



Affiliate Marketing

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Affiliate Marketing

Introduction

One of the major challenges of marketing is that you need to spend money first before you can start making money. But what do you do if cash flow is a bit tight right now? Ignore marketing? But how is that going to help your revenue streams?

This is a problem that e-commerce sites in particular often face. Without a brick-and-mortar location to help spread brand awareness, online businesses need to find other ways to get their product listings to stand out.

In this presentation we will discover the concept of affiliate marketing in e-commerce. why you should seriously consider including it in your marketing plan moving forward, how to get started, how it works and how can your business benefit from partnering with affiliates?

Affiliate Marketing

What is Affiliate Marketing?



Affiliate marketing is a popular marketing strategy where an affiliate marketer gets paid for promoting the products or services of a business. Also Affiliate marketing is a performance based marketing strategy where individuals or businesses (affiliates) earn commissions by promoting products or services. The affiliate earns a commission each time someone makes a purchase through the unique affiliate link associated with their recommendation.

Affiliate Marketing

Who is an Affiliate Marketer?



The affiliate is an independent third-party who acts as a middleman between the business and the customer. The affiliate refers potential customers to the business through various online channels, such as a website, blog, social media, email, or video. Affiliates (also known as the publishers) are typically bloggers, influencers, other types of content creators, or past customers. They will market the online store's products on digital channels like their blog, personal website, or social media sites that attract significant traffic. Depending on the Terms and Conditions of the agreement, they can earn a commission per sale, new lead generated, or click.

Affiliate Marketing

The e-commerce brand creates an affiliate program and gives the unique affiliate link to each individual blog, which can track their user, attribute sales, and get paid to the agreed commission. In running an online store, marketing is key to the success of the business, affiliate marketing is a powerful strategy that can help you increase sales and revenue. However, strategies like email outreach and search engine optimization (SEO) can take a long time before delivering results.

Therefore, giving affiliate marketing companies/individuals a try can help to give you the results you need for your online business. Which means that it's less risky than other e-commerce marketing strategies as you pay only if you see results.

The secret for affiliate marketing is that affiliates find people who regularly interact with your target audience. While it's important that affiliates attract substantial traffic, they also align with your branding and the type of products that you are selling

What are the pros of affiliate marketing?

Launching an affiliate marketing program for your e-commerce business is a win-win for both parties involved. For affiliates, it creates an extra stream of income. For e-commerce brands, here are some of the main advantages that it can offer:

Easy to track

Most of the time affiliates will receive their own unique link to use when posting about your business. This affiliate link uses cookies to keep track of the clicks that it generates. Plus, if you use affiliate marketing software like Refersion, you will be able to access all the data conveniently via a dashboard.

High ROI

Affiliate marketing is having a high return on investment and more accessible than other popular digital marketing strategies as you can get started immediately without any big financial investments. Plus, if you decide to pay per sale instead of per lead or click, you will only need to pay affiliates after they have generated sales.

Creates social proof

A by-product of affiliate marketing is social proof. In addition to attracting more online sales, the content that participating influencers share end up serving as powerful user-generated content too. So, even if a post didn't necessarily lead to a sale (or a click), your target audience saw that others trust and love your brand.

Flexibility

Affiliate marketing is a flexible way to promote your business. You can choose the type of affiliates you want to work with, and you can set your own commission rates

Targeted traffic

Affiliate marketing allows you to target your marketing efforts to a specific audience. You can identify a target market and select the perfect set of representatives that will suit the brand.

Gain brand ambassadors

Your affiliates will essentially become ambassadors for your brand. With the help of a strong network of brand ambassadors, you are perfectly positioned to leverage word-of-mouth advertising.

Affiliate Marketing

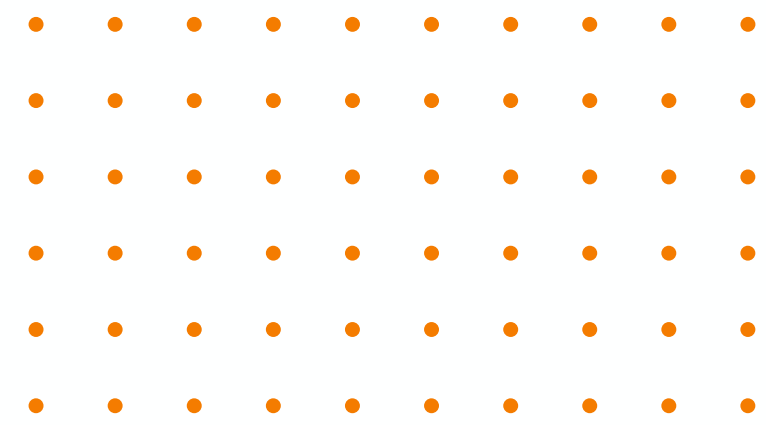
What are the challenges in affiliate marketing?

Some of the common challenges are:

- **Generating traffic:** The affiliate needs to attract and engage a large and relevant audience to their online platform in order to generate clicks and conversions. This requires creating high-quality and valuable content, optimizing it for search engines, and promoting it through various channels.
- **Finding the right programs:** The affiliate needs to choose the best affiliate programs that match their niche, audience, and goals. This involves researching the products or services, the commission rates, the payment methods, the tracking systems, the support services, and the reputation of the business.
- **Maintaining brand integrity:** The affiliate needs to ensure that their promotion of the products or services is honest, ethical, and consistent with their own brand identity and values. This means avoiding false or misleading claims, disclosing their affiliation, complying with the rules and regulations of the program, and respecting the intellectual property rights of the business.
- **Managing relationships:** The affiliate needs to establish and maintain good relationships with both the business and the customers. This means communicating effectively, providing feedback, resolving issues, delivering value, and building trust and loyalty.



How do affiliate programs work?

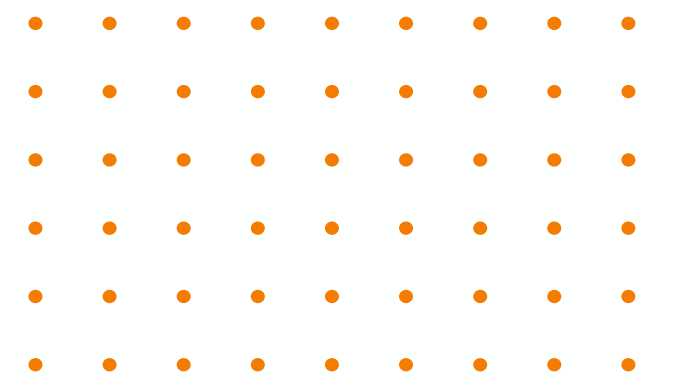


Affiliate programs are a form of performance-based marketing where an affiliate (that's you) promotes a product or service for a merchant (the company who created the product or service) and receives a commission for every sale that is generated as a result of the affiliate's promotion. So, basically, affiliates are helping the merchant generate sales in exchange for a commission. Here are steps of how affiliates program works:

1. Content creators will create or provide affiliate link. When you are on affiliate marketing, you will need to create a good content with a few link.
2. Customers will click on the link. When your customer clicks the affiliate link on your ads from your website, it will be track for social proof purpose.
3. The affiliate marketer will be credited and receive a commission.



How do affiliate programs work?



For example, let's say you are an affiliate for a movie company. The first step is to sign up for the company's affiliate program. This usually involves filling out an application and agreeing to the terms and conditions of the program. Once you are approved, you will be given a unique tracking link that you can use to promote the company's products or services. Every time someone clicks on your link and makes a purchase, you will earn a commission.

So if you are promoting an action movie, then your target audience is likely to be people who are interested in action movies. So, you might want to write blog posts about action movies in general or about the specific movie you are promoting. You could also create social media posts that are related to action movies or the specific movie you are promoting. And you could send out emails to people who have expressed an interest in action movies in the past.

The key is to make sure your content is relevant and interesting to your target audience. And to make sure you are using your tracking link whenever possible so you can earn commissions. In order to become a successful affiliate.

The first thing to keep in mind is that it's important to be authentic and honest in your promotions. Don't try to mislead people or make false claims about the movies you are promoting. Be honest and upfront about your relationship with the movie company and your reasons for promoting the movies. People will appreciate your honesty and be more likely to trust you. Another important best practice is to provide value to your audience

Launching an Affiliate Program for your e-commerce Business

1. Research your competitors

Sure, you know who your main competitors are, but how are they using affiliate marketing? If they do, try to see if you can find out details like which affiliate network they use and what commission rates they pay. Researching your competitors' strategy will also make it easier to find suitable affiliates when it's time to start recruiting your own

2. Identify your goals

The goal of e-commerce affiliate marketing doesn't necessarily have to be to generate more sales. Increasing traffic to your website can be equally valuable. Once you have a clear understanding of what your business goals are, you will be able to decide on a commission strategy and which type of affiliates to recruit. It will also help you to identify metrics that you will want to track. Remember, as you will be using unique links, it's straightforward to track KPIs like click traffic, average revenue per order, conversion rate, etc.

3. Create a strategy for payouts

Now that you know what you are trying to achieve, you can decide what you want to reward.

Leads: With the pay-per-lead (PPL) approach, you will reward affiliates for the number of converted leads

Direct sales: paying the affiliate a percentage of the sale price when their marketing efforts are directly linked to a customer buying a specific product.

Clicks: If attracting more website traffic is your primary goal, it can be a good idea to use a pay-per-click (PPC) approach. With this commission strategy, affiliates will receive a payment based on the number of people they have redirected from their traffic sources to your e-commerce website.

Whichever payment model you want to use, it's key that all the finer details are explained clearly. You will also need to decide on a commission rate that is fair.

That said, you will need to do the math and check that you will be able to afford the rate. To do this, take into account your cost per acquisition (CPA), average order value (AOV), and customer retention rate. For example, if your customer retention rate is higher, your commission can also be higher

Launching an Affiliate Program for your e-commerce Business

4. Recruit affiliates

When searching for bloggers and influencers to include in your affiliate marketing network, your goal should be to find content creators that engage with your specific target audience regularly. How much traffic their websites and profiles attract matter, but it will be useless if those more likely to buy your products are not included in that traffic. Your goal is to get quality traffic. In other words, if you mainly sell clothing, partner with fashion influencers.

5. Share guidelines

Even when you are feeling confident about the affiliates that you have on board, it's crucial that you share guidelines with them. Details that you can include in these guidelines are: Your brand mission, preferred tone and voice, Branding, your top-selling products, Marketing ideas.

6. Monitor

While it's not difficult to get started with affiliate marketing, there are various elements that you will need to keep a close eye on. For this reason, most online businesses use affiliate marketing tools. As mentioned, one of the main benefits of affiliate marketing is that it's easy to track. However, that becomes only possible with the right platform in your tech stack. Whichever approach you prefer, find a platform that has a proven track record. Without a touch of automation, it will be impossible to track how your overall campaign and individual affiliates are performing

How can businesses benefit from partnering with affiliates?

Businesses gain from working with affiliates by boosting sales as a result of affiliates helping them reach new customers and increase sales by promoting their goods to a larger and more varied audience. In order to convince potential customers to make a purchase from a business, affiliates employ a variety of strategies to help the company become well-known and increase its chances of gaining more clients, such as reviews, testimonials, comparisons, or lessons.

By promoting a company's products or services (such as the product's quality, discount, effectiveness, etc.) through online channels including websites, blogs, social media, email, or videos, affiliates can help businesses boost brand recognition. Additionally, affiliates can utilize these platforms to raise brand awareness by displaying reviews and comments from clients, which attract new users.

Once more, affiliates can aid companies in expanding into new demographic or geographic markets that they might not otherwise be able to reach or are unaware of. Affiliates can tailor their promotion to the particular requirements and preferences of their audience by making use of their local knowledge, experience, expertise, language abilities, cultural insights, and network connections.

Additionally, by only getting paid after a purchase is completed, affiliates can assist firms avoid spending money on generating ineffective marketing. Businesses only have to pay affiliates a commission after a sale is made; they are not required to pay them before a deal is made. It contributes to cutting down on money wasted on pointless marketing.

Last but not the least, affiliate marketing benefits both businesses and affiliates. By growing sales, generating leads, raising brand awareness, accessing new markets, and cutting costs, businesses can gain from collaborating with affiliates. Affiliates can gain from working in collaboration with companies by receiving commissions, working flexibly, getting started quickly, and being innovative.

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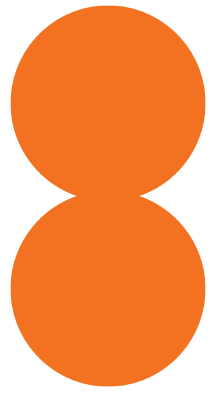
In conclusion, giving affiliate marketing campaigns a try can help to turn your situation around. As it is performance-based, you only have to pay after you have seen results. This also means that it's less risky than other e-Commerce marketing strategies as you pay only if you see results.

We have learned the meaning of affiliate marketing, who is an affiliate, how we can launch our affiliate program, the benefits of partnering with affiliate and how affiliate program works.



**GOT
QUESTIONS?**





Thank you!

