

Business Made Easy By Affiliate Marketing

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ABSTRACT

Affiliate marketing is an important source of many things which provides the necessary tools for the creative and hardworking individual to venture out on their own. It can provide ample opportunity to earn money doing what you are good at and also allows someone to use their skills and expertise for their own financial. It can get people started in their own business enterprises with nearly no cost or risk to themselves and does many more with respect to recent trends in web marketing. To know more about the concept, we emphasize on the trends and opportunities of affiliation marketing and its use in modern business through referrals in web based marketing. There are innumerable options with the least possible risks that carry the interested persons to the success and also the technical and manual hazards to be avoided are discussed in this paper.

Keywords: *Affiliate Marketing, SEO, Internet Marketing, Referral services, Work hours*

Introduction:

Now a days it is inevitable for the individual for their performance based reward where the individual can easily connect large number people at a time through the help of affiliate marketing. Since affiliate marketing is becoming an important source of customer acquisition, a businessman can create a network of affiliate organizations that refer customers to its site through internet whether at home or at office. Possible affiliates include sellers of products and services, web sites connecting a group of customers with joint interests, or professional referral services. Many of the business whether it is small or big use affiliate marketing (Dysart 2002; Fox 2000; Oberndorf 1999) and as such it became popular source of customer acquisition (Fox 2000; Helmstetter and Metivier 2000; Ray 2001). When a business decides that they would like to have some help selling their product or service, they will then start an affiliate program by the help of a necessary tool like affiliate marketing.

Since affiliate marketing is an important source of many things which can provide the necessary tools for the creative and hardworking individual to venture out on their own and also allows someone to use their skills and expertise for their own financial gain. First, Affiliate marketing is perfect for the independent hardworking individual. Many of us are stuck in day to day jobs by working incredibly hard and receive little reward which receives no incentive. When you work in the field of affiliate marketing, the world is your oyster. You are paid by your performance so the harder you work, generally the better of you'll be. When you work as an affiliate, you are working as a representative of another company. However, your reward is directly linked

with what you produce. If you're someone who frequently gets good results at work then this could be a great opportunity for you. Next Affiliate marketing can provide the opportunity to earn money by doing something that you are good at. Those that have a knack for sales and marketing are perfect for affiliate marketing. As an affiliate, anything that you do to increase sales or traffic if it is internet based will benefit you and you directly. The company won't get rich while you say poor. You're the one who will reap the rewards. And finally, Affiliate marketing can get someone started in their own business at nearly no cost or risk to themselves. Companies handle all of the products and advertising and you just concentrate on selling. If yours is an internet based program, you concentrate on increasing traffic. Most of these programs are free or involve very low initial start up costs. You're paid according to how well you do regardless of how the company is performing.

There are many different types of affiliate marketing programs. There are those that offer one time commissions off of a sale. Some of them might offer lifetime commissions, and others may pay just for leads that you can get them. Whether it is for a newsletter lead, or something else just having interested parties sign up for things for more information is another one. The type of affiliate program that you choose to have is completely up to the person that is the owner of the business. They can decide the percentage, or flat rate that they are willing to pay for a sale or a lead. Then those interested can sign up and help them make sales and get leads for a certain amount of money. Those signing up for affiliate marketing, and different programs to sell for others, can do this many ways.

They can promote the services or the products on a website that is relevant to the affiliate programs that they are a part of. Or they can also promote them on a blog. Both of these are great ways to get traffic to your affiliate programs and make sales from them. Some even use email and newsletter marketing as a way to get sales for others as well. Whichever technique and way that you decide to use is up to you.

Choosing the affiliate marketing programs that you want to go with is not hard to do at all. Choose something that you know about, and that you can be known as an expert about. The more passionate you are about the service or product, the better, as it will shine through. Once you have all of your programs in place, check out SEO, and find out how to get your website up on the first page of the search engines. This is going to take hard work and determination, but you can do it. Affiliate marketing is something that anyone can learn. Start out by reading a good eBook or blog by someone that is a pro for the best marketing tips and techniques that you can use. Learn from others that have done and accomplished what you are trying to do (Buttle, 1998).

Objectives

1. To make aware how easy it is to take up and explore the various options of Affiliate marketing
2. To study and evaluate rules of Affiliate marketing
3. To analyze the things making the most as well as pitfalls to avoid from Affiliate marketing

Review on Research Literatures

The concept of affiliate marketing on the Internet was conceived of, put into practice and patented by William J. Tobin, the founder of PC Flowers and Gifts launched on the Prodigy Network in 1989, PC Flowers and Gifts remained on the service until 1996. By 1993, PC Flowers and Gifts generated sales in excess of \$6 million dollars per year on the Prodigy service. In 1998, PC Flowers and Gifts developed the business model of paying a commission on sales to The Prodigy network. In 1994, Mr. Tobin launched a beta version of PC Flowers & Gifts on the Internet in cooperation with IBM who owned half of Prodigy (PC Week, 1995). By 1995 PC Flowers and Gifts had launched a commercial version of the website and had 2,600 affiliate marketing partners on the World Wide Web. Mr. Tobin applied for a patent on tracking and affiliate marketing on January 22, 1996 and was issued U.S. Patent number 6,141,666 on Oct

31, 2000. Mr. Tobin also received Japanese Patent number 4021941 on Oct 5, 2007 and U.S. Patent number 7,505,913 on Mar 17, 2009 for affiliate marketing and tracking (Business, 2000). In July 1998 PC Flowers and Gifts merged with Fingerhut and Federated Department Stores. Affiliate marketing has grown quickly since its inception. The e-commerce website, viewed as a marketing toy in the early days of the Internet, became an integrated part of the overall business plan and in some cases grew to a bigger business than the existing offline business. According to one report, the total sales amount generated through affiliate networks in 2006 was £2.16 billion in the United Kingdom alone. The estimates were £1.35 billion in sales in 2005. Marketing Sherpa's research team estimated that, in 2006, affiliates worldwide earned US\$6.5 billion in bounty and commissions from a variety of sources in retail, personal finance, gaming and gambling, travel, telecom, education, publishing, and forms of lead generation other than contextual advertising programs.

Currently the most active sectors for affiliate marketing are the adult, gambling, retail industries and file-sharing services. The three sectors expected to experience the greatest growth are the mobile phone, finance, and travel sectors. Soon after these sectors came the entertainment (particularly gaming) and Internet-related services (particularly broadband) sectors. Also several of the affiliate solution providers expect to see increased interest from business-to-business marketers and advertisers in using affiliate marketing as part of their mix.

As far as the definitions of Affiliate marketing on the web is concerned a system of advertising in which site A agrees to feature buttons from site B, and site A gets a percentage of any sales generated for site B. It can also be applied to situations in which an advertiser may be looking for marketing information, rather than a cash sale. This is a system of revenue sharing between one site (the affiliate merchant) which features an ad or content designed to drive traffic to another site (the advertiser). The affiliate will receive a fee based on the amount of traffic generated. Affiliate marketing is the use by a Web site that sells products of other Web sites, called affiliates, to help market the products. Amazon.com, the book seller, created the first large-scale affiliate programme and hundreds of other companies have since followed (Candy, 2010).

Affiliate Marketing Options

Affiliate marketing means that you work on behalf of another company. You are helping to expand a company that already exists. This provides with several advantages. Firstly, marketing brands or products that is already on the market. You don't have to create new product and present it to the public. If the brands are fairly well known then attracting customers should not be too difficult. It is much easier to sell something that has an established reputation that break in with something new. Secondly the advertising of the product will be taken care of. The main corporation will have some suggestions and equipment available to help advertise the product or product line. This can include pamphlets, catalogues or posters. They will also make samples available at no cost to you. This minimizes your investment so the risk is nothing. There is a need to concentrate on selling the product and maximizing your earnings. Thirdly, Affiliate marketing can be done in the comfort of ones own home. As long as you have adequate storage space for company product there is no reason you cannot set up shop in the comfort of your own home. Finally, running this business venture from you home presents very little risk for you. You have the perfect location and you don't need to invest any of your own money.

As an affiliate, you do actually work for another company or merchant. You sell either products or services depending on your particular skills and talents. Affiliate program are great for those that are creative, self motivated and not afraid of hard work. When you become an affiliate, the corporation takes on the risk. You can sign on to sell products or you can sell services. You can work to increase website traffic to other sites and receive referral payments, or you can create your own sites ad make money through ad revenue. The choice is entirely yours. If you are just starting out, you may want to join and affiliate program that has been established. One won't be competing with other internet giants and you'll gain some necessary skills and experience. One well known affiliate partnership exists between Bizrate and shopzilla. Both of these two sites exist as separate entities. However they have combines their resources to make an excellent affiliate program. Bizrate functions as a comparison shopping site. If someone wants a certain item they can search for it via Bizrate. The site will tell you where to purchase it and how much it charges. They will give you a complete item description as well. Bizrate also lets the consumers know who is offering particular items

for the lowest price and who offers the best value for money. Bizrate gives consumers a chance to check out merchant reviews as well (Moon, 2000). If you are creative and have sales savvy then perhaps you should consider a career in affiliate marketing. This will allow you to work for yourself with very little risk to you. It is easy to get started and the costs are next to nothing. If you have a computer and internet then you're all set.

Affiliate Marketing Rules

Affiliate marketing is pretty easy to follow, that is unless you have many different programs that you are a part of. When you start getting so many that you cannot remember the rules, or the guidelines that you have to follow, you might have a problem. This is because the rules for affiliate programs are as different as the companies. Each company is allowed to make their own rules. However, you might see many similarities. That does not mean that they are copying one another, or cloning their affiliate program so to speak, but yet it means that they have the same rules. Affiliate marketing rules can be so very different. They can range from not mentioning the brand names that they sell anywhere on your website, to not have that particular market in your website URL. Because they are so different for each program and company that you promote, you are going to have to be sure that you read each one well and make sure that you understand it fully. If you all ready have your URL for your website, you may not be able to participate in some of the affiliate programs. This is because you will not meet the requirements for the rules (Collins, 2000).

Keeping a spreadsheet of the affiliate marketing programs that you are a part of and their rules is a great idea. This way you are never confused and know just where you need to stand to be a part of that program. This is the best thing that you can do for your affiliate marketing business. Not only that, you will also find that some of the sites that have broken rules and have been caught have resulted in law suits. It is better to cover your tracks and make sure that you are following the rules that are set by that company for the best results. You will also find that there is a thing that is called affiliate marketing software. If you can find a program that fits your needs and will help you keep everything straight, you may not have to worry about keeping track of them yourself. Use your software to keep track and make sure that you are doing your affiliate marketing the right way. Your efforts will pay off eventually, and you will be glad that you went by the book and

followed the necessary affiliate marketing rules (Frank and Collins, 2009).

Making the Most from Affiliate Marketing

Affiliate marketing is nothing new on the internet. However, it sure is something that many come and go after. When you are looking to start your own website or blog and add some affiliate marketing links to it, there are some things that you should know. Affiliate marketing is not for everyone. It is not for anyone that is looking to make money fast, nor is it for the impatient (Murphy, 1997). You have to have two things in order to be successful with affiliate marketing, and those two things are patience, and determination. When you put those two together, there is no stopping you or what you can do with your affiliate marketing business.

Affiliate marketing can be done a few ways; it can be done through email, newsletters, websites, or blogs. By using any of these things, you can be successful if you are marketing to the right audience. Finding your readership and catching them with good content is what it is all about. To do so, you need to know where they go and what they look for. Try starting with message boards to begin with. However, use some patience and don't come off as the newbie know it all. Take some time and peak others interest. Add the link to your website or blog in your signature line at the message board that you are visiting, and most importantly, make sure that the message board is relevant to your market. If you have a website that pertains to a market that has to do with gardening, you will not want to be visiting a message board that is all about pregnancy. It is really quite simple to understand how these two things must be relevant to get results (Gray, 1999).

The next thing that you should know about getting the most from affiliate marketing is that you should be writing articles. Writing articles on the market that you are promoting and then submitting them to article directories or ezines is a great way to get the most from your affiliate links and programs that you are a part of. Be sure that you include a link in the articles that you are submitting that will lead the readers back to your website. Doing so will get your site more traffic, and will pay off in the end. However, you will not want to submit the same articles that you have on your site to these directories. You will want different variations of the articles to be used in the directories. This is because when you submit these articles to the directories, you are going to see that by checking your back links, there are

other webmasters using your articles which is also great because they will in return give you a back link to your site. However, they are depending on you to have a different article on your site than the one that you are submitting.

Affiliate marketing is something that takes work. You cannot just set up your site and let it go. You have to work on it consistently to see a good amount of revenue come from it. However, make sure that you are doing everything that you can to get it seen. Use the best free tools that there are available to you, and pay for the ones that really work. You will find that you can get the most from the resources that are out there and available (Gerstner and James, 1995).

Affiliate marketing can be used to make a decent income several ways. You can use a website, a blog, newsletter, email, ads etc. The list goes on and on. However, the most popular form of affiliate marketing is done with a website. When you choose the market that you want to promote, be sure that you choose one that you are some what familiar with. This way you can become an expert on the topic, and everyone will know that you are the king of that market. Once that is done, it is time for a URL. There are many places that you can get your own domain from. Once you have decided where you will purchase that from, choose a URL that has the topic you are selling in the URL for the best results. For example, if you want to market cat food, you won't use a URL that has dog in it. Make sure that everything is all relevant. Learning SEO which is also known as search engine optimization is a great idea. Using SEO to get your site higher in the search engine rankings with keywords will pay off in the end. You can learn it yourself, or you can pay someone to do this part for you. It is up to you. However, you should know that learning and using SEO yourself is time consuming. Hiring an SEO guru might be better for you.

Tips for a Successful Affiliate Marketing Business

The first golden rule of any business is to identify the demand. With affiliate marketing programs you'll likely be giving a range of products to sell. Check out the demand of these types of things. You should try to stay away from trendy items. They'll sell like mad one minute but you'll be giving them away the next. You want thing that you know people want and need. That way your long term sales objectives will get met.

Next is not to limit to just one product. Try to offer a variety of things. Many affiliate marketing programs offer a selection and it is best to go with these. Basing your business on one product may work in the short term. However, someone will eventually come along with something better or cheaper.

Thirdly, there is a need to set your business apart from others. You need to establish what makes you and what you offer better from others. What do you offer that sets you apart from other businesses? You should always use tact when talking about your competition. Putting them down or being rude will only backfire on you. Talk up the advantages that you offer and leave it at that.

Fourthly, you should definitely insure your home business. Everything can be fine one day but life can always take a funny turn. Accidents can happen to anyone. Ask yourself what will happen if one of your products hurts someone. Today, people can be sued for just about anything. Make sure you are insured in case the worst happens.

Fifthly, you should always do your best to ensure fast and efficient service to your clients. However, there will come a time when there is a glitch. You need to keep your customers informed and aware of what is happening. Things happen that are beyond your control. Most customers are very forgiving if they are made aware of this. Keeping your customers in the dark could result in losing them for good.

Finally, keep your customers happy. The happier they are the more likely they are to come back. Offer your customers incentives such as savings on their next purchase. It may cost you more but only in the short term. Keeping your customers happy will result in them referring you to others.

Pitfalls to Avoid When Starting Your Affiliate Marketing Business

Many of the strategies and things that you put in place have helped your affiliate company sell quite a bit. The end of the month finally arrives and you're waiting for that first large payment. When you check your account you are slightly disappointed. You did make some money but according to your calculations you should have had more. They inform you that some of the items sold were returned so those had to be deducted from your commission. Companies do not pay out commission on returned goods. You need to be aware of this to avoid fall into further pitfalls. No one would expect to be paid a commission on a

returned item however; some less than honest affiliate marketing companies can use this to scam some of your profits. You need to make sure you understand their return policy and how it will affect the amount that you are paid. A return occurs of course when a customer brings an item back. Charge backs can also happen when they dispute an amount on a credit card. Be sure you keep a close watch on which items are being chargeback or returned. See if there are any patterns that are obvious. If you notice that the orders that are charged back are always very high ticket orders then they could be giving you false information. They are doing this to keep you commission down and keep some for themselves. Keep a close eye on returns especially if you think it is happening a little too often.

You also need to be aware of which items are actually commissionable. Make sure you understand which products you will be earning money from to avoid disappointment later. Sometimes the company will offer a selection of products to put on your site, however only certain items may be commissionable. Before agreeing to anything like this check your terms and conditions carefully. Finally, you also need to make sure that items that are sold don't have any other conditions attached. Some will only pay a commission if the customer fills in the payment details immediately. If they select an item and continue to shop, you may not receive any commission on that item. You can also lose commission if the customer clicks on any other links before completing the order. If they order 30 of an item you promoting but click on something else then you have lost out on quite a large amount of commission.

Many lull themselves into a false sense of security when it comes to affiliate marketing programs. They feel that, there is no cost to them money wise so they have nothing to lose. However, this isn't true. You may get away with no money being lost but you could lose loads of your next most precious commodity, that being time. You're going to have to work very hard to build up your affiliate marketing business so you will want to be legitimate. You should definitely ask the company for testimonials. Don't rely on the ones that they post on their website. Anyone could have written these. Ask for names and addresses of people that you can contact to find out how the program worked for them. You can also try searching on your favorite search engine

Conclusion

Running a business as a sole proprietorship can be extremely rewarding. The lure of running our own businesses attracts many. However, the reality of what is involved stops most of us before we get started. Affiliate marketing is a way to work for you without the financial risk. There are many great affiliate marketing programs in existence today. One should not get carried away by affiliate marketing companies that promise the world for very little effort. If you work very hard in promoting the products that you decide to sell, there is no reason why your affiliate marketing home business cannot be a huge success. However, the odds are stacked against you when you take this option. A home based affiliate marketing company minimizes the risk and offers you support when you need it. You will still have to work extremely hard but the rewards will be well worth it. One of the reasons that many work at home ventures fail is that people want instant results. Running a business of any type takes time and hard work. With affiliate marketing your will get out only what you put in with patience and hard work it will be lucrative. Learn what is realistic and shoot for that.

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