

SECRETS OF PASSIVE INCOME

Ewen Chia



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Introduction

If you're brand new to Internet business, I imagine you might feel like you're drinking from a fire hose right about now. Don't worry, that's normal.

What I want to do is cut through some of the noise and confusion to focus you on the one thing that's going to help you be successful online.

Yes, I mean there's a single thing that will dramatically increase your chances of success...

That one thing is passive income.

You should understand it, spend your time developing it, and always look for ways to enhance it.

In this straight to the point report, I'm going to tell you

- **What passive income is (Googling won't help you as much as I will)**
- Why it's the key to Internet business success
- **The 4 secrets to passive income success**
- 3 primary types of passive income you can pursue in an Internet business
- **And more!**

Once you understand the world of passive income - and you know how to think the right way about it - doors will open for you that you *never* even know existed.

In fact, I'd say that understanding passive income has been the single most important factor in my Internet success. If I had understood this stuff when I first started, I could have saved myself years of frustration and wasted time.

I hope you're excited to learn about this. I promise it won't take long. And the tiny amount of time you spend on this up front will pay you back for a lifetime.

Especially when you act on that knowledge by applying what's in my [Secret Affiliate Weapon 2.0](#) program, which I'll tell you about at the end...

Keep reading!

Ewen Chia

What Is Passive Income?

Before we talk about passive income, you need to know what it is! Unfortunately, Google probably won't help you much. The main reason is that the term *passive income* means one thing to tax authorities and quite another to me and others who make money online.

The United States IRS defines passive income as income from what are called passive activities. Here's what the IRS says:

Passive activities are trade or business activities in which you do not materially participate.... You materially participate in an activity if you are involved in the operation of the activity on a regular, continuous, and substantial basis.

(see <http://www.irs.gov/taxtopics/tc425.html>)

Well great, but so what?

You obviously need to be concerned with the "official" definition of passive income when it comes time to pay your taxes, but for our purposes here, I want you to understand the practical definition. I'd state it this way:

Passive income is income you don't actively work for after putting in some initial effort.

Think about a writer like John Grisham or Tom Clancy. They put in a huge amount of effort to write a book, but then they just collect royalties over time as more copies sell. **That's passive income.**

Passive income really refers to how much effort you need to expend to get the cash.

Most people earn the money that puts food on their tables and otherwise provides for their families by earning *active income*. That's a different animal, but it's what most of us are used to.

When you roll out of bed in the morning and trudge off to your day job, you're pursuing active income. Simply put, it's trading time for money, no matter what your job is.

If you're an auto mechanic, you make active income.

If you're a physician, you make active income.

If you're a politician, you make active income.

In other words, you put in the time and you get paid for that time. You might get paid by the hour, by the job or by the year (as with an annual salary), but that doesn't matter. If you don't work, you don't get paid.

Active income and passive income are very different, and that's the first step to seeing why passive income is the key to your Internet success. I'll talk about that more in just a minute.

For now, understand the difference...

Active income requires your active participation in whatever you're doing. Imagine an accountant doing a client's taxes.

Passive income flows into your bank account no matter what you're doing...even if you're not working on your "job".

Perhaps you're ahead of me already.

Can you see why this is the key to your Internet business success?

Why It's The Key To Your Success

Passive income leverages you.

I don't mean the bad kind of leverage where you go into crazy debt and bury yourself in credit card payments (yes, I've been there, so I know how it feels).

I mean the good kind of leverage where you make more money than you could by earning active income.

Active income runs you smack into a math problem, or maybe you could say it's physics.

We're all limited to 24 hours in a day. No matter what you do, you can't squeeze in 25. If you're working for active income, the only way you can increase your income is to:

- Get more done in the hours you work every day (or perhaps sleep less and work more hours)
- Increase the amount you get paid for what you're currently doing

There's nothing wrong with either one of those things, but sooner or later, you're going to hit a wall.

You'll reach the point where you can't be any more efficient, and you simply can't charge \$1 million an hour in whatever your industry is.

That means active income limits your annual income to what you can actively generate in a day, multiplied by the number of days in the year.

Granted, if you charge a ridiculous rate per hour or per job, you can make a very good active income in a year. Lots of software programmers, corporate executives and athletes do quite well that way.

But you can free yourself from pretty much all income limitations if you go after passive income instead. And that's why pursuing passive income is the key to your Internet business success.

You can certainly set up a business that sells your active services online, but it's usually smarter to set up a business that sells no matter what you're doing.

That kind of business lets you live the lifestyle you've heard people talk about where you can do what you want to do and not have a boss...

Types Of Passive Income

It's pretty easy to imagine different types of passive income in the offline world. For example, earning residuals on a book (remember that John Grisham example) is a nice passive income stream.

Another good one could be earning dividends on stock you own. That's actually more *portfolio income* than passive income, but the point is the same—you're not actively working for it. You get it simply because you own stock.

Owning rental real estate is another good example. You own the property and you rent it out. The rent people pay you is passive income.

But what is passive income in the online world? If you're brand new to Internet business, the answer might not be so obvious. Let me clear it up for you.

There are three primary types of Internet passive income...

I'm sure you can find other people out there claiming there are more than three types, but I'm keeping things simple on purpose.

Here are the three types I think you should be familiar with.

Selling Your Own Products

I can already hear you objecting. If you you're selling your own stuff, isn't that active income?

Not really, because you're using the Internet to do it. You don't have to go door to door to sell your product.

You can set up a website to sell it, automate the sales process, and then travel the world while your product sells...or do whatever else you want to do.

And here's where you can see why I was careful to define passive income the way I did earlier.

It's income you don't actively work for after you put in some initial effort.

Creating your own product will take some effort on your part (although not as much as you might think), but it's effort you put in once.

After that, you just sell the living daylights out of the product over and over again, without having to put in any active effort other than making sure your website is up and running.

But that's only one time of online passive income...

Promoting Other People's Products

This is where you:

- Find a product that's selling well in a hot niche market
- Sign up for what's called an affiliate program for that product so you can promote it for a share of the profits (called your *commission*)
- Promote the product on your own website and rake it the cash

It's called *affiliate marketing*. It really is that easy. **I show you exactly how to do it in my [Secret Affiliate Weapon 2.0](#) program.**

And the last major type of online passive income is...

Getting Paid For Hosting Ads

This is where you let other people display their ads on your website, and you get paid whenever somebody clicks on an ad.

No, that's no illegal, and yes, it's amazingly easy to set up. It also doesn't cost you a penny!

You can sign up for Google's AdSense program for free, and be hosting ads on your own website within a few minutes.



Which Is Best?

All of those approaches are great, and I use them all at the moment.

But after years of doing this, I can say with absolute confidence that one of the three types is the very best one when you're just getting started.

Affiliate marketing wins, hands down.

My [Secret Affiliate Weapon 2.0](#) program goes into detail about why, but let me say this right here...

Affiliate marketing gives you the best chance to get started fast, make a very large income very soon, and do the other things that will help you grow that income over time.

That means building your own email mailing list, and even expanding your business into your own products.

But for now, I want to focus on the secrets to being successful with passive income. No matter which approach you use, these keys to success will mean the difference between extreme frustration and dizzying profits...

Secret #1: Change Your Focus

You need to change your focus from active income to passive income. It's easier said than done.

After all, you're used to active income. You've probably been active income earner for your entire working life. It can be difficult to break that thought pattern.

I suggest that you adopt an unorthodox strategy for doing it...

Learn to be intentionally lazy.

Strange, right? But tremendously effective.

I don't mean that you learn to lay around the house and be good for nothing. If you're married, that probably wouldn't be a popular choice anyway!

What I mean is that you need to look at income opportunities with a particular mindset. Instead of just thinking about how you can fit that income opportunity into your schedule, or perhaps boot something else out so it'll fit, go at it differently.

Think something like this:

What is the easiest, fastest way I can get this set up and bringing in positive cash flow?

If you can save time by hiring somebody to do something you're not good at (such as setting up a website), do it, assuming you have the money to do so.

When you start, you might not have the money. That's fine. Keep the project simple and figure out how to get it set up quickly.

If you have to spend a year, or even just a few weeks, to get something set up, the odds are very high that you'll never do it.

I've taught seminars all around the world.

I've mentored thousands of people who seemed to struggle all the time.

The single biggest hurdle for almost all of those people was getting past the idea that they had to work themselves to death to set up passive income streams that could replace their active income.

You simply don't have to work that hard!

For example, you might know of a guy named Matt Drudge. His website is drudgereport.com. It's one of the ugliest sites you'll ever see...and it's hasn't changed in appearance since 1998.

Drudge makes his money by selling ads. Yes, he sells ads on his ugly website.

It gets millions of visitors every single month, and makes him well over \$6 million a year.

You won't get there overnight, obviously, but it should prove to you that you don't need the world's best website, or the world's best product.

It just has to be good enough for your market.

So imagine that you're putting up a new site to sell a product. Let's say it's somebody else's product. Here's the FAST way to think about it:

- Pay a freelancer about \$100 to set the site up for you
- Buy some nice graphics for about \$50-100
- Start promoting the product using various free traffic methods like the ones I show you in [Secret Affiliate Weapon 2.0](#).

That's as complicated as it gets. I'm not kidding.

It's not 100% free, but I think you'll agree that it's pretty low cost. And it's extremely fast.

Now, it takes some skills to do that. You need to know where to hire people to set things up for you. You need to know how to pick a great product to promote. You need to know how to drive traffic to the offer page.



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But all of those things are things you can learn.

It all starts with focusing on the right thing—generating cash flow quickly.

There's no such thing as “get rich quick”, but “generate cash flow fast” is truly a key to your success...

Secret #2: Seek Out HIGH Competition

This one's a little counterintuitive, so stick with me while I explain what's going on.

If you've been researching Internet business for a while, and certainly if you've given it a try, I bet you've heard lots of different "gurus" say two things:

1. If you target a highly competitive niche, it can be harder to get traffic because you'll get squeezed by all of the big players
2. When you're just getting started, it's better to find a less competitive niche and target that

I have to admit that that's not awful advice.

It's true that a highly competitive niche...well...has more competition! That's undeniable.

It's also true that targeted a less competitive niche can give you some great opportunities to dominate that niche.

But I suggest that you go against this advice. In fact, I suggest that you intentionally target a highly competitive niche to start with.

Here's where you need to start thinking like a business owner. In particular, you need to start thinking like a marketer.

A highly competitive niche usually has lots of people trying to tap into it. That tells you two very important things...

Fact 1: Competition Means Buyers

When you find a niche with lots of competitors, that tells you there's money to be made. If there weren't any money, there wouldn't be anybody targeting the niche.

Consider something like golf. It's huge. The prospects in this niche are very willing to spend money.

Now, I suspect there are lots of people who would tell you not to target that niche because the competition is cutthroat. Not me!

I say hit it like a load of bricks. There's plenty of money to be made in the golf niche.

The same goes for niches like:

- weight loss
- debt reduction
- hypnosis

And the list goes on. Competition in these niches is like a flashing neon sign screaming, “You can make money here!” It’s pretty easy to understand, really.

These niches have huge players, meaning big corporations. Those companies spend massive amounts of money on advertising.

You don’t have to do that, but that fact that they choose to do it tells you that their (often very costly) market research indicates there’s fantastic profit potential there. Take advantage of it!

Fact 2: A Crowd Means Popularity

A crowd in a niche (meaning lots of sellers and buyers) tells you it’s a popular place to be. That probably means there’s lots of buzz about the niche, lots of excitement.

That’s great for you, because you won’t have to work as hard to whip your prospects into a buying frenzy...all you have to do is give them what you already know they want.

Competition Makes It EASIER

The more competition there is, the easier it can be to make money. Sounds crazy, but it’s true. The reason is, you can slice the niche into subniches and target them very specifically.

The big players might miss these tiny profit centers. They’re trying to target pretty much everything.

You can afford to focus, and take your slice of the pie without the major competitors even caring that you’re there.

And the third secret tells you how to carve out your little slice of heaven...

Secret #3: Sell Quality ONLY

W

hen you're starting out as an Internet marketer, it's easy to get distracted by the dollar signs.

That's especially true when you see the amazing potential of passive income—it can get you so excited that you end up shooting yourself in the foot.

You've probably heard the phrase "the money's in the list."

This is a cute way of saying that your mailing list is a tool for making money every month.

It may seem outrageous to say right now, especially if you're starting from scratch, but it isn't all that difficult to build a large mailing list. And once you have it, the math can be dazzling.

A good rule of thumb is that every subscriber to your list means about one dollar per month in affiliate income (possibly more if you sell your own products to your list). Do you see the potential?

I bet even a list of 1,000 people could change your life. Making an extra \$1,000 a month might seem like a dream right now...but a list of 1,000 can easily translate into that.

A list of 2,500 or more might replace your day job.

A list of 10,000 or more can easily put you in the high five-figure annual income range, or beyond.

Now, once you have this magic list (it's not really magic, but it sure can feel that way), what do you suppose the HUGE temptation is?

Yep, you'll find yourself wanting to send an email just about every day.

I have a large mailing list myself.

I can send an email promoting a given product—mine or somebody else's—and make five figures for only about 15 minutes of "work" to write the email.

So it's a natural question to ask...

"If you can make five figures for sending an email, why the heck not send one every day and make millions every year in passive income?!"

The short answer is that sending an email every day will ruin your chances of making that much money. That's true for two reasons.

The first reason is that people on your list will get tired of being sold to that often. This is called "burning your list." It's almost like your subscribers get blind to your promotions. They start to see you as spam...which will kill your business.

But the second reason is what will kill your business at lightning speed, and it sneaks up on you.

If you promote too often, you'll put yourself under extreme pressure to find stuff to promote. Almost every single time somebody tries to do that, he'll end up promoting junk.

Oh sure, there will be some good products in there, but the promotion schedule will be good product...junk...junk...junk...good product...junk...junk...junk...

You get the point.

Pretty soon the people on your list won't know whether you're recommending junk or something worthwhile. You will have destroyed your credibility. Your recommendations won't mean anything anymore.

The easy way to avoid promoting too much and promoting junk is to promote **ONLY** quality products.

Refuse to promote products that aren't really worth telling your subscribers about, whether it's your product or somebody else's.

That means you'll need to research the products. Dig into them. Make sure they're good. Then, and only then, should you tell your list about it.

One of the great things about passive income is that it's so easy to make. The downside is that you can try a little too hard and end up frustrated and broke.

Focus on selling only quality products, and you'll keep the passive income flowing...

Secret #4: Know The Name Of The Game

told you before that I've taught seminars all around the world. I've spoken to tens of thousands of people about how to create passive income streams.

And I consistently get two questions more than any others:

1. How can I make money online fast?
2. What's the single biggest key to success?

My [Secret Affiliate Weapon 2.0](#) program answers the first question so well that people are raving about it. But what about that second question?

It's hard to pick just one key to success. Focusing on passive income is probably it, but since this entire report is about that topic, let me dig down one level deeper.

The single biggest key to Internet business success is understanding the name of the game when it comes to selling online.

There are two factors that make all the difference:

- **Traffic**
- **Conversion**

All of Internet business boils down to those two things.

Traffic means the visitors to your website. It's like the foot traffic you'd get in a bricks and mortar store.

Conversion means the percentage of those visitors who end up taking the action you want them to take, which could be signing up for your email list, buying a product, etc.

The key to Internet business success is getting highly targeted traffic to buy what you're selling, whether that's your product or somebody else's.

This ought to clear some things up for you.

The key to success isn't a super-snazzy technical wonder of a website. A nice site that looks professional is probably good enough.

The key to success isn't having the very best product in your niche. A solid product that's genuinely helpful and gives buyers information they want will do just fine.

The key to success isn't being the smartest person when it comes to Internet marketing.

If you know that traffic and conversion is what it's all about, you probably know 90% more than most other people who ever give it a try.

So the key is to get lots of highly targeted traffic, and then work on converting those visitors into buyers.

Of those two, getting the traffic is usually the biggest challenge for more people, but it doesn't have to be.

In fact, here's a simple traffic strategy that still works great, and it won't cost you any money. Here's how it works:

- Write an article of about 300-500 words on some topic people in your niche will want to read about (reading current articles or browsing niche forums should give you some ideas)
- Find a keyword in your niche that has 10,000 or fewer optimized pages indexed by Google. To figure that out, Google the keyword in double quotes ("") and check the page count, like this:

Results 1 - 100 of about 5,040 for "[start my own internet business](#)". (0.53 seconds)

A keyword with three or more words is likely to get you the best results.

- Include that keyword in your article title, and several times throughout your article
- Put a link to your site in the "author box" or "resource box" at the bottom of the article, and use your keyword in the link text

Writing an article might be challenge for you if you don't think of yourself as a writer, but you only need 300-500 words.

Read some articles on the topic, summarize the key points in your own words and you'll be done.

Once you have your article written, post it to article directories that have high Google PageRank and that are popular with article readers and publishers.

I recommend www.EzineArticles.com and www.GoArticles.com as the two best, although there are others out there.

This simple strategy can get you a nice flow of traffic within a few days, for very little work. Then you can start working on improving your conversions to boost your passive income.

Wrapping Up

There isn't any magic to making passive income on the Internet. There's no button to press that'll dump money in your lap.

The four secrets I've shared with you in this report won't make you a millionaire by next weekend.

But if you learn nothing else from what I'm saying, let it be this...

My years of experience and proven methods of doing business have taught me that the four secrets I've just told you about are 99% of the battle. The rest is mechanics.

That may be hard for you to believe. Maybe you think there's more to it, or that the "tech stuff" is more important (making websites, etc.) Actually, it's not.

Now that you know what passive income is, why it's critical for your Internet business and the four secrets to passive income success, you're perfectly positioned to blast through the barriers I've seen most people struggle with when they first get into Internet business.

And now let me introduce you to what I believe can be your very own secret weapon for firing up your own passive income business online...

Your Passive Income Secret Weapon

Passive income sounds great. Even better, it sounds easy. And truth be told, it really is...if you know what you're doing.

If you're brand new to Internet business, passive income generation can seem downright confusing.

That's exactly why I created my [Secret Affiliate Weapon 2.0](#) program. It's as close to "turnkey" and automated as you'll ever find...



It has 4 easy to understand modules that walk you through everything you need to know to set up your own passive income streams. That means:

- How to choose the RIGHT business model for yourself
- My "no brainer" easy twist on promoting ClickBank products that will multiply your affiliate income by several thousand percent over the traditional method.
- The easy way to find winning products to promote as an affiliate...

- **Your "missing link" for transforming your affiliate income into a business that sells like the most successful Fortune 500 companies ...but you literally can do it in your pajamas.**
- **How to build your own email mailing list that can pay you \$1 per month per subscriber...**do the simple math for annual income from a list of 5,000 and try not to pass out...
- **My top secret methods for creating incredible passive income simply by giving away free bonuses!**
- How to promote service and even physical products to create income streams that'll blow your mind...I'll point you to the specific programs I've found that are the best of the best...
- **The little known affiliate program that allows YOU to dictate the product price and the amount of money you'll get paid on every sale! (This is almost too good to believe, but it's real.)**
- How to get other people to do ALL of the hard work for you so you never have to lift a finger to get paid...
- **What a "gateway" is, why you need to build one to enhance your profits, and how to design one quickly and easily...often in mere minutes!**
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- *The free website that can almost instantly send a tornado of FREE traffic to your site as soon as you "flip the switch"...*
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