

The Beginner's Affiliate Marketing Study Guide

A study guide that teaches you exactly...

What affiliate marketing is...

How you make money....

And what it takes to be successful!

By The Instructors Of
The Affiliate Classroom

The Complete Beginner's Affiliate Marketing Study Guide

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Table of Contents

Introduction	
<i>How To Use This Study Guide</i>	4
Module One	
<i>What Is Affiliate Marketing?</i>	5
Module Two	
<i>How Do I Make Money?</i>	8
Module Three	
<i>Is Affiliate Marketing Right For Me?</i>	13
Module Four	
<i>What Do I Need To Get Started?</i>	19
Module Five	
<i>How Much Does It Cost To Get Started ?</i>	25
Module Six	
<i>Where Do I Find Products To Sell?</i>	29
Module Seven	
<i>How Do I Get People To Come To My Site And Buy?</i>	33
Module Eight	
<i>How Do I Use Email To Promote My Programs?</i>	41
Module Nine	
<i>What Should I Do To Expand My Affiliate Business?</i>	45
Module Ten	
<i>Review Of Terms And Concepts</i>	49

Introduction

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How To Use This Study Guide

The Affiliate Classroom designed this Study Guide for someone who is completely unfamiliar with Affiliate Marketing. **This Guide assumes you know nothing.** It explains the type of business affiliate marketing is. It shows how you make money. And it will help you decide whether affiliate marketing is your best choice for an online business.

Unlike so many ebooks that are trying to sell you someone's pet product, this Study Guide is meant to be an **educational** tool. **We strongly recommend that you print it out and work on it offline.**

How To Use The Modules

The Study Guide is broken up into 10 modules. **Each module builds on the prior one, so don't skip ahead.** Do each at your own pace.

Nine of the modules end with five brief Review Questions. These are all in a True/False format. **Always answer the Review Questions right away.** And read them carefully – they can be tricky!

Much of your online success will depend on how well you pay attention to the details, and the Review Questions will make you more sensitive to the finer points of affiliate marketing.

The last module ends with a more challenging assignment. You will be asked to read one of the more advanced Step Guides in the Affiliate Classroom, and then make notes of any terms or concepts you don't understand.

This is to get you in the habit of never taking your knowledge for granted. Most beginners make expensive mistakes because they think they can "master the details" later. But in an online business, that can cost you money and time!

You'll notice the modules get progressively more difficult. This is intentional!

There's no reason to be intimidated. Just work through the modules a little at a time. Yes, the further along you go, the more we'll demand of you. But it's worth it.

In the end, you'll understand all the principles that have been developed by the most successful affiliate marketers in the world. You'll return to that solid foundation over and over again.

Module 1

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WHAT IS AFFILIATE MARKETING?

In this module you will learn:

- What affiliate marketing is.
- The idea behind the affiliate marketing business model.
- How affiliate marketing works on a basic level.

WHAT AFFILIATE MARKETING IS

Affiliate marketing is way of making money on the Internet. It is based on a very old business model – paying someone only when they produce results.

In Affiliate marketing, **you are paid when you send sales or leads to a merchant who sells goods and services on the web.** People who make money this way are called “affiliates.” Sometimes they are also called “associates” or “program partners.”

When you sign up for a merchant’s “affiliate program,” it means you are signing up to be a member of his online sales force. Some other words for “affiliate programs” are “associate programs,” “bounty programs,” “referrer programs,” “partner programs,” or “revenue sharing programs.”

Affiliate marketing is big business. It is responsible for an estimated \$14 billion in annual online sales.

THE IDEA BEHIND THE AFFILIATE MARKETING BUSINESS MODEL

Have you ever worked on a commission-only basis? Affiliate marketing is like that. **When you make a sale, the merchant pays you a percentage of the sale.** Of course, if you don’t make a sale, you don’t get paid.

Have you ever been paid a referral fee for sending business to someone? Affiliate marketing is a little bit like that, too. **Some affiliate merchants pay you when you send them qualified leads.**

When you hear people talk about “pay-for-performance” marketing, this is the kind of thing they are talking about. **You are paid a fee – usually a commission – for helping sell somebody else’s products or services.**

HOW AFFILIATE MARKETING WORKS

Now that you know what affiliate marketing is, you might be wondering exactly HOW you send business to a merchant. Let's look at it on the most simple, basic level.

On the Internet, you send business to an affiliate merchant with a special kind of link. The merchant gives you this link. Here is how it works:

Let's say you find a product online that you would like to sell. You see the merchant has an affiliate program. After looking over the details of the program, you see the merchant pays a 30% commission, every month, on net sales.

So you sign up for the program by filling out an "affiliate agreement." This is a legally binding document in which you agree to the terms and conditions the merchant requires, such as not sending spam. Affiliate agreements are important because if you violate these terms and condition, the merchant can withhold payment, or even drop you from the program.

Now the merchant sends you a special link. Your job is to put this special link on a web site, in an email, or even in a picture online. And to get people to click on it and BUY.

When someone clicks YOUR special link and makes a purchase, YOU will be paid a commission on that sale.

But remember, **the customer MUST actually make a purchase.** Just because someone clicks your affiliate link, it doesn't necessarily mean you will get paid.

This is the challenge of affiliate marketing. The merchant must do a good job of selling the person who clicks on your link. Also, YOU can help by adding your own creativity. For example, if you place the link on a web site that offers a detailed review of the product, the person will be more inclined to buy.

How does the merchant know that YOU should be paid, and not someone else? **The merchant knows YOU sent him the sale because the link contains special code.**

This code is a unique set of numbers or letters. It's called your "affiliate ID." The code identifies YOU – and only YOU – as the person who is responsible for the sale.

This link is called an "affiliate link." It is very important, because you cannot get credit for sales unless people click YOUR unique affiliate link.

And that is how affiliate marketing works!

REVIEW QUESTIONS FOR MODULE 1

Please indicate whether each statement is True or False.

1. In affiliate marketing, you get paid when you put a link to a merchant on your web site.
2. An affiliate program can also be called an "associate program."
3. You get paid an affiliate commission when someone clicks on your affiliate link.
4. The way that the merchant knows YOU are responsible for a sale is through your special affiliate link, which contains your affiliate ID.
5. You must abide by the terms and conditions in an "affiliate agreement."

ANSWER KEY FOR MODULE 1

1. False. You only get paid when a customer makes a PURCHASE through your affiliate link.
2. True.
3. False. You only get paid when a customer actually PURCHASES through your affiliate link.
4. True.
5. True. These agreements are legally binding, so make sure you understand them.

Module 2

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HOW DO I MAKE MONEY WITH AFFILIATE MARKETING?

In this module you will learn:

- The many ways you can make money with affiliate marketing.
- The two different types of commissions.
- Payment terms.
- What affiliate “cookies” are.
- Why 2-tier programs are important.

THE MANY WAYS YOU CAN MAKE MONEY WITH AFFILIATE MARKETING.

In affiliate marketing, you make money primarily from commissions. However, **there are also other ways you can get paid.** Let’s look at ALL the ways you can make money:

PAY-PER-SALE

You learned about this in the previous module. When someone buys a product or service through your affiliate link, **the merchant pays you a percentage of the sale.** Pay-per-sale commissions range anywhere from a few percent to 75 percent or more.

RESIDUAL INCOME AND RECURRING REVENUE

In residual income programs, merchants pay you a recurring commission on subscriptions and monthly services, such as web hosting.

Even though you may not make a large percentage on these programs, they can be very beneficial to you. This is because you sell the subscription only once, but receive commissions for as long as the customer pays their monthly fee.

PAY-PER-LEAD

This type of affiliate program pays a flat fee, or “bounty,” for each qualified lead you send to the merchant site through your affiliate link.

The visitor has to give their contact information to the merchant to be considered a real lead.

With pay-per-lead programs, you can make anywhere from 25 cents for a simple lead, to \$25 or more for a completed loan application.

Remember, **the MERCHANT decides who is a "qualified lead."** Some of the best pay-per-lead programs come from insurance, mortgage, and loan applications.

PAY-PER-CLICK

Even though you don't normally get paid for clicks only, **certain special advertising programs DO pay just for clicks.** You give the program ad space on your site, and make a small amount of money from each click on an ad.

Today's most popular pay-per-click program is Google's AdSense. You show anywhere from two to five Google ads on your site, and receive a small percentage of the amount the advertisers pay Google.

PAY-PER-SEARCH

This is similar to pay-per-click, except model, except that you receive a few cents whenever a visitor searches the web via special search box that you have to put on your web site.

HYBRID PROGRAMS

Sometimes merchants combine different payment programs. They might offer 10 cents per banner click and then 15% on sales made after someone clicks. Some will also offer bonuses after you make a certain number of sales. Others offer a scale that pays higher commissions the more sales you make.

THE TWO DIFFERENT TYPES OF COMMISSIONS

There are basically two types of commissions:

SINGLE-TIER COMMISSIONS are straight commission payments. You get a percentage or a fixed dollar amount per sale.

2-TIER COMMISSIONS pay on two levels. You get a commission on your own sales, and on sales made by new affiliates you refer.

2-Tier programs can be beneficial because even if you don't make many DIRECT sales, the affiliates who sign up under you will. Over time, this can add up to a substantial passive income.

For example, you may get paid a 25% commission on your own sales, and a 5% commission on affiliates you refer. Even if you make only a few sales of your own, if you have a large team of affiliates under you, you will make money.

Obviously, **it's a good idea to look for 2-tier programs whenever possible.** It's even more important if you spread the word about the affiliate program to other people through "viral marketing" (we will discuss viral marketing in a later module).

But don't focus on 2-tier programs only. They have a couple of disadvantages. One, merchants can change their programs and compensation plans. And two, an affiliate on your second level may decide to sign up under a different affiliate at a later date.

PAYMENT TERMS

You must accept the fact that in affiliate marketing, **merchants can issue checks whenever they want to.** This is why it is important to read the fine print in your affiliate agreement when you sign up for a program.

The good news is, most merchants pay on a regular schedule. This is usually monthly, quarterly or whenever your total earnings reach a pre-determined amount – usually a \$50 or \$100 minimum.

COOKIES AND "LIFETIME COMMISSIONS"

You will sometimes read that a merchant offers "lifetime commissions." This means the merchant uses sophisticated information to track a customer back to you. **The goal is to pay you on ALL future business from that customer.**

How can a merchant do this? The most important way is through "cookies." **Cookies are tiny programs given to a visitor's web browser when they click your affiliate link.**

The cookie stores information on that person's computer. This information identifies YOU as the affiliate whenever the visitor returns to the merchant's site.

Cookies generally last for a certain period of time, anywhere from a few hours to days, months, or even years. Then they expire. **In the case of lifetime commissions, the cookie lasts a very long time, usually two years.**

Of course, if that customer gets a new computer, the cookie is gone! But merchants who offer lifetime commissions usually combine cookies with other, more sophisticated affiliate tracking tools.

Merchants who offer lifetime commissions are usually very good to work for. They often have no other sales force except their affiliates. So they want to treat you right and increase the number of affiliates who work hard for them.

These merchants believe it is in their own best interest to make sure you receive credit from ALL future sales from YOUR customers.

Unfortunately, lifetime commissions are rare, but worth pursuing. Go to <http://www.lifetimecommissions.com/> for an up-to-date list of merchants who offer these lucrative, long-term cookies.

REVIEW QUESTIONS FOR MODULE 2

Please indicate whether each statement is True or False.

1. You should focus most of your affiliate marketing efforts on 2-tier programs.
2. A pay-per-lead program pays you a small amount whenever someone clicks a link.
3. A "cookie" identifies YOU as the affiliate by storing this information on a customer's computer.
4. A pay-per-sale program pays you when someone fills out a contact form or an application.
5. Lifetime commissions mean you make residual income every month.

ANSWER KEY

1. False. Grab these 2-tier opportunities whenever possible, but do not make them your central focus.
2. False. Pay-per-lead programs require the prospect to take some kind of ACTION after they have clicked, such as filling in a form.
3. True.
4. False. Pay-per-sale only pas a commission if the customer makes a PURCHASE.\
5. False. Lifetime commissions don't necessarily pay every month. They simply tag a customer as yours, so you get paid on that customer's future purchases.

Module 3

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IS AFFILIATE MARKETING RIGHT FOR ME?

In this module you will learn:

- Why many people fail in affiliate marketing.
- The necessary skills and attitudes for being successful in affiliate marketing.

Affiliate marketing is not the only way to make money online. Before you invest any time or money in affiliate marketing, **it is important to have a realistic idea of whether this type of online business is your best choice.**

Not everyone is suited to a business selling OTHER people's products and services. Some people would rather develop their own product. Still others would like to sell their own services, or use the Internet to promote an offline business.

So in this module, we will look at why people succeed or fail in affiliate marketing, and how you can decide whether it is right for you.

WHY MANY PEOPLE FAIL IN AFFILIATE MARKETING

At first glance, affiliate marketing sounds like it should be easy. Get people to click your links, and you make money! Nothing to it – right?

Well, not quite. **It has been estimated that over 90% of all affiliates never make a single sale.** Even if half of these people simply fail to take any action, the other half may be trying very hard – yet making no sales.

Why do these people fail at affiliate marketing? Here are the most common reasons:

THEY UNDERESTIMATE THE EFFORT INVOLVED

Affiliate marketing sounds easy. But **like any other business, it requires effort.** You must think like a businessperson. You must put profitability – not just making sales – first. This is true whether you want affiliate marketing to replace your current job, or whether you only wish to make a modest second income.

The most successful affiliates put in a full day's work every single day.

Part-timers work a couple of hours a day, while those who make a full-time income work regular hours. But ALL of them, without exception, devote considerable EFFORT to their business.

This means you need to have a plan, and think things through. You must choose good quality products to promote, be selective, and only deal with quality merchants. Finally, you must be willing to follow through. People who are unwilling to put in the effort cannot succeed in affiliate marketing.

THEY UNDERESTIMATE THE AMOUNT OF TIME IT TAKES TO GET PAID

Affiliate marketing is not a get rich quick scheme. While some affiliate programs will deposit commissions into your bank account or PayPal account immediately, many do not. **From the time you make your first sale, it could take anywhere from two weeks to many months before the merchant processes payments.**

People who do not have another source of backup income become discouraged when they do not make money right away in affiliate marketing. These people usually give up.

THEY UNDERESTIMATE THE LEARNING CURVE

In the early days of affiliate marketing, the process of making sales was fairly simple. You simply put your links on a web site or in an email, and you got sales.

But today, **affiliate marketing requires a considerable amount of learning.** This is because affiliate marketing is now a sophisticated business. You must understand something about online sales, how to build web sites, and the many ways of getting visitors to come to your web site (this is called "generating traffic").

Finally, you must be willing to learn about the right and wrong way to convince a person to buy through your affiliate links. People who do not want to learn these things cannot succeed in affiliate marketing.

THEY ARE UNCOMFORTABLE WITH INTERNET TECHNOLOGY

You don't necessarily have to be an expert in technology to make a living from affiliate programs. However, **you must be willing to learn enough about the nuts and bolts to make intelligent decisions.**

If you don't know very much about building web sites, you can't hire someone else to do it for you in a cost effective way. If you are not interested in how to write good sales copy, then you will not be able to tell the difference between a good writer and bad one. If you do not want to learn about how search engines (like Google) work, you will not know what to put on your web site, and what to leave out.

People who fail at affiliate marketing are often afraid of the technology. But like it or not, affiliate marketing is an online business. If technology makes you freeze up, this must be overcome.

THEY PROCRASTINATE

The most damaging thing that unsuccessful affiliates do is... NOTHING. If you do not get started, and at least TRY something, it doesn't matter how much effort or education you get.

NECESSARY SKILLS AND ATTITUDES FOR BEING SUCCESSFUL IN AFFILIATE MARKETING

YOU MUST ENJOY WORKING ON YOUR OWN

Even though much of affiliate marketing involves sales, you won't be talking to people on the phone or attending meetings. **Any career involving the Internet means you will be a knowledge worker, spending much of your work day at a computer.**

Sometimes you will hear how an online business allows you to work at home, in your underwear, and still make a large income. This is true. But it also means **you may be STUCK at home, at your computer, for many hours a day.** Not everyone wants to do this.

If you are a "people oriented" type who likes personal interaction, affiliate marketing will require you to switch your style. People who have had a career in sales often do very well in affiliate marketing. But only if they can make the transition from face-to-face sales to doing almost all of it by computer. Email replaces luncheon meetings and long phone conversations!

YOU MUST BE ABLE TO HANDLE THE LEARNING CURVE

The most successful affiliate marketers – the ones who make six-figure incomes – are constantly studying.

They possess enormous knowledge of how to get web site visitors from Google and other search engines. They are well-versed in how to build web sites to maximize clicks on their links. They understand how to code links on web sites, and how to test these links.

They also know a great deal about the practical aspects of business, including calculating their profit and loss. You should, too.

YOU MUST LIKE BUSINESS

It is strange, but many people try to get into affiliate marketing even though they “hate” business! Yet to truly succeed as an affiliate, **you must enjoy being in business.**

And you must have a hands-on attitude toward your affiliate marketing business. **Very few professional affiliates have a large staff of people working for them.** Even though they might outsource work like web design or writing, they also roll up their sleeves and get involved in the details.

If you don't like the idea of advertising, selling, or calculating your profit and loss, you'll need to overcome this to succeed in the marketplace. **Remember, nothing happens – and you don't make money – until you sell something!**

TECHNOLOGY MUST BE YOUR FRIEND

If you are the sort of person who gets upset when something goes wrong on your computer, you will need to get a tighter grip on technology to become a successful affiliate marketer.

All successful affiliate marketers are 100% comfortable with Internet technology. They may not be masters at every single aspect, but they have a good grasp of all the basic principles of getting traffic and making online sales, and can look at web page code and assess whether it is good or bad.

If you already like computers and enjoy the Internet, you'll need to continuously expand your skills to learning about web design and search engine technology.

YOU MUST BE DISCIPLINED

In affiliate marketing, simple skills like being organized, setting daily goals, following a plan, and monitoring your progress are very important. You won't have a boss forcing you to do these things.

As a member of The Affiliate Classroom, you have an automatic advantage because you have access to online project management tools. However, if you choose not to use these tools, you will still need to develop your own method of staying on track.

Self-starters – people who can stay motivated and do not give up – are the most successful in affiliate marketing.

YOU MUST BE ABLE TO WRITE CLEARLY

Email is the preferred form of communication for the successful affiliate marketer. **You do not need to be a brilliant copywriter, but you should be able to write a clear, understandable email.**

This is because you will need to write to merchants and other marketers and webmasters. Many of them operate almost exclusively via email. They simply don't have the time to coordinate marketing efforts on the phone.

When you advance in affiliate marketing, you WILL communicate with selected joint venture partners on the telephone. But in the beginning, almost all your communication will be online.

Basic writing skills are also necessary for writing clear instructions to web designers, programmers, and copywriters, if you decide to hire them to help you. So if you are comfortable doing business in an email environment, affiliate marketing could be the ideal "career" for you!

YOU MUST BE A DOER, NOT MERELY A THINKER

Some people enjoy learning ABOUT business, without ever DOING business! **Are you willing to take action, even if it means making a few mistakes?** If so, you have the right attitude to become a successful affiliate!

REVIEW QUESTIONS FOR MODULE 3

Please indicate whether each statement is True or False.

1. If you don't understand web design, you can just totally forget about it and leave it up to a professional.
2. If you need cash immediately, affiliate marketing is your best choice.
3. The best affiliate marketers don't have time to be on top of all the details of their business, so they hire large staffs to work for them.
4. To be a successful affiliate, you must also be an expert copywriter.
5. One of the best parts about being in affiliate marketing is you can work only when you feel like it.

ANSWER KEY

1. False. You should learn enough about web design to be able to choose the right kind of web designer and to make sure they do the work to your specifications.
2. False. It can take 6 weeks or more to see your first commission checks.
3. False. Many of the most successful affiliate marketers work alone, or with a few family members or support staff.
4. False. However, you should know the principles of good copywriting so you can hire the right person to work with you.
5. False. Affiliate marketing takes daily effort.

Module 4

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WHAT DO I NEED TO GET STARTED IN AFFILIATE MARKETING?

In this module you will learn:

- What equipment you need to start your affiliate business.
- What software you will need.
- What services you will need to purchase.
- What online tools you will need.
- Other "needs."

Affiliate marketing, like any other business, requires a few tools of the trade. You don't need much, but there are some minimum requirements.

The Affiliate Classroom provides you with many of your educational tools. And you probably already have your own computer and Internet connection, since you are reading this guide!

But you still need to be prepared to create a small business infrastructure to run your business efficiently.

EQUIPMENT YOU NEED TO START YOUR AFFILIATE BUSINESS

A RELIABLE COMPUTER

No, **you do not need a state of the art computer.** But it will need a reasonably fast modem (56K or higher), or a network card for higher speed Internet. Other requirements are a fairly large hard drive (at least 5 gig, preferably more), and a Pentium II (or higher) processor. Don't forget a quality keyboard that is comfortable for you.

It is also very important to have a CD-RW and a supply of blank CDs. This allows you to install new software easily, and to make backup copies of many important files, such as you web sites and articles.

A LAND LINE TELEPHONE

You don't need a separate business phone line. But **you'll need a phone line for dial-up Internet access, or as a backup in case your broadband connection fails.**

BASIC WORKSPACE AND COMFORTABLE DESK CHAIR

A simple desk, table, or workstation is fine to start. But remember you will be spending long hours at the computer. **As soon as possible, get a desk that is exactly the right height, as well as a high quality adjustable chair.**

SOFTWARE YOU WILL NEED

Most computers come with a Windows operating system, basic office software, and Internet Explorer already installed. But you may need to get virus protection and other Internet productivity tools. A good place to look for free and demo software is <http://www.download.com/>.

Software list

Virus protection: DO NOT SURF THE WEB WITHOUT IT. Even free programs are better than nothing.

Web browser (such as Internet Explorer, Firefox, or Opera)

Adware killer: Adware and scumware can give you more trouble than a virus, and your virus protection software will NOT work against these pests. Ad-Aware SE is free and does an excellent job.

Email program: This is sometimes called an email "client." ('Client' simply means the software is installed on your PC.) Outlook Express, Outlook, Eudora, Courier, etc. are all email programs you can purchase and install.

Web design software: Even if you are not doing your own web design, it is good to have a simple HTML editor. You can often find simple free HTML editors at <http://www.download.com/>

FTP program: Core FTP Lite is free and easy to use.

Word processor (like Microsoft Word) and spreadsheet (like Microsoft Excel)

SERVICES YOU WILL NEED TO PURCHASE

RELIABLE INTERNET CONNECTIVITY

Broadband is an enormous help, but it is not available everywhere and not absolutely necessary. **If you are using dialup, we strongly recommend accelerated dialup.** Even in remote areas with limited infrastructure, it seems to offer a slight boost in speed.

ISP WITH WEB BASED EMAIL

An ISP, or Internet Service Provider, is what gets you on the Internet so you can look at pages and get email. If possible, choose an ISP that allows you to read your email online, without downloading it to your computer. This is called web-based email, and is not only helpful when traveling, but can also keep you safer from viruses.

HOSTING COMPANY

This is a service that stores the web site you will soon build to market your affiliate products. **A web hosting company keeps your web pages safe and secure, and makes them accessible to anyone on the Internet.**

When the time comes to purchase web hosting, you will get guidelines from the Tutorials and Step Guides in The Affiliate Classroom.

ONLINE TOOLS YOU WILL NEED

YOUR OWN WEB SITE

While it is POSSIBLE to do affiliate marketing without a web site of your own, that you build and control, it is difficult and costly. **The Affiliate Classroom's entire system of affiliate success is based on being able to control your own web presence.** For that, you need your OWN web site.

So you will either need to build your own web site, or hire someone to do it for you. Your web site will need to contain the following components:

Domain name - This is your www.dot.com name.

SEO web design – SEO stands for Search Engine Optimization. This is a simple method of designing web pages so they can easily be found and understood by search engines, like Google. We will cover this in more detail in Module Seven.

Web pages – To start out, your site will need a home page, at least 10 SEO content pages (more on this in later Modules), privacy policy page, disclaimers page, contact page, site map page, graphics, and links. These are all part of your site.

Opt-in mechanism and auto-response system – Most affiliate web sites benefit greatly from having an opt-in mechanism. This allows people to give you their email address, so you can contact them with information and offers. We will cover this more in Module Eight.

OTHER TOOLS

As you get deeper into affiliate marketing, you may decide to purchase specialized tools on an as-needed basis. **These include keyword research tools, link management software, and PPC management software.**

As part of your Affiliate Classroom enrollment, you have access to our proprietary project management tools, as well as selected educational materials. Before purchasing any specialized tools, check the Affiliate Classroom Reference Library to make sure you aren't buying something that is already yours for the taking!

OTHER "NEEDS"

YES, YOU NEED UNINTERRUPTED TIME!

There is a reason you do not take your family, friends, and neighbors to work with you (assuming you work a day job). You would not be very productive if you did!

As an affiliate marketer, you will have to develop the fine art of working at home. This means setting limits with family, roommates, and anyone else who shares your living space. If you have young children, it is especially challenging to teach them these limits.

Minimizing interruptions and distractions is important if you are going to begin to turn your efforts into dollars. Many of the most successful marketers force themselves to wake up two hours early, or stay up two hours later, in order to capture some quality work time without family obligations.

Because the Affiliate Classroom includes a built-in project management tool, you have an advantage over most other marketers. This tool, called the portfolio, allows you to take advantage of small blocks of time and use them well.

The portfolio shows you, at a glance, exactly where you stand with any given affiliate marketing task. It also guides you in doing tasks in the correct order, so you don't need to waste time figuring out what's next. **You will find that by using the portfolio, working at home – even with interruptions – is much easier.**

YES, YOU DO NEED SOME MONEY

A few years ago it was fashionable to say that you could get started in affiliate marketing with almost no money. A free web site, some free auto-responder software... 100% pure profit.

But that was never really true. **No self-respecting marketer would ever use a free web site or free software.** These label you a rank amateur. And because they are free, they contain advertising – banners or text ads – that compete with your own offers. Bad business all around.

So you must be prepared to make some cash investment in your affiliate marketing business. How much? That is what we will cover in the next Module.

REVIEW QUESTIONS FOR MODULE 4

Please indicate whether each statement is True or False.

1. Getting a free web site is an economical way to begin your affiliate business.
2. You must have a state of the art computer to be successful in affiliate marketing.
3. Even if you have broadband, you should have access to a land line phone as a backup for your Internet connection.
4. One of the biggest business challenges you will face is handling interruptions while working at home.
5. To use The Affiliate Classroom system, you don't need to have your own web site.

ANSWER KEY

1. False. Free web sites usually contain advertising that competes with your business.
2. False. A modest computer, with the correct components, will serve you very well.
3. True. When running an online business, try to minimize periods of time without Internet access.
4. True. Setting limits can be very difficult in the initial stages.
5. False. The entire Affiliate Classroom system depends on your controlling your own web presence.

Module Five

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HOW MUCH DOES IT COST TO GET STARTED IN AFFILIATE MARKETING?

In this module you will learn:

- What kinds of online expenses you can expect.
- What kinds of offline expenses you can expect.

In this module we have collected **all the basic expenses you can expect to incur when you first get into affiliate marketing**. Of course, you probably already have a computer, a connection to the Internet, and basic software.

However, many people expect to be able to make money from affiliate programs without spending any money! This is simply not true. **While affiliate marketing is an very low overhead business, you still need to count on additional monthly costs.**

The figures below are estimates in U.S. dollars for people residing in the U.S. **Your costs can vary considerably based on where you live in the world.**

As part of your Affiliate Classroom enrollment, you are also entitled to discounts from certain preferred vendors of hosting, web design, copywriting services, and even software. By using these preferred vendors, you are guaranteed a high standard of service.

ONLINE EXPENSES YOU CAN EXPECT

ISP (Internet Service Provider)

Dialup: \$10-\$30 (monthly)

OR

Broadband (not absolutely necessary, but an enormous time-saver):

Cable Installation \$29 and up, then \$39-\$49 (monthly)

Satellite Installation \$199 to \$599, then \$69-\$99 (monthly)

DSL (Installation \$39-50, then \$39-\$79 monthly) (NOTE: You MUST have a land line to install DSL.)

Hosting

\$15-\$30 (monthly)

Domain name

\$10-\$15 (annual)

Web site design (if not doing it yourself)

15 page starter site: \$375 - \$1,500 (initial cost, does not include content or updates)

A starter web site requires the following pages:

- Home page
- 10 SEO content pages
- Privacy policy page
- Disclaimers page
- Contact page
- Site map page
- Graphics, links, opt-in form

Web site content (if not doing it yourself)

Affiliate Classroom strongly urges you to learn to write your own content for your web site. But if writing is difficult for you, or you have very little time, a professional writer can save you money in the long run.

If you hire a copywriter, we recommend that you hire the best. Dull, lifeless copy is worse than none at all. The Affiliate Classroom has relationships with preferred copywriters who not only write lively copy, but can optimize it for search engines (see Module Eight).

Professional copywriting services: \$99 - \$139 per article or web page

Email auto response system

This is a third party service that will store email lists for you, send messages on a timed sequence, and automate many of your online promotions and communications. You may also get an auto-responder built into your hosting plan.

Auto-responder system: \$15-\$40 (monthly)

Advertising

After you have built your first web site, you will test various forms of advertising. Even if you are making good money from free promotion, the right advertising can help boost your profits considerably. Here are some costs for very modest advertising tests:

Ezine advertising test budget: \$100-\$200 (quarterly to monthly)

PPC advertising test budget: \$100-\$150 (quarterly to monthly)

Banner advertising budget: \$50 (quarterly to monthly)

OFFLINE EXPENSES YOU CAN EXPECT

Computer

\$400-\$1000 (one-time expense)

Land line telephone

\$30-\$60 (monthly)

Basic workspace and comfortable desk chair

\$100-\$500 (one time expense)

Productivity software (if not pre-loaded on computer)

Operating system: \$100 (one-time expense)

Office productivity software: \$100-\$200 (one-time expense)

Web design software (if doing your site yourself): \$100-\$300

Internet software

IMPORTANT: Do not start your business without BOTH virus protection and adware/scumware software. Virus protection programs do NOT remove adware or scumware. Adware programs do NOT protect against viruses. Both types of pests can disable your computer and corrupt important files.

Virus protection: \$50-\$100 (one-time expense)

Scumware/adware cleaner: \$30-\$60 (one-time expense)

Browser: Free - \$30 (one-time expense)

Email program (if not bundled into software or browser): \$30-\$60 (one-time expense)

REVIEW QUESTIONS FOR MODULE 5

Please indicate whether each statement is True or False.

1. When hiring someone to write for your web site, just try to get the cheapest possible price.
2. Affiliate marketing is a very low overhead business.
3. It is a good idea to test advertising with a small budget, just to see if it increases your profits.
4. You will not need to worry about virus protection if you have adware software.
5. You don't need a land line phone if you have broadband.

ANSWER KEY

1. False. It is better to pay a little more for an experienced copywriter, who knows how to keep your visitors interested!
2. True. Compared to most offline businesses, affiliate marketing is extremely inexpensive.
3. True. Test first, then spend more money only if you are getting results.
4. False. You need BOTH virus and adware protection.
5. False. If you get DSL you MUST have a land line, and it is good to have a land line so you can use dialup as a backup.

Module Six

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HOW DO I FIND PRODUCTS TO SELL?

In this module you will learn:

- What an affiliate program provider does.
- Who the top affiliate program providers are.
- Where to get ideas for products that will sell well.

You can often sign up for affiliate programs directly with merchants. To find these type of affiliate programs, type the product or market into a Google searchbar, followed by +affiliate or +affiliate+program. There are also web sites like www.associateprograms.com, that list many affiliate programs.

However, many merchants don't want to deal with the administrative hassles that are part of running an affiliate program. This is where an Affiliate Program Provider can help.

WHAT AN AFFILIATE PROGRAM PROVIDER DOES

Affiliate Program Providers are third party firms that provide software, database, affiliate IDs, affiliate links, link-tracking, and payment services for multiple merchants. Affiliate program providers are always paid by the merchant, so it free for you, the affiliate, to join these programs.

It can also be easier and faster to look for products through an Affiliate Program Provider. Each affiliate program provider represents many different merchants. Some have hundreds of merchants with thousands of different products.

Normally you would have to search for all these merchants separately. But with an affiliate program provider, you can quickly access multiple programs in a fraction of the time.

Another advantage is the convenience of being issued one check for all the programs managed by that particular provider.

For example, by working with two affiliate program providers, you can sell many different products from 10, 20, even 50 different merchants. But you will receive just two large checks each month. This greatly simplifies your bookkeeping and tax accounting.

WHO ARE THE TOP AFFILIATE PROGRAM PROVIDERS?

Affiliate Program Providers in the U.S.A.

<http://www.clickbank.com/>
<http://www.cj.com/>
<http://www.reporting.net/>
<http://www.linkshare.com/>
<http://www.leadcrunch.com/>
<http://www.clixgalore.com/>
<http://www.performics.com/>
<http://www.affiliatetraders.com/>
<http://www.darkblue.com/>
<http://www.fineclicks.com/>
<http://www.websponsors.com/>
<http://www.shareasale.com/>
<http://www.quinstreet.com/>

Affiliate Program Providers in the U.K.

<http://www.cj.com/>
<http://www.ukaffiliates.org.uk/>
<http://www.reporting.net/>
<http://www.tradedoubler.co.uk/>
<http://www.affiliatewindow.com/>
<http://www.affiliatefuture.co.uk/>

Affiliate Program Providers in Germany

<http://www.tradedoubler.de/>
<http://www.zanox.de/>
<http://www.affili.net/>
<http://www.affiliwelt.de/>

WHERE TO GET IDEAS FOR PRODUCTS THAT WILL SELL WELL

Here are just a few places to get ideas for picking products that people will be eager to buy:

- Current events, mass media.
- Regional interests, local products.
- Politics, election campaigns, party interests.

- Holiday and seasonal interests.
- Entertainment, fashion, home, cooking, and trends.
- Sports and fitness.
- Religion and spirituality.
- Advertising supplements and classifieds.

Specialty, trade, and niche magazines are also great places to hunt for popular topics. Here are favorites that translate well to affiliate sales, as long as you are able to find products to match.

- Collectibles. Stamps, coins, salt shakers, jewelry, etc.
- History and memorabilia such as Civil war, Victoriana
- Music. Rock, classical, jazz, folks, country, hot stars, etc.
- How to & hobbies. Car & motorcycle repair, carpentry, astronomy, etc.
- Health and fitness. Body building, athletics, etc.
- Sports. Don't forget obscure sports or extreme sports.
- Animals. Don't overlook exotic pets like parrots and lizards.
- Arts & crafts. Model airplanes, ceramics, watercolor painting, etc.
- Outdoors. Hiking, backpacking, camping, etc.
- Money. Investing, saving, bargain hunting.
- Cooking. Regional, gourmet, desserts, wines, beers, spirits.
- Kids & parenting. From infants to teenagers.
- Home & garden. Gardening, home improvement.
- Men & women's issues.
- Fashion. High fashion, large sizes, etc.

AFFILIATE CLASSROOM NICHE COACHING

When you enrolled in The Affiliate Classroom, you received access to our Affiliate Program Profiles database. You can use this database for as long as you remain a member in good standing of The Affiliate Classroom.

So as an alternative to registering with some of the Affiliate Program Providers mentioned earlier in this module, you should take advantage of this fully searchable database for a number of reasons:

- You can find affiliate products and services by niche.
- It rates various programs based on their sales materials and marketability.
- It saves you time because you can search based on type of commission as well as other criteria.
- You are given very specific marketing ideas for each individual product.
- You can access the program with one click, and then immediately begin to promote that program.
- Your Affiliate Classroom portfolio can be used to store your Affiliate IDs and manage your promotional project.

REVIEW QUESTIONS FOR MODULE 6

Please indicate whether each statement is True or False.

1. You should expect to pay a fee to each affiliate program provider you join.
2. Products related to hobbies and other recreational pursuits can be excellent affiliate marketing opportunities.
3. Affiliate program providers manufacture products you can sell for a commission.
4. An advantage of using an affiliate program provider is they will send you a combined check every month for every affiliate program you have joined on the Internet.
5. Each affiliate program provider offers multiple merchants and products.

ANSWER KEY

1. False. Affiliate program providers are paid by the merchant, not you.
2. True.
3. False. Affiliate program providers are administrators for the firms and merchants who create affiliate products.
4. False. Each affiliate program provider sends you one check, but only for the merchants they represent.
5. True.

Module Seven

HOW DO I GET PEOPLE TO COME TO MY SITE AND BUY?

In this module you will learn:

The following ways to get people to come to your web site:

- Forums
- Viral Marketing
- Content
- Advertising: Ezines, Banners, and PPC
- Search Engines: SEO

The people who come to your web site are called "traffic." Obviously you need to get traffic (visitors) to your site if you're going to make any sales!

So in this module we'll explain the primary ways you can let people know your site exists, and how to entice them to actually visit.

FORUMS

A forum is a place of discussion online. In a forum, people with common interests ask each other questions, give advice, and share news and knowledge. A web forum is a little bit like a club meeting or a round-table discussion. The main difference is it done in writing, and you can confer with hundreds – even thousands – of people!

How can a forum help your affiliate marketing efforts? **Forums are an easy, and FREE way to promote your chosen product or service.** Most forums allow you to use a signature file. In addition to your name, you can include a link to a website. In this case, you can include your affiliate link.

Some forums won't allow you to include an advertising link in your posts or signature file. But if you ask the administrator, you might be given permission to show a link to one of your free "viral" products (see below). In the long run, this can bring you even more business than a direct link to a sales page. **Many people don't like to be "sold," but they DO like getting free useful information.**

While in the forum, you can build your reputation and make all kinds of contacts. Just remember you are NOT there to shamelessly plug products. If you are helpful, polite, answer questions, and can offer a brief free report that is ON TOPIC, you will make many friends who will send you customers. You will also

make sales!

VIRAL MARKETING

What is “viral” marketing? It is a wonderful form of free online advertising. **You encourage people to pass your marketing message on to others via an ebook, email, freeware software, etc..**

This type of marketing is “viral” because it spreads and multiplies with little effort on your part.

People share viral products through email links or attachments, web pages, and digital downloads. **Digital products, such as reports, are by far the most popular forms of viral marketing today.**

Most viral reports are brief, so the download time is quick. The most popular form of download is the Adobe PDF (Portable Document Format), which can be opened, read, and printed using a free piece of software that can be readily downloaded from the Internet.

Viral reports are always highly informative, and often explain how to solve a very specific problem or perform a critical task. **What makes them viral is that at the end of the report, or sometimes embedded in the text, will be a link to your web site where you discuss a relevant affiliate product.**

You can give away your viral reports in forums, (see above). You can mention them in articles you write, then give the articles away on the web (see below). You can run inexpensive ezine ads, offering your free viral report (we’ll discuss this in Module Seven. And in Module Eight, we’ll talk about offering viral reports to your opt-in list.

CONTENT

What is content? **Content is information.** People go to the web looking for information. They want to find facts, answers, and news, as well as products. **The more relevant information you give them, the more likely they are to click on your site, stay a while, and bookmark it so they can come back.**

Here are some of the things that qualify as legitimate content (as opposed to just filler):

Articles: These can be reviews or product recommendations, informative or descriptive tips, product descriptions and specifications, stories, how-tos, advice, and news. You can also distribute your articles to sites that offer free content to other webmasters and list owners. These people are required to include your contact information when they reprint your articles. This can give you targeted site traffic at no cost to you.

Pictures: These include product diagrams, drawings, charts, illustrations, software box-shots, graphs, and clipart.

Photos: Product photos, slide shows, or even your own photo!

Free stuff: These are digital items you offer for free download. Ideally, they should ALL be viral (see above).

Links: These are relevant links to related sites. It is best to include a detailed description of each site, since pages stuffed with just links are often frowned on by Google and confusing to your visitors.

You can even combine adding content to your site with sending an announcement to an opt-in list. We will cover opt-in lists in Module Eight.

ADVERTISING: EZINES, BANNERS, AND PPC

EZINE ADVERTISING

With this type of advertising **you purchase ad space in someone else's email newsletter or ezine**. You can purchase either classified-type advertising, which is usually about 5 lines of text. Or you can buy Solo Ads, which are sent as separate, special mailings to the entire list.

The right ezine advertising can make direct sales for you very quickly. But it does have some serious problems.

First of all, **many people today completely ignore promotional mailings**. They simply cannot sort it out from all hundreds of spams they receive.

Second, **some people even set up a spam filter on their email program, which automatically sends anything like MIGHT be promotional to the Trash folder.**

Finally, **the email may never even arrive in their email program**, since many ISPs (like AOL and Earthlink) have their own filters that block email based on words like "free."

However, **small niche ezines often have a very loyal following. Their subscribers will even go out of their way to tell their ISP to make sure they get these ezines!** So if you choose an ezine that is directly related to your affiliate product or service, you may be able to purchase inexpensive advertising that brings you consistent sales.

BANNER ADVERTISING

Even though banners are still overused online, they can sometimes bring you inexpensive traffic. **A banner is an online billboard.**

We have all seen banners on the web. They usually run across the top of the page, or along the side. Many have animation or display a changing message. Some are truly obnoxious, with ugly flashing colors that get you to click just so it will stop!

Many affiliate merchants offer you pre-designed banners, in your choice of sizes, to display on your web pages. These can be quite effective, or they can be almost completely useless. So much depends on the design of the banner, where it is displayed, and the type of people who will be looking at it.

But the best way to promote an affiliate program is to design your own high impact banner. Then carefully purchase space on small web sites that appear on the first page of results when you search for your topic online.

PPC

PPC stands for Pay Per Click. This is search engine advertising in which you pay a small fixed amount every time someone clicks on your ad.

PPC costs depend on a "keyword bidding system." Clicks can cost anywhere from a few cents to several dollars (or more), depending on how much competition there is for certain keywords.

What is a keyword? It is a word, or a string of words, that you type into a search box on Google, Yahoo, or one of the other search engines. If you want your ad to appear on the top or side on the first page of results, you will have to bid against other people who also want to be on that first page when someone searches for that keyword.

For example, go to <http://www.google.com/> right now, and type this keyword into the search box:

affiliate marketing

See the column on the right hand side that says "Sponsored Links?" That is PPC advertising. **The people who are running those ads placed bids to appear when you typed in "affiliate marketing."** When you click one of those ads, the person will have to pay a certain amount to Google – anywhere from 5 cents to several dollars!

For many popular keywords, there are literally hundreds of bidders! That means you may have to bid quite high to get any traffic at all to your site.

The good news is, with PPC **you only pay when someone clicks your ad.** That means if no one clicks, you won't be charged for your ad appearing.

However, **the downside is you WILL be charged for each click, whether someone makes a purchase or not!** Some unscrupulous competitors will also click your ad. They have no intention of buying, they are just trying to increase your costs. Also many ordinary web surfers will click a few ads without thinking.

So you must decide whether using PPC is worth the investment. This means testing various ads, monitoring your results very carefully, and constantly watching your costs to make sure you are making a good ROI.

What is ROI? It means Return On Investment, and it is a method for calculating the percentage of profit you make from an advertising campaign. In the Affiliate Classroom Tutorials, we teach you about ROI at the appropriate point.

PPC is a highly complex subject, covered in great detail in the Affiliate Classroom. It is also the topic of entire books and courses, some of which we recommend that your purchase – but only if your initial tests with PPC prove worthwhile.

SEARCH ENGINES: SEO

WHAT IS SEO?

One of the best ways to get traffic to your web site is to **be polite to the search engines so they send you FREE traffic**. Now what does that mean?

When someone is looking for information online, most likely they will go to a search engine like Google <http://www.google.com/> or Yahoo search <http://search.yahoo.com/>. They type in a string of words that they hope will show them web sites about those words.

You can increase your odds of being on the first page of search results – even at the very top of the page – if you add clues to your web site that tell the engine programs your page is really and truly about those words!

Adding clues and pointers to your web pages is called Search Engine Optimization – SEO for short. You include the EXACT words people use to look for information about your site – in the CORRECT places – on individual web pages.

When you do this, **you make it easy for the search engine programs to grab your site, from all the competing sites, and present it to the person looking for those EXACT words.**

One way to think about SEO is to imagine that the search engine is a busy fast food restaurant, with thousands of people who want it “their way” every minute. Your web site is the food.

If someone wants a double cheeseburger with extra ketchup and no pickles, doesn't it make sense to LABEL the burger wrapper with a few codes (like XK NO P)? Sure, it's a little bit of extra work on your part. But it tells the person at the counter that THIS, of all the burgers coming out the kitchen, is the EXACT one they want. Won't that speed things up – and make the customers very happy?

Well, the search engines, especially Google, make it a high priority to spit out 100% relevant, to the point results. And they want to do it very fast. **If you**

build your web site, from the ground up, to HELP them accomplish their goal, they will reward you by being at the very top of their results.

IS SEO NECESSARY?

SEO is basically mandatory for anyone who really wants to make the highest possible profits from their affiliate marketing efforts. Some marketers do without it, and concentrate on PPC advertising or link strategies (see below) to get visitors to their web sites.

But in The Affiliate Classroom, **we believe that the intelligent and honest use of SEO is actually the best long-term strategy.** The search engines are not going to stop trying to give their visitors results that are 100% relevant. They are only going to step up their efforts.

So if you want to make sure your web presence gets noticed by the RIGHT people, you must use SEO to work WITH the search engines and give them what they need.

SEO requires that you know a little bit about HTML, the code from which web pages are built. But the good news is you do not have to be an expert to use SEO correctly on your site.

SEO has nothing to do with using tricks to make your site rank higher than it deserves to. It is simply a way of making sure that the search engines deliver your page to the people who are really looking for it.

As we explained in Module Four, build your web site RIGHT from the very beginning. That means **you must do research on the actual words (called keywords) people use to look for sites like yours.** Then you need to make sure that each page of your site is built around one set of those keywords. **That's what people in the real world are looking for.**

LINKING STRATEGIES

To really take advantage of SEO, **you will also need to learn about linking strategies.**

Today, **link exchanging is critical if you want to rank well in search engines.** Link exchanging is not SEO, but it is part of a good SEO strategy.

Link exchanging is when you exchange links with another website (preferably within your niche topic). The basic idea is simple. First you get a link coming to your website from someone else's website. Then you link back to them from your website.

Google and other search engines weigh your "link popularity" – the number of incoming links from other websites – very heavily in your rankings. They believe that lots of incoming links mean you have a website that others believe is important and relevant to your topic. Therefore your website gets ranked higher

over someone who has no incoming links - even if they have a perfectly search engine optimized page.

These SEO techniques - building your site correctly, using keywords, and getting good links - makes it easier for the search engines to give web users exactly what they want. Your site will outperform the other sites that don't care or won't bother. In the end, that means more visitors - and more sales.

One final word - be VERY careful of any new software or other tools that "guarantee" to get you ranked higher in the search engines. While a few are legitimate, most are using techniques that will eventually get you "banned" from the search engines. This means that Google and the other engines will permanently remove your site from their index!

REVIEW QUESTIONS FOR MODULE 7

Please indicate whether each statement is True or False.

1. In PPC advertising, your ads are rotated with other people's ads on search engine results pages.
2. Forums are good places for you to aggressively advertise your products.
3. You should offer your viral products for a very low price, under \$5.
4. SEO stands for search engine optimization.
5. In SEO, you try to find ways to trick the search engines into ranking you higher than your competitors.

ANSWER KEY

1. False. In PPC, you bid for the highest position you can afford.
2. False. You go to forums to ask questions or offer advice. Your advertising should be subtle and on topic.
3. False. Viral reports should always be free.
4. True.
5. False. SEO is not a TRICK. It is legitimate strategy for making sure your pages get shown to the right people, when you want them to be shown.

Module Eight

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HOW DO I USE EMAIL TO PROMOTE AFFILIATE PROGRAMS?

In this module you will learn:

- What is an opt-in list?
- How to build an opt in list.
- Spam – definitions and laws.
- How to make money from an opt-in list.

WHAT IS AN OPT-IN LIST?

An Opt-In List is a list of email addresses of people who have ASKED to be on your mailing list. They “opted in,” which means they either sent you an email, asking to be subscribed to your mailing list, or they filled out a form on your web site.

An opt-in list is a powerful tool in affiliate marketing. With it, you can offer your list new products, announce updates to your web site, and even send them your own email newsletter (called an “ezine”) about your site topic.

HOW TO BUILD AN OPT IN LIST

To build your own opt-in list, **you MUST use an auto-responder program.** This allows your prospects to self-enroll into your mailing list. **The auto-responder is a software program that can automatically send out emails for you, on whatever schedule you choose.**

For example, if you are an affiliate for a digital camera store, you can easily entice your visitors to give you their email address by offering them a free 7-day course on fun things they can do with their digital photos. You could talk about how to build photo albums, make greeting cards, make screensavers, etc.

It would be just about impossible to MANUALLY keep track of who is getting which installment of this course. Hundreds, perhaps thousands of people may request it! But **an auto-responder will easily send the right emails to the right people. It can automatically send out all the messages in the sequence you specify, and keep track of where in the sequence each person is.**

Most people use **third-party auto responder services**, though you can also set one up on your web site hosting service. Once you've created the sequence of messages and specified the schedule, you put a sign up form on your web site.

Then you can promote your free course in some of the "viral" ways we mentioned in Module Seven. This method is absolutely essential if you are selling for a merchant who does NOT share customer information with you.

Merchants usually promise their customers they will NOT share or rent their contact information with a third party. They need to do this to protect themselves from spam complaints and other types of negative consequences. They can't help you to build your own mailing list, even if they wanted to. So you must build a list yourself, using "viral" techniques.

In The Affiliate Classroom we go into great detail about what kind of opt-in list can work best for you and how to get people to sign up for it.

SPAM – DEFINITIONS AND LAWS

Today, **the most difficult part of using email to promote an affiliate product is the spam problem.** Spam is unsolicited junk email. If you use email at all, you are all too familiar with it.

Spam is a terrible burden on the Internet today. Pornographers are the worst offenders, but so are unsuspecting and naive marketers who fall for promotions offering to "Mail to 5 Million People For Just \$299!" They foolishly buy these "mailing lists," end up adding to the problem – and often wind up with ALL their mail banned by ISPs around the world.

The problem is made even worse by people who consider ANY email that they don't particularly feel like reading to be spam. These same people may not mind getting their mailbox crammed with junk flyers and circulars, but they will explode if a piece of spam shows up in their inbox!

Such people might report you to spam authorities, even if they DID sign up for your mailing list. It is easy enough to protect yourself against such people, though they are extremely annoying.

Legally speaking, Spam is UNSOLICITED (the person never asked for it) JUNK (advertising, porn, or scam) EMAIL.

And yes, **as of December 2003, spam is illegal in the U.S.** The "Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003," known as the CAN-SPAM Act, was passed into law. So you must abide by this law if you are going to maintain any type of opt-in list or conduct any type of email campaign.

Many other countries have extremely severe spam laws. So your best bet is to err on the side of caution when sending any kind of email.

To comply with the details of the CAN-SPAM law, you must be able to PROVE the person signed up to receive email from you. Each email you send also needs to

comply with certain legal requirements, such as identifying yourself accurately in the "From" line, including a physical address and phone number, and giving people an easy way to "opt-out" of the list so they can stop getting email from you any time they wish.

It is not difficult to comply with the CAN-SPAM law. If you decide to build an opt-in list of your own, you should actually READ the law to make sure you understand it. The basic requirements are all spelled out clearly. You can read about it here:

<http://www.spamlaws.com/federal/108s877.html>

In the Affiliate Classroom, we also talk about CAN-SPAM compliance in our Ezine Tutorials.

MAKING MONEY FROM AN OPT-IN LIST

Here are the most popular ways to use your opt-in list to support your affiliate marketing efforts:

Newsletter/ezine: This is an informational publication sent via email to your list. In it you include articles, anecdotes, product reviews, advice, and other helpful information that will create a strong bond with your readers.

Alert or announcement list: This type of list offers to send people email notifications of updates to your web site. It usually contains a brief greeting, then a list of links to important new information on your site. With this type of list you can send notifications of free viral guides, sales, new product reviews, your latest articles, etc.

Tips list: This is similar to a newsletter or ezine, except it is very short – just a few paragraphs containing a quick tip about your topic. Many people enjoy tips, especially if you send them out very regularly, say once a week.

REVIEW QUESTIONS FOR MODULE 8

Please indicate whether each statement is True or False.

1. It is illegal to send spam.
2. An opt-in list is a list of email addresses you have purchased from a company that sells email lists.
3. An auto-responder service allows you to send a list of email messages to your opt-in list on whatever schedule you specify.
4. An ezine is an information publication sent via email.
5. Spam is unsolicited junk email.

ANSWER KEY

1. True. The CAN-SPAM law makes spam illegal.
2. False. Purchased email addresses are almost always illegitimate and should be avoided.
3. True.
4. True.
5. True.

Module Nine

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WHAT SHOULD I DO TO EXPAND MY AFFILIATE BUSINESS?

In this module you will learn:

About three advanced affiliate marketing models...

- Joint Ventures
- Upsells
- Direct mail

ADVANCED AFFILIATE MARKETING MODELS

Believe it or not, there are even more sophisticated methods for making money from affiliate programs. **This is the most creative aspect of the affiliate business.** The real experts, who make substantial six-figure incomes, have turned these methods into a fine art.

Unfortunately, it's also how many newcomers to affiliate marketing get conned. An expert will boast about how he made "\$25,000 in just one week." The con is not that he didn't make this money. He probably did.

But he certainly did not make it using beginner strategies! This kind of blitz is usually the result of combining several of the advanced techniques described below. And remember, just because he brought in \$25,000 doesn't mean that was all PROFIT.

In fact, he may have had to spend a substantial amount of that money generating quick traffic through PPC and banner ads. He probably also had to divide the remaining profit among quite a few people who helped him achieve that success.

However, **if you understand HOW these advanced techniques work, you can plan in advance to use them down the line.** This means your early affiliate marketing efforts will be part of a strategic plan. You will not just be making a few bucks online, but actually building a BUSINESS that you can build upon.

JOINT VENTURES

In a Joint Venture, you join forces with another webmaster or business to make more money than either of you could by yourselves. In affiliate marketing, this means you promote a product jointly.

Joint ventures usually involve offering to split your profit with someone who may have a large or highly responsive opt-in mailing list or a very high traffic web site. These people are called super-affiliates. They promote your affiliate product or service to their list with a personal recommendation. **In return, you pay them anywhere from 25% to 75% of what you make.**

While this may sound like an expensive proposition, remember that people with loyal mailing lists can generate a large number of sales for you in a very short period of time. **Often it will cost you less time and money to share your profits with this person than to pay for advertising in ezines or with PPC ads!**

Structuring a win-win for both yourself and your potential partners requires determination and openness. You will need to find the right joint venture partners. This means you will invest energy in sending personal emails, keeping the lines of communication open, and eventually talking with people on the telephone.

However, **like all business networking, this strategy can pay off handsomely for you.** As a result of just one successful joint venture, you will often meet many other super-affiliates. Eventually they will approach YOU with their own joint venture propositions.

UPSELLS

An upsell is where you offer a high-ticket product or service to someone who has already bought from you. Because they are a satisfied customer, they are much more likely to purchase from you again. A relationship of trust has been established.

The best upsells are related to the original product or service, and bring you an extremely high profit. If you can actually create your own original product, this means 100% of the upsell profits will be yours.

For example, let's say a customer has purchased a resume writing ebook from you for \$29. An excellent upsell might be a resume writing service, where you craft a professional resume and cover letter for them. You charge \$249 for this package.

You can even combine an upsell with a joint venture. Perhaps you don't have time to provide a resume writing service, but you find an excellent resume writer who charges \$179 for a resume and a cover letter.

You could joint venture with this writer, still paying them \$179. You can still charge your customers \$249, but outsource the work to the writer. For dealing with customer inquiries and handling the orders, you can make \$70 per sale yourself..

One of the advanced topics in The Affiliate Classroom is called "The Affiliate Upsell System." It gives you a detailed system for how to develop an entire upsell plan and carry it out.

DIRECT MAIL

This is an excellent way to promote high-ticket affiliate products, such as vacation packages or mortgages. In these highly competitive areas, PPC ads may be very expensive. A postcard mailing may actually cost less.

Direct mail can be very economical if you are already building your own mailing list by obtaining a physical address at the same time people give you their email address. In fact, today many people are less reluctant to give you a mailing address than an email address!

Perhaps it's because they feel that if YOU have to pay for postage, you will be less likely to send them junk. **Such people actually make OUTSTANDING direct mail prospects.** They are interested enough in your web site, products, or services to give you their mailing address. They are much less likely to throw your mailings away.

You can also approach someone who owns their own offline mailing list, and offer to do a joint venture. For example, a real estate broker in your town may be happy to share their contact list with you, in exchange for a percentage of the commissions you make from leads or actual sales.

To do a direct mail campaign, **you must create a unique web page for you offer that has its own easy-to-remember domain name.** This is the URL you will put on the postcard so you can keep track of those sales.

Direct mail has always been an extremely popular and profitable form of advertising. And the best part is, **very few online marketers are direct mail using it today** (though some of the biggest names have started to jump on this bandwagon). In The Affiliate Classroom we offer a number of exciting – and under-utilized – ideas for using direct mail in this way.

These are just a few of the creative ways you can boost your affiliate profits – once you know the ropes!

REVIEW QUESTIONS FOR MODULE 9

Please indicate whether each statement is True or False.

1. An upsell is a method of getting someone to pay the highest possible price for a product.
2. One advantage of a joint venture is it may bring you more profits than advertising in ezines or with PPC ads.
3. To promote an affiliate program with a postcard, you should set up a special web page just for the postcard promotion.
4. You cannot combine an upsell with a joint venture.
5. In highly competitive fields, a postcard campaign may be less expensive than PPC.

ANSWER KEY

1. False. An upsell is an additional, higher-priced product or service.
2. True.
3. True. This page should also have its own memorable domain name.
4. False. Combining them often gets the best results.
5. True.

Module Ten

REVIEW OF INTERNET MARKETING TERMS AND CONCEPTS

In this module you will learn:

- The language of affiliate marketing and definitions of common terms.

WHY REVIEW INTERNET MARKETING TERMS AND CONCEPTS?

Many affiliates lose their focus, or make mistakes, because they haven't taken the time to master the basics. They lose profits because they advertise in the wrong way, or they promote their affiliate links via spam.

So this final module contains a **Glossary of the most common affiliate marketing terms and concepts. Commit them to memory.**

Why is this important? By memorizing these terms, you can save yourself a lot of time – and possibly money!

For example, it usually doesn't make sense to advertise most pay-per-click programs with PPC advertising. That's because most PPC ads cost more than you will make from a pay-per-click affiliate program.

Yet it's very common, especially when starting out, to sign up for the **WRONG** type of affiliate program, and lose money promoting it with PPC ads!

If you commit these definitions to memory, and make them part of your business vocabulary, you will be less likely to make foolish mistakes.

You'll also save a great deal of time. Every business has its own special terminology. The more familiar you become with the language of affiliate marketing, the faster you'll be able to choose programs and make decisions.

For printing convenience, the Glossary begins on the next page.

Affiliate Marketing Glossary

AFFILIATE: Someone who earns a commission for sending clicks, leads, or sales to a merchant.

AFFILIATE AGREEMENT: A contractual document, usually executed electronically, between an affiliate and a merchant. Includes terms and conditions of the relationship. Legally binding.

AFFILIATE LINK: Code that sends your customer to a merchant's sales page. The code can either be an HTML link or be part of a graphic (such as a banner). The code identifies you as the affiliate who should be credited for the click or the sale.

AFFILIATE PROGRAM: A business model that pays a commission to someone who sends leads, clicks, or sales to a merchants via a link (text or graphic) on a web site.

AFFILIATE PROGRAM DIRECTORY: A web site that describes and sorts various affiliate programs.

AFFILIATE PROGRAM (OR SOLUTION) PROVIDER: Third party firm that provides software, database support, affiliate ID and link-tracking, and payment services for affiliate programs.

ASSOCIATE: Another word for Affiliate.

ASSOCIATE PROGRAM: See Affiliate Program.

AUTO-RESPONDER: Software that will automatically send email messages on a pre-set schedule. Subscribers can send the auto-responder an email, or submit their mailing information via a web form.

BANNER AD: A graphical ad, similar to a billboard, displayed on web pages.

BROWSER: Software that allows the user to surf web sites while connected to the Internet. The most popular browsers today are Microsoft Internet Explorer, Opera, Mozilla, and Netscape.

CHARGE BACK: A product return that results in loss of affiliate commission.

CLICK-THROUGH: Another term for a click on your affiliate link.

CLICK-THROUGH RATE OR CLICK-THROUGH RATIO (CTR): The number of actual clicks that you receive when you display an affiliate ad or link. Usually described in terms of a percentage.

CO-BRANDING: Permission to place your logo, company name, and other distinctive brand features on a product or site.

COMMISSION: Income you are paid for making affiliate sales.

COOKIES: Code written to your prospect's computer after clicking on an affiliate link. Cookies are a way of identifying which affiliate should be paid a commission.

CONTEXTUAL LINK: An affiliate link that looks more like content than an advertisement. Contextual links are usually part of an article or other informative web copy.

CONTEXTUAL MERCHANDISING: Matching relevant products to your content.

CONVERSION RATE: Percentage of clicks that results in sales or leads.

CPC (COST PER CLICK): Cost of each click on a PPC (Pay Per Click) advertising link.

CPM (COST PER THOUSAND): The amount you pay for one thousand banner ad impressions on someone else's site.

EMAIL SIGNATURE: A brief message that closes every email sent by an individual. Your email signature file can contain affiliate links, relevant site links, free offers, and advertising messages. See also Signature File.

EZINE: An electronic magazine or newsletter, usually delivered via email.

FAQ (FREQUENTLY ASKED QUESTIONS): A web page that answers the most common questions about your products.

HTML CODE: HyperText Markup Language. HTML is a set of codes that tells your browser to display web pages. When you sign up for an affiliate program, your merchant or affiliate program provider will send you HTML code to use for your links.

IMPRESSION: An instance of your advertising link being displayed in a browser.

LIFETIME COMMISSION: Affiliate programs that write long-term cookies (two years or more), or that use their own internal customer data tracking, to guarantee that affiliates will earn repeat commissions. In general, with a lifetime commission program, your affiliate ID will be permanently "attached" to your customers, so you will make commissions on all your customers' future purchases.

LIFETIME VALUE OF A CUSTOMER: Projected dollar amount of sales that your customer is expected to spend with you.

MICRO-SITE: A 1-3 page web site devoted exclusively to selling a product, soliciting subscribers, or otherwise getting a prospect to take immediate action. (See also Mini-Site.)

MINI-SITE: A web site with a tightly focused topic and highly specialized information. Mini-sites began as single sales pages, but today these types of sites are called micro-sites (see above). Currently, the optimal mini-site contains at

least 10 pages of targeted content – product reviews, specs, FAQs, recommendations, etc. – as well as sales pages. Many “mini-sites” are actually quite large – some contain hundreds of pages of content.

PARTNER PROGRAM: See Affiliate Program.

PAY-PER-SALE: Most common affiliate program, where you receive a commission for each sale of a product or service via your affiliate link.

PAY-PER-LEAD: A program in which an affiliate is paid a commission for each “qualified” lead generated through your affiliate link. Merchants often have very specific criteria for what constitutes a “qualified” lead. In general, the prospect must take some sort of action while at the merchant’s site, such as filling out an application, subscribing to an ezine or offer list, entering a sweepstakes, requesting a free sample, or downloading software or PDFs.

PAY-PER-CLICK: A program in which an affiliate is paid for each click to a merchant's web site. Pay-per-click returns are very low, usually less than \$.50 per click and sometimes as low as \$.01 per click. Best for webmasters with extremely high traffic sites.

QUALIFIED LEAD: See Pay-Per-Lead.

REFERRAL LINK: See Affiliate Link.

REFERRAL PROGRAM: See Affiliate Program.

RESELLER PROGRAM: Sometimes used as a synonym for an Affiliate Program. However, a true Reseller Program is usually structured as a B to B (business-to-business) wholesaler relationship. Many merchants require Resellers to apply to their program, and require a transparent contractual business relationship. Resellers then purchase product at greatly reduced prices, but often also have to provide product support.

RESIDUAL INCOME: A program that pays commissions on recurring payments. These are usually memberships, subscriptions, or monthly fees for services such as web hosting.

REVENUE SHARING PROGRAM: See Affiliate Program.

ROI (Return On Investment): A method for measuring actual profit from a given sales campaign.

SIG FILE: See Signature File.

SIGNATURE FILE: Similar to an Email Signature, this usually refers to a brief message that follows your signature in a forum posting. See also Email Signature.

SPAM: Unsolicited commercial email, junk email, or junk forum postings. Today, the term is also loosely (and erroneously) applied to ANY UNWANTED email received from any source. Any email you send to a purchased bulk email list (“Mail to 1 Million People For Only \$199”) is bound to be spam.

SUB-AFFILIATE: Affiliates you have referred to a Two-Tier Affiliate Program. (See also Two-Tier.)

SUPER AFFILIATES: A term originally coined to describe the top 1% earning affiliates. Today it loosely refers to anyone who makes a good living from affiliate programs.

TRACKING: Recording information about sales, leads, clicks, or other actions taken by a visitor on a web page. Usually done with cookies, unique links, or unique URLs.

TEXT LINK: A link that displayed as text only, without an image overlying it (such as a banner).

TWO-TIER: Affiliate payment model in which you can refer other affiliates and receive a small additional commission on their sales. You are the first tier, your sub-affiliates are the second tier. Two-tier affiliate marketing is sometimes compared to MLM (Multi-Level Marketing). But two-tier affiliate programs avoid the complicated matrix payment systems of MLMs, as well as some of the shadier aspects of "pyramid" marketing.

VIRAL MARKETING: Advertising that spreads on its own (like a virus). Viral marketing is accomplished by offering free products with a high perceived value. These are usually delivered digitally, with permission to copy and share the product with anyone.

REVIEW ASSIGNMENT FOR MODULE 10

No questions this time – you have an assignment instead!

1. Login in to your Affiliate Classroom Members area, and locate the Step-By-Step Guide called “Contacting Your Merchant – Researching Your Merchant and Product.”
2. Download the guide by following the directions on the screen. (If you are not familiar with downloading, this will give you some practice.)
3. Print out the guide. Make sure have a colored pen or a highlighter.
4. Read the guide, looking for affiliate marketing terms and concepts that are not familiar to you. Highlight or mark each one.
5. See if you can find the meaning of these unfamiliar terms in the glossary above.
6. If you can’t find the meaning in the glossary, copy the term into an email and send it to support@affiliateclassroom.com with the subject line: What Is The Meaning Of? We will make sure we post those new definitions on the site, as well as add those definitions to future editions of this Study Guide!