



IT IS NOT
ABOUT THE **LABEL**
USED... IT IS ABOUT

THE **BEHAVIOR**
ENCOURAGED!

NOT LABEL USAGE, BUT BEHAVIOR INCOURAGEMENT

THE LABEL

USED should not
be the focus.

Behavior is the
focus supported
by simplicity in
how the behavior
is rewarded.

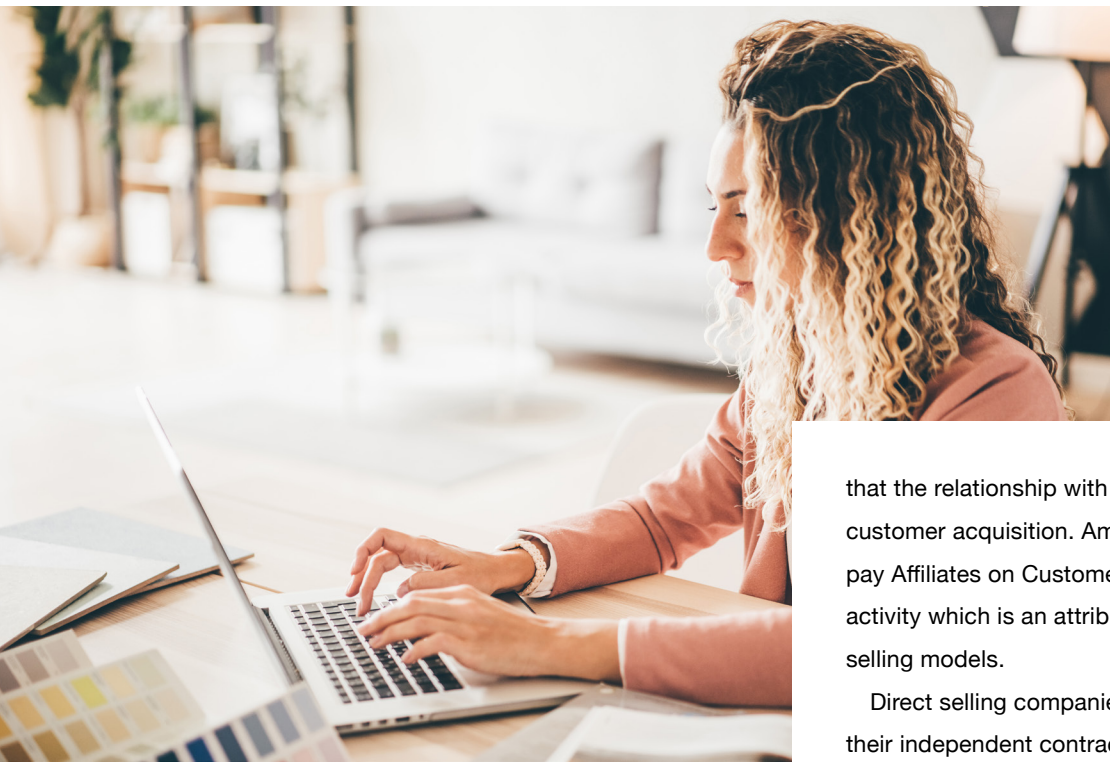
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**AVING BEEN INVOLVED IN
A SIGNIFICANT AMOUNT**

OF RESEARCH over the past

three years relative to the phenomenal growth of the gig economy and the changes in marketplace behavior, we have not found one common definition of an **Affiliate Program**. The Amazon definition is very different from the manner in which a direct selling company might embrace the concept.

Recent observations reveal that the label “Affiliate” is critiqued and discussed as if there is a common definition applicable to all who embrace the use of the label. Our caution, and the motivation for this article; be careful about critiquing or praising any label that cannot be described with one description universal to the universe. Example: we as direct sellers have witnessed the hijacking of the label MLM by adversaries who applied the term MLM to all companies who embraced a tiered compensation architecture as if tiered compensation was a new evil. To explain further, the label MLM became identified as the architecture of a pyramid scheme. One can easily say; we have never recovered from the impact of using a label which had many nuanced definitions and applications.



All MLM compensation plans are not the same. Some are intentionally designed to focus on income possibilities while most are designed to focus on rewarding positive behaviors which are duplicated by others ensuring that brand awareness is enhanced, and real consumers are attracted to the brand.

Amazon might have the most successful Affiliate Program of any type of business. The commission available to Amazon Affiliates is between 1% and 20% depending upon criteria applied to Affiliates. Based upon available literature, we can hypothesize that the average Amazon Affiliate earns between 5% to 10%. We do not have data on the hypothesis.

Amazon Affiliates are expected to influence purchasing from the Amazon digital platform through promotion initiated by Affiliates on their personal websites, blogs, and social media platforms. Amazon provides their Affiliates with excellent support – perhaps, the finest digital platform, support and service created by a business model in our lifetime. Amazon appears to ensure

that the relationship with Affiliates is focused on customer acquisition. Amazon does not appear to pay Affiliates on Customer retention and repurchase activity which is an attribute of most direct selling models.

Direct selling companies certainly reward their independent contractors on the continuous purchasing of customers acquired and retained directly and often indirectly.

During the last round of research we conducted on the gig economy, we did find that Simplicity vs Complexity is a viable strategy and therefore, an attribute of gig providing models. We did not find a viable Affiliate Program of any type to be based upon commissions only. Amazon rewards its Affiliates with what might be considered a modest commission. However, Amazon can boast a very successful Affiliate Program.

Direct selling companies have the opportunity to design their programs to be very rewarding and encouraging, supporting a focus on customer acquisition, retention, and frequent ordering. The label used should not be the focus. Behavior is the focus supported by simplicity in how the behavior is rewarded.

Offering and encouraging the development of 20, 25, 50 or more customers purchasing frequently without time zone or geographic restriction is a very exciting opportunity for many who seek the freedom and flexibility associated with any form of micro entrepreneurship. A direct seller who adds their

personal experience and passion to how they share the product/service adds a powerful ingredient to their personal marketing efforts. Using the previous example of 20, 25, 50 customers purchasing frequently at an average order of close to \$100.00 creates an exciting opportunity regardless of the label used. If the label used is “Come Fly with Us” we must simply ensure that the marketplace of potential new participants understands what we are saying. Why should we simply adopt a label created by someone else that has many different definitions?

Excellent Affiliate Programs are supported by companies who offer classy products, exciting marketing, creative communication/promotions, and flawless customer service support. The companies that create such programs are not relying upon each individual participant to create their own marketing

and support. The new direct seller is more of an intermediary dependent upon a company to provide them with excellent products, services, and support. These new intermediaries are motivated differently. When we respect the differences by simply realizing that everyone will not engage for the same reason, we simplify our approach to attracting and engaging more market share. In my many years of observation, I have never experienced a marketplace as favorable as the one we now find ourselves. This marketplace purchases their products and services differently and seeks to better utilize their underutilized assets including time, knowledge, skill, passion, and purpose to enhance their incomes.

The labels you use to grow market share are not as important as the behaviors you attract, encourage and reward! ■



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