

BITOCHON TECHNOLOGIES

# AFFILIATE MARKETING WHITEPAPER



### Affiliate Marketing

The credit for the first affiliate marketing campaign goes to twin brothers, Jason and Mathew Olim, founders of CDNOW.com. As their business grew they established many of the internet marketing ideas that we use today such as email marketing, online video, affiliate marketing, to name a few. Their Buyweb program was launched in 1994. The idea behind it was that other music-oriented sites could list information or promotional material for CDNOW's CDs and interested customers would be able to click on the link and be redirected to CDNOW's website to purchase their desired CD. This concept is today known as affiliate or associate marketing.

Though CDNOW.COM's program was created first, Amazon.com whose affiliate program was launched in 1996 was the first program to become widely known and is the model for most affiliate programs created afterwards.

#### HOW EXACTLY DOES AN AFFILIATE PROGRAM WORK?

Affiliate marketing is a system of internet marketing that involves two parties, an affiliate and a merchant. An affiliate is a website owner who markets another's products or services on his website. Simply put, the affiliate is the middle-man between online shoppers and the merchant's products. The affiliate advertises for the merchant either with banner advertisements displayed on his website, or with redirecting links, or even promotional text and information about the product. Each time a sale is completed, the affiliate receives commission. It's pretty much a win-win situation for both parties; the product owner is generating revenue without incurring advertisement costs and the affiliate is profiting just by advertisement of the product. Some ecommerce sites like Amazon.com for example, coordinate their own affiliate or associate programs while other websites avail themselves of the many affiliate companies around.

#### WHAT ARE THE BENEFITS?

It definitely sounds like a worthwhile partnership; below I will spell out the exact benefits of instating such a program.

1. Targeting a Wider Audience- Whether by default or through your affiliate's efforts, by advertising on another's site your product will be much more known. Firstly because automatically by introducing your product to another's visitor base, you are being exposed to

## AFFILIATE MARKETING

viewers who have never visited your site. Additionally depending on who you partner with, most affiliate marketers are experts in their profession thereby their sites are most probably ranking quite nicely with the major search engines. Many affiliate marketers are also proficient in the ins and outs of email marketing ensuring that your product gets its optimum attention at the right time.

2. Affiliate marketing may be a more stable way to have your website advertised. SEO results are constantly changing as the algorithms do and it takes time and effort to maintain your ranking. With regard to PPC campaigns, sometimes they can become expensive depending on the amount of traffic they're generating, so it's always calming to know that you have implemented different marketing ideas to fall back on...
3. Similar to benefit number two, due to the fact that affiliate marketing is a pay-for-performance campaign, in essence you are only paying if you are making money. If there are no leads coming, at least you are not pouring more and more money into a sour campaign.
4. Links- Sometimes when you have trustworthy links, they can help your general SEO. When you are connected to 'Google approved sites' it's great for your overall rating too!

### HOW DO I GO ABOUT STARTING SUCH A PROGRAM?

There are two options when introducing an affiliate program. Option A is to hire an outside company (like Bitochon.com) to handle the recruiting and administrative functions including the tracking and reporting. This is a wonderful option for those business owners who just find the whole idea overwhelming; it's a shame to lose out on the myriad benefits of an affiliate program because of technical difficulties. Outsourcing may incur higher charges over doing it all yourself but there is still so much to gain from having your company affiliated and the profits involved just keep increasing!

Option B is for the more web savvy individuals who opt to purchase the appropriate software and run their own programs. Each software includes different varying options and is designed to ease the setting up process of the affiliate program. Some bring along the whole deal, the affiliate program, shopping cart, database systems, etc while others just include the basic program and shopping cart system. The software really simplifies the process of keeping track of all affiliate programs and sales.

Once you have your program up and running its time to advertise its existence! Start with your customer base by sending out a general email announcing the start up of your new program. Hopefully you will get some responses from interested parties about signing up with you. Next move on to affiliate program directories, lists of affiliate programs where affiliates can earn commissions.

## AFFILIATE MARKETING

The celebrities in affiliate marketing referred to as super affiliates are the top percent of successful affiliates who can instantly skyrocket your profits. Included in this category are people that control search engines or websites with thousands of subscribers or a fantastic amount of site traffic. Once you've connected with these affiliate big-wigs you want to keep up with them and share success stories and other affiliate partners.

An affiliate campaign is by no means 'easy street', sitting back and letting others do the work. The campaigns need big effort on the merchant's part. One can't just let things ride along with his campaign; he needs to be on top of the many aspects. He needs to consistently monitor his affiliate to determine which are generating positive results and which are not. He needs to reevaluate a dry campaign and figure if things were done differently how that could impact the results. He needs to vary the products he is listing on his affiliates sites to keep them exciting and enticing. As with any advertising campaign, the purpose is to generate traffic and conversions so the products need to be advertised in such a way that people are interested to find out more.

### WHAT IS THE KEY TO A SUCCESSFUL AFFILIATE PROGRAM?

In order to become a successful affiliate there are a couple of ideas that are crucial to a successful campaign. Firstly don't advertise for anyone and for everything. Focus on one product line or group of products and advertise for them aggressively. Many times when an affiliate is marketing too many products at a time, it is less likely to lead to actual sales. This concept is referred to as niche marketing.

Another important point to consider is developing a connection with your visitors, not in terms of communication so much, more like just get to know what interests them. Utilize your website metrics reports to see where your viewers are coming from, what products they are searching for, how much interest they are displaying towards your site's offered products, etc. Pay attention to the comments and feedback from your visitors to figure out future promotional tactics and advertising strategies. Especially in an affiliate program where you get rewarded based on your advertising efforts only, because unlike when you are advertising your own product and you have control over product quality and customer satisfaction, in an affiliate relationship the promotional content is all you have control over so you've got to make it 110 percent fantastic!

Flexibility is very important. You need to be open to trying different techniques to advertise for your merchant. One of the keys to a successful affiliate is the ability to adapt quickly and keep your eyes open to learn from other successful businesses. If until now you've always felt comfortable with search engine marketing it may be the time to try email broadcasting or pay per click. Don't be afraid to fail,

## AFFILIATE MARKETING

give each campaign a little bit of time and then analyze which was the most successful for each product or company you are affiliated with.

### CONCLUSION

.Affiliate marketing has many advantages, but it definitely can be a lot to manage on your own. That's where Bitochon Technologies can help you out. With our many experienced technicians we can sit down and explain to you the best way to go about setting up a successful affiliate program. We are famous for seeing our customers through each step of the process and we are available at all hours. We won't leave you floundering on your own in a sea of networks. So why not give us a call today and hear how we can help improve your business.

