

Starting Your Own Affiliate Program

Overview of Affiliate Programs

- ✓ An affiliate program allows you to reach new customers while only paying for actual sales
- ✓ With a solid base of affiliates you ensure your products are advertised in all available channels, including those you wouldn't have been able to reach yourself with in-house advertising
- ✓ Since you're only paying for actual sales, your brand will inevitably get lots of exposure that you don't have to pay for (like a blogger mentioning your brand without it leading to sales, in which case you'd still benefit from the mention itself)
- ✓ You can set your own rules and decide what you want to allow and disallow in your affiliate program, but keep in mind that more rules often equal less affiliates
- ✓ As with many things in business, you'll most likely find that 80% of your affiliate sales are produced by 20% of your affiliates
- ✓ You have to enforce rules actively to prevent affiliates from damaging your brand, or even getting your company in legal trouble

Hosted vs Self-Hosted

- ✓ There are three distinct options available when you're starting an affiliate program: an affiliate network, hosted software (SaaS) and self-hosted software

- ✓ An affiliate network is generally the easiest to get started with, as they'll handle all things for you including recruiting affiliates, but it's also the most expensive and least flexible option
- ✓ Hosted software (SaaS) leaves recruiting affiliates and enforcing rules in your own hands, but the rules are yours to set as you wish and it's generally more affordable than going through a network
- ✓ Self-hosted software is best if you have advanced requirements or want complete control over your affiliate program - it's usually the least expensive option, but keep in mind that time and effort spent setting it all up is also a type of cost
- ✓ If you're going to use an affiliate network, make sure you pick one that caters to your business model

Your Approach

- ✓ All the choices you make with your affiliate program have corresponding pros and cons, and you need to consider the consequences of each of them before deciding
- ✓ Keeping your affiliate program invite only minimizes your risk and ensures your affiliates know what they're doing, but it may prove difficult to personally invite enough affiliates to make your program successful
- ✓ You can choose to let affiliates earn commissions on all future sales to customers they refer, but keep in mind that you'll never make much profit off of these customers (unless you have very high margins so you can pay affiliates good commissions and still make money)
- ✓ Instant commission affiliate programs are very popular with affiliates, but be prepared for potential headaches when it comes to handling refunds and disputes

Recruiting Affiliates

- ✓ Before you start thinking about recruiting affiliates actively, you need to make sure your affiliate program is actually attractive enough to be worth their while
- ✓ The easier you make registering and promoting your offers, the easier you'll find it to recruit affiliates
- ✓ Marketing forums are great to find and network with affiliates, and you can also purchase ads there promoting your affiliate program
- ✓ Other ways to find and network with both "regular" and "super" affiliates include visiting live events and using social media like Facebook, Twitter or LinkedIn
- ✓ If you're feeling sneaky, you can locate and "steal" affiliates from your competitors with a few simple tricks