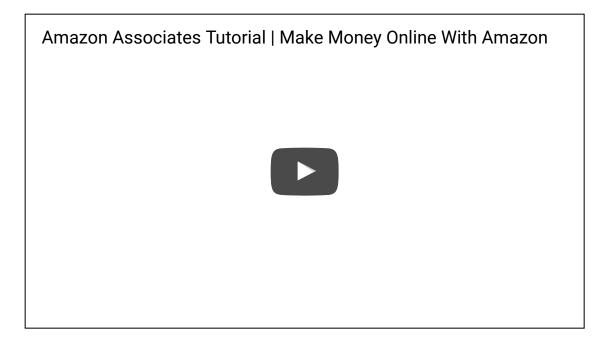
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Affiliate Marketing

It is an arrangement whereby a marketing partner (a business, an organization, or even an individual) refers consumers to a selling company's web site.

The referral is done by placing a banner ad or the logo of the selling company on the affiliated company's web site. Whenever a customer such as mySimon that was referred to the selling company's web site makes a purchase there, the affiliated partner receives a commission (which may range from 3-15%) of the purchase price. In other words, by using affiliate marketing, a selling company creates a *virtual commissioned sales force*.



Pioneered by CDNow, the concept now is employed by thousands of retailers and manufacturers. For example, <u>Amazon.com</u> has more than 500,000 affiliates, and even tiny <u>Cattoys.com</u> offers individuals and organizations the opportunity to put its logo and link on their web sites to generate commissions. With Amazon's Affiliate Program, the store owner

does not need to be a web master or developer to take advantage of its tools. Simply cut-and-paste to link to the desired products, popular categories, favorites, best sellers, search-results pages, and banners—there are millions of options.

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