



Candice Nobles: Now we'll have Stephanie join us, and she'll talk about email.

Stephanie Agresta: Hi there. Stephanie Agresta, Vice President of Affiliate Marketing, from Commerce360. Yes, we were formerly 3Commerce Group, but this brand reflects what we do. We are an agency and we specifically manage LinkShare programs for merchants.

Today I'm going to speak about email. Unlike Larry, everybody does know what email is. And just an overview. This is really a conversation to spur you to think about how you can work more integrated with merchants and build a trusted relationship. Email is one topic when we bring up, there are a lot of legal issues that come up and merchants get very nervous in working with affiliates on email, so we really recommend that you communicate heavily with merchants that you're going to do email on behalf of, and speak them, you know, very clearly about suppression lists, and I'm going to go through that. And today really just a primer and some touch points for you. Like Larry, I have some leave-behinds and links in here so you can follow up and hereafter so you can speak to me about that as well.

And I have to state this little disclaimer: I am not a lawyer, so this is really just meant, again, to be the tip of the iceberg on email.

So first off, from an affiliate perspective and what affiliates are really good at is knowing their demographic. And that's really the value that you provide to merchants. There's some great advice here on, in some of the - in the different resource sections of the email providers, the ESPs. And one of them I like the best was the "no floating sign up boxes". How many sites we all go to where it says sign up for the email. It doesn't explain what the content is, and you know, what you're signing up for, the frequency, so just some best practices on, you know, how you can build organically a list that has value for merchants that you're going to be promoting.

Segmentations, also a very hot topic. This allows you to do more A-B testing, in terms of different subject lines. If you know more about your base, and segment them based on subcategories, you'll be able to test content and conversion rates based on that.

Deliverability is also an incredibly important topic, especially given canned spam. One recommendation here is to make sure you have accounts from all the ISPs so you can test to make sure your email is coming through, and your subject lines and content are visible the way that you intended them to be.

And of course with regard to opt-ins, making sure you're very clear about choices



consumers are making about how they want to receive email. And one of the defaults of the industry now is "no-checked boxes", so no pre-checked boxes, really. Instead, have the consumer check and choose to opt-in.

Some other recommendations here which I thought...Obviously, with bounce-backs and bad emails, as with data feeds, those, you know, come in daily and really need to be updated as such. And then a great recommendation was the re-opt-in for your inactive base, which gives them the opportunity to, you know, decide if they want to continue to be on the list. And I also liked the idea of an "opt-down", which says, "I don't want to receive this email but I still want to stay in your database for other reasons."

Some content best practices. Obviously, it's pretty clear given open rates and conversion with email, you have a very short time, Three seconds to catch a consumer's attention, so subject lines, definitely to keep them short and relevant. The standard is forty-five characters, and of course you want to have a call to action in your message. And the two main drivers of whether your email will be opened are the front line and the subject line, so whether they know and recognize you as the sender is very important. And whether the subject line is cut off actually, you know, clearly states what the goal of the email is. There's a lot of online calculators, copy advice, and design advice out there, and I give you, again, give you the resource centers at the end of the PowerPoint. All of the ESPs have excellent FAQ's and downloadable white papers on best practices with regard to design and subject lines.

Managing your unsubscribe list. This really was driven by the passage of the Canned Spam Act. Obviously, you know, it's gotten a lot of attention in the industry, because merchants are now more responsible and have a much higher legal consequence to results of email campaigns. And specifically, in working with affiliates, the merchants and part of the reason why merchants get a little more nervous is because depending on how the affiliate presents the offer, they actually can be more responsible for the results of the email campaign than the affiliate. UnsubCentral is a great resource; we'll talk a little bit more about that in a little bit. And providing suppression lists. So it's a centralized place where merchants and affiliates can share suppression lists and manage opt-out data.

And one key aspect of UnsubCentral as a third party solution is that it's secure, so if you're, as a merchant, let's say you've established an affiliate relationship where you want to work very closely on email. You can't just email the opt-out lists over to the affiliate, you know, it definitely is a security risk. So UnsubCentral is a great solution for that by basically being a database and cross-referencing lists between merchants and affiliates, and that's actually what was the driving force behind their creation.



ESPs, they are basically coming a lot - a few different levels like any other technology product. The entry level product, the do-it-yourself, if you will - Constant Contact and Topica are two great selections there. Constant Contact is actually the largest in the space. They have over sixty-five thousand customers. These are generally lower cost. They average fifteen to twenty. I think they have something as low as fifteen dollars a month but around twenty dollars a month. There is no contract. Those are month to month relationships. And the volume of names you can manage with a product like that generally goes up to about a million names. Their target is really small business, small businesses in America, you know, small office, home office type folks, and you know, to get a million names as a small business would be a pretty significant, significant number.

They do have less functionality and integration with databases you may be managing, but they, you know, depending on your needs, usually it suffices. And large selection of templates. They're just, you know, wikis that you can kind of get your email product together quickly. The mid-tier players are higher-cost players, obviously, averaging around a few hundred dollars a month up to about a thousand dollars a month. They may require a contract. Usually once you've crossed over that million-name mark, they have more functionality, can manage a larger list size, and have much more established customer support, references, and also professional services available. And, again, the integration into the database. EmailLabs, ExactTarget, and SubscriberMail are all great examples there. Again, all of these guys are referenced within the PowerPoint, which I believe is accessible, right?

Some industry leaders. Chris Baggott has an excellent blog. He won the "Email Marketing Blog of the Year" I believe from MarketingSherpa. It's great, great stuff in terms of getting up to speed on what the hot topics of the industry are. MarketingSherpa, they have an excellent downloadable, free benchmarking guide for email. That's also on the takeaway, which I'll have available up here afterwards. They also have a great section on their site called, "Free Stuff." A lot of their content is available for you. Some of their products are paid research, but there is some great stuff in the "Free Stuff" section.

ClickZ has four email blogs. Loren McDonald is a great reference. He runs the deliverability blog. That's really been a key issue in the industry, especially in the last year or two. And Dr. Ralph Wilson. Again here are EmailLabs, Constant Contact, and ExactTarget, great places to get FAQs on best practices for content and deliverability.

I want to include some examples of affiliates that we work with, and different creative venues, both for multiple merchant emails and solo, dedicated emails. This is an example from Spree. This was a holiday mailer that they did. Four merchants on the left, as you can see. The key aspect of this is the brand of the affiliate is premier. Actually this is a grey area of the law, when there is an affiliate. Their brand is very clear in the email.



There has been no case study on who is responsible in a situation like that if there is a problem. I think it's very clear here that they have the relationship with the customer.

This is one of our clients, Avenue. They did a deal with MyPoints. Here, you can see that the merchant brand is front-and-center. MyPoints is just referenced in the offer, which their customers get points for shopping with their merchants.

Here is another solo, which has the affiliate brand a little more front-and-center and the cash-back offer of Shop At Home. And another one of those from Shop At Home.

I like this graphic. This is from EmailLabs. This really touches on all the key components that you need to think about when using email, from obviously planning, strategizing, building, and managing your list; creative segmentation; privacy and compliance issues; ISP relations and deliverability; and measuring. That's obviously the key of every aspect of our industry, but especially email. Just testing and measuring, continuing to optimize your subject lines, your open rates, and conversion. So, ultimately, you can build a strong relationship with the merchant and communicate a lot about what you are doing on the email front. Thank you.

[applause]

Candice: Next we have Patrick Gavin and he will be talking about links.

Patrick Gavin: Hello. All right, I'm going to be changing tracks here a little bit and talking about a little more advanced link-building technique that has gained in popularity quite a bit over these last few years. So basically when I talk about "link buying," what we're talking about is purchasing links that are static HTML links. So although at times they may look possibly like an AdSense or AdBrite -- any number of ad systems-served ads. What's unique about them is there is no JavaScript. It's actually an ad that the result you're looking for is to purchase a link that is "search engine friendly." Something that's going to be picked up and counted as a vote back to your site. As many of you know, a good portion of the search engines' algorithms is based on link popularity, which is a measure of the volume and quality of links back to your web site.

So this is basically a strategy that, when done correctly, can increase traffic in two different ways. One with the direct clicks on the ads themselves, and two, helping to get you higher search engine rankings for your top keywords. The example here shows you how the link possibly could look. The thing about buying links is it could look in many different styles and formats. The key thing to look at here is the actual code of the link. So if you were to do a "view source" on this page, you'd see that this link is set up as just a static link that would be hopefully found by the search engines and counted as a link



back to your site.

The benefits of this type of advertising. We've talked about the direct traffic, obviously any clicks that go from that link to your site. The link popularity was touched on. There is the chance to do some branding on some sites. If you have enough room with your link ad you can have your company name. Sometimes you can do a banner along with a text link below. The example I show down there is from Search Engine Watch. In there market place they allow a small banner and then a static text link below it. So that's an example of a way you tie in some branding along with the other benefits of this type of advertising.

Spidering. Basically every new link to your site is a new way for the search engine spiders to index your content. I'll get into it in a later slide, but basically, many people use these types of paid links to jump-start possibly a new site to get it indexed quickly in the search engines. Or they also could be using it to deep-link into content that's many, many levels down on their site, looking to get more and more pages picked up by the engines and obviously with the hopes that you're going to get some rankings from that.

The two big things, in general, to look at when you're evaluating potential spots to purchase links are going to be traffic and link popularity of that site. As far as traffic goes a real general indicator would be the alexia data as you guys know may know it's a pretty skewed number but what it does do is give you a general idea comparing site to site and if a site's actually getting some traffic or none at all. If you use the alexia toolbar and the site has an alexia 15,000 compared to a site that has 500,000 there's a good chance that the lower number is going to receive significantly more traffic. A better indicator is of course is if you can get a hold of the actual stats from the site via media kit or published in their site somewhere.

In the end it's all going to come down evaluating though what you're seeing from a traffic standpoint it's one thing for a site to get a lot of traffic but if it's not trickling to your site obviously it's not doing its job. On the link popularity obviously the most popular general gauge of link popularity is page rank so if you have a Google toolbar a quick check to see the page rank obviously the higher the page rank the higher the link popularity site of that site is. The concept is the higher the quality of link popularity on that site that you're getting the link from the more benefit it can pass on to your website. That's why page rank is used as a good general indicator a better indicator many times if you want to really dig into what's going on is doing a link search on Yahoo. It seems to give the most accurate picture of how many links and the type of links a website is getting back to it.

This is probably the best example of a real common.... As this industry kind of sprung up



especially with the higher page rank sites many of them really got greedy if you will and would sell a link to any site possible. Here's a site that's actually a physics forum that's selling to a number of sites: online pharmacies, casino along with... There's nothing wrong with selling links to those companies if that's the common theme of your site but if you're mixing it in with snowboarding, cigars, and real estate it goes back to the concept of the type of neighborhood you want your site associated with.

When you're buying links, when we get into actual tips here, really if you start as a general rule is really going with relevancy if you ignore the page rank and the other factors and start with relevancy first. If you have a site on sports tickets and you're looking to build deep links into unique Los Angeles Dodger's tickets or whatever the sub page within that site is. Going out and identifying some strong sports sites and sports blogs is the best way to go. The best way to go is always going to be relevancy.

Starting slow basically each site's unique. It's tough to determine what one additional link to your site is going to be. If you start with a few links and gain some results and then make a determination if you're actually seeing some traction in terms of traffic and ranking then you can build on to it. What you don't want to do is start with a really large budget and build links really quickly because sometimes that can have a detrimental effect and raise flags with search engines.

Just touching on pricing, generally these types of links - whether you're going through a marketplace or direct to independent publishers many time they're going to be priced on a flat rate per month. So what you're doing is possibly a link on a site for a hundred dollars per month. You're paying for a flat rate run for 30 days that's a real typical way that they're setup.

The third tip is deep linking. Many sites especially large e-commerce sites where we have seen a lot of success for clients is if you have a site for ten thousand different products, generally the links the natural links out on the web are typically going to come right into your home page. So if your home page ranking is in some top tiered keywords general keywords then you have your sub pages with the product pages, whatever they may be, ranking pretty well because the general overall link popularity of your site. Your site all linked through your navigation or site map. Where we see a lot of traction is you have that scenario but what you're missing is receiving many deep links other sites linking directly to your top product pages. One way you can use a strategy like Link Vine is to supplement the natural links going on to your home page and purchase some links directly into top sub pages that you know maybe you're sitting at the top of page two or below page one and obviously it'd make a difference getting on the top there. That's where we've seen a lot of traction basically with Link Vine it's hard to take a site that you start tomorrow and purchase links and drive it up to number one today. The mix of links



you need purchasing is just one way obviously having great content and natural links is your first and best option. To supplement sites when you're sitting on a page two or page three and need a bump that's not happening on the natural end - link vine seems to be really effective there.

Measuring results obviously with any campaign you really need to measure what kind of return you're getting. Any time you're talking about natural search it's something that it's tough to quantify is the bottom line it's not an exact science yet in terms of moving up three positions and paying a thousand dollars for those links that helped you get there. Basing on traffic and your ranking is the best way to go from a traffic standpoint obviously you can look at your referral logs and look at direct links and direct traffic getting referred over to your site and from the ranking side. Most of you guys know your rankings really well and know where you're at and where you started the program and hopefully can attribute some gains based on the link buys that you're doing. I think that's it guys thank you.

[applause]

Patrick: Thank you very much. Good afternoon I wanted to start with just a quick audience survey because this is a little bit more advanced topic. I'll start with a question which is how many of you read blogs every day I only count ten. How many write your own blog? How many subscribe to RSS feeds? Ok, good.

All right, what I want to do is to cover about three years of history of RSS in about three minutes and then we'll go into what the future holds for RSS and how it effects the affiliate industry. The diagram on the board is how did we get to the point where we hear more about RSS today than we did a couple years ago. Larry mentioned this in his setup and I'm glad we had a chance to start with data feeds because in affiliate marketing we've heard the word feed for several years now. Most people that are online have heard the word feed before and to them feed is RSS and a way to get syndicated content so we diffidently want to differentiate the two. The biggest difference is RSS structured content ready for end user consumption. Data feeds need something applied to be used by an end user.

In 2003 was about the time that we saw the big proliferation in the number of blogs the shear supply. Companies Google with the Blogger product they bought a couple of years ago and Six Apart with TypePad and WordPress which is an open source blog creation tool. Made it very easy to people like all of us in the room to create pretty good looking blog right out of the box. Maybe paid a couple extra bucks a month for templates, extra fonts and some hosting and you could create a fairly good looking blog out of the box. What happened we had a big gigantic number of blogs that were available.



The issue with blog consumption is not finding them. Search engines popped up to help us find blogs and they start creeping into our online dealing content consumption. First it was five percent then 11 percent then 12 percent and everyday now you see an increase in the number of blogs people check. Sometimes they know it and sometimes they don't because it's really just a website differentiated by its format.

What happened was if all of us in the room and I'll just use our panelists for examples let's say Larry writes one on online marketing and you're all about digital photography. If I look a large number of blogs everyday and the problem is they're not all updated with the same frequency we expect out of our top two hundred or top three hundred media sites we check everyday online. Feeds kind of arose to the occasion to take care of this issue for blog readers and it goes kind like this.

Feeds RSS as a distribution standard for content have been around for several years. Netscape used it in the late 90's to populate the Netscape portal when they were starting to suck in content from all the big media publishers. It allowed them to take a column that was from the wall street journal and financial information from Forbes and Fortune and get it on the Netscape portal without a huge production cost. Then it kind of lay dormant for several years and used behind the scenes of the publishing industry to get content back and forth between syndication partners.

But the blog creation guys saw an opportunity and a standard that was well suited for packaging content in blog format. As I write my next post to my blog it's the next chronological entry everything gets moved down one. So if I find a blog that I like - the blog creation guys said "people won't want to have make feeds themselves they won't understand the technical specifications we'll do it for them". All the sudden a feed was available on every single blog up popped this whole industry popped up around feed search and feed readers and we went from having to have download software to plug into Microsoft outlook and onto your desktop to read blogs and to read feeds. But to things like Bloglines and my yahoo and Newsgator and services like that. The days of needing to download software to read feeds is gone. You can now read feeds using web based services.

What happened was in 2006 now you can find feeds in lots of places. Pretty much every media company makes feeds available you may not recognize them right now but hopefully in a couple of minutes you'll know where to look. Now we see a whole set of web services that are covered in feeds you can get Google research results via feed, eBay results via feed, and a watch lists of things you want updated. It's a great mechanism for content that you want to keep your eye on to subscribe to it and have it delivered to your desktop. The big difference is instead of going to the site and getting the content is the



content comes to you.

So what happened was we had all these blogs that became very popular and some of these logos you may recognize there are now about 39 million of these things Technorati tracks for blogs. What happened was all the media companies took note of this and said wow people are really going to subscribe to content. The content comes to their desktop maybe we should be in this business as well. If this is the next way to distribute content let's not wait around and see what happens. Let's get proactively involved. And what happened is it rippled through magazines and newsprint and online content distributors like CNet and now even into broadcast almost every major media company makes RSS feeds available to subscribers. Which is a scary proposition if you're in the paid media business the economics of the paid media business won't change because of RSS it will be a paid for media via advertising.

So some recognizable logos but this kind of web 2.0 stuff isn't just for media companies it's now moved well beyond media we could find a company in almost every industry whether it's travel and hospitality, retail, services, manufacturing, wholesale - you could find companies that make customer bound communications available an RSS feed. And I gave some examples up here the most interesting for the group in the audience is what happening on the right where you have ecommerce companies and I'll say that's retail and travel and lots of others where people have been running affiliate programs for a long time are now making feeds available and consumers.

What will happen is there are really a couple of scenarios I could probably think of ten but I want to just focus on two for today. One is that a new way for merchants and affiliates to communicate via structured content. What will this create instead of having to go and get static content updated every once in a while by a merchant that flows through an affiliate and generates ad content that's meant to drive and clicks and offers and subscriptions and leads - you'll have a very dynamic threading between the merchant and the affiliate. The second scenario is that as companies that distribute feeds get more comfortable with the lifetime value of a subscriber just like we're all interested in gaining a new email address for our email registration list subscribers will be the same way where they're looked at as very valuable. Every subscriber to one company may be worth 12 cents to another may be worth 48 dollars for lifetime value. As we start to measure that then people will get paid to drive subscribers to a company.

Here's what it looks like and I just used Best Buy for an example they're not really doing this but if you looked at the Best Buy site or the Target site where there is feeds available. You can subscribe to a feed and if you cracked it open and clicked on the origin button probably the biggest RSS user experience is a lot of time you're faced with raw XML people go "ahh I think I broke my browser" and back out of it. That will change with



coming of companies like FeedBurner and others that are making it easier to subscribe to feeds but I can subscribe to feeds to offers of lots of different merchants today they can be things like new arrivals, current markdowns, daily specials. And the merchants will have to make decisions about how many feeds do we make available? What's inside? What are the offers? How frequently do we offer them? How do we enter them into our navigation? They'll figure that out and people will subscribe and instead of email alerts I'll get rapid updates, as offers are made available by RSS feed.

As an affiliate I could subscribe to an affiliate to an affiliate type set of offers and use that to drive what I offer on my site to try drive action. I just circled you could actually create that ad from the structured content in an RSS feed and I think Larry mentioned Chetkins and others who are starting to do this already where they're taking feeds and making product pictures, logos of the retailer or merchant and product information in a structured way they can render as HTML and turn it into an ad. The nice thing in this example I might be subscribed as an affiliate that is all about digital cameras and every time Best Buy has a new digital camera or new offer they put into that affiliate link. It's updated automatically and this ad would changed out to a different camera, different offer, price mark down and the other opportunity for a very dynamic architecture between merchants and affiliates.

Onto scenario number two this is all about subscriber affiliation whether you're a media company or a merchant there are going to be companies that start to get ahead of this and figure out what the value is of gaining a subscriber just like you get paid 85 cents today to get an email registration, you'll get paid to obtain a subscriber for a publisher. And this is more broad, because it could apply to media companies, bloggers that are trying to build a business, certainly commerce companies in a variety of industries, and you'd have paid on this cost per subscriber. And all this would be measurable, where you could track it all the way through. They click on an ad, they subscribe to the feed, over time they interact with the content, and everybody's happy.

So, how to get started. At six months ago, we probably would have had half the hands in the air that we had earlier on people that are familiar with RSS, so it's getting easier. The RSS links that you see on most sites are little orange Chiclets. Publishers don't really know where to put this in navigation, and you'd find it up at the top left, the lower right hand corner- it's kind of all over the place. But now that you're ready to look for it, look for RSS, XML, RSS feeds, somewhere on the page, and start subscribing. So if you're a merchant, make feeds available, put some offers into them, see how consumers adopt them, and make sure they're promoted on your home page in the right place. You know the email registration box- there's kind of a standard that's arisen over the last few years. And you can go to almost any retail site and know that on the home page there's going to be a spot for you to drop in your email address, hit the go button, and you're subscribed to the list. And the same will need to be true for RSS if we really want to get an accurate



trial of how many people might subscribe to this.

And then if you're on the affiliate side, the best way to do this is just start to consume some content in RSS format, which is, download a feed reader or register with a feed-based service; you can have a blog lines account in minutes; you can search on different types of content. If you're a MyYahoo! User, you're already doing this down at the bottom where there's a little box on the home page that says, "I want to look for content around online marketing" or "world cup soccer." And up comes a list of content that you can subscribe to. That's RSS behind the scenes providing that linkage.

That's a way to get started. I think it's going to be a very exciting time for merchant and affiliate relations because now we've got structure and a way to communicate more effectively than static stuff we've been doing for several years. Thanks.

[applause]

Candice: Next we'll have Choots Humphries, who will talk about how to get your greatest commission from your merchants.

Choots Humphries: I am Choots Humphries, with LinkConnector. Candice practiced my name at least ten times, and still messed it up a little bit. That's ok. As opposed to most of what you've heard today, I've been asked to go a lot more basic. I'm talking about how to get the best commissions from your merchants. Overview of what I'm going to talk about- the relationship between the affiliate and the merchant being the most important part. A good affiliate marketing relationship benefits both parties. It should be based in cooperation, not competition. A relationship that greatly benefits one or the other is not sustainable. It won't last. Affiliates succeed only when their merchants do well over the long run, and merchants only keep affiliates when they reward good performance. And constant communication between the merchant and affiliate is a good way to get that relationship going.

So you want to start as an affiliate finding a good merchant. You want a merchant that's going to be willing to communicate with his affiliates, willing to discuss new ideas, take the input from affiliates, and obviously willing to reward superior performance if you're trying to get better communications than the standard quo out there. And you want one obviously with good product reputation, a strong website, those leads.

Once you find that merchant, you want to start the relationship. You can find the merchant in a network that might have their own in-house program. Usually this information is available on a merchant's website. Once you find your merchant you want to build a complementary site or add to your site and make it complementary to the



merchant's products or services. You want your website to add value to the merchant's products or services. What you're trying essentially to do is to prequalify that lead as it goes into the merchant's site. You want to build a website with SEO in mind. If you're not familiar with search engine optimization or don't know a lot about it, I highly recommend you bone up on it quickly. Search engine strategy conference is a great way to get started if you haven't done that already. And like I said, you really want to deliver a qualified lead to the merchant. You want to add the value. Get your user towards that buy decision before they even leave your site.

One of the important things that we found is that the merchant's offer is not always indicative of what the merchant is trying to accomplish out of their affiliate marketing program, so you want to make sure you learn what the merchant's goals are. What are they trying to accomplish out of their affiliate marketing program? Are they trying to maximize sale, brand awareness, customer acquisition? Once you know that then you can align what you're trying to do in the prequalification process and help them obtain their goals. That is going to let you stand out as an affiliate. Regardless of what they say they're trying to accomplish, you're now working towards being noticed in their eyes and helping them do what they're trying to accomplish. Obviously the need for you to qualify the users decreases depending on what those goals are. So if they're just trying to get brand awareness, the need for qualifying those users isn't as great as if they're trying to maximize sales or something like that.

It was mentioned about the demographics of the user earlier. You have to know your user. You need to know who they are, what they want, what they're looking for, what are the questions they're asking and those kinds of things. And here's some things you can use, some common things: surveys, newsletters, and stuff like that to solicit input for your ideas from your users. By learning what your users want, you can work with your merchants and work with your merchant to give them ideas of new products and such, and you can help that merchant realize their goals. Also, as you learn your users, you might find there's opportunity to use to add different types of merchants to your sites, so that you can join new programs and stuff like that.

One of the things we found is often by learning the users on your site you'll find that there are needs for products or services that don't even exist. Back to a cooperative merchant, you can work with that merchant to develop those products or services and get those on the web. Track everything. You have to know where your tracking comes from. You want to measure your conversion from the various sources, as Patrick indicated. You've got to know where your traffic's coming from and how the traffic's doing for you. You want to know your site with those logs, how people are navigating your site. You want to know which pages convert better. Once you start understanding your data, and that you can start to optimize it, you want to test different versions of your page. Which ones are converting better for which merchants and those kinds of things? Test various



merchant offers.

And then as you establish a program and start to realize the potential with the various merchants, you want to protect your program. So fraud is a big part of that. You can learn a lot about fraud at the Affiliate Summit, so you want to understand fraud and how to protect yourself from it. You want to stay on top of search engine optimization and marketing. You have to understand the various transit changes constantly, what's going on, you want to protect those sources of traffic that you've worked so hard to acquire, and then you want to continuously work with your strong merchants. Talk to them, find out what the needs are, where they're going, what they're going to do, how you can be a part of it, that kind of stuff. And then watch your data and continue to learn from it. So I think that's it.

[applause]

Candice: Now we'd like to take some questions from the audience, if you have any. We have a woman with a microphone there, so if you want to just raise your hand and she'll come around and she can get your questions. Ok. So if there are no questions, I think we can expand the dialogue that we've been having here and some of the topic. One of the things I'd like to point out as far as how to get more commissions from your merchants- I think that Choots did a really good job of talking about that- but I think one of the things I'd like to stress that with some of our topic today is having that dialogue, and one of the things at Snapfish we like to do is make sure that we are available and in contact with our affiliates, and people who talk to us and understand our needs, and also ask if there's anything more that we can do to accommodate them as long as they're sending us good customers and traffic and whatnot.

And I thought I might have seen a hand there... so still no questions? Is there any- oh, go ahead.

Man 1: I have a question. So among your affiliates, what's the concentration like among your biggest affiliates, versus, is it an 80/20 rule? Or, how concentrated is your affiliate program?

Candice: We are operating at the 80/20 rule right now, but I think as our program grows, we acquire more affiliates and more people go into the top twenty percent bucket, and one of our goals is to totally work on that and make sure that we have it more of an even distribution.

Woman: That applies to our merchants as well. It's pretty much across the board.



Candice: I think it goes back to, some of our affiliates are more actively involved and engaged with us, and those tend to filter to the top.

Woman: But we also try, we use the core producer strategy, so we're basically working with our merchants trying to establish a large base of affiliates that produce for you. Not necessarily in your top 20, but really focusing on that 80 as well, so that that group gets even larger.

Brian Caldwell: I have a question for Patrick. This is Brian Caldwell from Commission Junction. Patrick, I know that as the Google rules changed, your businesses probably needed to evolve with it. Can you just maybe touch on how buying businesses evolved over the last year, two years?

Patrick: Yeah, definitely. I think the biggest difference in terms of strategy of where it was, particularly in '03 and '04, basically when the industry first shot up, really going out and purchasing links on just about any higher page rank type site, not dependent upon the relevancy of that site, was going to do you very well in the search engines- shoot you right up there in a very quick manner. Really the biggest change is the link buys that are untargeted, like those that worked a couple years ago, are not working today. Really what seems to be working best are starting with relevant sites but also many times going after the blogs and the more independent publishers on the things that are a little bit more under the radar and seem much more natural. It's much more natural for a website, probably like most of ours out there, to receive links from on-topic sites that are a little bit more, if we're talking page ranking, the mid-page rank then is to go out there and receive a link from Washington Times, or whoever it is. It's just much more natural to get links that are on topic and a little bit more under the radar, if you will. So that's the biggest thing, is just starting with relevance versus going after page rank, and that's where we've been working hard to take the business, anyways.

Woman 2: I have a very basic question. I am brand new to this. I am a website developer and I'm actually looking at this as to incorporate it into some of my clients' sites. Most of them are within a specific niche in an industry. We get good page rankings because we are in a niche. My question is, what type of sites are actually successful at doing this? Are they websites that are strictly around a specific topic and then the affiliate links are associated with that, or are they sites that are just built around specific products? I'm not quite sure I understand the relevance of which ones do better. Is it looking to one particular thing or are you pulling in merchants from different locations?

Patrick: The answer is that any site can be a good affiliate site if you apply the principles that we're talking about. It sort of depends on what your objective is. I mean, I think that the ultimate affiliate site is one that provides really unique content, that's not available elsewhere. You're not just syndicating somebody else's stuff and putting links around it. Sites where you get a lot of user generated content, like reviews of products and things like that, are also very valuable, and it allows you to really do that



prequalification of customers. But that said, I mean, there's tons of strategies. I think the best way to figure out what works for you is to do a lot of searching on the search engines. Find other affiliate sites who might be in a similar category as you, or an analogous category as you, and see what they're doing. If you do a search on Google or Yahoo!, you're going to be hard pressed not to find an affiliate site from the search results, so doing your market research is pretty easy these days. But that would be my advice.

Choots: Yeah, I would absolutely agree with that. And I think that the value of those niche sites that you are talking about, is it gives you the chance, as an affiliate to know, really know, the topic and your users and what you're talking about in that niche. It gives you the chance to add that value to, ultimately, the merchants that you'll align yourselves with around that niche. I think those, we've found that those, sites are extremely valuable, because the conversion rates are so much higher. It's like Larry said, it's original content and those kinds of things, which when a user comes to your site, they're trying to learn something. They're trying to figure out problems, and those sites, generally, do well to help that.

May I just add, users aren't dumb. There is a lot of duplicate content out there. If you are trying to be, if you're just dressing up content you've got from somewhere else, people are going to figure it out pretty quickly, and find another site.

Chuck Hamrick: Hi, I'm Chuck Hamrick. I'm an affiliate manager for ancestry.com, and I wanted to make a comment that as affiliate managers, we are always trying to reach out to our affiliates. We're trying to find new affiliates. We're trying to optimize those in our program. When you make the comment of how do you get a hard permission, just ask us. We spend more time trying to reach out, and less time mitigating, other than looking at our top ten, our top twenty and our top fifty. I would love to have affiliates come to me and say, "How can I code in something in your program?" What can I do, if I can do something a little different? Or try something? Can you, maybe, give me a few more points commission? Our large bonus affiliates are trying new things, especially RSS. We're seeing a lot of different fronts, and talking a lot about peers, that affiliates are experimenting with indexing on the search engines, and comes to me, setting, you ought to try something before you hear it's successful, I'll, definitely, kick in some extra commission points, and maybe, a semester bonus, on top of it. Just ask.

Choots: I have to agree with him. I think the real key is to emphasize, if you're doing something different, or you really did go above and beyond. I think that a lot of us are going to be willing just to pay for doing the same thing. Just because you say I want a couple extra dollars here or there for commission, but if you're willing to do something [coughing]. If you're willing to do emails, or feeds, or anything like that, we're definitely willing to help try it out, or even search engine marketing or whatever it is.

Man 2: I had another point, unless someone wanted to say something about this. You need to make it possible for marketers, or networks, to find out who you are, and contact



you. In the past, affiliates have been pretty, many affiliates, have been pretty secretive about what they do, and how to get in touch with them. If you're doing things above board, and you're doing good things, people are going to find your site, and they're going to want to talk to you, and there should be no reason to hide your identity. You really need to find, put a 'contact us' form on your site, or something, so that merchants who want to work with you can get in touch with you.

Stephanie: That is, actually, for us, a frustration. Even though, contact information is in LinkShare, for example, which is great, a lot of times, smaller affiliates won't return phone calls, and, you know, we're very persistent. It's really, the main message is to, absolutely, not be afraid to reach out and speak to the program manager. We, actually, love it. It's a good thing.

Candice: Be sure to work your contacts, too, because, even here, I hear people say that they have a hard time contacting us. I think our team is fairly accessible, but if you're working through a network, contact your network contact and say that you want to talk to merchant X. They'll be sure to make the contacts for you. Be sure to do your best to reach out to, if you really want to work with someone. Or if your getting good results from someone, and your wondering how you can make more money, just get a hold of them and you can figure out what you're going to do together.

[inaudible]

...to understand what their budgets are. I think that's another key thing that Choots talked about, is if someone's after cost of acquisition is, or whatever it is, if you understand that, or make that contact to reach out and understand what they're doing, they'll be more readily there to help you make more money, I think. Does anyone have any other comments? Any more questions? She'll come around with the microphone.

Man 3: I actually don't need a microphone.

Candice: Ok, great.

[laughter]

Man 3: I'm really loud. I have a question, I'm, also, relatively, new, would you say, from a strategy perspective, is it valid to have one affiliate per page, or one affiliate in a space. That I only use, as an example of what I'm talking about, only use Snapfish, or use Snapfish, use, I don't know if you know their competitor, but I'm sure we all know who that is...

Candice: Yeah, now, I'm wondering if I could be objective...



[laughter]

Man 3: Or some other company as well? Do you join all the affiliate sites or do you just really focus on one, very specifically. What would you suggest that as a strategy?

Choots: I think that it very much depends on the content of the site, and who your audience is, but, that said, one of the things I said is know your traffic, track everything and then start to optimize. I think you can discover, through that process, what's working better for you. We've seen lots of affiliates, and I've actually have had some past affiliates experience, what we found, when you talk about everything that was out there, and align yourself with all those various merchants, then the customer feels less of a need to leave your site, and go find out more about the competition. Maybe if he's getting all that information on your site, he can make that hard decision for you if he leaves your site. That may work, or it may work to have several pages, and randomly show them, and figure out which pages work, or which merchants are working in that uniquely identifiable space. I think, it, largely, depends on what you're talking about, who your users are, and what they expect out of your website. How's that for vague?

Candice: That's good. I think with us, we do have competitors in our space, and our sub-affiliates, but what we try to do is be competitive. We'll have the better offer than the other guy. In our space, it is really competitive because someone might pay more, or someone might offer revenue share and someone won't. We all try to stay competitive, in those cases, and do have some affiliates that just stick with us, and there's reasons for that, too. Maybe because we're accessible via the, we're easily accessible. We're like this for whatever reason. We appreciate those people, and we, so we do have some that work with us exclusively.

Man 1: Some merchants may try, they may give you preferred pricing, if you do work out an exclusive arrangement with them, also, especially in very competitive industries.

Bob: My name is Bob from primegosee.com. I sell concert and sports tickets online, I've been selling tickets for forty years, working under established ticket brokers, with their sites showing top ten on Yahoo and Google. I just founded a new website about three months ago, so the whole web market thing is new to. I keep hearing know your products, know your clients, which I do. I keep hearing about content in pages What kind of content can you have on a ticket website, for all the good that, I mean, if I need NBA Finals tickets, all I do is say I'm looking for tickets, and I don't necessarily want to go to a site, and read about all these articles and things, like blogs. I'm just looking solely for tickets, then I price them as competitive, and compared with other ticket holder sites. I built a customer base in South Florida, which I'm out of. I work venues. I market there, I sell clients tickets, they come back for other events in South Florida. So I can retarget them that way, but how do I target a nation wide customer base that I don't have access to, you know. Face to face, in person?

Stephanie: In terms of the sporting stuff, I think I don't know as much about, but in terms of the like concerts, like fan reviews of concerts. You know what different content



that may be available from even the artist's site, as well, that is distributable, and recommending seating, things like that. That definitely adds value as an affiliate. That's what you're out, that's what you're goal should be to add value to your end merchant.

Patrick: Yeah, I just say maybe shortcuts or back avenues to get to venues that those types of things that would be not necessarily information that somebody from out of town would know. Restaurants near the area, places to go after the game. You might even be able to work out marketing arrangements with those restaurants, bars, things like that.

Man 1: How do I retarget people that I don't have, that are out of the South Florida area, that I don't have sort of that seek hot venues all the time, but I've seen before? Would they come and buy tickets for something, and then they leave, then they need tickets for something else and they go to another site?

Patrick: Yeah, you want to try to collect an email address or something or create an RSS feed that they can subscribe to. It's a great way to keep contact with your customer. The other thing is now, all the search engines now allow you to buy search ads, geographically say. So you can say I want to buy ads for, that say Buy Denver nuggets Basketball tickets and you can sell those ads to browsers only in Denver. Take a look at the search engines, and their geographic targeting capabilities.

Candice: Ok, we'll take one more question over here, then we'll rap it up.

Eric Hartman: Eric Hartman from ppcnetwork/question. What percent of people currently have RSS readers?

Brent Hill: The surveys would suggest that about 10 to 20 percent of the online population RSS everyday, and of that about half of them use it knowingly. Meaning they proactively click on an RSS button, they know how to use a reader. The other half uses the service that has RSS behind the scenes, a My Msn, My Yahoo, a My AOL type of experience. It's, to give you some numbers behind RSS, a year ago, we distributed about 50, 000 feeds, that number is now 300, 000, and we reached about five million feed subscribers, and that number is now 18 million a day, of RSS feeds that we distribute. About 25 percent of those are podcast feeds are audio content, links to the audio content, but the rest is text. It's mostly media companies, but a growing portion of this is merchancy counters. Everyday we're amazed at different companies that are making RSS available to subscribers.

Eric: Quick follow-up question, permitting, what is the cost structure of sending an RSS feed versus sending email?

Brent: That's one of the advantages to RSS, is that you don't need an email service provider necessarily between you and the end user to provide deliverability, ISP registration, and things like that. The RSS specifications, actually, are a fairly easy tactical scrap when you look at it. So if you cracked open an RSS feed, most of us in the room can figure out the tagging system, it shows that, that's the title, that's the description, this is where this goes, that's why it shows up this way in my feed reader.



Most companies can go to their technology team and say I need a feed tomorrow, and a lot of the companies can figure out how to create a feed, now if the feed is sourced from a blog, then it's automatic, you use your blog editing tool and you post, and that goes into the feed automatically, but a lot of companies won't have a blog for the front end of their feed concept, those would be taking extracts from a database or concepts from writing a story, their content management system posts on the site everyday, then that will get rapped up into a feed, and I think that it's not as challenging of a process. Why companies are making more and more feeds available is because the cost of venture is very well.

Candice: Ok, our last question.

Woman 1: Hi just as a new affiliate getting started one question is what is most appealing to affiliate managers, networks, etc., when you're just getting started and you're trafficking very low, is it content, is it security of data, is it potential for growth? How do you get the attention of both networks and affiliate managers directly themselves to say look I know I've gotten a pitiful volume at this point, but I have potential and try to convince them of my potential. What's my most compelling argument?

Stephanie: Sure, fit. In the sense that you have built a niche that is a really excellent fit for the merchant and that they see that this is something that can grow, and, also, your enthusiasm for it. Contacting them and reaching out and being very clear, get yourself on the radar. I'm here, I'm growing. Let them know your stats month over month. We absolutely look for trends in increases in clicks, increases in sales, and even smaller sites that are starting with less volume, we look at the trends of growth month over month, and that's really important, share that information with them.

Woman 2: I think if you were just signing up, like if you apply a merchant through a network, for example, that affiliate manager's just cruising through a hundred applications a day. One of the things, I think we look for, is to make sure the site looks good, and it's something that we want to work with and compliments our brand, and then, also, I agree with Stephanie, contact the person and say you know I'm here, I'm real. Particularly, like with us, our target demographic we call her 'Emily', the internet enabled mom, so if I notice a site that might be really small, and not bringing in a lot of traffic, but it's very targeted to an Emily type of audience, we'd accept them and kind of see how they do. But if you were power rock cars or something like that, we'd most likely reject that, and not move forward with that.

Larry Adams: I was just going to add one thing, I would suggest not going out and applying to every single program who will let you in. Some of the analysis I've done on affiliates to try to figure out how can we reactivate people, if we have an affiliate who joins a program, and they don't drive a sale within a certain period of time 36 a day, chances are they're never going to drive a sale, so I would say start small. Find merchants who are a really good fit for you, and work really hard on them. Then build out and expand your base, because you're going to find it a lot more useful to really get a relationship with that merchant and to focus your consumers on the merchants who are on your site, rather than just throwing up a bunch of banners and hoping that it works.



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Stephanie: I would just also like to add, that within LinkShare, you can put a description so be clear in your description, so that when we're looking through the approval queues which we do everyday and we absolutely see affiliates, you can tell someone who's applied to every single program. We manage a large volume of merchants, and when we see someone who is in every single queue, even though they are completely different verticals, so be very clear in the description of your site, what you want to do, what you're using as a strategy to establish your own customer base as well.

Candice: all right, thank you everyone for joining us. Have a good rest of the day.

[clapping]