

Affiliate Competitions: Success Secrets For Program Managers

An Affiliate Classroom Merchant Case Study

**Subject: A Proven Formula for
Boosting Sales and Recruitment
Through Affiliate Marketing Competitions**

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Secrets to Running a Successful Affiliate Competition

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Secrets to Boosting Affiliate Sales

The Affiliate Manager's Dilemma

Each year merchants and affiliate managers try to increase the profitability and ROI of their affiliate programs. In addition, affiliates in two-tier programs look for new ways to generate more sales in their second tier. The goal is to generate more sales without spending more on advertising.

At Affiliate Classroom, we have discovered dozens of creative ways to increase revenue from our own affiliate program. In this report we will focus on one of the most under-utilized: **affiliate competitions**.

As many affiliate managers report, competitions often fail to meet expectations. This isn't because competitions don't work. They can and do work, as Affiliate Classroom's results (page 5) show. But most affiliate managers and merchants don't know how to conceive, design, plan and conduct a successful affiliate competition.

Managing an affiliate program by trial and error is a risk no company should take. Yet this is exactly what happens when sales competitions are not designed strategically. **Your dilemma as an affiliate manager is how to get reliable information about what DOES work.** This report will reveal the formula our own company used to conduct a highly successful affiliate competition that achieved impressive bottom-line results.

The Affiliate Classroom is uniquely positioned to provide this information because of our expertise on both sides of the affiliate industry. As the first marketing training company specializing in online education for affiliates, Affiliate Classroom teaches affiliates a proven affiliate business model and advanced sales methods. We are also a merchant. More than 70% run by affiliates, our business relies heavily on making our own affiliates successful.

At [The Affiliate Summit 2006](#), a four-hour "boot camp" for affiliate managers will be taught by Anik Singal, Founder and CEO of [Affiliate Classroom, Inc.](#) In this report you will get a preview of one aspect of the boot camp: our method for using affiliate competitions to achieve increased sales, revenue growth, more active affiliates - virtually any business goal you desire.

Next...

[Affiliate Classroom's first competition: Instant Success!](#)

Instant Success: Affiliate Classroom's First Sales Competition

Results

In November 2005, Affiliate Classroom ran its first affiliate competition. Conception and planning took six weeks, and the event was timed to coincide with a major U.S. holiday.

The success of the competition far exceeded our goals. Here are the results:

- **133% increase** in daily sales during the competition.
- **Sustained 15% increase** in daily sales after the competition ended.
- **35% growth** in the number of affiliates.
- **6 new Super Affiliate** strategic partnerships.

Method

Can your affiliate program achieve equally impressive results? Yes! **The key is to include each of the elements we reveal in this report, and apply them creatively to the needs of your affiliates and your business mission.**

At the [Affiliate Summit Workshop](#), we will help participants assess the state of their affiliate programs, diagnose problems, and achieve higher ROI from their affiliate marketing channel. We firmly believe that any company with an affiliate program can see significant boosts in revenue by implementing a properly planned affiliate competition.

Next...

The #1 component of affiliate program success.

Understanding Your Affiliate: The Business Boosting Methodology

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The Affiliate Classroom attributes the success of its recent competition to what we call **The Affiliate Business Boosting Methodology (ABBM)**. ABBM applies the most important and timeless business principles business to the task of affiliate management.

There are many advantages of using ABBM in your program:

- First, ABBM is flexible. It is applicable to any aspect of your program - sales, marketing, creative, and so on.
- Second, the method is uncomplicated. Once you grasp the key concepts, all it takes is a little forethought and discipline to use it to transform your program.
- Third, and most importantly, the cornerstone of the method is understanding your affiliate.

During The [Affiliate Summit Boot Camp 2006](#), the entire spectrum of ABBM will be covered. But for the purposes of this report, we will focus on ABBM's most central concept: **ABBM begins with - and focuses on - the people who are in the best position to make or break your program: your affiliates.**

Next...

ABBM's key concept - and how to make it work for your program.

Motivating Affiliates: The Right Incentives

What Motivates YOUR Affiliates?

Motivating your affiliate sounds simple, yet studies show that only 3-5% of all affiliates actually generate substantial sales. By taking extra time to learn about our affiliates [The Affiliate Classroom](#) was able to increase our "number of active affiliates" by 112% during just a 14 day period.

Understanding your affiliate is very much like understanding your customer. When you look for new ways to motivate your affiliates, ask the same types of questions you do when thinking about your target market. For example:

- **Who is your target market (target affiliate)?**
- **What makes that affiliate "tick" – their motivation?**
- **Where can you find these affiliates?**
- **What desire does your product (your affiliate program) satisfy?**

Many merchants do not invest enough in their affiliate program, especially large companies that do not rely solely on affiliate sales. Yet **investing wisely** in your affiliates can make your program the highest ROI channel in your company.

An enormous advantage of affiliate competitions is your investment need not be monetary. In fact, investing your time can yield far better results. But first, you must understand what motivates YOUR affiliates. And your understanding should not be based on some generic notion of the "typical" affiliate. When you know what matters most to your affiliates, you can offer meaningful awards they will eagerly work for.

One of the most overlooked - yet revealing - facts about affiliate marketing is this: successful affiliates tend to promote programs in industries which interest them. **This means that prizes of generic goods or cash are often less effective than other, more creative incentives.**

For example, Affiliate Classroom is a unique company. We educate individuals interested in building a successful business within our industry.

So we have two target markets: new affiliate marketers who are trying to enter the industry; and experienced affiliate marketers trying to increase their knowledge to gain a competitive advantage. **Therefore, when we set out to create incentives, we looked at what drove the affiliate to join our program in the first place.**

What you, as an affiliate manager, must remember is this: not all affiliates are interested in the same types of prizes. Some affiliates will be motivated by generic prizes (like cash). **But a surprising number of affiliates are far more motivated by incentives that develop greater long-term value for their affiliate businesses.**

AC's top affiliates tend to be interested in developing their business, while our new and underperforming affiliates want to compete more effectively in a crowded marketplace. What common ground do they share? They all take their affiliate business seriously. They communicate their results and their mistakes to us, and they are willing to work hard to improve their revenues.

In our successful competition, we rewarded affiliates by helping strengthen their businesses. From the perspective of THEIR needs, it was logical that recognition and publicity for winners would be top priorities. From our perspective, we felt that if our affiliates could sell any program better, our sales would inevitably get a boost.

At The [Affiliate Manager Boot Camp 2006](#) you will learn much more about our methods for developing powerful incentives through understanding your affiliates. We will also share some of our innovative ideas for rewards that motivate super-affiliates to novices, and that helped us achieve our 133% increase in sales.

Next...

Fostering healthy competition to increase success.

How to Foster Competition to Maximize Results

Ironically, affiliate competitions often fail because they are competitive! Consider the fact that your super affiliates usually have nothing to lose. Some thrive on knowing that they are about to compete in an intense contest against other top performers, while others want publicity or star status.

Now consider those who are not super or power affiliates - the 95-97% of under- or non-performing affiliates. **If each one of those "unproductive" affiliates makes just one sale, you will see a significant spike in revenue.**

Since we train affiliates 24/7, Affiliate Classroom knows the entire spectrum of affiliate motivation. We have ample experience with what we call the **"discouraged" affiliate** - a person with talent and ability, but who believes that super affiliates have a "monopoly" on the attention and support of the merchant.

Finding ways to motivate and reward these underachievers can pay off handsomely. But if you fail to understand what truly motivates them, you could choose incentives that actually work AGAINST success. You, as an affiliate manager, merchant, or first-tier marketer must create the right competitive atmosphere, especially for affiliates who are new or have never made any sales.

This is why you need to take the time to understand the **competitive nature** of your affiliates. Ask yourself this question - "what does it mean for your affiliates to be winners?" Don't accept the obvious answer, but delve into why your affiliates choose to promote your program.

How did AC capitalize on the competitive nature of our affiliates? **We decided to reward any increase in output.** We discovered simple methods that few program managers have utilized, and developed incentives that motivated "discouraged" affiliates to participate. In many cases, this meant giving smaller - but abundant and meaningful - prizes.

Finding ways to create healthy competition and reward ALL affiliates - from the beginner to the super sales person - will be covered in more detail at the [Affiliate Manager's Boot Camp 2006](#). You'll learn simple methods for uncovering the competitive nature of your affiliates, as well as how to find or invent appropriate incentives that will fuel and sustain their desire to compete.

Next...

Three factors for making any competition get results.

Launching the Competition: Analyzing, Conceptualizing, and Planning

Three critical factors drive a successful affiliate competition:

- **Analyzing your business.**
- **Conceptualizing the competition.**
- **Planning.**

Analyzing your business involves recognizing the stage of your business (or program) evolution. You should examine the maturity of your program, market penetration, the strength of your brand and your ability to internally support a contest. For example:

- **Do you have staff dedicated to the affiliate program?**
If you are a company operating primarily online, you must devote human resources to your affiliates.
- **Are you willing to plan ahead and develop a timeline?**
Regular affiliate competitions (but not too many) are necessary for keeping your affiliates engaged.
- **Can your company handle the increased volume in not just sales, but new recruits?**
Competitions do more than just rejuvenate existing affiliates. They help attract new affiliates. AC's affiliate program grew by 35% in just 14 days of competition. Can your business support and work with so many new affiliates?

The answers to these, any many other questions, can mean the difference between success and failure. You must analyze whether you have the resources, time, and capacity to handle the demands that success will bring. At the [Affiliate Manager Boot Camp 2006](#) we will cover analysis of every critical factor, including your business structure, your product, and the needs of your affiliates.

The second and third factors are **Conceptualizing and Planning** your affiliate competition. **Conceptualization** involves examining the multitude of viewpoints and business goals that go into a successful competition. Once you have taken the pulse of your business, your affiliates, and the incentives that motivate them - conceptualizing helps you put it all together into a profit-driven project. For example:

- **How will the age of your program or your choice of incentives impact the pertinent numbers?**

- **What “bottom-line goals” do you hope to achieve?**
- **Over what time span?**

The answers to these questions will impact the timing and length of your competition, the number of individual winners, and even how you will publicize the competition.

Third and finally, **Planning** is all about **time**. You must allow ample time to make sure all corners of the competition are addressed - writing and designing promotional material, developing new creative, purchasing or developing rewards, and building needed infrastructure (including human and capital resources).

When we explain ABBM more fully at [The Affiliate Manager Boot Camp 2006](#), you will see how these three factors - analyzing, conceptualizing, and planning - helped AC achieve a 112% increase in active affiliates.

NOTE: Avoid generic goals such as “increased sales.” Be as specific as possible. Are you looking to meet some short-term quota? Are you interested in long-term growth? Or are you just looking for more exposure for your affiliate program?

Affiliate Classroom has been successful in aligning business goals with affiliate efforts. The goal of our first competition was “to get more affiliates engaged” in a number of specific ways. From that goal, we saw increases in many areas. Our program grew by 35% in just 14 days, with a 133% increase in immediate sales and a sustained 15% growth in sales after the competition.

Affiliate Classroom knew what we could realistically expect and how that would impact our numbers. Our market research gave us the confidence to set goals that were both realistic and challenging. We will discuss our research in depth at the [Affiliate Manager Boot Camp 2006](#). Being ready for growth is essential if you don’t want to lose momentum once prizes have been awarded.

Next...

Promoting your competition.

Promoting the Competition

Affiliates can't get involved unless they know about your competition. Affiliate Classroom believes in a phase of "pre-promotion" before the official launch, followed by "launch" promotions and "post-promotion."

We also believe that 2-tier affiliate programs have a distinct advantage when promoting competitions. In traditional, single tier structures, most affiliates feel it is against their own best interest to invite more people to compete with them. But in 2-tier programs, affiliates are rewarded for bringing more affiliates into the fold.

Finally, capitalize on cross-promotional opportunities wherever possible. One method is to include another merchant's compatible - but non-competing - product in the mix of prizes. When non-competitors contribute awards, you save on direct costs while helping the other company gain publicity. The contributing company may even help promote your competition through press releases and advertising.

At the [**Affiliate Managers Boot Camp**](#) you will learn how to promote competitions using:

- Press Releases
- Announcements to Affiliate Base and Customer List
- Encouraging Partner Companies to Promote
- Purchasing Ads to Promote
- Providing Others with Incentive To Promote Competition

Finally...

Putting it all together!

Bringing It All Together: The Golden Formula for Successful Competitions

Throughout this report we have discussed the importance of understanding your affiliates, setting clear goals, and other aspects of our Affiliate Business Boosting Methodology. We've touched on planning and conceptualizing, creating proper incentives, and promoting creatively. It's a lot to think about - and to implement.

But what is most important is this: the components of a competition can't be tied together loosely. They require a focus. At Affiliate Classroom we have developed what we call our "Golden Formula." This is a model we follow for any major affiliate initiative. We believe that any company can plug their affiliate needs and business goals into this formula... and expect to achieve outstanding results.

Affiliate Classroom's success with our first affiliate competition was particularly impressive when you consider the 112% increase in active affiliates (our primary goal). These were affiliates who had never made a sale before. **Our competition motivated non-performers to begin selling - and they continue to sell and refer people today.**

In today's competitive affiliate industry, desiring an increase in sales is never enough. **It is essential to choose ONE overriding result you hope the competition will achieve. It must be a result both you and your affiliates can believe in.**

When you build every element of the competition around SHARED goals, great things are bound to happen!

Next...

Can YOUR program do this?

Join Us for Our First Ever Affiliate Manager Boot Camp – January 11, 2006 – Affiliate Summit

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All the details of developing your own successful affiliate competition will be covered at the [Affiliate Managers Boot Camp 2006](#). We'll help you apply aspects of our planning and promotional methods to your own program, discuss our Affiliate Business Boosting Methodology, reveal our simple yet powerful "Golden Formula," and cover conceptualizing, planning, and working with promoters and JV partners.

Everything you learn at The [Affiliate Managers Boot Camp](#) can increase the profitability and ROI of your affiliate program in less time than you can imagine.

This report has scratched the surface of running a successful affiliate competition. If you'd like the full story and all the details, join us in January 2006 at [The Affiliate Managers Boot Camp](#). In addition to affiliate competitions, the four-hour seminar will cover:

- Recruiting Affiliates
- Finding Super Affiliates
- Motivating Affiliates
- Shattering the 80/20 Rule
- Training Your Affiliates (All Levels)
- And much more...

Space at The Affiliate Manager's Boot Camp is fast running out, so reserve your seat as soon as possible. We look forward to seeing you in Las Vegas to kick off the 2006 year!

Visit the [Affiliate Summit](#) website and register for our 4 hour Boot Camp on Wednesday, January 11, 2006 – Las Vegas. The cost is only \$399.