

## Internet Affiliate Programs: The Fundamentals of Creating In

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Affiliate programs use a simple concept for you to create an income online: Earn commissions when you make a sale. You don't need to worry about the costs for setting up the business nor advertising. It costs zero! When we think of successful online businesses, websites such as: Amazon.com (biggest online bookstore), eBay.com (largest auction website), Yahoo.com (most well-known search engine) usually spring into mind. On the contrary, you probably have heard of dot-com companies turned dot-bombs. So you think, "How do I make money on the internet when I don't have money to advertise like those big guys such as Amazon.com or Yahoo.com?"

... Well, you don't need money to make money! There are several ways to make money through the internet, and one of them is through affiliate programs. Best of all, it costs nothing to sign up!

"What are affiliate programs? Isn't it just another get-rich quick plot or some hocus-pocus that's all a scam?"

Affiliate programs (also known as referral/associate programs) are legitimate and not get-rich-quick scams. It's a simple concept: Earn commission for each sale you make. As a matter of fact, even big guys like Amazon.com launched affiliate programs to fuel their sales and to increase their brand, hence that further proves my point that affiliate programs aren't scams.

How Affiliate Programs Work...

Using Amazon.com as an example, here's an illustration on how affiliate programs work...

An affiliate (let's call her 'Lily') owns a website about movie-making, so she chose a few books related to her website including the best-seller "How to Write a Hollywood Movie Script in 5 minutes!"

Lily then puts unique links to each of these books on her website that enables Amazon to identify the visitor she sends. One of Lily's visitors was so impressed by Lily's review on the book "How to Write a Hollywood Movie Script in 5 minutes!" that she wanted to buy it immediately, the visitor then saw "Buy it now on Amazon.com!".... CLICK! The visitor enters the Amazon site, Amazon identifies this visitor is from Lily. The visitor then checks out with the book and pays using credit card. Lily is paid a commission on that sale!

Affiliate Programs vs. Selling Your Own Products on the Web

Sure enough as a web merchant, you get 100% of the profits made. But you will have to fuss with start-up costs, advertising, marketing, shipping, credit-card processing, products/ services to maintain, customer services, customer complaints, web hosting, accounting, staff training...

Phew! That's a lot work! But...

As an affiliate, you don't need your own products to sell; you don't need to incur the costs: Your start-up cost is zero; and you don't have to deal with the customers' orders or accounting or all the above because the merchant will handle all these for you. In some affiliate programs, you can also recruit and train sub-affiliates under you. Your training pays off when your sub-affiliate gets a sale, because you earn 'training commission' too. I'll get more in-depth about this later in the article.

"But I'm not a computer or internet-savvy person! I don't have a website too!"

Don't worry! An effective affiliate finds thousands of ideas to sell online, or offline! You can advertise locally in newspapers, in articles you write, recommend it to friends, notice boards, etc... There are no limits.

"Great! How do I start?"

As easy as it sounds, I'm sad to say that it's not a piece of cake if you plan to sit there and wait for the cash to come to you. In the affiliate business, it follows the 80-20 rule - 80% of the benefit is only achieved by 20% of the affiliates. So if you want to get rich quick, affiliate program isn't for you... but if you want to be one of the 20% affiliates who get 80% of the benefit... read on.

First of all, ask yourself why you want to start an affiliate business on the internet...

"Um... to earn some cash and buy things I want"

No, I want you to be as specific as possible...

For example, "I want to increase my income so that I can afford a sports car and have the ultimate sense of pride when I drive into the yard of my friends who said that I will never succeed in making money on the internet! I want my friends to be envious; I want to prove them wrong!"

When you know what you want and the more specific you get, the stronger your commitment, determination and persistence to succeed will be.

I know it sounds really corny, but it is a simple rule that the 80% affiliates don't follow!

Secondly, you must...

## Choose a Good Affiliate Program

There are many affiliate programs out there but you need to focus on the ones that work for you. I suggest a few good criteria to look for in affiliate programs:

### 1) High-value products/services

When I said 'value', I don't mean the price tag. Let's say, you are an affiliate for 2 companies which are in similar industries, both offering 30% commission. One sells its product for \$50 and the other for \$150. So you think, "Hmmm... When I make a sale, I get more commission from company no.2 (\$45) than company no.1 (\$15). Wow!" Although it is simple logic, ask yourself this question first, "will I buy this \$150 product when I know there are cheaper ones out there?"

Think like your customer, question yourself "Am I paying my money's worth on this product?", "Does the company offer great value for a dollar?"

If you answer 'no' for both these questions, you'll know that the company will eventually die.

### 2) High Affiliate and Customer Support

One of the key areas to look for when choosing a good affiliate program is their support system. A company that values its customers and affiliates is a company that grows. The company must be able to provide as many resources for their affiliates to promote their products, e.g. training, newsletters, banners, free stuff, etc.

Furthermore, it should also listen to its customers' suggestions, complaints and be able to keep their customers happy. Remember, happy customers mean long-lasting company as happy customers will spread the good word of the company and its products, which means there will be more business opportunities for you!

### 3) Team Sales

There are some affiliate programs that allow you to recruit sub-affiliates under you. When your sub-affiliates perform well, you are also rewarded with a 'coaching' commission for their sales because it is your duty as a team leader to coach your sub-affiliates. Although most affiliate programs on the internet doesn't support team-building, it is preferable that you choose one that does. The reason is simply:

T.E.A.M = Together Everyone Achieves More

Sure enough, you can do the whole affiliate business by being a lone ranger, but you are limiting your own capacity to earn more. Moreover, the results are two-fold: you will enjoy a second stream of income (unless you plan to do it full-time) AND the satisfactions of helping others to earn another source of income too!

### 4) Repeat Sales Potential

Other than achieving one-time sales, it is recommended if the affiliate program entitles you to lifetime customers, which means 'once your customer, always your customer!'

A company with a good sales structure will retain their customers and encourage repeat sales. Thus, you get commissions for repeat sales too.

### 5) Reputable and Reliable Company

Check the company's history on the newsgroup and find out whether it's well-established. Are their customers satisfied? Are the affiliates happy? Does the company keep changing the affiliate policy? I'm sure no one wants their affiliate business suddenly gone because the merchant company failed!

### An Ideal Affiliate Program

Their affiliate program, 5 Pillar Club, was named 'The best affiliate program on the net' by affiliatesdirectory.com, a web directory that tracks thousands of affiliate programs on the net.

Furthermore the top affiliate guru, Allan Gardyne, ranked it as one of the top affiliate program in his website, associateprograms.com

### Lastly, Open Your Mind to Creative Ideas

Read as many articles/books as possible on the subject of selling or marketing to expand your mind to accept more ideas and concepts on how to sell! There are a lot of information on the internet to help you in your affiliate business, it costs zero to invest in your greatest asset... you. (Note: It's not 'your brain' because you need your arms and legs to put your thoughts into action! ;D )

To help you get started on the technical aspect, here's a great starter pack: a free e-mail course on affiliate business-building.

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