

Affiliate Markets Saturation

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What It Is, How It Affects You and How to Avoid It

There is another word that can describe the nature of market saturation and that's consumer desensitization. Either term is bad news, especially if you're involved in affiliate marketing. These days, affiliate marketing is considerably one of the best ways to generate income online. But if you must contend with affiliate markets saturation, is still there point to joining this industry at all?

What is market saturation?

Market saturation, specifically that which relates to affiliate marketing, is simply that point in a business opportunity's life when demand for a product or service evens out and begins to decline. This may be due to certain factors, such as:

Increase in the number of distributors in a limited area. This usually happens if an affiliate program does not exercise control over the distribution of its products in specific areas.

As more and more distributors enter the arena, the market becomes bombarded by the same products. Since there are only so many people to purchase, subscribe or participate, it wouldn't be long until affiliate market saturation occurs.

Decrease in product demand and customer interest. There are many reasons why demand for an affiliate product occurs but if it does happen in light of affiliate markets saturation, it could be because customers are no longer interested in its novelty. This is especially true of products that were successfully launched and accepted due to hype. Interest will later plateau and gradually wear off.

Appearance of competing products in the same market segment. Competition can do wonders for your affiliate marketing business. It can also affect it in a negative way. The affiliate product you're selling now may have great response but should a similar product appear in the future that will compete directly with you for market presence, you could be in for some serious neck-to-neck race.

Now imagine if 10 or 15 other similar products appear on the market...

Avoiding affiliate markets saturation

Although in many areas of business market saturation is inevitable (witness the downfall of many multi-level marketing programs), it doesn't have to take your affiliate business hostage. There are a few factors you will have to consider carefully so you will know how to steer clear of opportunities that may not offer you the results you wish to produce.

Recognize product potential and customer demand the first time.

A lot of your success in any affiliate marketing business rests on how well you can recognize an opportunity. Not every affiliate product has a high market demand and as such, cannot be considered lucrative.

The number of customers who have interest in the product will also matter. If you can find a way to bring the two together, you will be able to zero in on a product that has real potential. This usually means you will have to focus on selling to a niche market.

Choose a product with high demand but low areas of sales.

To avoid affiliate markets saturation, look for a product that has a potentially huge market but is only being sold in limited areas. That way, you'll be able to take advantage of higher sales on your part than if you chose a product that is being distributed in hundreds of other stores not just online but offline as well.

Find another way to view it.

Affiliate markets saturation doesn't have to have a negative implication. It would be a lot easier to deal with if you view it as the maturation of your market. It's like selling cosmetics. When you first started out, your main market was composed of women in their teens and 20s. You sold well and enjoyed brisk and repeated business.

A decade later, some of these women are already in their 30s. Response to your advertising efforts is no longer the same and you probably doubt their efficacy. So what went wrong? Have you saturated the market that easily?

If you look closely, you will find that the market has indeed changed - women who were still in school or just starting out in their careers are now full-fledged career women, mothers or owners of their own businesses. Their needs have changed as well. The market hasn't become saturated - it simply evolved. As a product and service provider, it is now your goal to redefine your business in order to meet this newly evolved market's needs.

The same is true in affiliate marketing. Consider carefully whether your market has evolved with the times. If it has, find out what type of changes you can implement in your advertising or promotions that will appeal to this market segment. Better yet, why not look for products in another affiliate marketing program that can meet this market's new requirements?