

What is Affiliate Marketing?

You may have heard the term affiliate marketing and have been told that it is a great way to make money from your computer. You might still be feeling a little confused about how it works, why it works and how to get started.

Affiliate marketing refers to a marketing method where you are basically becoming an online sales person. A vendor will own or create a product that they wish to sell. Of course, it is much easier to sell when you are surrounded by sales people. So the vendor sets up something called an affiliate program. When affiliates join this program they are promising to advertise certain products in return for a commission.

Payment Methods

Commissions are normally percentage based and are paid in cash. They can also be paid as free products or you may be given coupons, discounts or even advertising space on a popular website.

There are other payment methods that you need to be aware of. The first one is referred to as 'pay per sale' which gives the affiliate a reward every time a product is sold. This is normally the percentage payment method. To earn money with this method the affiliate needs to use a special link (affiliate link) and posts this links in blog post, articles, on social sites and even on their own advertisements.

The second type of method is known as 'pay per lead' this is where the affiliate gets paid each time they refer a lead to a company. Credit card companies use this type of program a lot. They recruit affiliates to advertise for them and each time a person fills out a form and becomes a lead the affiliate gets paid. Products that offer trials will also use this method.

The third type is called 'pay per click' and affiliates are given a commission for each time one of their links is clicked upon.

Benefits to Vendor and Affiliate

Affiliate marketing really does benefit both the vendor and the affiliate. Many times a person decides to promote a particular product because they have expertise with it. You may decide to promote woodworking because it is a

hobby you enjoy. So, obviously, you have lots of experience to draw upon when it comes to writing or blogging about this topic. In turn this means that visitors to your site will connect with you, recognize your authority and be more willing to purchase items that you recommend. The vendor is more likely to see lots of sales coming through your affiliate links - a good thing.

For the affiliate the benefits include being recognized as an authority in their niche. It also means seeing regular income and being rewarded from the vendor with free products and possibly higher commission rates. A good vendor will appreciate their top affiliates and have no issues in rewarding them.

Good affiliates can easily help a vendor improve their reputation and increase their sales. Good vendors will appreciate their top sellers and be happy to have products that are selling well. Affiliate marketing really is a win-win situation for both sides.