

# The Truth About Earning A Residual Income

Contributed by Webmaster  
Monday, 29 June 2009  
Last Updated Monday, 29 June 2009

By himanshu007

There is sometimes confusion about what exactly an affiliate program is and how a person can actually earn a residual income through one. Sometimes people get confused because they are bombarded with ads telling them they can make large amounts of cash through this type of business. This is often confused by other ads saying that any program offering an unlimited income is a scam. Both are extremes. Affiliate programs are found almost everywhere a person looks. Even large companies are getting into them as a way to increase their market reach. It is very important that a person learns the truth about earning a residual income in an affiliate program before they write it off as a scam. Affiliate programs have two basic functions. The first is to sell a product for a commission. Companies set up programs so they can get their product marketed by other people who are then paid a commission when a product is sold. This is not only free marketing for the company, but also allows the affiliates to make a residual income. The company usually gives provides a website

where you send customers. The website is coded with your affiliate ID so that every sale made on that website is credited to you and you earn a commission off them. All you have do is market their website. The second function of the program is to build by recruiting new affiliates. Besides selling products, the website also gives people the chance to become an affiliate themselves. When people sign up on your website you then get a commission on anything that affiliate sells. This continue as each person signs up more affiliates. It is a win-win situation for everyone involved. The company is getting an amazing amount of free advertising. All they had to do was set up and monitor the program. The affiliates do the rest. Many major companies are seeing the value of these business programs and are implementing their own. One of the most confusing things about affiliate programs is that many are advertised by saying a person can make large amounts of money. While it is true that if you sell a lot of products and build a team of people under you who also sell and recruit well you can make a large amount of money, it is not that simple. First of all, setting up a stable and strong team is difficult. There are so many people looking to make a quick dollar that half the people who sign up for these programs never even carry through and end up quitting. If that happens with every recruit then a person can not really make a lot. The commissions on the product sales are usually rather low and a person needs the team members in order to be making a good commission. So, it is possible to make a good income, but it will take some time to do it. Another thing about affiliate programs that scares people is its close resemblance to a pyramid scheme. Anyone who has been interested in working at home or building a business has surely heard of a pyramid scheme. A pyramid scheme does involve recruiting people to sign up and making money off recruits, but the main difference, and the reason affiliate programs succeed where pyramid schemes fail, is that affiliate programs have an actual product to sell. If a program has a product to sell that is useful and something people would buy then they are an affiliate programming not a pyramid scheme. Affiliate programs offer a great way to build residual income. A person can be quite successful with an affiliate program if they work hard. They are not a scam and are a true way to earn some money.

Did you find this article useful? For more useful tips & hints, Points to ponder and keep in mind, techniques & insights pertaining to Google Ad sense, Do please browse for more information at our website :-

<http://www.adsence-dollar-factory.com>

<http://www.100earningtips.com>

Home Business

{mos\_sb\_discuss:2}