



**AffiliateBenchmarks™**  
Wisdom Through Research

## AffiliateBenchmarks Affiliate Research 2009 Report

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### Overview

On July 1<sup>st</sup>, 2009, AffiliateBenchmarks, a division of NETexponent, began distributing our second affiliate industry survey. Using the results from our first study as a foundation, we developed this highly comprehensive follow-up to determine the current landscape of the industry and the opinions of the key contributors. The interests and expectations of the 3500 affiliates surveyed provide insights valuable to all affiliates wishing to learn successful practices, advertisers looking to forge lucrative relationships, networks, consultants and any other readers with an interest in online marketing practices and techniques.

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## **Background**

AffiliateBenchmarks recognizes the importance of industry research and education. Having relevant up-to-date information is especially important in today's dynamic affiliate industry landscape. In the past, surveys were largely developed to collect data for the benefit of advertisers instead of affiliates. AffiliateBenchmarks has compiled our second report on the industry from a perspective beneficial to other, more underserved areas of the industry.

## **Methodology**

In order to increase participation, AffiliateBenchmarks reached out to supporters such as Google Affiliate Network, ShareASale, Commission Junction, Linkshare, Mediatrust, Performance Marketing Alliance, Zanox and pepperjamNETWORK. These various promoters helped create the publicity for AffiliateBenchmarks' second research report, and with their involvement, we were able to collect an unparalleled number of responses.

The AffiliateBenchmarks team began developing and refining the 48 question survey from the analysis of the 2008 research report. By using last year's survey as a jumping off point, we were able to improve potential responses so that questions didn't overwhelmingly favor one answer. Ultimately, this created better answers with the opportunity to segment responses into different psychographic markets.

Additionally, AffiliateBenchmarks structured the survey so that the questions clearly fit into eight main categories: General, Network, Search Marketing, Communications, Promotional, Creative, Company Structure, Educational, and Site Specific questions. By organizing the survey into these eight specific categories, we made relevant information easily accessible for those seeking the latest insights into the needs, challenges and opportunities in today's affiliate advertising landscape.

88% of the people who began the survey identified themselves as affiliates- these 3,500 respondents supplied the complete survey data for the research report. The remaining 12% identified themselves as agencies, merchants, or other and were directed to the final question to supply their contact information in order to receive notice upon the completion of the report. To protect our respondents' privacy, only aggregate data will be shared within this report.

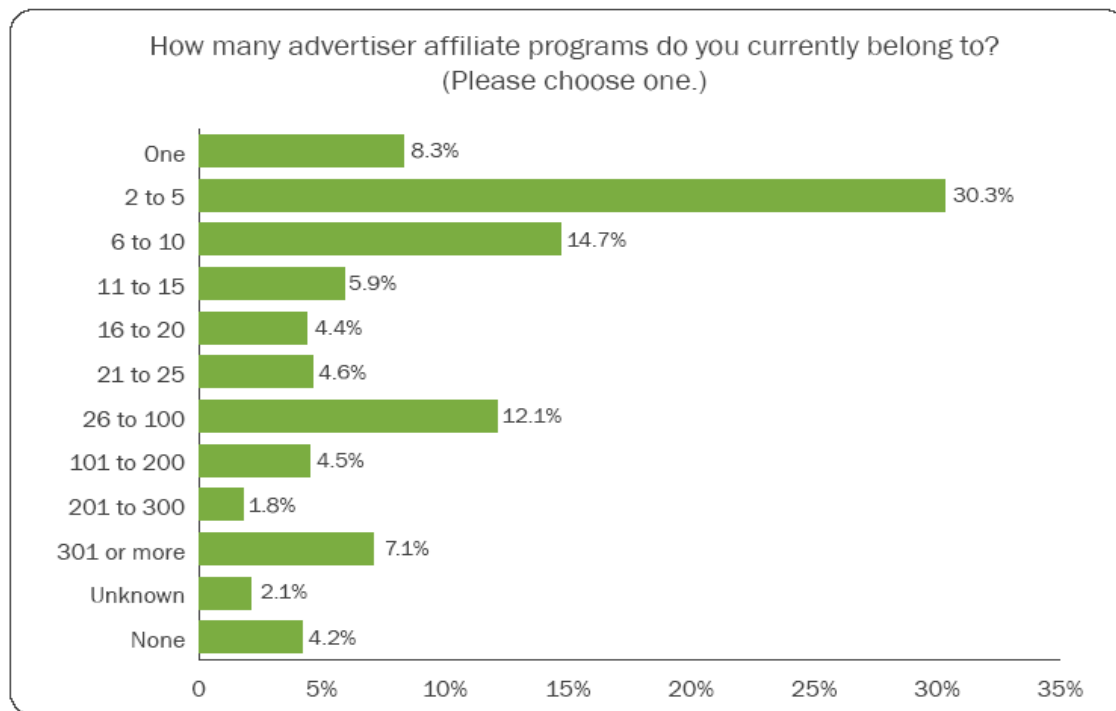
## Results and Analysis

### General Questions

Question #1-Please tell us your role in affiliate marketing. (If you fall into more than one category and affiliate/publisher is one of them please choose "affiliate/publisher".)

This question was posed to distinguish the respondents as either affiliates, agencies, merchants or 'other.' Only the 3,521 respondents who answered to be affiliates were directed to the rest of the survey. Other respondents were not permitted to continue on to the remaining survey questions.

#### Question #2- Respondents: 3,022

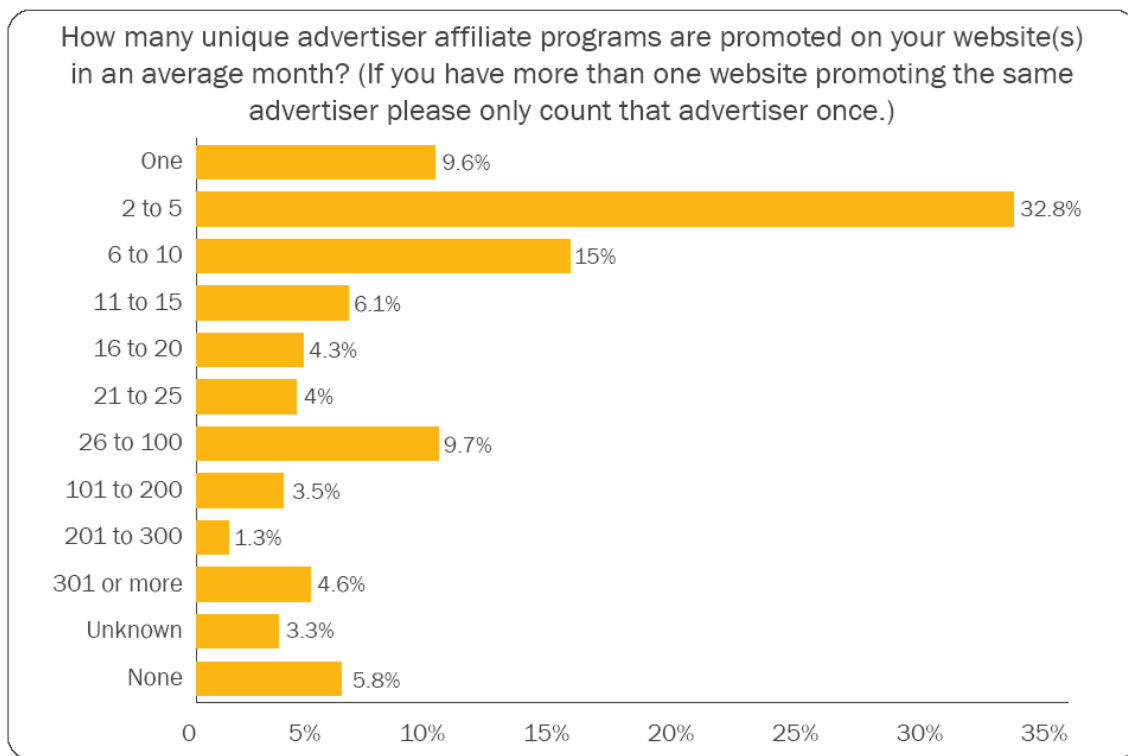


This chart shows that the majority of affiliates belong to between 1 and 10 programs, with the largest group being members of 2-5 programs. This data cross referenced with the average experience of these affiliates in the industry (and the year they began their work in the affiliate industry) showed a strong correlation between those who have begun in the past three years and those who are amongst the group of affiliates who are members of fewer than ten programs. For example, of the respondents who identified themselves to be within the 2-5 program bracket, 58.9% had begun working in the industry in the past two

years. Similarly, of those affiliates who began in 2008 and 2009, 48.1% are members of 5 or less programs.

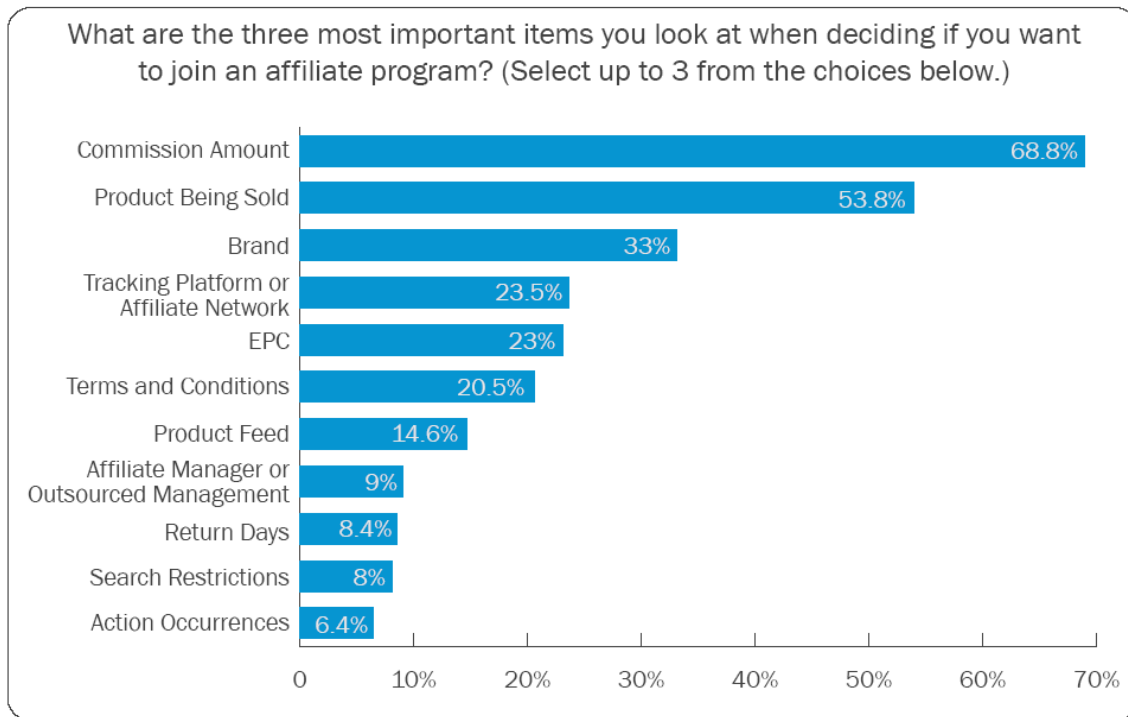
One reasonable interpretation is that affiliates may be interested in growing their businesses. While certainly the majority of affiliates are members of less than ten programs, these are also the affiliates who are newer to the industry. As the data suggests, the more time in the industry, the greater number of programs the affiliate will be a member of. This indicates that affiliates don't necessarily have a maximum number of programs they're willing to join- they simply haven't found appropriate programs to join in the relatively short time they've been in the industry.

### Question #3- Respondents: 3,022



About half of the respondents stated that they promote 10 or fewer programs actively in an average month. 25% of affiliates promote 26 or more programs. With the thousands of programs across many networks, it is important for any given advertiser's program to stand out and catch the eye of affiliates.

#### Question #4- Respondents: 2,991

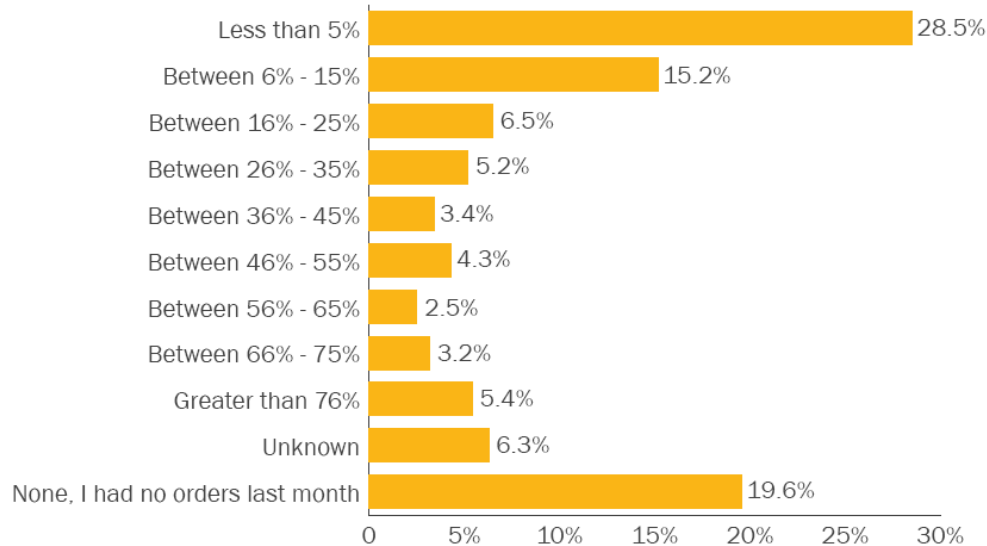


Advertisers may find the responses to this question beneficial when looking to recruit top publishers. This question outlines the biggest selling points for an affiliate to join a program; the data can be valuable to any advertiser but also shows a potential advantage for smaller brand names.

The clout of a brand name only ranks third in importance to the respondents. Therefore, these responses give smaller advertisers the means to recruit top affiliates even if they are at a brand-recognition disadvantage. By focusing on their commission amount and having a notable product line, merchants can recruit a large number of affiliates who are willing to promote them. In addition, by focusing on the most successful promotional methods (as detailed later), small brands have the tools to grow their market share.

## Question #5- Respondents: 3,022

Out of all of the merchants that you promote on your site, approximately what percentage of them generated at least one order for you last month?  
(Please choose one.)



Almost half of the respondents (47.9%) said that less than 5% or none of their merchant links generated orders last month. This indicates a potential need for more investment in aggressive promotional strategies and services in order to generate suitable revenue.

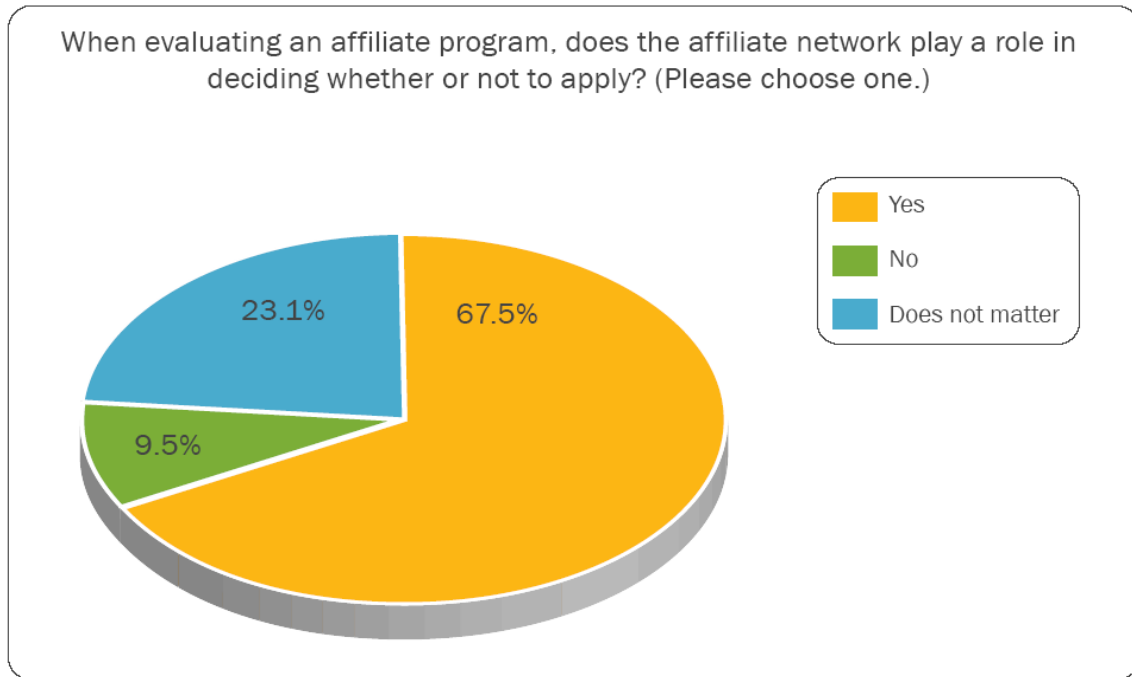
When looking at only the responses of affiliates reporting less than \$25K a year, the levels of responses in each category do not change noticeably. This implies that some affiliates may have many low commission sales or a small volume of higher commission sales that all add up to a lower, supplementary level of income.

When reviewing the responses of only the affiliates generating between \$25K and \$100K a year, the responses are more evenly distributed. With this segment, the most common response was 'between 6% and 15%' with 24% of respondents.

Finally, when only viewing the responses of an income level over \$100K, the response levels are similar to the \$25K-\$100K demographic in that they are all relatively equal. The only difference is that 20% of respondents said 'greater than 76%' of their merchant links generated a sale in the month previous to completing the survey. This indicates that a large contributing factor to their income is the volume of links that have generated sales.

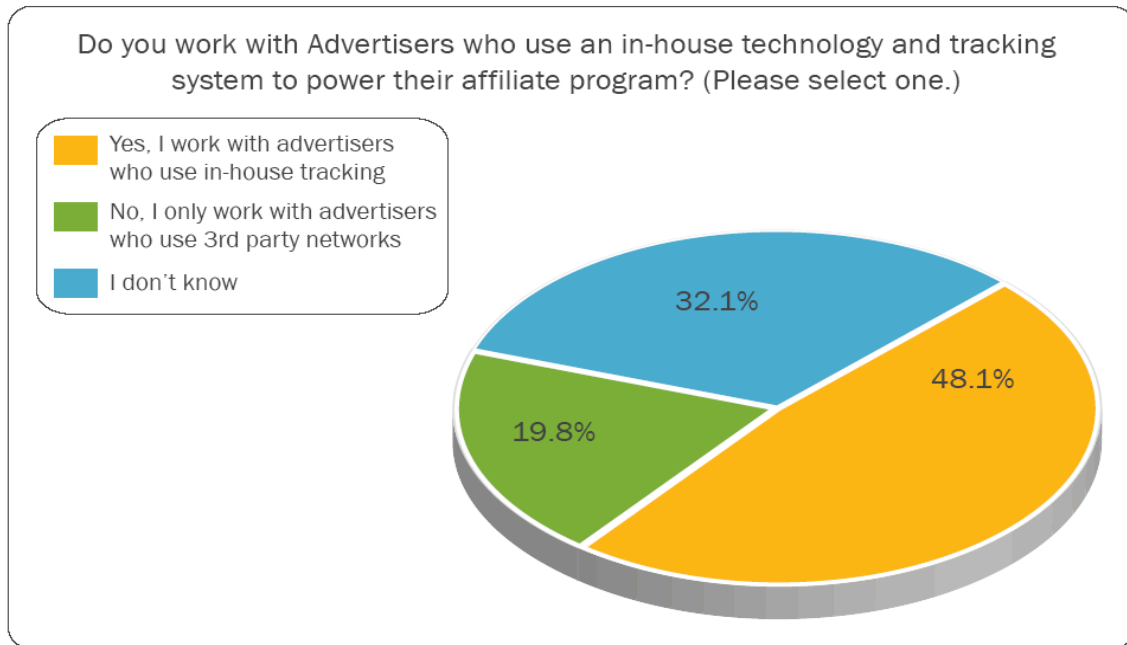
## Network Questions

Question #6- Respondents: 2,867



67.5% of affiliates responded that the affiliate network does, in fact, play a role in deciding whether or not to apply to an affiliate program. Conversely, 9.5% said that it absolutely does not, and 23.1% were indifferent.

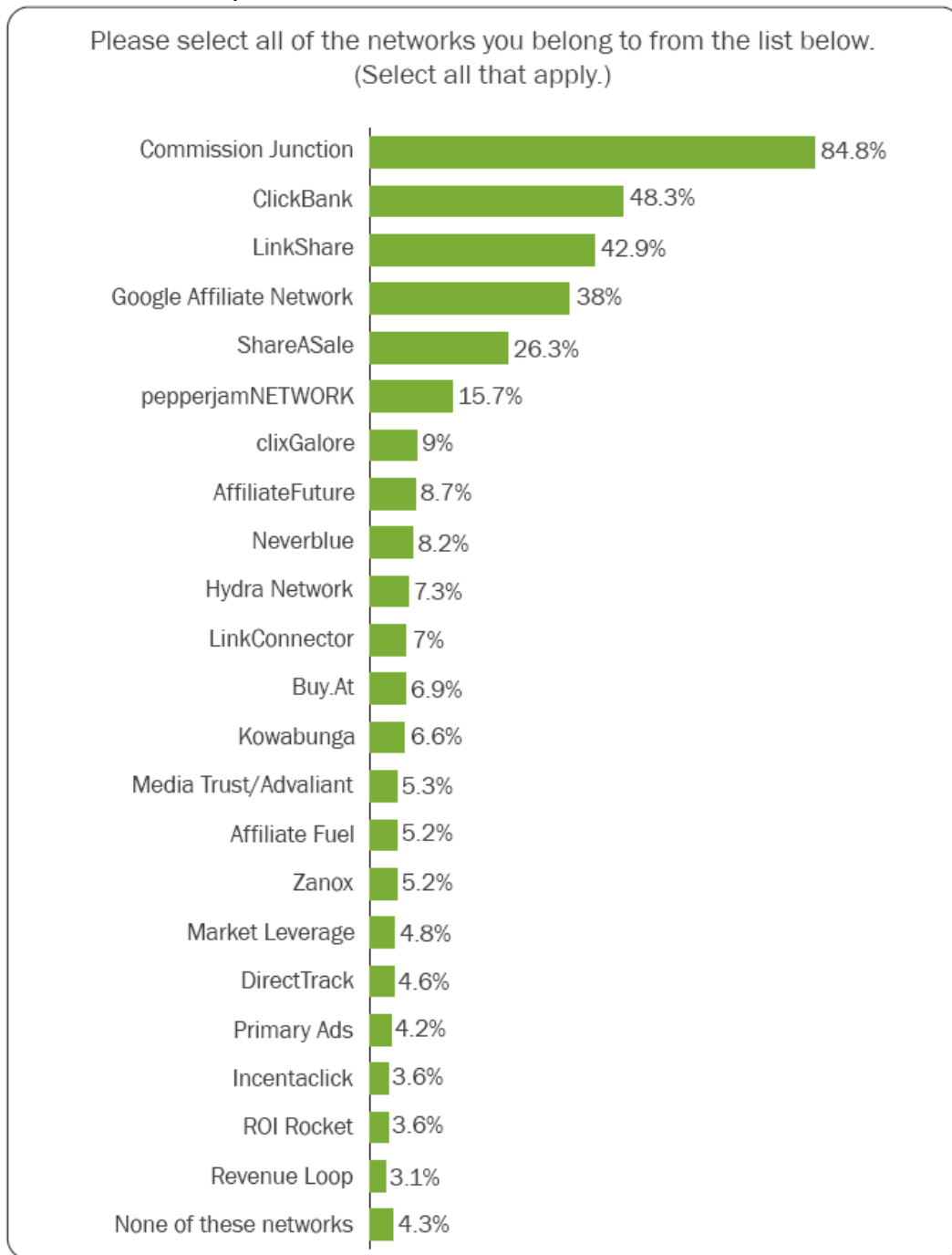
## Question #7- Respondents: 2,867



48.1% of the affiliates stated that they would be willing to work with an in-house technology (in comparison to a standard technology like CJ, LinkShare, Google Affiliate Network, etc.) This shows that almost half of the affiliates are willing to diversify and are not exclusive to one technology over another.



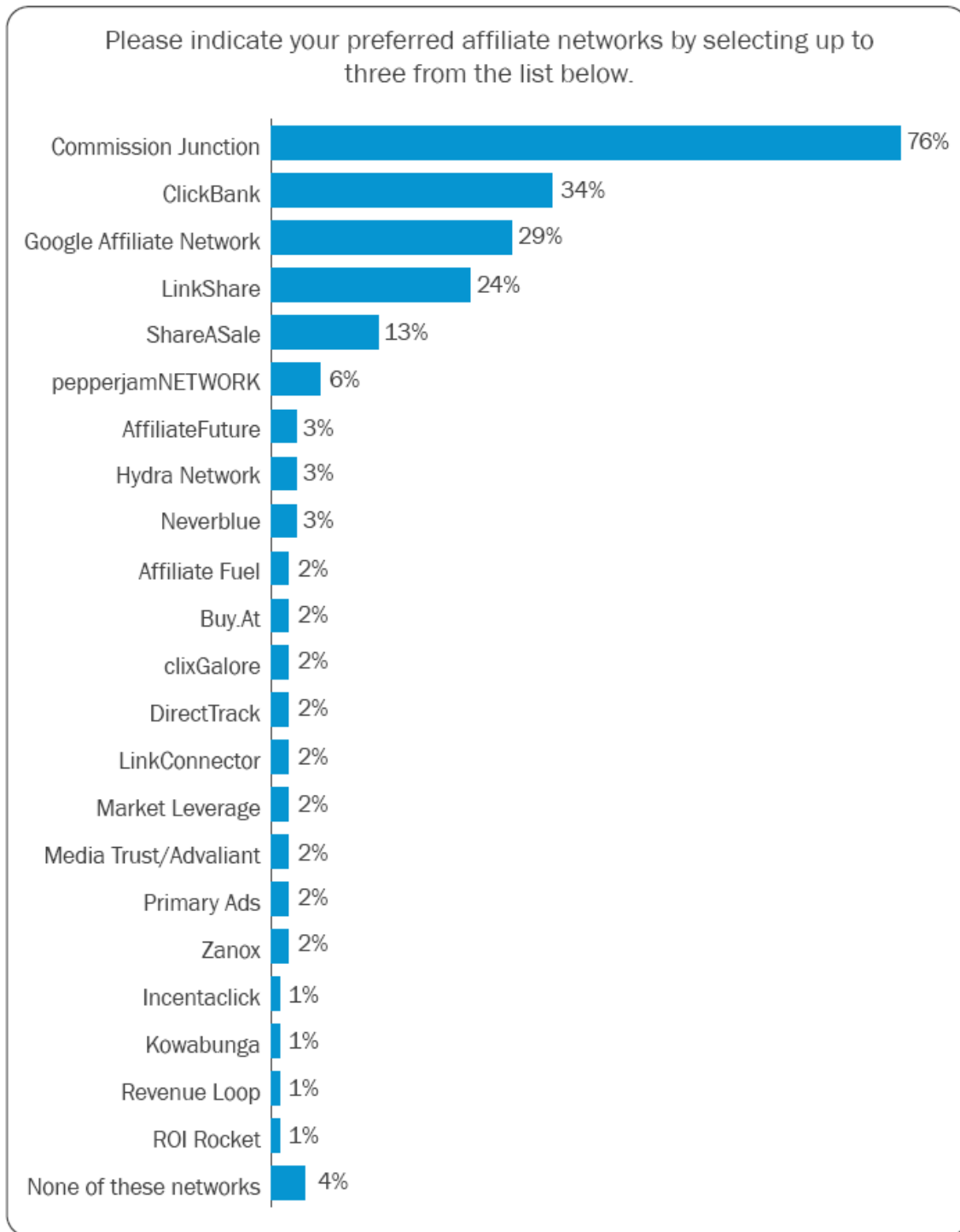
## Question #8- Respondents: 2,867



Considering that Question #6 detailed how 67.5% of affiliates say that the affiliate network plays a hand in their evaluation of an affiliate program, the responses to this question are especially pertinent. Commission Junction was overwhelmingly the highest represented network with Clickbank and LinkShare almost equal at second.

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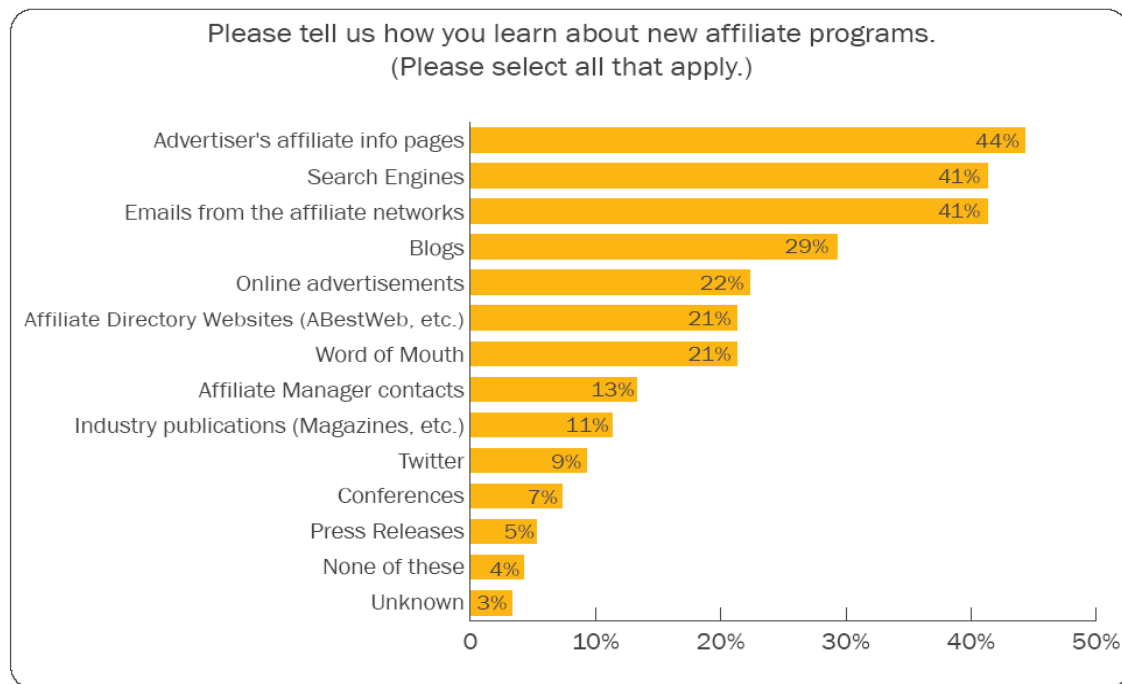
Question #9- Respondents: 2,819



Question #9 (continued from the previous page): Please indicate your preferred affiliate networks by selecting up to three from the list below. Similar to the previous question, these responses should be especially relevant since the networks involved with a program often have a large role in determining its attractiveness to affiliates. Since, unlike the previous question, the responses to this question were limited, the numbers are slightly deflated and true preferences are more clearly visible. It was also surprising that 4% of respondents did not like any of these networks; this response is greater than some of the small networks that received only 1 or 2 %.

Once again, Commission Junction received the highest number of responses and ClickBank was second. In this question, however, Google Affiliate Network rose to third place and edged out LinkShare. This increase shows that of the smaller number of affiliates that are members of the Google Affiliate Network, they have likely had a positive experience.

#### Question #10- Respondents: 2,867

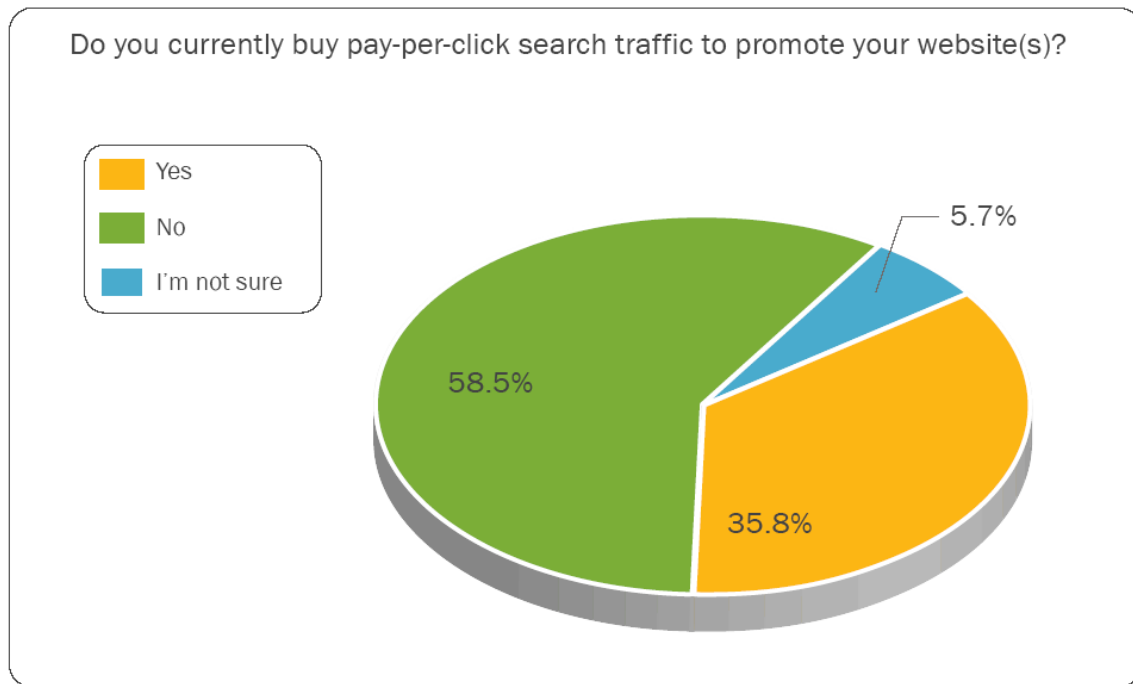


Affiliate information pages can showcase a great deal of information about a program – the commissions, cookies, action occurrences, top sellers, promotions, the network the program is on, etc. As seen above, many affiliates utilize this area to learn about programs. So, by offering clearly accessible links to affiliate info pages, merchants can reach out to this group of already motivated affiliates. Emails from networks themselves promoting new programs and the details of the programs were another significant source of information.

While this question clearly outlined many areas affiliates look for new programs and information, merchants and networks can streamline their communications and better their recruitment efforts by focusing on the top choices as outlined by affiliates.

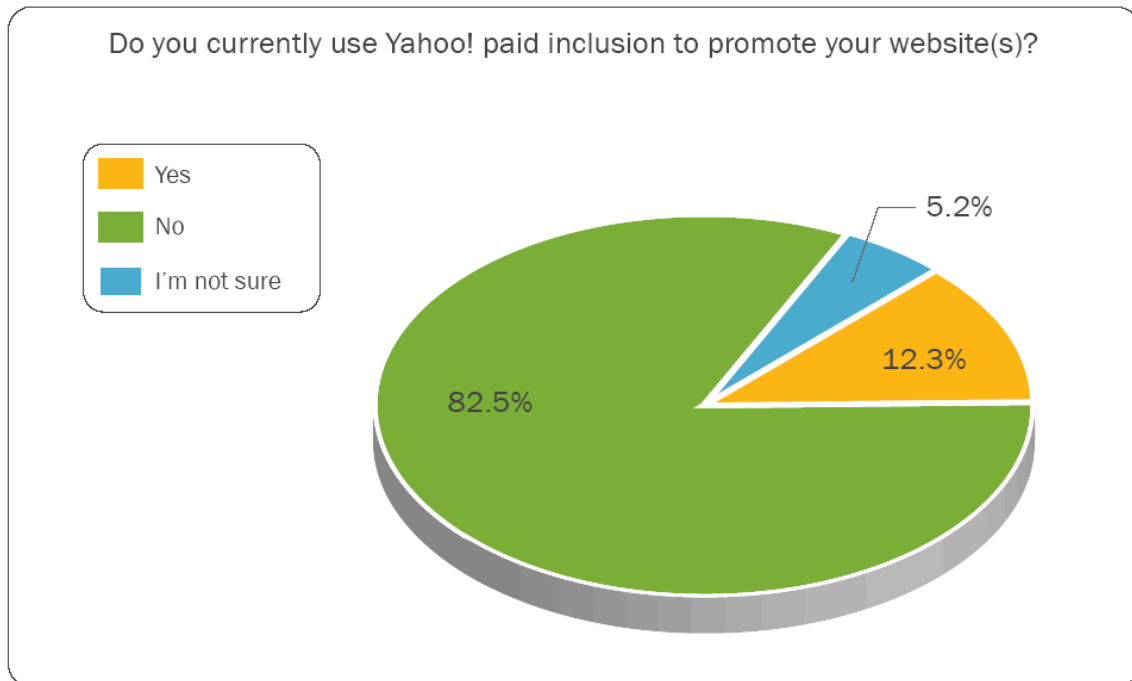
## Search Marketing Questions

Question #11- Respondents: 2,822



Only 36% of the affiliates who answered this question said that they buy PPC traffic to promote their sites. When looking at the responses to this question from the highest revenue earning affiliates (over \$100K a year), the numbers change and **60%** (compared to the 35.8% above) of the affiliates buy PPC traffic. As a result, this investment should be viewed as one that would provide a high return.

## Question #12- Respondents: 2,822

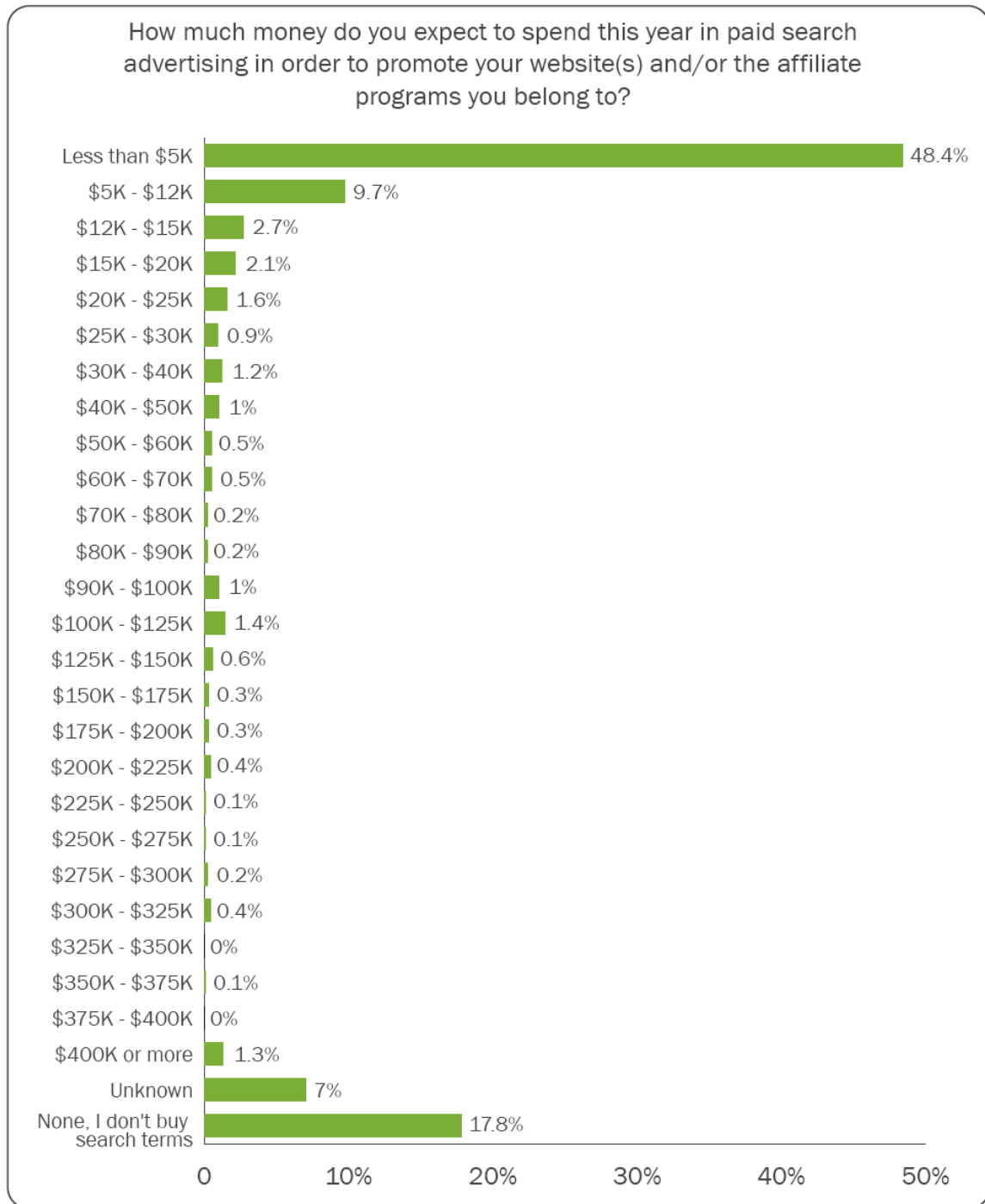


The responses to this question were clear in showing the relatively low instance of affiliates employing Yahoo! paid inclusion technology. Yet, by comparing the changes in these numbers when looking at the specific segments of affiliate income and experience, the value of this practice becomes even more apparent.

In terms of experience in the industry, 16% of veterans (those who have been affiliates since 2006 or earlier) use Yahoo! paid inclusion, while only 9.5% of affiliates that joined the industry in the past two years use the technology. Ultimately, the increase in respondents using the service shows the value that experience places on the technology.

However, an analysis of high revenue affiliates shows a more valuable correlation. Of those affiliates earning over \$100k from the programs they promote, 29% use Yahoo! paid inclusion. While this is still a minority, the 236% increase of participants using the service indicates that this can be an investment worth making.

### Question #13- Respondents: 2,775



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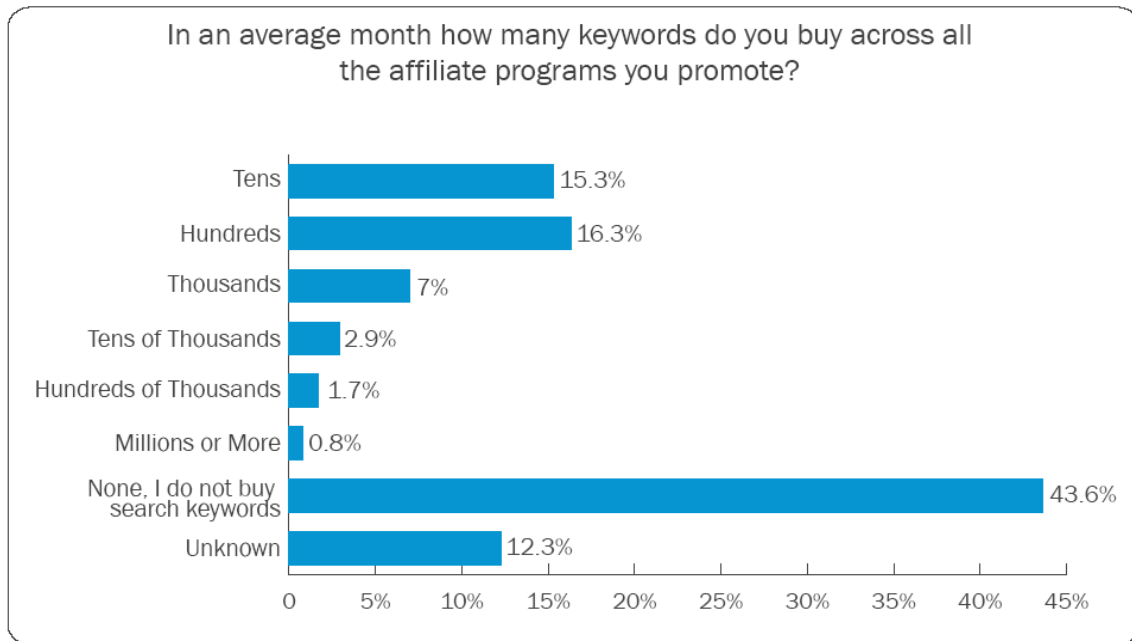
Question #13 (continued from the previous page):

How much money do you expect to spend this year in paid search advertising in order to promote your website(s) and/or the affiliate programs you belong to?

The responses to this question offer an area of strong insight for affiliates struggling to make sales, those that are new to the business, and agencies that offer search and affiliate services. When considering newer affiliates, specifically those that began in the past two years, the responses to this question skew even more towards the “Less than \$5K,” “None” or “Unknown.” Simply, new affiliates may not fully realize the return on this investment.

Not by coincidence, when comparing the responses of the same new affiliates to their responses to Question # 5, “How many programs have generated a sale in the past month,” the responses favor “None” (30.3%) or “Less than 5%” (30.3%) more significantly than from the aggregate pool of responses. Thus, this lack of investment into paid search advertising may account for the slower start of generating sales for new affiliates. One conclusion that can be drawn from the industry veterans’ responses is that a higher investment in paid search advertising correlates with higher sales and revenues.

#### Question #14- Respondents: 2,791



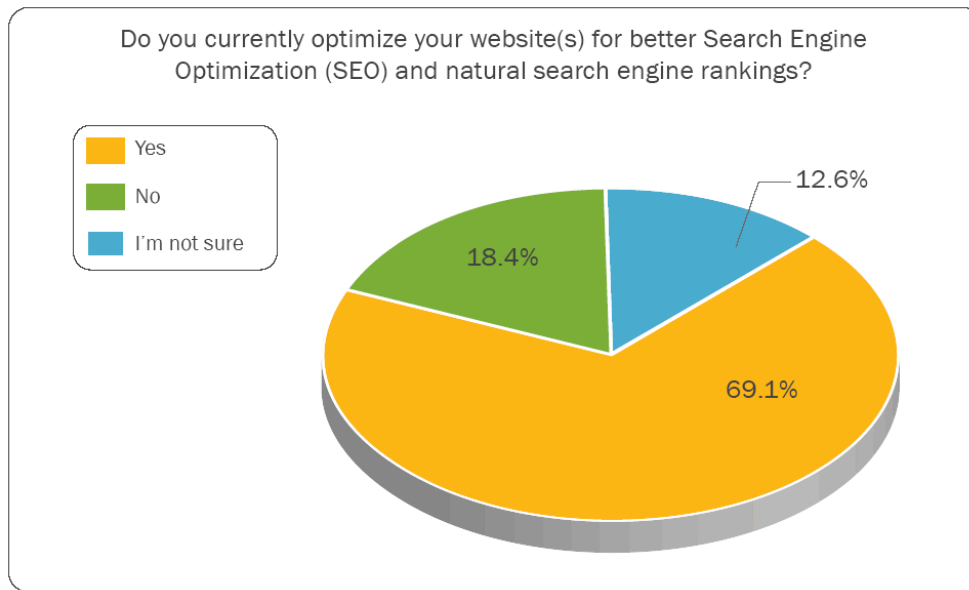
Affiliates responded with notable inconsistency in regards to the number of keywords they buy. Over half (58.9%) say that they buy less than “tens” or none at all while a notable portion responded that they buy “hundreds” (16.3%), “thousands” (7%) or “tens of thousands” (2.9%).

When looking at just the responses from the affiliates that did not buy search keywords, the income levels (as indicated in Question #38) all responded as one would expect. The number of “\$25k and under” respondents increased to 56.1%, “Unknown” increased to 28.1% and the number of responses for every other income level decreased. Conversely, analyzing the responses of those affiliates who buy “thousands” and “tens of thousands” of keywords a month, the number of respondents for “\$25k and under” decreased to 26.2% and both “\$25k-50k” and “\$50k-100k” increased to about 13%.

Certainly, the larger these companies grow the more money they can allocate for such an investment, in turn, driving revenue higher. But the correlation is clear and this investment is not one that should be overlooked.



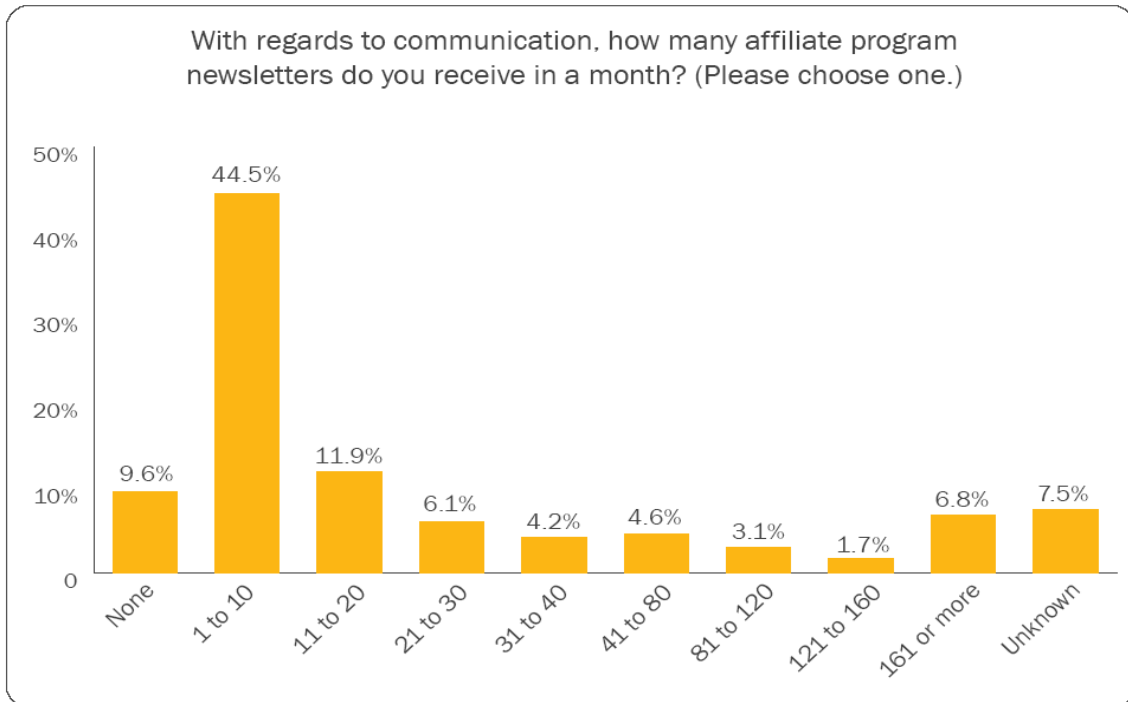
### Question #15- Respondents: 2,822



By optimizing their websites, affiliates can efficiently drive traffic to their sites via high organic search rankings. As a result, a high number of respondents indicated that they utilize this method. When analyzing the responses to this question based on income level, 80% of the over \$100K segment performs SEO and only 14% do not. Similarly, 80.7% of affiliates that began in the industry in 2006 or before optimized and only 13% didn't. This is compared with 60.7% of the segment of newest affiliates (beginning in the past two years) that optimized and 22.2% that didn't.

## Communications Questions

Question #16- Respondents: 2,721



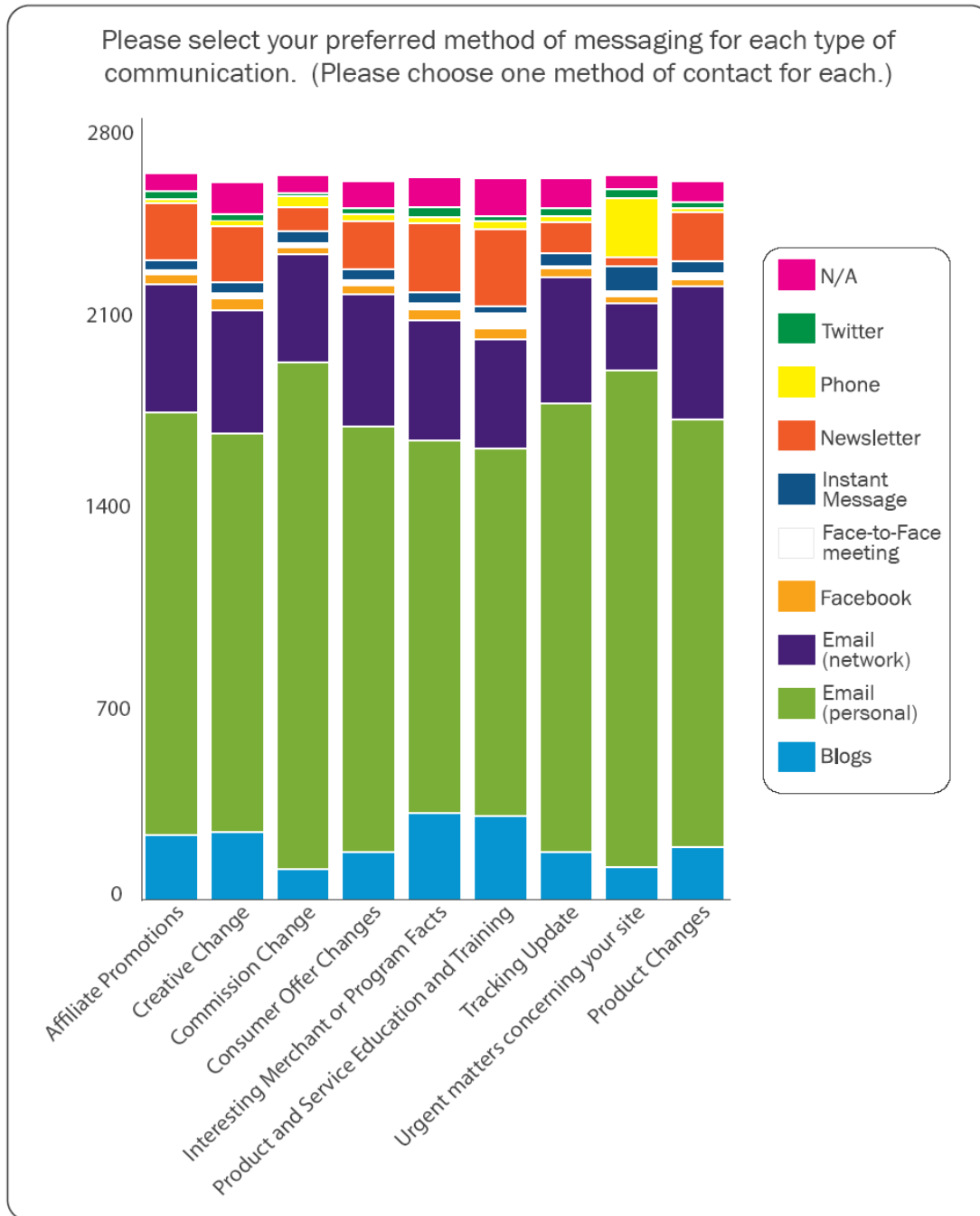
The data here shows that the largest group of affiliates (44.5%) receives between one and ten affiliates newsletters a month.

### Question #17- Respondents: 2,721



The responses to this question illustrate the disparity of affiliate program newsletter frequency preferences amongst affiliates. With the responses to this question there is only a slight correlation between the experience level of the affiliate and his or her preference to the frequency of their newsletters. Newer affiliates generally want newsletters more frequently, but as a whole, the responses were evenly distributed across experience levels. As the graph above indicates, weekly is the most preferred frequency. Also, the size of the company does not have a measureable impact on this preference either; the smallest companies (between 1 and 4 full time staff members, as shown in Question # 36) had the same distribution of responses as the aggregate.

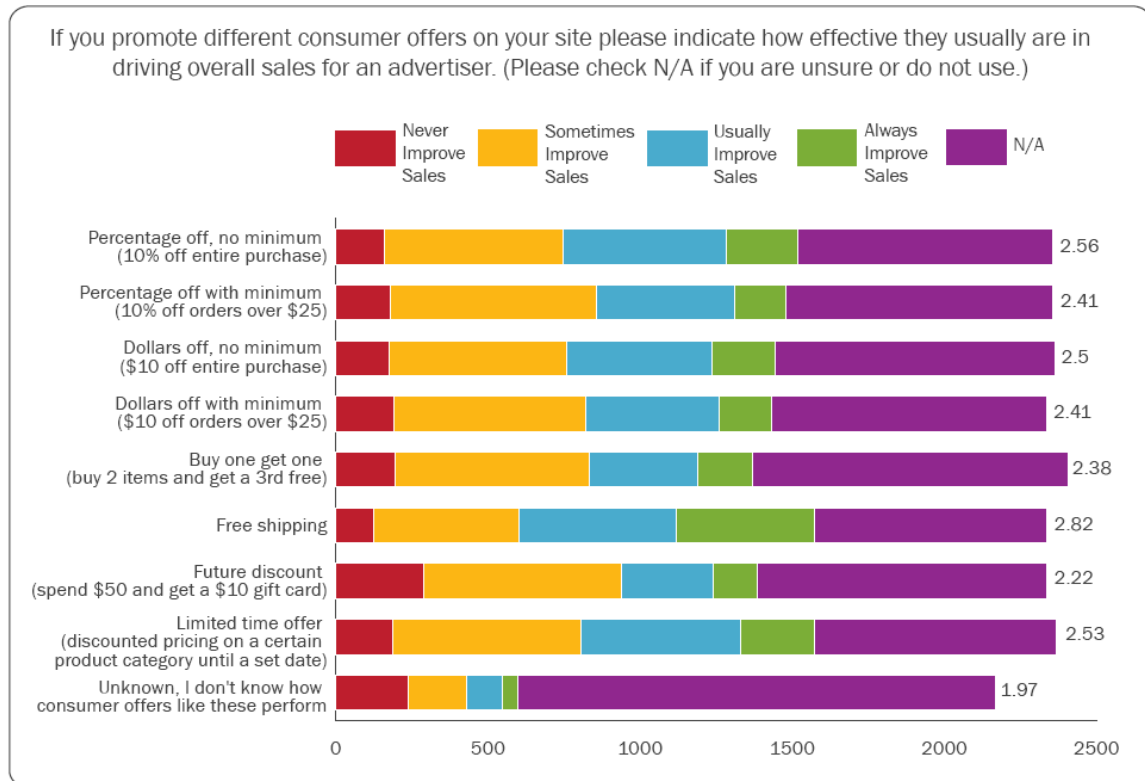
## Question #18- Respondents: 2,688



Affiliates strongly favored personal email as their preferred medium of communication. In every potential situation (even urgent matters) personal email was preferred to any other choice. Coming in a distant second was “network email.” It should be noted that preference for phone calls rose from 1% to 8% for the communication of urgent matters.

## Promotional Questions

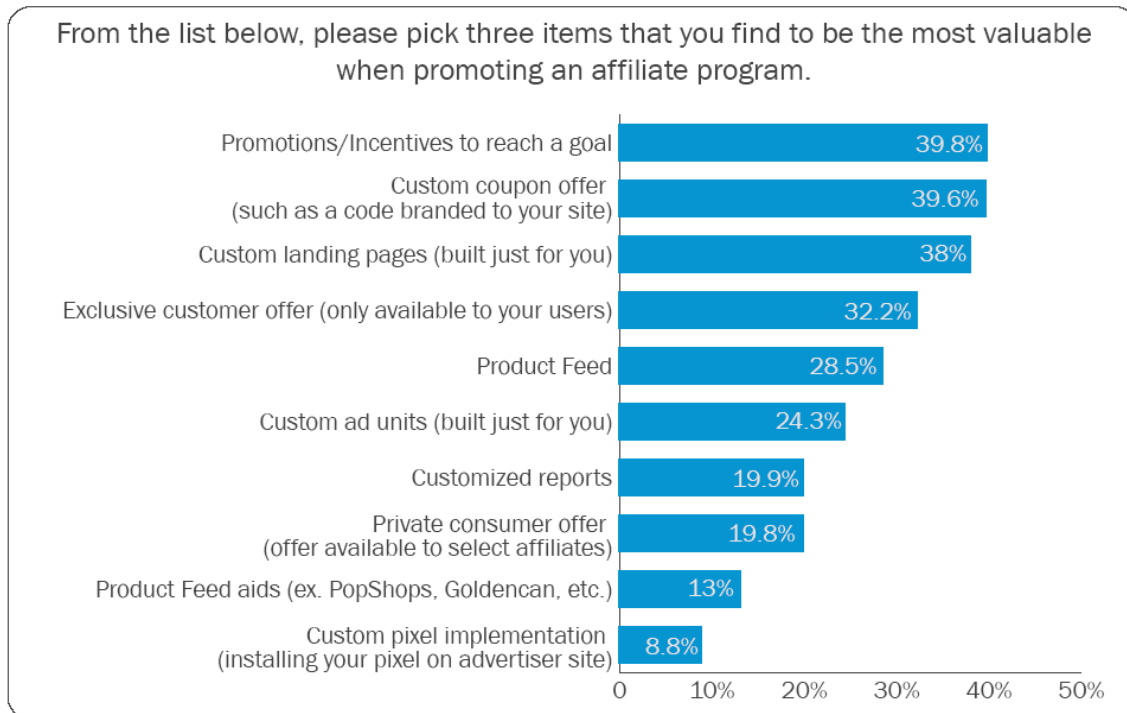
### Question #19- Respondents: 2,486



We derived these values from weighted averages of the potential response choices “Never Improve Sales,” “Sometimes Improve Sales,” “Usually Improved Sales,” “Always Improved Sales” and “N/A.” Thus, offers with higher scores had more responses at the “Always Improve Sales” end of the spectrum. Using this weighting system, we determined that “Free Shipping” drives the highest number of sales followed by a no-minimum percentage discount.

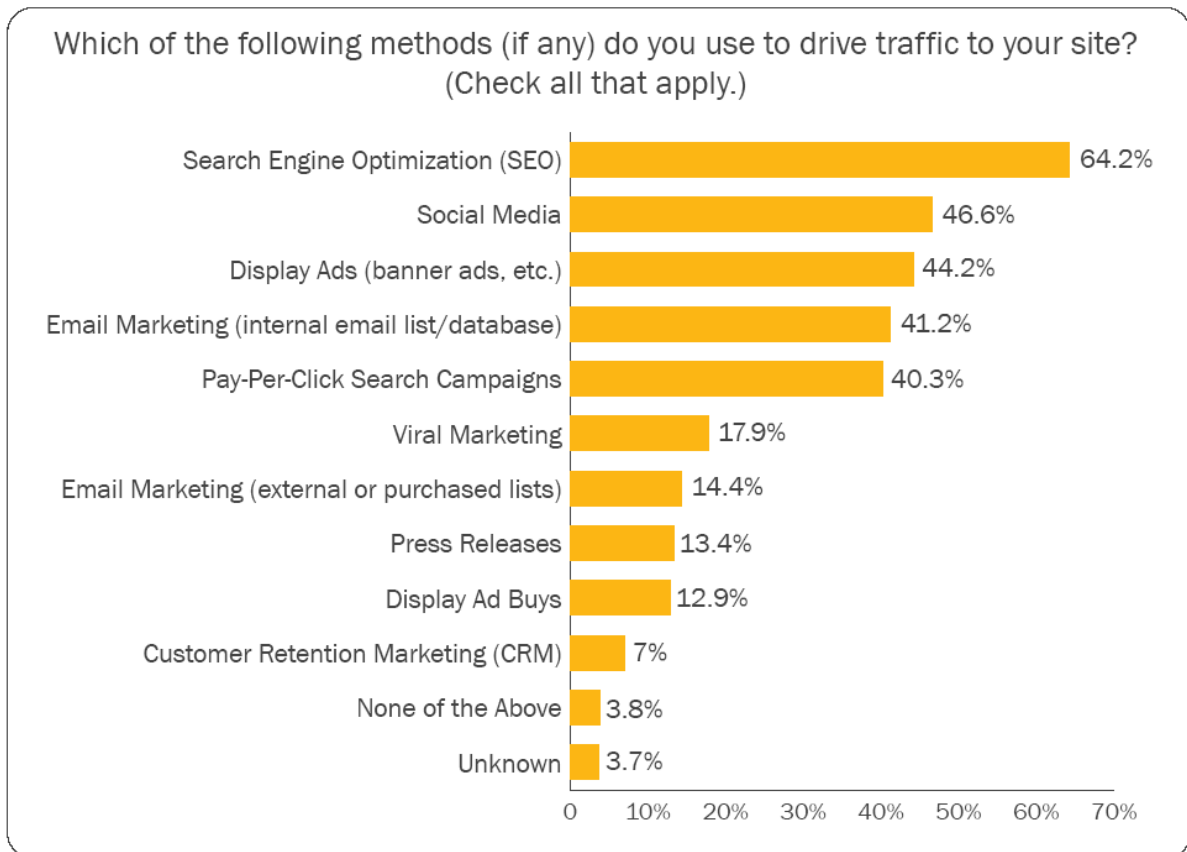
Knowing the most effective offers allows merchants and affiliates to drive more sales with the foresight to factor associated costs into pricing models. As a result, the list of promotional offers to consider (based on what fits the product line best) is shortened to the most effective ones and risks are minimized.

## Question #20- Respondents: 2,431



These numbers communicate the broad theme that promotions need to offer an impression of exclusivity. Aside from incentives for the publisher, every high scoring method relates to a personal touch that is one of a kind for that website, whether it is an exclusive offer or custom pages. This personalization for the publisher's website attracts more customers and gives them incentive to purchase the merchant's products through the publisher's site. In terms of the incentives for the publisher, it seems that a direct push to go the extra mile from advertisers is rewarded twofold- both from the initial incentive and higher sales.

## Question #21- Respondents: 2,543

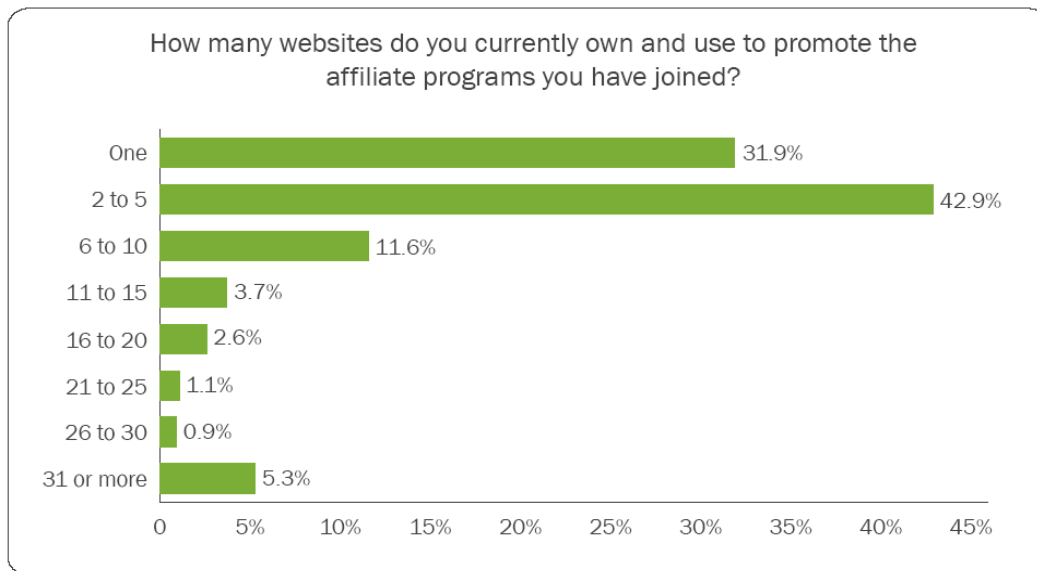


The two highest responses for methods used to drive traffic were those involving a time commitment in lieu of a monetary one. Next, display ads and PPC campaigns ranked nearly as highly as social media and SEO, which leads to the conclusion that a greater strategy is likely some combination of all of these approaches.

Looking at the numbers from the perspective of experience in the industry didn't skew the data in any significant way; the group of respondents that joined in the past two years and the group of affiliates with many years of experience both employ the same methods as the total aggregate provided above.

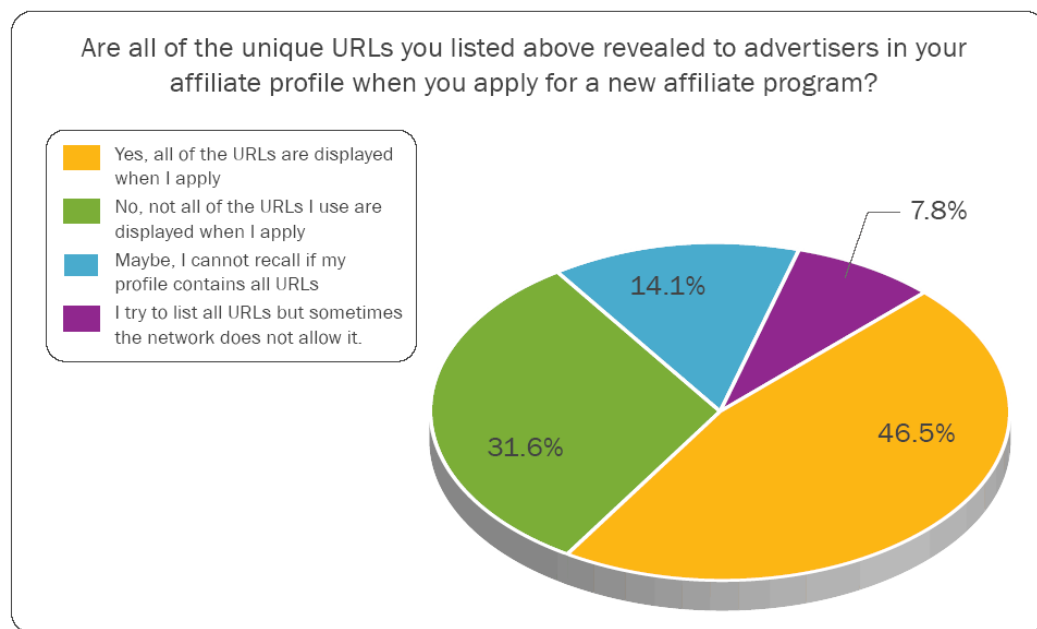
The only group that showed any deviation was the highest revenue segment of respondents. In this segment, SEO was still the most common, but second was pay-per-click campaigns (55%). Both forms of email marketing were used more as well. When analyzing responses from segments that take both income and experience into account (as described later), clear trends emerge on the value of the paid promotions employed in conjunction with SEO, specifically.

## Question #22- Respondents: 2,543



Nearly 75% of affiliates have less than 5 sites, but there is still a relatively large occurrence of affiliates with over 10 sites.

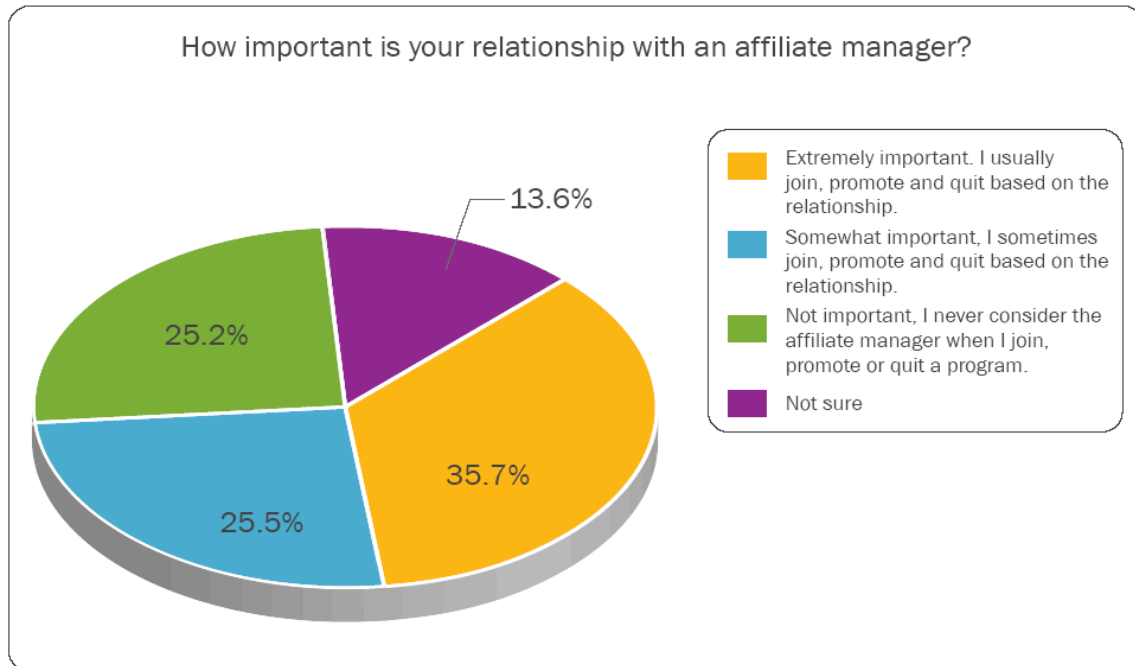
## Question #23- Respondents: 2,543



31.6% of the affiliates said that not all of their URLs are showcased in their profile. The previous question revealed that the majority of affiliates have more than one website. Thus, advertisers should regularly ask affiliates submitting applications about other sites the affiliate may run, as there may be other opportunities available to the advertiser.



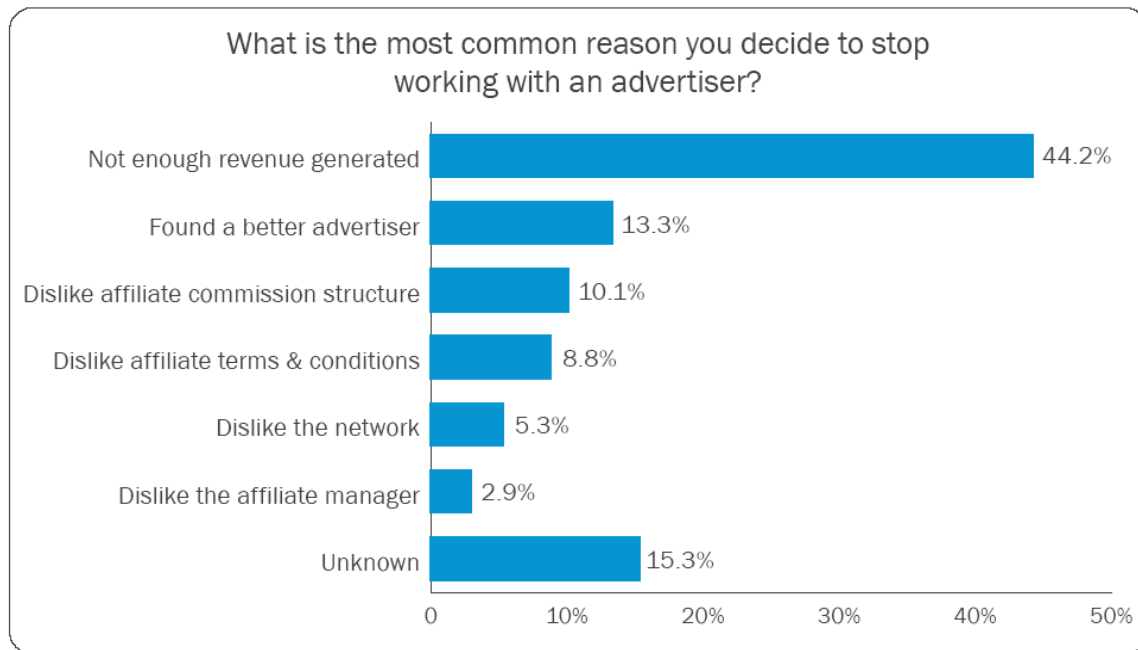
## Question #24- Respondents: 2,543



The responses to this question indicate just how important relationships are in the affiliate industry. Overall, the indication is that the relationships between affiliate managers and affiliates are somewhat important or extremely important. By filtering responses and only analyzing those with affiliates earning over \$100,000, an even larger portion of respondents place importance on these relationships. In this case, 48% of respondents indicate that the relationship is extremely important with only 18.4% saying that it is not important.

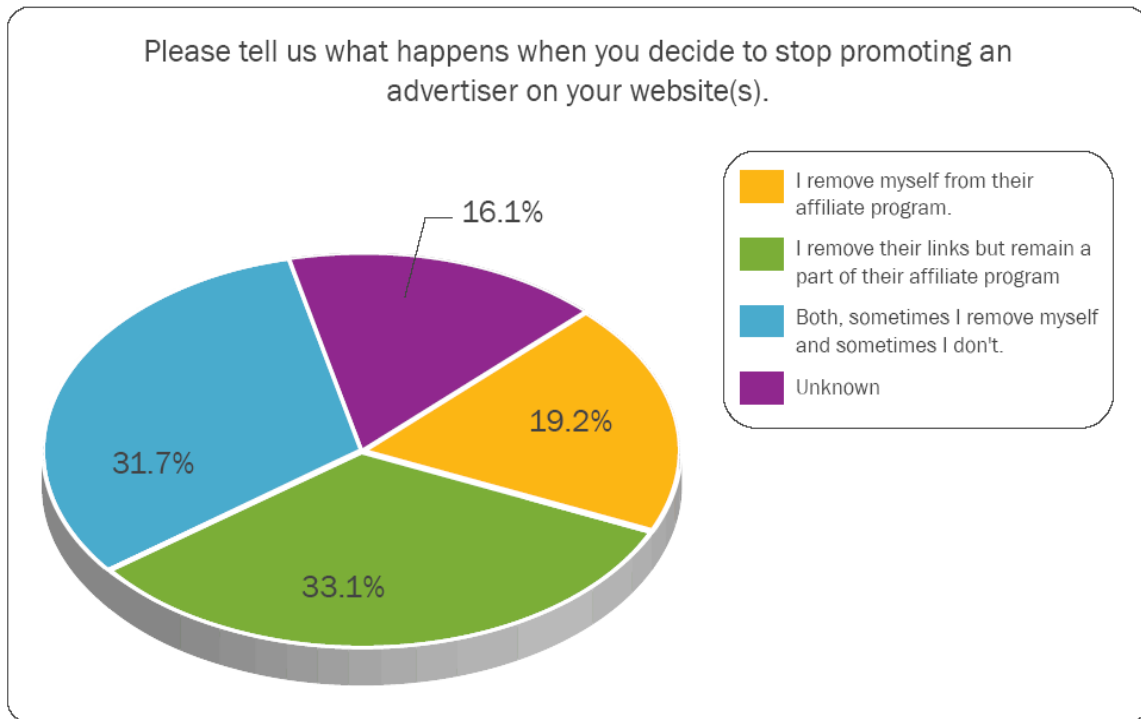
Conversely, 33% of affiliates earning less than \$25,000 consider the relationship not important, compared to only 28.5% that find it extremely important. In the end, this correlation indicates that high revenue earning affiliates succeed partly because of a strong relationship with the program manager.

## Question #25- Respondents: 2,543



The responses to this question clearly highlight affiliates number one goal: to be rewarded for the significant time invested in running an affiliate business with running an affiliate business with high revenues. As was illustrated in Question # 20, the strongest draw of an affiliate program is the incentives to reach goals. Affiliates are more inspired to put the time in to generate high revenues for a merchant if they are duly compensated with higher commissions, gift cards, trips, bonuses, etc. The biggest deterrent for an affiliate to continue working with an advertiser is simply a lack of sales of the advertiser's products; however, in this case, the termination of the relationship would likely be a mutually agreed upon end.

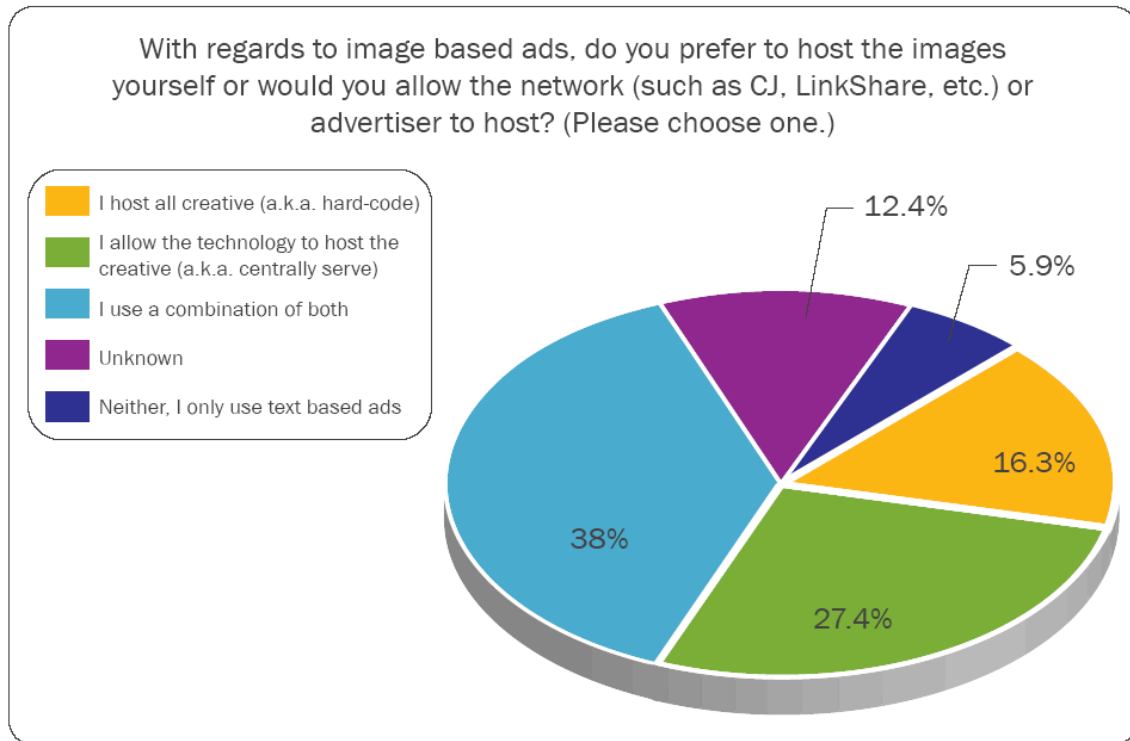
Question #26- Respondents: 2,543



The high responses for “Both, sometimes I remove myself and sometimes I don’t” and “Unknown” indicate that after an affiliate ends a relationship, there is no common course of action. Often times it is the path of least resistance to simply remove the links and call that the end. As a result, affiliates may not completely follow through and remove themselves from the program. Affiliates may also want to leave the door open for future collaboration.

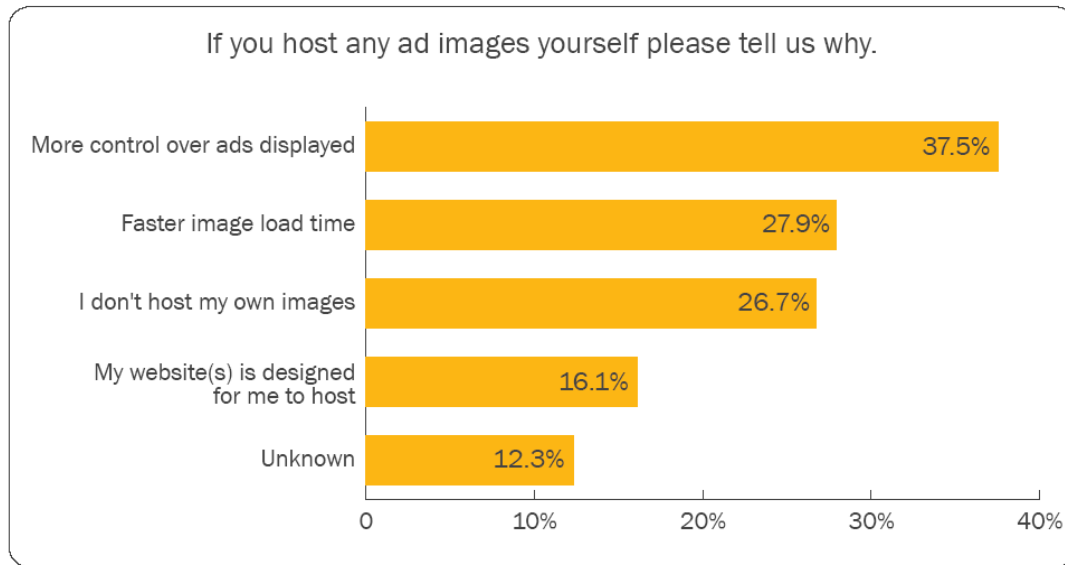
## Creative Questions

### Question #27- Respondents: 2,487



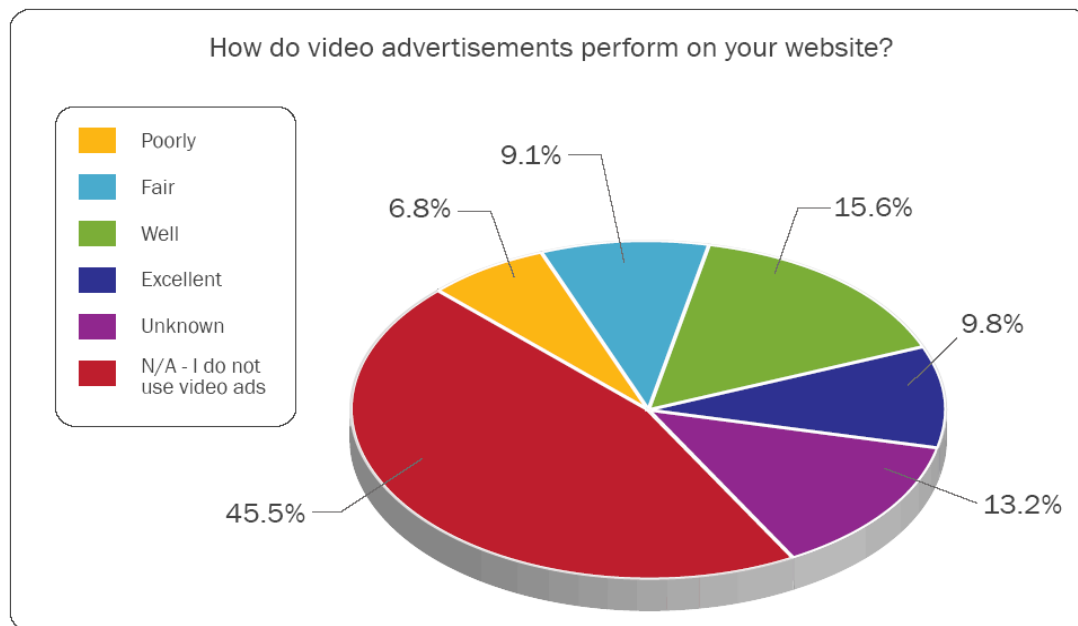
Most affiliates (38%) use a combination of hosting their own images as well as allowing the technology to host the creative. 16.3% entirely host their own creative while 5.9% strictly use text based ads.

### Question #28- Respondents: 2,405



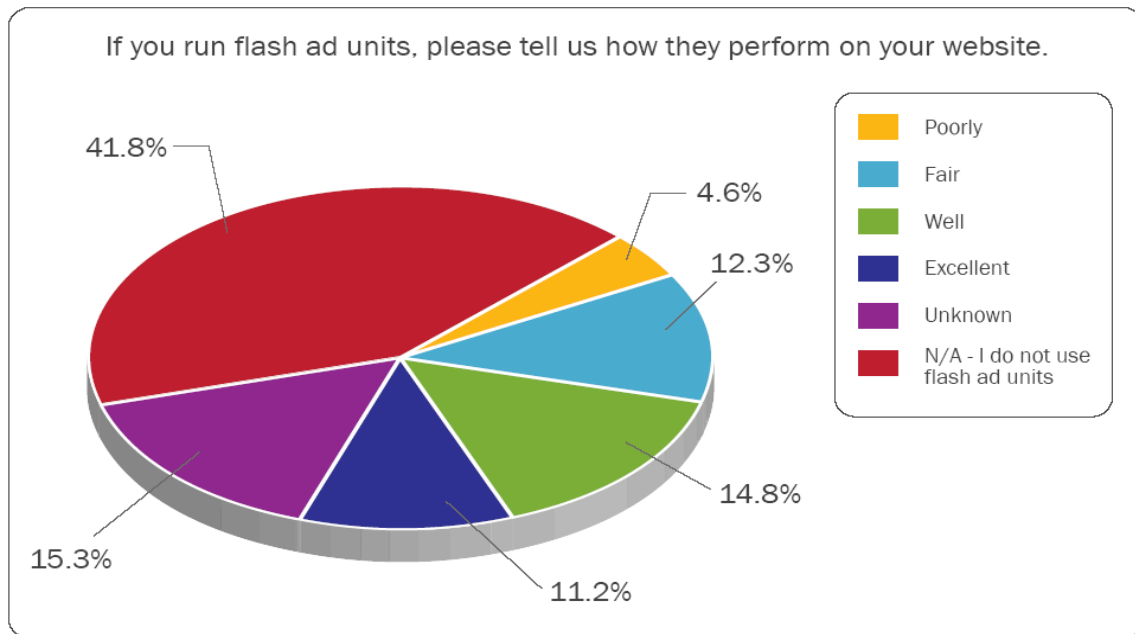
The main reason for affiliates to host their own ad images is for control purposes. The other prominent reason was to minimize loading time for their websites' viewers. However, a large percentage of respondents do not host their own ad images.

### Question #29- Respondents: 2,458



45.5% of the affiliates who answered this question do not utilize video widgets. 41.3% of the respondents were certain they used video ads, and of those affiliates, 61.5% percent said that they work "well" or "excellent".

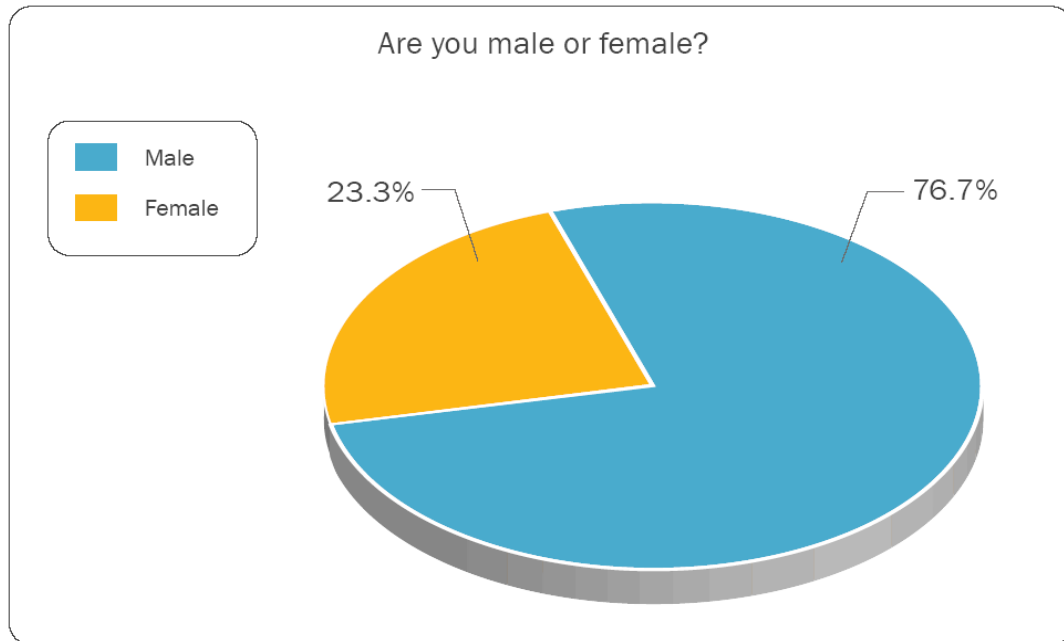
### Question #30- Respondents: 2,457



Similar to the previous question, nearly half of the respondents did not employ flash ad units. However, of those that reported on their performance, 60.6% said that flash ads performed “well” or “excellent.” Therefore, flash ad units could be a valuable area for affiliates to invest resources based upon the success of others who have used the media.

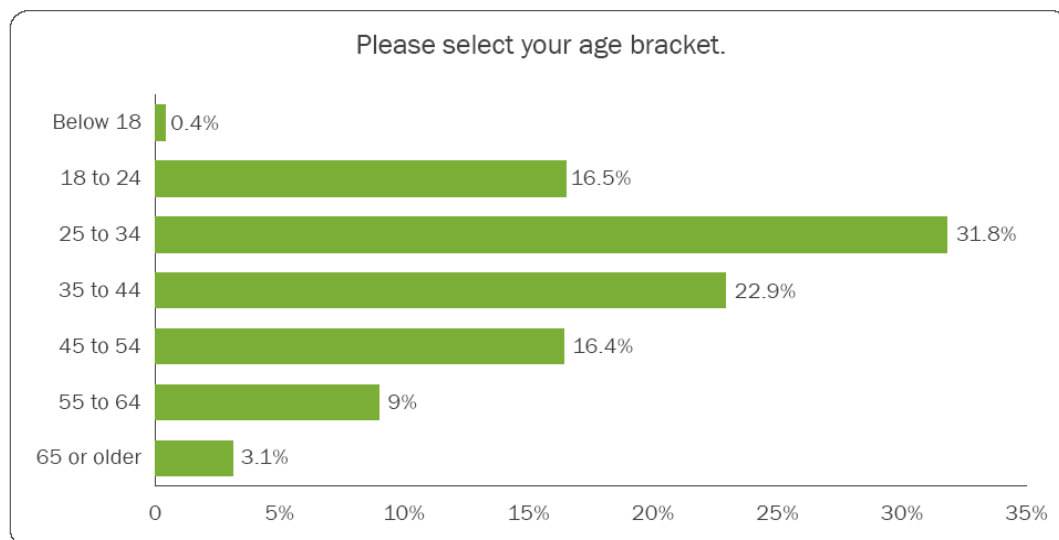
## Company Structure Questions

Question #31- Respondents: 2,479



Although the industry is predominantly male, the number of women in the industry is growing. Of the affiliates who joined in the past two years, 27% were female. This is compared to the ratio of those who have been in the industry since before 2006, in which only 20% are females.

Question #32- Respondents: 2,479



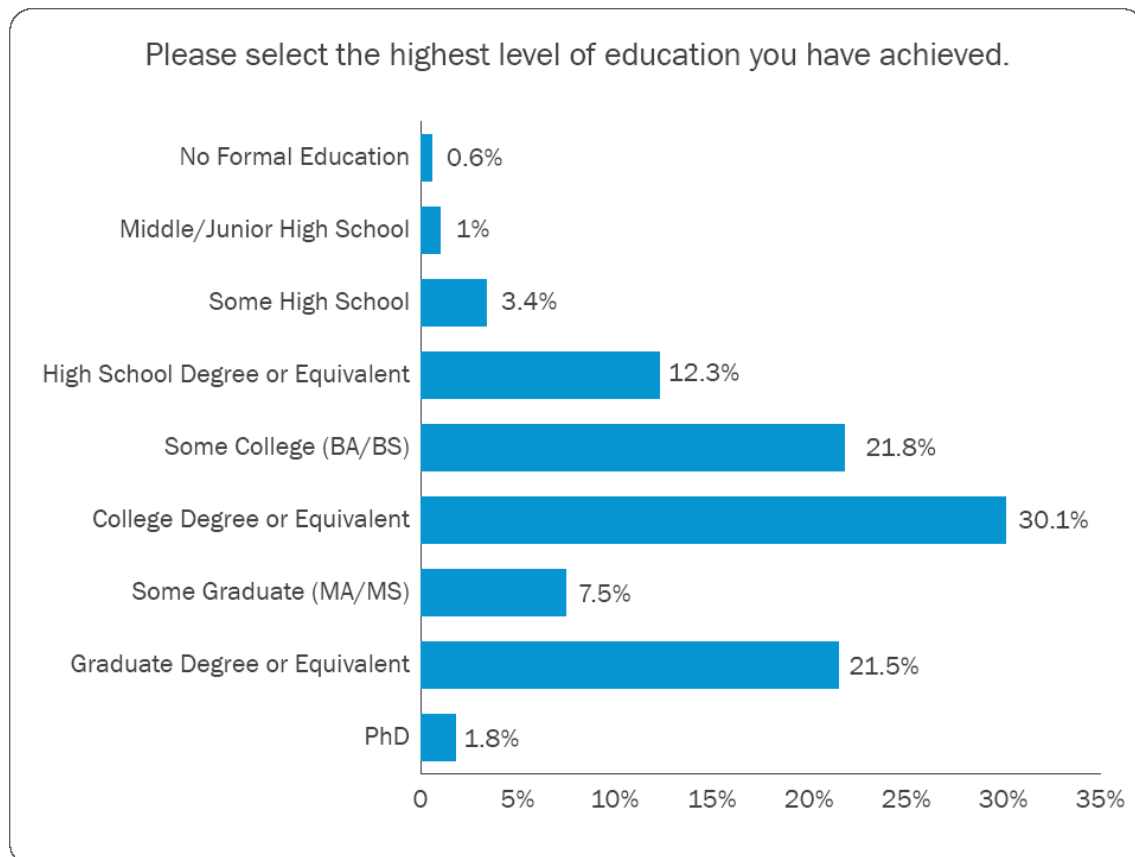
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### Question #32 (continued from the previous page):

Please select your age bracket.

The largest age demographic is the 25-34 year old segment, which makes up 31.8% of the respondents. Affiliates are generally well educated (see Question #33) and likely have other prior work experience, which may explain why this is the largest age demographic. When analyzing the newer entrants to the industry, the responses do not vary significantly.

### Question #33- Respondents: 2,479



Since the majority of affiliates have some level of higher education (nearly 30% have some graduate coursework or more), it is understandable why the responses to Question# 32 show that a high number of respondents were in their thirties and forties.

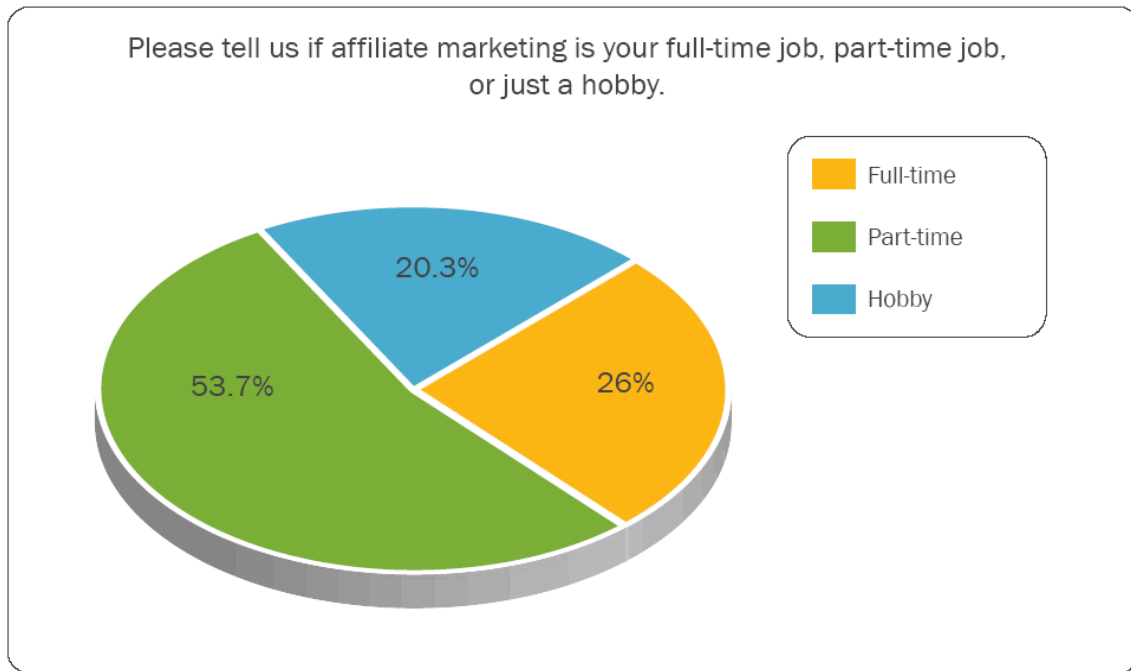


Question #34- Respondents: 2,479



This question illustrates just how rapidly the industry is growing. Almost half of the respondents (49%) joined the industry in the past two years, even though affiliates have participated in the industry as early as before 1994.

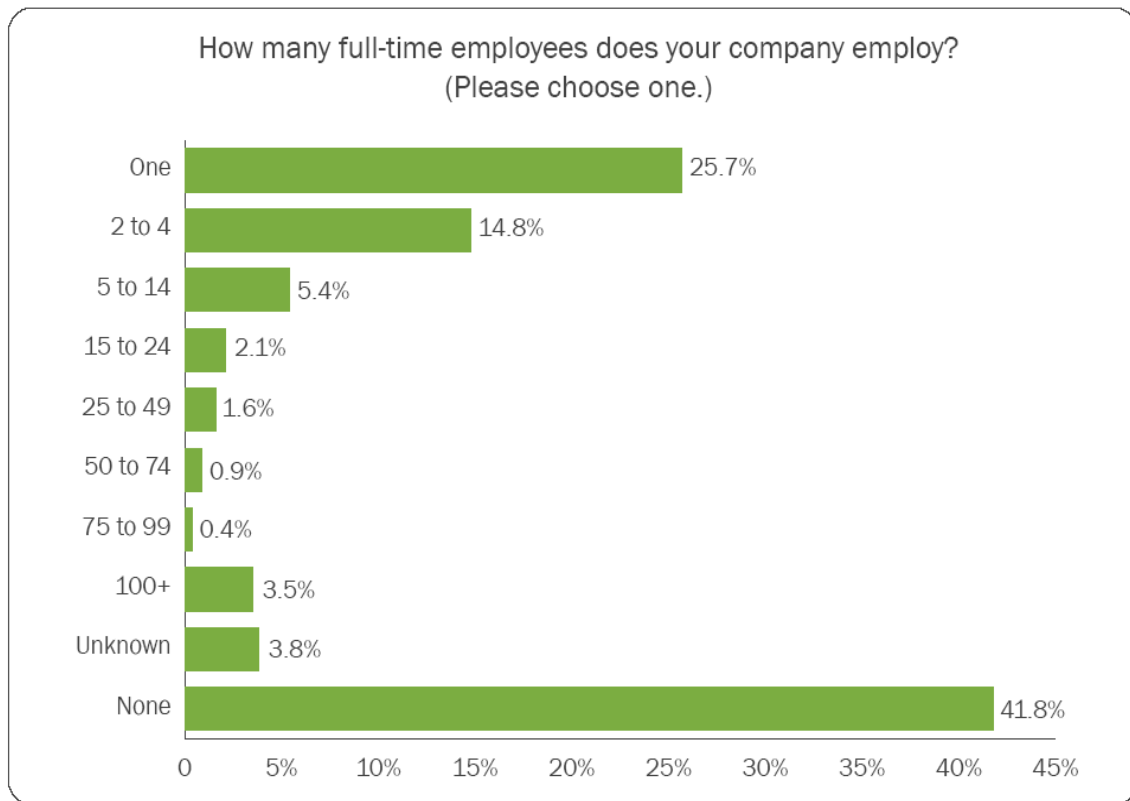
Question #35- Respondents: 2,479



Since almost half of the industry began in the past two years (as indicated in the previous question) and the majority of the industry is over 25, it is understandable how some respondents may see affiliate marketing as a supplement to other means of income. It would be difficult to begin in the industry and immediately establish an affiliate website as the primary viable source of income. As the newest segment of participants matures in the industry, it is likely that the number of respondents who consider this part-time work (or a hobby) will decrease and those who regard it as full-time will increase.

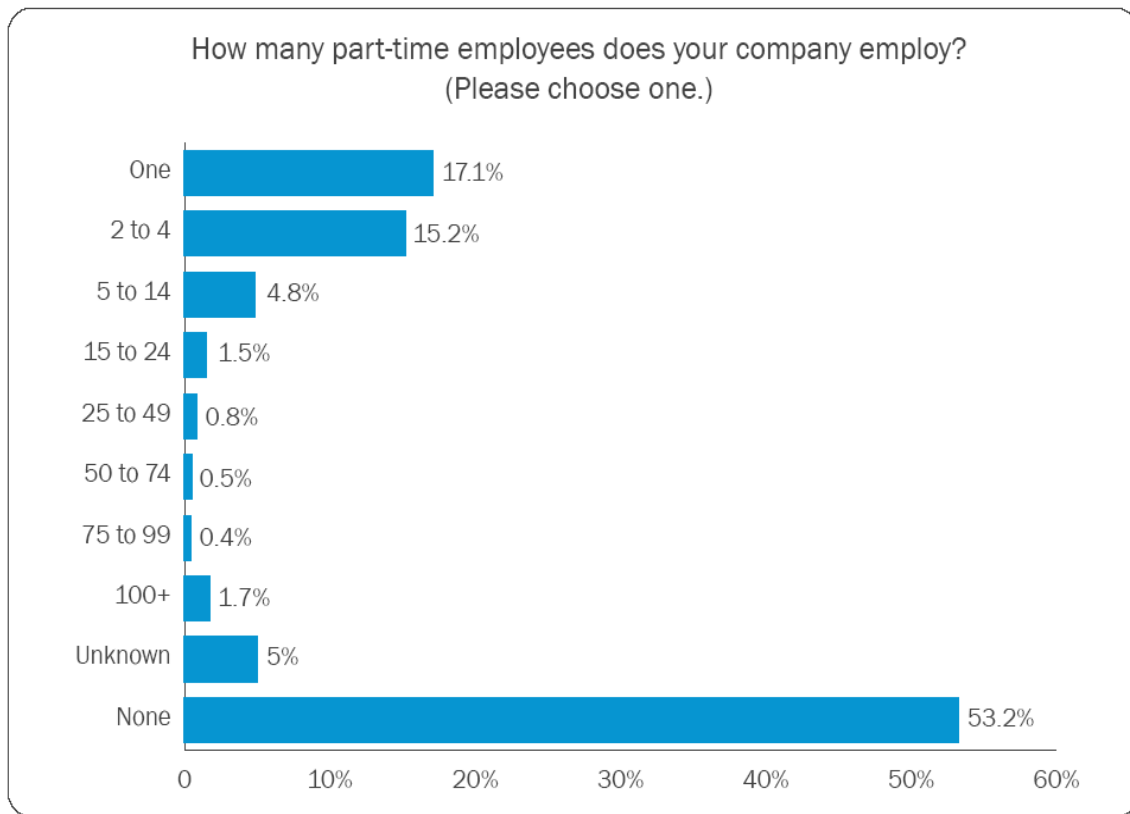
When analyzing only the responses of the newest segment of affiliates, only 18% of respondents consider it a full-time job. One would expect that the number of full-time affiliates will increase as income levels grow in the newer segment of affiliates.

### Question #36- Respondents: 2,479



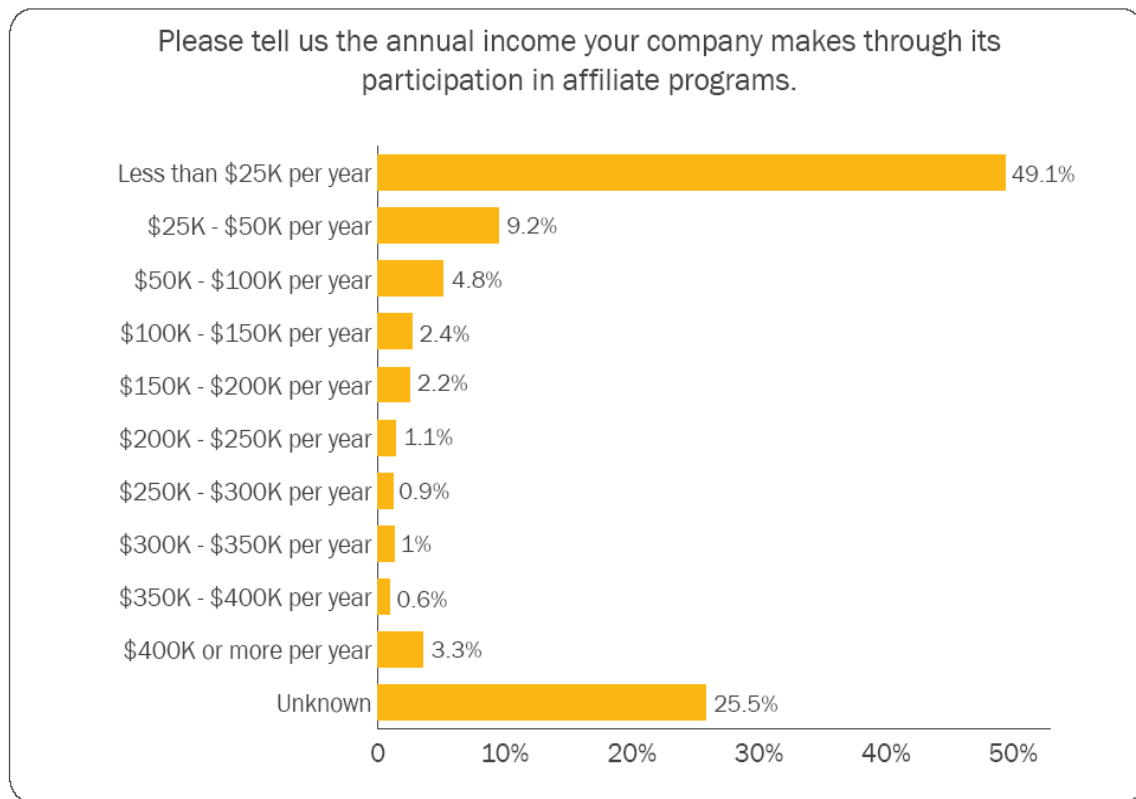
The most common response from the affiliates surveyed was that their company did not employ any full-time staff. The responses did not change greatly when looking at the newest entrants to the industry; in fact, companies without full-time staff slightly increased to 47.8%. This common distribution of the number of employees across the different experience segments shows an industry consistency. As might be expected, the only segments where company size varied considerably were based on revenue. In the companies that generated more than \$100K, 25% had between 2 and 4 full time employees and 16% had between 5 and 14 employees. Thus, the size of the companies generating the most revenue grew considerably from the overall average, but still had less than 15 employees.

Question #37- Respondents: 2,479



The responses to this question compared to those of the previous question indicate a higher number of full-time employees than part-time employees. For one, there are more affiliate organizations with zero part-time employees than with zero full-time employees. Additionally, there are more organizations with 5-14 full-time employees than with the same number of part time employees.

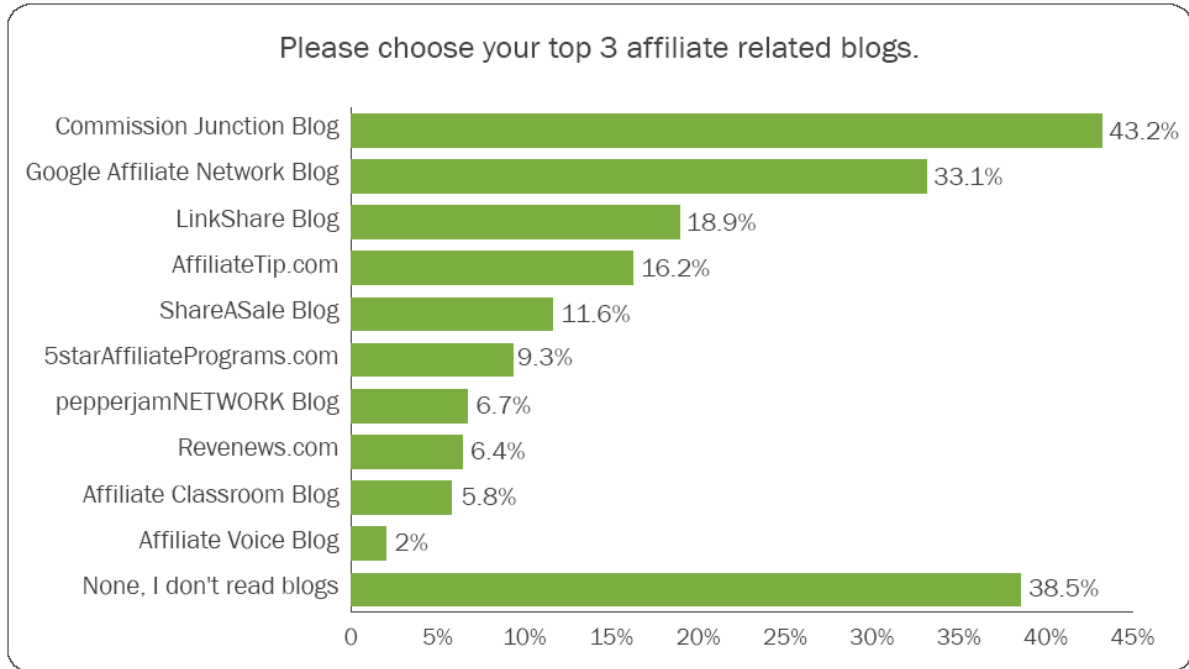
### Question #38- Respondents: 2,459



This question leads to a significant number of conclusions when analyzed in reference to other questions. By being able to differentiate based on income, one can determine which strategies are likely successful or which ones must be examined on a case-by-case basis. Although affiliate marketing typically comprises only supplemental income for affiliates, when pursued as a full-time job using what are determined to be the most successful techniques (as outlined primarily in the 'General', 'Promotional' and 'Search Marketing' questions), affiliate marketing can be extremely lucrative. High-involvement users can make well over \$400K.

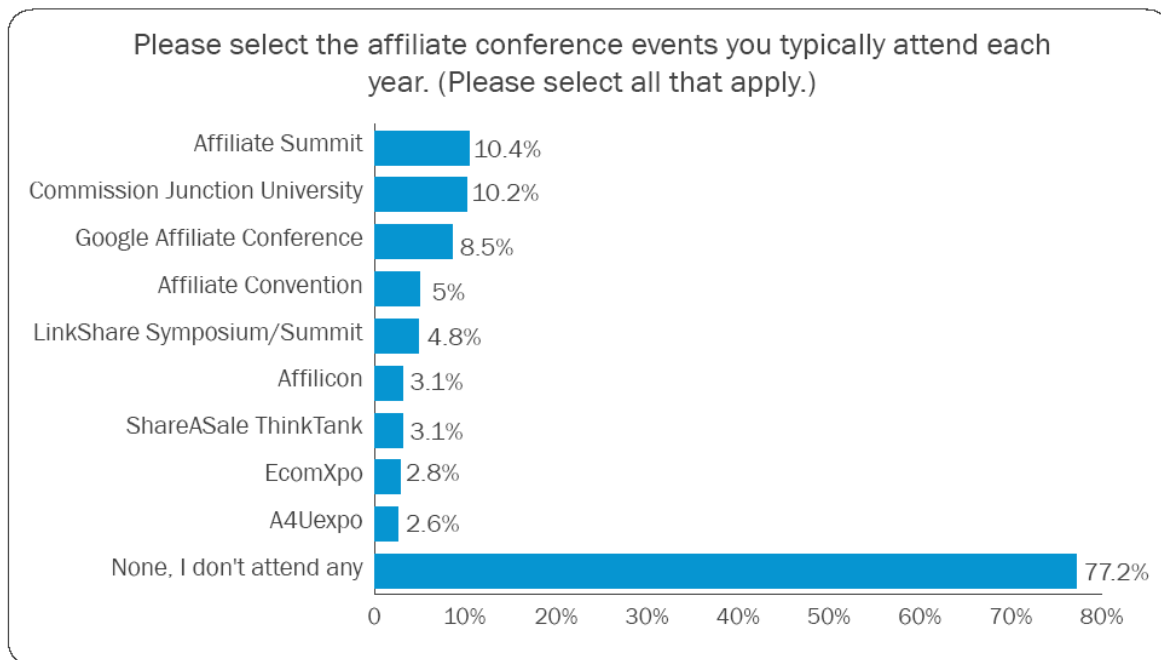
## Education Questions

Question #39- Respondents: 2,376



Despite affiliates strongly indicating that email is their preferred communication medium in Question #18, those that read blogs indicated a high readership of affiliate network blogs. Therefore, despite preferring email for communications, affiliates are still committing time to read network blogs for up-to-date information.

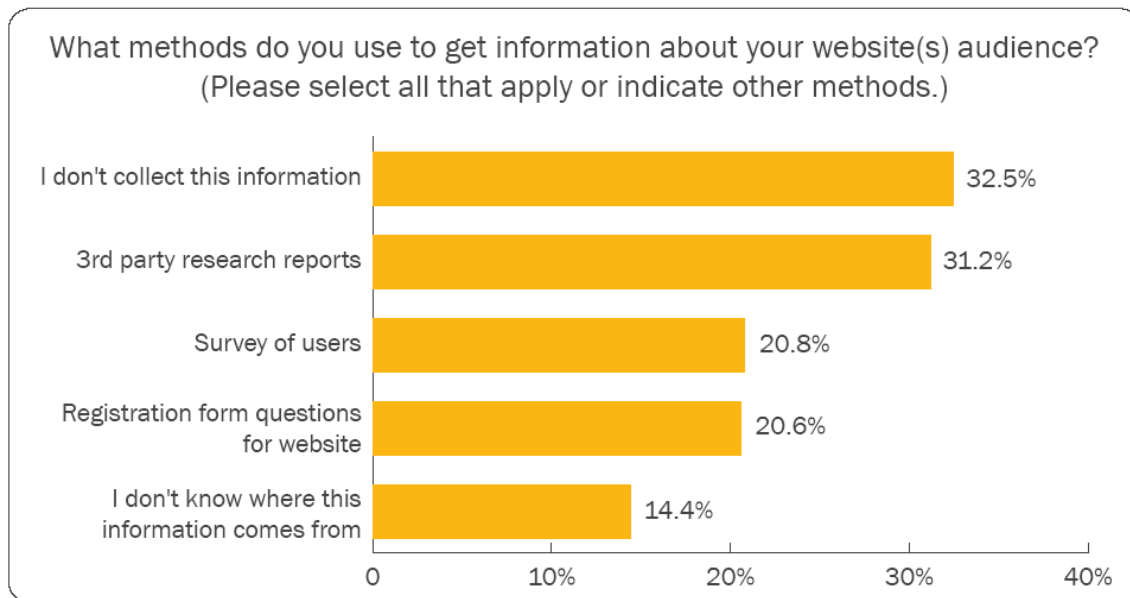
#### Question #40- Respondents: 2,388



Approximately 77% of the respondents stated that they do not attend any industry conferences. This shows that other communication methods will need to take place in order to build or maintain a relationship between affiliate and advertiser. Since affiliates prefer personal emails for all communications (Question # 18), this is currently the best way to reach affiliates and achieve those goals.

Affiliate conferences are valuable networking events, as clearly demonstrated by the responses by high attendance responses from high revenue affiliates. While 77% of the overall respondents do not attend affiliate conferences, only 45% of the highest revenue affiliates miss out on the events. Of these respondents, Affiliate Summit had the highest attendance (34%) with Commission Junction University receiving the second highest attendance (22.8%). Considering the budgets necessary for certain paid services, attendance at a conference would be a great investment at a relatively low cost.

#### Question #41- Respondents: 2,472

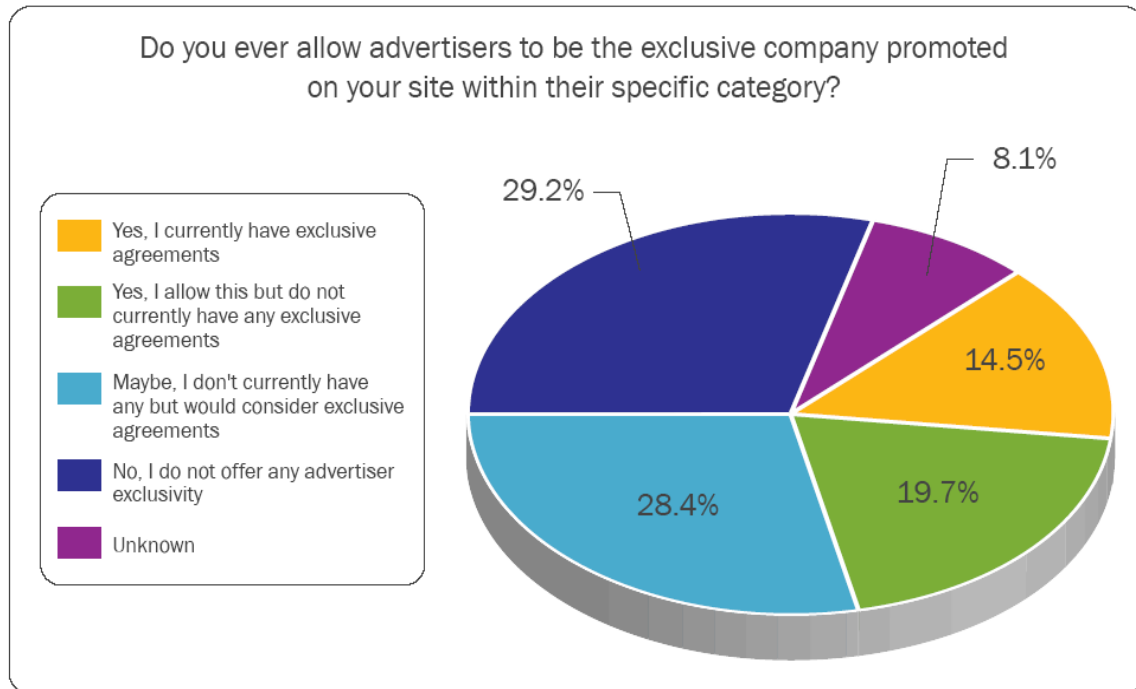


Information about an affiliate's websites' audience can be extremely valuable in determining what products returning visitors are interested in. As a result, collecting this demographic data is most likely a valuable investment. In some cases, it is simply an investment of time (such as setting up a registration form). Others, like 3<sup>rd</sup> party reports, are monetary investments making them feasible primarily for high revenue affiliates. For new affiliates (those who joined the industry in the past two years), the most common response was similar to the aggregate responses, "I don't collect this information."



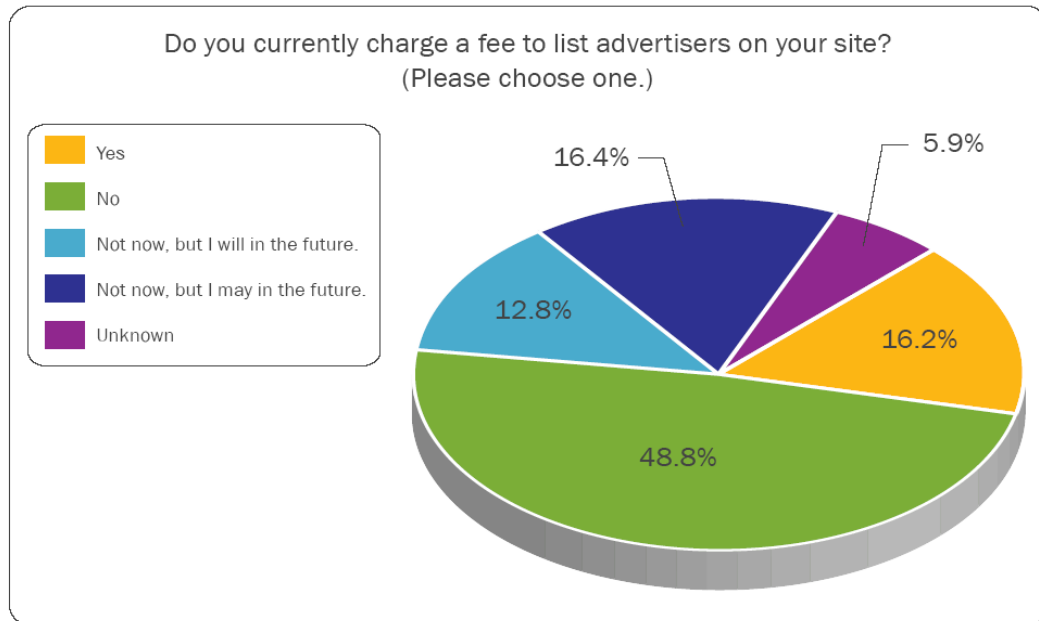
## Site Specific Questions

Question #42- Respondents: 2,449



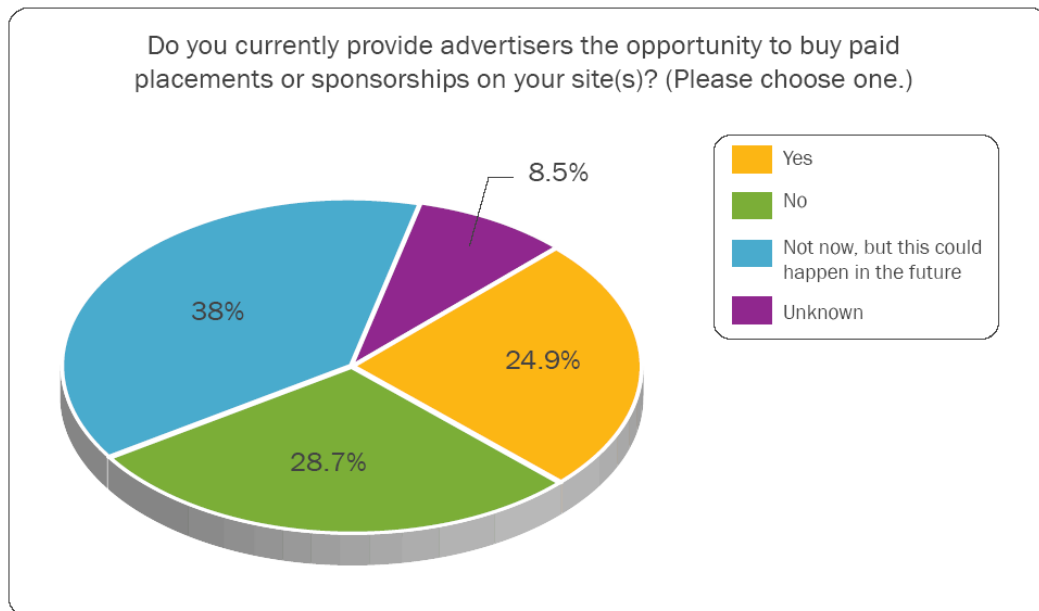
Category exclusivity is a courtesy some companies and affiliates offer to clients, often for a fee, since this ultimately limits the total income potential for affiliates. The majority of the respondents indicated they currently offer or would be open to these agreements, and 14.5% already have exclusive agreements in place.

#### Question #43- Respondents: 2,420



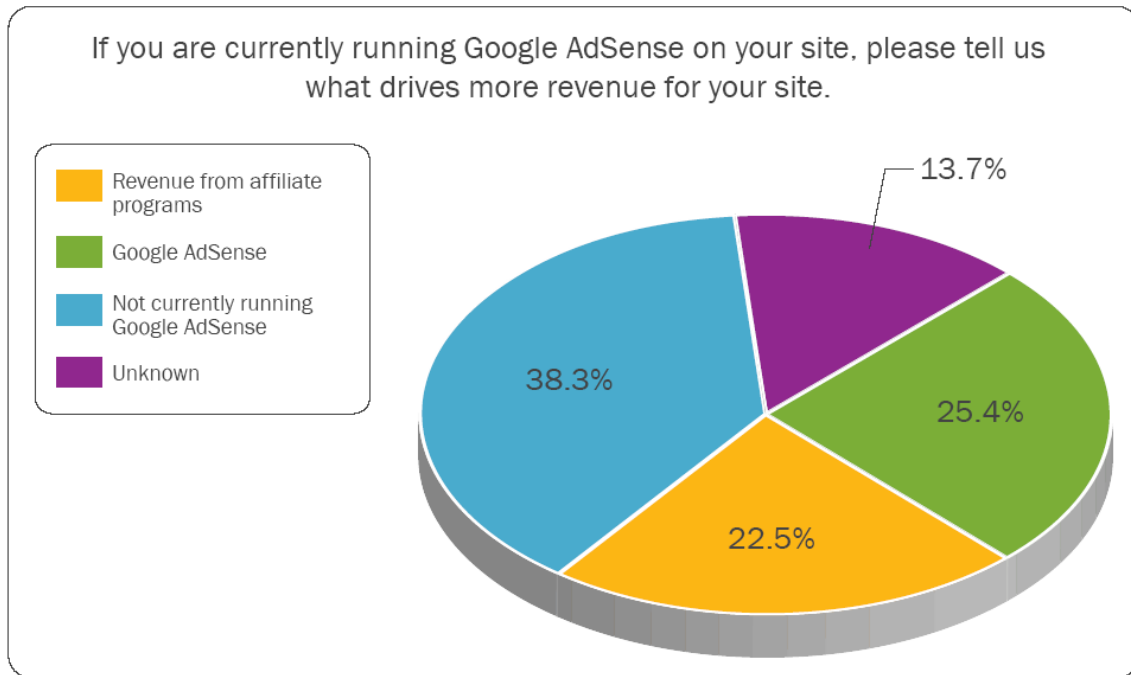
About half of affiliates indicated that they do not charge a fee to list advertisers on their sites. The majority of remaining respondents said they either currently charge a fee or they will in the future.

#### Question #44- Respondents: 2,449



The majority of affiliates (66.7%) do not currently allow advertisers to pay for placements on their website, although 38% did state they were considering it in the future.

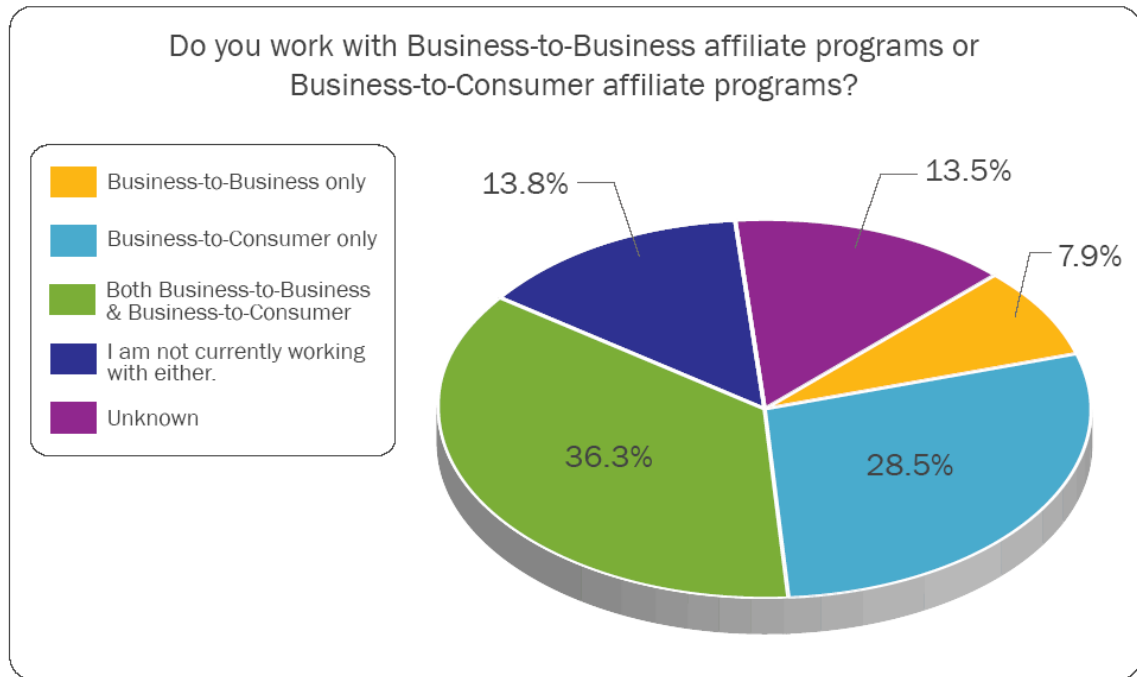
#### Question #45- Respondents: 2,394



Almost 48% of affiliates promote both affiliate programs and Google AdSense. The affiliates that promote both are almost evenly split on which generates more revenue, although they are slightly in favor of Google AdSense. Comparatively, 61% of affiliates do not run AdSense or view the affiliate programs they promote to be better for generating revenue.

Of the high revenue affiliate segment (\$100k+ per year), 38% state their affiliate programs earn more than Google AdSense (18.9%). Within the segment of affiliates reporting “under \$25K” in revenue segment of affiliates, 28.6% to 20.8% felt that AdSense drove more revenue; although, 38.4% of the segment did not run AdSense at all.

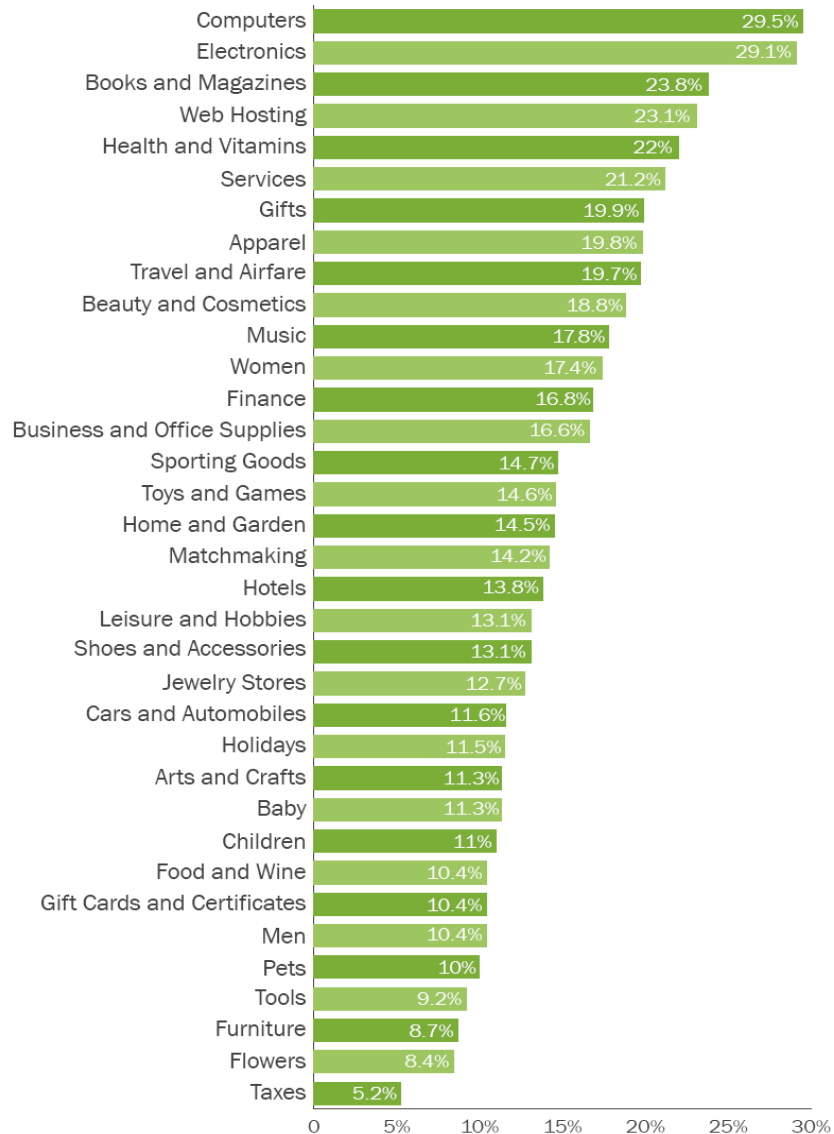
Question #46- Respondents: 2,449



The response to this question shows that while there are significantly more exclusive Business-to-Consumer affiliates than Business-to-Business, there is an even larger group of affiliates working with programs from both categories.

## Question #47- Respondents: 2,096

Please check any advertiser types that generate strong revenue for your website. (Check all that apply or leave blank if answer is unknown.)



Computers, Electronics, and Books and Magazines were the top 3 Categories that generated strong revenue for the affiliates who answered this question. The lowest 3 were “Taxes,” “Tool,” and “Flowers”; however, these responses might be skewed by the time the survey was offered. Had the survey been distributed in March or April, “Taxes” may have received a higher response just as “Flowers” would have in February or around Mother’s Day. “Electronics” generally performs very well year round (though specific electronics would fare better during different seasons).

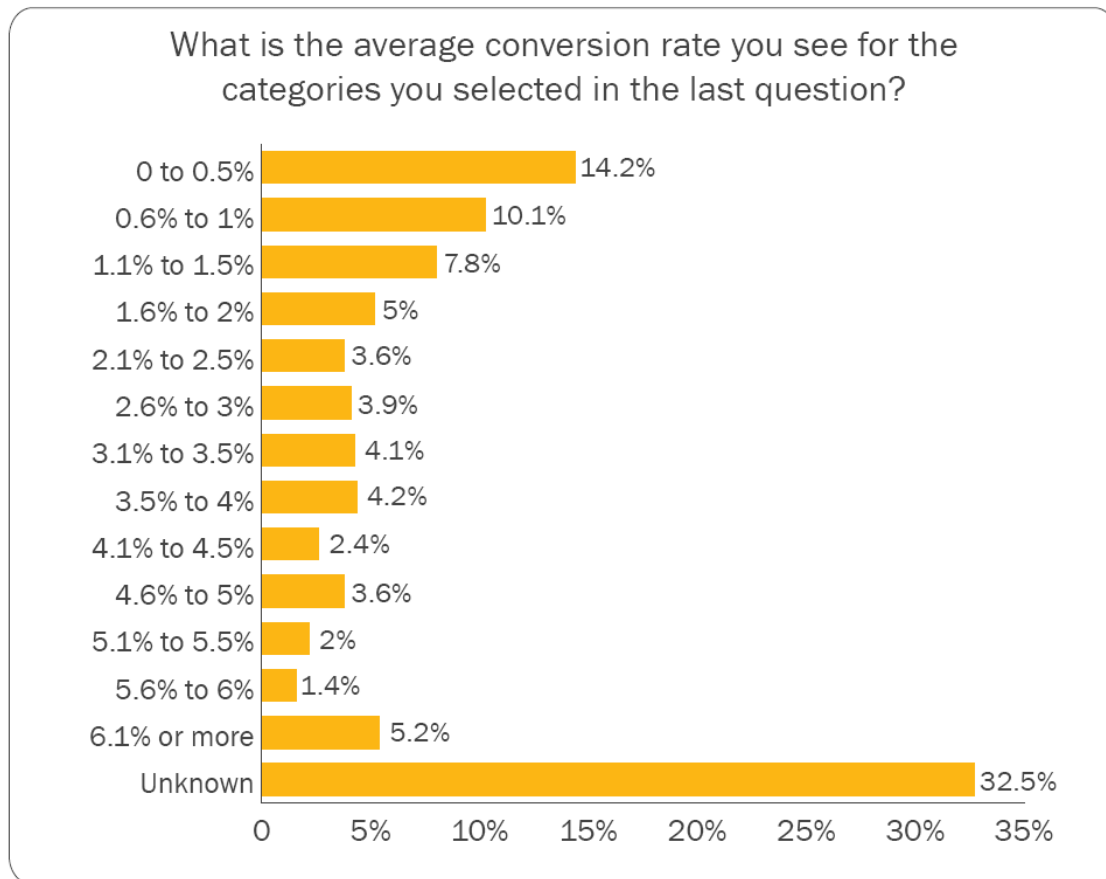
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#### Question #48- Respondents: 2,365



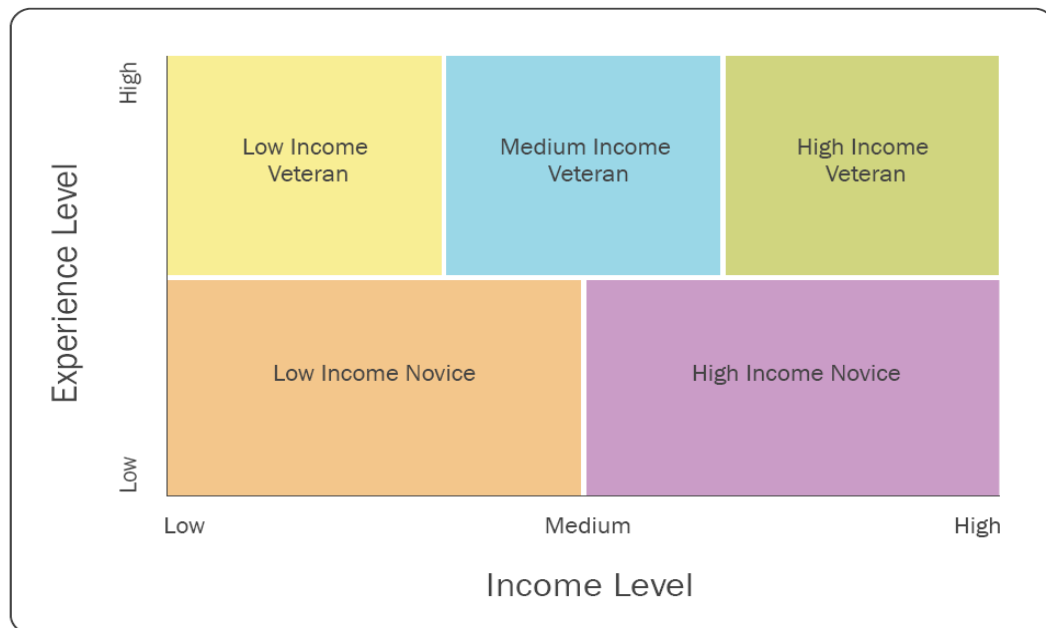
The conversion rates reported vary considerably, but a large number of respondents may not have the ability to measure this valuable metric. Of those that could give an accurate number, 14% reported conversion rates between 0 and .5% and the responses almost consistently declined as the conversion rate went up. The greatest exception to that trend was with conversion rates over 6.1% which had an impressive 5.2% of responses.

When looking at the question in relationship to the affiliates' experience in the industry, it becomes clear that this is simply a metric that takes time to get a handle on. New affiliates report not knowing their conversion rate 43.7% of the time, but for experienced affiliates with 3 or more years of experience, the number drops to 20%. This shows a trend in experience and the subsequent intent to learn how the important technology works to better understand the details of one's personal business.

## Five Profile Segment Comparison

After analyzing the responses to the survey, five prevalent segments stood out for a means of valuable comparison. After juxtaposing the responses on experience and income, we discovered that it would be valuable to isolate responses by these two criteria from both ends of each spectrum. Ultimately the five segments “Novice, High Income,” “Novice, Low Income,” “Veteran, High Income,” “Veteran, Medium Income” and “Veteran, Low Income” (as illustrated below) allow us to not only potentially identify some successful tools and strategies but also the speed at which these tools support success.

For example, by including income level into the segment in addition to experience, the breakthrough techniques that successful novices employed will show the fastest means of generating first sales. Then, by comparing veteran strategies distributed by income as well, one may presume more cost effective, long term strategies for sustained growth. These strategies can help lift a stagnant veteran organization out of a plateau or help a new venture gain the traction to be the primary means of income for full-time employees (as detailed in question #35).



In these segments, novice denotes an affiliate that joined the industry in 2008-2009, while veteran is any affiliate who joined in or before 2007. For the novice segment, “Low-income” affiliate organizations earned \$25K or less while “high-income” earned anything above this level. For the veteran segment, the extra time in the industry produced a broader range of income levels. As a result the segments were grouped by “low-income” (less than \$25K) “medium-income” (between \$25K and \$100K) and “high-income” (over \$100K). Even though not all respondents fit into these categories, the number of affiliates in each profile segment is large enough to draw accurate conclusions from the comparisons.

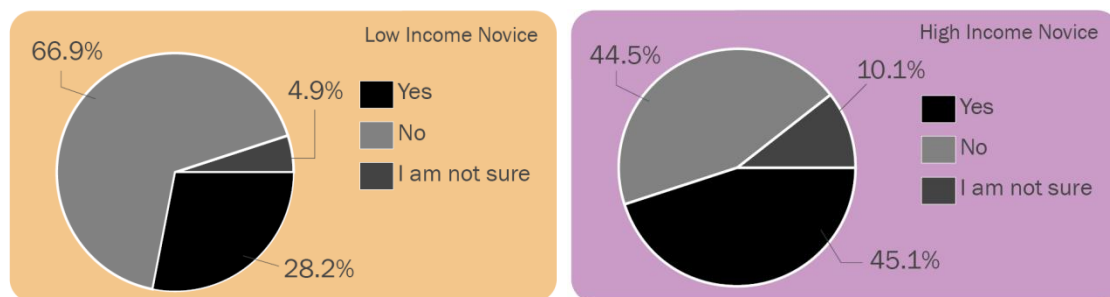
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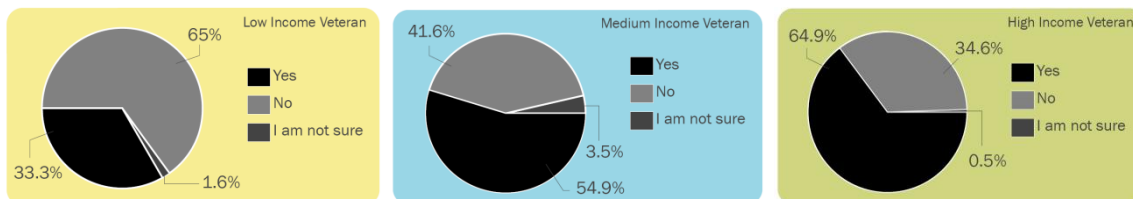
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Do you currently buy pay-per-click search traffic to promote your website(s)?



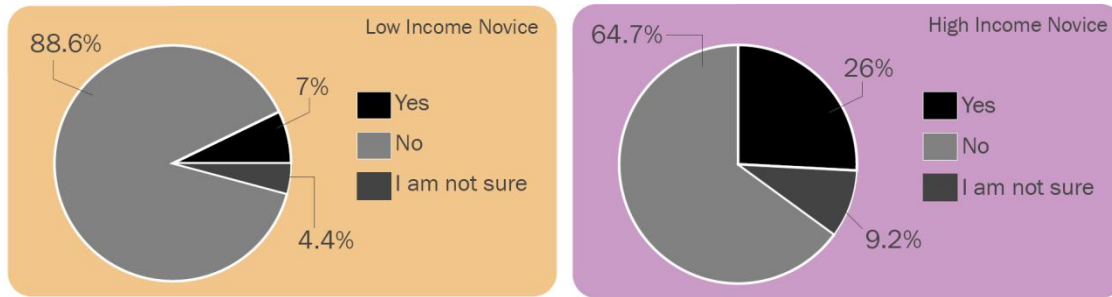
To begin, by comparing responses to question #11, the value of initial investment in pay-per-click search traffic becomes prevalent. Of the low-income novices (Figure above, left), 66.9% do not utilize pay-per-click services while only 28.2% do. Conversely, of the high revenue novice affiliates (Figure above, right), 45.1% buy pay-per-click traffic while 44.5% do not. This nearly 60% increase in usage of the service shows the strong correlation such an investment has with successfully launching one's affiliate business.



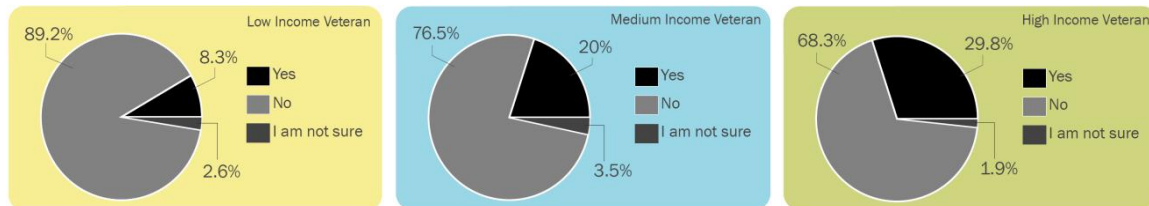
In terms of the pay-per click service, usage among experienced affiliates, 65% of low-income veterans (Figure above, left) do not buy PPC traffic compared to 33% that do, while 54.9% of medium-income veterans (Figure above, center) use the service. High-income veteran affiliates (Figure above, right) use the service the most, with 64.9% of respondents. This variation is consistent with the trends of novices in the industry and may lead to the conclusion that this is not simply an introductory strategy.



Do you currently use Yahoo paid inclusion to promote your website(s)?



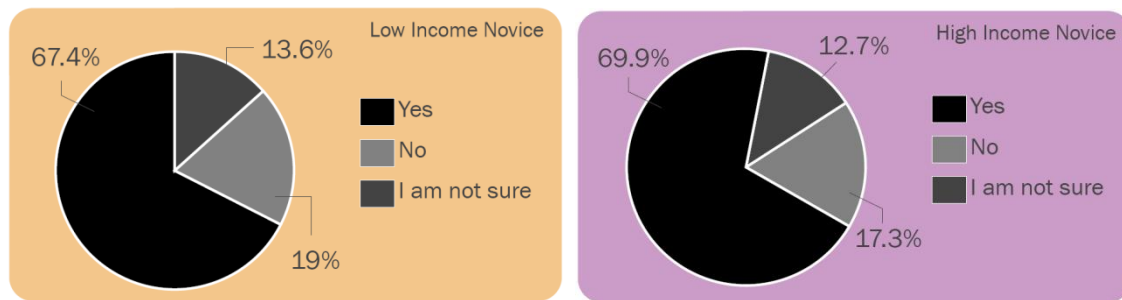
Similarly, question # 12 referenced one way to gain exposure in Yahoo! searches. The differences in the responses from high-income and low-income novices were very similar to the responses of those who utilize PPC services. For example, only 7% of the low-income novice segment (Figure above, left) utilized Yahoo! paid inclusions, while high-income novice use (Figure above, right) increased 271% to 26% of respondents.



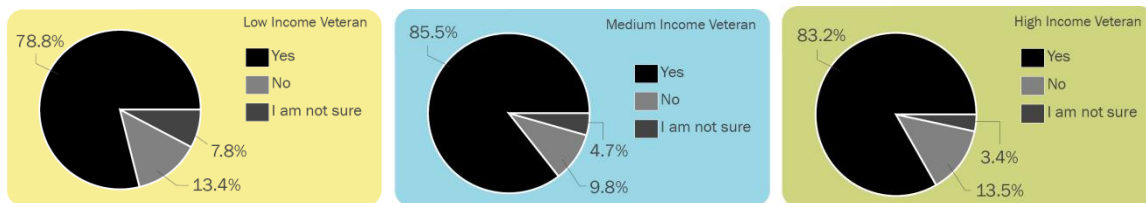
Like the expenditures for PPC traffic, Yahoo! paid inclusion investments stay relatively high amongst high-income veterans, which is parallel to the trends of the novice segment. For the low-income veterans (Figure above, left) only 8.3% of affiliates utilize this option. This increases to 20% for the medium-income segment (Figure above, center) and the high income segment increases an additional 49% to 29.8% of respondents.

While this is still the minority, the small numbers may be attributed to a simple lack of awareness. Both the high and low income veteran segments have a higher percentage of paid inclusion users than the respective novices. Therefore, as an affiliate gains knowledge of practices to expand their business, they may find Yahoo! paid inclusions a successful tool in a broader search marketing strategy.

Do you currently optimize your website(s) for better Search Engine Optimization (SEO) and natural search engine rankings?



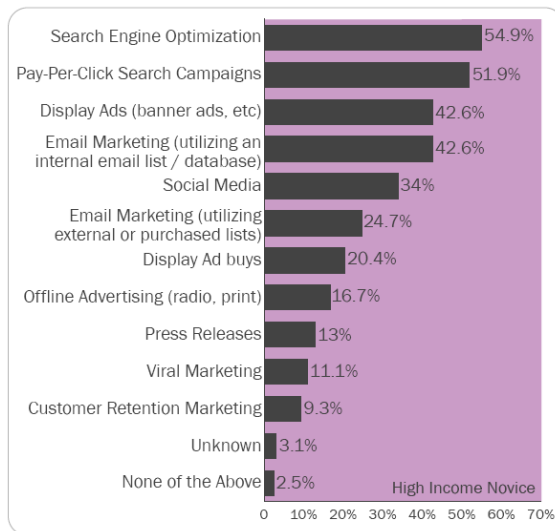
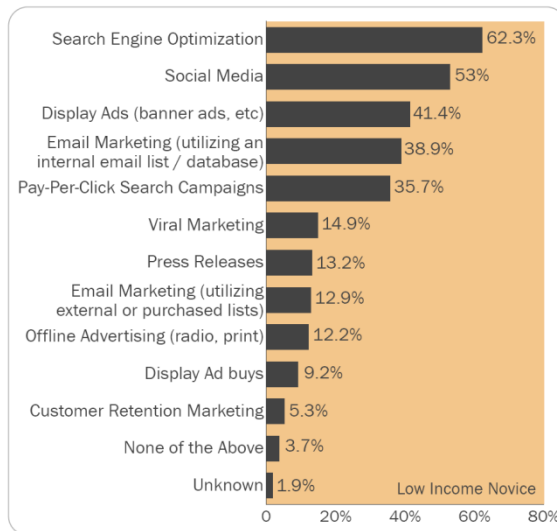
The purpose of defining these profiles by both experience and income level becomes particularly evident when analyzing the results of question # 15. Generally, the trend has been that as expenditures in site-promotional services increase, income increases as well. Question #15 detailed affiliates optimizing their sites to be ranked highly in organic searches. In this case, there is a slight increase from low-income (figure above, left) to high-income (figure above, right) novices. This demonstrates that while this practice is certainly a positive, effective supplementary tool it cannot be considered a sole boost for site revenue.



As the veteran graphs above show (Low, medium and high-income, left to right), SEO is practice by about the same percentage of affiliates across the spectrum of income. Ultimately, this shows that industry experience increases awareness of the tactic, and regardless of income, most affiliates participate.

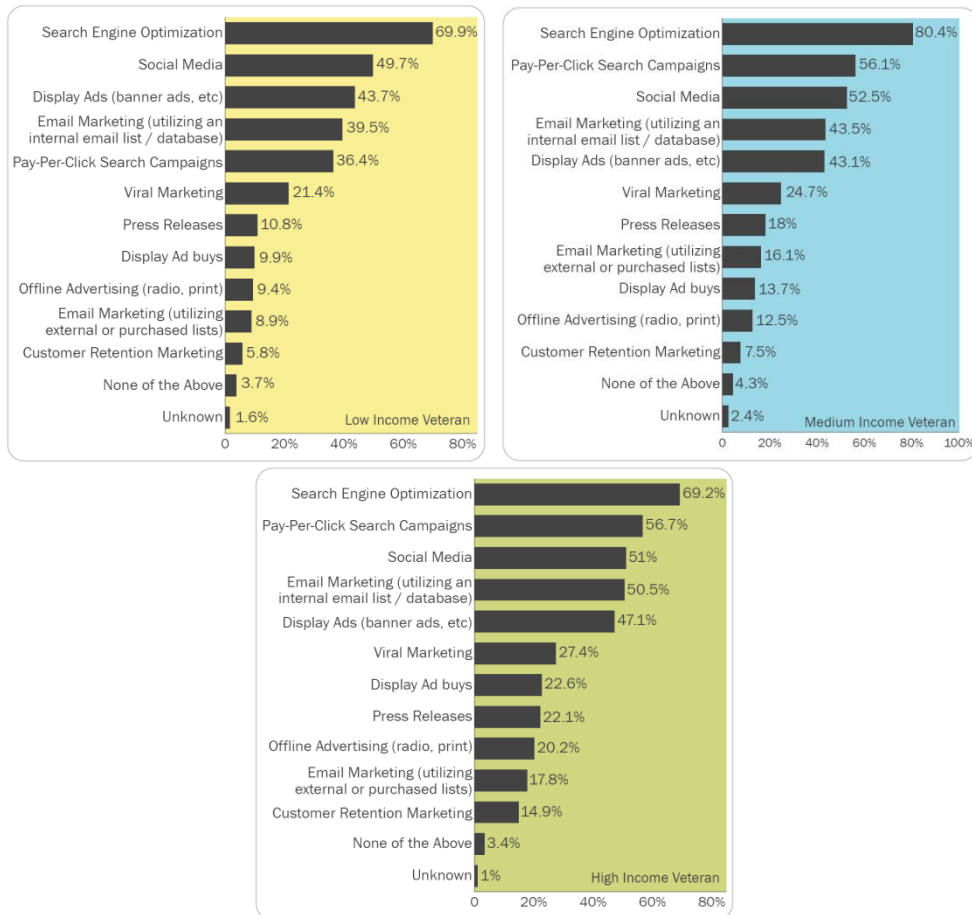
Another potential interpretation of this data is that, while roughly the same percentage of participants are optimizing in each segment, high-income segments may simply be optimizing better. This can include using software to be sure certain keywords will be picked up and using the keywords that are being searched for the most. Most likely, however, the similar responses are the result of SEO being a tactic with low financial costs, and new entrants are not limited by startup capital.

Which of the following methods do you use to drive traffic to your site? (Check all that apply)



Using Question #21, we can determine the best methods to drive traffic to affiliates' sites. Looking at the novice low-income segment, the three most common practices are SEO, social media, and display ads. For the novice high-income segment, the three most common practices are SEO, PPC search buys, and email marketing using a free internal list. These findings strongly support the conclusions drawn from previous questions. For one, SEO is highly prevalent as a supplementary practice, and PPC is the main tool used that requires a monetary investment. Using a free internal emailing list is another cost-free way to gain exposure that can be strategically combined with other tactics for an overall effective breakthrough strategy.

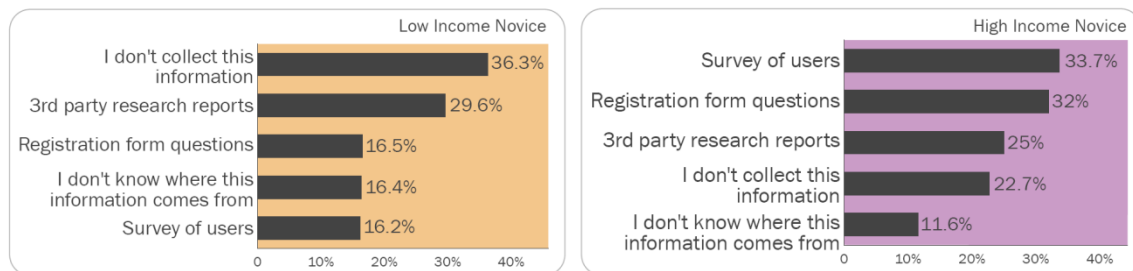
## Which of the following methods do you use to drive traffic to your site? (Continued)



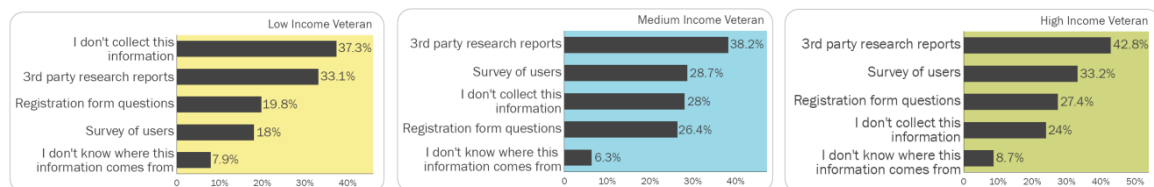
The veteran segments reveal nearly identical results; the top three veteran low-income methods of driving traffic to a website are via SEO, social media and display ads. The veteran medium-income segment responses blend the most common responses of the income segments with SEO, PPC, and Social Media topping the list. Finally, the veteran high-income segment is the same as the novice segment with SEO, PPC and Email marketing with an internal list. From all five segments, it is clear how commonly SEO is used as a first priority to drive traffic to a site and how potentially valuable buying PPC traffic is. The responses from this question indicate the slight differences in promotions that may make a significant difference in terms of traffic, both early in the affiliates' career or after many years in the industry.

What methods do you use to get information about your website(s) audience?  
(Please select all that apply or indicate other methods.)

To determine how affiliates learn about their website's visitors, question #41 asked how affiliates get information about their audience. The results from the affiliates were as one may expect; the majority of low-income affiliates don't collect information about their websites' visitors. High income affiliates collect the information, but via surveys and website registration forms. With the smaller audience size of a developing website, small scale, in-house research methods could serve the purpose of identifying the market and driving promotional techniques for the affiliate.



The necessary steps for success are reflected in the responses of the veteran affiliates. Just as with the low-income segment of novice affiliates, low-income veterans primarily didn't collect data on their audience. Ultimately, this puts the promotional efforts of the affiliates at a severe disadvantage, because they are potentially less able to segment and target their markets.



Since high-income veterans likely have built a larger audience, internal research and lists may be too difficult to manage. As a result, the most common method for high-income veterans is to hire third party researchers to collect the data for them.

## Appendix: Question List and Answer Options

1. Please tell us your role in affiliate marketing.
  - a. Affiliate/publisher
  - b. Agency/consultant
  - c. Merchant/advertiser
  - d. Other
2. How many advertiser affiliate programs do you currently belong to? (Please choose one.)
  - a. 1
  - b. 2-5
  - c. 6-10
  - d. 11-15
  - e. 16-20
  - f. 21-25
  - g. 26-100
  - h. 101-200
  - i. 201-300
  - j. 301 or more
  - k. Unknown
3. How many unique advertiser affiliate programs are promoted on your website(s) in an average month?
  - a. 1
  - b. 2-5
  - c. 6-10
  - d. 11-15
  - e. 16-20
  - f. 21-25
  - g. 26-100
  - h. 101-200
  - i. 201-300
  - j. 301 or more
  - k. Unknown
  - l. None, I am not currently participating in any programs
4. What are the three most important items you look at when deciding if you want to join an affiliate program? (select up to 3 from the choices below)
  - a. Action occurrences
  - b. Brand
  - c. Commission amount
  - d. EPC
  - e. Affiliate Manager or Outsourced Management

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- f. Company
  - g. Product being sold
  - h. Return days
  - i. Terms and Conditions
  - j. Other (please specify)
5. Out of all of the merchants that you promote on your site, approximately what percentage of them generated at least one order for you last month? (Please choose one.)
- a. Less than 5%
  - b. Between 6% and 15%
  - c. Between 16% and 25%
  - d. Between 26% and 35%
  - e. Between 36% and 45%
  - f. Between 46% and 55%
  - g. Between 56% and 65%
  - h. Between 66% and 75%
  - i. Greater than 76%
  - j. Unknown
  - k. None, I had no orders last month
6. When evaluating an affiliate program, does the affiliate network play a role in deciding whether or not to apply? (Please choose one.)
- a. Yes
  - b. No
  - c. Doesn't Matter
7. Do you work with Advertisers who use an in-house technology and tracking system to power their affiliate program? (Please select one)
- a. Yes, I work with advertisers who use in-house tracking systems
  - b. No, I only work with advertisers who use 3rd party networks
  - c. Don't know
8. Please select all of the networks you belong to from the list below. (select all that apply)
- a. Buy.At
  - b. Commission Junction
  - c. DirectTrack
  - d. Kowabunga
  - e. LinkShare
  - f. pepperjamNETWORK
  - g. Google Affiliate Network (formerly Performics)
  - h. ShareASale
  - i. MediaTrust/Advaliant
  - j. Zanox

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- k. Neverblue
  - l. clixGalore
  - m. ROI Rocket
  - n. Affiliate Fuel
  - o. AffiliateFuture
  - p. IncentaClick
  - q. Market Leverage
  - r. Hydra Network
  - s. Revenue Loop
  - t. Primary ads
  - u. Linkconnector
  - v. ClickBank
  - w. None, I don't belong to any of these networks
9. Please indicate your preferred affiliate networks by selecting up to three from the list below.
- a. Buy.At
  - b. Commission Junction
  - c. DirectTrack
  - d. Kowabunga
  - e. LinkShare
  - f. pepperjamNETWORK
  - g. Google Affiliate Network (formerly Performics)
  - h. ShareASale
  - i. MediaTrust/Advaliant
  - j. Zanox
  - k. Neverblue
  - l. clixGalore
  - m. ROI rocket
  - n. Affiliate Fuel
  - o. AffiliateFuture
  - p. IncentaClick
  - q. Market Leverage
  - r. Hydra Network
  - s. Revenue Loop
  - t. Primary Ads
  - u. LinkConnector
  - v. ClickBank
  - w. None, I don't like any of these networks
10. Please tell us how you learn about new affiliate programs. (Please select all that apply.)
- a. Industry publications (magazines, etc.)

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- b. Blogs
  - c. Press releases
  - d. Twitter
  - e. Search Engines
  - f. Advertiser's affiliate info pages
  - g. Emails from the affiliate networks
  - h. Word of mouth
  - i. Conferences
  - j. Online advertisements
  - k. Affiliate directory websites (ABestWeb, etc.)
  - l. Affiliate manager contacts
  - m. Unknown
  - n. None of these methods
  - o. Other (please specify)
11. Do you currently buy pay-per-click search traffic to promote your website(s)?
- a. Yes
  - b. No
  - c. I'm not sure
12. Do you currently use Yahoo paid inclusion to promote your website(s)?
- a. Yes
  - b. No
  - c. I'm not sure
13. How much money do you expect to spend this year in paid search advertising in order to promote your website(s) and/or the affiliate programs you belong to?
- a. \$less than \$5K
  - b. \$5K - \$12K
  - c. \$12K - \$15K
  - d. \$15K - \$20K
  - e. \$20K - \$25K
  - f. \$25K - \$30K
  - g. \$30K - \$40K
  - h. \$40K - \$50K
  - i. \$50K - \$60K
  - j. \$60K - \$70K
  - k. \$70K - \$80K
  - l. \$80K - \$90K
  - m. \$90K - \$100K
  - n. \$100K - \$125K
  - o. \$125K - \$150K

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- p. \$150K - \$175K
  - q. \$175K - \$200K
  - r. \$200K - \$225K
  - s. \$225K - \$250K
  - t. \$250K - \$275K
  - u. \$275K - \$300K
  - v. \$300K - \$325K
  - w. \$325K - \$350K
  - x. \$350K - \$375K
  - y. \$375K - \$400K
  - z. \$400K or more
  - aa. Unknown
  - bb. None, I don't buy paid search terms
14. In an average month how many keywords do you buy across all the affiliate programs you promote?
- a. Tens
  - b. Hundreds
  - c. Thousands
  - d. Tens of Thousands
  - e. Hundreds of Thousands
  - f. Millions or more
  - g. None, I do not buy search keywords
  - h. Unknown
15. Do you currently optimize your website(s) for better Search Engine Optimization (SEO) and natural search engine rankings?
- a. Yes
  - b. No
  - c. I'm not sure
16. With regards to communication, how many affiliate program newsletters do you receive in a month? (Please choose one.)
- a. None
  - b. 1-10
  - c. 11-20
  - d. 21-30
  - e. 31-40
  - f. 41-80
  - g. 81-120
  - h. 121-160
  - i. 161+

- j. Unknown
17. How often do you like to receive affiliate program newsletters? (Please choose one.)
- a. Daily
  - b. Weekly
  - c. Monthly
  - d. Quarterly
  - e. Anytime
  - f. Never
  - g. Only with a significant change to the program
18. Please select your preferred method of messaging for each type of communication. (Please choose one method of contact for each)
- a. Type of Communication**
    - i. Affiliate promotions
    - ii. Creative change
    - iii. Commission change
    - iv. Consumer offer changes
    - v. Interesting merchant / program facts
    - vi. Product and service education and training
    - vii. Tracking update
    - viii. Urgent matters concerning your site
    - ix. Product changes
  - b. Method**
    - i. Blogs
    - ii. Email (personal email)
    - iii. Email (network email)
    - iv. Facebook
    - v. Face-to-Face meeting
    - vi. Instant Message
    - vii. Newsletter
    - viii. Phone
    - ix. Twitter
    - x. N/A
19. If you promote different consumer offers on your site please indicate how effective they usually are in driving overall sales for an advertiser.
- a. Promotions
    - i. Percentage off purchase, no minimum (10% off entire purchase)
    - ii. Percentage off with minimum (10% off orders over \$25)
    - iii. Dollars off, no minimum (\$10 off entire purchase)
    - iv. Dollars off, with minimum (\$10 off orders over \$25)

- v. Buy one get one (buy 2 items and get a 3rd free)
- vi. Free shipping
- vii. Future discount (spend \$50 and get a \$10 gift card)
- viii. Limited time offer (discounted pricing on a certain product category until a set date)
- ix. Unknown - I don't know how consumer offers like these perform

b. Answer options

- i. Never improves sales
- ii. Sometimes improves sales
- iii. Usually improves sales
- iv. Always improves sales
- v. N/A

20. From the list below, please pick three items that you find to be the most valuable when promoting an affiliate program.

- a. Custom ad units (built just for you)
- b. Custom coupon offer (such as a code branded to your site)
- c. Custom landing pages (built just for you)
- d. Custom pixel implementation (installing your pixel on advertiser site)
- e. Customized reports
- f. Private consumer offer (an offer available to select affiliate(s))
- g. Product feed aids (examples include PopShops, Goldencan, etc.)
- h. Product feed
- i. Promotions / incentives to reach a goal
- j. Exclusive consumer offer (only available to your users)

21. Which of the following methods (if any) do you use to drive traffic to your site? (Check all that apply.)

- a. Email Marketing (utilizing an internal email list / database)
- b. Email Marketing (utilizing external or purchased lists)
- c. Pay-Per-Click Search Campaigns
- d. Search Engine Optimization (SEO)
- e. Display Ads (banner ads, etc)
- f. Offline Advertising (radio, magazine, Print)
- g. Viral Marketing
- h. Social Media
- i. Press Releases
- j. Customer Retention Marketing (CRM)
- k. None of the above
- l. Unknown

22. How many websites do you currently own and use to promote the affiliate programs you have joined?

- a. 1

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- b. 2-5
- c. 6-10
- d. 11-15
- e. 16-20
- f. 21-25
- g. 26-30
- h. 31+

**23. Are all of the unique URLs you listed above revealed to advertisers in your affiliate profile when you apply for a new affiliate program?**

- a. Yes, all of the URLs I use are displayed when I apply
- b. No, not all of the URLs I use are displayed when I apply
- c. Maybe, I cannot recall if my profile contains all URLs
- d. I try to list all URLs but sometimes the network does not allow it

**24. How important is your relationship with an affiliate manager?**

- a. Extremely important, I usually join, promote, and quit programs based on who is managing
- b. Somewhat important, I sometimes join, promote, and quit programs based on who is managing
- c. Not important, I never consider the affiliate manager when I join, promote, or quit a program
- d. Not sure

**25. What is the most common reason you decide to stop working with an advertiser.**

- a. Found a better advertiser
- b. Dislike the network
- c. Dislike the affiliate manager
- d. Not enough revenue generated
- e. Dislike affiliate terms & conditions
- f. Dislike affiliate commission structure
- g. Unknown

**26. Please tell us what happens when you decide to stop promoting an advertiser on your website(s).**

- a. I remove myself from their affiliate program.
- b. I remove their links but remain a part of their affiliate program.
- c. Both, sometimes I remove myself and sometimes I don't.
- d. Unknown

**27. With regards to image based ads, do you prefer to host the images yourself or would you allow the network (such as CJ, LinkShare, etc.) or advertiser to host? (Please choose one.)**

- a. I host all creative (a.k.a. hard-code)
- b. I allow the technology to host the creative (a.k.a. centrally serve)

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- c. I use a combination of both
  - d. Unknown
  - e. Neither, I only use text based ads
28. **If you host any ad images yourself please tell us why.**
- a. Faster image load time
  - b. More control over ads displayed
  - c. My website(s) is designed for me to host
  - d. Unknown
  - e. I don't host my own images
29. **How do video advertisements perform on your site?**
- a. Poor
  - b. Fair
  - c. Well
  - d. Excellent
  - e. Unknown
  - f. N/A do not use video ads
30. **If you run flash ad units, please tell us how they perform on your website.**
- a. Poor
  - b. Fair
  - c. Well
  - d. Excellent
  - e. Unknown
  - f. N/A do not use video ads
31. **Are you male or female?**
- a. Male
  - b. Female
32. **Please select your age bracket.**
- a. below 18
  - b. 18 – 24
  - c. 25 – 34
  - d. 35 – 44
  - e. 45 – 54
  - f. 55 - 64
  - g. 65 or older
33. **Please select the highest level of education you have achieved.**
- a. No Formal Education
  - b. Middle/Junior High School
  - c. Some High School
  - d. High School Degree or Equivalent

- e. Some College (BA/BS)
- f. College Degree or Equivalent
- g. Some Graduate (MA/MS)
- h. Graduate Degree or Equivalent
- i. PhD

**34. How long have you been working in online affiliate marketing?**

- a. Since before 1994
- b. Since 1995
- c. Since 1996
- d. Since 1997
- e. Since 1998
- f. Since 1999
- g. Since 2000
- h. Since 2001
- i. Since 2002
- j. Since 2003
- k. Since 2004
- l. Since 2005
- m. Since 2006
- n. Since 2007
- o. Since 2008
- p. Since 2009

**35. Please tell us if affiliate marketing is your full-time job, part-time job, or just a hobby.**

- a. Full-time
- b. Part-time
- c. Hobby

**36. How many full time employees does your company employ? (Please choose one.)**

- a. 1
- b. 2-4
- c. 5-14
- d. 15-24
- e. 25-49
- f. 50-74
- g. 75-99
- h. 100+
- i. Unknown
- j. None

**37. How many part time employees does your company employ? (Please choose one.)**

- a. 1
- b. 2-4

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- c. 5-14
- d. 15-24
- e. 25-49
- f. 50-74
- g. 75-99
- h. 100+
- i. Unknown
- j. None

**38. Please tell us the annual income your company makes through its participation in affiliate programs.**

- a. Less than \$25K per year
- b. \$25K - \$50K per year
- c. \$50K - \$100K per year
- d. \$100K - \$150K per year
- e. \$150K - \$200K per year
- f. \$200K - \$250K per year
- g. \$250K - \$300K per year
- h. \$300K - \$350K per year
- i. \$350K - \$400K per year
- j. \$400K or more per year
- k. Unknown

**39. Please choose your top 3 affiliate related blogs.**

- a. AffiliateTip.com
- b. 5starAffiliatePrograms.com
- c. Revenews.com
- d. ShareASale Blog
- e. pepperjamNETWORK Blog
- f. Commission Junction Blog
- g. LinkShare Blog
- h. Google Affiliate Network Blog
- i. Affiliate Classroom Blog
- j. Affiliate Voice Blog
- k. None, I don't read blogs
- l. Other (please specify)

**40. Please select the affiliate conference events you typically attend each year. (Please select all that apply)**

- a. Affiliate Summit
- b. Affiliate Convention
- c. A4Uexpo
- d. Affilicon

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- e. Commission Junction University
- f. EcomXpo
- g. Google Affiliate Conference
- h. LinkShare Symposium/Summit
- i. ShareASale Think Tank
- j. None, I don't attend any
- k. Other (please specify)

**41. What methods do you use to get information about your website(s) audience? (Please select all that apply or indicate other methods)**

- a. Survey of users
- b. 3rd party research reports
- c. Registration form questions for website
- d. I don't collect this information
- e. I don't know where this information comes from
- f. Other (please specify)

**42. Do you ever allow advertisers to be the exclusive company promoted on your site within their specific category?**

- a. Yes, I currently have exclusive agreements with advertisers
- b. Yes, I allow this but do not currently have any exclusive agreements
- c. Maybe, I don't currently have any but would consider exclusive agreements for the right opportunity
- d. No, I do not offer any advertiser exclusivity
- e. Unknown
- f. Other (please specify)

**43. Do you currently charge a fee to list advertisers on your site? (Please choose one.)**

- a. Yes
- b. No
- c. Not now, but I will in the future
- d. Not now, but I may in the future
- e. Unknown

**44. Do you currently provide advertisers the opportunity to buy paid placements or sponsorships on your site(s)? (Please choose one.)**

- a. Yes
- b. No
- c. Not now, but this could happen in the future
- d. Unknown

**45. If you are currently running Google AdSense on your site, please tell us what drives more revenue for your site?**

- a. Google AdSense
- b. Revenue from affiliate programs

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- c. Unknown
- d. Not currently running Google AdSense

**46. Do you work with Business-to-Business affiliate programs or Business-to-Consumer affiliate programs?**

- a. Business-to-Business Only
- b. Business-to-Consumer Only
- c. Both Business-to-Business & Business-to-Consumer
- d. Unknown
- e. I am not currently working with either

**47. Please check any advertiser types that generate strong revenue for your website. (Check all that apply or leave blank if answer is unknown.)**

- a. Apparel
- b. Arts and Crafts
- c. Baby
- d. Beauty and Cosmetics
- e. Books and Magazines
- f. Business and Office Supplies
- g. Cars and Automobiles
- h. Children
- i. Computers
- j. Electronics
- k. Finance
- l. Flowers
- m. Gifts
- n. Food and Wine
- o. Furniture
- p. Gift Cards and Certificates
- q. Health and Vitamins
- r. Holidays
- s. Home and Garden
- t. Hotels
- u. Jewelry Stores
- v. Leisure and Hobbies
- w. Matchmaking
- x. Men
- y. Music
- z. Pets
- aa. Services
- bb. Shoes and Accessories
- cc. Sporting Goods

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- dd. Taxes
- ee. Tools
- ff. Toys and Games
- gg. Travel and Airfare
- hh. Web Hosting
- ii. Women

**48. What is the average conversion rate you see for the categories you selected above?**

- a. 0% - .5%
- b. .6% – 1.0%
- c. 1.1% – 1.5%
- d. 1.6% – 2.0%
- e. 2.1% – 2.5%
- f. 2.6% – 3.0%
- g. 3.1% - 3.5%
- h. 3.5% - 4.0%
- i. 4.1% - 4.5%
- j. 4.6% - 5.0%
- k. 5.1% - 5.5%
- l. 5.6% - 6.0%
- m. 6.1% +
- n. Unknown

## Glossary

- **Advertiser**- A goods or services provider who publicizes their offerings. In the case of affiliate marketing, advertisers provide affiliate links which affiliates can use to direct traffic to their (the advertiser's) website. If purchases are made by consumers who follow these links, the advertiser pays a commission to the affiliate responsible.
- **Affiliate**- A third party website who directs consumer traffic to advertisers' sites. Affiliates earn commissions on purchases made by these consumers. The affiliate provides more exposure for the advertiser's products in return for a share of the sales made with their help.
- **Affiliate marketing**- An Internet-based marketing practice in which a business rewards one or more affiliates for each visitor or customer brought about by the affiliate's marketing efforts. Web traffic is directed to an advertiser's website via a third-party (affiliate) website. Advertisers are rewarded with increased traffic to their website and sales of their products, while affiliates are rewarded with commissions on the sales they drive through their affiliate marketing efforts. Advertisers usually pay only on acquisition (CPA), allowing for cost control and increased efficiency.
- **Affiliate platform**- A technology or tool, usually web-based, used for management of affiliate programs. Advertisers can provide affiliate links, banners, and data feeds through the platform. Affiliates can retrieve these links to post them on their websites, track commissions earned, search for new publishers, etc. Popular examples of these platforms include Commission Junction, Google Affiliate Network (formerly DoubleClick Performics), LinkShare, and ShareASale.
- **Affiliate technology**- See: Affiliate platform
- **Internal technology email**- An email that is sent or received via the affiliate platform
- **Marketing agency**- A company that provides marketing services to other companies, which can include advertising, public relations, sales promotion, Internet marketing, direct marketing, and more
- **Merchant**- See: Advertiser
- **Performance-based marketing**- An online marketing model that focuses on results, usually customer actions like purchases. Success of marketing efforts is measured by metrics such as cost per action (CPA)- for example, the number of purchases made on an advertiser's site, rather than simple clicks on affiliate links that may or may not result in purchases (conversions).
- **Publisher**- See: Affiliate

## **About AffiliateBenchmarks**

AffiliateBenchmarks is the affiliate research division of NETexponent.

AffiliateBenchmarks designs and executes affiliate marketing research with the purpose of increasing industry education and providing useful data and statistics to the affiliate community. We focus on the benefit of the affiliate marketing industry as a whole and strive to provide reliable information that is interesting and useful to a wide range of people involved with affiliate marketing.

Website: [www.AffiliateBenchmarks.com](http://www.AffiliateBenchmarks.com)

## **About NETexponent**

NETexponent is a full-service online performance marketing agency based in New York City. Since 2001, NETexponent has developed efficiency-driven online marketing programs for premier clients. In addition to operating AffiliateBenchmarks, we offer innovative strategies in affiliate and search engine marketing as well as other areas, including social media marketing and lead generation. Our ground-breaking strategies and holistic approach to performance marketing help our clients achieve aggressive goals while maintaining brand integrity and customer quality. NETexponent is committed to being the industry's most efficient and ethical performance marketing agency, continually evolving to address changing market conditions and client needs.

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