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Affiliate Marketing For Brands



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Affiliate marketing is a tactic that allows a publisher to earn commission for promoting your product, service, or brand. Beneficial to both the creator and the brand, affiliate marketing is an effective way to drive sales and online revenue. In fact, affiliate marketing is expected to generate over **\$8 billion** by the end of this year.

In the following guide, we will discuss:

- **What is affiliate marketing?**
- **How does affiliate marketing work?**
- **Benefits of starting an affiliate marketing program**
- **Tips on starting an affiliate marketing program**

What is Affiliate Marketing?

So, what exactly is affiliate marketing? Affiliate marketing is where a publisher or creator earns a portion of the profit (commission) for marketing another brand. This may involve sharing a product or service on a website, blog, or social media platform. Affiliates earn a commission every time someone makes a purchase through a unique link associated with their recommendation. Commissions are usually a percentage of the sale price or a fixed amount. Affiliate marketing programs work best for the following types of businesses:

- eCommerce
- Beauty
- Apparel
- Tech
- Health
- Subscription services

How Does Affiliate Marketing Work?

First, an affiliate gets a unique link containing a tracking ID. From then, the process works like this:

1. A publisher shares an affiliate link for a product.
2. A customer clicks the unique affiliate link.
3. Company makes a sale.
4. The transaction is recorded.
5. The purchase is confirmed by the company.
6. Publisher is paid a commission.

Benefits of Starting an Affiliate Marketing Program

Here are some advantages of implementing an affiliate marketing program:

Lower Start-Up Costs

Businesses (especially smaller ones) need to pay close attention to their bottom line and minimize operating costs. Affiliate marketing allows businesses to generate revenue and market products at a much lower cost compared to other advertising techniques.

Cost Effectiveness

Since brands only pay on results, affiliate marketing is incredibly cost effective and helps sustain results for long-term growth. By paying an affiliate only when a user converts, you also use your marketing budget more effectively.

ROI

Affiliate marketing has a higher return on investment than the majority of marketing strategies. One major factor: trust. When brands advertise through a trusted affiliate with direct access to a highly targeted audience, conversion rates can significantly increase.

Broadens Audience Reach

Affiliates can be found in literally every market, representing a broad range of product categories. Strong affiliate partnerships allow brands to reach new markets, giving them a much stronger online presence.

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Boosts Brand Awareness

With so many businesses competing for the same consumer dollar, it's key for brands to stand above the competition. Affiliate marketing can effectively boost brand awareness. As affiliates drive traffic to your website, more people will connect with your brand. Since affiliates earn a commission, they have a vested interest in a partner's success and therefore will become a loyal advocate of the brand.

Tips For Starting An Affiliate Marketing Program

Does an affiliate program seem like a good fit for your business? If so, here are a few tips to get your business started on the right track.

Set goals for your program

Brands should establish the audience they want to attract, then determine what type of affiliate will help them achieve that step. Also, which products we want to include in the program. This can focus optimization moves such as adding more affiliate products or creating additional marketing materials. Next, set a few top measurable goals (KPIs) for the program. This allows companies to gauge program success. Keep track of affiliate marketing KPIs to see the ROI and find new opportunities:



- **Total affiliate revenue**
- **Revenue by affiliate**
- **Average order value**
- **Top affiliates**

Brands should ask 'what amount of revenue should an affiliate bring in per month, quarter, or year?' Companies can also set goals for conversion rates, impressions, clicks, and leads they'd like to attract within a certain timeframe.

Decide affiliate pricing and commission

Decide whether your company will pay a set amount or a percentage for each sale. A percentage commission (in cash) will probably be most attractive to affiliates. Next, the exact affiliate commission rate needs to be established. Payout should be competitive compared to rival programs, but going above the competition isn't always the best strategy. In this process, it's important to factor in customer acquisition costs, retention rate, and the average customer lifetime value.

Select the right affiliate

In affiliate marketing, it's important to find the right partner. Choose affiliates that click with your target audience. Do they

share the same needs and concerns? Do they create content in a voice that's similar to your customers?

When selecting affiliates, here are other characteristics to look for:

- **Affiliates are selective with the products/ services they promote.**
- **Affiliates have quality content.**
- **Affiliates have an understanding of marketing and SEO. Search engine optimization helps affiliates market your products or services more effectively.**
- **Affiliates have a robust sales funnel.**
- **Affiliates share your niche or sell complementary products to yours. When they're promoting your products with referrals, it's probably something their audience wants or needs.**

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Communicate with your affiliate

Manage affiliates like any business partner. It's a long-term relationship that needs to be nurtured. Send affiliate partners the latest brand updates and promotional announcements. Keep communication open through channels such as email, a phone number, or an online platform.

In summary, affiliate marketing can be an effective tool to help grow a business...increasing reach, awareness, and revenue. We hope these fundamental tips help any business begin an affiliate program of their own.

Redefining Possible.

We are a progressive full-service digital agency,
growing brands in today's connected world.



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