

Affiliate Marketing

Wikipedia defines Affiliate marketing as

“A type of performance-based marketing in which a business rewards one or more affiliates for each visitor or customer brought by the affiliate's own marketing efforts.”

Essentially, affiliate marketing is where you market someone else's products or services and get a cut of the revenue for each sale. There are 3 parties involved in affiliate marketing:

1. **Advertiser** – this is the company who sells products or services such as software, clothing, electronics, insurance, utilities etc.
2. **Publisher** – an individual or company who promotes and markets the advertiser's products or services in exchange for a commission or similar reward
3. **Consumer** – The people who buy the advertisers products via the publisher.

This sounds like an easy way to make money, and if you are good at it, then you can make a good living wage out of it. Most of the major online comparison and online voucher code websites run off an affiliate marketing structure. For example, if you are searching for the cheapest car insurance, you might want to use a comparison site which shows you prices for different packages and when you apply for the insurance, you are directed to the insurer's website. When you buy the insurance, the insurance company gives some money to the comparison website in return for your referral.

A publisher can advertise for more than once company, or can just sell products for a single company. Many companies run their own affiliate marketing scheme. You have probably seen the types of offers like 'recommend a friend and get 10% off next order' – this is a form of affiliate marketing which makes consumers into publishers effectively.

When using online affiliate marketing, generally publishers are required to include tracking information on their websites. This is normally in the form of tracking cookies, but can also be in the form of tracking urls. This allows the advertisers to know when a product is purchase, which affiliate it was that referred the purchaser.

Some publishers create specific websites with affiliate links to products, and then spend their time doing SEO in order to get more people to visit the publisher's website. Successful SEO marketers can use this tactic to get higher than the publisher's website in the search engines, so leading more people to buy from them. This is quite a successful business model, but requires a lot of effort to get the rewards.

Here are some tips for getting making money from affiliate marketing:

1. Choose your subject area carefully. This is one of the most important steps. Choose something that interest you and that you know a bit about. If you're a keen cyclist, set up a fan blog for cycling or a product review website.
2. Find a good affiliate program. It's worth shopping around to find the best program – choose one that includes products that you yourself would want to buy. It's not always about having

a high commission rate. 1% of 100 sales is better than 10% of 1 sale. If you are using one of the bigger affiliate programs like commission junction, linkshare or peerfly, look at whether you get a dedicated affiliate manager. You could also consider Amazon Associates which gives you 10% commission on each sale and has a vast array of products. Google used to do a very good one called Google Affiliate Network, but sadly this has been retired.

3. Create a community – use Facebook to connect to people who are likely to become customers
4. Run a blog – Blogs are very successful in creating affiliate links, and search engines love sites which are focused, have good content and are regularly refreshed.
5. Stay focused – if you try to sell a diverse array of products you are likely to have a lower conversion rate. Stick to your core products and if you want to advertise other products, consider setting up another website to focus on those separately.
6. Avoid using PPC or other forms of advertising. Some affiliates don't even have a website and just use AdWords – while this can sometimes get a positive ROI, you are more likely to lose money than make it because there will be other affiliate marketers trying to do the same thing so you will end up in a bidding war for smaller returns.
7. Research your topic and generate unique content. Become an industry expert and people will trust your recommendations more
8. Don't expect overnight success. Like SEO, affiliate marketing is a long ball game. You won't make much money at first, and you probably won't become a millionaire doing it (unless you have the capital to build up a massive comparison or review website).