Franchising Your Online Business

According to Wikipedia, Franchising is:

"a method of doing business wherein a franchisor licenses trademarks and tried and proven methods of doing business to a franchisee in exchange for a recurring payment, and usually a percentage piece of gross sales or gross profits as well as the annual fees. Various tangibles and intangibles such as national or international advertising, training, and other support services are commonly made available by the entity licensing the 'chain store' or franchise outlet (commonly shortened to the one word: franchise), and may indeed be required by the franchisor"

Franchises have proven to be much more successful than the traditional small business. Almost 80% of new business start-ups fail each year. Franchising, on the other hand, allows an entrepreneur to open up a new business based upon a proven brand and business model.

The franchiser is able to quickly expand their brand across countries and even continents as long as their business model and standard operating procedures are executed properly and are easily duplicated.

Some of the most successful franchises include McDonald's, Subway, and Dunkin Donuts. Each of these businesses have successfully duplicated themselves in thousands of locations. The concept of franchises can be duplicated in an online business as well. They are known as affiliate programs. This marketing technique can enlist hundreds, even thousands of web sites to promote your product or service with zero risk on your part.

These unique partnerships are a great way to get other people to promote your products for you without paying any additional money on advertising. You simply provide your affiliates with marketing materials and they promote your product to their mailing list and

within their website. For every paying customer your affiliates refer to your web site, you pay them a commission.

This form of marketing can drastically reduce your advertising costs. At the same time, your brand exposure can increase exponentially as you enroll thousands of highly motivated affiliates to advertise your product or service. As for the affiliate, they receive an opportunity to earn a substantial income without the risk of developing a proven product, fulfilling orders, handling customer service or merchant accounts. They simply promote the product and receive a portion of the revenues while you get increased exposure all over the Web. It's a win-win situation for both parties involved.

However, to develop a truly successful program, you must create an optimized system that can be easily duplicated, recruit hundreds of affiliates, and keep your affiliates highly motivated. Read on to find out how you can succeed in each of these steps.

Keys to Creating a Successful Affiliate Program The first key to a successful affiliate program is that it be built around a proven product and excellent customer support. If you don't have a great product that fills a need in the market, then you are simply wasting your time. However, don't think that you have to do everything yourself. This is one of the number one mistakes made by small businesses and one of the biggest reasons for their failure. To be successful online and offline, you must have a business that has systems in place that allow it to expand and grow. You are responsible for expanding your business, not working in it. If you are spending a couple of hours every day responding to customer support issues, then you are simply wasting time. All of this work should be given to someone else so that you can focus on growing your business.

To look into hiring a professional customer support staff, go to http://www.pro-support-ntwk.com/ The second key to creating a successful affiliate program is to set high commissions. To keep your affiliates motivated, you should pay them at least 50% of your profits per sale. (Remember, these are sales that you could never make alone. By giving your affiliates a better incentive, you will be able to recruit higher-end affiliates.) You can afford to pay out higher commissions because online products have much higher profit margins. Offline businesses do not have this luxury due to the many expenses involved in operating a brick and mortar business.

Thirdly, ensure that your sales page converts well before you start your affiliate program. Your sales page must convert at a rate of at least 2% or better. If it does not, then what reason would people have for promoting your products? Therefore, you must test first. One of the easiest ways to do this is by advertising with Google Adwords. Pick out some very targeted keywords, place your ads, and direct people to your sales page. You should be testing a number of different sales pages to see which one converts the highest.

Finally, you must have the appropriate software to track the traffic and sales of your affiliates. I would highly recommend a program called AssocTrac, which you can find at http://www.assoctrac.com. Within this software, you will be able to customize your

affiliate program, set your own commissions and provide your affiliates with all of the resources they'll need to make you the most money.

You will want to include the following promotional tools:
emails
banners
text links
articles
interviews
ezine ads
press releases
self-branding ebooks
and more...

You must also show them exactly where to advertise. I suggest using Camtasia videos to teach your affiliates step-by-step how to market your product down to the smallest detail.

John Reese does a great job of training his affiliates to promote his product at http://www.auctionsecrets.com/affiliateprogram.html. Offer your affiliates a very simple, step-by-step process in which they login to the affiliate site and then copy and paste the promotional materials that you have made for them. In fact, you should tell them exactly what to do and in what order they should do it. Here's an example:

Step One - Send this email to your subscribers
Step Two - Add this article to your site
Step Three - Add this review to your site
Step Four - Send out this ezine ad to the following newsletters
Step Five - Change Your Email Signature to this
Step Six - Change Your Forum Signature to This
Step Seven - Offer this branded ebook to your newsletter subscribers

So, why does this tactic work? It is basic psychology. Our brains hate to see any step go unfinished. We feel as though things are incomplete when we don't complete all of the steps. If you use this simple aspect of psychology within your affiliate program, you can greatly improve your income. In addition, you are also creating a very systematized approach for your affiliate program. Affiliates should never have to ask how they can be successful promoting your product. You must have a system set up that provides them with all of the training and tools they need to be successful.

This is how you duplicate yourself. You teach others to promote your products and services. I would also suggest that you develop a two-tier affiliateprogram. While this may not seem like a crucial element, it can make a huge difference in your profits. With a single-tier affiliate program, you pay your affiliates a commission for any sales they refer and that's it. However, with a two-tier affiliate program, you pay your affiliates a small percentage of any sales generated by affiliates they refer to your program.

This motivates your existing affiliates to recruit other people to join your affiliate program. This one simple concept can exponentially increase your affiliate sales.

This way, your affiliates recruit affiliates, who then recruit even more affiliates. Are you starting to see the true power of this marketing technique? Promoting Your Affiliate Program Now it's time to recruit those super affiliates to spread your marketing message to every corner of the web. You can do this in a number of ways. I'll show you 5 of the most successful practices in place today.

1. Go to the search engines and begin searching for the top web sites within your industry. Look for web sites that have a large list that targets your particular visitor demographics. Once you have found these web sites, send them an email and tell them why you feel that they would make for a great affiliate and how they stand to benefit. Remember to make it personal. Get to know them and their website before you attempt to send them an email.

Better yet, why not give them a call. With today's spam filters it can be extremely hard to get through to someone's email. If you really want someone to take you seriously, contact them on the phone with a personal invitation to join your affiliate program.

2. Send out a press release announcing the release of your affiliate program.

3. Advertise your affiliate program in newsletters and ezines that serve your target market.

4. Get your affiliate program listed in affiliate program directories. Here are a few to get you started:

http://www.affiliatetip.com
http://www.associateprograms.com
http://www.affiliate-programs-directory.com
http://www.affiliateguide.com
http://www.affilaiteseeking.com
http://www.top-affiliate.com
http://www.affiliatematch.com
http://www.affiliatefirst.com
http://www.refer-it.com

5. Most importantly, have a page on your website that sells the affiliate program. Your affiliate program information page is a sales document. You are selling involvement in your affiliate program. Do not take this lightly. An affiliate program can drastically increase your income. You may even want to hire a professional copywriter to create your affiliate information page.

To see an example of a very effective affiliate program sales page, go to

http://www.auctionsecrets.com/affiliateprogram.html

Keeping Your Affiliates Motivated

Whew! This is becoming quite a complex process, but we're not quite finished yet. You must also continually motivate your affiliates. You can do this in a number of ways.

As soon as a new affiliate logs into the affiliate site, welcome them with video or audio, informing them of how they can make money and why they need to act now with the promotional tools.

If you do not encourage your affiliates to act now, they will soon forget about your products and move on to other ventures.

You must also stay in regular contact with them. You will want to send out an affiliate newsletter at least once a month to remind your affiliates about special promotions.

Create contests for your affiliates, offering prizes to the top performing affiliates over a certain month.

Announce the highest performing affiliates in your newsletter. This gives them recognition and will also encourage the rest of your affiliates.

Offer your affiliates a higher commission rate for a certain period of time. This can be especially popular during the holiday season.

When you do find that someone is performing especially well, go out of your way to reward them. Contact them by phone to thank them personally, give bonuses for sales over a certain amount, or send them a nice card or gift.

Simply being thoughtful can go a long ways.

I hope you see the amazing opportunities that can be found in an affiliate program. They will reduce your advertising costs, dramatically increase your brand exposure, and explode your income when used correctly.

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