

What Is Affiliate Marketing?

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Created On: 04 Oct 2009 10:42 PM

Affiliate marketing has many descriptions, yet all have the same meaning. Affiliate marketing is a huge business piece on the Internet. It is a cooperative effort between merchants and an affiliate's website. For many years now, affiliate marketing has proved to be a cost-efficient, measurable method of delivering long-term results. It has become famous for Internet sites who are trying to make some extra or additional income for their site. Every day, people get interested to affiliate marketing and want to make money out of it. But in many cases, these new affiliates do not fully understand the affiliate world and make costly mistakes. In other words, affiliate marketing has often been misunderstood.

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One of the common misconceptions that are being associated about affiliate marketing is "selling", though selling is an important activity of affiliate marketing and the central function of a business operation. Another is that affiliate marketing is commonly linked with "advertising". While the importance of advertising in marketing a certain product is not to be underestimated, the fact of the matter is, advertising like selling, is merely a part of the many functions of marketing. In affiliate marketing, an affiliate is compensated for every visitor, subscriber and/or customer provided through his efforts. The said compensation may be made based on a certain value for each visit. The most attractive aspect of affiliate marketing from the merchant's viewpoint is that no payment is due to an affiliate until results are appreciated.

Affiliate marketing is typically being run by affiliate networks and this affiliate networks are composed of two functional bodies, the group affiliates and the group merchants. Each has their special function and role when it comes to affiliate marketing. The affiliate network acts as a third party between the merchant and the associated affiliates. The network provides the technology to deliver the merchant's campaigns and offers. The affiliate network also collects commission fees from the merchant and then pays the affiliates which are part of the program.

The merchant is any web site owner that wants or desires to take advantage of performance based marketing. The benefits to the merchant are many. First, the merchant maintains and operates the affiliate program. If it would be extracted, the merchant needs to do their part by researching interested affiliate websites to ensure that they are a good fit for that particular website. Finding a fit for their merchandise would be the key to more generated income. The merchant has access to markets and customers without him spending valuable time searching out. Banner ads on affiliate sites are not distracting to the site user. It might produce interest for that product and drive the consumer to the merchant's website. It is also the merchant who decides how much he is willing to pay for each sale that results from a visitor sent from an affiliate.

The affiliate or the affiliate marketer also sees a lot of benefits. The affiliate is a web site owner that promotes one or more merchants and their affiliate programs. Affiliate marketing can generate a full-time income for the affiliate. But this is not an easy task to accomplish. The affiliate needs to have a better understanding with the merchant what the commission will be, expected payment

method and time involved in the contract. The affiliate has also the responsibility to stand for the merchandise their user based would be most interested in. For example, if the site has a user base of mainly stay-at-home mothers, then on-line job openings such as surveys would be a good match for them. This group would also appreciate direct links to children's products and informational sites. Merchandisers often provide targeted, best-seller items and personal support to their affiliate. They often offer sales promotions that will benefit the merchandiser as well as the affiliate. Affiliate marketing is a great situation for both the marketer and the affiliate. If they would work together, they can be an advantage to both. Plus the fact that it seems to make sense, it is easy and inexpensive way to start, and you can be up and running within a few days. But there is one thing to consider, it is how to get traffic and make your offer different than all others.