

## **Introduction to Affiliate Marketing for a Web-Based Business – Five Questions Answered**

### ***What is affiliate marketing?***

There are two sides to affiliate marketing – the web merchant and the web publisher. Affiliate marketing is a virtual marketing practice where a web-based business creates partnerships with peers or larger businesses. The merchant pays for the exposure, and the website that makes the referral is paid a portion of the revenue for each customer or website visitor that comes as a result of the affiliate's connection.

One website drives web traffic to another website. This relationship management and marketing combination has also resulted in professional affiliate marketers who create, manage, and develop these relationships into profit generating machines.

### ***What methods are used in affiliate marketing?***

Traditional internet marketing tactics, such as web press releases, newsletters, email marketing, etc., are often used, with special affiliate techniques peppered in. Affiliate marketing techniques include:

- Organic and targeted search engine optimization (SEO)
- Advanced email marketing
- Some display advertising
- Strategic page content, such as reviews of affiliate products

### ***How would this apply to my web-based business?***

There are two ways you could use an affiliate marketing program. You can use it to help market and sell your products in which case you would profit from increased sales. Or, you can list other company's products on your site as an affiliate publisher, in which case you would receive a chunk of the revenue for the "referral."

Affiliate marketing follows the concept of paying a commission or profit sharing. One of the most common and largest affiliate programs online is Amazon.com. You have probably seen the program when visiting a website -did you ever wonder why Amazon was peddling related books on

a seemingly unrelated site? The site owner has opted into Amazon's affiliate program, and after creating connections between keywords on the site and related book titles, the cross-sell is automatic.

***How do affiliate programs compensate?***

Most (over 80%) use profit or revenue sharing. Some programs use PPC (pay-per-click), although these are increasingly less common due to issues with click fraud.

***What are the different types of affiliate websites?***

Some of the most popular, and well-recognized affiliate websites include comparison shopping sites like pricegrabber.com, loyalty sites like upromise.com, coupon sites like couponmountain.com, product review sites, and blogs.

***What are the benefits to using an affiliate marketing program in marketing my products or services?***

First, it is sort of like hiring a marketing team to spread the word about what you sell. Once you get listed with affiliates, the word spreads much faster and to more people than if you simply had a website and sent out marketing emails.

Benefits include:

- Broader market exposure
- More sales through increased coverage
- Outsourced marketing efforts
- Repeat business and newly targeted customers
- Low cost for the return-on-investment