

# Improve Sales with Affiliate Marketing

Proven success requires diligent oversight

BY CHUCK LASKER

One of the most popular methods of website marketing is called affiliate marketing. Affiliate marketing is a method of paying “affiliates,” who are basically online sales people earning commissions based on sales from their referrals. Commissions are usually a percentage of the referred sale, but may include pay-per-click or a set dollar amount per referral. Once an affiliate signs up, they place some form of advertisement on their site. An example of this process follows.

A music review site applies for the Apple iTunes affiliate program, which pays a 5% commission on referred sales. Once approved, Apple gives the new affiliate a special URL that includes their affiliate

code. The music review site places some text, maybe some graphics and banners, in their site that link to the iTunes site with their URL. Apple uses the special URL/affiliate code to track sales that are referred by the music review site, and sends monthly checks to the affiliate for 5% of those sales.

Examples of highly successful affiliate programs to learn from are [amazon.com](http://amazon.com), [landsend.com](http://landsend.com), [buy.com](http://buy.com), [clubmom.com](http://clubmom.com), [allposters.com](http://allposters.com), and [ehealthinsurance.com](http://ehealthinsurance.com). Look for links to pages with the words “Associate” or “Affiliate” in them to find their information.

Becoming an affiliate is easy. There are thousands of programs available. Beginning your own affiliate program at your site is more difficult. Done right, your affiliate program can boost sales many times over, or even become your sole source of sales. Done poorly, you can waste a lot of time. It is worth studying, preparing and even hiring help to do it right.

Affiliate marketing requires a serious commitment. Affiliates are, in essence, a sales staff that uses its site to sell your products and services. So, as sales

people, they need ongoing sales management. This could be in the form of e-newsletters, personal emails, telephone contact, being available to answer questions, providing training and advice, creating incentives to keep them motivated, etc.

## To set up an affiliate program, you must answer some questions.

How much are you able to pay in commissions? Keep in mind that you’ll probably want to have occasional short-term incentive programs with increased payouts.

Do you want a few strong, committed affiliates who have the ability to bring a lot of traffic, or many affiliates who may each bring only a few referrals?

Will you set up your own affiliate tracking system using affiliate management software ([myaffiliateprogram.com](http://myaffiliateprogram.com), [vikingcoders.com](http://vikingcoders.com)), or will you contract with an affiliate tracking company ([clixgalore.com](http://clixgalore.com), [directtrack.com](http://directtrack.com), [cj.com](http://cj.com), [linkshare.com](http://linkshare.com), [performics.com](http://performics.com))? When inves-

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tigating your options, be sure the one you choose is compatible with your shopping cart software.

Will you manage your affiliates yourself, or hire a third-party affiliate management company ([team-affiliate.com](http://team-affiliate.com), [affiliatemanager.net](http://affiliatemanager.net), [partnercentric.com](http://partnercentric.com))?

### When setting up an affiliate program, keep a few things in mind.

You need an affiliate agreement that protects your rights, especially your trademark rights, and provides affiliates with the confidence that they are protected, too. The agreement is highly important in attracting professional affiliates, so give it serious attention. Look at the agreements on other affiliate programs and hire a professional and/or a lawyer to do it right the first time. (*Editor's Note: Columnist and e-commerce attorney John Dozier addresses affiliate legal issues in this issue's Legal Department.*)

Affiliates will only promote high conversion sites that provide superior customer service. Is your site ready to respond to affiliate referrals? Some affiliates might send an email to 50,000 people and your

site could get hit hard and fast. Be prepared.

Affiliates expect fast and accurate payment and solid reporting of their results. Test your software for accuracy before beginning your program. With thousands of affiliate programs available, affiliates won't stick around if they believe they are not being properly paid.

You need to provide the proper tools for your affiliates to succeed. These might be sample text to put into their sites, product graphics, logos, banner ads, and even customization of your site for each affiliate.

### Once you commit to an affiliate program and you have your program set up, it's time to find and recruit affiliates. There are many methods.

Place a link, or even a banner ad, on your site promoting your affiliate program. Your best affiliates might be your customers.

Look for non-competitive, related sites, especially content sites, and invite them to join your affiliate program.

“ **Your affiliate program can boost sales many times over, or even become your sole source of sales.** ”

Send press releases to news sites, content sites and blogs in your industry.

Go to [abestweb.com](http://abestweb.com) and purchase an announcement for \$50. Be sure to look through previous announcements, as well as the responses they've gotten, so your announcement gets the response you want.

Look for other announcement services, such as [affiliate-announce.com](http://affiliate-announce.com) and [makelinks.com](http://makelinks.com).

Promote with Google Adwords and Yahoo Search Marketing pay-per-click programs.

To learn more today about affiliate marketing, go to: [abestweb.com](http://abestweb.com), [revenuetogether.com](http://revenuetogether.com), and [affiliatetip.com](http://affiliatetip.com). 

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