

The Truth About Affiliate Programs

By Elena Fawkner

The Truth About Affiliate Programs

Elena Fawkner
jan@ahbbo.com

A Home-Based Business Online <http://www.ahbbo.com>

The Truth About Affiliate Programs

© 2002 Elena Fawkner

Affiliate programs are a brilliant idea. For the owner of the product, they're a way of recruiting a veritable army of salespeople to promote your product without having to pay them a dime unless and until they generate a sale. For the affiliate, they're a great way of earning extra cash from an existing, high-traffic website with virtually zero additional effort.

Only problem is, most affiliates don't HAVE an existing, high-traffic website and they're suckered into thinking that it's a simple matter of signing up for an affiliate program and "driving traffic" to the product owner's site using a uniquely-coded URL. Well, it IS that simple. And it isn't.

If you don't already have your own high-traffic website, how do you think you're going to drive traffic to the product owner's site in the hope of generating a sale?

Well, there are a few ways, actually. And all of them are going to cost you either time or money.

First off, you're going to have to spend money on advertising. How much? Well, consider this. Estimates vary but, roughly, only 2-4% of people who see your ad will actually click on your link. Of that 2-4%, only 1% or so of THEM will go on to buy. In addition, it takes, on average, 7 or 8 exposures to your ad before people will click on it. AND to achieve even these piddly numbers your market must be targeted in the first place. This is, as you can see, nothing but a numbers game. Pure and simple.

So what does all this mean to you, the advertiser without a website? Well, to start with you're going to want to advertise where a LOT of people are going to see your ad. But not just ANY people. People interested in the product you're wanting to sell - your target market. So this cuts out the free classifieds and FFAs. And it means you're going to have to spend advertising dollars.

Where do you go to advertise then? The most effective form of advertising is in ezines. Take mine, for example. At the time of writing, my subscriber database is around 14,000. Each week I run an ad for my own opportunity (in addition to running ads from other paying advertisers). I generally get about 500 click-throughs over the course of the 2 or 3 days following publication. That's a click-through rate of about 3.6%, about in line with the average.

If you were to pay to advertise in my ezine, it would cost you \$70 for a single classified based on my \$5 CPM (\$5 per every 1,000 subscribers) pricing formula. This is not an uncommon formula for pricing ezine advertising. You're therefore paying around 14 cents per click. That's not bad.

Other than that, what can you do? Well, you can choose to spend time rather than money. An obvious choice considering what I've just said is to start your OWN ezine.

Build your own list and over time you will have a large subscriber database to put your ad in front of too ... and it won't cost you a dime. But this takes time and it takes work. It's taken me two and a half years to build a list of 14,000 subscribers. And it takes a few hours of work to put together the ezine itself including writing the feature article. Every week, week in, week out. Is it worth it? Absolutely.

And once you're publishing your own ezine, it's a simple enough matter to distribute your articles for other ezine publishers to run in their ezines. That 4 or 5 liner at the end telling readers who you are with a link to your website (or, if you don't have one, the website of the owner of the product you're selling) is effectively free advertising for you. Not all publishers accept article submissions though, so be sure to find out whether they do before submitting your articles to them.

But think about this. If you're doing all this work anyway, doesn't it make sense to create your OWN website (in addition to your ezine)? Sure it takes time and it takes work and it takes money (but not a lot - hosting fees can be pretty cheap if you know where to go). But once it's done and you're just in maintenance mode - adding fresh content every few days, uploading your latest ezine and

maintaining your archives - your website does so much of the work for you. Generate a few hundred unique visitors a day and you can be getting the same click-through rate to your affiliate site *for nothing* that you were paying someone else 14 cents a click for. EVERY SINGLE DAY. 24/7/365.

So, this is the truth about affiliate programs. They're great if you're the product owner and they're great if you can link to your affiliate site from your own high-traffic site. But if you don't have your own site, you're going to have to buy traffic to your affiliate site - either with money, time or both. How many sales are you going to have to generate to earn enough commission to more than cover your time and costs and leave you with a profit?

Bottom line? Setting out to make money with affiliate programs before you have your own site in place is putting the cart before the horse. Yes, you want to make money and you want to do it quickly. But it just doesn't work that way. Not with affiliate programs, anyway. So adjust your expectations and do first steps first. It will be slow going to start. It will take you weeks to create a worthwhile site and then MONTHS to generate the kind of traffic you need. But if you take a long-term approach to your business and take the time now to lay the proper foundation, you'll reap the dividends for years to come.

**** Reprinting of this article is welcome! ****

This article may be freely reproduced provided that: (1) you include the following resource box; and (2) you only mail to a 100% opt-in list.

Here's the resource box to use if reprinting this article:

Elena Fawkner is editor of A Home-Based Business Online ... practical home business ideas for the work-from-home entrepreneur. <http://www.ahbbo.com>

[Get-Articles.com](http://www.get-articles.com) : 1000's of reprintable business and internet marketing-related articles.

[Submit your article for reprint.](#)