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TRAFFIC ARBITRAGE GUIDE

The Traffic Arbitrage Starter Guide

How affiliate traffic really works, the white-hat way

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What is inside

I have spent more than twelve years buying traffic and running user acquisition, and most of what I learned early on came from people who either did not understand the mechanics or were quietly cutting corners. This guide is the version I wish someone had handed me on day one. It is honest about the money, honest about the risk, and firmly white-hat from start to finish.

My goal here is simple. By the end you should understand what traffic arbitrage and affiliate marketing actually are, how affiliates get paid, how the networks and offers fit together, how to match a traffic source to an offer, why tracking is not optional, and how to run a small first test without lighting your budget on fire. I will point out the shortcuts people take, but only so you know to walk the other way.

CHAPTER 1

What arbitrage and affiliate marketing actually are

Traffic arbitrage means buying attention in one place and sending it somewhere it is worth more. You pay to put an ad in front of people, those people take an action, and someone pays you more for that action than the ad cost you. The gap between what you spend and what you earn is your margin. It is the same idea as any other arbitrage, just applied to clicks and conversions instead of stocks or currencies.

Affiliate marketing is the payment structure that usually sits underneath arbitrage. Instead of selling your own product, you promote someone else's offer and get paid when you deliver a result they care about. The advertiser gets customers without paying for ads that do not convert, and you get paid only when you produce the outcome. Most affiliates are, in practice, running arbitrage. They buy traffic and route it to affiliate offers, hoping the payout beats the media cost.

The difference worth remembering is one of framing. Arbitrage describes the economic bet you are making. Affiliate marketing describes the commercial relationship that lets you get paid for it. You can do affiliate marketing without paid traffic, for example through a content site or an email list you already own, and you can do arbitrage on your own products with no affiliate involved at all. When you combine paid traffic with affiliate offers, you get what most people in this space simply call media buying.

- Arbitrage: buy attention cheaply, convert it into something worth more.
- Affiliate marketing: get paid by an advertiser for delivering a specific result.
- Media buying: the day to day craft of running paid traffic to offers.
- Your margin: earnings minus media cost, after every fee is counted.

CHAPTER 2

How affiliates get paid

Before you touch an ad account, you need to understand payout models, because they decide how much risk sits on your shoulders versus the advertiser's. The model tells you what event triggers your payment. The further down the funnel that event is, the more the advertiser trusts you to send quality, and usually the higher the payout.

Common affiliate payout models and what triggers payment

Model	You get paid when	Who carries more risk	Typical fit
CPA (cost per action)	A defined action completes, such as a sale or signup	Balanced	Most performance offers
CPL (cost per lead)	A user submits valid contact details	Advertiser	Insurance, finance, home services
CPS (cost per sale)	A purchase is completed	Affiliate	Ecommerce and retail
RevShare	Ongoing share of revenue the user generates over time	Shared over time	Subscriptions, recurring products

The single number that ties this all together is EPC, or earnings per click. It is your total earnings divided by the total clicks you sent. EPC is useful because it turns any payout model into one comparable figure. If your EPC is higher than your cost per click, you are profitable. If it is lower, you are paying to lose money. Networks often publish an average EPC per offer, but treat that as a loose hint, not a promise. Your creative, your traffic source, and your audience will move that number a great deal.

KEY TAKEAWAYS

- The payout event determines who carries the risk and how large the payout is.
- EPC is your universal yardstick. Compare it against your cost per click.
- Published average EPC is a starting reference, not a guarantee of your result.

CHAPTER 3

CPA networks and how to work with them

Most affiliates do not deal with advertisers directly at first. They work through CPA networks, which sit in the middle. The network aggregates offers from many advertisers, handles the tracking and the payouts, and gives you one place to find campaigns. In exchange they take a margin and they act as gatekeeper, because their reputation depends on the quality of traffic their affiliates send.

That gatekeeping is why applying to a network involves a short interview or an application form. They want to know what traffic sources you use and how you plan to promote offers. Answer honestly. Saying you are new is fine. Trying to sound like a seasoned super affiliate when you are not usually backfires the moment your first campaign looks different from what you described.

1. Pick two or three reputable networks and read their terms before applying.
2. Fill out the application honestly, including your real traffic sources and experience level.
3. Expect a quick call or email. Be straightforward about being early in your journey.
4. Once approved, get assigned an affiliate manager and actually talk to them.
5. Ask which offers are converting well right now and what traffic those buyers use.
6. Confirm payment terms, minimum payout, and how disputes over lead quality are handled.

Your affiliate manager is the most underused resource in this business. They see what is working across dozens of affiliates and they want you to succeed, because you only make them money when you make money. Ask them about caps, about which geographies convert, and about which offers have been paused for quality problems. A good relationship with a manager will teach you faster than any course.

> **STAY COMPLIANT**
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> Never run traffic through methods a network forbids, and never misrepresent your sources on the application. If a network offers to look the other way on quality, that is a sign to leave, not a shortcut to take. Networks that tolerate junk traffic tend to disappear, and they take affiliate balances with them.

CHAPTER 4

Picking a vertical and an offer

A vertical is just a category of offers that share a type of customer, such as personal finance, health and wellness, dating, home services, or software subscriptions. Choosing a vertical matters because the whole rhythm of your work changes with it. Some verticals convert on a free signup, others need a purchase. Some have strict advertising rules, others are more forgiving. Pick one that you can talk about honestly and that you would not be embarrassed to show a friend.

Within a vertical you then choose a specific offer. Do not chase the highest payout on the list. A high payout usually means a longer or harder conversion path, which means you need more skill and more budget to make it work. When you are starting out, a lower payout offer with a simple action and a clean landing page will teach you more and cost you less.

- Match the vertical to your own interest and knowledge, so your copy sounds credible.
- Prefer offers with a simple conversion action while you are still learning.
- Read the offer restrictions carefully. Allowed traffic sources and geographies are not suggestions.
- Check the landing page yourself on desktop and mobile. If it feels slow or shady, walk away.
- Look at whether the advertiser accepts your country and whether the payout justifies local ad costs.

One honest warning about restrictions. Every offer lists which traffic sources and claims are allowed. Ignoring those rules is the fastest way to have earnings clawed back, because the advertiser will simply refuse to pay for traffic that broke their terms. Treat the restrictions as part of the offer's economics, not fine print.

CHAPTER 5

Traffic sources and matching source to offer

Traffic sources fall into a few broad families, and each one attracts a different mindset from the person seeing your ad. Search traffic is high intent, because someone is actively looking. Social traffic is interruption based, because you are catching people mid scroll. Native traffic sits in between, blending into content feeds and articles. The art of arbitrage is matching the intent of the source to the demand of the offer.

Matching traffic source to offer type

Source	User mindset	Good fit for	Watch out for
Search ads	Actively looking, high intent	Offers that answer a clear need or query	Higher click costs, keyword competition
Social ads	Browsing, low intent, discovery	Visual, impulse, and broad appeal offers	Ad fatigue, strict policy review
Native ads	Reading content, curious	Story led offers and longer landing pages	Traffic quality varies by placement

The mismatch is where beginners lose money. Sending low intent social traffic to an offer that only pays on a completed purchase is a hard sell, because those people were not shopping. Sending high intent search traffic to a simple email signup can work beautifully, because the action is small and the person already wanted the thing. Before you launch, ask yourself whether the mindset of the source lines up with the action the offer needs.

KEY TAKEAWAYS

- Search equals intent, social equals discovery, native sits in the middle.
- The bigger the ask in the offer, the more intent your traffic needs to carry.
- Read each platform's advertising policies. Compliant creative keeps your accounts alive.

CHAPTER 6

Tracking, and why it is non-negotiable

If you take one thing from this guide, take this. You cannot run paid traffic profitably without tracking, and every affiliate who skips it eventually loses money they could not explain. Tracking is how you connect a click you paid for to a conversion you got paid for. Without it you are guessing, and guessing at scale is just donating to ad platforms.

The core mechanism is the postback. When a conversion happens on the advertiser's side, the network fires a signal, called a postback or a conversion pixel, back to your tracking tool. That signal carries an identifier so your tracker knows exactly which click produced the sale. This is what lets you see that your money came from a specific ad, on a specific placement, from a specific creative.

Sub-IDs are how you pass that detail through. A sub-ID is a small tag you attach to your tracking links to label where a click came from, for example which ad, which placement, or which audience. When the postback returns, those sub-IDs come with it, so you can break performance down by any variable you tagged. Good sub-ID discipline is the difference between knowing your best ad and shrugging at a blended average.

1. Set up a tracker and create a campaign that points to your offer link.
2. Add sub-IDs to label the variables you care about, such as creative and placement.
3. Configure the network postback so conversions report back to your tracker.
4. Fire a test conversion to confirm the postback lands and attributes correctly.
5. Only then start spending real budget, so every click is measured from click one.

> **STAY COMPLIANT**
>
> Track for measurement, never for deception. Some operators abuse redirects to show reviewers a clean page while sending real users somewhere else. That is cloaking, and it is a fast route to permanent bans and withheld payouts. Your tracker should route honestly, showing every visitor and every reviewer the same experience.

CHAPTER 7

Running your first small test campaign

Your first campaign is not meant to be profitable. It is meant to teach you how to read numbers and confirm your setup works. Treat the budget as tuition. Start small, keep it simple, and change only one thing at a time so you can learn what actually moved the result.

1. Choose one offer with a simple action and one traffic source that fits it.
2. Set a small daily budget you can lose without stress while learning.
3. Build two or three honest creatives and one clean landing page.
4. Confirm tracking and the postback work with a test conversion first.
5. Launch, then leave it alone long enough to gather meaningful data before judging.
6. Read the numbers, cut what clearly loses, and scale only what clearly works.

Reading the numbers comes down to a few figures. Your cost per click tells you what attention costs. Your conversion rate tells you how many of those clicks turned into the paid action. Your EPC, again, tells you what each click earned. If EPC beats cost per click across enough data to trust it, you have something worth scaling. If it does not, look at whether the problem is the traffic, the creative, or the landing page, and test one of them at a time.

- Do not judge a campaign on a handful of clicks. Let the data build before deciding.
- Isolate variables. Change the creative or the audience, not both at once.
- Kill losers without ego. Most tests fail, and that is normal and expected.
- When something works, scale gradually so you do not break what is working.

CHAPTER 8

White hat versus black hat, and honest economics

You will hear about black hat methods, and you should understand what they are so you can recognize and avoid them. They include cloaking, where reviewers are shown a different page than users, fake claims and made up testimonials, and account schemes that use stolen identities or aged accounts to dodge bans. These exist because they can produce a quick spike of money. They also produce clawed back payouts, banned accounts, frozen balances, and in the worst cases legal exposure.

I run white hat, and not only for moral reasons, though those matter. White hat wins on pure economics over any real time horizon. Compliant campaigns keep their accounts, keep their network standing, and compound. When you are not rebuilding banned accounts every month or arguing over withheld payouts, your knowledge and your assets stack up. The black hat operator is always starting over. The white hat operator is always building on last month.

- Cloaking, fake claims, and account schemes are things to recognize and avoid, never to try.
- Compliance is cheaper than it looks once you count bans and clawbacks.
- Honest assets, real accounts, and clean data are what actually compound over years.

Now the realistic economics, because the internet oversells this business badly. Most of your first campaigns will lose money. That is the cost of learning to read the market. Margins on real offers are often thin, sometimes a small percentage over media cost, and you make it work through volume and steady optimization, not one magic winner. Budget to lose while you learn, expect weeks before your first profitable campaign, and treat any promise of fast easy riches as the warning sign it is.

KEY TAKEAWAYS

- Expect early losses. They are tuition, not failure.
- Real margins are usually modest and earned through volume and iteration.
- Compliant, patient operators are the ones still standing years later.

Where to go next

This guide is the map. The blog is where I dig into the specifics, so read the arbitrage articles on shenshin.co for deeper breakdowns of tracking setups, offer selection, and campaign teardowns. When you are ready to put it into practice with a structured path, take the free course. Start small, track everything, stay compliant, and let it compound.

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