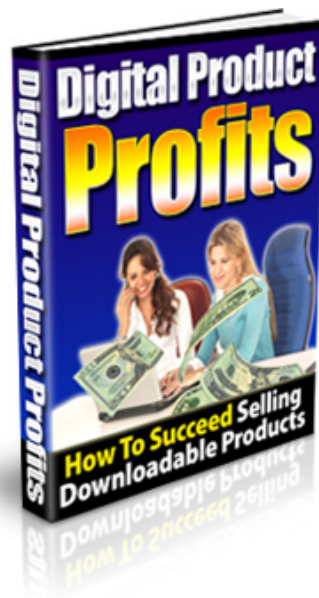


# Digital Product Profits

Discover The Real Secret Of Success In  
The Billion Dollar Digital Download Market



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## Introduction

If you're looking for a quick and easy way to start a business, or maybe just a way to supplement your current income, then selling digital products online is the way to go. You've probably heard this dozens of times, right?

And you probably assume I'm referring to ebooks, right? I thought so.

But you'd be wrong.

Oh sure, there's nothing wrong with selling ebooks. But if you want to really help your customers (and help your bank account), selling software online is the way to go. Let me explain...

No matter what type of business you have, people aren't buying "ebooks" or "software" or any other product. What they are actually buying are solutions to their problems. If you can take away their pain, or make things easier, cheaper, more efficient, quicker, etc, then they'll line up in droves to buy from you. In short, if you can make someone's life better by providing them with a solution that they want and need, you can bet you're sitting on a pot of gold.

As I mentioned before, ebooks and other information products are fine. If the information within them somehow betters someone's life, you got a good product on your hand. But as technology explodes and society trains us to become impatient, more and more people want to do things fast, like now. Actually scratch that, they want it done yesterday.

Just look around at some of the major markets and you'll see what I mean. People are asking on forums, "how do I make money fast?" or "how do I lose weight fast?" These people know how to accomplish their task the slow way. But they're looking for tools and resources to get the job done quickly. We like instant gratification, and we like anything that will give us an edge over other people.

Let's face it, people don't want to waste hours reading an ebook or sitting through a video to find their solution. They want to know immediately what the solution is, and then they want tools to help them speed the process along.

This is especially true in competitive fields like online business. If someone is just coming online and want to start up a business, they probably don't have the leisure of spending six months, a year, or even more just to set up their business. They don't have time to pour through huge 800-page manuals to learn how to hand-code a site in HTML or create a form.

What they want is something that can provide this solution for them instantly. And that's where software comes in.

Software has plenty of applications, but the one common denominator across all sorts of software is that these programs do things for people more quickly than they could do it themselves.

An aspiring webmaster doesn't even have to know how to code HTML these days, as there are plenty of HTML editors that do the work for them. The same goes for creating graphics, managing email, managing subscriber lists, doing accounting tasks, tracking affiliate statistics, and so much more. Indeed, nearly everything we do online has some sort of software involved.

We can even strip it down and look at what you're doing at this very moment – reading an ebook online. Software allowed you to boot up your computer, browse the Internet, and download and read this report.

Can you imagine trying to do any of these tasks without software? Many of them would be impossible.

Now let me ask you this: did you need to buy an ebook to learn how to do these tasks? Probably not. Sure, you had to learn them somewhere along the way, but purchasing an ebook wasn't essential to you learning how to do these tasks on your computer and online. On the flip side, however, having the software in place was absolutely essential.

Now you can see why people who sell software become millionaires and even billionaires ...and why you can make your fortune selling software, too.

At this point you're probably starting to get turned on to the idea of selling software online. When you think about how absolutely essential it is in some cases, and how it better people's lives and businesses, you can see why it's a multi-billion dollar industry.

The good news too is that there is plenty of room for you. You can easily start selling software online and claim your fair share of the billions of dollars that exchange hands every year.

As if that's not enough of a reason to start up your software empire, take a look at these other reasons...

## **So What are the Benefits of Selling Software?**

One of the great things about selling software online is that the barriers to entry are extremely low.

For starters, you don't need to sink a lot of money into starting up your business. In general you'll have the following costs: start-up costs, product creation costs, and marketing expenses.

Start-up costs include things like buying a domain name and hosting, designing the site, purchasing an autoresponder, and other products and services you need to get up and running fast. Most of these expenses tend to be very minimal, such as less than \$10 a year for a domain name, about \$10 a month for hosting, about \$20 a month for an autoresponder, etc.

Certain services like designing your site and getting the sales copy written will be more expensive. However, depending on your own skill level, you can drastically reduce these expenses, or even eliminate them. For example, if you prefer to design your own site and graphics, you don't need to hire someone else to do it.

Another way to keep your already low start-up costs even lower is to barter. For example, you can trade some of your software in exchange for a service such as copywriting or web design.

The second expense that you'll have are your product creation costs – in other words, the expenses involved in developing the software that you're going to sell. Product creation costs are all over the board, depending on what route you take. You can spend as little as a few dollars on a piece of software, to hundreds of thousands of dollars for design and development costs.

Later in this report you'll learn where to go to get your software developed, including some of the most reliable and cost-effective methods.

Finally, your last major category of expenses involved in setting up your own software business are your marketing and advertising costs. If you're just getting started and you're on a tight budget, these costs need not be high either. While you can use paid advertising like pay per click search engines, you can get just as good results (sometimes better) using free marketing methods like affiliate partnerships, joint ventures, co-promotions, organic search engine optimization, newsletter marketing and similar.

A nice benefit of selling software online is that you simply do not have the big expenses associated with businesses that sell physical products. You don't have inventory or storage costs, because you don't have to keep anything on hand. You don't have packaging and shipping costs, because you don't have a physical product to package and then ship. You don't even have reproduction or

manufacturing costs, because you don't have to create anything except a link where people can download their software.

With no inventory to keep on hand and ship, that also means that you don't have to spend money leasing warehouse or office space, nor do you have to pay for gas and other transportation costs to get to and from your office and the post office.

In many cases this also eliminates the need to hire employees (at least in the beginning), because you don't have extra work to do such as keeping track of inventory, shipping, answering phones, fulfilling orders, etc. With an online business selling digital products, many people can make a six figure income without the need for employees.

When you do sell a product, your actual expenses involved in that sale will be very minimal. This doesn't take into account the marketing expenses involved in making a sale, as those are investments – once you get a customer, that customer is yours for life if you treat them well. As such, any marketing expense (such as paying an affiliate a commission) is really an investment that grows.

So what expenses are involved in actually selling the product? Usually the only expense involved is the fees you pay to your merchant account or your third party credit card processor. These usually range from about 50 cents to a few dollars. If you're selling software for \$50, \$100 or even more, these sorts of fees hardly make a dent in your profits.

The bottom line? When you sell a piece of software it's almost pure profit. This is especially true when you sell to an existing customer – at that point there aren't any marketing costs involved to acquire the customer, as she is already on your life. So when you make a repeat sale to an existing customer, generally the only fees are from your credit card processor.

As you are probably starting to notice, selling downloadable software online can be an extremely lucrative venture!

Another benefit of selling software is that there isn't as much of the frustration as you might find selling other downloadable products like ebooks. For example, it's very easy for someone to buy an ebook from you, read and absorb all the information, and then ask for a refund. Indeed, there is a certain percentage of serial refunders online who buy ebooks with the intention to ask for a refund immediately. And why not? If they do that they essentially get the information for free.

Even if you "lock down" their ebook after the refund so that they no longer have access to the information, it doesn't matter. Unless you run over to their house

and erase their memory, they can benefit from the information any time they want because it's all still up in their head.

In other words, they've stolen your intellectual property ...and that can get awfully frustrating for someone struggling to make a living online.

Worse yet, some individuals will take it one step further and actually share your ebook with others! They'll put them on file-sharing networks so that everyone and their brother can download the ebook. They'll post them on forums, blogs, and websites. They'll pass them through the email to friends every chance they get.

As if that's not frustrating enough, then you have to deal with the pirates who not only share your work, they profit from it too. Go ahead and sell an ebook, and then watch eBay – it won't be long before someone has stolen it and is selling it on eBay or even on their own website.

Clearly they've stolen your intellectual property and infringed on your copyright – but tracking down these offenders is costly, time-consuming and exhausting. And if you even think of taking them to court, you better have deep pockets to defend your copyright and win your case.

As you might imagine, it's for these reasons that ebook thieves and pirates engage in these nasty practices – they know there's very little chance that someone is going to take them to court. Sure, they may get their webhosting account shut down, but no biggy – they'll just start up somewhere else.

That's why selling software can be a whole lot less frustrating a whole lot more lucrative. You can program your software so that it only works on one computer or one web server. You can also program the software to stop working when someone asks for a refund.

What does that mean to you? It means you don't have to deal with the serial refunders whose intention is to ask for a refund and then keep the product. When you protect your software as described above, it becomes useless to the serial refunder because it no longer works.

No worrying about having to track down people sharing your software if you program it to only work on one computer or server. No having to defend your copyright in court, track down thieves and pirates, or other similar activities.

That means you can focus on your honest customers and focus on building your business ...which means more money in your pocket.

I'm sure at this point you're getting pretty excited about the prospect of starting up a business selling software online. You'll be hard pressed to find a business with such low start-up costs, low barriers to entry, and other big benefits.

Plus you're selling a product that people want because it enhances their lives. Instead of learning the long and difficult way to do something, you're giving them the tools (software) to accomplish the task the quick and easy way. Whether you're selling software to home-schooling parents or to entrepreneurs looking for a competitive edge, selling software is definitely lucrative.

So why don't more people jump on this lucrative opportunity? The reason is because people often mistakenly assume that you either need specialized knowledge to start a software business (e.g., you need to be a bit of a "tech geek"), or if you don't have that then you'll need to have a big bank account to get the business off the ground.

Nothing could be further from the truth. However, that depends on how and where you get your software developed. In the next section, we'll talk about some of the main ways people design and develop software to sell.

But first, here's something you should check out as a really easy way to get Private Label software that you can brand with your own details and then sell as your own...

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## **Where to Get Your Software Developed**

When it comes time to obtaining or developing the software you intend to resell, you have lots of choices. We'll take a look at the pros and cons of the most popular methods of developing software in just a minute. But first I wanted to throw out one other option for you – selling software as an affiliate.

This is for someone who's not sure if they want to jump into the software business with both feet. When you're an affiliate, you don't have to deal with things like software development, order-taking, customer service, or other issues. As such, it's a pretty risk-free way for you to test the waters and see if you're cut out for the software business. And it can be lucrative, too, since commissions are often 50% or more of the profit.

Even seasoned pros with their own products occasionally promote other people's products using an affiliate link. The reason is because selling an affiliate product is a quick and easy way to sell more products (and more expensive products) to your existing customers. If you aren't churning out multiple products every few months, it's good to have another product that you can promote that will not only help your customers, but also help you since you get a commission. It's a win-win situation.

However, you should really only sell other people's software as an affiliate when absolutely necessary. It's always more profitable to sell your own products – and that includes products that you've obtained the resell rights or private label rights to. Instead of being one of a thousand affiliates for someone else, you can have your own product and have thousands of affiliates working for you.

It's simply far more profitable to build your own customer list, rather than spending your efforts building someone else's list.

Now let's look at some of the people and places you can go to for software development...

### **Your Next Door Neighbor**

You probably have a friend or neighbor who seems to know an awful lot about computers, and perhaps he's even bragged to you a time or two about writing his own scripts and other software. He's a self-taught programmer who'll practically work for peanuts. Good deal, right?

Probably not.

You see, developing software isn't just about writing code. Someone who can write a few lines of code to tweak a program simply may not be cut out to take on a real software project.

The software must be designed, including everything from functionality to the user interface. The code must be written (this may take thousands upon thousands of lines of code). The script needs to be tweaked, tested, and debugged. One tiny little semi-colon can throw the whole script out of whack – and combing through thousands of lines of code looking for a mistake like that is tedious at best.

A good programmer will also need to know how to make the script secure. This reduces the likelihood of hackers from getting in and messing with the data collected by the software, or even the functionality of the software. Even big software companies like Microsoft have a difficult time creating bullet-proof software.

So you have to ask yourself – even though the neighbor kid will work for slave wages, is it worth it? Does he really have what it takes to take on such a big and important project?

If not, time to start looking at your other alternatives.

### **College Students Who Need a Project**

Sometimes you can get a software project developed for very little money – and maybe even free – by talking to the computer science instructors at your local college. At times these instructors may be looking for “real world” projects to hand over to their more advanced students. These could be class projects, or projects for individuals or small groups engaged in independent studies in advanced programming.

There are benefits to this method. First, as already mentioned, this can be a low cost or even free way to get your software underway. Secondly, you could very well have a whole team of students working on your project – a mastermind of people brainstorming the most creative ways to design and develop your software. And entire team with different specialties (design, writing code, interfaces, security, etc) could mean your end product is even better than you originally sketched out.

But there are downsides. For starters, it may take a long time for the students to complete the project. Most college students are extremely busy, so between work, classes, homework, and social schedules, your project may take longer than anticipated.

A second downside is that while you are working with trained programmers, they are still amateurs, and are still learning. As such, in addition to delays, you can probably expect mistakes, bugs and the like.

A final disadvantage to working with students is that when the semester is up and the class is over, the team of programmers and designers disbands. If your software isn't quite complete, if it needs tweaks or needs to be tested and debugged, you'll have to take it elsewhere. The alternative would be to pay some of the students to stay on and complete the project – but even that's not something you can count on, since as mentioned before students tend to be quite busy.

Overall, this sort of arrangement works well if you have a small project that's fairly easy and can be completed quickly. That doesn't very often describe any major software you want to develop for resell.

### **Service-Provider Auctions**

Another place you can go in search of someone to develop your software is at a service-provider auction, such as [rentacoder.com](http://rentacoder.com), [elance.com](http://elance.com), and similar. You could hit pure pay-dirt and find your dream programmer this way, or you could find your worst nightmare.

If you use these types of sites, be sure to do your due diligence. If you post a project you are likely to get bids all over the board. Some of them will be so cheap your eyes will light up, and some of them will probably make your eyes pop out of their sockets in disbelief.

Don't shop based on price alone, because sometimes you do get what you pay for. There's a saying that goes something like this: "if you think hiring a professional is expensive, wait until you find out how expensive it is to hire an amateur."

In order to have a good experience on these sites, you'll need to look for individuals with a proven track record. Do they have good feedback and testimonials? How long have they been a member of the site, and how long have they been programming? Do they have any references they can show you? Have they worked on similar-sized projects of equal complexity?

You also want to be sure that the two of you are compatible, and that you understand and can work with each other's expectations. Some people bidding on these sorts of projects only write code, so you'll need to find someone else to help with design. Others will write code in addition to helping with design, user-

interfaces, and similar issues. You need to discuss these sorts of things beforehand so there are no surprises for either of you.

If you don't do your due diligence, you increase the chances of running into an expensive programming nightmare. There may be delays, unanswered emails, poor coding (e.g., the software doesn't work), miscommunication, etc.

As mentioned before, you could also very well get lucky and find your dream programmer this way, someone who's both good and yet willing to work with your budget. Typically this is someone who's just starting out and trying to get references, and because of this he may be willing to work below the bids of others.

Indeed, the only reason he's available at this price is because he hasn't been "discovered" yet. You see, some of the very best programmers are either in constant demand so that they don't have to look for work (it comes to them), and/or they can command top dollar because they still turn away more work than they accept. Either way, the very best programmers don't tend to be on these sorts of sites, simply because they don't need to be ...unless of course they're just getting started.

You may also find good programmers from foreign countries who are willing to work well below the project bids submitted by people from the UK, the US, Canada, and similar. These people may indeed be excellent programmers, so their bidding doesn't reflect the quality of their work. They're just able to charge less because the cost of living is low where they live.

As with any programmer, just be sure that he or she has a good track record. In addition, you want to exchange some emails or phone calls to ensure that you can understand one another well enough to work on your software project together. Cultural and language problems can obviously hinder your project, so it's best to find out up front how well you can communicate with one another.

### **Other Places to Find a Professional**

There are plenty of other places to find a professional if you're willing to take the time to look around. Since this can be a time-consuming task to find a programmer that you can work with, once you find them don't let go of them!

You can start your search by asking for referrals on various forums and other communities that you frequent. If you know someone who seems to have a lot of software developed, ask her for recommendations.

You can certainly save time by bringing on board a programmer who comes highly recommended by someone you know and trust. At the same time, some people are reluctant to reveal their sources, as once they do that the programmer tends to get so busy with projects that they get backed up for six months or more.

Another way to find someone to develop your software is to simply run a search in Google or your favorite search engine. You'll find individuals who may be able to do everything from design to programming, or sometimes you may have to hire a series of professionals for each of these tasks. When you run a search you may also find groups of individuals who work as a team to design, code, test and debug software.

As usual, you need to do your due diligence, and be sure to thoroughly check out references.

If you do hire any individuals or software development teams, you'll also need to have a contract in place to protect both you and them. The contract should spell out deadlines, exactly what work needs to be done, how much each phase of the project will cost, when partial payments will be due, what all services are included, etc.

For example, some developers have been known to charge a reasonable up front fee, and then suddenly start demanding other fees or causing huge delays and missing deadlines. All of this becomes very costly to you, whether in lost time or money.

For example, they may tell you how much they charge to code the work, but they don't tell you up front that any meetings you have with them are not part of their flat fee.

Or they may deliver the project to you and then disappear off the face of the earth, refusing to answer any further emails from you. If the script worked perfectly that would be ok. But you might end up with a piece of buggy software that crashes a lot, and no programmers around to fix it. That means you'll end up bringing it elsewhere, which will cost even more.

Or alternatively you could find an excellent programmer who's reliable and produces end-products that make you more than satisfied. But be prepared to pay a lot for this sort of reliability and quality. As mentioned before, you get what you pay for. So if you want excellence, be prepared to pay a high premium for it.

You may also want to take your search offline, right into your own community. This may appeal to, particularly if you're the sort of person who likes to get face-to-face with people every once in a while. You can find software developers in your community by checking out the telephone book yellow pages, looking at computer-services advertisements in your paper, and even talking to local

business owners to see who they used. As usual, check out the person carefully and be sure to check references.

### **Create it Yourself**

If the thought of spending weeks or months finding a decent and reliable programmer that you can work with sounds like a lot of work to you (and it can be), and if you have a keen interest in programming, you may consider learning it so you can do it yourself.

Granted, that is an option. However, it's only an option if you are willing to spend years learning about design, coding, project management, security, and everything else. You'll also need to be very meticulous and detail-oriented. In addition, you'll also very likely want to learn more than one programming language so that you can have some flexibility on your projects.

Whether self-taught or trained professionally in a college setting, you can bet this is going to be a big learning curve and probably expensive. Chances are, you probably don't have that kind of time. Wouldn't you rather get up and running in a matter of months rather than years? If so, this is an option you can skip over.

One other note before we discuss other alternatives – you may run into software that creates software. Supposedly these software programs allow you to click a few times, add in a few things, and bam out pops your own software.

Sounds too easy, doesn't it? And too good to be true?

That's because it is. If it was that easy there wouldn't be a need for good programmers. These programs that create software may be good for a small task, like creating a form for you – but they'll never be up to snuff when it comes to creating fully functional, complex and reliable software that you can resell.

Don't waste time and money with this stuff.

### **Getting Resale and Private Label Right Software**

One of the easiest and least-expensive ways to start up your software business is to acquire rights to pre-existing software, as opposed to developing your own.

As you've probably already gathered, developing your own software will likely be either frustrating, a time-consuming process, expensive – or maybe all three. Indeed, developing your own software can consume you so much that you find

yourself constantly developing, designing, coming up with new ideas, beta-testing the software, putting out new versions, and so on.

If you're constantly wrapped up in the development, that leaves for little time for marketing. And of course that means very little money in your pocket.

As such, getting rights to software can really cut down on the time, money, and effort you expend in development ...so that now you can focus on making money selling it.

You don't have to worry about constantly coming up with new ideas, because if you buy existing software, all you have to do is acquire rights to software that meets your customers needs.

Likewise, you don't have to spend months twiddling your thumbs during the development process, as you can likely find rights to just about any software you can imagine. You don't even have to worry about bugs, crashes, or other nastiness, because if you do your due diligence you'll only be dealing with reputable companies.

So where can you get resale rights to software? There are memberships that put out monthly software for resell. Other memberships put out one huge package once or twice a year. Sometimes you can find individuals who have software for resell.

You might even be able to acquire rights to software that isn't advertised as having rights.

For example, there are some programmers out there that put out wonderful pieces of software, but their marketing stinks so they don't sell them. These folks can be found at the bottom of the heap on places like [clickbank.com](http://clickbank.com). You can contact them and make them an offer. If they have sold very few copies, they'll likely jump at the chance to take an attractive lump-sum payment for you.

However, the only downside to getting resell rights is that you can't personalize or otherwise brand the software. If it's called "Billy Bob's Kick Butt Computer Scrubber," then you're stuck with branding it under that name. Being unable to personalize the software can certainly hinder your own marketing efforts.

The solution? Instead of getting resale rights, get private label resell (PLR) rights software. When you have PLR rights, you can brand the software with your company name, thus appearing more professional – and likely allowing you to make more sales.

Indeed, starting your software business with PLR rights software is one of the quickest, easiest, and cheapest ways to build your business. You can find PLR

rights the same way you find resell rights – from individuals, from membership sites, or even from unadvertised sources.

One of the best places for you to go to find high-quality PLR software is to join the Software Gold Club.

Not only is it extremely affordable, but month after month you'll get high-quality software that you can brand and resell ...and keep all the profit.

Maybe starting a software business used to sound expensive and difficult to you.

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