

The Affiliate Toolbox Presents

How To Get Started With Affiliate Marketing

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Preface

You're probably wondering why this e-book is free instead of \$97.

If you know me at all, you know I like to give out information for free. I do so because, put simply, I know it will draw people to me. The more people I draw to me, the more people will become my affiliate referrals and the more money I make.

No one *has* to pay for this e-book or the information in my blog. Instead of paying for it directly, I ask people to sign up through my referral links on affiliate networks. All I have to do after that is show them how to make a bunch of money for themselves and suddenly, I've made more than a one-time \$97. And if I'm lucky, people will send this guide to their friends and family and they'll do the same. But whether you want to sign up through me is completely up to you.

Chapter 1 - Before You Get Started

ANYONE can be an affiliate marketer. I know 15-year-olds that are making six figures just doing sales for other companies online and I personally know a 19-year-old multi-millionaire. The game is literally open to anyone who is willing to give it a shot. However, you should know several extremely important things before you get started with affiliate marketing.

First of all, you should know that you shouldn't approach affiliate marketing as a "get rich quick" scheme. Whether it's a side income or your mainstream income, referral marketing should be taken as seriously as any other business and probably more so as you are just one person. If you really want to be successful, you're going to have to set time-based goals and bust your ass to achieve them.

Second, you should know that unless you have a decent source of incoming free traffic, you're going to have to spend some money to get people to come to you, so make sure you give yourself a nice starting cushion -- \$1,000.00 is generally a good number to start with. It won't kill you to start with less and it definitely won't hurt to start with more, but just keep this number in mind when you start out.

Third, you may have heard somewhere that affiliate marketing is autopilot. I'll tell you right up front -- there is absolutely nothing autopilot about this business. Especially in the beginning when you're constantly adjusting your campaigns to get the most profit possible. However, as you develop more and more of a routine and a set of steady campaigns, you can learn to let your campaigns run on their own for longer periods of time. But Murphy's Law -- "anything that can go wrong will go wrong..." -- applies just as much to affiliate marketing as it does to anything else.

You've got to be on top of your game.

And last - affiliate marketing typically involves creating websites and things of that nature, so you should be aware that if you can't design your own, there are people who will do it for you. Also, I've written this book assuming my readers are somewhat technologically savvy or has someone close to them who is.

Chapter 2 - A Brief History & Introduction

Like many things, referral marketing predates the internet. In the earliest days of the internet, adult sites immediately took advantage of the affiliate marketing system. It wasn't until 1994 that CDNow.com took it mainstream.

Then, in 1996, Amazon launched their Associates program and it's been gaining serious momentum ever since. In fact, it's estimated that in 2006, the affiliate marketing industry alone pumped out \$6.5 billion in generated sales. Mind you, this is an industry based on individuals.

So after fourteen years, you might think that the industry is completely saturated. You would be dead wrong. There are tons of ways to cut out a profit just by marketing other people's products. In fact, that's just what affiliate marketing is - marketing other people's/companies' products for them. The way I like to put it is that you are generating sales that otherwise wouldn't exist.

The reason this is so good for the company you're selling for is that it's a guaranteed advertising model. No, it's not 100% certain that they will make sales BUT it *is* 100% certain that they will profit on all sales generated by you. This is exactly why more and more companies are tacking on affiliate programs; they know it's a huge untapped revenue source for people like you and me.

On the flip side, affiliate marketing is great for people like you and me because it gives us a chance to get in on the action with little overhead. The way business used to work is you'd either have to come up with your own products or you'd have to buy someone else's products and sell them yourself. That meant that you'd have to have some way of displaying your products, packaging them and then you'd be responsible for returns, customer service, etc.

Today, affiliate marketing has taken care of most of those things. Customer service, shipping, returns, production, payroll, you name it. These things have been virtually eliminated from the affiliate marketing business. All we have to worry about is the marketing aspect and, of course, getting paid.

Chapter 3 - How It Works

In general, affiliate marketing is a very simple system. You take a company that already has a website and a product to sell, and plug them into an affiliate program as an "advertiser." Then, an affiliate marketer joins that same affiliate program as a "publisher" and can begin to sell the advertiser's products.

In the affiliate marketing world, affiliate programs are called affiliate networks. An affiliate network is a company whose website tracks both sales as well as web traffic from affiliates. Their job is to make sure advertisers receive quality traffic while also making sure publishers (affiliates) get paid correctly.

When an advertiser joins an affiliate network, they will agree on a pricing structure for their respective affiliate program (called an offer). Typically, they have the option to pay either a percentage of an entire sale or they can pay a set amount per sale generated.

Additionally, they can offer a performance incentive. A performance incentive encourages affiliates, simply put, to do more sales by offering more money per sale. For example, a company might offer a 5% increase in payment once an affiliate has generated ten sales. Then, once the affiliate has generated fifty sales, the company might offer a 10% increase. And once they reach 100 sales, they might get another 15% increase and then stay there. Mind you, this is just an example but this is very common.

When an affiliate joins that same network, they will see offers listed from multiple advertisers who have all joined that same network. The affiliate can choose to join the particular offer/program to begin marketing it. Of course, the affiliate network won't pay out 100% of each sale to the affiliates; they take a cut off the top. Exactly how much they take is usually negotiable (we'll talk more on this later) depending on the amount of quality traffic you're able to send.

The traffic an affiliate can send can come in several different forms: PPC (pay-per-click) traffic, website traffic, email traffic, etc. Unless the affiliate has a website with tons of traffic already, they're most likely going to have to pay for traffic to be sent to the advertiser's website. More often than not, this traffic will come from search engines like Google, Yahoo! and Microsoft Live.

So to sum up, the affiliate (you) sends traffic (people looking for something) from the search engine (or website, email, etc) to the advertiser's site through the affiliate network. When sales are completed, the advertiser's site notifies the affiliate network that a sale has been completed and you get credited. Then,

depending on your payment schedule, the affiliate network will cut you a check!

That's the gist of it, but let's get more specific.

Chapter 4 - Joining Affiliate Networks

Now that you know how the basic process works, it's time for you to start applying to the affiliate networks you'll be using. Most of these won't approve you instantly, so you'll have to either wait or I recommend that you give them a call. Without further adieu...

[AzoogleAds](#)

[ClickBank](#)

[Commission Junction](#)

[Copeac](#)

[CX Digital Media \(IncentaClick\)](#)

[Hydra](#)

[NeverblueAds](#)

Of course, there are numerous others but these should be enough to get you started. Keep in mind, most of them will not pay you until you submit your tax information (w8/w9) via mail or fax.

When you do sign up, some of these networks will give you an affiliate manager. An affiliate manager is there to give you ideas for new campaigns and monetizing traffic you might already have. They're also there to encourage you to do more business as well as negotiate payout increases as incentive for doing so, but we'll go into that later on.

If, for any reason, you have trouble getting a hold of a particular company then feel free to use <http://www.affaimlist.com>. It's a list of affiliate manager AIM (AOL Instant Messenger) screen names from different networks.

Chapter 5 - Choosing Offers

Once you've been granted access and given your login to the affiliate networks you applied to, it's time to look over the offers. And just so you don't get confused, offers aren't always called "offers" on all networks. For instance, on [Commission Junction](#) they're called Links or Products and on [NeverblueAds](#) they're called Campaigns.

I get asked how I choose offers all the time and in general, I tell people that I try every offer I come across but I generally have more money to spend than someone just starting out, so I'll give you some tips.

Tip #1 - When you're getting started, I personally feel it's best to stay away from tangible products. When you start to involve the post office, you are putting the life of the sale in their hands and you should remove as many points of failure as possible.

Tip #2 - Just because an offer says it pays \$50.00 per lead or sale doesn't mean it's going to be easy to make money on. In fact, offers that pay so much are either hard to sell or they're easy to sell but their marketplace is saturated. I'm not saying *never* try them; I'm just saying that you might want to wait until you have more experience.

Tip #3 - Your affiliate manager will most likely point you toward offers that pay in the \$1-2 range when you just get started out. These offers generally don't require much effort on the customer's part and so your affiliate managers will assume they're easy to market. Wrong. Not only are these markets typically saturated with other advertisers but even if you do get in and begin to profit, they're hard to scale to larger numbers.

Tip #4 - When looking at a potential offer, research it as much as possible. Ask your affiliate manager how it performs on the network and how much revenue its top affiliate is churning out on a daily basis. What I typically do is do a few Google searches I would use to find the product/offer in question and look at the already-existing advertisements and webpages. A lot of times you'll actually come across someone who is running the exact same offer. Pay close attention to how they're selling the offer.

Tip #5 - Start with something close to home. What I mean is that you should look for offers that you know something about. For instance, if you have a baby, why not push baby-related products? If you love golf, go with golf offers. It's no stretch to imagine you probably have stronger feelings on subjects you're familiar with. Those feelings will help you to sell.

Tip #6 - Find a need and fill it. For example, when people started smoking and became addicted, there were people who instantly recognized a need for a solution to the problem. Now you can see quit-smoking patches, gums, pills, etc. everywhere! In fact, there are several offers available on the affiliate networks we discussed. But the same goes for anything you can think of. Be creative.

Tip #7 - Use an angle. Going back to the smoking example, suppose you wanted to

push "quit smoking" patches. Now, you could just go the straightforward way about it and advertise to people searching for the actual term "quit smoking." You might even get a little more creative and advertise to people searching for the term "cigarettes." But what if you started thinking outside the box a little? You could have a website dedicated to information on, for example,

Tip #8 - Avoid offers that require credit card transactions. Typically, these types of offers have a lower conversion rate (sales per visitor) than offers that merely require a form submission or things of that nature. If you do push an offer that requires credit card information to be divulged, try to aim for free trial offers.

One important thing you should note when you're searching for offers to promote is that there are different types of traffic sources that advertisers allow their product to be promoted through. They include (but aren't limited to) search, webpage and email. Whether or not a particular offer is allowed on each individual medium (search, webpage or email) will be stated on the offer page itself along with terms for each method. Pay close attention to these terms. If you violate them, the affiliate network has the right NOT TO PAY YOU. So be careful.

Chapter 6 - Landing Pages & Redirects

A Landing Page is just another term for the webpage that you will send people to in order to guide them toward the advertiser's page (offer page). In order to have a landing page, you will need to sign up for web hosting. Hands down, the top choice for web hosting for affiliates is HostGator.com. Not only is it cheap, but it also gives you tons of space to play with. Plus, you can host unlimited domains on most plans.

Another cool feature of HostGator.com is their live help. Whenever you need to talk to support about something or get a quick answer on a question you have, support is always right there. Just click on the "NOW ONLINE" picture at the top right.

Once you've set your domain and hosting up, it's time to create your landing page. Obviously I can't give you a step-by-step guide on creating a landing page. That would be a whole e-book by itself. What I can do is point you in the right direction as far as creating them or having them created.

If you have some experience making websites, then you should have no problem cooking up a landing page. All you have to do is look at other people's landing pages and "borrow" (never steal!) the overall idea of the page.

However, if you have little experience designing websites, I recommend you hire

someone to do the job for you. You can search for designers on the [Affiliate Toolbox Forums](#) or the [Digital Point Forums](#).

A Redirect is a way of avoiding a landing page altogether. Basically, it's a web page that bounces traffic straight from the search engine to the offer page, while still tracking the fact that you referred that person to the offer page.

Here is an example of a very simple redirect script. I'm assuming you have a host ([HostGator.com](#)) that supports PHP (a scripting language)-

```
<?php
header("Location: http://www.jumplink.com/?affid=123&keyword=".$_GET['keyword']);
?>
```

To get this to work, you need to put it into a PHP file and upload it to your website. You would most likely name the PHP file something like index.php.

The example link I gave you is a jump link or hop link. Your affiliate network will assign you a hop link when you choose an offer to promote. If you're at all confused on what a hop link is, just ask your affiliate manager and they will help you find it. When you do get your hop link, make sure you ask where to put tracking information (we'll talk more about that in the next chapter – it's extremely important).

Your hop link will typically include information such as your affiliate ID for that particular affiliate network (to track your sales), as well as the offer/campaign ID (to track the offer) and then it will have a space for tacking on additional information, usually called 'sub' or 'subid.' We'll talk more about how this is used in the next section.

Chapter 7 – Sales & Keyword Tracking

As long as advertising has existed, advertisers have found ways of tracking how well advertising does and which mediums actually convert advertisements directly into sales. Movie/TV producers used to rely on poll data to determine which advertisements worked. Poll data is voluntary and not always accurate.

Along came the internet and suddenly, even Movie/TV producers could use the internet to make it easier to poll customers directly.

Well, with internet marketing, we've taken it one step further. When customers are searching for something, they type exactly what they're looking for right into the search engine. Depending on what they type, different ads will pop up. If we've added keywords that get triggered by their search, our ad will show up. When a

customer clicks on our ad, the search engine sends the customer straight to our site but also includes additional information.

The information we care about is the keyword that triggered the click. If we can determine what keyword caused the click, then we can determine which keywords lead to sales and even better, which keywords turn out to be profitable. Once you figure out which keywords are profitable, you can get rid of the keywords that just cost you money and decrease your overall profit margin. This is also known as Keyword Trimming, but we'll touch on that later.

This is the way we track sales and people pay lots of money to have other websites do the tracking for them. If you're a developer, you can most likely learn how to do this on your own, but if you aren't, it can either be expensive or problematic.

Fear not, there is a solution out there. Tracking202.com gives you the same functionality as the sites that charge you hundreds per month to track your keywords. The only difference is that it's free and I know the guys who run it. They have a great company going.

What Tracking202.com does for you is correctly tracks your keywords and conversions. Remember how we talked about hop links in the last chapter? Well, that's exactly what Tracking202.com uses to track keywords. The 'sub' or 'subid' part of the hop link is where they append the information they use to track exactly which keywords, ads and landing pages that convert sales the best.

I won't bother going into how to set keyword tracking up on your websites, because Tracking202.com has done such a good job of creating video tutorials. I recommend that you watch them several times over to get a firm grasp on not only how to implement their service but also, to discover how much money they can save your business. It really is amazing.

Chapter 8 - Sending Traffic

There are several mainstream ways to send traffic to your hop links. If you have a pre-existing website, you can put up a banner or a link that takes people directly to the offer page. You could even link from a blog you have. Or if you have a mailing list, you can hand out links that way. In fact, I highly recommend marketing your offers through email. But the gold is in pay per click.

Pay Per Click Traffic

Pay per click (or PPC) is exactly what it sounds like. You pay every time someone clicks on your ad. There are a lot of places where you can join PPC networks. The

top three dogs are Google Adwords, Yahoo Search Marketing and Microsoft Adcenter. Notice a trend? That's right, they're all search engines. In fact, Ask.com has a PPC network of its own.

Each PPC network typically has two sides to it: search and content. The search part is the part most everyone is used to; it's the part where all the searches are conducted. However, the content portion is where PPC networks place ads on normal websites like yours and mine. These are the ads you see on most any blog or informational site you come across and they are usually pretty well matched to the content that surrounds them. Google AdSense is the most common example of the content side of a PPC network.

As a PPC advertiser, you can choose whether you want to advertise on either the search or the content network or even both for a given campaign. And before you begin, it's important to be aware of the distinction between the two. Search ads are pulled up in correlation to what people are actively looking for, while content ads are pulled up based on the surrounding content. What you should extract from this is that while people are targeting exactly what they're looking for on the search side, on the content side, they might not be searching for anything but click your ad out of intrigue. This isn't always bad but this type of traffic doesn't usually convert into sales as well.

When you do set up your PPC campaigns, you might be a little overwhelmed. Don't be afraid, it's not as bad as you think. PPC Campaigns can be broken down into this simple format:

Account > Campaign > Ad Group > Ads & Keywords

Put into words, you can place groups of Ads and Keywords inside of Ad Groups. You can group multiple Ad Groups inside of Campaigns and an Account can have multiple Campaigns.

Campaigns, used for storing ad groups, are used primarily to provide a spending limit on the ad groups inside. For instance, if you have a "Quit Smoking" campaign and you don't want to spend more than \$50.00/day promoting it, you would set that limit in the preferences for the Campaign. Additionally, you can pause/start the entire campaign and everything inside will either cease or start.

Ad Groups, used for storing ads and keywords, are helpful to have. Let's say that in your "Quit Smoking" campaign you have an ad group that is focused entirely on nicotine patches and another that is focused completely on nicotine gum. You wouldn't want the same ads running for both, so you definitely want them separated. And you certainly wouldn't use the same keywords for both, so it helps

to keep them separated as well. Instead, you'd want keywords like "nicotine gum" or "nicorette" to stick with the corresponding ads.

Ads come in many forms these days: text ads, banner ads, cell phone (mobile) ads, video ads, etc. For now, we'll focus on text ads. Text ads are typically composed of four different parts: the Headline, the Description, the Display URL and the Destination URL. If you've never seen an ad before, go do a Google search right now for anything at all and take a look at the top and right side for ads. You'll see they look something like this:

Discounted Nicotine Gum

Chew on Nicotine Gum to Smoke Less
Low Rates & Free shipping. Buy Now
www.BigSaveGum.com

The headline here is 'Discounted Nicotine Gum' and the description is 'Chew on Nicotine Gum to Smoke Less. Low Rates & Free shipping. Buy now.' At the bottom, you have your display URL – 'www.BigSaveGum.com' and that's the general anatomy of a displayed ad.

When you click on the ad, you are taken to the destination URL and if the advertiser has it turned on, you'll see the keyword that the advertiser used to match your search appended to the destination URL so that your landing page can grab it and feed it to your tracking code.

One thing you should know never to do is to plug your hop link into the display OR the destination URL of your ads. Not only will your ad get removed faster than you can say "bob's your uncle" but it can also have an overall negative impact on your account's Quality Score.

What you *should* plug into the destination URL is your actual landing page's website address. The display URL should be the same URL, but you can format it to look more appealing.

Now in order to tack on the additional information we've been talking about, there are different strokes for different search engines. For example, on Google Adwords, you can append keywords to your destination URL like so:

```
http://www.destinationurl.com/landingpage.php?keyword={keyword}
```

Adwords will know to replace '{keyword}' with the keyword in your list that triggered the ad to show up.

Keep in mind; I am only informing you of how ads work in general. If you're using tracking software like that from Tracking202.com, then you should pay close attention to their tutorials, as they will have specific destination URL's for you to use.

You can also use the same '{keyword}' string in your headline and description if you want Adwords to automatically insert your keyword into the ad when it shows up on the search engine. This is called Dynamic Keyword Insertion and it's just a fancy way of describing exactly what we're talking about here.

For example, if you had 'nicotine patch' as a keyword and you want to dynamically insert it into your ad when someone searches for nicotine patches, your ad headline might be formatted something like this:

Get The {KeyWord:Patch}!

You'll notice several things about this headline. For one, you see the word 'Patch' in there and another thing is, the word keyword itself has its K and W capitalized. What this tells the Adwords search engine is that if your ad is triggered by something other than the keyword in your keywords list, perhaps a longer search string, then use the word 'Patch' by default. Otherwise, it will automatically insert the keyword it has in its ad group that matches the query-

Get The **Nicotine Patch**!

This is very useful for drawing the attention of a person searching for something specific. It's a way of tailoring your ad for that person on the fly. And of course, the same can be done inside the description part of the ad.

When you create your ads, you'll also place your keywords into the ad group. There are four types of ways for keywords to match what people type into the search engines.

Broad Match: This does an open match on the entire search query. By default, keywords are set to broad match. If your keyword is **ring**, for example, and the user types in 'diamond ring', then your ad will come up. However, if the user types in 'telephone ring', your ad will also pop up. Any other 'ring' you can think of will trigger that ad to show.

Phrase Match: This does a match on a particular phrase, just as the name indicates. You can set keywords to phrase matching just by putting quotes around it. For example, if you enter a keyword like "tennis shoes", your ad will come up for searches such as 'red tennis shoes' or 'tennis shoes on sale' but not 'shoes for tennis.'

Exact Match: To do an exact match on keywords, you put brackets around it, like so: [keyword]. An example of how this type of matching works is if you were to enter [tennis shoes] as a keyword, it would ONLY pull ads up when someone types **tennis shoes** into the search. This is the most targeted kind of search.

Negative Match: Negative keywords are the keywords you place in a group for which you do not want ads to display. To add negative keywords to your ad group, just put brackets around your keyword, like so: [keyword]. For instance, if you are selling potato chips, you might want to want to display results when someone types in ‘used tennis shoes.’ If that’s the case, you’d put **–used** in as a keyword.

Email Marketing

Although email marketing makes up about 20% of my income, it’s the most profitable part of my income because I only pay one time for people to enter their email addresses and after that, they’re mine to advertise to. I like to drill home that if you aren’t using email as a marketing avenue, you’re being lazy.

I’m not talking about Spam here. What I’m talking about is opt-in mailing lists, meaning people have the option to sign up to the mailing list or to remove their emails at any time.

The industry standard for opt-in mailing lists is the [Aweber](#) service. They offer a free test drive as well, so you’ve got nothing to lose trying them out. If you want to learn more about email marketing through Aweber, check out my blog post on the subject ([click here](#)).

Chapter 9 - Split Testing

As an affiliate marketer, you will learn that the more you split test, the more profit you’ll make. That’s why any decent guide will tell you that split testing is a must. Before you ask what split testing is, I’ll tell you: setting up two or more versions of the same thing and running them evenly to see which leads to better conversions. It’s that easy, but it’s not so easy.

You might not realize it, but split testing exists in nature. It’s what allows some species to thrive while others die off – natural selection or “only the strong survive.” The same applies to your campaigns.

You can split test numerous things in your affiliate marketing campaigns: offers, landing pages, keywords, ads, search engines and more. It all comes down to what increases your overall profit margin and, of course, your bottom line.

Make no mistake, split testing is no fun but it's a necessary aspect. It should be approached as scientifically as possible to avoid making any mistakes and removing aspects of your campaigns that would lead to profitable sales.

For instance, if you are split testing five ads in a campaign, it's best to start with five to ten completely different ads. Once you figure out which ad out of these performs the best, it's good practice to make five to ten more ads based on the most successful ad but with slight variations. This will help you determine what the best direction is over the life of the campaign.

Split testing shouldn't stop at your ads though. You should split test your landing pages in the same way, if possible. I realize it's difficult to have multiple landing pages, especially if you aren't technologically savvy but you should do your best. Even if it's two landing pages you're testing, it's still 100% better than just testing one.

Above all else, split test.

Chapter 10 – Conclusion

We've only brushed the surface here and seen the tip of the iceberg that is affiliate marketing. There's still a lot you can do to tune your campaigns up and keep your profit margin on the rise.

If you want to become a serious affiliate, I recommend you read [The Affiliate Toolbox](#) from end to end. Should you have any comments, suggestions or questions, please feel to comment on any of the posts and I'll do my best to respond. Also, I invite you to participate in the [Affiliate Toolbox Forums](#) for any questions you might have about affiliate marketing in general.

Congratulations if you've gotten this far! You're well on your way to becoming a super affiliate.

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