



Jeff Molander: So before we conclude with some networking, which by the way will be held right outside the door here. I think we are prepared for indoor and outdoor at the Fandango cocktail hour taking place out there. I am inviting a handful of summit speakers up to the stage here to give you some of their most valued takeaways from this week's events. And we will start things off. Vinny Lingham has been kind enough to postpone his flight here. He has got to run out the door as soon as he gives us his take away. Vinny Lingham of vinnylingham.com, a great blog. I know I read it every once in awhile, actually once a week, at least. He is chief strategy officer of IncuBeta and he is going to give us his take away from the summit.

Vinny Lingham: Thanks, Jeff. OK, well, I want to be short and sweet. I think the key takeaway for me is that this is one big ecosystem. And we are all part of the same industry, environment, the same search channels. And I think what is really positive about this last trip is a lot of the merchants are getting closer together in terms of understanding what the needs are from both sides. People are seeing search affiliates as part of the search channel. Whereas before, it was these guys are different from what we are doing. There is a lot more communication and openness about what is going on in the space. I think that is the most important take away. I look forward to seeing you all at the next conference. Yeah, read my blog. I love to see comments and chat with you guys. That would be great. Take care. Bye Bye.

[clapping]

Jeff: Thanks, Vinny. Good luck getting to that flight. Hopefully, that traffic will be safe to you. I heard Sean Crotty. And I'm sorry, Sean, I don't know your actual title but Sean Crotty of Art.com, recently landed Art.com, if you wouldn't mind, are you prepared? Sorry to hit you so quick here. [laughter] Sorry about that.

Sean Crotty: No, problem. Thanks, Jeff. I'm Sean Crotty of Art.com. Senior manager running the three-affiliate programs for Art.com and poster.de. I just came two years at EBay doing API and other things there. My key take away as a merchant, I have been approached by a variety of people, as you might imagine. Affiliate, marketing services, back end services and the most important thing I have learned was when they can clearly state their value proposition very quickly; it is easier for me to say yes to something. Some people will come up and say we do everything. And that doesn't do anything for me. It doesn't tell me what they are good at. It doesn't tell me that they are focused. So being at the conference has helped because I get hit by these business proposals all day long. The ones that are best stated and focused on exactly one thing that they do well are the ones that I am going to remember and I am going to call back. Thank You.

[clapping]

Jeff: I actually heard that kind of bouncing around from a few people, that observation actually. Hopefully, that resonated with just about everybody. Next, I'd like to ask up Jim Lillig. I know he is here, Jim. I don't even know your title. But we will call you Chief E. Lobster consultant to LobsterGram International.



Jim Lillig: Thanks, Jeff. I think the one thing that you can take away from a conference like this is the amount of networking that has gone on. It is just amazing to see everybody working together. I think the gentleman before me said, it is an ecosystem and it is a unique ecosystem. We are doing something and it is a very small group here but we are doing something that not a lot of people are doing online. Like the keynote speaker said Monday morning, persistence, it just takes persistence. Love the process. That is the one thing that I take away from this whole thing is that I have been doing this for ten years. Jeff and I work together and Wayne and persistence- you just keep at it and you get it. You just listen and keep your ears open and network with the other people. Even though it might not work at first or the second time or third time or like me, seven or eight times, you will get it and it will payoff if you listen to what you learned here at the conference. Persistence and I think the biggest thing I took away from Roz Gardner was if you wear crocs over the age of 13, it is just wrong. [laughter] Thanks, Jeff.

[clapping]

Jeff: Thanks, Jim. Peter Figueredo, I might even run out here. I don't know and you've come closer. Great! From NETexponent. CEO of NETexponent.

Peter Figueredo: Thanks, Jeff and thanks for almost getting my name right that time too. [laughter] I figure I would use this two minutes as a way to kind of vent some pet peeves. But first, let me say that one thing I took away from this experience and the growing affiliate summit events is that respect. This industry, I have a lot of respect for, the people in it I have a lot of respect for. So my pet peeves are related to that. We should all make sure that everybody else should have the same level of respect for us. I have four points that I wanted to make and this is mostly speaking to advertisers. But affiliates should encourage the advertisers they work with to definitely make sure they touch on each of these four points and deliver. The first is stop subsidizing. Stop using affiliate marketing to subsidize your online media efforts. Don't have a low CPA that you get from your affiliate. [clapping] Thanks, don't let affiliate marketing generate this low CPA only to off set the high cost of your other media. If you can have every CPA go on a level playing field, you will drive better results, you will get more out of your affiliates and they will really feel like a valued partner and not just a pawn in your online media mix. Another stop is, stop using different standards for your affiliate marketing efforts and other marketing channels. Don't hold your affiliate program to these high standards of who you will let in and who you will work with and then go make a media buy on a CPA admit work and not even know what sites are on there running your ads. Those are my two stops. In terms of starts, start investing in success. You have got a great team, build on it. Make sure you have the right people in the right positions in your company or outsourced or whatever that may be. But invest in the success of your program. You will get the definite benefits of having that investment. Even in terms of creative and landing pages and all that good stuff. Finally, start using a holistic approach to your online marketing efforts. Don't look at affiliate marketing in a silo and then your other marketing channels in their own silos. Look at everything in a holistic approach, take a big picture look at how you are handling online marketing and everything is going to benefit. Thanks.



[clapping]

Jeff: Awesome. Thank you. Figueredo? [laughing] Oh do you massacre his name too?

[background noise]

Jeff: Peter Fig, you know what, are you serious? I have always wanted to call you that but I didn't want to disrespect. That is what I shall do. That is what I shall do. Mark Widawer, was I close that time, Mark? [laughing] Sorry, Lenny page machine. Got that wrong too.

Mark Widawer: Landing Page cash machine, it is an e-book that teaches merchants, vendors how to optimize their landing pages to get more conversions. I did a little round table over there a little bit earlier today and I was surprised to find that a lot of people that were there listening had the same concerns that I do. Now in addition to having my Landing Page Cash Machine e-book, I also dabble a little bit in affiliate marketing as well. The frustration that I have is in the conversion rate of the programs that I run. Now how many people here are affiliates as opposed to merchants or affiliate networks? Great! Would you like the programs you run to convert just a little bit better? Yes? OK, well me too. And that was the concern that I had here and that was the problem, really, that is my mission in what I am trying to solve. In what I found and what I learned today is that you share that frustration with me. As a matter of fact, given the dollars that you probably have spent compared to what I spend, you probably have that frustration even more. A lot of focus on getting the traffic and what is the idea here? Put in one dollar; get two dollars out, right? Well, there is a lot of focus on how to spend that one dollar wisely and I don't want to dissuade you from doing that. But I really do want to talk to the merchants here and the affiliate networks and tell you to please help us think about this two dollars even better. It doesn't take a whole lot of testing and a whole lot of work to optimize the conversion rate of the landing pages that you have. And I want you to consider for a moment that when you are converting a paid offer at one percent that you really have a ninety-nine percent failure rate. I think that's kind of earth shattering. I think it's frankly kind of embarrassing. But it may be insurmountable. It may even sound like, "Wow, this is just really hard to get from a one percent conversion rate to a two percent conversion rate." After all, that's doubling. That's making it twice as hard, twice as much work to convert that traffic.

But the truth of the matter is that that ninety-nine percent failure rate can be improved by, oh, just one percent. Isn't that a much more reachable goal? Do you merchants think that perhaps you can fail only ninety-eight percent of the time instead of ninety-nine percent of the time? And for perhaps a ringtone offer where you have a ten percent click through rate, could you maybe fail only eighty percent of the time instead of ninety percent of the time?

I think that we're too complacent with the numbers that we are dealing with conversions, and my mission here is to get the merchants and everybody really to start thinking about



the two dollars out. Because if you start working on this two dollars out, you get three dollars out. And then later five dollars out. Then ten dollars out. And soon you're ending up with a whole pile of dough to sit on. My lesson learned is that other people here share the frustration that I have, and I want to encourage you all to take some action, the merchants especially... Cute baby that's on the screen here... I want to encourage you all to take some action on improving you conversion rates.

Again, my name is Mark Widawer, landingpagecashmachine.com. Thanks for your time.

[applause]

Jeff Molander: Apparently my screensaver kicked in here, and little Nolan flashed up on the screen. I'll take care of that...

I'd like to ask... Let's see, who's the next victim? I have a list here. Is Todd Crawford in the room? I didn't see him. I know he wanted to give one. He must have gotten caught up in something. He's a pretty busy guy lately.

Stephanie Agresta, is she here? I don't see her either. I don't think she was able to make it.

OK, moving down the line: Marty Fahncke. I've had a lot of practice with that name. Usually the name gets massacred, but I think I've covered it though. President of Fahncke Associates and also founder of Conference Call University. You should probably recognize Marty's voice.

Marty Fahncke: Thank you very much.

Just two quick things. One is that the networking at this event is really phenomenal. If you're not taking advantage of every networking opportunity and really working that aspect of the event, you're not getting the full benefit from it. I had a couple of clients with me most of the day yesterday. At the end of the day they said, "Man, Marty, you know everything." And I said, "No, I don't know anything. I just know the people who know everything." And that's the key thing. So make sure you really make good friends, make good business partners that are smart, and they'll help you be more successful. That's my first take-away.

The other one is the maturity of this business is unbelievable. I went to my first affiliate event in 2002 on a boat. And from that time up through January in Las Vegas, and even just in the last six months, this business is maturing so rapidly. It's becoming a real business. This isn't just a bunch of people thrown together making money and nobody knows what's going on. It's becoming a real business, and we should be really proud to be in this business and doing some great things on the Internet. So give a hand for ourselves.

[applause]

Jeff: OK, Beth Kirsch. I know Beth is here. Director of marketing at lowermybills.com.



Beth Kirsch: OK, I'm dedicating this point to Jeff, and I wanted to give a tactical marketing suggestion to all the affiliate marketers out there, and managers. When I was at Audible, we did a promotion in What's Hot, which is CJ's newsletter to everybody. We had very, very few search affiliates in the program because there were some concerns about cannibalization of our existing search efforts. We let ten publishers in for thirty days. We said to all ten of them, "We're going to do this as a test. I don't know where we're going to end up in thirty days, but we need to see where the numbers are." Search went down by four percent. After thirty days, search in affiliates went up by twenty-five percent. So the lesson learned here is that you really do need to look at these two channels together and run them as one integrated marketing channel. And test, because there are other companies and other merchants that that would not work for. But in our case, we made tons more money. That's my lesson learned.

[applause]

Jeff: Indeed, I will do nothing but clap. I didn't clap for that, but I shall now. I totally agree with you on that, absolutely. Which is echoing I think Peter's comments as well. I think it was one of his stops.

Sam Harrelson. Gosh, the first time ever I met the guy at this conference. He's back in the business after a little sabbatical. He is the business development kingpin over at RexDirectNet.

Sam Harrelson: Thank you. Beth and Jeff agreeing. Hell is freezing over. It's great.

I just got through teaching eighth grade for a while. That crowd was much scarier than this crowd. These types of events always remind me of a story from the Bible, Second Kings, where there's this commander of the Syrian army, and he has leprosy. He's trying to find a way to get rid of the leprosy, because it's not generally a good thing to have. So he ends up traveling to Israel to consult a prophet there, who cures him of his leprosy. He's so mystified by all this, and he's so glad, that he decides to take something away with him back to Syria. Because he's a smart guy, he's got a lot of places to go; he's the commander of the army. So he orders that two mules be loaded down with soil from the prophet's hometown and carried with him wherever he went. While I don't suggest we all go out to Walt Disney World and take two suitcases full of Orlando dirt (which is probably not a good thing anyway), we should take away the important things. Not the extra baggage that we can all definitely bring back from these conferences that sort of overwhelms us in the coming weeks.

The one thing I would suggest is learning that along with, again content rising to the top of being a very important thing to have in the industry, communication is really coming back, actually innovating itself in sort of an organic way. Communication between affiliates and merchants, communication between networks like what we do and merchants and affiliates, all around. And even affiliates and their audience. I recommend looking into communicating. Communicate with each other on all these dynamic platforms that are coming about, whether it's simple things like blogs and RSS, all the



way up to social aggregators that are really cutting edge now. This conference really didn't emphasize that. Whether it was the eBay talk with Alan Lewis, all the way up to today's talk with the blogging panelist.

It's been a great conference. Thank you Shawn and Missy for all that you've done.

[applause]

Jeff: Sam, you have a blog. Can we put a cheesy plug in for your blog? I can't remember, what is the URL? It's such good reading. I want to share that.

Sam: I'm with Revenues.

Jeff: You're blogging at Revenues now? I had no idea.

Sam: Also at samharrelson.com

Jeff: Oh, that's right. Samharrelson.com as well. That's the one I was thinking of. And now at Revenues as well, so be sure to tune in.

Let's see, Kristopher Jones is sitting right here if I remember right. He's CEO over at Pepperjam. He was actually running a roundtable. I'm sure he had the chance to absorb all kinds of perspectives.

Kristopher Jones: Thanks, Jeff. There were a couple of really insightful things I took from this Affiliate Summit. One thing is that there is an extraordinary group of entrepreneurs. Entrepreneurialism at the Affiliate Summit and affiliate managers and e-commerce owners is unbelievable. It's inspiring. It's amazing that many of us survived over the last three days standing on our feet in our exhibit booths, obviously enjoying the socializing that we had during the evenings. The entrepreneurialism at this event is amazing, and is unparalleled.

The other thing that I wanted to share. In January, when we were in Las Vegas... I have to admit I'm a traditional sort of affiliate marketer. I worked with the big three, if you will, the Commission Junctions, the LinkShares and the Performics' of the world. My impression then was, "What are these CPA networks that are calling themselves affiliate networks, and why is there such a presence at Affiliate Summit?" So I did some research and we did some internal experimenting with these ad networks. My conclusion here after this event, is that ad networks are here to stay. I do predict consolidation but they are here to stay. For those of you who are affiliate marketers, I encourage you to go out and test them. Your entrepreneurial spirit will be enlightened by the fact that you could actually generate nice income. The other two things in just talking to some of my friends in the industry that I am taking away from Affiliate Summit and it really applies to the big three, the big three affiliate networks. There are two issues that Commission Junction, LinkShare, and Performics need to address, one being transparency. I am really speaking like a merchant, my firm Pepperjam is one of the leading outsourced affiliate management companies. And obviously our clients have a concern about brand integrity



and brand management. I think that the affiliate networks have to do a better job with affiliate transparency and providing more information to affiliate managers and to affiliate management agencies. The second thing in talking again with friends in the industry and from my own personal experience is that the big three really need to improve on communicating, among both affiliate and merchants. Let's be honest, the most effective relationships that exist in this industry and we all have testimonials to account for this, exists when there is an open line of communication, a reliable form of communication and communication that is relied upon, where relationships can be developed. Obviously, under the current situation in Commission Junction, LinkShare, and others, it isn't wealth facilitated. I was very, very, very happy to see the extraordinary work of Affiliate Classroom and some of the just great things that that group of entrepreneurs are doing to advance our industry. And I believe that as that Shawn and Missy hold additional Affiliate Summits, these issues are going to continue to be refined, to be addressed and I think the state of the affiliate industry, which you are hearing today obviously, is healthy and will become more healthy if we all work together on these very important issues.

[clapping]

Jeff: Thank you, Kris. We've got Rob Key; I think he is sitting right over here also. Rob Key is CEO over at Converseon.

Rob Key: Thanks, Jeff. It was easy to get that one right. I have a few little statistics that I just wanted to add. Some of you many not have heard during the conference so far. Forty-four percent of US adults are now considered content creators. They are either posting their opinions or their photos or others that are within the web. Thirty percent of all Internet users are visiting blogs. Sixty-seven percent of consumers say the best source of information about products and services are other consumers, that is according to McKenzie. My Space gets more traffic than Google. Wikipedia gets more traffic than CNN.com. What we have is this proliferation of what we call consumer-generated media. Companies and big brands are trying desperately to get into this word of mouth phenomena. They are looking for avenues, they are looking for platforms. So my take away is really a question for the entire industry here. The affiliate marketing industry is comprised of some very smart people who help lead the way, from the search engine perspective very early on. They are kind of the Petri dish of marketing. The question is can affiliate marketing, in an appropriate way become the platform for word of mouth marketing going forward and help brands and merchants grab onto this word of mouth marketing opportunity. I think so. I think that there is an opportunity. I would encourage everyone to go to the Word of Mouth Marketing Association, <http://www.womma.org>; there is a set of ethics. There are a lot of issues associated with this. What I would encourage everyone to look at exploration of this, going forward. I would encourage future affiliate summits to look at this morphing of affiliate marketing into word of mouth marketing going forward. That is it, Thank you.

[applause]



Jeff: I know, rumor has it that a guy named Brian Clark, the founder of Revenues and of course he has many other ventures, might actually show up for networking tonight. If you are lucky, corner him. [applause] Applause, that is nice. I have actually never meant Brian, so it will be a thrill for me if does actually show up. The reason I mention Brian's name is that Brian and to a degree Wayne Quarter and there are certainly others, who see the importance and see the kind of the future migration of affiliate marketing moving into the word of mouth space. Just to kind of echo what Rob sees as well.

I wasn't going to share an insight until maybe 30 seconds or so I was thinking about doing it. Now some may find that funny. I am not quite sure why. My insight ties with two people, as it should, that had impact on me during this show. The first, I am pleased to say is Jim Bouton; this is a guy who created dramatic business change by asking an industry to take a very critical look at itself. That I think is what many of us are seeing here. I see Kris nodding his head. He uses the word transparency. The only way that we are going to be able to, in my opinion and I think there are some that agree, to manage change is to be honest with ourselves. Have honest dialogues, read revenues, read blogs and that is where you are going to find a lot of honest dialogue. Certainly, you are going to find a lot of dialogue in trade publications and those kinds of things. But you should be thirsting for it and that is what Jim is proof, that if we are able to actually honest with ourselves as an industry, there is nothing but good in it and explosive growth. I mean, baseball went through this tremendous change through a mixture of kind of serious reflection and also obviously, Jim had some funny, fantastic stories to tell. The other person that has always influenced me, and there he is, David Lewis. I think if you were lucky enough, and if you weren't; obviously, we have video this time. Thanks to Shawn and Missy for providing everyone with a DVD after this event. (Note – DVDs were not part of the conference package – video of Affiliate Summit sessions was made available to attendees online).

[applause] Absolutely. Fantastic and for Forrest Schaaf for helping out as well with that. But David, if you were lucky enough to catch his panel, actually everybody on this panel, but David particularly to me as an individual has always been one that has through honest dialogue, again, proven that we can agree as an industry much more than we disagree on. Again, if you read blogs and you read trade publications and the media, there is all this disagreement that you see in the industry. While there is some fun and games there. It is always great to disagree with each other but when you come together at a summit like this and you are face to face, it is so much different than it is on a blog or through email where it is very easy to rifle off, all these not always well thought out conclusions. You are forced to actually engage people. So that is my take away is that we as an industry can agree on more than we disagree on if we just come together at events like this and talk about it. That is the only way to really master change is to really come together and address change. That doesn't mean we always have to get along or agree with each other's view points but we do have to listen to each other's view points and that is one thing, the day that I met Dave he likes to remind people because I do have opinions, very strong ones. But he likes to remind people that the day I met him in New York, I think it was just prior to the Cruise Summit, I remember it vividly as David is a very open minded thinker and was able to view both sides of the fence and he taught me to actually do the



Lessons Learned
Affiliate Summit 2006 East
July 9-11, 2006 in Orlando, FL

same thing more frequently. I appreciate that, David.

Thank you all for you insight, all of our speakers. Donating time and energy to making the Affiliate Summit a success. Thanks also to each and every one of our sponsors and exhibitors. With a special thank you to, very strong support from Wearelive.com and continuing support from Digital Rivers One Network. A reminder that reservations for January's affiliate summit are now being taken. Deep discounts are being offered by Shawn and Missy if you sign up today so do that as soon as possible. Please do take the time to provide us with feedback and how we are doing with the Affiliate Summit. It is very easy to do <http://www.affiliatesummit.com/feedback>, couldn't be any easier than that. You have had the opportunity throughout the show and if you didn't get a chance, please do so. I think we still have the Wi-Fi in here. Is that still turned on, Shawn? It looks like you might actually be able to do it now, if not feel free to do it from home but please do it. That is the only way we can improve things. Again, my name is Jeff Molander. It has been a pleasure being your MC for this event. Thank you, Shawn and Missy, for again working so hard to make this event a success for sponsors and attendees. Travel home safely everyone. We will see you in January.

[applause]