

AFFILIATE MARKETING:

The Complete Guide for
Beginners

A Comprehensive
Explanation of
Affiliate Marketing



By Todd Farmer
AffPlan.com

Table of Contents

PURPOSE OF THIS GUIDE	6
THINGS TO KNOW	8
THE “FLAVORS” OF AFFILIATE MARKETING	8
<i>Traditional Affiliate Marketing</i>	<i>8</i>
<i>CPA Affiliate Marketing</i>	<i>8</i>
<i>This Book Focuses on Traditional Affiliate Marketing</i>	<i>8</i>
THE ACRONYMS OF AFFILIATE MARKETING.....	9
<i>CPS: Cost Per Sale</i>	<i>9</i>
<i>CPA: Cost Per Acquisition</i>	<i>9</i>
<i>This Book Focuses on CPS.....</i>	<i>9</i>
SECTION 1: INTRODUCTION TO THE PLAYERS.....	10
MERCHANTS (AKA “ADVERTISERS”)	10
<i>Example Merchant: Amazon.com</i>	<i>12</i>
<i>Example Merchant: Generic Store.....</i>	<i>15</i>
<i>Example Merchant: Gift Shop.....</i>	<i>15</i>
<i>Example Merchant: Software Vendor.....</i>	<i>16</i>
<i>Summary.....</i>	<i>17</i>
AFFILIATES (AKA “PUBLISHERS”).....	18
<i>Analogy #1: Referring Products You Love.....</i>	<i>18</i>
<i>Analogy #2: Commission Only Sales Gig</i>	<i>20</i>
<i>Analogy #3: Connecting People with Solutions.....</i>	<i>21</i>
<i>Beyond the Analogies: Affiliate Marketing Works.....</i>	<i>22</i>
<i>Don’t Believe the Hype.....</i>	<i>23</i>
<i>So, Who Are These Affiliates?.....</i>	<i>24</i>
<i>Summary.....</i>	<i>24</i>
AFFILIATE NETWORKS	25
AFFILIATE MANAGERS.....	26
SECTION 2: WHY AFFILIATE MARKETING	27
WHY MERCHANTS LOVE AFFILIATE MARKETING	27
WHY AFFILIATES LOVE AFFILIATE MARKETING	28
WHY I LOVE AFFILIATE MARKETING	30

Affiliate Marketing: The Complete Guide For Beginners

SECTION 3: HOW EVERYTHING IS TRACKED	31
TRACKING IS WHAT AFFILIATE NETWORKS DO.....	31
OFFLINE REFERRAL TRACKING HAS CHALLENGES.....	31
TRACKING REFERRALS IS EASY ONLINE	32
<i>Summary</i>	33
SECTION 4: MERCHANTS – UNCOVERED.....	34
HOW DO MERCHANTS ATTRACT AFFILIATES?.....	35
<i>Commission Rate</i>	35
<i>Conversion Rate</i>	35
<i>Return Visitor Tracking (Cookie Life)</i>	36
<i>Network Performance</i>	37
<i>Reputation for Payment</i>	38
<i>Actively Managed Program</i>	38
WHAT KINDS OF MERCHANTS ARE AVAILABLE?	38
WHERE ARE THESE MERCHANTS FOUND?	39
WHAT DECISIONS MUST MERCHANTS MAKE TO USE AFFILIATE MARKETING?.....	39
<i>What is the Default Commission Rate?</i>	39
<i>What is the Private, Premium Commission Rate?</i>	39
<i>What Network or Technology Will Power the Affiliate Program?</i>	40
<i>Who Will Manage and Run the Affiliate Program?</i>	40
<i>How Will Management Support the Affiliate Program?</i>	40
SECTION 5: BASIC TYPES OF MERCHANTS	41
TYPES OF MERCHANTS	41
<i>Big Retailers</i>	41
<i>Big Brands</i>	41
<i>Online Brands</i>	41
<i>Smaller Retailers</i>	41
<i>Specialty Merchants</i>	42
<i>Software Merchants</i>	42
<i>Web-based Software Merchants</i>	42
FEATURES MERCHANTS PROVIDE IN THEIR AFFILIATE PROGRAMS	42
<i>Robust Marketing Material Selection</i>	43
<i>Data Feeds</i>	43
<i>An Easy-to-Reach Affiliate Manager</i>	43
HOW THE AFFILIATE PROGRAM IS MANAGED	44
SOME SPECIFIC EXAMPLE MERCHANTS	44
<i>Affiliate Programs Managed By My Favorite OPM's</i>	45

Affiliate Marketing: The Complete Guide For Beginners

<i>Some Affiliate Programs in the ShareASale Top 100.....</i>	<i>46</i>
<i>Some Affiliate Programs, Alphabetically.....</i>	<i>47</i>
SECTION 6: AFFILIATES – UNCOVERED	51
WHO ARE THESE PEOPLE WE CALL AFFILIATES?	52
<i>Full Time and Part Time Affiliates</i>	<i>52</i>
WHAT KINDS OF AFFILIATES ARE THERE?	53
<i>Light Monetization Affiliates</i>	<i>53</i>
<i>General Affiliates</i>	<i>53</i>
<i>Nimble, Highly Focused Affiliates.....</i>	<i>54</i>
<i>High Traffic Affiliates.....</i>	<i>54</i>
<i>Professional Companies.....</i>	<i>54</i>
WHAT KINDS OF SITES DO THEY MAKE?	55
<i>Product-Specific Sites.....</i>	<i>55</i>
<i>Product-Category Sites.....</i>	<i>55</i>
<i>Topic-Specific Sites.</i>	<i>55</i>
HOW DO THEY CHOOSE MERCHANTS?	56
HOW AFFILIATES FIND MERCHANTS TO PROMOTE	57
<i>Affiliate Network Promotions</i>	<i>57</i>
<i>Browsing the Affiliate Network.....</i>	<i>57</i>
<i>Search Engines</i>	<i>58</i>
<i>A Merchant’s Website</i>	<i>58</i>
<i>An OPM’s website</i>	<i>58</i>
<i>Direct Contact by an Affiliate Manager.....</i>	<i>58</i>
<i>Forums.....</i>	<i>58</i>
<i>Affiliate Marketing Conferences</i>	<i>58</i>
HOW DO THEY CREATE THEIR SITES?	59
SECTION 7: BASIC TYPES OF AFFILIATES	60
GENERAL AFFILIATE TYPES	60
<i>Retail Affiliates</i>	<i>60</i>
<i>CPA Affiliates.....</i>	<i>61</i>
<i>Hybrid</i>	<i>61</i>
AFFILIATE’S SOURCES OF TRAFFIC	61
<i>Organic Search</i>	<i>62</i>
<i>Type in Traffic</i>	<i>62</i>
<i>Paid Search.....</i>	<i>62</i>
<i>Media Buys</i>	<i>62</i>
<i>Social Media</i>	<i>63</i>

Affiliate Marketing: The Complete Guide For Beginners

<i>Email Marketing</i>	63
EXAMPLE AFFILIATE WEBSITES.....	63
<i>Review Site</i>	63
<i>Content Site</i>	64
<i>Niche-Topic Site</i>	64
<i>Coupon Site</i>	64
<i>Cash-Back Sites</i>	64
SECTION 8: AFFILIATE NETWORKS	65
TRADITIONAL NETWORKS	66
SEMI-TRADITIONAL NETWORKS	66
CPA NETWORKS	66
SPECIALTY / BOUTIQUE NETWORKS	67
SECTION 9: HOW TO GET STARTED	68
ABOUT THE AUTHOR	69
DISCLAIMER	72

Purpose of this guide

This guide is designed to teach you the basics of Affiliate Marketing. I want you to understand how it works, who the players are, and how you fit in.

When you've completed this book, you should have a solid understanding of Affiliate Marketing.

In this book, we cover all the basics in as much detail as to provide a great high level understanding of Affiliate Marketing, but not so in depth as to cause confusion (*hopefully*).

Although there are many different roles in Affiliate Marketing (Merchant, Affiliate, Network, Program Manager), in this book we'll focus our attention on the Merchant and Affiliate roles and how they are connected.

It's very important for beginners to Affiliate Marketing to understand their role: Affiliate or Merchant.

I cannot tell you how many times I've heard people misuse the term "Affiliate", when they meant "Merchant". (*If you ever want to reduce or remove any potential respect you have earned from a professional Affiliate Marketer, misuse the term "Affiliate".*)

If there is one thing that I hope this guide does for you, it will ensure that you never misuse the term "Affiliate". (Ever.)

This guide should leave you with no question as to your role in Affiliate Marketing. The details given about each of these roles is relatively high-level and simplified for illustration purposes. So, at the end of this book, you will have a good comprehension of the industry and how you fit in.

When you're ready to learn more specifics about your role and how you can use Affiliate Marketing in your business, we have more detailed guides written for you, video training and more.

IMPORTANT:

**Updates to this eBook will be available at
AffPlan.com, so be sure to check periodically!**

Consulting Services Available for Merchants and Affiliates

At AffPlan.com, we truly care about the Affiliate Marketing Industry, and the success of our clients.

Please consider us if you need any assistance with your Affiliate Marketing businesses.

We provide consulting services to both Affiliates and Merchants.

Things to Know

Before getting started, I should point out a few definitions that may creep up from time to time in this book, and throughout your ongoing exploration of Affiliate Marketing.

Now, I'm not going to get you all wrapped up in extraneous terminology, but there are a few things that you need to know, and I may as well throw them out now, in the beginning.

The “Flavors” Of Affiliate Marketing

Affiliate Marketing has evolved since its inception back in 1995 / 1996. As in any growing industry, divisions and segmentations within this industry have emerged.

In Affiliate Marketing, there are a few such divisions and segmentations that can be identified, but the two main segmentations can be described as “Traditional” and “CPA”.

Traditional Affiliate Marketing

Traditional Affiliate Marketing is often associated with brands, selling products (Merchants) that advertise on a number of related publisher websites (Affiliates). The Affiliate earns commissions on sales that result from their promotional efforts.

CPA Affiliate Marketing

CPA Affiliate Marketing is often associated with advertisers seeking to generate leads for their businesses. These advertisers will pay their marketing partners for such leads.

This Book Focuses on Traditional Affiliate Marketing

This book is primarily focused on the “Traditional” segment of Affiliate Marketing. All concepts and discussions can easily be translated to the “CPA” side of this business.

The “Traditional” side of Affiliate Marketing is a bit more universal in understanding and appeal. If you'd like to learn more about the “CPA” side of Affiliate Marketing, please contact us at AffPlan.com

The Acronyms Of Affiliate Marketing

In Affiliate Marketing, we use a couple acronyms for brevity. They are:

1. CPS
2. CPA

CPS: Cost Per Sale

This is used to describe a commission that is earned as a result of a SALE.

When a consumer takes out their wallet, enters their credit card and makes a purchase, as sale is made. If an Affiliate referred the consumer to a Merchant, the Affiliate will earn a commission for the sale.

CPA: Cost Per Acquisition

This is used to describe a “commission” (or fee) that is earned as a result of a LEAD.

A “lead” is generally defined as a consumer that has provided their name, email address, phone number and / or postal address to an advertiser. The consumer does NOT submit their credit card to pay for any goods or services in this scenario.

If an Affiliate referred the lead to a Merchant, the Affiliate will earn a “commission” – or more accurately, a “bounty” or a fee.

The advertiser that paid for the lead will then follow-up with this prospective customer, in an attempt to convert the lead into a sale.

This Book Focuses on CPS

Although there is a number of successful Affiliates employing lead-based affiliate programs – and many successful Affiliates employ both CPA and CPS affiliate programs, the simplest way to move forward in this book is to simply choose one area to discuss. We shall focus on CPS.

Section 1: Introduction to the Players

In this section, we'll introduce you to the 4 main players (*or roles*) in Affiliate Marketing. They are:

1. Merchant
2. Affiliate
3. Network
4. Program Manager

Clearing the air: Merchants and Affiliates

First things first: We need to understand who a "Merchant" is and who an "Affiliate" is.

The most common question I hear from newcomers to Affiliate Marketing is, "Who's the Merchant, and who's the Affiliate?"

It's quite easy, and I'd like to get this addressed immediately, before we move forward.

Merchants (aka "Advertisers")

Merchants sell products. Think Amazon.com, BestBuy.com, or any online store from which you make purchases.

What products to you buy online?

What stores do you buy from online?

If a website has a shopping cart, and accept orders online – it's considered a Merchant.

Merchants have inventory, fulfillment services, a call center or online ordering system that can take orders from customers and ship their goods.

Affiliate Marketing: The Complete Guide For Beginners

Even if the business only sells one product, if they take orders for that product, then they're considered a Merchant.

Merchants take credit card numbers from customers and charge customers for their products.

Again – Merchants sell products.

And, if Merchants want to sell their products, they need to advertise, right?

They buy ads on search engines, social media, email ads and websites. *(Of course you know there are a gazillion ways to advertise a store or product online.)*

When a Merchant starts an affiliate program, they are simply adding an additional advertising method to their marketing mix.

By using an affiliate program as a marketing channel, a Merchant can reach audiences they otherwise couldn't reach – and they reach this audience on a pure performance basis.

The word “performance basis” is the key.

The main difference between Affiliate Marketing and other marketing efforts is that in Affiliate Marketing, the Merchant pays for advertising only after a sale results from the ad.

See the value here?

A merchant can pay for its advertising efforts after the advertising results in a sale. Normal advertising methods are all “pre-pay”. Not Affiliate Marketing. In Affiliate Marketing, it's all about performance.

The power of Affiliate Marketing doesn't just lie in how an advertiser pays for its advertising after a sale results – this marketing channel provides many more benefits.

To illustrate this, let's go back in time for a moment, shall we?

Example Merchant: Amazon.com

In 1996, Amazon.com was one of the first online retailers (“Merchants”) to start an affiliate program. It is still, to this day, one of the most successful affiliate programs on the Internet.

They call it their “Associates Program”, and it was one of the innovative strategies that put Amazon on the map and helped lead to their incredibly fast success.

As you may know, Amazon sold books on every topic, from every author and every publisher imaginable, and they sold them to a huge variety of audiences. Their target audience or prospective customer base is vast; anyone who buys books on any topic is a prospective Amazon customer.

Amazon bought expensive Super Bowl ads and other TV commercials, while pounding their ads into every online media outlet they could find.

...but that kind of advertising gets very expensive! They have to sell a lot of books to make up the cost.

And, they need to reach as wide an audience as possible with these expensive ads. They needed to create awareness for their brand and convince consumers to think of Amazon.com whenever a book purchase was on their to-do list.

That is a mighty big task.

Here’s a better strategy: Hyper Targeting.

Instead of a single ad that casts a wide net, a smarter strategy is to focus on an individual segment of your target market.

Think small. Think about a very specific audience. Reach them, and only them. Then, repeat this process with other specific audiences.

Hyper Targeting: *“Reach a very specific audience. Talk to the right audience at the right time, and the right place. And, reach them with the right product at the right price”.*

How could Amazon.com effectively implement hyper targeting?

Affiliate Marketing: The Complete Guide For Beginners

- How could they talk directly to only an audience that desires books in a certain niche or topic?
- How could they talk directly to only an audience that desires books from a specific author?
- How do they reach out to a specific book's prospective audience?

Many topics, one store. Amazon couldn't run an expensive ad that only talked directly to dog lovers (*for example*) and convince them that they have the most extensive dog-focused library of books, while also trying to reach: cat lovers, iguana lovers, chipmunk lovers, parrot lovers, flower lovers, gardeners, arborists, geeks, chefs, stay-at-home moms and dads, accounting professionals, coffee lovers, teens, grandmas, school teachers, lawyers, little league football coaches, runners, cyclists, Harley Davidson fanatics, mechanics – you get the idea. *They sell books to everyone!*

How can they effectively hyper target their ads to audiences interested in these specific topics?

Many authors, one store. Amazon also couldn't only run ads that promoted specific authors like Stephen King, John Grisham, Anne Rice, Suzanne Collins, Barbara Kingsolver, Augustin Burroughs, Michael Lewis, Dean Koontz, Dan Brown, Jonathan Franzen, Richard Russo, Katheryn Stockett, George Orwell, etc. *They sell books from all authors!*

There are so many different topics, so many different authors and so many specific books that there is no way to hyper-target their ads to reach those audiences with traditional advertising.

You see the problem, right? What can they do?

How could Amazon market directly to each of its thousands of different audiences on a scale that is cost-effective?

Amazon realized that hyper targeting would be an extremely effective way to sell their books. By placing ads for specific topics or specific books, or specific authors on websites that talk directly to that particular audience or demographic, Amazon's sales could sky rocket.

They also realized that they couldn't effectively hyper target by pre-paying for these ads. So, they threw out conventional thinking and were not limited by "traditional" advertising. Amazon thought outside the box.

Enter: Affiliate Marketing.

Amazon realized (*before any other major retailer*), that they could reach those hyper-targeted audiences with the right message at the right time – and sell specific books to them – if they could "partner" with the website owners who reach those audiences.

Instead of trying to find hundreds of thousands of small niche websites and buying ads on those sites, they started one of the first affiliate programs on the Internet.

They made it easy for website owners to make money with their websites by promoting the books that would be of interest to their website visitors.

- So, if you own a website about dogs, you can promote a number of books on Amazon that are for dog lovers.
- Or, if you own a website about a specific breed of dog, you can promote books that cater to that dog breed.

See the hyper-targeting value here?

It doesn't matter what demographic or audience a website owner reached – they could easily promote a specific book or books to them and get paid for the results.

With their Associates Program, Amazon gave those website owners banner ads that promoted specific books, and ensured that those banners would send their website users to that specific book's ordering page Amazon.com.

When the promoted book was purchased as a result of that ad, the website owner who referred the customer would earn a 5% commission on the sale.

Brilliant!

That's just one Merchant. What about other Merchants?

Example Merchant: Generic Store

I'll start with a pretty generic example.

Let's say that I have an ecommerce website where I sell general products to a certain demographic. I want to reach more of this demographic with my ads, and I've found a perfect site to advertise on. Normally, the website where I want to advertise charges \$500 per month (*for example*) for an advertiser to be promoted on their website.

But, instead of buying a placement for my ads on their website, I invited the website owner to join my affiliate program, and I will pay a 15% commission on all sales made from their referral.

Since their website reaches my target customers, there is a perfect fit with their website and my products. Since there is such a great match, the website owner firmly believes that a lot of sales will result. Therefore, the website owner is happy to earn a commission on sales, instead of getting \$500 upfront.

As the Merchant in this relationship, I provide the website owner (my Affiliate) with some customized banners that drive their audience to my site.

When their visitors come to my site, it's my job to convert them into new customers, so I can pay my Affiliate commissions.

Example Merchant: Gift Shop

Let's take another example. [A Gift Shop](#)

Let's take a fictional Gift Shop example, say, "Todd's Gifts". This Merchant sells all kinds of products that would be great gifts for Moms, Dads, Teens, Grads, Holiday Gifts, and all.

This Merchant has high markups on these products and takes orders for them on their website.

Affiliate Marketing: The Complete Guide For Beginners

How does this Merchant stand out from other gift shops on the web?
How does it reach each of its target prospects when they're ready to buy a gift?

They can start an affiliate program!

By creating ads for each of the products and product lines they sell, and by providing banners and other creative for website owners, they can easily reach Moms, for example, by partnering with "mommy bloggers". If those bloggers place the gift shop's banners that promote gifts a mom would want to buy for their husband, their children, their co-workers, etc., then the gift shop is able to sell more "mom purchased" gifts.

By simply repeating this process for their other target prospects, and working with other sites that reach those audiences, the gift shop is able to consistently sell more gift products year round.

Example Merchant: Software Vendor

One last example: A Software Vendor

In this example, we're going to be a Merchant who makes and sells downloadable software.

The Merchant's software is very specific to PC users who want to speed up their computers, by removing viruses, reconfiguring their hard drives, etc.

...but this software is rather complicated to use.

How can they educate their prospects, and generate more sales?

They can start an affiliate program and let their Affiliates pre-sell for them!

They can partner with Affiliates to create "how to" videos or articles that discuss the problem and how this software vendor's product fixes it.

Their Affiliates can also discuss how they, personally, had a problem with their computer and that they used this software to fix their problem.

Then, a simple “*I recommend this software*” link would take their readers to the software vendor’s site to make a purchase.

Reviews and recommendations for a Merchant’s products are a common strategy by Affiliates to promote and sell for a Merchant.

Summary

Affiliate Marketing is an incredibly powerful marketing and sales channel for a Merchant, where they pay only for real results – sales. Another key benefit of Affiliate Marketing for Merchants is that their Affiliates reach audiences that the Merchant may find difficult to reach, or find hyper-targeting their advertising efforts too expensive or impossible to scale.

Affiliates can also help Merchants by providing quality reviews, tutorials and other valued content to the Merchant’s prospective customers. By working with Affiliate partners to drive targeted traffic and sales, Merchants can successfully employ Affiliate Marketing to their business as a performance-based marketing channel.

Affiliates (aka “Publishers”)

Affiliates promote Merchants. Affiliates provide advertising for Merchants in exchange for commissions on sales that are generated.

Affiliates have websites or email lists that they use to promote Merchants. They do so for free. However, they expect to get paid for any sales that result from their advertising or promotional efforts.

- Affiliates are able to recommend or promote products that they love and earn commissions when their recommendations result in a sale.
- Affiliates can be very ambitious sales people, who want to get into business selling products, but they don't want the hassle of the inventory or fulfillment process.
- Affiliates can be problem solvers who identify problems, and identify opportunities to connect those in need, with solutions provided by Merchants.

...They can be all three at the same time!

In order to help illustrate this a bit further, I have a few analogies to share.

Analogy #1: Referring Products You Love

A lot of people hate – and I mean hate – selling. They hate selling with a passion.

A good friend of mine (*a very talented and successful Affiliate Marketer*) says that she's so bad at selling, that she “couldn't sell lemonade at the end of a marathon”.

...She really hates selling!

But, she is amazing at recommending products that she loves!

When she finds a product, a service or a company that she uses and truly believes in – there is no better spokesperson than her.

Affiliate Marketing: The Complete Guide For Beginners

- Do you have products, services or companies that you believe in? Are you passionate about their stuff?
- Would you recommend these products to your friends, family and neighbors?
- Even if you despise the concept of “selling”, you know that you can “sell” anyone on a product or service that you believe in, right?

I’m sure you’ve heard that “Word of mouth” is the best form of advertising. *(Yes, it’s true.)*

Some of the most successful businesses thrive off of recommendations and referrals. In Affiliate Marketing, if you are the referrer, you get paid a commission.

“But I’d recommend them for free!” you say?

That’s even more to my point.

If you have products or services that you would recommend for free, then why not get paid for them?

You truly believe in the product or service, and are passionate enough about it to promote them for no credit, no appreciation and no money.

Again I ask, “Why not get paid for it?”

Do you have a philosophical disagreement with earning money on honest, genuine recommendations?

Heck, if you’re that opposed to getting paid for recommending a product you’d recommend for free – you can use the money you earn to donate to your favorite charity.

The point is, if you hate selling, but if you love certain products, services or companies, and if you are happy to recommend these favorite things, then you can earn money from your referrals with Affiliate Marketing.

Analogy #2: Commission Only Sales Gig

Affiliate Marketing is an entrepreneurs dream business.

It's essentially a "commission only sales gig". Instead of directly selling a product door to door, Affiliates earn commissions from the ads they place on their websites.

Let's take the "commission only sales job" a bit further, to illustrate this better.

Imagine that you want to make some extra money, but you don't have time for a full time job. Maybe you already have a job, but it's just not enough. Or, maybe you don't want a full time job or your schedule simply won't allow it. Or, perhaps you simply want to go into business for yourself, but don't want to buy a bunch of inventory of products to sell.

Regardless the reason – in this example, you have found an opportunity with a company to promote their products (*or maybe a catalog of their products*) in exchange for a commission on sales.

In this example, you have a contract with a company who will provide you with all the catalogs you need, some flyers, business cards, and maybe some product samples. (*Think: "marketing material"*)

You would go door to door, promoting these products. Or, perhaps you would setup a small table in a mall or other location that has some foot traffic.

Regardless of how you do it, your job is to find people interested in these products, and have them call a special phone number to place their orders. Any sales made via this special phone number would be credited to you, and you would earn a commission.

That's just like Affiliate Marketing.

But, instead of knocking on doors, or setting up a table at a mall to promote the products in the catalog, you can setup websites to promote these products, or promote them on your existing website.

Affiliate Marketing: The Complete Guide For Beginners

How? Just like in the example above where the company gave you promotional material to use, you simply use the banner ads (*or other marketing material*) that the Merchant provides. Place these ads on your site, and you're in business.

Your job is now two-fold:

- 1) Get visitors to your site by providing good content and other strategies, and
- 2) Encourage your visitors to click the ads and buy from your advertised Merchants.

Any visitor to your website would see the ads, reviews, recommendations, or banners for the products you're promoting, and would be taken directly to the Merchant's site to make a purchase, via a specially coded link.

Since you referred the customer to the Merchant, you would earn a commission on these orders. (*When the customer uses the specially coded link from your site, the Merchant would know that you should be credited for the sale.*)

Just like in the "door to door" example, you don't get a weekly paycheck. You don't make a salary. You only get paid if a sale is made.

It's pure "performance" driven.

If you perform (*refer sales to the Merchant*), you make money.

Analogy #3: Connecting People with Solutions

Another very successful Affiliate Marketing friend of mine thinks of this business in a very different way. He thinks that his job is to "Help People Find Things They Need".

He is really good at identifying consumers' needs, and finding solutions for them by promoting specific products to them. He's also really good at getting his content found in search engines, where he's able to

Affiliate Marketing: The Complete Guide For Beginners

connect the web surfer with a product or service that they're searching for.

Are you someone who people come to for help when they need advice or ideas on how to solve a problem?

Another friend of mine, Russ (*not an affiliate marketer*) is my go-to guy for anything "handy-man" related, or mechanical. He is great at helping me (and all of his friends) get solutions to our problems.

Russ may get phone calls with questions or requests for free advice, but my Affiliate Marketing friend has made a successful business by creating websites that people all over the world can rely on for direction, guidance, and solutions.

If you can help connect people with products, services or companies that help them solve their problems, then you can do an incredible service for both the person needing the assistance, and the company that provides the solution.

Why not get paid for this help?

In Affiliate Marketing, you're able to connect people with problems to the solutions they need – and get paid for the connection!

Beyond the Analogies: Affiliate Marketing Works

Affiliate Marketing has grown as an industry because of one thing: it works.

Let's review our three analogies, and recognize how you can be an Affiliate:

1. If you hate selling, but love to recommend your favorite products and services to your family, friends and neighbors, then you can be an Affiliate.
2. If you love promoting products, services and have a gift for sales and selling, then you can be an Affiliate.

Affiliate Marketing: The Complete Guide For Beginners

3. If you can identify problems, find solutions and communicate these solutions to an audience, then you can be an Affiliate.

Affiliate Marketing is a great business that provides individuals, groups and organizations a way to generate revenue by referring “other people’s stuff”.

Affiliates get paid when a sale is made!

Don't Believe the Hype

I'd like to address an issue that really bothers me about Affiliate Marketing.

Since Affiliate Marketing is performance based, there is no “cap” on how much you can make. As a result, some people like to focus on that and sell Affiliate Marketing as a “Get Rich Quick” type of business.

For the record: Affiliate Marketing is NOT a Get Rich Quick business.

Affiliate Marketing is a genuine, true business that takes time, energy, perseverance and dedication.

To succeed as an Affiliate, you need to put in the effort and provide actual value to your audience. There are no short cuts that lead you to some fictional “*6 figure income in 90 days*”. Nobody is going to reveal a genuine “*Copy my business*” blueprint that will make you thousands of dollars a day. There is no true “*Automatic Profits*”. (*Have you seen those ads? They litter my email inbox everyday.*)

You need to work to succeed as an Affiliate.

Sure, you can cut your time to success if you find the right niche, the right audience, the right promotional and communication strategies and the right Merchants. But the reality is – this stuff takes time.

You won't hit a home run the first time you're up to bat. It's as simple as that.

Affiliate Marketing: The Complete Guide For Beginners

A lot of Affiliates make a decent living hitting a number of singles or doubles when they're up to bat. And trust me, they've struck out a number of times before, and they'll strike out again.

Another thing: Affiliate Marketing is NOT Multi-level Marketing.

Honestly, I have no clue how anyone can get MLM confused with Affiliate Marketing. But, since I've heard so many people confuse the two, I need to address it.

In Multi-level marketing, your job is to focus on "building your downline", not selling products. That's the total opposite in Affiliate Marketing. In Affiliate Marketing, you focus on promoting and selling products, for which you earn a commission – and there is no such thing as a "downline" in Affiliate Marketing.

So, Who Are These Affiliates?

Affiliates are often called "publishers", because they create content and publish it online.

Think magazines, newspapers, etc. They create content and have ad space. So do Affiliates.

Affiliates simply place these ads on their sites and in their email messages for free. They simply expect a commission when a sale occurs.

And just because I used the example of a magazine, or newspaper, doesn't mean that you, or I, cannot publish content on the web and be a successful Affiliate.

Anyone can be an Affiliate.

Summary

Affiliates have content (*website or email*) that they deliver to their audience (*website visitors, or email subscribers*). They simply monetize (*make money*) by promoting Merchants in exchange for commissions on resulting sales.

Affiliate Networks

Affiliate Networks provide the technology that allows all of this to take place.

It really is easy for Affiliates to work with Merchants in an Affiliate Network.

As an Affiliate, you simply sign up for the network. *(It's free to join the network, and free to join Merchant's affiliate programs.)*

Then, you simply browse their network, looking for Merchants that are related to your business, or that you'd like to promote. Once you find a Merchant within their network that you like, just apply to their affiliate program. If you're accepted, you'll get banners and other marketing material to promote the Merchant.

The Affiliate Networks "power" this entire process.

Their technology allows Affiliates to sign up, find Merchants, and apply to specific affiliate programs. When an Affiliate is approved to partner with the Merchant, the technology provided by Affiliate Networks makes it easy for Affiliates to get banners *(and all kinds of marketing material)* and place them on their websites.

Their technology ensures that this marketing material on the Affiliate's website is displayed correctly and when a visitor sees the advertisement, the visitor can click on it, and be taken to the Merchant's site.

The Affiliate Networks track the resulting sales, and pay the Affiliates their commissions (after collecting these fees from the Merchant).

There are a number of different Affiliate Networks that provide various services for Merchants and Affiliates, or reach a certain type of Merchant or Affiliate, etc.

Want to get started immediately? Join [ShareASale](#).

Affiliate Managers

Affiliate Managers are the “glue” to the relationship between the Merchant and Affiliate.

Think of them as the Affiliate’s main point of contact for the Merchant’s affiliate program. They’re the “go to guy” when it comes to the affiliate program.

The Affiliate Manager’s job is to make sure the affiliate program is a success for the Merchant, and their Affiliates. So, they work closely with both Merchant and Affiliate.

They also work with the Affiliate Network to ensure the affiliate program is running properly, tracking sales correctly, and providing accurate reporting – among many other duties.

The Affiliate Manager helps Affiliates with questions and provides Affiliates with guidance and help to be successful with the affiliate program. The Affiliate Manager also helps the Merchant by providing strategic guidance, Affiliate recruitment and activation, and anything else that makes the affiliate program a successful marketing channel for the Merchant.

The Merchant pays the Affiliate Manager for their services, often through a monthly fee plus bonuses for performance. The Affiliate Manager can be an employee of the Merchant’s marketing department, or can be outsourced through an OPM ([Outsourced Program Manager](#)) agency.

Section 2: Why Affiliate Marketing

Affiliate Marketing works. It's a 100% results-oriented business and marketing channel that focuses exclusively on driving sales and leads for a specific fee.

In Affiliate Marketing, everyone wins when sales are made.

- The Merchant earns additional revenue from the sales generated from Affiliates, and pays a specified fee to the Affiliate as a result.
- The Affiliate earns commissions when a sale is made.
- The Affiliate Network earns a fee as a result.
- The Affiliate Manager is compensated for their services.
- The consumer gets the value from the Affiliate's efforts (the connection, a review, tutorial, coupon, recommendation, etc.)

Why Merchants Love Affiliate Marketing

In a word: Performance.

Merchants have so many costs when marketing their business, their stores, their products. Often, they blindly spend their advertising and marketing dollars without knowing exactly what benefits these costs bring them.

In other marketing channels, ROI is hard to measure. Unless Merchants tie a sophisticated tracking system to their marketing efforts, they cannot identify the exact source of a sale.

Caveat: One area where such tracking of performance and ROI is closely monitored, is Paid Search Marketing. In Paid Search, Merchants pay for clicks to their websites. If they tie analytics to their ecommerce system, they should be able to identify how many clicks, at what cost, finally drove a sale.

However, in Affiliate Marketing – the Merchant only pays after the sale is made.

Affiliate Marketing: The Complete Guide For Beginners

That's the key: They pay after the sale is made.

...And, if a refund is given to the customer, the Merchant often times does not pay the referring Affiliate for the refunded sale.

Merchants only pay commissions on bona fide, completed sales.

That's total performance marketing.

Completely measurable. Completely accountable. Completely success-driven.

Why Affiliates Love Affiliate Marketing

Affiliates love Affiliate Marketing because they get to do what they do best: Create content, provide solutions and recommend or promote products.

...And they get paid to do so.

Better still, it's really easy to start a business as an Affiliate.

The barriers to entry for Affiliates have been historically low, and over the years, such barriers to entry have become even lower.

It is very simple to create a website now, and can be done at a very low cost.

An Affiliate can get into business very easily and inexpensively. They do not need to buy any inventory, establish call centers, invest in sophisticated ecommerce systems and manage back end databases and CRM solutions.

Affiliates simply create websites, email lists, PDF's, reports, videos, blogs, articles, etc. Their content, creativity and ingenuity is what sets them apart.

Affiliate Marketing: The Complete Guide For Beginners

And, when they want to monetize their content, they don't need to create rate cards, sell ads and manage ad inventory for advertisers on their sites.

Affiliates can simply join an Affiliate Network, grab appropriate banners *(or any other marketing creative they need)*, and promote the Merchant.

It couldn't be easier.

In summary:

For Merchants:

Affiliate Marketing is the only true performance based marketing channel for a Merchant to promote their stores and their products.

For Affiliates:

Affiliate Marketing is the easiest way for website owners and publishers to make money. It has a low barrier to entry for new business owners and they can promote quality brands and good Merchants.

Why I Love Affiliate Marketing

I've been in Affiliate Marketing since roughly 1998, when I created software for merchants to manage their own in-house affiliate programs.

I've met some of the best people I've ever known through this industry, and have developed life-long friendships as a result.

I get to work from home and set my own hours. (Sometimes I like to work on sites and promotions late at night, or early before dawn!)

I'm fortunate to have two wonderful kids, and I get to be with them anytime. Of course I can take them to school, pick them up and hear about their day and get them started with their homework. If one of them gets sick during the day, I can drop what I'm doing and go. If a teacher needs some help with a class project or field trip – I'm there.

I'm extremely blessed and proud to be an Affiliate Marketer.

My life today, would not be the same without Affiliate Marketing.

...And I'm a very happy guy!

Section 3: How everything is tracked

This is the most important part of Affiliate Marketing, because without it, none of this would exist.

Tracking Affiliate-referred sales is accomplished with technology that allows Affiliates to refer customers to a Merchant, and ensure that the proper Affiliate gets credit for the sale.

“How do I know I’ll get credit for a referred sale?” is a huge question for many new Affiliate Marketers.

In fact, my 11 year old son is starting an affiliate website (*he really doesn’t understand anything except the fact that he could earn money if he promotes products that get sold*) and during the process of setting up his site, his biggest, most repeated question to me is, “how will they know I sent the sale?”

Great question.

...And I have an easy answer: It’s what the Affiliate Networks do.

Tracking Is What Affiliate Networks Do

Their primary function is to track Affiliate-referred transactions. Everything else is secondary. Without accurate tracking of sales or leads referred by Affiliates, there is no Affiliate Marketing.

This technology is actually quite simple. (*My initial career with Affiliate Marketing was making one of the first in-house private affiliate tracking and management software ever available to Merchants.*) Although it’s quite easy to track Affiliate-referred sales online, before Affiliate Marketing, such accurate tracking was not available offline.

Offline Referral Tracking Has Challenges

First, let’s think about this in the brick and mortar world (*offline*) – a local business, for example.

Affiliate Marketing: The Complete Guide For Beginners

Imagine you have a favorite coffee shop in your town, and they're hurting for business. They don't have enough money to advertise in the local paper that costs \$500 per week. They will, however, pay you \$1 whenever a \$5 mocha latte is purchased from a customer that you referred them.

- How will they know you referred the customer?
- How will you be notified that you have a \$1 commission waiting for you?
- You'd have to rely on the customer to remember to say, "I'd like a \$5 mocha latte, and Joe Smith sent me".
- You'd also have to rely on the coffee shop cashier to make a note that they owe Joe Smith \$1.

See the holes here?

First – you would have to rely on the customer to inform the merchant that you sent them. (*What if the customer forgets or isn't comfortable bringing it up?*)

Second – you would have to rely on the cashier to make a record of that sale, and that you referred the customer. (*What if the cashier doesn't ask the customer, or forgets to note that you made a referral if the customer tells them?*)

And, of course, you would have to trust the merchant to put a dollar aside for you, and pay you when they see you next. (*What if they're feeling greedy and skip a few credits to you, assuming you'll never know?*)

Sounds a little less-than-reliable, right?

Well, everything is different online.

Tracking Referrals Is Easy Online

Let's take that same coffee shop as an example of a Merchant who takes online orders. (*Bad example, I know; who would order a coffee online unless it was just coffee beans? But bear with me.*)

Affiliate Marketing: The Complete Guide For Beginners

Imagine that same coffee shop has a website for customers to place their order online, and pick up their coffee later.

You would have a special link for your friends and neighbors to click to be taken to the coffee shop's website and place the order.

That special link would have an identifier that is unique to you – your Affiliate ID – embedded in it.

When the order is placed, the ecommerce system that manages orders must always look to see if there is an Affiliate ID associated with every order. So, in this case, your Affiliate ID would be found, and you would be credited for the referral.

You'd get an email notifying you of the dollar that you earned, and you'd get the money sent to your paypal account.

Of course this is a silly example, and very over-simplified, but that's basically how it works.

Summary

Affiliate tracking technology is fully integrated with an online store's ecommerce system. Every time a sale is made (and I mean every single time a sale is made!), the system always looks to see if the sale is referred by an Affiliate. If there is no referral ID with the sale, it's business as usual for the Merchant. However, if the sale is referred by an Affiliate, then the referral is recorded and the appropriate Affiliate gets paid.

Section 4: Merchants – Uncovered

I didn't want to get too deep into all aspects of The Players in Affiliate Marketing in Section 1, as I wanted to give you just a high level overview of the Affiliates and Merchants before moving forward.

In this section and upcoming sections, I'll be much more specific and detailed to be sure you fully grasp who the Merchants and Affiliates are, and how they work within Affiliate Marketing. So, let's uncover the Merchants...

Remember: Merchants sell products.

Merchants are often referred to as “Advertisers”. Therefore, the term “Merchant” is often used synonymously with “Advertiser”.

The term “Advertiser” can be confusing at times, because Affiliates also advertise to get visitors to their own sites.

For consistency, we'll continue to use the term “Merchant”. Just know that the industry generally uses the terms “Merchant” and “Advertiser” interchangeably.

Merchants want to advertise to get more customers, and with Affiliate Marketing, they can do so on a performance basis. They only pay Affiliates when a sale is made from their referral.

It's clear that Merchants want to generate performance-based sales, where they pay fees to Affiliates (*commissions*) only when a sale is generated.

- How do Merchants attract Affiliates?
- What kinds of Merchants are available?
- Where are these Merchants found?
- What kinds of decisions must Merchants make to use Affiliate Marketing ?

Those are the questions we'll cover in this section.

How Do Merchants Attract Affiliates?

Affiliates are attracted to quality Merchants, who offer quality products and provide value to their customers. Beyond that, Affiliates need to see certain elements within the Merchant's affiliate program before they'll want to promote the Merchant. Elements like:

- Commission Rate
- Conversion Rate
- Return Visitor Tracking
- Network Performance
- Reputation for Payment
- Actively Managed Program

Commission Rate

First and foremost, Affiliates are attracted to good numbers. They want to see that the commission rate is generous, among other factors within the Merchant's control are favorable to the Affiliate.

Conversion Rate

The conversion rate is determined by: the number of prospects that it takes to convert into one customer. If it takes 10 prospects to make 1 customer, then the conversion rate would be 10%.

Conversion rate is very important.

Let's do some simple math to describe the importance of "conversion rates": *If an Affiliate sends a Merchant 100 unique prospects and not a single sale results, how much did the Affiliate earn? Answer: Nuthin'!*

It is the Merchant's job to convert the traffic an Affiliate sends to the Merchant into sales. With zero conversions, a ridiculously high (*and unrealistic!*) commission rate of 100% is still \$0 in resulting commissions.

So, in addition to the commission rate, the conversion rate is just as important, as those two numbers are used to determine the Affiliates anticipated earnings.

The Merchant must be able to convert traffic (*people who clicked on an Affiliate's banners*) into sales. If they can show a good conversion rate, this differentiation would be more attractive to Affiliates who can choose other competing affiliate programs, that may have lower conversion rates.

Return Visitor Tracking (Cookie Life)

The tracking technology Affiliate Networks use is generally “cookies”.

You may have heard of “cookies” in the media, warning of their danger. This is vastly misleading and often, inaccurate.

Don't be afraid of Cookies! The “tracking cookie” is an Affiliate Marketer's best friend.

In Affiliate Marketing, cookies are harmless little text files placed on a customer's web browser that identify a visitor referred by an Affiliate, and are used to track sales made by the referring Affiliates.

Again, cookies are totally harmless and used by millions of websites around the world for legitimate, non-invasive purposes.

These tracking cookies are automatically deleted when they are programmed to expire. The Merchant determines when these tracking cookies expire.

How long does the tracking cookie last?

These tracking cookies are used for a set period of time, so Affiliates can be credited for a sale even if the prospect wasn't ready to purchase at the moment that they landed on the Merchant's site.

The idea is that the Affiliate introduced the prospective customer to the Merchant, and this prospective customer will make their first purchase at

Affiliate Marketing: The Complete Guide For Beginners

some point soon – but maybe not immediately. That's where tracking cookies come in.

With these tracking cookies, a Merchant can set how long they last. So, if a tracking cookie is set to expire after 30 days the Affiliate has up to 30 days for the referred customer to make a purchase. If the customer makes a purchase within that 30 day window, the Affiliate can earn commissions on the customers purchase. However, if the customer purchases on day 31 or after, the Affiliate will not get credit.

Affiliates want to see a long cookie life in the affiliate programs they promote.

Network Performance

If a Merchant claims that they have high conversions, Affiliates may be persuaded to work with them, assuming the Merchant is being honest. How is an Affiliate to know the truth?

Affiliate Networks do not disclose the exact conversion rates of the Merchants using their technology.

Affiliate Networks do, however, have a clever indicator of how well a Merchant converts, by illustrating how they perform in relation to other Merchants on their network. This indicator discloses nothing proprietary, nor gives away a Merchant's secrets to competitors.

This indicator is called "PowerRank" in ShareASale, and goes by various names in other networks.

This performance indicator gives Affiliates a general sense of the Merchant's ability to perform when the Affiliate sends traffic to the Merchant. *(Remember: a Merchant's job is to convert a referred visitor into a sale, so the Affiliate will earn their commission.)*

Reputation for Payment

Affiliates send their hard-earned traffic to the Merchant for free in exchange for commissions. So, of course the Merchant must convert the traffic into a sale, and credit the Affiliate for the referral- but they also have to pay Affiliates.

This is a business. Affiliates need to be paid.

If a Merchant underfunds their Affiliate program, and lapses in Affiliate payments, or takes their affiliate program offline periodically due to non payment, then this is an indication of the Merchant's inability to pay.

Actively Managed Program

An affiliate program needs to have a good Affiliate Manager and that Affiliate Manager needs to take a very active role in the program.

If a Merchant thinks they can run their affiliate program on auto-pilot, I simply won't promote them. A Merchant's affiliate program is important to me, as an Affiliate. If it's not important enough to the Merchant to take an active role in managing the program, and showing that they care about this channel, I will simply find a competing Merchant who does.

What Kinds Of Merchants Are Available?

Affiliates can find Merchants of all kinds, selling almost every type of product imaginable.

The most successful, well-known Merchants have affiliate programs.

And it's not just the big guys.

Small retailers, specialty sites, and tiny-niche product sites also have successful affiliate programs.

Basically, if a Merchant has a successful online business and can definitely convert traffic or prospects into customers, then they can (*and perhaps should*) have an affiliate program.

Where Are These Merchants Found?

There are plenty of ways to find Merchants with affiliate programs, but there are two main ways Affiliates find Merchants to promote: The Merchant's website and within the Affiliate Network.

- The Merchant's website should have a link for "affiliate program" somewhere on their site. *(Often it's in the footer of the navigation, or on the "about us" or "contact us" pages.)*
- When an Affiliate logs into their Affiliate Networks, they can find Merchants to join.

Beyond those two main locations, Merchants promote their affiliate programs on industry forums, on their blogs and at industry events, like Affiliate Summit.

What Decisions Must Merchants Make To Use Affiliate Marketing?

An entire book can be written on this topic. In fact, [here's a link to one](#).

I'll keep this intentionally brief.

Merchants must make many decisions in affiliate marketing, but here is the top 5:

What is the Default Commission Rate?

How much can the Merchant pay Affiliates? The Merchant needs to have a strong understanding of their margins, know the lifetime value of customers, and conversion rates, among other factors.

What is the Private, Premium Commission Rate?

High performing Affiliates expect, or demand, higher commission rates than the rate given to everyone. It's a fact of life in Affiliate Marketing.

Merchants need to know what they truly can afford to pay these top performers, and give it to them.

What Network or Technology Will Power the Affiliate Program?

The technology or Affiliate Network chosen to power the tracking of the affiliate program affects many areas of the success of a program. One important factor is cost: Some Affiliate Networks charge upwards of \$10,000 to start on their network with high monthly minimum fees, while other equally powerful networks charge less than \$1,000 and low minimum fees. Also, some networks require exclusivity and other legal clauses that can handcuff Merchants.

Who Will Manage and Run the Affiliate Program?

A well-run, properly managed affiliate program is one factor that helps lead to success in Affiliate Marketing, and the decision of who will manage the affiliate program is important. Some merchants like to think they can cut costs by having a low-level marketing employee run the program, and blame the employee for its inevitable failure.

Affiliate Marketing is more than just having technology to track Affiliate referred sales and paying commissions. This is a relationship business, and the Affiliate Managers with the skills, training and relationships make affiliate programs great.

How Will Management Support the Affiliate Program?

Merchants must understand that they need to invest in the affiliate channel, and success takes time. Management must fund this marketing channel for several months before it begins to pay for itself and achieve positive ROI (return on investment).

Section 5: Basic Types of Merchants

Defining Merchants is pretty straightforward: They sell products, and take orders for them.

How can we further describe the different types of Merchants with affiliate programs? Here, I'll try to illustrate their differences by:

- Types of Merchants
- The type of network they run on
- The types of features they offer to Affiliates
- How their program is managed

Types Of Merchants

There are so many retailers and brands, big and small that have affiliate programs. Let's run down a few types.

Big Retailers

Big retailers like BestBuy.com, Sears.com, Lands End, Staples, Target, etc. are Merchants with affiliate programs on the traditional Affiliate Networks.

Big Brands

Big brands sell their own products, in addition to using retailers. Some big brands you can find with direct affiliate programs are: Sony, Apple, iTunes, Samsonite Luggage, Dell, etc.

Online Brands

A few online brands are: Netflix, BlockBuster online, Full Sail University, University of Phoenix.

Smaller Retailers

Smaller retailers, the ones you may not know well, but successfully sell products online and have great affiliate programs, like BuyCostumes.com, CSN Stores, Buy.com.

Specialty Merchants

There are a ton of specialty Merchants who provide products in particular categories or niches like novelties, costumes, comics, wine and more. A few examples are: Things From Another World (TFAW), Wine Cellars Club, All Posters, Calendars.com, Checks Unlimited, Fandango, Stupid.com.

Software Merchants

A lot of software vendors have very successful affiliate programs, because their margins are so high; therefore, they can offer high commission rates to their Affiliates! A few examples of software Merchants are: McAfee, Electronic Arts Games, Spyware Doctor, Roxio, Kaspersky, Dragon Soft.

Web-based Software Merchants

The rising popularity of “software as a service”, where customers use software online with a web browser instead of downloading software to their computers is providing a lot of great opportunities for Affiliates. Some examples of these Web-Based Software Merchants are: Mint.com, AWeber.com, RavenTools.com, Thesis Theme.

Features Merchants Provide In Their Affiliate Programs

The Merchant’s goal in Affiliate Marketing is to generate as many sales as possible, resulting in commissions paid to their Affiliates, and cost-effective new customer acquisition.

Merchants can provide simple banners for their Affiliates, of course, but if a Merchant recognizes that Affiliates need so much more than banners, and if they provide their Affiliates with the tools and marketing resources they need, the Merchant’s affiliate program is well positioned for success.

Let’s discuss a few of the different features that Merchants can use in their affiliate programs. Such features help Affiliates choose a Merchant (*without certain tools or marketing material, some Affiliates may simply ignore the Merchant*), and help the Affiliates who choose the Merchant’s affiliate program succeed.

Robust Marketing Material Selection

Affiliates are not a “one size fits all” kind of marketing channel. They have a wide variety of needs.

The more options a Merchant provides to its Affiliates, the better. Just because a Merchant provides standard banners for Affiliates, doesn't mean the Merchant's job of creating marketing material is complete.

If I, for example, have a specific need for my website, and a Merchant doesn't have marketing material that fits my needs – I will simply find a different Merchant that has it.

Therefore, it's important for Merchants to meet the needs of its Affiliates and provide a great variety of successful, conversion-driving marketing material for use by its Affiliates.

Great Merchants offer Affiliates all kinds of marketing material, like: banners, datafeeds, product links, geo-targeted ads, coupon codes, etc.

Data Feeds

This is a rather technical topic, but one that should at least be addressed briefly. A Merchant that provides a data feed in their affiliate program expands their reach to Affiliates who rely on data feeds to make their sites.

Quick definition: Data Feeds are simply a special kind of file that is similar to a database. It allows Affiliates who are very technically savvy to create robust, automated websites with the data.

An Easy-to-Reach Affiliate Manager

One way to ensure the success of an affiliate program is to have a great Affiliate Manager. Great Affiliate Managers always make it easy for

Affiliates to reach them when they have a question, a concern, or some other need.

How the Affiliate Program is Managed

Merchants with well-run, properly managed affiliate programs are distinctively different than those running their program on “auto-pilot”.

So, if you’re an Affiliate looking for a good Merchant, one key indicator of the quality of the program is the management of the program.

And, if you’re a Merchant, you need to know that the quality of your affiliate management is a significant differentiator in your affiliate program, and its success.

Some Specific Example Merchants

You can find every kind of kind of merchant on Affiliate Networks!

In fact, just to prove it, I’m going to list some Merchant names I found recently via some simple searches.

- Affiliate Programs Managed by my favorite OPM’s
- Some Affiliate Programs in the ShareASale top 100
- Some Affiliate Programs, alphabetically

Affiliate Programs Managed By My Favorite OPM's

Managed by GTO Management

- MakeBeer.net
- BowlingShrt.com
- Blogworld
- OfficePlayground
- AmbroseBooks.com

Managed by Team Loxly

- Viator
- WyzAnt
- Slice.com
- PartyBeans
- DecorativeCeilingTiles
- Knowem.com

Managed by Paulson Management Group

- American Greetings
- Network Solutions
- Blue Mountain
- CardStore.com
- TradeUps.com
- SimplePrint.com

Managed by Greg Hoffman Consulting

- A Gift Personalized
- Appliance Art
- Aqua Resorts
- Cellars Wine Club
- Direct Gardening
- Flirty Aprons
- Pets Warehouse
- Totally Costumes

Managed by Schaaf-PartnerCentric

- 21st Century Insurance
- Constant Contact
- Course Smart
- Crowd Spring
- Dog.com
- Ebay
- Fathead
- MooseJaw
- Payless
- Quicken Loans
- Stamps.com
- Tennis Express
- Uniform City

Some Affiliate Programs in the ShareASale Top 100

- CampusBookRentals.com
- ChecksUnlimited
- KnetBooks.com
- LifeLock.com
- QualitySmith
- Viator
- MixBook
- TinyPrints
- DiscountMags
- Magazine-Agent
- BookRenter.com
- SitterCity.com
- LandOfNod.com
- I-Supplements.com
- CareerStep.com
- Deluxe.com
- BHCosmetics.com
- WayFair.com
- Blurb.com
- MeritLine.com
- Honeyville Food Products
- YorkPhoto.com
- NaturalWellBeing.com
- PsPrint.com
- BaseBallExpress.com
- Scribe SEO
- StudioPress
- RedBubble.com
- Tmart.com
- RedBubble.com
- eCampus.com
- ACLens.com
- MMA Warehouse.com
- Jenson USA
- A1Supplements.com
- LifeStation.com
- Cellars Wine Club
- Check City
- JustFreeStuff.com
- Bachelorette.com
- EntirelyPets.com
- WorkingPerson.com
- Altrec.com
- DietDirect.com
- GirlyChecks.com
- 360Training.com
- TennisExpress.com
- PureFormulas.com
- StrapWorks.com
- MomAgenda.com
- Raven Internet Marketing Tools
- Tours4Fun.com
- CafePress.com
- PlumberSurplus.com
- PetWellBeing.com
- Mwave.com
- DriversEd.com
- BulkNutrition.com
- Burgess Seed & Plant Co.
- Sky Blue Credit Repair
- SimonSaysStamp.com
- MyOwnLabels.com

Some Affiliate Programs, Alphabetically

- 123Inkjets
- 24 Hour Fitness
- 39 Dollar Glasses
- 4Checks
- 6DollarShirts
- 6pm.com
- American Girl
- Adidas
- Avon
- Beauty.com
- Bedding Style
- Big Dog
- BlueFly
- Brookstone
- BuyCostumes
- Cabelas
- Calendars.com
- Casual Male
- Clinique
- Coldwater creek
- Colonial Candle
- Costume Craze
- Crayola
- Dell
- DietDirect
- Dillards
- Discovery Store
- Disney Store
- Drugstore.com
- DSW Shoes
- EB Games
- eCampus.com
- Eddie Bauer
- Enterprise Rent-a-car
- Entertainmnet.com
- Expedia
- Express
- Fabric.com
- Famous Footwear
- Fannie May
- Fathead
- Finish Line
- Foot Locker
- Gap
- Gardeners Supply
- Geeks.com
- Golfballs.com
- Golfsmith
- Guitar Center
- Gymboree

Affiliate Marketing: The Complete Guide For Beginners

- Half.com
- Hancock Fabrics
- Highlights for kids
- Hilton hotels
- Hobby Lobby
- Holiday Inn
- Home Depot
- Hot Topic
- Hotwire
- HSN Stores
- J.Crew
- JC Whitney
- Jensen USA
- Joann.com
- Jockey
- Jones Soda
- Jos. A Bank
- Juicy Couture
- JustMySize.com
- Kabloom
- Karmaloop
- KEEN
- Kegerator
- KegWorks
- KidsFurnitureMart
- KitchenAid
- Kmart
- Knetgolf
- Kodak
- LL Bean
- LeapFrog
- LEGO
- Lenovoo
- Lids.com
- Linens n' Things
- Little Tikes
- Logitech
- Luggage.com
- LuggageOnline.com
- Macy's
- MakesParties.com
- Meijer
- Mikasa
- MisterArt.com
- MooseJaw
- Motherhood Maternity
- Music123
- Musician's Friend
- National Geographic Store
- NBC Universal Store
- Neiman Marcus
- Newegg
- Nike
- Nirvana Chocolates
- Nodstrom
- North Light Shop
- NothingButSoftware.com
- NutriSystem

Affiliate Marketing: The Complete Guide For Beginners

- Oakley
- Office Depot
- OfficeDesigns.com
- OfficeMax
- Old Navy
- Omaha Steaks
- OneShare.com
- Orbitz
- Overtsock
- PacSun
- Parts Geek
- Payless Shoes
- PC Connection
- Perfumania
- Personalization Mall
- Pet Food Direct
- PetcareRX
- PetSMart
- Pottery Barn
- Puma
- Puritans Pride
- Qantas
- Quality Inn
- QualityHealth
- QuickBooks
- Quill
- QuiltRacks.com
- QVC
- Qwest
- RealCyclist.com
- RedEnvelope
- Reebok
- REI
- Restaurant.com
- Ritz Camera
- Rock Bottom Golf
- Rooms to go
- Rug Doctor
- Sam's Club
- Sears
- Shoes.com
- Shop4Tech.com
- Shutterfly.com
- Snapfish
- Sony
- Staples
- SuperMediaStore
- T-Mobile
- The Body Shop
- The Children's Place
- The Company Store
- The Gold Warehouse
- The Popcorn Factory
- Tiger Direct
- Tool King
- ToyWiz
- TracFone
- Tractor Supply Co.

Affiliate Marketing: The Complete Guide For Beginners

- Ubid.com
- UFC Store
- Under Armour
- UnderGear
- Uniform City
- Unseen on TV
- UpgradeMemory.com
- Urban Outfitters
- USAFlorist
- Utrecht Art Supply
- Walgreens
- Walmart
- Waterford
- WPShop
- Wear Your Beer
- Weight Watchers
- Wine.com
- Wolf Camera
- WWE Shop
- Yahoo! WebHosting
- YogaAccessories.com
- Yola
- Zagat Survey
- Zazzle
- zChocolat
- Zephyr
- Ziamond
- Zodiac Watches
- ZoneAlarm
- ZooBooks
- zZounds
- Valore Books
- ValueMags.com
- Vanns.com
- VentingDirect
- Verizon Wireless
- Viator
- Victoria's Secret
- VideoGameChairs.com
- VisionDirect
- Vitality Medial
- Vitamin Shoppe

Section 6: Affiliates – Uncovered

Affiliates have websites, and reach an audience with their content. They do not sell products directly on their websites (generally speaking).

Instead, they partner with Merchants and promote the Merchant's products. As a result, the Merchant is “advertising” on the Affiliate's website.

Affiliates want to make as much money as possible from their websites, email lists and traffic. They need to partner with the best Merchants for their business: Merchants who offer the right marketing material and convert referred traffic into commission-earning sales.

Remember: Affiliates promote products in exchange for commissions.

Affiliates are often referred to as “Publishers”. Therefore, the term “Affiliate” is often used synonymously with “Publisher”.

For consistency, we'll continue to use the term “Affiliate”. Just know that the industry generally uses the terms “Affiliate” and “Publisher” interchangeably.

For the Affiliate, their business is creating websites (and content) that attract a specific audience, and the revenue they generate is through commissions earned from sales they referred to a Merchant.

And it can be more complicated than that. You see, Affiliates aren't just limited to creating websites. They can promote Merchants in a number of ways, and earn commissions. But, to keep things simple, we'll focus on the concept of Affiliates with websites.

- Who are these people we call Affiliates?
- What kinds of affiliates are there?
- What kinds of sites do they make?
- How do they choose merchants?
- How do they create their sites?

These are the questions we'll cover in this section.

Who Are These People We Call Affiliates?

Affiliates come in all flavors and sizes, from a single person businesses to large organizations.

First and foremost, Affiliates are passionate about a topic. Why? Because if they have to create content about a particular topic for many years, they better love it! It would be quite boring if they didn't, right?

- Affiliates can be bloggers who write about a specific topic, their experiences, or “things I love”.
- They can have one site, or one blog, or they can have a couple, or they can have a couple *hundred* different sites.
- Their site can reach a very small niche, and provide value to a very specific audience.
- They can have sites that are well known to a small audience on a particular niche or topic.
- They can have large, high-traffic websites, like FatWallet.com or RetailMeNot.com.
- They can be highly technical people who are very familiar with programming, or photoshop, or PHP, etc.
- They can be techno-phobes, with technical skills that are limited to opening a web browser, or using email, or understanding the basics of MS Word and writing basic web content.

There is no hard and fast rule that can be used to accurately describe a single Affiliate.

Full Time and Part Time Affiliates

Many Affiliates run their affiliate business (*their websites*) on a part time basis. They do it as a hobby, or as a way to make extra money with their time away from their normal day job.

However, when an Affiliate has a successful website (*or multiple sites*), and earns enough money to replace their day jobs, they can be a full-time Affiliate.

Affiliate Marketing: The Complete Guide For Beginners

Affiliates can be professional companies, running high-traffic websites and employ dozens of people.

Oh – and, Affiliates don't always use Affiliate Marketing exclusively as their only source of revenue. They can sell ads, or sell their own products, or sell consulting services, etc.

Confusing? Maybe.

Just remember, that Affiliates come in all shapes and sizes, running all kinds of different websites and reaching all types of audiences. They can be part time or full time businesses, and can be as small as a single person operation, a couple who work together, or a company with many employees.

What Kinds Of Affiliates Are There?

Just as I mentioned a moment ago, Affiliates can be small or large businesses, with varying degrees of technological proficiency and reaching different audiences. But here, let's discuss the kinds of businesses they run.

NOTE: One Affiliate can be placed in many of the following categories. They may have a side website that they use light monetization, and they can be a general affiliate for most of their sites, while still using the traits identified in “nimble, highly focused” for other sites, or as part of their general sites.

Light Monetization Affiliates

Some Affiliates create websites simply because they love the topic. They didn't start their websites with any intention to make money. However, they now know that they can simply place some ads on their sites, and earn commissions.

General Affiliates

Many Affiliates create sites with the intention of monetizing their properties with Affiliate Marketing. They have a few different interests

and create sites for each of them. Or, they have a relationship with certain Affiliate Managers whom they trust, and will create websites designed exclusively for the purpose of promoting a specific program run by the Affiliate Manager.

Nimble, Highly Focused Affiliates.

Some Affiliates identify opportunities early, and find ways to make money. For instance, back in the early 2000's "ring tones" became really hot. Smart Affiliates seized this opportunity and made hundreds of thousands of dollars, if not millions.

Other nimble Affiliates see opportunities in seasons, or current events, and find ways to make money with affiliate programs.

And still, some Affiliates find ways to capitalize on opportunities that many overlook. These Affiliates think outside the box and are very creative.

High Traffic Affiliates

Regardless of what programs they join, the kinds of websites they make, or how they get their traffic, some Affiliates are amazing at driving traffic to their Merchants. Sometimes these Affiliates have massive email databases that they can use to promote specific offers or run promotions for their Merchants. Or, they may have a loyal user base that relies on the Affiliate's site for recommendations or coupons. These Affiliates may also incentivize their users to buy through their affiliate links, by sharing their commissions with the customer ("cash back" type sites). And still other Affiliates may simply be amazing at running paid search ads, or they purchase other forms of advertising that drives prospects to the Merchant's site.

Professional Companies

Highly successful Affiliates cannot run as a solo operation for long. They need employees. When an Affiliate reaches that point, they begin structuring their businesses to scale their operations profitably.

What Kinds Of Sites Do They Make?

If you've ever done a search on Google and found a coupon site, a review site, or a blog that gives a tutorial on how to use a particular product, then you've seen an Affiliate website.

Affiliates make sites big and small, niche and general, ugly and gorgeous. Their sites can have member forums or not, can include user generated content or not. They can have any number of features on their sites that engage users and drive traffic.

Let's introduce you to some of the sites they make.

Product-Specific Sites.

When a particular product is hot and an Affiliate sees an opportunity, they may create a website that is dedicated exclusively to promoting this one single product. On this site, they can provide a review of the product, tutorials or videos that help customers learn and understand the product better.

Product-Category Sites.

In the previous example, "Product-specific" site, imagine that the Affiliate created a site all about a specific video camera, like the "Flip" video camera. Now, let's expand this site to the entire category of "video cameras", where the "Flip" camera is just one of the products included.

Topic-Specific Sites.

When a particular topic is of interest to an Affiliate, let's say "technology for the home", the Affiliate may create content all about the topic. Then, the Affiliate can find related products to promote.

How about a slew of other topics?

Back to school, holidays, family, kids, clothing and fashion, cars and motorcycles, boats and RVs, babies and kids, college and education, computers and software, crafting and craft supplies, books and magazines, pop culture, current events, hot topics, diet & fitness,

electronics (cameras & photo, phones & wireless, TV & radio, video games), events, financial (credit, credit cards, insurance, tax), food, gourmet food, wine, beer, gifts, flowers, green living, health & beauty, house & home (appliances, furniture, home improvement, kitchen, lighting, yard & gardening), internet services, jewelry, luggage, movies, music, musical instruments, office supplies, outdoors, camping, party supplies, costumes, pets, pet supplies, school, school supplies (college, high school, middle school, Jr. high, elementary), sports, sporting goods, travel, tools, toys, games, vacations, wedding – *the sky is the limit!*

How Do They Choose Merchants?

First, let's assume that the Merchant has a quality business that sells quality products and has happy customers.

The most reasonable way an Affiliate would select a Merchant to promote would be based on the products offered by the Merchant. If the Merchant provides products that are related to the Affiliates website, or the experience or interest of the Affiliate, or if they provide products that match the interest of the Affiliate's audience, then they would consider promoting that Merchant's products.

However, the decision is more than just about related products and the quality of the business.

- Is the commission rate offered attractive?
- And, can the Merchant convert the traffic sent by Affiliates into sales?
- Is the Merchant's affiliate program well managed, or does the Merchant run their program on "auto-pilot"?
- Does the Merchant offer the marketing material the Affiliate needs?
- Does the Merchant employ "Affiliate-friendly" policies?
- Does the Merchant have a good reputation and a reliable payment track record?

All of these, and more, are factors when Affiliates evaluate a Merchant to promote.

How Affiliates Find Merchants To Promote

Affiliates find Merchants in many ways, and the list below is by no means a complete list. However, the methods below should give you a good sense of how Affiliates find Merchants to partner with, join their affiliate programs, and promote their products.

- Affiliate Network Promotions
- Browsing the Affiliate Network
- Search Engines
- A Merchant's Website
- An OPM's Website
- Direct Contact by an Affiliate Manager
- Forums
- Affiliate Marketing Conferences

Affiliate Network Promotions

The Affiliate Network offers Merchants the ability to advertise their affiliate program within their network. So, when Affiliates log in to the network, they may see a "featured Merchant" advertisement, or the Affiliate may receive an email from the network announcing the Merchant's affiliate program, among other promotional methods.

Browsing the Affiliate Network

Affiliates can log into the Affiliate Network and simply browse for Merchants. Merchants are often listed by category (*automotive, health and beauty, software, etc.*), or by network earnings ("*PowerRank*" – *indicates the Merchant performs well for their Affiliates*), or by occasion (*Back to school, Holidays, etc.*).

Search Engines

A simple search on google for your chosen topic plus the words “affiliate program” is a great way to find Merchants that have an affiliate program in your niche.

A Merchant's Website

Merchants with affiliate programs want to be sure prospective Affiliates can find their program information and sign up easily. Most Merchants will have a link on their website for “Affiliate Program” on their website.

An OPM's website

OPM's (Outsourced Program Managers) are the professional agencies that manage the affiliate programs for a handful of specific Merchants. When Affiliates develop a quality relationship with their OPM, they trust them and may choose to promote other Merchants' affiliate programs managed by the OPM.

Direct Contact by an Affiliate Manager

Part of the Affiliate Manager's job is to recruit Affiliates into the affiliate program. They scour the internet for prospective Affiliates to promote their Merchant, and often contact Affiliates directly, soliciting them to join the affiliate program.

Forums

There are a number of Affiliate Marketing forums that cater to both Merchant and Affiliate, providing a valuable resource for both parties to connect, network, and engage in dialogue. When a Merchant participates openly in a high quality forum, they provide exposure for their affiliate program and provide the Affiliates with a sense of active Affiliate Management, and a quality affiliate program.

Affiliate Marketing Conferences

There is no better way to meet fellow Affiliate Marketers than to attend a conference and develop relationships there. Merchants and Affiliates connect and strike deals at every conference. [Affiliate Summit](#) is the leading Affiliate Marketing Conference.

How Do They Create Their Sites?

Affiliates can use a number of methods to create their websites. They may kick it old school by designing a website in Dreamweaver or some other HTML editor, or they may code it by hand (*even more old school!*). They may build their sites with PHP code or other programming languages. Or, they can use some Content Management Services or website building platforms.

The most popular method, however, is Wordpress.

Wordpress is an open source platform that was originally designed for blogging. Now, however, Wordpress is a robust website platform that can be used for almost every kind of website imaginable.

Section 7: Basic Types of Affiliates

There are a number of different types of Affiliates. In this section, we'll discuss some of the Affiliates you may have run into on the Internet. Perhaps this information will help you identify the kind of affiliate you may be?

NOTE: There is no hard and fast rule to define Affiliates. The types of Affiliates listed below aren't mutually exclusive, meaning: An Affiliate can employ one, many or all of the types listed below.

I'll try to break down Affiliates by

- The types of sites they make
- The kinds of promotions they run
- The type of traffic they get
- The kinds of Merchants or advertisers they promote

General Affiliate Types

There are a number of ways to categorize the different types of Affiliates found in Affiliate Marketing. Here, I'm going to keep it simple and list them as:

- Retail Affiliates
- CPA Affiliates
- Hybrid

Also, I'll try to help illustrate the different types of Affiliates by describing them via "how they drive traffic" to their sites, or their Merchant partner's stores or products.

And finally, I'll try to make it even more clear, by giving some specific examples of Affiliates and their websites.

Retail Affiliates

Retail Affiliates generally work with the big traditional networks, and promote specific brands or products on their websites.

Affiliate Marketing: The Complete Guide For Beginners

They tend to focus on earning commissions on Sales – the traditional Cost Per Sale basis that most affiliate programs run.

CPA Affiliates

CPA Affiliates are a bit more aggressive in their marketing efforts and they focus more on earning revenue for sending Leads to an advertiser. These Affiliates don't have to bother with the concern that prospects they send to a Merchant are willing to pull out their credit cards and make a purchase. Rather, they simply need the prospect to complete a form (name, email, address, etc.) in order to get paid.

These Affiliates are often heavily involved in Paid Search Advertising to drive traffic to the offers they promote. They also rely on their email lists to promote these offers.

Hybrid

Just as the name implies, a “Hybrid” Affiliate sits on both sides of Affiliate marketing, and are an equal opportunity promoter. They'll promote merchants from both traditional networks as well as CPA networks.

Affiliate's Sources Of Traffic

Just like Merchants, Affiliates need to advertise. *(That's why calling Merchants “Advertisers” is a little confusing at times.)*

Affiliates need to have traffic (“visitors”) to their websites and they are notoriously clever and creative when it comes to getting quality traffic to their websites and the Merchants they promote.

So, just like Merchants, Affiliates get people to come to their sites in many ways. For instance, they can produce a lot of great content for people to find via search engines, social media, or links from other websites. They can also pay for traffic with paid search or media buys.

We'll discuss the following traffic sources for Affiliates:

- Organic Search
- Type in Traffic
- Paid Search
- Media Buys
- Social Media
- Email Marketing

Organic Search

Many Affiliate Marketers are experts at SEO (search engine optimization) and can easily get their websites and pages ranked highly in the search engines. When a web surfer uses Google for a search term, the “organic” or “natural” listings are those that Google believes are most relevant to the search term used. These listings are free, and the Affiliate site that is listed in the top of the search results gain the benefit of free traffic.

Type in Traffic

Instead of doing a search, you may type in the term and add “.com” to the end. For example, if you’re looking for AutoResponderSoftware, you can do a Google search for “Auto Responder Software”, or simply type “AutoResponderSoftware.com” in the URL bar. That is considered type in traffic.

Paid Search

Search Engines also sell spots in search results. Google identifies these paid placements as “sponsored listings”. These paid listings are found at the top and the right side of search results, and Google charges for these listings on a “per click” basis. Affiliate Marketers are well known for their expertise with Paid Search.

Media Buys

Some Affiliates find opportunities to drive traffic to their websites that promote their Merchants by purchasing ads on media networks, or sponsoring a specific site or placing ads in email newsletters.

Social Media

With the rising popularity of social media sites like FaceBook, Twitter, LinkedIn, Youtube and the like, Affiliates are capitalizing on this opportunity by embracing social media and driving traffic from them to their websites or specific promotions.

Email Marketing

Smart Affiliates understand the power of their email list, and focus a lot of attention on growing their own email lists. With these email lists, they can send email promotions to their subscribers and drive quick sales to Merchants.

Example Affiliate Websites

There are so many examples I can give you here, it would make your head spin – *and would take me forever to list!* But I wanted to make a decent list of them now, to help illustrate the vast amount of different Affiliate websites.

Why? Because I want you to think of how you can work with different Affiliate websites (*if you're a Merchant*). And, if you're an Affiliate, I want you to realize that you have a ton of different options when creating your own Affiliate websites.

This is, by no means, a comprehensive list of all the different types of Affiliate websites. Such a list would take years to compile!

Review Site

A site that reviews comparable products to help consumers decide which product is best for them is often an Affiliate website. These Affiliates provide valuable comparison information and product reviews to help consumers. When a consumer clicks on a link to make a purchase, the review site owner earns a commission.

Content Site

Any website that provides content (articles, podcasts, videos, etc.) on a topic or topics can be considered a content site. They simply provide content to its readers, listeners, members or other users. They can place ads on their site that promote a particular product or merchant and earn commissions on resulting sales.

Niche-Topic Site

Some websites like to provide specific content on a particular topic. Xbox game tips, or dog training tips, or gardening tips websites are good examples. These site owners know that they reach a specific audience looking for information on their chosen topic. They also know that there are particular products or Merchants that their audience would be interested in buying from. So, they simply join these affiliate programs and promote the Merchants that match their audience's interests. When sales occur, the niche topic site owner earns a commission.

Coupon Site

Almost every coupon site you see online is an Affiliate. They provide consumers with a selection of money-saving coupons and discounts on products or Merchant stores. When a consumer clicks a coupon code and purchases from the Merchant, the coupon site owner earns a commission on the sale.

Cash-Back Sites

Websites that provide their users with a shopping portal that promises to “pay you back” on purchases made through their links, are considered “cash back” sites also known as “loyalty” or “incentive” sites. Popular websites in this category are: UPromise, Fatwallet, [SunshineRewards](#).

Section 8: Affiliate Networks

Now that you know that Merchants sell products, and Affiliates promote these products on their websites in exchange for commissions when a sale results, let's look a bit deeper into the technology that makes all of this possible.

Affiliate Networks provide the tracking technology that allows Affiliates to send customers to a Merchant and get paid for resulting sales.

But they do so much more!

Beyond the simple tracking of transactions referred by Affiliates (and ensuring those Affiliates get paid), Affiliate Networks provide many different technologies and services to their Merchants and Affiliates.

I won't get into an exhaustive list of all that Affiliate Networks do for Merchants and Affiliates, but I will try to help you navigate through the landscape a bit, by helping you understand that there are a ton of different Affiliate Networks, and they all do (basically) the same thing: They provide technology for Affiliate Marketing to work.

Since Affiliate Networks work "in between" the Affiliate and the Merchant, they must cater to both players. And it's a delicate balance!

- You see, Affiliates want to be sure they get credit for their sales and ensure that (1) the Merchant is accurately tracking and pays commissions, and (2) no other Affiliate steals their commissions.
- Plus, Merchants want to (1) be sure that they don't over-pay commissions and (2) work with desirable Affiliates.

Considering the huge variety of Merchants and Affiliates, there is room in the marketplace for many different Affiliate Networks.

...and there are many!

Let's explore some of the big names in Affiliate Networks now.

There are a few different types of Affiliate Networks.

- Traditional, Retail Affiliate Networks
- CPA Networks
- Specialty / Boutique Networks

Traditional Networks

Traditional Networks are those that you probably hear of the most. These are the networks that power the affiliate programs for all the big name retailers, down to the small ‘mom and pop’ ecommerce stores.

Traditional Networks include:

- ShareASale
- CommissionJunction (CJ)
- LinkShare
- Google Affiliate Network (GAN)
- Buy.at

Semi-Traditional Networks

These are networks that look and feel like the traditional networks, but they are either a bit too small to be considered in the same category as the “big guys” or, they service a particular niche or a few different niches to set them apart.

- AvantLink
- PepperJam Network
- ShraeResults

CPA Networks

CPA Networks are everywhere! There are so many, we could fill an entire eBook just listing their names. These networks predominantly offer “Lead-based” ads, where the consumer fills out a form, and Affiliates earn money when that happens.

Affiliate Marketing: The Complete Guide For Beginners

Some CPA Networks are:

- [Affiliate.com](#)
- [RevenueStreet.com](#)

Specialty / Boutique Networks

These networks are a hybrid of Traditional Networks and CPA networks, but they specifically service a particular niche or demographic.

- Market Health
- Digital River
- ClickBank

Section 9: How to Get Started

So, now you know the basics. You know who the Merchants are, the kinds of Affiliates that promote those Merchants, and where to find Merchants on the different Affiliate Networks.

Ready to jump into Affiliate Marketing?

If you're an Affiliate, it's really easy. Just sign up with an Affiliate Network, find a merchant you want to promote, and place their ads on your site. (I highly recommend you start with [ShareASale](#) immediately.)

Want more step-by-step help, or more information to help you become a Successful Affiliate?

We'll be launching some tutorials and specific help for Affiliates at [AffPlan.com](#) soon. If you have any requests for topics, please let us know.

If you're a Merchant, you have some work to do. You need to do a bit of research, and make a lot of decisions. You may want to employ a professional OPM ([outsourced program manager](#)) to help you, and manage your affiliate program. If you want to do it yourself, you may need some specific help.

At AffPlan, we provide a number of consulting services to help guide you. Also, you may want to check out our [Affiliate Program Launch Checklist](#) for Merchants.

I highly recommend that you sign up with [ShareASale](#) – if you're a Merchant or Affiliate. This outstanding Affiliate Network is run by excellent people, and is my “network of choice”.

I hope you've enjoyed this guide, and it has helped you understand Affiliate Marketing better.

I truly do love this industry, this business. If I can be of any help to you and your business, please contact me at [AffPlan.com](#)

About The Author

Todd Farmer is the founder of AffiliateMarketingPlan.com (aka “AffPlan.com”).

Todd is also the co-founder of MyContentPro.com and the [ContentBuffet](http://ContentBuffet.com), along with his incredibly talented and wicked smart business partner Lisa Picarille.



In his previous life, he founded the internet marketing software and services company, Kowabunga! Marketing in 1996. In 2005, sold it to a publicly traded company who subsequently killed the brand and products in under three years. (*“Bitter, party of one – your table is ready.”*)

As part of the employment agreement, he stuck around for those three years and promptly departed in 2008 to begin his new life as an affiliate marketer and serial entrepreneur.

Okay, enough with this writing in the third person.

Hi, I’m Todd Farmer.

I’m very immersed in my business and spend a lot of time growing it. But, I have a newfound freedom with the ability to work at home.

So, in addition to working really odd hours in my “man cave” / office, I get to be at home for my kids.



Outside of work, a lot of what I do these days is “being a dad”.

...and I’m so blessed to be able to do so.

Affiliate Marketing: The Complete Guide For Beginners

I have two wonderful, talented, funny, and smart kids: Evan (11) and Kendal (7). I spend as much time as possible with them.

I am a brutal homework enforcer, school volunteer, and I really enjoy helping them make killer projects for school. *(I can't wait until the age of science fair to create a volcano like on the Brady Bunch!)*

And when I'm not with my kids, I love to help my friends with their businesses.

I find it greatly fulfilling to help my friends. The consulting services that I charge \$500 per hour for, I dish out liberally, with great focus and attention for my friends, for free. Helping them succeed is extremely rewarding.

This brings me to my passion for Affiliate Marketing. This industry is loaded with great people who sincerely desire to help others, just like me.

I love affiliate marketing.

My previous company, Kowabunga! Marketing, created many "firsts" in this industry, and in a way, it was a bit ahead of its time. For instance, I enjoy watching companies promoting their new "transparent affiliate network" products, and "multi-channel tracking" capabilities. Why? Well, I did that in 2004.

As part of my experience with the company I founded and grew, I became entrenched in the Affiliate Marketing industry.

One of my first projects post-Kowabunga, was creating a site for Affiliate Marketing Professionals, AffiliateMarketingPlan.com

Until recently, I haven't updated it as often as I'd like, in lieu of other projects. But now, the new AffPlan.com is alive!

I really did have a great time building and growing my business from 1996 through 2005 and have so many experiences under my belt, that I feel like I've lived at least 3 lives. One of these lives is the horrific 3 years working at the company that bought my beloved Kowabunga! Marketing.

Affiliate Marketing: The Complete Guide For Beginners

Although it was excruciating to watch, the experience gave me tremendous perspective and as a result, I have a more rounded life experience that cannot be replaced.

I've had tremendous success, and have made life-long friends from my exposure to my industry, Affiliate Marketing.

I truly am blessed to have such great friends in this industry, and hope that this guide helps you grow your business.

In closing, I hope you'll consider becoming a member at AffiliateMarketingPlan.com and my other project, MyContentPro.com.

Now, let's go be Affiliate Marketers together, and make some money.

Cheers!

Todd

todd@performstreet.com (248) 662-5130

Disclaimer

1. Some of the links in this document may result in me earning a commission if you choose to make a purchase. Some do not.
2. There is no guarantee that you will make money following the suggestions or information in this book.