will still most likely see very little response.

Why? Because you did nothing to target your campaign to people who might actually be interested in what you have to offer.

Net marketing is not about blasting your ads or getting thousands of random hits a day to your affiliate sites, nor is it about handing out thousands of flyers at the local shopping mall. It's about finding the target group of people that want what you are promoting. The end result of massive, un-targeted solicitation is usually a very low response rate.

Another negative aspect of the numbers game approach is the quality of prospects that result from this type of marketing. You may make a few sales, or get a few sign-ups with bulk advertising methods, but often these customers/referrals will buy for the wrong reasons. They may sign up because they are curious, or buy because they have a hard time saying no. Someone who buys/signs up for any reason other than a real desire is likely to be dissatisfied with the product, or inactive in your downline. Problems that arise from low quality prospects, like product complaints and complete lack of participation within the downline structure, will only serve to frustrate you.

Yet another flaw in the numbers game philosophy is the way it serves to dehumanize the people involved in the net marketing industry. I don't think of myself as a lead, or a prospect, and certainly not as just another number. I am a person, and so are you.

We are dealing with real people in this business. More often than not, a person is going to know when you are interested in fulfilling their needs in exchange for their business, and when you are looking right through them and only thinking about the money they represent as a customer or upgraded referral.

Business may well be just a numbers game for entities like Wal-Mart and McDonalds. If you have a multi-million dollar ad budget and a virtually unlimited pool of prospects to solicit, why not play the numbers.

Of course, if you are still reading this e-book, my guess is that you don't have the resources, or the reach, of the above mentioned companies. For the little guy/gal, sales (or recruiting, in the case of opportunity based programs) is NOT a numbers game.

### 20% Of The World's Millionaires Are Network Marketers

This is a bold statement, to say the least. I have come across this statistic many times on sales pages, flyers, audio presentations, and even in a few email adverts.

According to the World Wealth Report, released in June of 2005 by Merrill Lynch & Co., there were 8.3 million U.S. households that possessed \$1 million or more in financial assets at the end of 2004. The highest figure I could find regarding the number of millionaires produced world wide by the MLM/network marketing industry is just over 65,000.

I have been unable to verify the claim of 65k MLM millionaires with any registered accounting firm, so it may very well be exaggerated speculation. And even if we take this assertion at face value, 20% of 8.3 million is far more than 65,000.

The president of the Direct Selling Association has publicly called the 20% statement "absurd". This comment speaks volumes coming from the leading officer of an organization that strives to represent the MLM model in a positive light.

### Act Now! Time Sensitive Offer!

One of the most popular closing statements of all is the suggestion that maximum benefits are available only to those who act today. These sales pages often display the current date and time in plain view to convince you that the clock is really ticking. Such pitches are most often seen with software packages and informational products that offer affiliate programs.

Oddly enough, if you were to return to the site the next day, or even the next month, you would see the same Time Sensitive Offer displayed under the new date and time. This trick must work like a charm on new internet users, else it would have faded away long ago.

There are remarkably few occasions where an offer is as time sensitive as the sales page suggests. This tactic is usually just an effort to create a sense of urgency and push you into a purchase before you have time to think it over and come to your senses.

### Accountability

It would be easy to blame all of this hype and falsehood on ad copy writers and slick talking recruiters. But the reality is, you and I are also at fault.

In truth, many people get involved with network marketing because they want to believe the outlandish claims made on infomercials and opportunity flyers. The idea of making thousands per month with little or no effort sounds great to just about anyone. It's easy to get swept away in the emotional tide after reading a stirring testimonial that tells how an

average person achieved financial freedom through an MLM opportunity. Far too often, people allow themselves to buy into these fairy tales because they provide a form of emotional escape from a world of past due bills and meager paychecks.

Sadly, the brokers of hype and delusion are just giving us what we have asked for. If the masses weren't responding to the lure of get rich quickly and easily type promotion, it would have vanished long ago.

## Section 3: SweatShop Marketing

Traditionally, a sweatshop is a manufacturing facility that forces employees to work exceptionally long hours in exchange for very low wages. Some U.S. garment suppliers operate sweatshops in third world countries, where workers are paid a few cents per item manufactured, despite the fact that each garment often retails for well over \$100.

It's a tragedy that poverty is so prevalent in portions of the world that people are willing to work for such minimal compensation. In reality, even people from more financially developed nations are subjected to working conditions that barely escape the definition of slavery. In the U.S., for example, an employer is required by federal law to meet a minimum exchange of just over \$5 for each hour of work performed, and many of the most physically demanding jobs available to citizens without a college education pay no more than this ludicrous minimum. Any human being's time is worth far more than the pittance offered by sweatshop factories and minimum wage positions.

In fact, the very idea of working for such unacceptable levels of pay is enough to enrage most people. Why then, are thousands of people willing to spend hours of their time each day glued to their computer desk for absolutely no return of any kind?

Granted, it takes time to build profit in any business, and there is definitely a big learning curve for new entrepreneurs. But how much time and money has to be lost before the alarm bell starts ringing?

Let's say, for the sake of argument, that you are a hard working affiliate who drives thousands of visitors to your referral URL every month through a variety of advertising venues. You surf the traffic exchanges for hours each day, post your pre-written ads to dozens of safelists, and submit your affiliate banner to any website that will accept it. Despite your diligence, you make no sales (and thus zero dollars per month), but the company behind your product, service, or opportunity boasts an average of \$10,000 in monthly sales.

You start to wonder what you are doing wrong. You have followed the instructions in your affiliate training emails, and done everything the smiling, positive thinking administrators have suggested to promote your affiliate link.

In fact your efforts do produce sales and sign-ups, but not in the way you would hope. As I will outline in the following section, it is hugely the owner(s) of a company that benefit from the grunt work performed by the affiliates.

### What Program Owners Know About Branding

Well informed marketers know how to use a tactic called branding to build an awareness of their company and the products/services they offer. McDonald's, Wal-Mart, Coca-Cola, and hundreds of other household names have used branding to secure positions at the top of their markets. The idea here is to keep your company name, logo, or slogan in front of your target audience on a continual basis. Television commercials, highway billboards, and catchy radio jingles are not designed to make us rush out right then and there to buy a Coke or a Big Mac. These forms of advertisement are simply meant to plant the seeds of recognition and desire into our sub-conscious minds, so that when the time comes to purchase a soft drink or hamburger, we are likely to recall a specific advert, and purchase a product based on that recollection. The process of branding is an extremely powerful form of promotion, and the owners of all major network marketing companies have found a great way to apply this technique for free.

One of the first things you are told as an affiliate is "all you have to do is refer people to your free affiliate website". This suggestion is made over and over throughout the course of your training. What's more, whenever a frustrated affiliate complains due to lack of results, they are reminded of the need to keep driving traffic to their free website, and told the rest will take care of itself.

A replicated affiliate website is nothing more than the company home page plus a simple referral code. A few thousand people working hard to promote their affiliate sites are providing an incredible amount of free exposure for the owners of the program.

A few of the affiliates will make sales/referrals with replicated URLs, but most will not. However, a good deal of sales and sign ups will be collected by the administrators as a result of all the free publicity their domain receives from affiliate advertising. You see, most people will see a website dozens of times before they finally decide to try the product or sign up for the opportunity being offered. Quite often, an individual will just type a domain name into their browser out of memory and go directly to the main company home page. Even if a program uses cookies to track a prospect after their first visit to an affiliate site, this only works if the visitor has cookies enabled, or hasn't deleted them since that initial visit. And let's say that affiliate cookie is still in a person's browser when they finally decide to sign up or make a purchase. This only helps you if your affiliate URL was the first one they visited. Promoting a replicated page is not a reliable way to build an income for yourself, but it's a terrific way to put more money into the program owner's pocket.

The banners and text ads you find in your member's area are also designed to brand the company or individual behind the program. You should never spend your time or money placing these ads. Use of these resources will benefit the program owner(s), but seldom result in profit for you.

Programs with a free to join option will often provide random referrals to paying members as part of the incentive to upgrade. A nice touch for sure, but once again the masses are working hard to benefit the few.

In this scenario, free affiliates are advertising and creating exposure for the company, which (as discussed above) will no doubt result in a good deal of sales/sign-ups through the main company website. The difference here is that such sign-ups are placed in the downlines of upgraded affiliates. Many people will continue to pay the monthly membership fee as long as random referrals continue to be placed in their downline. Once again, the program owners reap the majority of the rewards, as upgrade fees roll in month after month, due in

large part to the promotional efforts of their members.

### Recommended Resources

Obviously one of the first things you need is a website of your very own. you aren't going to get anywhere promoting a company URL with your referral ID attached to the end.

**Lots\_More\_Hosting** is the perfect solution for serious net marketers who need a reliable web host at a great price. This service includes database utilities, webmail, a full suite of great scripts, and awesome customer support. The owners of **Lots\_More\_Hosting** are also professional web developers who can build you a nice looking site that won't cost you an arm and leg.

Banner advertisement is one of the most inexpensive, effective methods available for creating a brand awareness of your name or business name. These eye catching adverts are the billboards of cyberspace, and you can use them to promote yourself to a huge audience without spending a fortune.

Of course, you will first need a unique banner that promotes your domain, and not the home page of the affiliate program you have joined. You can get a really great looking banner designed very quickly, and for a very reasonable fee at **Binks\_Banners**.

Once you have a banner that is exclusively your own, you can get loads of free banner exposure with **TDH\_Banners**. Your banner ad will be displayed across an entire network of high profile websites, and you'll get 5,000 free ad impressions just for signing up!

## Ready Made Mailing Lists

A list of opt-in contacts is an absolute must if you plan to profit from net marketing. Email correspondence is an extremely effective approach to cultivating trust and support among both prospective and existing customers.

Building a large list of people who agree to accept your emails can be a time consuming task. That is, unless you have an army of affiliates to do it for you.

Every time a new member is referred to a program, they are required to validate their email address so they can receive communications from the administrator. This opens the door for back end promotions, which is often the primary source of income for program owners.

Many systems also give affiliates the benefit of contacting their referrals via email. This advantage is well received, because it allows members to support their downline, and to recommend other products and services via a back end approach. The ability to contact referrals is a big selling point for many opportunity based programs.

However, there are usually restrictions as to how members can use the downline mailing feature. For instance, a limit to one communication per week is fairly common. Of course, the admin has 24 hour access to his/her mailing list, and can send adverts to your downline at any time.

This is all fair game. The owners are certainly entitled to use their mailing list to increase profits.

But you need to be aware of just who owns the list you are building by referring new members to your favorite opportunity. Chances are you are promoting more than one product, service, or opportunity, and would like to recommend these to your downline. Don't be surprised when the admin sends out a system wide announcement promoting one or more of these very same programs.

#### Recommended Resource

If you plan to make any money with net marketing, then you absolutely must have your own mailing list. Not everyone is willing to buy your product or join your program the first time they visit your website, but many people are willing to fill out a simple form that gives you permission to contact them on a regular basis with info and updates about whatever you are promoting.

By collecting a list of opt-in contacts, and communicating with them on a regular basis, you can build relationships with your prospects and ultimately turn them into paying customers. To do this correctly, you must first find a reliable list management tool.

**Email\_Aces** is the most powerful tool I have ever used to build and manage my opt-in mailing lists. This program makes it super easy to collect and organize new subscribers, manage multiple lists, and contact your database with a single click, all without any fear of spam complaints. You can even track which pages produce the most sign-ups, and customize the entire process of subscribing for each different list you operate. Everything is very user friendly, yet you have access to state of the art technology in the field of opt-in list management.

The folks behind this company are both successful marketers and skilled programmers. For this reason, you get all the bells and whistles you need for great a presentation, plus rock solid performance that is a cut above the competition.

I wasted hundreds of dollars testing mailing list systems before I found **Email\_Aces**. This program gets double thumbs up from me.

### Slave Wages

All this talk is really just beating around the bush unless I address the core issue. Why did

you get involved with net marketing in the first place?

(All together now) **To Make Money.**

We can drone on and on about whose list you are building, whose name you are branding, and how this statement and that statement are false, but the real meat of the matter is how much money you stand to make with a given opportunity. How does the affiliate program or MLM opportunity you have joined, or are thinking of joining, agree to pay you for the sales you generate?

Will they pay you a straight percentage of each sale? Will you have to meet a minimum amount of sales before you qualify? Is the amount of commission offered reasonable in view of the work it will take to achieve any minimum sales requirements?

In my opinion, a simple commission scheme that allots a fixed percentage of each sale is by far the most desirable arrangement. Opinions vary of course, but I'd rather not have to use a calculator to figure out how much of the money I just generated through an affiliate transaction goes to my upline, and how much of it I get to keep.

My advice is to be wary of a system that uses complex formulas and circular logic when defining their compensation plan. In any business arrangement, the terms of your compensation should be defined in language that is **clear and unambiguous**. I want nothing to do with a company that can't tell me squarely how much I will make for each sale I generate.

I'm also not very fond of the minimum sales hook. If I sell one unit of product for a company, I want a piece of the action. Even if it's only 10%, I feel my efforts warrant a reward. A program that tells me I can't get paid unless I retail x amount of product in a specific time frame is telling me they'd like me to work for free on the occasions where I don't meet their requirements.

It's one thing for a program to require a minimum account balance prior to payout. It's quite another issue altogether for a compensation plan to declare non payment on affiliate sales unless a certain retail volume is achieved.

**Affiliate programs and MLM structures exist to increase a company's retail volume, and therefore create additional profit for the owners and officers of said company. Do not underestimate your contribution to a program you are affiliated with!**

When your hard work results in the purchase of company goods and services, you deserve to be fairly paid for your efforts. Never, ever join an opportunity system before looking closely at the payment terms and making sure these terms meet a reasonable standard.

#### Recommended Resource

There is absolutely no reason to relegate yourself to an affiliation with a company that doesn't appreciate you. In fact, why would you want to spend your time online working hard for minimal compensation, when the offline world is full of J-O-Bs that are more than happy to pay you less than what you're worth? Here are a few honest, reliable affiliate opportunities that pay

nice commissions in a timely manner.

**MPAM** - You can join this program for free and take advantage of the learning opportunity, but if you decide to use the in house affiliate program as an income stream, you can expect 50% commission on all sales.

**Lots\_More\_Hosting** - You need a great web host anyway, why not make 30% commission per sale by recommending this service to others?

**Email\_Aces** - An awesome tool for the essential task of managing all your mailing lists, this program also pays 33% commission on all referral sales.

**I\_Love\_Hits** - Use this powerful advertising resource as a free or paid member, and earn 5% to 25% commissions each time your referrals upgrade or buy traffic.

**Business\_World\_List** - Free to use email marketing system that allows you to reach over 50,000 prospects, plus pays 25% to 50% recurring commission on all upgrade packages.

**Profit\_Arena** - **You don't have to pay a dime to access this emarketing training center.** However, if you choose to become a reseller, you can make up to \$67 per sale!

These are just a few examples from the top of my head. As you can see, there are far too many great opportunities available to settle for some slave wage compensation plan that has you working your tail off for peanuts.

### The Irony Of It All

So many newbie networkers are coaxed into their first MLM opportunity or affiliate program by the suggestion that they can take control of their lives, and stop working hard just to make their boss rich. Sadly, the outstanding majority of these people are then exploited to no end by the owners of the opportunity program they have joined.

You no longer have to rely solely on the corporation you work for during business hours to undermine your efforts and claim the wealth you generate. You can work hard to make someone else's fortune right from the comfort of your own home. Go figure.

The few have built their empires off the backs of the many since the beginning of recorded history, some 6,000 years ago. In recent decades, marketing scholars have sanitized this concept by calling it leverage earning. Rather than moaning about the injustice of it all, and assuming the role of the victims, we should each seek to empower ourselves with the knowledge necessary to change our individual roles in the larger picture.

## Section 4: The Solution - Promoting YOU

Despite the rather sobering collection of facts presented in previous sections, my intention is not to discourage you. Quite the opposite, I hope to save you months of frustration and thousands of wasted dollars by freeing you from some of the more common delusions most new affiliates and distributors labor under.

There is good money to be made in the net marketing industry, whether you plan to work as an affiliate or a program owner. A great idea, a strong marketing plan, and a tremendous amount of perseverance can pay huge dividends in this business.

Note, I didn't say "All you have to do is keep trying". I stress again the need for **a great idea, a strong marketing plan, and a tremendous amount of perseverance.**

But where to begin? It's kind of obvious if you think about it for a moment. Start with who you are and what you can offer.

The majority of folks in this niche are busy playing follow the leader, and originality seems in short supply. The best way to get a head start is be yourself and avoid trying to fit in with the majority. Remember, most people aren't making any money, so why would you want to follow the herd in this case?

### Looking Out For #1

You won't achieve anything without your own unique piece of web property. The first order of business should be to sit the replicated affiliate site on the back burner, and create a website that promotes **YOU**. Put some thought into a good domain name, open an account with a quality host, and start building.

Remember the technique called branding that we discussed in Section 3? Instead of operating as an anonymous affiliate and generating big exposure for the program owners, you need to get **your name** out there in front of people.

Let your prospects know who you are, how to get in touch with you, and what you can do for them. People are far more likely to trust someone they can address by name. You will be surprised at how much the response to your efforts improves when you step out from behind your affiliate ID and start promoting yourself first. You should never waste your time and money promoting someone else's website on the front end. The first impression you make with prospects needs to be unique and personal.

#### Recommended Resources

If you don't already have your own website, you should make correcting this issue your top priority. **Lots\_More\_Hosting** is the ideal service for your hosting needs. Great customer support, a wide variety of user options, and the right price make this resource hard to beat.

Remember, **Lots\_More\_Hosting** also has a design department. So if you need help with getting your site together, just look for the design link on the main site, or email support and ask for a quote.

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## Your Front End

Ideally, you should use affiliate programs as a secondary means of income, and put most of your effort into developing your own product or service. You may not be ready for this right away, and that's fine. The content of this e-book is primarily geared toward new marketers who are pursuing the affiliate path, but I wanted to at least touch on the fact that you should ultimately look at building a business of your own.

Whether you are building your own money making program from the ground up, or trying to organize a powerful network within someone else's opportunity system, a good front end product is absolutely essential. A front end product can be defined as the gateway you use to make contact with prospects and invite them into a business relationship. Your front end can be a stand alone product, an interactive site, some sort of discussion group, or just about anything else that will attract people to you and provide an opportunity for ongoing communication.

Two things you should focus on with this are building an email contact list, and providing some type of incentive for people to return to your front end website on a regular basis. You could launch a membership program, such as a forum or downline club, or you could build a simple content based site and offer to send email notifications each time the info on your website is updated. Be creative. There are an unlimited number of ways to set up an original gateway for your networking activities.

For example, the e-book you are reading right now is a front end product that allows me to build my opt-in list and establish ongoing relationships with my prospects. I promote the sales page heavily in hopes of converting as many visitors as possible to paying customers. When someone purchases the e-book, they are automatically subscribed to my monthly ezine, and this opens the door for continued relations. Not everyone will want to buy the e-book, of course, so I offer a sample chapter and an ezine subscription at the bottom of my sales page. Here again, the door is opened for future communications and the possibility of back end sales, as people will be invited to visit my ezine site each month when a new issue is uploaded. In fact, many people may decide to go ahead and purchase the entire e-book once they have read the sample chapter. By leveraging my product from two different angles, I have created a front end that allows me to draw in both paying customers and those who are just looking for some free information.

You should strive to be unique, and to give people some real value for their time or money. The key word here is unique. Avoid the me too approach like the plague.

For instance, many marketers start a safelist or traffic exchange program to build their mailing lists and attract new people with which to network. This would have been an exceptional idea two or three years ago, but the web is currently overflowing with such programs, and the majority are poorly managed and ineffective. Launching one of these systems at the present time will do little to build credibility or establish a unique presence, unless you have an extremely innovative idea that goes beyond the current models.

Likewise, periodicals that teach us how to make money are now a dime per dozen. If you plan to use a newsletter, ezine, or blog as your primary front end product, you should be

prepared to offer fresh and entertaining content that is a cut above the norm.

Remember, your goal here is to exchange contact information, establish trust, and build a relationship through continuing interaction. This is the foundation from which any successful net marketing venture must be built.

## Back End Sales

Successful affiliates and distributors are almost always people who promote their referral links on the back end. Promoting on the back end simply means to recommend products and services to people with whom you have established a relationship via your front end product. This tactic is also known as pitching to your warm market.

As mentioned previously, building an opt-in mailing list and generating return traffic should be the primary objective of your front end approach. These will be the lines of communication you use for back end promotions.

Your mailing list is perhaps the most important asset at your disposal. Email marketing can be extremely effective if used properly.

It is not a good idea to bombard your opt-in list with blatant adverts. Instead, work reasonable and appropriate recommendations into your regularly scheduled communications.

The important thing to bear in mind when promoting to your list is to keep it personal, or at least low profile. Avoid the cookie cutter ads, and don't act like some hyped up doofus straight out of an infomercial when making recommendations to your readers. Writing an honest, detailed review of the product or service you wish to promote is a great example of how to pitch to your list in a professional and effective manner.

### Recommended Resources

To succeed with back end promotions, you obviously need a great system for building and maintaining your mailing list. Whether you want to send out an automated follow up series, a weekly newsletter, or training updates for your downline, [Email\\_Aces](#) is the web's premier service for opt-in list management.

What are some good products and services to promote for back end commissions? If you are promoting to other net marketers, it's a good idea to endorse programs that will help them advertise their websites and generate additional income streams.

**MPAM** is a perfect program to recommend, because this system can be used like a funnel to introduce your prospects to a variety of referral based advertising services and income opportunities. By sharing **MPAM** with your contacts, you will be giving them access to an extremely valuable resource, while at the same time building your viral traffic network and earning an income from upgraded referrals.

**Profit\_Arena** can also be used as a back end money maker. By choosing to rebrand the entire training course with your personal links, and offering it to other marketers as either a free resource or a paid service, you can build a nice income. **Profit\_Arena** gives you the opportunity to earn both from direct sales, and from affiliate sales that are generated as people study the lessons and utilize the products and services within.

**Doctor\_Traffic** is another program that is highly recommended for back end promotion to a net marketing audience. Most networkers are interested in low cost website traffic, and for a very low fee, you can get between 1,500 and 2,000 hits to your website with the **Doctor\_Traffic** advertising coop. This is not a tough sell, and it can easily result in some ongoing backend profit for you.

### Take Your Time And Do It Right

Internet marketing can be an overwhelming experience at times. It's easy to get caught up in the whirlwind of fast paced multi-tasking that comes from information overload and the pressure of getting everything done in a timely manner. The ability to manage multiple tasks at a high rate of speed is a powerful asset, but a balance between momentum and quality must be found.

The best advice I can give you in terms of building a quality marketing system is to slow down and think it through every step of the way. Resist the temptation to rush your project, and focus on the quality and individuality of what you are building. In the end, your work will reflect the amount of care you put into it.

## Section 5: Useful Tools and Resources

This section contains the links to some fantastic web tools and marketing resources. These products and services have helped me to build a strong foundation for my business, and I encourage you to take full advantage of them.

### Quality Hosting and Website Development

#### **Lots\_More\_Hosting**

Reliable service, loads of great features, and awesome customer support make this my absolute top recommendation for a hosting solution. **Lots\_More\_Hosting** offers plans for every budget and project size, and website design and custom scripting are also available.

### Building and Managing Your Opt-in Mailing List

#### **Email\_Aces**

This program totally over delivers in all areas. Users can run multiple lists, insert tracking codes into their html to determine which pages are pulling in the most subscribers, import/export entire databases, create custom forms to collect a variety of specific demographics, and much more. For the serious net marketer who understands the value of

comprehensive mailing list management, and wants to experience the absolute maximum in user benefits and system flexibility, no other service compares to [Email\\_Aces](#).

## Net Marketing Education and Income Streams

### **MPAM**

Many programs claim they will teach you how to market on the web, but nothing I have seen comes close to what you will get with this system. Lesson plans cover **everything**, from organizing your work space and learning basic hardware and software terminology, to generating massive website traffic, basic site design, search engine optimization, niche marketing, and the building of multiple income streams. **MPAM** is a complete net marketing university that will take you as far as you are willing to go in this business.

As an income opportunity, **MPAM** offers multiple ways to earn, including site ads, article submissions, third party income streams, mini sites, and a nice affiliate program. As of November, 2005, the affiliate program alone has paid out over \$259,845 to members.

### **Profit\_Arena**

You can learn the most cutting edge marketing techniques available, directly from some of the web's most successful entrepreneurs. This collection of lessons and tutorials will blow your mind, and take your net marketing to levels you never thought possible.

**Profit\_Arena** can also be turned into a powerful income generator when you take advantage of the opportunity to rebrand the training modules and resell them to other marketers. This is one very lucrative system that you definitely want to take advantage of.

## Live Conference Training for Internet Marketers

### **Focus\_4\_the\_Future**

Attend live conference seminars, hosted by a group of highly successful marketers, and learn firsthand how to take your ventures to the next level. Getting out there, and really networking with some of the big players is the best thing you can do for your business. Check out the **Focus\_4\_the\_Future** conference schedule and mark your calendar right now. I hope to see you at the next event. 😊

## Free Traffic Generators

Here are some effective advertising services you can use at no cost. Many of these programs do have paid options which are worth checking out, but you can get loads of traffic without spending a dime.

### Traffic Exchanges

Traffic exchange programs make it easy to drive loads of visitors to any website you want to promote. The concept of these systems is simple, yet effective. You can earn an unlimited amount of web traffic by spending a little time each day viewing other people's sites.

The following list of traffic exchanges are among the best the web has to offer. Join them all, and you can easily get thousands of free hits every month to the website(s) of your choice.

## [Advertising\\_Know\\_How](#)

## [Hit\\_Safari](#)

## [I\\_Love\\_Hits](#)

## [Mystical\\_Maze](#)

## [Traffic\\_Roundup](#)

## [Vinterchange](#)

## [WebmasterQuest](#)

## [Banner Exchange](#)

By placing a simple code on your site that displays third party banners, you can earn unlimited exposures for your own banner ads. Your ad could be displayed on hundreds, even thousands of different websites every day. Join the following banner exchange, and you will even get 5,000 free impressions just for signing up!

## [TDH\\_Banners](#)

Remember, the whole point of banner advertising is to brand **YOU!** So you must have a unique banner that is yours and nobody else's. Spending your time and money to advertise the banners in your affiliate program member area will help the program owners, but it won't do much to help you personally.

If you don't already have a great banner for your site, you can get a high quality ad created quickly, and at the right price, by visiting [Binks\\_Banners](#). Outstanding graphics and total customer satisfaction are the top priorities of this five star service.

## [Viral Ad Replicators](#)

These ad systems can bring you thousands of free page views with only a small amount of work. All you have to do is sign up, view the sites of four to eight other members, enter your ad info and the URL you wish to promote, then refer a few other marketers to the Viral Ad Replicator.

## [Mega\\_Spinner](#)

## [Hits\\_Frenzy](#)

### Safe, Effective Email Advertising

A safelist is an email marketing system that allows you to send your ads to thousands of other people without worrying about spam complaints. In exchange for the privilege of sending your adverts out on a regular basis, you must agree to receive email from the other members of the safelist.

Used correctly, this form of promotion can yield some very nice results. The following safelists are five star programs that no email marketer should be without.

[Ad\\_Tactics](#)

[The\\_Mad\\_Vlad](#)

[AdSolutionLine](#)

[Safelister](#)

[Business\\_World\\_List](#)

### Powerful and Affordable Advertising Coop

**Doctor\_Traffic**

Getting quality traffic to your site usually involves a lot of hard work, or costs a good deal of money. Finally there is an easy, cheap way to get lots of great traffic.

With the **Doctor\_Traffic** advertising coop, you'll get a large amount of exposure for a very small fee. This program has been excelling in traffic delivery since early 2003, and is the longest running program of its kind on the web.

**Doctor\_Traffic** will provide your site with traffic from a number of excellent advertising mediums. This is a wonderful booster to any advertising campaign you are currently running, and a great way to diversify your promotions by pulling traffic from a variety of sources.

## Section 6: Some Final Thoughts

The bulk of this publication has been devoted to smashing the delusions and misconceptions that surround the net marketing industry. I hope you have found this information useful, and I hope you will be mindful of the topics covered in previous sections as you navigate the maze of hype and silliness that surround us in this business. The information contained in this final section is intended to help you build a strategic and functional foundation for your ventures.

### Setting Goals

Specific objectives can make the difference between a marketer who succeeds and one who gives up. Without a solid agenda, many networkers find themselves drifting in no particular direction.

The key word here is specific. It's important to realize that goals are more than abstract desires. Of course you want to make money, but how much? Within what time frame will you achieve this figure? What will you do today toward meeting this goal? How much closer will you be to your objective by the end of this month? What actions will you take to bring about this progress? You need to be as precise as possible regarding where you intend to go and how you plan to get there.

Start by simply identifying your primary objective, and deciding how long it should take you to reach it. **Write this primary objective down.** The simple act of putting an idea to hard copy can go a long way toward solidifying your resolve. Again, this statement needs to be very specific.

Example: I plan to produce \$25,000 in revenue with my networking business within the next two years.

Never let this ultimate goal leave your mind. Repeat it to yourself regularly. Tell others about it. Do whatever you need to do to convince yourself that you are totally serious about accomplishing this mission.

Next, determine what you can do each day to move closer to this reality. You may wish to create a daily checklist for this purpose.

Break your overall goal down into monthly, quarterly, and yearly segments, with each segment representing a realistic, productive step in the process. Write these goals down as well.

Example:

- This month, I will collect 100 new opt-in subscribers, and I will make \$100 in affiliate sales.
- Within the next 90 days, I will become completely self funded in all my networking ventures.
- Within 12 months, I will achieve a minimum monthly income of \$500.

By writing your goals down and measuring your actual progress on a regular basis, you will become far more likely to succeed. Perhaps you can't predict every aspect of the future, but you can most certainly create a large part of your personal destiny through proper focus and determination.

## Time Management

There are an endless number of ways an individual can get organized and make the most of their time. Here is the very simple method I use to keep my day to day efforts on track.

I have created a daily checklist that covers all my basic tasks. Here is my list, and a brief description of each component.

1. **Administrative Duties** - First thing out of bed, I check all admin email accounts and respond to every message. This includes member/downline support, answering questions from prospects, confirming received payments, and any other vital correspondence that needs to be taken care of. I continue to check my email every hour throughout the day, so no response gets neglected.
2. **Promoting** - The next thing I do is work my advertising strategy. This includes posting ads to safelists, surfing or buying credits at some of my favorite traffic exchanges, monitoring any pay per click or banner campaigns I have underway, and checking my tracking stats. I also try to spend a little time each day looking for new advertising options to test.

3. **Networking** - Working my leads, participating in forums, swapping links, approaching new contacts; this is what it's all about, right? I can't allow myself to slip into robot mode, where I just sit and click all day. I have to spend time every day networking with other marketers. This is how I learn, grow, and profit from my efforts.
4. **Development** - This component covers making improvements to my website, composing my newsletter, building new banners, writing new ad copy, etc.
5. **Reading** - I spend at least 15 minutes per day reading. The goals here are education and inspiration. I might read a good javascript tutorial, or maybe just browse through a few marketing lessons. I feel it's very important to learn a little something everyday, and to keep my mind in the proper state for successful marketing and living.

I make every effort to address each item on this list before the end of my workday. The feeling of productivity I have gained from this simple exercise is amazing. I still wish there was more time in a day, but at least I have a definite, realistic outline of what to strive for.

Spending a few minutes to come up with your own checklist would be time well spent. Give yourself a concrete idea of what needs to get done each day, and you will not only improve your results, you will gain peace of mind.

### Defining Your Budget

Anyone who is serious about making some money is already very well aware of the fact that it takes some type of investment to make this happen. I've read a lot of copy that suggests one can build a business for free, if they are willing to spend an extra amount of time to compensate for their lack of financial backing.

At the risk of bursting a few bubbles, I'm going to put this myth into perspective right now. While it's true a lot of hard work can make up for some weaknesses in your budget, the idea that anyone can build a prosperous business from the ground up with zero monetary investment is, at best, ridiculous.

With the proper determination, you most certainly can succeed without spending a small fortune. However, there is simply no way to avoid putting at least some money into your projects if you truly expect them to grow and expand.

Maybe you don't have a lot of money to spend right now. There's nothing wrong with looking for a few freebies in the beginning, but you should definitely start mapping out a plan to generate some operating funds for your networking business.

Sit down and draw up your current budget. Start with your total monthly income and deduct all your monthly expenses. Next, identify any excess spending that can be reduced or curtailed. You may even need to develop some ideas of how you can generate a little extra money throughout the month to help fund your business. An honest, organized approach to identifying your financial capabilities and limitations is essential for your success.

Some of the things you can do to increase the size of your advertising/operating budget include:

- Reduce some of the "frills" on your monthly cable bill (pay per view events, movie

channels, etc.).

- Locate a few extra hours of offline work per week. This could be another part time job, or it could be a matter of picking up some "odd work" a few times per month.
- Reduce entertainment expenses. Consider eating out less, or saving money by catching the matinee show instead of the more expensive evening movie.
- Consolidate your credit card debt into a single card, thus lowering your monthly payment obligation.
- Take out a small business loan.
- Have a garage sale.
- Buy your essentials (toothpaste, razors, deodorant, etc.) at a dollar store. Thrift stores often retail the same merchandise sold at corporate stores for a fraction of the price.

These suggestions may sound silly to you, and that's fine. We all set our own priorities. If your business is just a hobby, then you probably aren't willing to go to extremes to insure its success. On the other hand, if the success of your business is paramount to your personal happiness, going the extra mile isn't too much to ask.

### I'm Here to Help

Thanks for purchasing this e-book, and for taking the time to read through it. If you have enjoyed this material, be sure to check out the monthly issues of my Net Marketing Exposed [ezine](#).

Please feel free to contact me any time with questions or comments. It will be my pleasure to help you in any way that I can. Even if you just want to say hello, I'd love to hear from you.

To Your Success,  
Tim Whiston

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