

PV1

Traffic From Free Advertising©

It has been said that traffic is the life-blood of the affiliate marketer. While it is true that without traffic there can be no sales it is also true that traffic alone, does not guarantee a profit on every sale.

When traffic comes from free advertising, however, it carries no direct cost and can, therefore, reduce the average cost of a pay-per-click (PPC) campaign.

As an example, if you attracted 100 potential customers to your web site at a PPC cost of .50 cents each and you generated one sale (a 1% conversion ratio), your cost per sale would be \$50.00 (.50 x 100).

If, in addition to your original PPC campaign, you attracted 100 potential customers to your web site from free advertising and still experienced the same 1% conversion ratio, you would have two sales (1% of 200) at the same cost of \$50.00 or a \$25.00 average cost per sale ($\$50.00/2$).

The more free traffic you can add to your PPC traffic, the lower your average cost per sale will be and the greater your profit (or lower your loss) will be.

In other words, as you add more free traffic, your PPC break-even point (the amount you can pay per click) will increase proportionately so you can pay more per click and still make money.