

Setting Up An Affiliate Marketing System

Affiliate programs will enable a business to generate a lot of traffic and therefore boost sales through promotion by third party sales or sites. It's also a cost effective way to advertise your products and services as you pay only for the efforts that actually turn into sales.

Setting up your own affiliate system can be either easy or overwhelming, all depending on how many affiliates you want to recruit, as well as your payment policy and the type of product that you are offering.

As for your affiliate systems, there are two options for your business - outsource the entire system or run your own affiliate system through your own web host. Each one boasts its own advantages as well as disadvantages.

If you have a small amount of affiliates, then you can run your own affiliate software. If you plan to recruit a large number of affiliates, then you will probably need to outsource. The reason for this, is because you'll find it easy to deal with a large number of sign ups, track payments, monitor clicks, etc.

Types of affiliates

There are numerous types of affiliates out there to choose from. There's the pay per sale, where an individual is paid only if a sale is generated from the affiliate's link. It's the least attractive to people, unless the product is in high demand and the most profitable for business.

Another type is the pay per lead, where you pay only for traffic. With this type, the affiliate is paid only if a visitor is generated from the site of the affiliate. It's attractive to affiliates although costly to web site owners due to the possibility of non sale visits.

Considerations

When setting up an affiliate, something to consider is whether or not you'll approve affiliates manually or automatically. It's normally recommended to start affiliate programs with your established customer sites then progress to new ones.

If you are dealing with pay per clicks, you may have to control the affiliates as the quality of visitors will be a huge factor when it comes to the generation of sales. By manually reviewing, you'll also be able to judge the website or individual affiliates to see if it's in the best interest of your company.

If you decide to use your own affiliate system, one of your biggest challenges will be how to pay affiliates a percentage of what you end up receiving from customers. To do this, you can rely on software such as Affiliate shop to help you track and manage commissions.

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