

**Affiliate
Based Marketing
Techniques Revealed!**



**Learn How To
Profit From Affiliate
Based Marketing
Techniques!**

Pajama Paycheck

Money Making System

Affiliate marketing and Affiliate programs

Affiliate programs are a viable way to generate income for you, and an excellent introduction to ecommerce, but it's a numbers game. You've probably come across many commercial sites that offer the "best affiliate program". Perhaps I can save you some time and frustration by communicating some of my experiences in this field.

How do affiliate programs work?

An affiliate program is where a company offers to pay you x amount for either a click through from your site or link, a fixed amount for a lead (where the visitor signs up for a newsletter, etc.) or a percentage of a purchase made by a visitor as a result of a click through.



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Even if the visitor does not make a purchase on the advertisers site immediately, most programs' affiliation deals these days will state "cookie duration" of usually around 30-90 days. This means that as long as the visitor has the cookie in their cache; even if they return to the advertiser's site one month later, you will still receive the commission

from the sale - but, as in all things business related, cookie duration is something that you need to check and not assume that this feature is standard.

Challenges in finding the best affiliate programs

When I first began searching and implementing affiliations with various companies; it was one of the biggest time suckers in maintaining my site. I spent countless hours searching for suitable affiliate programs, implementing the links and then monitoring their activity. It is definitely not a get rich quick scenario.

The income generated from each program was relatively low, as at that time the number of visitors to my site was not high. It was not uncommon for companies to disappear without notice and since most affiliate programs only pay out at around the \$25 mark, I would lose the revenue.

The other aspect that I was not happy with was the idea of another companies banners littering my site, if you implement too many on any given page it only serves to confuse and irritate your visitors. Any more than one animated element on a web page can be very distracting.

Affiliate tracking was also a problem. After you have successfully applied to become an affiliate for a company, they will usually supply you with some personalized code or link. It is very important that this code is implemented correctly into your page; otherwise you may be sending the company visitors without being reimbursed.

Most snippets of code contain a unique user id; which is used by the company to distinguish which site sent traffic.

Even if you do implement this code properly, it has been my experience on occasion for it not to function correctly.

All things considered, I wouldn't recommend the "hunt and peck" method for finding a good affiliate program. Your time is too valuable and could be better spent creating content and updating your site, if you have one.

Are You Tracking Your Affiliate Results?

One of the most important parts of being successful on the Internet is tracking your promotional efforts. This is equally important when promoting various affiliate programs.

Tracking your affiliate promotional efforts will help you use your time more wisely and pick only the true winners.

Conversion Ratios

It is very important that you keep track of the conversion ratio of affiliate programs that you promote. You want to promote the affiliate programs that have the highest conversion ratios.

For example, if you generate 400 targeted visitors to affiliate program "A" and get 30 sales, the conversion ratio is 7.5%. If you generate 500 targeted visitors to affiliate program "B" and get 10 sales, the conversion ratio is only 2%.

If there is **no** significant difference in the commissions between each affiliate program, you should be promoting affiliate program "A."

Most affiliate programs should give you reporting features that tell you the number of clicks you have generated along with the sales numbers.

If an affiliate program does not provide you with the click information, you can still keep track of this by using a tracking service such as Adminder.com, Roibot.com. There are also CGI scripts that you can install on your web site to keep track of the number of visitors you generate here:

<http://www.cgi-resources.com>

These tracking services work by creating a redirect URL to your affiliate URL. If you use a tracking service, simply take the number of sales you have made and divide it by the number of clicks you have sent to the affiliate program to get your conversion ratio.

Affiliate Commissions

The amount of commissions an affiliate program pays you should play a major factor in which programs you choose to promote.

Let's assume in the previous example you put the same amount of time and money into promoting affiliate program "A" and affiliate program "B". It may seem like affiliate program "A" is the easy choice because it has a conversion ratio that is more than triple affiliate program "B", but this is not necessarily true.

If affiliate program "A" was paying a commission of \$30 on each sale, you would have made $30 \times \$30 = \900 in commissions from your efforts.

If affiliate program "B" was paying \$100 in commissions, you would have made $10 \times \$100 = \1000 . Although the conversion ratio was less, the commission level compensated for this.

For this example, affiliate program "B" would be the obvious choice to promote based on the assumption that the same time and money was spent promoting each program.

Time

How much time are you spending promoting a particular affiliate program? You may have spent hours creating a mini-site to promote an affiliate program. You may spent countless hours submitting ads to free classified sites for a particular affiliate program.

Keep track of all this! Value your time at \$10 an hour and see whether the commissions you are generating are all worth it in the end!

Money

Spending money promoting affiliate programs should be monitored for each particular program.

Let me give you an example.

Michael Jackson spends \$1000 promoting five different affiliate programs and only generates \$800 in affiliate commissions. This results in a \$200 loss to Michael. Michael decides that affiliate programs are useless to promote and decides to go back to his singing career.

But had Michael properly tracked **each** affiliate program separately, he may have came to a different conclusion.

Why?

Let me show you...

These were Michael's final results:

Affiliate Program #1	- \$ 50 spent	- \$80 commissions
Affiliate Program #2	- \$400 spent	- \$150 commissions
Affiliate Program #3	- \$100 spent	- \$500 commissions
Affiliate Program #4	- \$250 spent	- \$0 commissions
Affiliate Program #5	- \$200 spent	- \$70 commissions

TOTAL - \$1000 spent - \$800 commissions

If Michael had tracked closely, he would have realized that affiliate program #1 and #3 actually made him money.

By taking factors of conversion ratios, commissions, time and money into consideration, you can make your affiliate programs make money for you!

Start a simple spreadsheet in a program like Microsoft Excel and start tracking. I know a lot of you maybe moaning and groaning, "I don't have time to do all that!." The choice is yours. We are at an age where scientific marketing is a key component in the success of many businesses.

If you truly want to make it on the Internet, you have to go that extra step to see where you are losing *your* money and where you are making money.



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The information, services and resources provided in this book are based upon the current Internet environment. They have proved successful and rewarding. The Internet by nature is constantly changing and therefore techniques may and likely will change in their effectiveness over time. We cannot be held responsible for changes that may affect the applicability of these techniques. We hope that the skills and knowledge you gain in reading this guide will provide you with the ability to adapt with the continuing evolution of online marketing.

This guide can be freely distributed as long as nothing is altered or changed.

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