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Small Talk

Kelly Spors answers questions from readers about entrepreneurship

By **Kelly Spors**

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Q: *Just what is the secret to making a decent income by setting up a Web site on affiliate programs?*

A: Joining affiliate programs is an easy way to make a few extra dollars for anyone with a Web site or blog. But making a livable salary as an affiliate often requires some real entrepreneurial skill.

Affiliate programs, which started in the mid 1990s with companies like Amazon.com, let Web-site owners post links to online businesses and earn a commission for every customer they guide to the business. Affiliates usually earn a small percentage of whatever that person who linked through their Web site spends at the business, or a flat dollar amount. Some programs pay per click on the affiliate link.

But affiliates are encountering an increasingly frustrating problem: How do you compete with all the other Web sites and blogs out there clamoring for attention? Unless you can generate thousands of visitors to your Web site each month, chances are you won't rake in much income.

As Internet and affiliate-marketing mature, affiliates find it increasingly tough to steer traffic to their Web sites. Search-engine results aren't as easily manipulated as in the past, and affiliates must resort to methods such as paying for search-result placement to draw traffic to their sites, says Shawn Collins, an affiliate-marketing consultant in Berkeley Heights, N.J., who organizes conferences for affiliates. Mr. Collins estimates that about 25,000 affiliates in the U.S. make a "livable salary" from their profits, while "hundreds of thousands are making \$5 to \$10 a month." At least one million people participate in affiliate programs, he adds, but less than 10% of affiliates make nearly 90% of the profits from them.

Wendy Shepherd, 38, of Emmitsburg, Md., had such success. Ms. Shepherd began tinkering with affiliate programs in 1997, when she posted a link to MSN.com on her Web site, which doles out household and gardening tips. As Ms. Shepherd, a work-at-home mother of three boys, realized she could earn money, she launched more Web sites with various themes and selected her affiliate programs based on the ones that best matched the sites' content.

She now has about two dozen Web sites, with her two most-popular ones each garnering between 125,000 and 150,000 hits a month. Ms. Shepherd says she earned roughly \$102,000 through affiliate programs in 2005 and is on track to make "six figures" this year.

She credits her success to "word of mouth" and repeat visitors. She adds fresh content her sites weekly, giving visitors reason to come back, and offers weekly email newsletters to keep them updated on her site offerings. "You have to make sure that people keep coming back," Ms. Shepherd says. "That's really important."

Chris Henger, a vice president of Chicago-based Performics, a company that manages a network of affiliate programs, agrees. Being successful requires "having a business model" and constantly looking for new ways to increase site traffic and get repeat visitors, he says. There is no one solution, though. Web sites such as eBates.com, for instance, offer cash back to customers who shop through the affiliate links. Other affiliate sites specialize in advertising deals on other Web sites. And some, like Ms. Shepherd's, are information-based and incorporate links based on the site's topic.

Beyond putting interesting content on your Web site, it is also important to pick the affiliate programs most likely to be profitable on your site. You might start by joining affiliate networks such as Performics, LinkShare or Commission Junction that manage affiliate programs for many companies. These networks are free to join and offer many affiliate programs to choose from. They also offer various tools for monitoring your success. Another option: Joining a search-engine-based program such as Google's AdSense, which automatically lines up affiliate links for you based on your site's content. Google's AdSense program also makes affiliate programs easy to use. You supply information about your Web site and they choose which ads get posted on your site.

If one particular affiliate program isn't working for you, there is no reason you can't replace it with something else. And you probably should.

Write to Kelly Spors at kelly.spors@wsj.com