

Why You Should Promote Residual Affiliate Programs

Are you a webmaster in need of additional income? Or are you planning to set up an online business but you still don't have any product to sell? If so, affiliate marketing may be the best solution for your problems. With affiliate marketing, you won't need to worry about the products you have to sell. All you need to have is a website with sufficient contents that are related to the products of a certain online company offering affiliate programs. By becoming a member of the program, or by becoming an affiliate, you can start earning a certain amount of money right away!

Affiliate marketing is some sort of business relationship established between a merchant and his affiliates. In affiliate marketing, an affiliate agrees to direct some traffic to a merchant's website. If that traffic is converted into some kind of action, like a visitor purchasing a product on the merchant's website or a visitor becoming a lead for the company, the affiliate who directed the traffic will be compensated. Compensation may take the form of either a percentage sales commission for the sales generated or a fixed fee predetermined upon the application of the affiliate on the merchant's affiliate program.

Promising a lot of benefits both for the merchants and the affiliates, affiliate marketing has become one of the most popular online marketing methods today. In fact, almost every merchant or retailer site today offers an affiliate program that any one can join into. Most retailers would entice people to become affiliates or members of their program by promising great benefits like large commissions, lifetime commissions, click through incomes and a lot of other benefits. But would all these affiliate programs bring off the same benefits?

Most affiliate programs would pay you, as an affiliate, a one-time commission for every sale or lead you brought to the merchant's website. Commissions for this kind of affiliate programs are usually large, ranging from 15% to a high of about 60%. Other affiliate programs would pay you a fixed fee for every click through or traffic you send to the merchant's site. Programs like this often pay a smaller fee for every click through, usually not getting any larger than half a dollar. The good thing about this kind of program, however, is that the visitor won't have to purchase anything in order for the affiliate to get compensated.

Another type of affiliate program is the residual income affiliate program. Residual affiliate programs usually pay only a small percentage of sales commission for every sale directed by the affiliate to the merchant's site. This commission often comes only in the range of 10% to 20% sales commission.

Because of this, many people ignore residual affiliate program and would rather opt for the high paying one-time commission affiliate program. Are these people making a mistake, or are they making the right decision?

We can't tell, for sure, if people are making a mistake by choosing a high paying one-time commission affiliate program. But we can definitely say that they are making a large mistake if they ignore residual affiliate programs. Residual affiliate programs would indeed pay at a lower rate, but merchants offering such kind of programs would generally pay you regular and ongoing commissions for a single affiliate initiated sale! That means, for the same effort you made in promoting a particular affiliate program, you get paid only once in a one-time commission program, and a regular and ongoing commission for a residual program!

So, are the benefits of promoting residual affiliate programs clearer to you now? Or are they still vague? If they are still vague, then let's make them a bit clearer with this example.

Suppose there are two online merchants both offering web hosting services on their sites. The first merchant offers a one-time commission type of affiliate program that pays \$80 for every single affiliate initiated sale. The second merchant also offers an affiliate program, but this time a residual affiliate program that pays only \$10 for every single affiliate initiated sale. As an affiliate, we may get attracted at once at what the first merchant is offering, as \$80 is definitely a lot larger than \$10. But by thinking things over before actually getting into them, one may be able to see that the second merchant is offering us more opportunity to earn a larger amount of money.

Supposed you have directed traffic to the merchant and it converted into a sale, you'll get paid once by the first merchant for the sale you have initiated. But with the second merchant, you'll get paid monthly for as long as the customer you have referred to the merchant continues to avail of the web hosting service. That means that for the same effort of getting one customer to avail of the merchant's service, you get paid monthly in residual affiliate programs while you only get paid once in a one-time commission type of affiliate programs.

So, are residual affiliate programs worth promoting? Definitely yes, because you virtually get more money from these types of affiliate programs in the long run! And would residual affiliate programs work best for you? Probably not, probably yes. It is not really for me to tell. But with the benefits that residual affiliate marketing can provide, it would really be unwise to ignore such programs.