

"X-Factor Traffic" – The Top 10 Most Effective Totally FREE Web Traffic Tactics in the History of the Internet, Get All 10: <http://xFactorTraffic.com>

#6 - How to Build Your Own Affiliate Program by Dearl Miller of Trafficology.com

Exactly 3 years ago Internet history was made when web traffic expert John Reese sold over \$1 Million of products online in less than 16 hours, without spending a single penny for online or offline advertising.

Do you ever wonder how he did it?

Did he use search engine tricks or pay-per-click?

Was it free articles, RSS or maybe blogs? Nope!

Ironically, the “1.57 Billion Visitor” man didn’t use any of the highly touted Traffic Secrets he sold at <http://trafficsecrets.TrafficologyResources.com>.

Instead he used the very same time-tested free traffic creation technique that we’ve been using for years to sell millions of dollars of online products and services annually in several different niche markets.

Yep, the 1-Day Internet Sales record was set primarily thru use of the most profitable traffic technique ever, a carefully organized affiliate marketing campaign.

And...just by agreeing to split the revenue with anyone who helps sell your products and services you too can easily drive millions of highly targeted

visitors to your site...without spending a single penny on advertising or countless hours learning the latest marketing tricks.

Unknown to most webmasters, many web traffic experts are actively looking for new products and services to promote on a cost-per-sale basis. In every niche you'll find search engine optimization specialists, pay-per-click professionals, and email list marketers who'll invest their own time and risk their own money driving traffic to your website. And, the Internet is full of high traffic content sites with a loyal following that generate revenue by selling related affiliate products.

They do all the work and you only pay when they actually generate sales. It's the ultimate guarantee, either you make money or the affiliate doesn't get paid.

Create Traffic Using Affiliates

Here's the simple 3-step process to create a nearly limitless amount of traffic with an affiliate program:

1. Prepare Your Website for Affiliate Sales
2. Recruit New Affiliates Into Your Program
3. Motivate Your New Affiliates Into Action

STEP 1: Prepare Your Website

To prepare your website you need to do three things:

- ✓ evaluate your competition;
- ✓ calculate two important sales statistics;
- ✓ and set-up affiliate tracking software.

Evaluate Your Competition

Affiliates want to know why they should promote your product over bigger sites and well-known competitors. If you know what products they sell, how much they charge, and how much they pay affiliates, then you'll be prepared with info you need to answer exactly why.

Also, it's important to examine your competitor's sales process. Find out exactly where the money is being made. They may offer a main product up

front or they could promote a low priced product initially, then sell a more expensive high-end product during a follow-up.

The best way to gauge your competition is to purchase their product and experience everything first-hand.

If this is not possible then you should at least sign-up for their free email list. This will reveal their sales strategy and show the other products being promoted.

More important than knowing what your competition sells is knowing how they treat their affiliates. This can only be done by becoming an affiliate yourself.

Therefore, go through the entire affiliate recruitment process paying special attention to how they “sell” the benefits of being an affiliate for their product. Find out what promises are made, how much they pay and exactly what they do to help affiliates be successful.

It’s also important to pay attention to the backend follow-up. Some sites will have no follow-up, some will have a few auto-responder messages...but the best affiliate programs will deliver a personalized email campaign designed to train and motive each affiliate.

Calculate Your Conversion Rate and EPC

The next step in preparing your website for affiliate traffic is to (if you don’t already know) determine your conversion rate and affiliate earnings per click. These numbers are very easy to calculate and, as you’ll soon see, are essential to the affiliate recruitment process.

For the purpose of affiliates your conversion rate is defined as the number of sales divided by the number of unique visitors to your sale page.

Affiliate Earnings Per Click (EPC) sounds a bit more complicated but is just the average amount of money an affiliate earns for each visitor it sends to your site. To calculate your EPC simply multiple the average commission per order times your conversion rate.

EPC is very important to affiliates. It's used to grade how much money they expect to make promoting your product. A higher EPC will attract more affiliates, which will generate significantly more traffic.

An independent survey of over 130 affiliate programs found the most common conversion rate to be 2-3%.

You can determine your industry's conversion rate by driving traffic to top competitors as an affiliate. This will also give you their EPC. If your site produces better results, you'll have a solid recruiting advantage.

Quick Things you can do to improve your EPC:

1. Increase your average revenue per order by offering an up-sell option during checkout.
2. Encourage customers to order add-on and complementary products.
3. Increase the affiliate commission rate.
4. Improve your sale letter conversion rate. (a small increase in your conversion rate will dramatically improve your EPC.)

For more tips on improving your conversion rate listen to Alex Mandossian, Joe Vitale, and Mike Fortin in the Membership Site

Set-up Your Affiliate Tracking Software

To run an affiliate program at a very minimum you'll need software to track who referred each sale. To be successful you'll also want to provide affiliates with a real-time report of how much they've earned as well as email newsletters and other promotional materials.

Basically, you have 3 options:

1. Purchase software that runs on your server
2. Use a 3rd-party affiliate tracking service
3. Design and develop your own custom solution

This decision is one of the most important you'll ever make about your affiliate program. There are several "entry level" options, but be careful. If you later try to upgrade to a more robust system you may not be able to. Often the tracking links provided by one system are not compatible the links from another...and it will be very difficult to get your affiliates to change links.

Therefore if you later find your software does not meet your needs you may be forced to run 2-systems or lose all the affiliates who are still using your old links.

To prevent this problem you should not only evaluate software features, but also do a realistic assessment of how committed you are to your affiliate program. If this is nothing more than a part-time operation then an entry level service or an off-the-self software may perform nicely. But if you're serious about generating millions of dollars thru affiliates then you may want to start out using a high end 3rd-party service or try to develop your own custom affiliate tracking software.

Another thing you can do to avoid being locked into one software is ensure affiliates are linking to a domain name you control. This can be done by running software on your own server (either one you bought or created) or using a 3rd-party service like

MyAffiliateProgram.com that runs links thru a domain name of your own. By keeping control of the domain your affiliates are linking to you'll always be able to find a way to keep their links working properly.

Affiliate Tracking Software Options

Experts disagree on an ideal affiliate tracking solution. Ken Evoy, the legendary affiliate marketer from SiteSell.com contends it is essential to create your own custom software. He believes doing so gives the flexibility to provide innovative affiliate tools that help you stand out and make your program successful.

On the other hand Shawn Collins, the top authority on building successful affiliate programs, clearly favors the use of 3rd-party service providers. Shawn believes your time is better spent recruiting new affiliates and building business relationships. He sites companies who developed their own software rarely update it with important new features.

A service will constantly improve and provide for your changing affiliate needs. I see benefit in both options but recommend you do an evaluation and find the best option for your needs.

Does your program really need all the latest features?
Would you prefer someone take care of it for you?
If you create custom software, will you update it?

A thorough review of the many affiliate tracking software options can be found on this site: <http://AffSoftware.TrafficologyResources.com>

STEP 2: Recruiting New Affiliates

The process of enlisting new partners into your affiliate program involves two steps. First you'll need to identify qualified prospects, and second you'll need to sell them on why they should promote your site.

The Different Types of Affiliates

There are basically 4 different types of affiliates.

The first is a content rich website or blog with a loyal following. This is what people normally envision when they think of an affiliate. While most do not generate a significant amount of traffic individually, together they can produce a steady stream of sales. Plus, they are fairly easy to find and recruit.

The second type are commonly called super affiliates. They either have a large email list or a high traffic site. When a Super Affiliate promotes your site you'll immediately see a dramatic increase in sales. For this reason they're highly sought-after & difficult to recruit if you don't know how to approach them properly.

Search engine optimization experts and pay-per-click professionals are the third type of affiliates. Instead of charging a fee they'll use their skills in exchange for a sales commission. Unless you get very lucky you'll not be able to recruit them...they'll find you if your site and products have enough profit potential.

Finally, the fourth type of affiliates are services such as comparison shopping sites, coupon sites, and incentive sites. Each has different requirements and can effectively generate traffic on a pay-per-sale basis.

Finding Prospective Affiliates

The easiest way to find prospective affiliates is to see who is already an affiliate of a competing or related product. The idea is, since they're already promoting a similar product then they'll also promote yours.

To identify the affiliates of a competing or related site just find out who is linking to them by using Google or link popularity software such as Axandra's Arelis. This type of tool can also search by keyword and provide other helpful features such as sending a customized email directly to their webmaster and keeping track of who you've already contacted.
(<http://LinkFinder.TrafficologyResources.com>)

Another way to find affiliates is to search popular keywords for your niche at Google, Yahoo & MSN.

Just use a search term suggestion tool such as GoodKeywords to identify the most popular terms. Then search for those keywords to find the top ranking sites. Since they have such a good ranking for high traffic keywords you can assume they get a good number of visitors and may be good affiliates for you.

Finally, don't stop at the first couple of pages of search results. Since these sites were returned for related keywords even the sites on page 10 could be helpful. Just because they don't have a high search engine ranking does not mean they have no traffic.

Other ways to identify prospective affiliates are to see what sites are using paid advertising and which affiliate products your competition is promoting. Sites in your niche who are advertising either online or offline should be considered a bit more marketing savvy than most webmasters. It's likely they know how to create traffic and may be good partners.

The same is true for products your major competition is promoting. If big players in your niche promote a product, they're generating a serious amount of traffic.

If the site they promote is your affiliate you'll be able to indirectly target your competitors best customers.

Finding Contact Information

Now that you've created a list of prospective affiliates you need their contact info. You'll usually be able to find it on their website or via the WhoIs directory at: <http://WhoIs.TrafficologyResources.com>.

I always check the Google PR and Alexa Ranking for each site before looking up their WhoIs info. This short-cuts the process and prevents me from spending valuable time on a site that has little or no traffic at all. (To save time I use both the Google & Alexa Toolbar.)

If you have a very tightly focused niche then take every affiliate you can find. But if you have thousands to pick from, only contact sites with an Alexa Ranking of less than 200,000...unless you'll also do the extra work of teaching affiliates how to create traffic.

At this point I also weed out the mega-sites (like MSN and CNN) that I have no chance of getting to sign-up for my program. And, I pull out all the sites with an Alexa Ranking less than 20,000 or names I recognize as major players in the niche. They go on a special list of sites to receive super-affiliate recruiting treatment.

Sell Your Affiliate Program

You've created a list of prospective affiliates, now you need to sell them on exactly why (with all the other options) they should promote your product. To do this, you must first understand the affiliate mindset. Some affiliates may like your product, but they all like money a whole lot more. You may be tempted to focus on how good your product works. Don't. What you should do is provide documented proof regarding how great the product sells and how easy it is to make money following your simple, step-by-step directions.

In the end, affiliates care about results. A quality product is pre-requisite. It's your sale process, your ability to convert traffic, and ultimately your EPC that will make or break your affiliate recruitment process.

Affiliate Recruitment Sales Process

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Competition for the best affiliates is fierce. Websites and marketers who are able to produce results are also constantly swamped with requests for link-exchanges, product promotions and joint-ventures proposals.

If you want to recruit quality affiliates you must use a well thought out, multi-step recruitment process.

This will help you “stand out from the crowd” and demonstrate your commitment to producing results.

Here’s the time-tested affiliate recruitment process we’ve used to generate over a million dollars annually in several different niche markets:

1. Create an Affiliate Recruitment Website
2. Contact Prospective Affiliates Offline
3. Follow-up & Close-the-Deal Online

Create an Affiliate Recruitment Website

Using the “affiliate mindset” as your guide, create a powerful affiliate recruitment sales letter. It should have a professional look and feel and employ all the standard copywriting techniques. *(see copywriting lessons from Joe Vitale & Michel Fortin in the Trafficology Membership Site at www.Trafficology.com/login.php)*

Your headline, greeting, bullet points, testimonials, closing, call-to-action, PS and bonuses must all focus on how the affiliate benefits by promoting your site.

Talk about how much money they’ll make, provide financial and social proof that promoting your product is profitable, and highlight the benefits they’ll receive.

Explain exactly why promoting your product is better than promoting other products in your niche. Include conversion rate, EPC and results oriented testimonials.

When people are reading they should feel they'll be successful just by following your simple instructions.

Finally, when your sales letter is live you should track the conversion rate and try to improve it over time.

Contact Affiliate Offline & Follow-Up Online

Now, take the sales letter on your affiliate recruitment website and turn it into a 1-2 page print letter. Attach a page of powerful testimonials and list the results other affiliates had by following your simple instructions.

Remember, the purpose of the letter is to drive people back to your recruitment website, so keep it short and benefit oriented. The details will be covered online.

Additionally, from the letter create a colored postcard, a telephone script, and a 1-page fax with just a few paragraphs, bullet points and a strong call to action.

Also create a brief follow-up email to be sent a day after the letter, fax, and postcard are delivered.

Once you have all these materials ready, follow this 14-Day Recruitment Plan-of-Action exactly:

- Day 1: Mail the affiliate recruitment letter
- Day 5: Email the follow-up recruitment message
- Day 6: Fax the follow-up 1-page summary
- Day 7: Email the follow-up recruitment message
- Day 8: Mail the follow-up recruitment postcard
- Day 12: Email the follow-up recruitment message
- Day 13: Call or leave a recruitment voicemail
- Day 14: Email the follow-up recruitment message

Finally, use an excel spread sheet to track the results and promptly discontinue the campaign for everyone who either became an affiliate or said “no thank you”. This is a fairly inexpensive process with the potential for a huge return. Therefore, each month resend the print sales letter to everyone who has not responded.

STEP 3: Motivate Affiliates

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Now that you've created a team of affiliates, you need to help them drive traffic to your website. The keys to motivating affiliates are communication & promotion.

Your affiliates are often affiliates for many other sites. Your goal is to stand-out from the crowd, grab their attention and show exactly what to do to make money.

Once the money starts coming in they'll be hooked. To motivate affiliates provide a clear plan of action and then continually follow-up via newsletter. Your messages should provide simple instructions, cool tips and testimonials that encourage readers to take action.

Also, if you want your affiliates to promote your site you'll need to provide very specific instructions and the tools necessary to complete the job. You should develop a step-by-step plan for affiliates to follow as well as create a resource section with a selection of banner ads, text-ads, and product endorsement emails.

Finally, create ways for affiliates to integrate your promotions into their current sales processes. This type of on-going marketing will create a steady flow of new traffic without any extra work on their part.

For example, if your affiliates publish niche specific newsletters, provide a selection of articles they can reprint or even re-write for their audience. Or, if they'd rather have new articles you could offer to write a monthly column for affiliates to "syndicate".

Another example is creating a message (or two) that affiliates can add to their auto-responder series. By providing a good mix of content and promotion you'll gain favor with all their current & future list members.

Conclusion

A carefully organized affiliate campaign is the single most profitable web traffic creation technique. It allows you to multiply your time and resources in exchange for only a percentage of the sale generated.

It's important to remember as an affiliate manager your job is to: convert the maximum number of sales and generate the highest EPC possible; provide tools to be successful; and constantly recruit new affiliates.

Enjoy!



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PS: How to Recruit Even More Affiliates

Honestly, very seldom will people in the best position to market your product start knocking on your door. Therefore, you'll need to go out and find them first. Actively recruiting marketers to promote your product or service as an affiliate is the fastest way to grow your program and create targeted web traffic.

But, there are other recruitment options. In fact, nearly 63% of affiliates will sign up because they're actively searching for a product to promote. Here's the top 5 ways to help active affiliates to find your program first:

1. Search Engine Optimization

The number one way most affiliates learn about an affiliate program is by specifically searching for one in a search engine. Ironically, most affiliate program managers do absolutely no search engine optimization.

I highly recommend reviewing the search engine tutorial in the Trafficology Membership Site. Also consider developing a separate website specifically for affiliate recruitment. This will enable you to take full advantage of your search engine recruitment options.

2. Affiliate Directories

A frequent destination of niche marketers looking for new products to promote, these sites help affiliates find just the right program as well as provide tips, tutorials and important affiliate program resources.

Affiliate directories generate a huge amount of traffic and rank as the third

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most popular way affiliates find a program (behind only search engines and Email). Getting your site listed in (or possibly recommended by) one of these 3 directories should be a top priority:

- <http://AffTip.TrafficologyResources.com>
- <http://AssocProg.TrafficologyResources.com>
- <http://ReferIt.TrafficologyResources.com>

When submitting your sign-up link, you may want to use a 2nd-tier link with yourself as the referrer. This will enable you to track the effectiveness of the listing.

3. Affiliate Message Boards, Forums & Blogs

Similar to creating traffic using niche forums, you can recruit affiliates by simply answering questions too.

This labor intensive idea should be used as an indirect marketing technique. Don't post an advertisement for your program, instead make a meaningful contribution to the discussion and leave a link to your program's signup page just below your signature.

Try both affiliate marketing forums and message boards specific to your niche. To find the best communities just do a quick search in Google.

4. Advertise in Affiliate Newsletters & Magazines

Just like every other topic, Affiliate Marketing has it's own share of online publications. Here are a few great places to find people serious about affiliate marketing:

- <http://AffMgr.TrafficologyResources.com>
- <http://AffTip.TrafficologyResources.com>
- <http://RevMag.TrafficologyResources.com>

5. Co-Market to Top Producing Affiliates

Finally, one of the best ideas I've ever heard about affiliate recruitment is an insider secret Shawn Collins let slip out by mistake. When looking for new people to promote a site he'll often partner with fellow affiliate managers and agree to promote programs to each others most successful affiliates.

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Not only does this enable you to zero in the affiliates most likely to generate the biggest results for your program, but by encouraging your top affiliates to join another program you'll automatically earn the 2nd-tier commission for all sales they refer.

BONUS: Other Affiliate Recruitment Methods

A few more methods for generating a steady stream of new affiliates are:

- ✓ Sponsor affiliate marketing events such as <http://AffSummit.TrafficologyResources.com>;
- ✓ Build the reputation for a good affiliate program and let word-of-mouth attract powerful super-affiliates;
- ✓ Contact people advertising complementary products online and offline;
- ✓ Use pay-per-click to advertise your affiliate marketing opportunity using inexpensive, niche-specific terms.