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Ultimate guide to partnership marketing

Everything you need to know to boost revenue using the new power channel

Contents

CHAPTER 1

Partnership marketing *is* what's next

Sales and marketing have long been viewed as the primary sources of business growth, but shifting consumer attitudes and behaviors towards brands, businesses, and advertising mean that these traditional channels are no longer enough to grow a business.

Consumers don't trust advertisements, sales people, or even brands themselves anymore. It's widely believed that consumers see 4,000 to 10,000 ads messages a day, and 69% of audiences distrust advertising.[1]

Luckily, there is a better, more trustworthy, innovative solution: partnership marketing.

Whether you've never heard of partnerships as a viable revenue channel before, or if you've studied up and want to help your enterprise get a program off the ground, this ultimate guide to partnership marketing is for you.

1. Andrew Tenzer and Hanna Chalmers, "When trust falls down: How brands got here and what they need to do about It" (London, UK: Trinity Mirror Solutions, accessed August 17, 2021.

CHAPTER 2

Partnership marketing 101

Partnership marketing is a collaborative relationship with another business or an individual that is mutually beneficial to both partners and helps both reach their objectives. These partnerships are a creative, transparent, and relational way to reach new communities of potential customers.

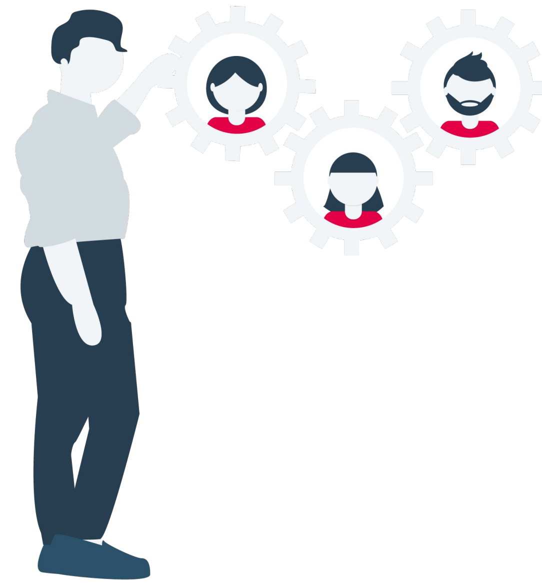
Partnership marketing is the process of strategically using partnerships to realize several benefits[1], including:

- Increased revenue
- Increased brand awareness
- Improved customer retention
- Higher market share
- Increased conversion rates

For years, affiliate marketing[2] was the primary example of referral partnerships yielding business growth. In the past few years, the partnership space has evolved and exploded, creating new kinds of partnerships with unlimited opportunity for business growth.

1. "14 top benefits of partnerships (with a few surprises)," Impact, accessed August 17, 2021, https://impact.com/ig-pc-aw-14-top-benefits-of-partnerships/
2. "Ultimate guide to affiliate marketing | From beginner to expert marketer," Impact, July 7, 2021, https://impact.com/partnerships/ultimate-guide-to-affiliate-marketing/

While "partnership marketing" is the commonly used term throughout the industry, the current era makes partnerships dramatically different from anything associated solely with marketing. In fact, shortening this simply to "partnerships" is a better term for the modern era. There are several reasons why:



1. Partnerships are not simply a part of marketing, but represent a completely independent third revenue driver, one that can stand alongside marketing and sales.
2. Partnerships can be managed by people with marketing backgrounds.They also require input from sales teams, business development experts, enablement experts and partner services and support. There is simply so much going on that that word "marketing" is an inadequate descriptor.

"Partnerships" refers to the full spectrum of business relationships and alliances including strategic brand-to-brand partnerships, native software integrations, loyalty programs, social influencers, app-to-app integrations, corporate responsibility/charity, affiliates, premium publishers, and ambassadors.

CHAPTER 3

Partnership marketing IRL

An ideal partnership introduces one brand to another brand's customers, mutually benefiting both brands through revenue growth, increased brand awareness, improved customer retention, and [myriad other benefits](https://impact.com/ig-pc-aw-14-top-benefits-of-partnerships/).[1] The trick is for the partner brand to position itself in a way that it can leverage the trust that customers have for the originating brand.

For example, Airbnb has a strategic business development partnership with Qantas airlines. From Qantas.com, travellers can book a stay at an Airbnb at the same time they're booking a flight. It's positioned on the company's site as "Fly There, Live There."

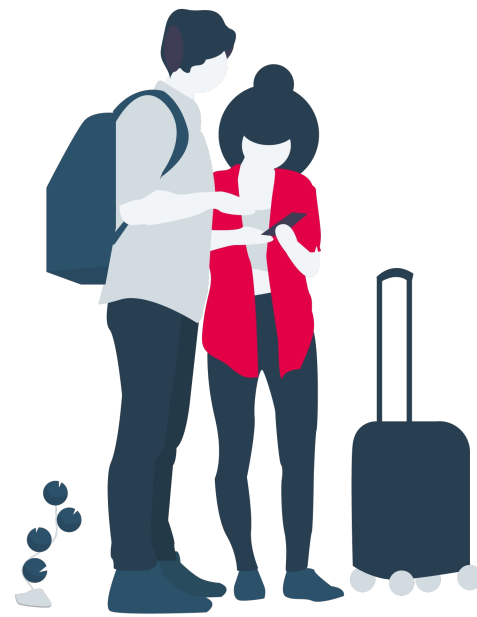
QANTAS FLY THERE | airbnb LIVE THERE

Travellers earn one Qantas point for every $1 they spend booking an Airbnb through the cobranded portal, and earn 500 bonus points for their first Airbnb booking.

1. "14 top benefits of partnerships (with a few surprises)," Impact, accessed August 17, 2021, https://impact.com/ig-pc-aw-14-top-benefits-of-partnerships/

Qantas customers who are unfamiliar with Airbnb are introduced to the brand and have the opportunity to try out the service for the very first time. All customers receive a reward from Qantas. Customers who are already loyal Airbnb customers have found an integrated offering. That makes them more likely to be loyal Qantas customers in the future.

In both cases, Qantas has offered its customers a new service, encouraging more loyalty by adding value. Meanwhile, Airbnb is promoted early in the travel experience, earning revenue and potentially attracting new customers.



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CHAPTER 4

There's only upside to partnership marketing

It's more difficult than ever for enterprises to cut through the noise with a message and acquire new customers. Fortunately, people trust pre-existing relationships or other consumers, and partnerships open up new audience opportunities by leveraging this trust.

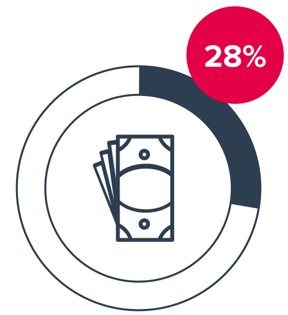
The return on ad spending for affiliate marketing was 12:1 in 2018, according to the Performance Marketing Association's 2018 Performance Marketing Study: Full Year 2018.[1] impact.com's own analysis across a pool of over 2000 global brands across a variety of verticals shows an average ROAS of 16.08.

For some organizations, partnerships are a bigger growth driver than paid search.

According to Wolfgang Digital's 2019 KPI report,[2] the average business generates 18% of its revenue from paid search while high-maturity partnerships programs contribute 28% of overall company revenues. Low-maturity programs contribute 18%, according to Invest in partnerships to drive growth and competitive advantage,[3] a study commissioned by impact.com and conducted by Forrester Consulting.

1. "2018 performance marketing study: Full year 2018: Taking the pulse of performance marketing in the US" (Performance Marketing Association), accessed August 17, 2021, www.thepma.org
2. "E-commerce KPI report 2019 - must-know metrics | Wolfgang Digital," accessed August 17, 2021, https://www.wolfgangdigital.com/kpi-2019/
3. Invest in partnerships to drive growth | Forrester Report 2019," accessed August 17, 2021, https://go.impact.com/PDF-PC-AW-InvestInPartnerships-Forrester2019.html

Mature partnerships programs can add: 28+% average partnership revenue to your bottom line[1]



28+ percent average partnership revenue to your bottom line

This increase represents an average of $162 million worth of incremental revenue for companies with high-maturity programs. That's an eye-opening amount for almost any enterprise.

In addition to increased revenue at a robust ROAS, partnership marketing also [realizes several other important benefits](https://go.impact.com/PDF-PC-AW-InvestInPartnerships-Forrester2019.html),[1] including:

- **Increased brand awareness.** Partnerships with highly influential publishers and brands allows companies to build out awareness and equity for their brand.
- **Improved customer retention.** Partnerships allow you to reach your customers more frequently, stay top-of-mind, and encourage repeat purchases.
- **Higher market share.** Unique partnerships provide companies with first-mover advantages that allow them to capture market share faster than their competition.
- **Increased conversion rates.** Partnerships often drive highly relevant, high-intent visitors who have a greater likelihood of converting compared to other channels.

1. Invest in partnerships to drive growth | Forrester Report 2019," accessed August 17, 2021, https://go.impact.com/PDF-PC-AW-InvestInPartnerships-Forrester2019.html

CHAPTER 5

Deep dive into channel partnerships

Channel partnerships fall into two categories: reseller and referral partnerships.

- **Reseller partnerships** are when one company resells another brand's products or services directly and marks it up and keeps the margin. When reselling products, the company may purchase the product at wholesale prices and carry inventory.
- **Referral partnerships** introduce, influence, or perform some kind of last-mile persuasion to refer a consumer toward purchasing a product or service from the business itself, and earns a commission as a result.

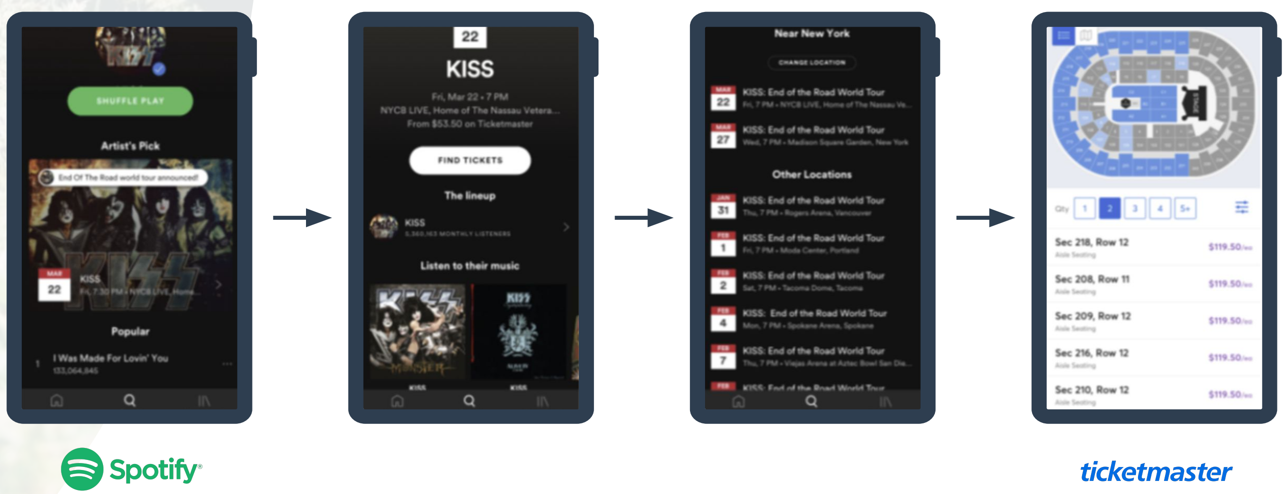
Referral partnerships are becoming more popular, and there are several different forms of partnerships that fall into this category.

- **Strategic brand-to-brand partnerships** are mutually beneficial programs that leverage complementary industries or customer needs. They are set up to increase sales, customer engagement, and/or mindshare for all businesses involved. The receiving business usually enjoys a new customer, while the referring business obtains a payout for the converting traffic it delivers.

- **Native software integrations** are more technologically involved types of strategic brand-to-brand partnerships. In order to activate a more personalized consumer experience, some sort of integration needs to be undertaken to share relevant data with the partner (or vice versa).

  For example, Ticketmaster has a native software integration with Spotify. If a person is listening to an artist on Spotify, they can tap through content within the Spotify app, see a list of concert events, click on a date, and pass consumers through into the Ticketmaster ticketing experience to purchase a ticket.

  These integrations are not advertisements, but rather an enhanced consumer experience. The native software integration links Ticketmaster event and venue data with whatever artist the user is currently listening to on the Spotify app to create an experience that adds value to the listener's experience.



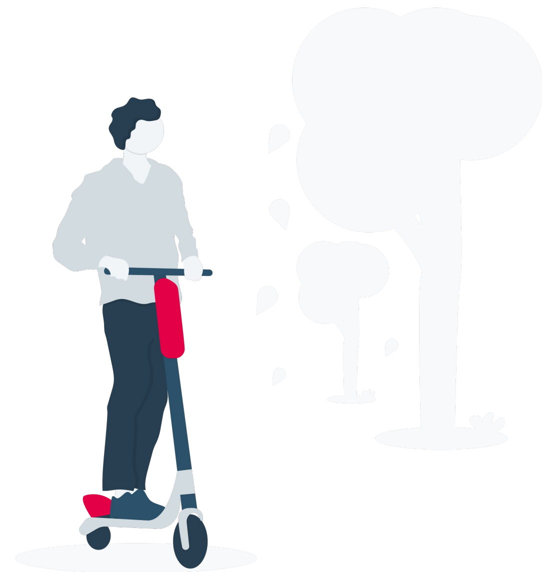
- **Loyalty programs** represent a special class of strategic brand-to-brand partnerships. Consumers often indicate that their choice of retailer is influenced by where they can earn loyalty points or rewards. That's why many enterprises choose to partner with different businesses through their loyalty program.
- **Influencers** are individuals and brands with a large social media following who promote a business on social channels, blogs, and newsletters, typically receiving a fixed fee per post and/or a commission for sales generated.

  This kind of partnership is seeing an uptick in popularity, as businesses look to connect with younger consumers who look to their peers and opinion leaders on social platforms for advice on what products they advocate for.
- **Mobile partnerships** represent a red-hot part of the strategic brand-to-brand partnerships landscape. The mobile app space represents 70% of all mobile transactions. It's no surprise considering users are three times more likely to convert in-app versus the mobile web. Thus, businesses are keen to have partners drive prospects deep into their mobile app experience.
- **Corporate social responsibility/charity partnerships** are an opportunity for companies that embrace a purpose-driven brand strategy or strongly advocate for a robust corporate social responsibility program. Smaller companies may not have deep pocketbooks to donate outright, but cause-based partnerships provide an economically accessible way for them to create a partnership while helping causes they care about.

- **Traditional affiliates** are still very important parts of partnerships programs. This type of partnership focuses on businesses that specialize in driving traffic to a company's owned channels by specializing on providing discounts or incentives to their audience, typically receiving a commission for leads and/or sales generated. To learn more, read our Ultimate guide to affiliate marketing.[1]
- **Content partnerships**, sometimes referred to as commerce content partnerships,[2] offer a smart, efficient way for publishers to escape the traps of traditional advertising. A content partnership is a mutually beneficial relationship between an enterprise and a publisher — the enterprise leverages a publication's audience's trust to deliver relevant brands and services through editorialized content around the products and services they stand behind. The ability to tap into that offering is more important than ever for publishers, as traditional ad models become less effective and publisher revenue continues its decline.

1. "Ultimate guide to affiliate marketing | From beginner to expert marketer," Impact, July 7, 2021, https://impact.com/partnerships/ultimate-guide-to-affiliate-marketing/
2. "Ultimate guide to commerce content | Impact," accessed August 17, 2021, https://impact.com/partnerships/ultimate-guide-to-content-partnerships/

- **Ambassador partnerships** can encompass anything from customer and employee referral programs, offline locations that promote your products, organic influencers, and more. Ambassadors may sometimes be standalone businesses (like your local bar promoting discounts for ride sharing services), but more often than not, they represent individuals who have an affinity toward your brand.

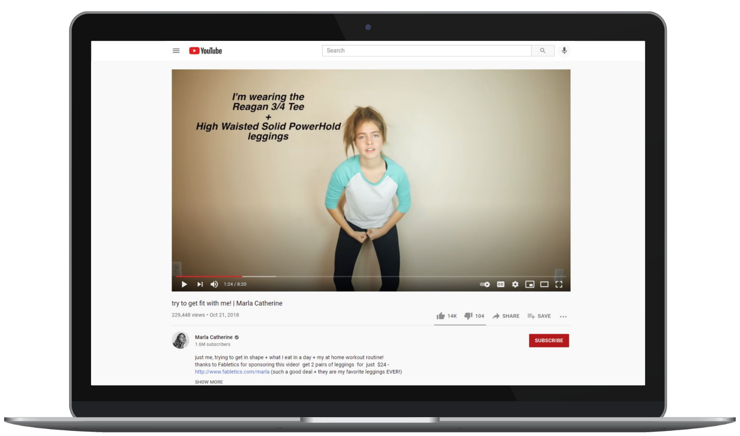


CHAPTER 6

Referral partnerships success stories

The company Fabletics has built strong influencer partnerships with a large number of micro- and macro-influencers.

Fabletics has an influencer partnership with Marla Catherine, a popular YouTube personality with more than 1.3 million subscribers.



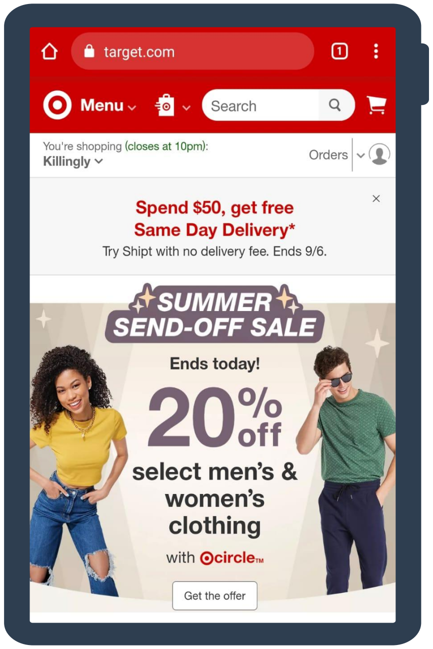
http://www.fabletics.com/marla

At the start of one video about her fitness routine and eating habits, Marla talks about the brand and how much she loves their leggings, all while wearing different pieces of apparel.

Within the YouTube description, there is a vanity link that sends Marla's viewers to the Fabletics shopping experience to buy those leggings and other products.

Target's mobile partnership with Samsung is built around a pre-installed Target quick-access link within the web browser on Samsung devices. Samsung can make recommendations through its quick-access web browser and AI to refer Samsung phone users to buy Target products. The company also has the option of targeting users by device, browsing history, geographic location, and demographic data.

This partnership is available on 50 million eligible Samsung devices, with the Target quick icon viewed an average of 580 million times a month.



TARGET

Users click through one million times per month, driving direct store sales through the mobile placement.

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CHAPTER 7

Making partnerships work

Effective partnership management must include every facet of a business that a partner touches, including sales management, learning and enablement, business development, operations and finance.

Effective partnership management is done through a unified framework that covers the complete set of activities used to forge, deepen and optimize an enterprise's relationship with its partners.

This optimized framework is known as the partnership life cycle.[1]

Fortunately, this framework is applicable across all partnerships, so there's no need to treat every partnership as a unique entity that can only be handled with bespoke mechanisms.

1. "Managing partnerships throughout their life cycle | Impact," accessed August 17, 2021, https://impact.com/partnership-cloud/ig-pc-aw-managing-partnerships-throughout-their-life-cycle/

The partnership life cycle consists of six stages

1 **Discover & Recruit.** There's a universe of millions of potential partnership candidates out there across the world wide web, so cast a wide net and find the highest potential partnerships. Then, you'll want to run a recruitment campaign to entice them to join your partnerships program.

2 **Contract & Pay.** Before these partners join your program, you will create a contract with them laying out the rules of commissioning, your program's terms and conditions and how they will be paid. In order to scale, you'll want to ensure automated payouts disburse commissions to each of your partners for the valuable conversions they deliver.

3 **Track.** Partners need to be set up with the proper tracking infrastructure so that you can attribute them for driving valuable traffic to all your properties across desktop, mobile web and mobile apps.

4 **Engage.** Properly onboard your partners into your program and turn them quickly into productive, revenue-generating participants. Maintain constant communication with all your partners and stay top-of-mind, informing them about new products, creative, and incentives that make them keep driving traffic your way.

The partnership life cycle consists of six stages: *(con't)*

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Protect & Monitor. It's important for your program to remain constantly vigilant and protect themselves from high risk traffic from bad actors. Compliance issues, such as marketing an expired offer (which sometimes has legal implications), or bidding against forbidden, trademarked paid search keywords that you've disallowed in your contract's terms and conditions must be monitored also.

6

Optimize. Long-running partnerships can always deliver more of a good thing. If a partner is delivering a lot of new visitors that end up converting, but does not receive any commission because they are not the last click, adjust your contract to ensure the partner gets rewarded properly so they can keep delivering new prospects. Optimize your overall partner mix, and ensure that a diversity of partnerships exist that are contributing value throughout the entire customer journey.

CHAPTER 8

Platform matters in partnership marketing

With so many options, it may feel overwhelming to think about implementing and managing the various kinds of partnerships. Fortunately, there are solutions.

The arrival of partnership management platforms means that businesses can now streamline partnership workflows across all varieties of partnerships, including affiliates, influencers, strategic brand-to-brand partnerships, and others through a common framework: the partnership life cycle.

Partnership management platforms are software that automate the discover and recruit, contract and pay, track, engage, protect and monitor, and optimize stages.

With it, a business can more easily scale their partnerships programs, fully seizing the opportunity for the partnerships channel to become the fastest growing revenue opportunity within an organization.

Transformation is only possible when organizations unify their partnerships teams and eliminate the silos. The goal of partnership automation is to help the teams move into the modern era, unifying partnerships teams and helping them manage the partner life cycle, participate in the growing partnership economy and activate rapid enterprise growth.

CHAPTER 9

Choose the perfect partnership platform

While automation is the starting point, brands need to look for other key features when selecting a partnership management platform. Use these questions to help evaluate the options:

- **Does the platform facilitate team unification?**
  A single partnership management solution that works across all types of partnerships helps create a culture of transparency and unites formerly independent groups. When team members are accountable to one another, they can work together toward executing a unified strategy.

- **How robust is the reporting?**
  A unified dashboard unites the differing metrics collected across teams and can sew together seemingly metrics from social influencer channels, brand-to-brand partnerships, traditional affiliate and more, providing a clear sense of overall program performance.

- **Can this platform function as a centralized point of contact?**
  Partnership management platforms allow teams to manage relationships consistently across disciplines, de-duplicating touchpoints across the customer journey so that you can avoid inadvertently dispensing multiple payouts to multiple channels (unless you are deliberately rewarding partners outside of the last click).

- **Does the platform allow for flexible contracting with partners?**
  As strategies shift, flexible contracts allow companies to work with their partners to maximize return for both parties, ensuring high performance and a prosperous relationship.

About impact.com

impact.com, the leading global partnership management platform, has been transforming the way enterprises discover and manage all types of partnerships — including affiliates, influencers, commerce content publishers, B2B, and more — since its founding in 2008. Its powerful, purpose-built platform helps businesses, including brands, publishers and agencies, to build authentic, enduring and rewarding relationships with both publishers and consumers. By providing visibility across the entire consumer journey they are able to aggregate, orchestrate and optimize the total value of the entire mix of partnerships with ease and transparency, driving growth and creating new value for consumers.

To learn more about how impact.com's technology platform and partnerships marketplace is driving revenue growth for global enterprise brands such as Walmart, Uber, Shopify, Lenovo, L'Oreal, Fanatics, Levi's and 1-800-Flowers, visit www.impact.com.

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