



The Easy Way to Set Up an Affiliate Program

Legal Notice:

While all attempts have been made to verify information provided in this publication, neither the Author nor the Publisher assumes any responsibility for errors, omissions, or contrary interpretation of the subject matter herein.

This publication is not intended for use as a source of legal or accounting advice. The Publisher wants to stress that the information contained herein may be subject to varying state and/or local laws or regulations. All users are advised to retain competent counsel to determine what state and/or local laws or regulations may apply to the user's particular business.

The Purchaser or Reader of this publication assumes responsibility for the use of these materials and information. Adherence to all applicable laws and regulations, federal, state, and local, governing professional licensing, business practices, advertising, and all other aspects of doing business in the United States or any other jurisdiction is the sole responsibility of the Purchaser or Reader.

The Author and Publisher assume no responsibility or liability whatsoever on the behalf of any Purchaser or Reader of these materials.

Any perceived slights of specific people or organizations are unintentional.

Most of you are already familiar with affiliate programs, but for those who are not, here's a brief description from the affiliates point of view.

In essence affiliate programs or associate programs are revenue sharing arrangements where companies (merchants, which would be you) pay webmasters commission for sending them customers.

You are paid a commission if the person buys a product or service, (Pay Per Sale - Most Popular Option), clicks on an affiliate link (Pay Per Click - Less popular due to fraud) or simply fills out a form (Pay Per Lead - Also Very Popular).

Basically affiliate programs are programs that enable you to sell other peoples products for a percentage of the sale. They are also a very hot topic at the moment. To see a comprehensive list of affiliate programs you can join, visit <http://www.AssociatePrograms.com>. You can virtually sell anything online now thanks to affiliate programs.

So let's say you sell a book on how to improve your golfing game on the Internet and you've exhausted your pool of advertising sources and you need fresh leads. The best way to go about this would be to start your own affiliate program and pay people a percentage of the sale.

For example, if your book is selling for \$47, don't be afraid to give people 50 to 60% of the profits of each sale. Why? Because it's costing you nothing in advertising and you get to keep the customer for life. So imagine if you then had another product for sale for \$97, you could then advertise this product to your existing customer base and it would cost you nothing.

Affiliate programs are great for the merchant (product owner) because it's risk free. You only pay your affiliates when they get their leads to perform an action (IE, buy something from you) so it costs you nothing. Of course if you have physically create and ship your product, those would be your only costs, and even now that can be avoided by going solely online.

So by using the example of the golfing book, you can do this. Instead of having a "real book" so to speak, you could turn it into an e-book and your customers can download it online and it costs you nothing to ship or create! Pure profits all round.

So how do you go about setting up your own affiliate program?

Well that all depends on the type of products you sell and the commission structure you want to work with.

Let me explain:

A lot of affiliate programs now days let the affiliate earn commissions in 2 ways, sometimes more (multi level marketing).

It's called a tier structure. 1-tier and 2-tier affiliate programs.

1-tier affiliate programs pay commission once, thats when a product is sold. 2-tier pay affiliates when they sign up other affiliates under them, and they then make a sale.

Let's see if I can't explain that in a simpler manner. Here is a good example.

Let's say you setup your affiliate program to be a 2-tier affiliate program. When one of your affiliates makes a sale, let's say you give him 40% of the sale. But here's the trick with 2-tier affiliate programs.

Let's say that your first affiliate recruits another affiliate under him, and that affiliate makes a sale, and also get's 40% of the sale. The only difference here is that the first affiliate (the one who referred the second affiliate) gets a portion of the sale, let's say 10%.

So in actuality, you are paying out 50% of the total sale price to 2 affiliates. You are rewarding your first affiliate for

recruiting a second affiliate when they make a sale.

The majority of the sale should always go to the affiliate who made the sale, IE the first affiliate.

So what affiliate software should you use? This is a part that seems to trick a lot of people or confuse them, so I will make it as simple as possible.

The 2 options available to you are,

- A) Do it yourself affiliate software
- B) Third party software

The 2 have their advantages, and it will depend on what you are selling which one you choose. Let's start with selling an ebook or digital product that can be downloaded online.

My favourite is <http://www.clickbank.com> They are used by thousands of small businesses online, and if you are just starting out, this is what you should be using.

Not only will <http://www.clickbank.com> allow you to setup up an affiliate program, they also send the checks out to your affiliates and are also used as your credit card company.

That's right, <http://www.clickbank.com> will take your orders, give you an affiliate program to sell your products thru, and will take care of the checks so you don't have to do anything.

So what do they want in return? They take a fairly hefty fee per sale. \$1 and 7% per sale and they have a one time setup fee of \$49 which is nothing really. You won't find a better company to setup your affiliate program with if you are selling digital products online.

[Clickbank.com](http://www.clickbank.com) cannot be used to sell physical products, IE tangible goods.

So this brings me to my next section. What affiliate program software should you use for shipping physical products?

You could do it yourself and use a DIY affiliate program script. Here are a few options,

Ultimate Affiliate: Available at <http://www.groundbreak.com> for \$200.

Little Salesmen: 3 CGI Programs for \$197 at <http://www.cgitoolbox.com>

These have to be setup on your own webhosting company and you are responsible for sending out affiliate checks and making sure everything is running smoothly. If you

are not that good at cgi scripting, it might be a good idea to get someone to help you with setting this up, and mind you, it isn't cheap.

You will of course need your own merchant account to accept credit cards on top of this as well.

If you don't want the hassle of having to handle the setup of your affiliate program and still want to ship physical products, here are your best options.

<http://www.netofficetoolbox.com> - A very good option

<http://www.CJ.com> - Expensive, but also a good option

Now, last but not least, if you have a membership site (one that is billed weekly, monthly, bi monthly, yearly, etc) and you want to start an affiliate program (and you should) here are a few tips that will get that started for you.

There really is only one option currently for recurring billing and an affiliate program that's handled by a third party, and that is <http://www.ibill.com>. They charge 15% of every sale and they do have a small setup cost, which I believe is getting more expensive soon.

So Ibill will accept your credit card orders and online checks, they will also give you the option of setting up an affiliate program, and they will again send out checks to your affiliates so you don't have to worry about it.

<http://www.clickbank.com>

[<http://www.Clickbank.com>](http://www.Clickbank.com) is rumoured to be starting a service for rebilling soon, which I would use hands down over Ibill.

Building Your Affiliate Resource Section

Now this is an important part to your affiliate success. In the next chapter I talk about finding super affiliates that will rocket your sales through the roof, but you need to help these affiliates first by setting up resources they can use to promote your affiliate program

Even though your affiliate would be better off creating their own marketing materials in the long run, you still need to create your own, so they can at least use it as a template.

One idea for keeping your marketing material fresh so thousands of affiliates are not using the same material over and over is to keep your material fresh and updated constantly.

Ok, so what should you be creating for your

affiliates to use?

1. Articles
2. Endorsements
3. Solo Ads
4. Free Course
5. Classified ads
6. Banners
7. Graphics

Articles

Are a great way to get your affiliates promoting your products. All you have to do is let them change the byline of your article (the little advertisement at the end of your article) where your web site link is, to their own affiliate link for your product.

This way, they get a few good articles to promote to their ezine list and they get paid for any sale, and so do you. So this really is free advertising, because nothing is coming out of your pocket.

You should aim on creating four or five articles straight off that they can use, or even turn into a free course if you don't feel like writing one.

Endorsements

Endorsements are probably the best affiliate resource you can give them. Nothing sells

better than an endorsement coming straight from the affiliate themselves, so it should be written in the affiliates perspective.

These endorsements will most likely be used in ezines and email mail outs, so keep that in mind when your writing them. Four to five paragraphs long should be all it needs to be.

Of course, web site endorsements can be longer. These ironically enough will be pasted on web sites. They work really well for search engine ranking. A good idea is to design up graphics for these web site endorsements, like book covers and maybe even a spiffy html template. You can check examples of this by visiting a really good affiliate resource section run by Marlon sanders at <http://www.hitsncash.com>

Solo Ads

When ever I advertise with ezines it's usually solely with Solo Ads. These are ads that are sent out by themselves, unlike classified and other ads that go out in the ezine itself.

This ad will go out by itself, so it needs to be a fairly good length. While some people say shorter ads work better for the simple fact the reader has less to read, in reality, a very well written longer solo ad will pull much much better.

There are usually word and length limits to these ads so when you are creating them for your affiliates, it might be good to check around at what the normal length of a solo ad is in your industry. You might even check out the posting guidelines for other ezines so you can know exactly how long they like their solo ads.

The best bet to make a compelling solo ad is to work really hard on the headline. If you can write a very compelling headline for your ad, the rest of the ad should follow.

If you need some information on copywriting, try <http://www.Bizpromo.com/free>

Free Course

Not enough affiliate programs do this. Imagine as an affiliate, being able to give away a free 5 day autoresponder course via email to all your web site visitors promoting your favorite affiliate program.

Do you think that would boost sales? It sure would.

Creating your own free course for your affiliates isn't that hard. You can use the method of just sitting down and writing five articles (you may already have 5 articles written) and putting them together in the form of a free course via autoresponder.

You can see an example of this at

<http://www.masterinternetmarketing.com/earnmoney.html>

The owner of this product allows the affiliate download a 6 part free autoresponder course and use it in your marketing efforts. It's all written for you, all you have to do is put in your affiliate url.

There's a saying that very few visitors buy on the first visit to a web site, so by capturing their email address with this free course, you can contact them over and over again for free.

Classified ads

These are small ads, usually four or five lines long that go out in the ezine itself. They don't work anywhere as well as solo ads, but they are cheap as chips. The secret here again is to write a very compelling headline.

You should also think about telling your affiliates to put their autoresponder link in the classified ad rather than trying to make a sale from such a small ad. They would be better served (and so will you) if they captured the email address of their prospects and sent them the free course.

Banners

While I don't recommend that you place too much time on banners, some affiliates with highly trafficked web sites like them and will produce for you, but in reality, banners very rarely make any good money for merchant or affiliate.

To get your banners created, there are plenty of tools online that you can use to create them on your own. Just put the term "banner maker" into <http://www.google.com>

What I do recommend is that you hire someone to do this for you, and I suggest you talk to Max Rilsky at <http://www.maxcovers.com>

Graphics

You will also have to create a few different sized ebook covers for your affiliates to use on their web sites. I suggest you talk again to Brian Terry about this.

So where should your affiliate resource section be and what support should you give your existing affiliates?

Your affiliate resource section should be somewhere on your website. You could possibly set up a separate website just for your affiliates. A good example of that would be Marlon Sanders

<http://www.hitsncash.com>. Marlon Sanders is a bit of a marketing genius and he has over 10 products selling through one affiliate program.

I strongly urged you to have a look at what he offers his affiliates and how he does it, because he has one of the best affiliate programs on the Internet.

Another example I want to show you is Ken Evoy's affiliate help. He offers his affiliates just about any sort of help you can imagine and this builds a lot of loyalty.

Just imagine this for a moment...

If you see two affiliate programs offering pretty much the same product and the same commission rate, but one offers unlimited support and help to its affiliates and the other just has a standard resource section, which one would you join?

Not a hard question is it.

What Ken Evoy does at <http://articles.sitesell.com/preselling/> is give his affiliates not only an affiliate ezine that is published every month or so with useful tips for promoting his affiliate program, but he also gives them an extremely detailed sales training document.

It's hundreds of pages long and it's a really good beginner's guide to affiliate programs.

His affiliate resource section is amazing too. You get free courses which you can brand with your own affiliate links, and it's not even run from your own autoresponder, Ken takes care of that for you.

Ken is also easily available to his customers so that also helps his affiliates make more sales.

And that, in a nutshell is how you set up your very own affiliate program!