

AFFILIATE MARKETING

101

For Beginners



**A Detailed Guide to
Affiliate Marketing
for Beginners and How
to Build an Affiliate Marketing
Website Step By Step**

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What is Affiliate Marketing?

Affiliate marketing is an online business model where companies, merchants and product developers pay a performance-based commission to affiliates who promote their products and services.

By joining an affiliate program and promoting offers to site visitors and/or an email marketing list, affiliates earn some type of prescribed payout.

While there are many ways to make money online, affiliate marketing is one of the most lucrative, has endless possibilities and is one of the best ways to create an online business with very little start-up costs.

Affiliate Marketing is a great opportunity to earn potentially significant amounts of money and to have the freedom of owning a viable home business.



How Affiliates Make Money

An affiliate is the middleman between online consumers and merchants' products. An affiliate makes money when a visitor that he/she referred through an affiliate link purchases or performs the action required of the affiliate program on the merchant's site.



Affiliate Marketing Payment Models

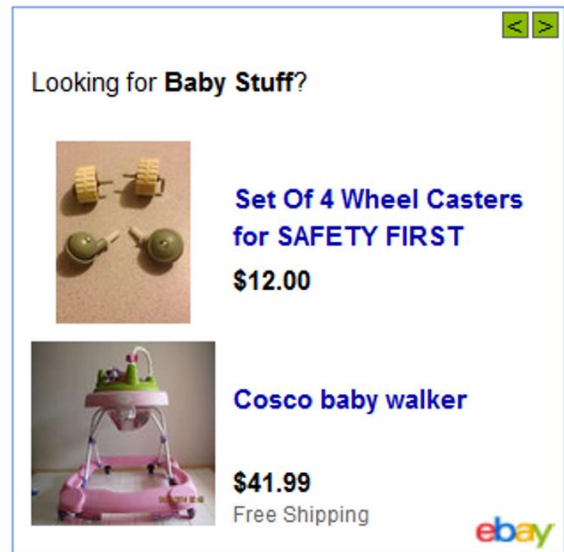
PPS/Commission Based Payouts

The pay-per-sale or PPS, also referred to as, cost-per-sale or CPS payment model pays affiliates a set commission for each sale they refer to the merchant's products or services.

The commission can be a percentage of the sale or sometimes it's a flat rate.

Various creatives are provided by the affiliate program, including, banners and text links.

Some programs, like, eBay and Amazon offer unique creatives in the form of sliders and customized widgets to target relevant products as pictured below.



Examples/Scenarios of Commission Based Payouts

Here are some just a few examples of the commission payment model and how it works.

- An Amazon affiliate writes a review of the Kindle Fire tablet on his or her website, and includes affiliate links that takes site visitors to Amazon, when those visitors buy a Kindle Fire, the affiliates makes a commission.
- An eBay affiliate places live auction listings of relevant products on their website, and each time their site visitors clicks on one of those listings and make a purchase one eBay the affiliate earns a commission.
- An affiliate builds a website about photography and regularly posts various tips and guides about the topic. In the sidebar of his site they place banner ads promoting Canon cameras as a Best Buy affiliate, each time someone clicks on that banner and makes a purchase on Best Buy, they earn a commission.
- A tech blogger writes a review of the latest Apple MacBook, and places an affiliate link to Apple's website within the review. Each time someone clicks on that link and buys a MacBook, or anything else at Apple's store, the affiliate earns a commission.
- An email marketer sends an offer to their list of bloggers for a new premium Wordpress theme, each subscriber that clicks on the offer link and purchases the theme earns the affiliate a commission.

Cost Per Sale (CPA)

CPA stands for cost per action and in this payment model affiliates are paid for particular actions completed by traffic they refer to the merchant site.

CPA is different from PPS models because the traffic need not make an actual purchase, but, they only need to perform the action that is prescribed by the merchant company.

For example, giving an email address, filling out a credit card application or signing up for a free trial.

For example, an advertiser, such as Netflix, pays \$25 for the action of signing up for a free trial at their site.

CPA is one of the more lucrative affiliate marketing models because the earnings can be substantial from various high paying programs.

Cost Per Lead (CPL)

Cost-per-lead pays affiliates for sending viable leads to their site that they can then engage with their marketing goals.

Cost Per Click (CPC)

The cost-per-click model pays affiliates for ads clicked by traffic on their sites. A form of contextual advertising that comes in both text and image ads that are placed on the affiliate site.

<https://jwbookstore.com>

Typically, the ads served are highly relevant and personalized to the individual site visitor and so tend to convert quite well.

Google AdSense and Chitika are two of the most popular and well known CPC affiliate programs.

Example of CPC Ads

over the world to help alleviate poverty one micro-loan at a time. For as little as \$25.00, groups or individuals invest in global businesses that offer life changing benefits to the owners and their families.

AdChoices ▶ [▶ DC Small Business](#) [▶ SBA Business Loan](#) [▶ Business Owners](#) [▶ Social Business](#)

Small Business Meet Ups

Small businesses that need a broader audience for advice and feedback often turn to Small Business Meet Ups for advice from a network of interested peers. Some popular topics include

Get Rich Quick Schemes Versus Reality

There are many opportunities to make money in affiliate marketing, but, it is NOT a "get rich quick scheme."

While there are many successful affiliates, who are making thousands of dollars a month and those who are millionaires, rest assured, that did not happen overnight.

In reality, Affiliate Marketing takes work, there is a learning curve, and it takes time, dedication and commitment to become successful, but, the good news is that if one learns the proper methods, and takes action the probability of being successful is very high.



Isn't the Internet Too Competitive?

There is a myth out in the world that the Internet has become much too competitive to make any real money online.

That just makes successful affiliates laugh.

The truth is that there are many viable opportunities in affiliate marketing, and while certain niches and segments of markets are very competitive, there are many that are not.

Plus, with the vast variety of ways to implement this business model, competition becomes that much less of a concern.

In fact, the Forrester research company estimates that the affiliate marketing industry will grow to \$4.5 billion by the year 2016.

Everyday millions of people search the web for products, services and information.

There are an estimated 5,922,000,000 searches performed on Google alone every single day on a vast variety of keywords, and there are plenty of untapped niches through which money is waiting to be earned.



The most important factors are learning proper skills and taking action, everything else will fall into place.

When the correct strategies, techniques and tools are used to create an affiliate marketing business, success is not only possible, but, very probable.

Affiliate Marketing Statistics

The Forrester research company predicts that this industry will grow to \$4.5 billion by the year 2016.

And this is because it is a key driver of revenue for online merchants. It is also instrumental in attracting new customers to brands and product developers and customers who are referred through affiliate marketing tend to spend more than the typical online shopper.

Another reason it enjoys so much success and is only forecasted to grow is because it is a low risk and high return strategy for online marketers.

The 2013 Affiliate Summit AffStat Report of a survey that polled more than 1,600 affiliate marketers and here are some interesting results.



Earnings

- 39.2% - Less Than \$5,000
- 11.8% - \$5,000 to \$10,000
- 13.1% - \$10,000 to \$24,999
- 5.9% - \$25,000 to \$49,999
- 9.2% - \$50,000 to 99,999
- 8% - \$100,000 to \$499,000
- 3.3% - \$500,000+

Products They Promote

- 69% of affiliate marketers stated they promote consumer-related products.
- 29.7% stated that they promote both types of products.
- 1.3% said they promote business-related products only.

Pros and Cons of Affiliate Marketing

Pros

- ✓ Unlimited income potential.
- ✓ Unlimited opportunities.
- ✓ Very little in start-up costs.
- ✓ Fairly easy technical set up with absolutely no programming or coding knowledge required because of the many free tools available to easily build affiliate websites, such as, Wordpress.
- ✓ No advanced marketing skills are required, online marketing has a specific set of skills that can be learned by anyone.
- ✓ Plenty of support from online forums.
- ✓ Can be started and done around a day job.
- ✓ Potential freedom from punching a time clock.
- ✓ Pride in accomplishing something extraordinary.
- ✓ No need to create a product or service.
- ✓ No shipping hassles.
- ✓ No dealing with customers, except with email marketing.



Cons

- ✓ Lack of control in affiliate programs and changes that can arise. Commission structures change, programs close down, and other changes can reduce income streams. But, that is the reason it is recommended to always diversify your earnings and campaign profile.
- ✓ For some, the commitment level and work required might be a con.



Requirements For Affiliate Marketing

Start Up Costs

One of the biggest advantages of starting an online business with affiliate marketing is that the start-up costs are so very low, especially when compared to a brick and mortar business that comes with a high overhead.

Must Have Requirements:

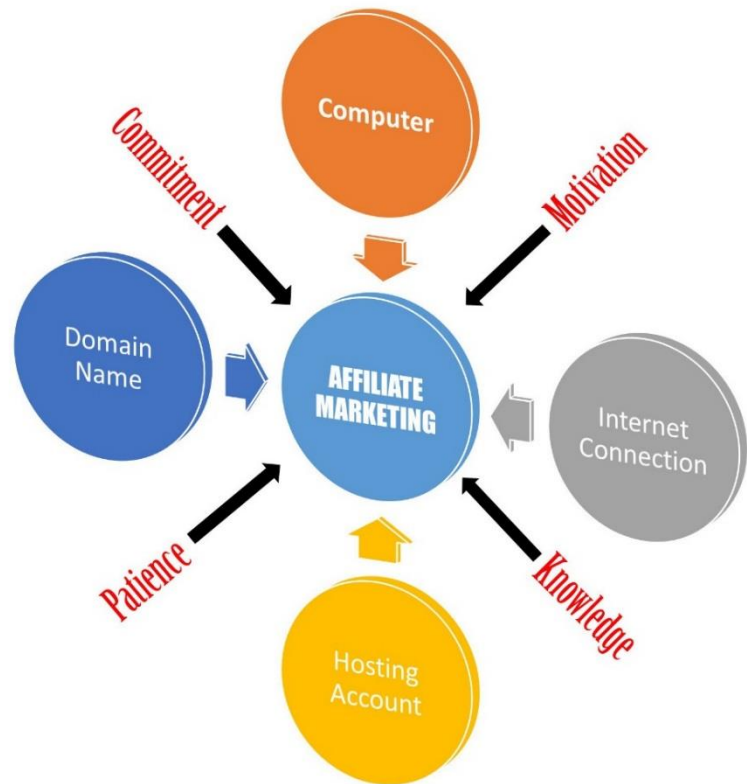
- Computer
- Internet connection

Website Requirements

- Domain Name (*\$14.99 at most*)
- Hosting account (*average cost \$9.95 per month or less*)

Other Requirements

- Motivation
- Commitment
- Learning Proper Skills
- Hard Work
- Determination
- Discipline To Work Independently
- Time and Patience (many start this business around their day jobs, and quit once they reach their target earning level)



Common Venues Used For Affiliate Marketing

There are several venues that one can use to create an affiliate marketing business.

➤ Building An Affiliate Website

Building a website that focuses on a specific niche is one of the preferred methods for beginners.

Niche sites that focus on a specific topic and are monetized with related products and service.

Product review sites are also ideal, as they can be easily monetized and when done correctly convert very well in various markets.

Wordpress is free and is the easiest and most productive way for beginners to build and maintain an affiliate site.



➤ Blogging

Starting a blog is another popular method, where content is updated regularly and a connection is made with a target audience in a specific niche.

Again, very easy to set up and run with the Wordpress platform.



➤ Email Marketing

Email marketing can yield the highest return on investment, in fact, the Direct Marketing Association (DMA) reports that email marketing produces an ROI of \$35.00 for each dollar that is invested, which is very impressive.

But, email marketing can be problematic for beginners, because many do not take the time to learn proper methods and to understand the big picture, though, with proper training it can be and should be done early on.



In fact, building a list of subscribers from the first day of site launch is highly recommended.

Niche Research Steps and Basics

Choosing A Niche

A niche is a particular subject, or target market.

Niche Examples:

- Golf
- Beauty
- Health
- Pets
- Business
- Web design
- Blogging
- Weight Loss
- Computers
- Real Estate
- Insurance
- Finance
- Video Games
- Cooking
- Fitness
- Tech
- Mobile
- Camera
- Fashion
- And many more.



Micro Niches

There are much more specific niches within each major category, known as micro niches.

Examples:

Within the health niche, there is nutrition, alopecia, acne and heart disease.

Within the weight loss niche, there is, low calorie food, supplements, low carb diet plans, fat burning for women, healthy cooking, heart healthy cooking, cardio workouts and many more.

And, within the computer niche, there are tablets, printers, desktops, and more.

You can dig very deep into a niche, which, is an effective strategy because those niches are much less competitive.