

5 Steps to make money online.

Assuming you have been actively marketing your website to drive quality traffic to your web site, here are the 5 steps to capitalize on their presence:

1) **My first suggestion: start small.** As an internet marketing professional, I would run for the highest mountain and start making a killing, and many might suggest the very same for you. But unless you intend to hire a professional marketer with vast online experience, I suggest pulling back the reins and removing the nitrous from the tank. Crawl my friend, crawl- your pocket book depends on it

2) **But when referring to online application monetization, what does 'small' mean exactly?** Localize.

There are many ways to monetize a site, and I will address several, but start out by approaching local businesses that you believe will benefit from banner advertising on your site.

Local companies, especially those that have an online presence and the ability to sell out of their own region, will appreciate the potentially national and international exposure. Once you have found local advertisers willing to pay your minimal fee (yes, keep it minimal for now- preferably a monthly placement cost to start), then formulate a relationship with a local internet marketing and design firm to commission them to create effective banner ads for your new clients. You may also look into an advertising management server like OpenX.com (if a PHP application), which will enable ad creation, placement, management and tracking.

3) **When creating a pricing structure for your online banner ads, keep the following in mind.** It is usually best to begin with a standard monthly cost and then later integrating placement premiums (e.g. header, footer, sidebar) into the structure. But monthly costs, especially if your site is new, offers your new clients no ROI guarantees nor any basis for expectation, so you may have to downgrade to a cost per thousand impressions (CPM) form of advertising. To implement this: It all starts by creating an pEPM, profit earned per thousand impressions. But you may have to place a few free ads first to obtain the required information.

What is pEPM and why is it important?

pEPM is the cost per thousand. Or the effective profit produced from an ad on a given page after 1000 impressions (the number of times an ad is uploaded).

In order for you to calculate and maximize what each of your web pages makes for your clients, you must break down every ad shown down to an pEPM value. Then, you add up the values on that given page and divide by number of ads, and that gives you an idea of how much that page is worth to advertisers.

So let's say you have a single banner ad running at the top of your web page, and it earns the client \$1.00 for every click the banner receives.

Let's say after showing that ad 10,000 times in a month, it received 500 clicks. This means you're averaging 50 clicks for every 1,000 times that ad is shown.

Since they are earning \$1.00 per click, they are making \$50.00 every time that ad is displayed 1,000 times on your web page.

Or $pEPM = \$50.00$.

You now can use that number to formulate CPM (cost per thousand impressions) pricing structures.

Typically, pEPM is a good starting point when first monetizing your site.

The easiest way to establish an pEPM, as you need ads running to do so, is through [AdSense](#) or [AdBrite](#) campaigns. This will provide very little profit, but will offer significant market research and ad analytics. Once you have a pEPM (using AdSense or AdBrite stats), you can then begin approaching local advertisers for ad sales and then national advertisers!

Once you experience success with a CPM pricing structure, move towards a cost per click (CPC) pricing structure and then towards monthly standard costs with potential premium placement charges if you see potential.

4) Another way to gather banner ads for your site, including national brands, is to engage in Affiliated Marketing. I have already authored a [blog post](#) thoroughly explaining what this is and how it can benefit you- and make you money! However, the blog post was written for marketers looking to sell products or services by placing their ad on other sites. When reading this post, you will be what I refer to as a "publisher", which enables you to make commissions off sales of products and services as a direct result of placing a company's ad on your site. This is also called cost per sale (CPS) pricing. You only make money from the ads if they produce results for the advertiser, which certainly offers more security for the advertiser than the publisher, but this is another great way to get started. One big tip: Think of advertisers that you can offer as additional services. Example: If you are brokering the sales of cars online, offer an insurance company or shipping agent as a value added service to your client. Post sale of a vehicle, prompt the purchaser with shipping and insurance opportunities. If they purchase either or both then you receive commissions on their purchase- in addition to the sale from the brokered car on your site!

5) Banner advertising sound too complex, ineffective or time consuming for you? Perhaps, you should begin thinking of services you can offer for profit? This may be the greatest way to monetize a site, but is certainly the most difficult to succeed at. I can only offer insight in hopes of inspiring you- this one is primarily on you.

Begin thinking of: who comes to or who would come to your site? Why do people come to your site? What do they wish to accomplish on your site?

Can you charge a fee or monthly membership for the services you already offer? Would that be well received by loyal site users or potential site users? Can you begin integrating additional services that offer maximum value for their dollar, in order to begin charging for your site? Can you leave your site free regarding basic use, but offer additional services for a charge? For example, if you are a blogging consultant, continue to offer your knowledge and expertise for free, but perhaps offer a paid members only section that contains higher valued information. Or, within the same example, offer the opportunity for free members to send you a question for a custom response with private delivery for a small charge. The bottom line is, if people are visiting your site then they see value in it. If they see value in it, then those that cherish it will pay for continued use. If someone offers what you offer for free, then offer more or something different that has special value.

I will leave you with this. Many applications have failed to monetize for one very large reason: they offered their valuable services for FREE to lure in visitors and were left with a devalued site. If at all possible, come out of the gate confident in your site and your services and charge appropriately.

If no one pays, let that be a sign that you need to remain patient, your marketing stinks, or your service isn't yet as valuable as you think.