

ATTRACTING AFFILIATES



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Introduction

Have you ever considered launching an affiliate program for your products or services? It can be a great way to boost your online sales, and in most cases there are almost only upsides to having one.

This guide will teach you everything you need to know about starting your own affiliate program, from handling the initial setup to recruiting affiliates to promote your offers. We'll go over a few of the important decisions to be made and you'll also learn how to make your affiliate program as attractive as possible to affiliates.

Overview of Affiliate Programs

At this point you may be asking yourself why you should bother with setting up an affiliate program. The answer is that a successful affiliate program can literally explode your online sales, providing you get some skilled affiliates on board. The upfront cost is relatively low, and you only pay affiliates when they bring you sales. An affiliate program with many active affiliates allows you to cover most aspects of online marketing without having to handle it all in-house. All in all, you've got very little to lose and much to gain!

Affiliates can be extremely creative in finding effective methods to promote offers. Some may prefer building websites and ranking them in search engines, while others are all about buying traffic. You may even find that some affiliates are successfully using methods you've never considered viable, and that's the beauty of having an affiliate program.

If there's any kind of promotion you don't want affiliates to partake in, for example bidding in search engines on your trademarked terms, you'll have to specify it in your rules and make sure you enforce it. Beware of sneaky "black hat" affiliates who use questionable methods, as they can be equally creative in coming up with methods to hide what they're doing from you!

While having an affiliate program is mostly advantageous, there are in fact a few potential downsides that you need to be aware of. Most of them revolve around affiliates doing things they're not supposed to, breaking rules or even the law in order to make their sales. Some even go through lengths to steal commissions through fraudulent promotion methods like cookie stuffing. As long as you're aware of these downsides, however, you can take steps to minimize the risks and ensure good results from your affiliate program.

Hosted vs Self-hosted

Once you've decided to launch your own affiliate program, you'll have to decide on how you want to handle the technical and administrative sides of it. You can choose to go with a hosted solution in form of either an affiliate network or SaaS (Software as a Service), or you can host it all yourself on your own server.

Affiliate networks

If you go with an affiliate network, they will handle not only the technical aspects, but also give you access to their existing affiliate base and take care of affiliate payments as well as other administrative duties for you. It's the easiest way to get started, but also the most costly because the network is basically acting like a middleman between you and your affiliates.

Examples of affiliate networks:

- CJ Affiliate (formerly Commission Junction)
- Clickbank
- JVZoo

SaaS

SaaS is, for all intents and purposes, software hosted on the web. They'll cover the technical side for you, but you'll have to recruit affiliates and take care of all the administrative duties yourself. It's a good choice if you have some previous experience and don't mind the extra work (or you have employees to handle it for you). You'll definitely save money compared to using an affiliate network, but the question you have to ask yourself is whether you're capable of attracting enough high-quality affiliates to actually make it more profitable overall than using a network.

Examples of SaaS solutions:

- HasOffers
- Ambassador

Self-hosted

A self-hosted solution offers the same basic benefits as SaaS, with the added burden of hosting it all on your own server. That means you're personally responsible for any downtime, and you need to have a solid hosting infrastructure in place to even consider this option. If your server goes down for even half a day it can lead to some very angry affiliates (their tracking links will not work meaning they'll lose out on potential sales). That said, self-hosted solutions are generally the most affordable of these alternatives, and once you've bought a license for the software there are usually no extra costs.

Examples of self-hosted solutions:

- iDevAffiliate
- Post Affiliate Pro

Your Approach

There are many choices to make when you're starting an affiliate, some of which may have a great effect on how attractive your program is to affiliates. While you can change some things according to feedback you receive after launching, it's still a good idea to give them some serious thought.

One of these choices you'll have to make is whether you want to open your affiliate program to any affiliate who signs up, or whether you want to keep it 'invite only'. Both have their own advantages and disadvantages, and the main factor is probably whether you think you're even capable of finding enough affiliates to invite if you'd go with 'invite only'. Recruiting affiliates can be tricky so generally it's a good idea to keep your options open by allowing anyone to apply (you can still deny affiliates who don't seem to fit the bill).

Another choice is whether you want to offer affiliates just a one-time payment for each customer they refer, or if you want these customers to "belong" to the referring affiliate and pay a commission on every purchase they make during the entire customer lifetime. The latter, of course, can be very attractive to affiliates as they can earn commission passively as long as the referred customers keep buying things from you, but it also requires that they trust you enough to actually honor this agreement and actually attribute these sales to the affiliate.

In recent years some affiliate programs have started offering affiliates 'instant commissions', meaning they'll get paid the very instant the customer pays the merchant. Usually this is only possible when the customer pays through PayPal, and the commission is instantly deposited to the affiliate's PayPal account. Affiliates love this setup, of course, as fast payments are always better in their eyes, but you need to consider what happens if the order is fraudulent or the customer wants a refund. Those situations can get quite messy, especially when selling physical goods, which is why some affiliate programs are better off sticking to delayed payments so they have a chance to verify orders before paying the affiliate.

Recruiting Affiliates

Before you can start thinking about actively recruiting affiliates to your affiliate program, you need to make sure you've made it as attractive as possible to them. For example, be sure to slipstream the whole registration process so it's easy to sign up and get started. If you can, put together some creatives like banners and e-mail swipes for affiliates to use.

Now, to actually locate and recruit affiliates, you could start by frequenting marketing forums and live events. Make it your goal to network and be helpful, adding value along the way. If you focus too heavily on self promotion you may actually just scare potential affiliate partners away. Successful affiliates are approached constantly by vendors who want them to promote their offer, so make sure you try to differentiate yourself in a positive way.

Of course, you could also try to network with affiliates on social media like Facebook, Twitter and LinkedIn. The same rules apply - focus on networking and making friends instead of pushing your offer on people. The more friends you'll make, the more affiliates you'll get.

Conclusion

By now you have some insight into what it takes to create a successful affiliate program. If you have little or no previous experience it may seem daunting at first, but if you just take it one step at a time you'll be fine.

The most important decision is arguably the choice of platform (network vs SaaS vs self-hosted), as changing platforms later on can be quite a hassle. That's not to say it's impossible, but it's better to spend some extra time on your decision and not rush into things - especially before signing a contract with an affiliate network, which can be very expensive.

Usually it's a good idea to start slow and not go "all in" with a big launch, unless you really know what you're doing. There are many potential pitfalls, and by scaling slowly you're better equipped to deal with them as they arise and potentially adjust your course. Also, keep in mind that a successful affiliate program is not built in a day - it can take months or even years before your affiliate program is generating a sizable portion of your revenue (depending, of course, on how successful you are in recruiting skilled affiliates).

Good luck!