

# Setting up and running your own affiliate program

Affiliate programs are not the preserve of large websites and you could have your own affiliate program up and running for under £100! The affiliate networks require £000's for set up and monthly fee's however with your own in-house run program you can be up and running with minimal investment.

## Why have an affiliate program?

An affiliate program is essentially the online equivalent of having a sales team out there driving traffic and sales to your website. Because affiliate marketing is pay per performance it is one of the most cost effective marketing channels available, especially when compared to other forms of online marketing such as display (e.g. banners) and pay per click advertising (e.g. Google AdWords). With a set cost per action (CPA) determined by you, you always know what your ROI is going to be and you can ensure each sale will be made at a profit.

An affiliate program...

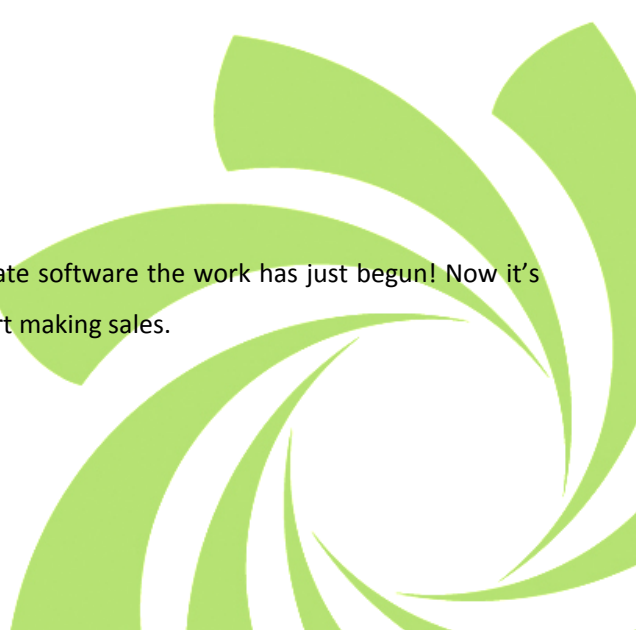
- \* Increases your reach
- \* Provides more control with your ROI
- \* Is purely performance based
- \* Can be tailored to your requirements e.g. pay per sale or pay per lead

## How to set one up?

A search on Google for "affiliate software" demonstrates how big in-house run affiliate programs are with dozens of software solutions to choose from. We can't recommend any specifically but if you do your research you will soon get a feel for which have the most comprehensive features, are the best value and the most flexible. The key features to look for (in our opinion) are:

- \* Adaptable payment options (e.g. choose from pay per click, pay per lead, pay per sale etc)
- \* Tiered groups to put affiliates in based on their performance
- \* Unlimited collateral (e.g. text links, banners, text ads etc)
- \* Anti-fraud solutions
- \* End user area customisable
- \* No ongoing monthly fees (if hosting it yourself)

Once you have researched, selected, purchased and integrated your affiliate software the work has just begun! Now it's time to create your banners, set your commission, recruit affiliates and start making sales.



### **Banners & text links**

Not every affiliate's website is the same so you will need a good selection of banners to choose from, ideally with one batch that is colour neutral (e.g. white background) to cover your bases. It is also a good idea to provide a selection of the most common banner sizes from big to small e.g. 468x60, 120x600, 200x200, 125x125 etc.

Banners are not everyone's cup of tea and with banner click through rates (CTR) falling year on year, you will also want to offer text links to your affiliates. Text links allow for more integration in to the affiliates' website and typically have a greater CTR than banners.

### **Your commission schedule**

How much you pay out per action completed (be it a sale, lead, download etc) is one of the most important decisions you will make. It needs to be attractive enough to make it worth an affiliate's time to promote you on their website over another brand but also provide you with an acceptable ROI. If any of your competitors have an affiliate program, sign up and take a look at what they pay. Aim to at least match their payments to ensure you are attractive enough.

The most common mistake we see with in-house programs is them being far too stingy with their payment options. One train operator we saw paid out £2 per sale regardless of the sale value! How many affiliates do you think were willing to send sales in excess of £150 for a ticket to get £2 back?

### **Signing up your publishers**

The first place to start is with your existing customers and mailing list. Send out a dedicated email announcing the affiliate program's launch, why they should sign up and how they can be part of this great opportunity.

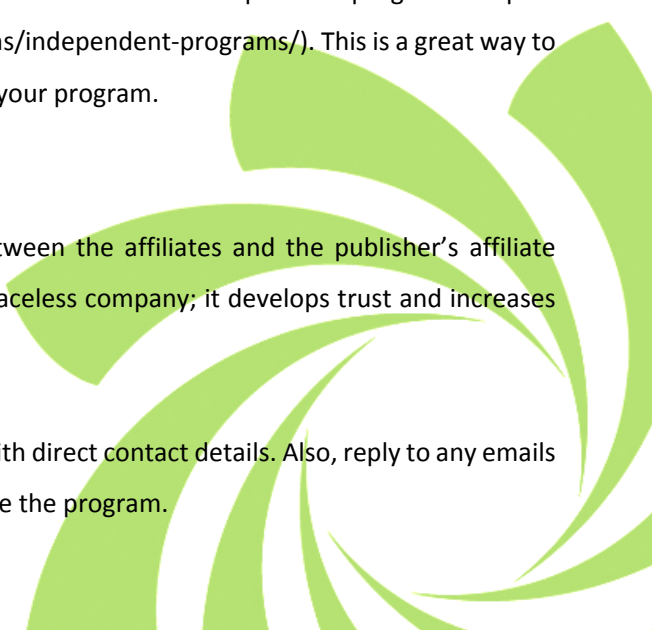
A dedicated affiliate page on your website is a great way to get across all the advantages of joining your program and how easy it is to make money. Because affiliates don't have to exclusively be your customers, put aside some real estate on your home page to link to your affiliate pre-sales page to drive traffic to the page and increase sign ups.

The largest affiliate community forum is [www.affiliates4u.com](http://www.affiliates4u.com) and it has a section for independent programs to post announcements and chat to affiliates (<http://www.affiliates4u.com/forums/independent-programs/>). This is a great way to get involved with the affiliate community at large and raise awareness of your program.

### **Publisher relationships**

The best affiliate programs are those that have direct relationships between the affiliates and the publisher's affiliate manager. Affiliates like to know they are dealing with people and not a faceless company; it develops trust and increases the likelihood of you being put in a good position on their site.

Send a welcome email upon sign up using your name in the footer along with direct contact details. Also, reply to any emails promptly and personally and encourage feedback on how you can improve the program.





If you are planning any new products, features or promotions give your affiliates plenty of notice so they can use it to drive sales on their site. You should consider sending them details along with web copy they can use/ adapt for their own purposes.

Not all affiliates are created equal so identify your top affiliates (be it actual sales or potential sales) and make an extra effort to develop a relationship with them through email contact, exclusive offers and bespoke creative. You will more than likely find that 10% of your affiliates contribute up to 80% of your sales. This is typical for most affiliate programs, so make sure you keep that 10% happy!

### **Promotions**

Once you start to see a steady flow of sales coming in from your affiliate program you should consider running a promotion targeting your affiliates to incentivise them to display you more prominently. The aim here is to increase sales, but also once the promotion is over you remain in that prime position. Options include a basic increase in commission for all products, bonuses for hitting a sales target, tiered commission (the more you sell the more commission you earn per sale), and prizes based on performance e.g. free holiday.

### **Top tips:**

In summary here are our top tips for running a successful in-house affiliate program:

- \* Do your research when looking for your affiliate software. Take the time to make sure you get the right one.
- \* Ensure your commission rates are competitive and high enough to be worth an affiliate's time
- \* Do manual approvals on affiliate applications to keep control over who joins
- \* Run regular reports to gauge the program's performance, do not "fire and forget"
- \* Develop direct relationships with the large affiliates on your program
- \* Keep affiliates up to date with future product/ promotion plans
- \* Get involved with the affiliate community

