

The Essentials of a Successful Affiliate Program

By Richard Baker

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If you have a website or you are indeed planning a website and you want to uncover an additional source of revenue look no further than an affiliate programs.

Why are affiliate programs proving so popular with webmasters?

Well they are relatively quick and easy to set up. There is no product development, stock holding, billing, shipping or customer support for you, the affiliate, to be bogged down with. The merchant does it all while you're free to concentrate on the marketing side...that means you're free to build traffic, which is the life blood to any successful website.

All you need is a website (sometimes you don't even need that as you can use newsletters or a merchant's sub domain), and a bit of time to get started. There are no additional start-up costs, beyond having your own website and you can earn multiple streams of income through combining affiliate programs.

Hey! Where are you going? Not so fast buddy. :-)

There is something you must know before you go and plaster affiliate links across that precious website of yours...not all affiliate programs are equal.

Some affiliate programs are geared to maximising your income and satisfaction. While unfortunately, some programs are no more than a time drain for very little. A potent fact is that just 10% of affiliates will account for 90% of revenues. Yes they have strong traffic, but they do the "right" thing with the "right" affiliate programs. The sad fact is you will spend just as much time promoting and working on a dud affiliate program as you will do on an income exploding affiliate program. How do you sort the wheat from the chaff...the boys from the men?

I am glad you asked. It is easy to find great affiliate programs that will earn you income and enhance your reputation...as they share certain characteristics. Let us consider what distinguishes those outstanding affiliate programs from the others.

High Quality Product/Service

It's your reputation on the line. If you promote a poor affiliate program your credibility will plummet. Will that visitor return to you, let alone follow another one of your tips? I don't think so. You work so

hard to get traffic and then you blow it on merchants with low quality products/services.

Don't recommend products that are poor or overpriced. If I recommend a product...I buy it first. I mean if you don't buy and use it, how can you possibly recommend it? Only recommend products and services that you yourself would consider buying? Buy it and become an expert in it (this will really be great research when it comes to you writing a presell on your website about it). I only recommend products and services that I have been 110% impressed with.

Again, you should only promote affiliate links that complement the theme of your website...this is vital if you are to achieve and maintain an impressive click through rate. No point in promoting hairpieces if your content is aimed at children. No point in promoting US tax services if your audience is in the UK.

Is that where I am going wrong? Doh!

Does the affiliate program that you are promoting have a good range of offerings? Are they all of equally high quality? Are new products/services regularly released or are they stale and dating back to 1994?

Competitively Price

Have a look at the merchant's website. Do their prices seem reasonable? Do they seem in line with the competition? There is no point in promoting uncompetitive products/services. After all this is the web and here is the information age. Comparison pricing is only a mouse click away. Only promote honestly priced products.

Quality of Merchant's Website Does the merchant have an attractive, yet functional site? Would you be proud to represent their site? If you can't answer "yes", don't bother. If you think its appalling your visitors will think the same.

Do the pages load correctly? How long does it take to download a page? Give it the time test. If it takes more than 15 seconds on a 56-bit modem to download, will people wait? A slow website can kill all your hard work.

Do all the links work? Are the colours sane? Is the website easy to navigate. Is it intuitive to know how to buy? Is there a Privacy Statement? Is there a way to contact the merchant? Is there a telephone number? Does the merchant have Terms & Conditions? Is there a Terms of Use regarding the web site? Does this merchant look credible? Would you trust this site with your credit card details?

Read the merchant's website. Does the copy captivate and sell? You did your job..."the presell" now you need the merchant's web site to sell. Is the website set out logically from entry to sale? The last thing you want is to deliver potential customers only for them to be bombarded with 100 zillion different links...a confused visitor is often a short-lived visitor.

Value Added Links

Does the merchant offer you the ability to link straight to individual products, rather than just to the home page. If the visitor has to FIND the product that you recommend, your Conversion Rate plummets. Making it easy on the visitor will make earning a healthy affiliate income easier!

Ensure the merchant has a range of text links, product links, banners and graphics to put on your

web page. Arguably, selling in context via text and product links have a higher click through rate vis-à-vis banners and graphics.

Confirm how each link will work. Some require a click from a website only, while other links can be tracked via an email as well as from a web site.

Payment Model

On what basis do you earn your commission? Is the affiliate program based on Pay-Per-Sale, Pay-Per-Lead or Pay-Per-Click? Or indeed a combination of way? Obviously, Pay-Per-Click will generate a high number of transactions than Pay-Per-Sale, but the value of each is considerably lower. Some programs will require 250 clicks to earn the equivalent of what some other programs will pay in just one sale.

I would steer clear of the Pay-Per-Click programs. As well as having lower commission they just don't represent value. They are open to abuse on both sides. And quite frankly the Pay-Per-Click model is not a sustainable model.

Affiliate Support

This is not just how quickly and how fully the merchant replies to your queries; it goes much further than that basic matter. Yes, you do indeed want queries to be answered promptly (you should send a query and see), but you should expect much more.

Does the merchant give accurate, reliable real-time online statistics? Are these audited or presented by a third party? Are these stats sent to you a monthly report or can you view them in real-time using a URL?

Do they give detailed traffic and linking stats such as unique visitors, impressions? conversion rates? commission earned per day/month?

Do they notification by e-mail when a sale is made?

Does the merchant give you useful tools to manage the affiliate program? Tools like emails that you can send to the 2nd tier webmasters i.e. those webmasters that you introduced to the affiliate program.

Does the merchant give you traffic building, sales and affiliate literature?

Is there a valuable newsletter that educates and trains with case studies of successful affiliates?

Does the merchant have good affiliate info and a FAQ?

Do affiliates receive discount on products?

Are there prizes and privileges for the best performing affiliates?

Equitable Commissions - Simple Model

A 0% commission will attract no one. Likewise a 100% commission will sustain no one. In theory, and due to the cost structure, each product and service will have its own unique commission rate that will maximise merchant and affiliate income. In reality, most merchants will not provide unique rates of commission for individual products or services; instead they will give a standard affiliate

commission rate - most merchants just have too many products and it would be too confusing. A few merchants with a handful of products will quote different affiliate rates per individual product.

Hard and retail goods tend to have small profit margins and hence lower commissions vis-à-vis digital goods, such as ebooks. A good commission rate on hard goods would be 10% or more and 25% on digital goods. Don't waste your time on low commission structures unless the product is in demand and will bring about repeat purchases and a lifetime customer (see below).

Don't be scared off by low-priced products if they offer a good % commission. You could well make up for it in sales volume.

Don't simply select those affiliate programs that pay the highest commissions and also avoid multi-level selling (this is where you sell people, not products and not to be confused with two tier commissions). Often these are unsustainable and are run by merchants in Stetsons and ten gallon hats...yes rawhide cowboys!

Lifetime cookie

It is oftentimes quoted said that the average customer must be exposed to a product/company 8 times before they buy. Often visitors don't buy on their first, second, third or even fourth visit. Does the affiliate program still pay you should the visitor return some time later and make a purchase? A lot of affiliate programs DO NOT. Check the period of the program's cookie (this is the unique little code that is written to a visitor's computer to identify those that return). Some cookies will be lifetime ones (these are the most attractive), others will be 14, 30, 60 or 90 days and some are no more than a session. The longer the better so make sure you find out this information. If an affiliate program does not mention anything about their cookie and its duration either contact them or assume worse.

Lifetime commissions

It is only fair to be paid a commission according to the value of the customer that you introduce to the merchant. If that customer buys once you get one commission. However, if that customer goes on to make multiple purchases over time it is equally fair that your initial hardwork should be rewarded via recurring commissions. Notwithstanding, only a handful of affiliate programs will in fact pay you lifetime commissions. This aspect is especially attractive for affiliate programs that sell services with a subscription model or where there are regular product releases or upgrades.

Lifetime commissions are good news for affiliates for the obvious reason, but once a buyer comes through your link they are yours and cannot be poached.

Two-tier commission

These are affiliate programs that not only reward you for the sale/lead that you generate, but also for the sales/leads generated by affiliates that came through you. This is like having your own sales team! You will be surprised how quickly commissions can accumulate with two-tier programs. Further, the really innovative affiliate program will not only have a two-tier structure, but will also give you the tools to communicate, encourage and interact with "your team" so you really do feel part of a team.

Limited Number of Affiliates

Ideally, you don't want a good thing being cut up between a zillion affiliates, all-scrampering to sell to a limited audience. The less competitors that you the affiliate has to face the better. Such programs are very rare though...a bit like hen's teeth.

Why would a merchant want to limit affiliate numbers? It is a fact that 10% of affiliates account for about 90% of revenue, you really want to be in the top 10% of the top 10%! Shrewd merchants know this. Having limited affiliates and focusing on them is a case of limited resources effectively and efficiently deployed. The competition such programs generate is an all-round good thing.

Reasonable Payment

What interval is payment made? Some affiliate programs pay fortnightly, some monthly, or quarterly. Some programs have a minimum payment threshold. What is it? Is it \$25, \$100 or even \$250? You will feel terrible if you have generated \$80 in sales, yet the minimum for a payment is \$100. Your payment will be carried over until you reach the "magic mark" and sometimes affiliate lose interest before they do!

How is payment made? Is it by cheque or can you have payment wired? In what currency can you receive payment? And to what countries can payment be sent?

Financially stable

Try and stick to reputable businesses. How long has the company been around? Read their testimonials. Are they believable? Do they have testimonials from trusted people? Is the company making a profit? Is it well funded? Do you know who the backers are? Is there are offline business as well? Use financial web sites and search on the company's name in a search engine. If you can get hold of annual reports read them.

Find out as much as you can; the last thing you want to join is an affiliate program that sinks after you have worked so hard. If you have worked hard and are expecting a nice fat juicy commission cheque you will cry if the merchant goes bust.

Conclusion

Okay, the number of affiliate programs with ALL the above is limited, but that is to miss the point. The point is you want to be joining affiliate programs with MOST of the above. You will have your own preferences as to what you consider the most and least important factors to join an affiliate program.

Resource Box

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Common sense articles on exploding your affiliate income

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