

“Do The Math! How You Can Be Completely Unable To Write A Good Sentence And Still Make \$64,111 Profit in 24 Months With Your Own Article Marketing Business!”

Introduction

Article marketing is all the rage these days. Page generation tools like TrafficEqualizer and RSSGM are no longer popular with beginning internet marketers. In their place is an emphasis on “authority sites”, reviews, and the notion that “content is king.”

This report looks at making money with Google AdSense using articles and tries to build a realistic model of running this as a real, honest to goodness business. Everything said here applies equally to using other contextual advertising programs such as the Yahoo Publisher Network.

Here’s the summary in case you don’t have enough time to read through the report: you can make a living from article marketing and AdSense. Most people will give up though before the benefits are truly realized. Why? Because most people hate math and don’t really have a picture of what the cashflow will look like month to month.

A Conservative Approach

We’re going to look at the costs and the revenue from starting an article marketing business. We’ll take a conservative approach and use “worse case” and low numbers for how much money we can bring in. You’ll be tempted as you read this to say – “oh my gosh, I can do this much cheaper!” and “What? You can get XYZ for 1/10th the price.”

Don’t go down a rat hole with this. It is better to be conservative and show that something works than it is to try and optimize everything, save every penny possible, and ultimately think the problem to death and not take any action. Plus, if you believe that you can make money with my crappy numbers then think of what’ll happen when you optimize the whole thing.

Here’s our approach for making money: we’re going to build information websites that pay us when a visitor clicks on an AdSense ad. That’s it - a simple AdSense content site, nothing more, nothing less.

Our sites will be 10-15 pages (articles) of content with the usual terms of service and privacy policy. The sites won’t be anything special – header graphic, footer, navigation bar, and content area where the article and the AdSense ad(s) are.

The goal for a site is that it makes \$3/day.

\$3/day? “Where’d you come up with that figure?” I agree that the number is somewhat arbitrary. But the point is that we need a number and it needs to be realistic. In the page generator days people talked

about mass generation of sites and making \$1/day per site. With authority sites and content you hear about working up to \$5 a day and \$10 a day per site. \$3/day splits the difference and is very realizable when you look at it over a week - \$21/week – and it fits with both Adsense and affiliate marketing. Again, don't get too hung up on the numbers yet.

Now when you launch an article site you don't just starting making money. There is a ramping up period. Again, being conservative we are going to use a slow ramp:

Weeks 1-4: \$0/day
Weeks 5-8: \$1/day
Weeks 9-12: \$2/day
Week 13+: \$3/day

It takes us 12 weeks to make it to \$3/day. In order to make things a little simpler we are going to assume that a site stays at \$3/day for the foreseeable future. Depending on the niche used this may or not be realistic. The hope though is that over time things will even out and the \$3/day is a realistic picture of your portfolio on the whole.

Revenue Coming In

So once a site is ramped up it will bring in \$1095 over a 52 week period. That's \$3/day for 365 days.

The first year though will be less because a site spends 12 weeks ramping up. A site still brings in a respectable \$924 in the first year though.

Living The Dream

Most people stop there. I mean the numbers are compelling. Build 100 sites and you have a \$100,000 of money coming in. If this were the typical sales letter you'd probably see a chart that showed how much money you'd make with 1 site, 2 sites, 3 sites, 10 sites, 100 sites, and maybe even 500 sites! Something like this:

1	\$1095
2	\$2190
3	\$3285
5	\$5475
10	\$10,950
100	\$109,500
500	\$547,500

SWEET! Build 500 sites and I am bringing in more than a half mil a year.

Umm... not exactly.

The Cost Of The Dream

I have a magic rule of accounting: *in vs. out*. That's it. The magic rule for making money is to have the amount coming "in" be less than what goes "out." It is going to cost us to build a site. You won't have an accurate picture of the revenue potential unless you figure out your costs – i.e. what goes "out."

Now there are different kinds of costs. We could consider capital costs like computers, phone lines, high speed internet access, and all that. An accountant could give us a depreciation model for these things and we could build that into our model.

Too hard.

For our conservative and simple approach we are going to consider your computer and internet access as "givens" – you already have them and they are essentially free. I know this isn't true but if you weren't trying to make money on the internet would you still have a computer and high speed access? I rest my case...

The costs we are going to consider are:

- tools to build the sites
- hosting for the site
- services to promote the sites
- outsourcing site development to workers we hire

Site Building Tools & Hosting

This is a one time cost and I venture will be the most controversial piece of this report. Everyone has their own favorite page generator, HTML editor, blog platform, yada yada. With that said, here is the list of costs:

[Instant Article Wizard](#) - \$67

[HyperVRE Gold](#) - \$147

[Niche Inspector](#) - \$127

These are the retail costs of the products. We have a keyword and niche finding tool (Niche Inspector), a page/site generator (HyperVRE Gold), and a tool to help write articles (Instant Article Wizard).

We'll assume that a domain name for a site is \$10 and that hosting for the site is \$15 a year.

Content Development and Outsourcing

This is a business, not a hobby. If we want to be able to grow the business it is best to put the systems in place for scalability and that means using someone other than yourself for making sites and writing content.

We'll pay a stay at home mom (SAHM) \$20/hour to build a site for us with the expectation that it takes 5 hours soups to nuts to find the niche, get the keywords, write the articles, and generate the site. So for \$100 we get Debbie building us a site.

5 hours to generate the site is very reasonable once Debbie (our SAHM) learns how to use the tools. As a one time cost we need to train her. Let's call this a 5 hour investment at the same rate - \$20/hour. So this is another \$100.

Site Promotion

For each site we'll submit 10 articles to ezineArticles and GoArticles. Again, being a business we want to have someone else writing the content. We'll use \$10/article as a baseline so each site will have \$100 in article writing fees. These are for the article submissions. Our SAHM is writing the content for the site as part of her 5 hour site blitz.

Submitting our site to article directories alone won't provide enough traffic or link strength to rank for our target keywords. We need a way to get incoming links on a consistent and regular basis.

[3WayLinks](#) is an example service that we'll use for this. The service is \$47 a month.

Cost Summary

Here's the summary of all our costs:

"One Time" costs: \$441

IAW 2.0 - \$67

HyperVRE Gold - \$147

NicheInspector - \$127

Training @ 5 hours for \$20/hour - \$100

"Per Site" costs: \$225

Hosting + Domain: \$25

10 articles @ \$10/each: \$100

5 hours @ \$20/hour: \$100

"Recurring" costs: \$47/month

3WayLinks.net: \$47/month

Running The Business

Our business model will be simple – deploy a site a week. This is a reasonable goal for our SAHM Debbie to do and for getting 10 articles written in the chosen niche.

With all this in place we can build a spreadsheet and look at our net profits.

One thing to keep in mind though – cashflow is king and as you execute on this business you should look at money coming in and out. Google pays Net 30 and for each site you'll have an initial outlay. Over time there are profits, but initially you will have to spend some money to get the business off the ground.

This is normal. After all, this is a business and it doesn't matter if it is an online business or a brick and mortar storefront.

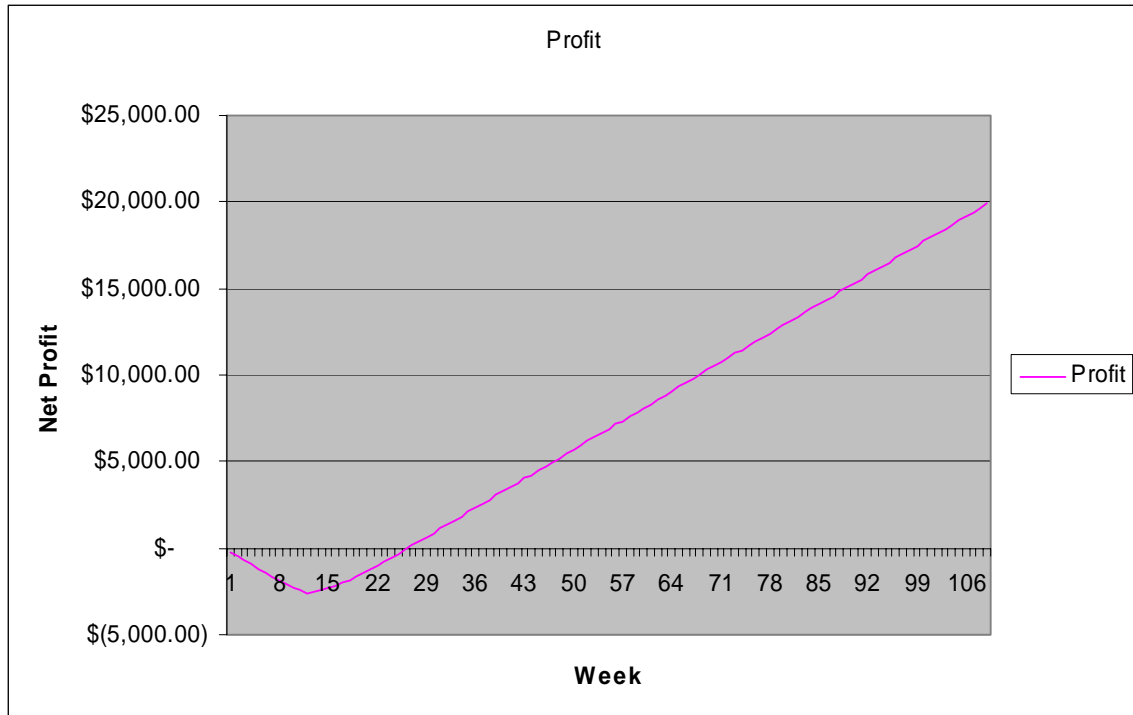
The simplistic way to look at this is to say that each site makes us \$924 and costs us \$789 the first year. That's a profit of \$135 year one. But 100 sites does not mean a profit of \$13,500. The cost of the link campaign can be applied across all the sites and each site won't bring in \$924 the first year because they launch a site a week.

We can use a spreadsheet and run some “what if” scenarios taking into account all this – revenue coming in, costs of the sites, Google payments being Net30, etc. and see what this business really looks like.

Scenario 1: 12 sites in 12 weeks

The first scenario is a simple one – build 12 sites in 12 weeks and then stop and collect the net profits every month, if any. The gross revenue of 12 sites once they have all ramped up is \$252/week or \$13,104/year. This is very typical of the “\$1000 a month” goal someone getting into internet marketing often makes.

Here's a graph of the overall business balance sheet with this approach:



This graph is showing net profit and does not take into consideration Google's Net 30 payment policy so your actual payments are in arrears by 4 weeks.. Here are some highlights:

- Your maximum investment for building 12 sites in 12 weeks is \$2603. Taking into account when Google will direct deposit money, your max outlay will be \$2771.
- At the end of year one you made a profit of \$6,391
- At the end of year two you made a profit of \$18,931
- It takes 26 weeks for 12 sites to turn a net profit

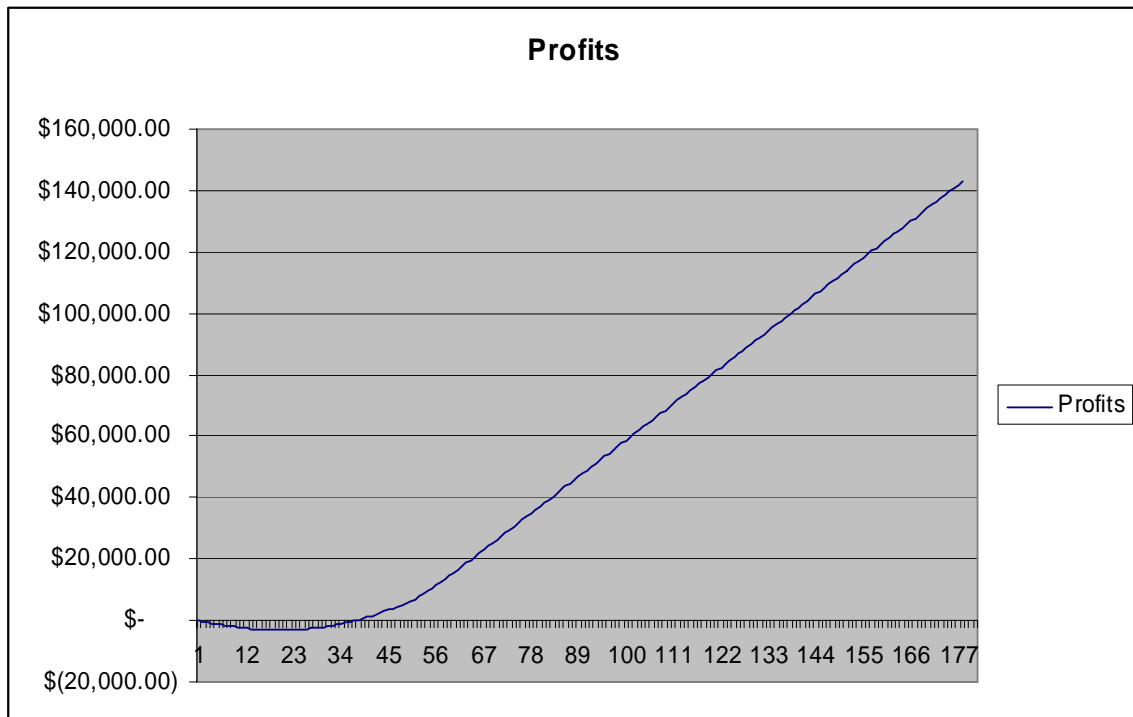
That last point gets a lot of people. You start out filled with piss and vinegar, building a site a week for 3 months thinking that'll reach your goals. Your spouse is on your case about your IM habit and there is no real money coming in. It takes 6 months to turn a profit – when “in” is bigger than “out” finally.

If you look at this from an investment viewpoint you put in \$2800 and got back \$6400 in a year, \$19,000 in two years, etc. Talk about a passive way to fund your retirement! And this was for managing 12 weeks of work and investing less than \$3000.

Scenario 2: 50 sites in 52 weeks

This scenario starts to look like a factory model of constant site production. The potential gross revenue from 50 sites in our model is \$1050/week or \$54,600 a

year gross if you built and stopped. The one time costs are \$11,250 and the recurring is \$564 per year.



The highlights of the business balance sheet here is pretty interesting:

- Your maximum investment for building 50 sites is \$3,210 but taking into account Google payments and paying for sites it really is \$4,157.
- At the end of year one you've made \$8,591.
- At the end of year two you've made \$64,111.
- At the end of year three you've made \$120,284.
- You became profitable in week 37.

So it took almost 9 months to make a profit but after that profits ramp and provide an excellent passive income.

Changing The Model

The business model we put together is not perfect, no model is. One area to look at adjusting is to invest more in link building. Link services like 3WayLinks.net are notorious for working for a while and then losing their effectiveness.

So let's change the recurring costs from \$47 a month to \$150 a month. This gives us a chance to buy into two or three link services like ArticleUnderground, etc.

Here's what happens:

In the 12 site scenario:

- In one year you made \$5052
- In two years you made \$16,356
- You need to float \$3100 in investment

In the 52 site scenario:

- In one year you made \$7,252
- In two years you made \$61,536
- You need to float \$4800 in investment

So we're down a bit on profit but we are trading this off with a more "long term" solution that will pay more dividends with higher search rankings, more traffic, and (hopefully) higher earnings per click with AdSense.

Spending \$150 a month on links seems like a lot of money to many beginning internet marketers. If you look at the big picture though the profit potential far outweighs the cost.

What Now?

So what is the point of all this? I think there are a couple of take aways:

- Building a business takes time. If you aren't willing to invest the time to turn a profit and reach your potential you'll end up spending too much and say things like "article marketing doesn't work..."
- You should make a model of the business so you know how long it'll take to reach you goals. You have to look at gross revenues and costs – in and out.
- Be honest with yourself and don't get caught up in the hype. EVERY model is just that – a model. Your mileage will vary and there are no "typical" results.
- Outsource. In the short run and the long run it really is affordable and lets you find new money sources and manage the business instead of working in the business.

Take action. Execute. Build a business. Maybe you want this business to replace your job. Maybe you just want to make the car payment or fund your retirement. Everyone has different goals.

To quote Stephen Pierce, "*The question isn't 'what do I want?' The question is 'what am I willing to do?' When what you want exceeds what you are willing to do, you have a problem.*"

Epilogue

Adsense is a means, not an ends. Nobody every said that making money with Google Adsense was the best, simplest, and most profitable way to make a buck online.

It is easy... and you can make lots of money... but there are other ways.

Instead of boiling the ocean, let's take a half-step to the side and think about another model...

eBooks.

In our little Article Marketing model we are spending \$225 per site we launch plus monthly fees for linking services, etc. What if we took some of this and applied it to getting eBook and report content written? Or we invested more money into our per-site launch and promotion?

Guess what, we could make even more money.

A fully realized Adsense site in our little model makes \$90/month fully realized. We could sell \$17 ebooks, clearing \$15 in profits after fees and if we sold 6 a month we'd be bringing in the same money.

That's a little more than one a week. And even conservatively we can do better than that. If I drove 100 visitors a day to an ebook sales page that converted at 1% I would make a sale a day. That's 30 a month or \$450 in gross sales.

\$450 is much better than \$90 even if I have to spend \$100 more a site on launch and promotion.

Here's the thing – do the math. Work through how you'll drive 100 visitors to the sales page. What you'll need. Measure your conversion. 1% is conservative. But this is good. If we can be more profitable at 1% we can rock at 2% or 3% conversion.

But remember, nothing is free. You are trading article writing skills here for copywriting skills. It's harder for most people to write good sales letters that convert. If you can do it – or afford to get it done – it's worth doing the math and building the model.