



WHAT IS AFFILIATE MARKETING

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Topics to Cover



AFFILIATE MARKETING



TYPES OF AFFILIATES
SITES



AFFILIATE
COMMISSION MODEL

What is Affiliate Marketing

- Affiliate Marketing is an online marketing advertising channel that puts merchants in charge of an online marketing sales force.
- Merchants look to earn revenue from sale of their products or services, pay affiliates (publishers) who want to earn revenue from placement of product banners or text links on their site.
- Merchants only pay affiliate partners for results, such as a lead or a purchase “pay-for-performance”.
- Allows merchant to effectively expand reach and brand marketing, while at the same time managing marketing ROI.

Affiliate Marketing

- Also known as...
- Associate Program
- Internet Affiliate Marketing
- Direct Marketing
- Performance Marketing
- Partner Marketing
- Pay-Per-Performance Marketing
- Referral Program

Who are the Key Players

- There are four key players in any affiliate program:
- The Affiliate (Publisher)
- The Merchant (Advertiser)
- The Affiliate Network
- Outsourced Program Managers (OPMs)

Who are the Key Players

- An affiliate is a website which contains links that connect consumers to a Merchant's website for the purpose of making an ecommerce transaction
- Affiliates are . . .
- Publishers or Partners
- Blogs or Forums
- An online Marketing Sales Force

Types of Affiliates Sites

- **Shopping** – sites are virtual malls. The consumer shops for various brands and products on site. These sites are not driven by particular coupon or deal offer
- **Coupon/Deal** – most popular affiliate model. These sites are shopping sites that require merchant to provide consumer with either a coupon, percent off savings, or free shipping offer

Types of Affiliates Sites

- **Comparison Shopping** – sites sell items using a comparison model. These sites usually require a data feed of merchants' products.
- **Loyalty/Rewards** – sites where a percent of the merchant's commission is used to pay reward to consumer. Allows consumer to select their reward option. Rewards can include cash, airline miles, credit card points, or donation to charity or organization
- **Content** – sites are usually not shopping sites. Consumers go to sites because the content is of particular interest. Sites to particular product contained in site

Types of Affiliates Sites

- **Search** – affiliates promote merchants via search engine marketing, using either natural or paid search practices.
- **Blogs/Forums** – sites post or feature article that focus on a particular product or merchant and include an product affiliate link to the product.

Examples of affiliate sites



Affiliate Commission Model

- Pay-per-Performance (Revenue Share) - merchant pays affiliate commission based on a percentage of the total order value
- Pay-per-Lead / Cost-per-Acquisition – merchant pays affiliate commission for every lead or order referred from their site
- Cost per Impression – merchant pays affiliate commission for every 1,000 impressions of their banner on affiliates' site
- Cost per Click – merchant pays affiliate commission every time a visitor clicks on their banner on the affiliates' site

What is An Affiliate Network

- An Affiliate Network is a third party that acts as liaison between Affiliates and Merchants
- Allows Affiliates to find Merchants which are suitable for their site
- Allows Merchants to find Affiliate sites that expands reach to their target audience
- Services include tracking technology, reporting tools, payment aggregation and processing
- Provides a creative bank or repository for storing and accessing creative assets
- Is no cost for an Affiliate to join

Example of affiliate network



How Does It Work

- Affiliate obtains Merchant creative from Affiliate Network and loads to their site
- Consumer visits Affiliate site and clicks Merchant banner
- Cookie is set on Consumer's browser which identifies Merchant, Affiliate and link
- Consumer is directed to Merchant site
- Affiliate ID is captured by Merchant in referring URL
- Consumer makes purchase from Merchant
- Cookie information sent to Affiliate Network
- Merchant transmits sales file to Affiliate Network which includes Affiliate ID
- Affiliate Network tracks sales transactions with Affiliate ID and pays Affiliate

Affiliate Marketing Diagram

