

Dear Reader,

Welcome to Performance Marketing, the monthly newsletter for online marketers looking for results. This issue focuses on affiliate marketing -- a hot topic because it offers companies a number of unique advantages, especially during a recession.

Affiliate marketing is a cost effective way of reaching out to the long tail of publishers. It is part of the "non-premium" display category, and can generate millions of impressions and hundreds of conversions on a performance basis. Now, when branding dollars are moving toward performance marketing, affiliate marketing is a great platform to generate revenue for merchants and publishers.

Affiliate marketing is commonly associated with well-known platforms such as Commission Junction, Performics, Share A Sale or Linkshare and thought of as an automated tool. Obtaining good results from affiliate marketing, however, requires active management and avoiding pitfalls. To learn more, read our interview with Baglan Nurhan, LSF Interactive's Senior Director, Media.

All the Best,
Daniel Laury
Founder, President and CEO
LSF Interactive

Expand Your Reach with Affiliate Marketing

An Interview Baglan Nurhan, Senior Director, Media, LSF Interactive

Q: What are three things someone just starting an Affiliate Marketing program needs to know?

Baglan: First, you need to have a clear vision of where you want to fit affiliate marketing into your overall marketing plan. Second, you need to have commitment to the success of the program because it is very easy to implement and roll out but it takes time to ramp up. Third, you need to determine if you have the necessary resources internally. A successful affiliate marketing program requires human knowledge and technical knowledge. It needs to be managed properly.

Q: What are some of the benefits of Affiliate Marketing?

Baglan: Affiliate marketing is a mutually beneficial partnership between merchants and publishers that, especially during a recession, creates a win-win situation.

A primary benefit is that merchants can reach a wider market to sell their products and services in a very cost effective manner. With affiliate marketing you make one investment and you can roll out to hundreds of publishers.

And because affiliate marketing is a revenue share in which you pay a percent of your sales to the partner, it's not only cost effective but

Stat of the Month

As a result of rising smartphone popularity, eMarketer projects that mobile Internet access will see significant gains over the next five years, with the number of **mobile Internet users reaching 134 million** in 2013.

Peninsula Tweetup and Raffle

[Join us at the Twitter and Facebook Meetup](#)

Thursday, June 25, 2009

7:00 p.m. - 10:00 p.m.

[Four Seasons Hotel Silicon Valley](#)

Palo Alto, CA

Attendees will be eligible to enter a raffle for two hours of social media consulting with LSF Interactive's Social Media Strategist David Peck.

New Media Chatter

Visit [New Media Chatter](#) to find out what's new online from David Peck, New Media Strategist, LSF Interactive.

This week, check out:

[Thanks Facebook For the Vanity Urls...But There Are More Features I Want](#)

Client Kudos

"LSF's publishers network has proven to be a reliable source for acquiring quality opt-in leads. Their ability to deliver has helped us maintain and grow lasting relationships with our advertisers."

Cathy Choi

General Manager

GetRelevant/Lycos, Inc.



it's also very low-risk. You aren't committing a large budget upfront, you're paying affiliates based on sales.

Another benefit is that when you work with affiliates you are getting long-term business partners instead of a one-time media buy. These publishers are invested in the long-term success of your business. If you make a spot buy, your ad run has a beginning and an end date. With affiliate marketing you can rely on a long-term relationship that goes on month after month.

Lastly, if an agency is managing the affiliate marketing program, you don't need to interact with the publishers and you can concentrate on other areas of marketing.

Q: What are some of the challenges of Affiliate Marketing?

Baglan: One of the challenges is securing the right partners. Because it's such a vast space online, someone who doesn't know affiliate marketing can easily get lost.

Another challenge is managing how those publishers perceive the brand. We work with many luxury clients and their brands must be presented a certain way to maintain their image. Our publishers need to understand their brand specifics and how they need to position the brand.

The third challenge is scaling the program, especially once you reach the top of your category. If your company is one of the top merchants in your category, the question is how to scale it up.

Q: What are the key factors of successful Affiliate Marketing?

Baglan: There are five important elements for success:

1. Planning your affiliate program
2. Choosing the right network to run your program
3. Distributing it to the right affiliate
4. Having a good tracking system
5. Paying the affiliate in a timely manner

Another factor is that you need to have a good offer or proposition, for example a gift with purchase, free shipping, or a percentage off. Online consumers are very savvy. They look for deals and they compare deals so your offer needs to make you stand apart. You must have compelling creative and an efficient online transaction process. Finally, you need to have the flexibility to do incentive programs or other programs to motivate the publishers.

Q: What are some Affiliate Marketing pitfalls to avoid?

Baglan: Two common mistakes are a lack of close oversight and a lack of commitment. You need to have good one-on-one relationships with the publishers. You need to continually keep them informed about what's going on with the promotion and sending them data.

The affiliates also need to be monitored closely to ensure that they abide by your rules and regulations regarding how to position the brand. Occasionally we're required to terminate partnerships with affiliates who aren't obeying our rules in order to maintain the best brand experience.

One last pitfall is a lack of commitment to the success of the program. It's quite detrimental to pull the plug too soon before your program has had a chance to take off.

Q: What is a marketing trend that our readers should be aware of?

Baglan: The use of social media for affiliate marketing is growing. For example, video product reviews on Youtube, product shots in Flickr, and a Facebook presence for brands with links to two or three affiliates as favorite links. Marketers also need to get involved with

Previous Issues

[Look Who's Using Performance Marketing](#)

[Secrets of Customer Acquisition](#)

[Growth in a Downturn](#)

[Getting Savvy with Social Media](#)

[Get the SEM You Deserve](#)

Contact Us

To find out more about how performance marketing can help your business, call 1.877.616.8226 (U.S.) or +33.1.5805.1158 (Europe).

Email: daniel@lsf-corp.com

New clients in the U.S. can call:

Eastern Region
Ian Bardorf
617.823.0303
ibardorf@lsf-corp.com

Western Region
Anne Dautun
415.336.7077
adautun@lsf-corp.com

Tell a Friend

You're receiving this newsletter as a friend of LSF Interactive. For more details, see the bottom of this email. If you would like to share it with a colleague, [forward this message](#). To subscribe visit www.LSFInteractive.com.

mobile marketing. The other day I downloaded apps for two of my favorite shops and bought a pair of shoes from my phone. It's only going to get more popular.

About Baglan Nurhan, Senior Director, Media, LSF Interactive

Baglan has extensive experience in online business including operations, process implementation and development of online sales strategies. Prior to joining LSF Interactive, Baglan was the Media and AdOps director at YouSendIt.com, an Alexa 400 technology start up. Before joining YouSendIt, Baglan worked at Operative.com in New York, providing premium outsourced services for clients such as Ivillage, Economist and Rodale group. Baglan holds a Personal Software Process Software Engineering degree from Carnegie Mellon University along with Six Sigma green belt certification. In addition Baglan holds a Master's Degree in Economics from Dokuz Eylul University, Izmir, Turkey.



About LSF Interactive

[LSF Interactive](#) is a full service global interactive marketing agency that leverages all Internet channels, including Search Engine Marketing, Search Engine Optimization, Social Media, Display, Email and Affiliate program management, and focuses on conversions, to help companies acquire new customers, qualified leads or traffic and increase their online revenues. The company employs 90 people worldwide, is headquartered in San Francisco, CA, and has offices in Boston, MA, Paris, France, and Hyderabad, India.

Questions? Call 877.616.8226

