



A buyer's guide to affiliate marketing automation

Everything you need to know to create your best affiliate partnerships

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What is...

affiliate marketing

the old way

A plug-and-play, set it and leave it approach that relied on a high-volume, last-click model, with mostly coupon and loyalty sites, which led to inflated affiliate programs.

affiliate partnerships

the new way

A thoughtful collaborative approach that includes actionable insights into the full customer journey with performance-based results.



CHAPTER 1

The role of automation in performance-based affiliate programs

Affiliate partnerships have experienced huge growth, with 81% of brands and 84% of publishers leveraging the power of affiliates.¹

In addition, 79% of marketers are primarily focused on driving conversions and increasing purchases.

Delivering against these goals requires a performance marketing strategy.

Affiliate managers need to accurately track leads, calls, downloads, and sales across multiple channels, as well as the contracts and payouts that reflect a media partner's performance value.

Tracking technology and software that manages affiliates is no longer simply a “nice to have”; automation technology is essential to the success of any performance-based referral program.

1. <https://99firms.com/blog/affiliate-marketing-statistics/#gref>



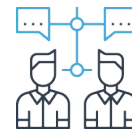
Why you need a technology platform

Platform solutions are the future of performance marketing. They offer companies more control over brand assets and encourage greater transparency between advertisers and affiliate partners. But how do you know which platform to choose?

To help you build the business case for investing in partnership technology, this buyer's guide breaks down why you should consider an automation solution for your affiliate program. It expands on the key considerations that will help you meet business objectives and marketing goals. It also includes an overview of the options available in today's marketplace by contrasting the differences between SaaS platforms, affiliate networks, and in-house solutions. In this buyer's guide, you will discover:



An overview of affiliate partnerships today



Key buyer considerations that point to a solution that's right for you



The tools you need to create an affiliate partnership program



The importance of tracking (beyond cookies)



The technology and service options available



The pros and cons of various affiliate program service solutions

CHAPTER 2

Where affiliate partnerships stand today

What is affiliate marketing?

Affiliate marketing rose to prominence in the mid-1990s as an effective performance-based model that enabled advertisers to work with coupon and loyalty sites to drive traffic to their websites. Initially popular for its ability to allow advertisers only to pay on a sale, over time the model evolved into what we call “affiliate partnerships.”

Like affiliate marketing, affiliate partnerships enable advertisers to pay on the value that matters most to their business, whether it's a sale, lead generation, or contributing to a customer journey.

However, affiliate partnerships also leverage a collaborative approach so it is not “one size fits all” and pinpoints partnership contributions across the customer journey.

At their core, affiliate partnerships facilitate value-return partnerships between the entity that runs an affiliate program and pays out based on valuable traffic delivered (advertiser), the affiliate partner (publisher), and the customer.

To effectively manage these partnerships at scale, they need to be managed and nurtured using partnership automation technology, whether an in-house solution or a third-party solution such as a network or a software-as-a-service (SaaS) platform.



What makes affiliate partnerships appealing?

Affiliate partnerships are used by advertisers to reach a wider audience, increase sales, and grow their customer base.

They are an effective way to get a large number of publishers (affiliate partners) to advertise, promote, and sell products or services in return for a commission. With appropriate tools and automation, affiliate partnerships have the potential to offer advertisers:



A low-risk form of spending advertising dollars (only paying for sales or leads)



A way to promote goods and services on unique websites



The less logistically challenging ability to extend reach to target customers and building brand awareness



A path to increasing online revenue by tracking return on investment and maximizing performance

Didn't Impact say affiliate marketing is *dead*?

Well, yes we did. When traditional affiliate marketing tactics lead to sub-optimized, inflated programs with a high volume of ineffective, even fraudulent, affiliates that result in a negative experience for everyone involved — especially the end consumer — affiliate marketing is indeed dead. However, when we think of it in terms of “partnerships,” it’s very much alive and represents an important evolution within the industry.

Traditional affiliates are just one of the many types of partnerships that exist today, which is why it is key to invest in digital solutions or partnership technology that focuses on more than affiliates. As Impact CEO David Yovanno puts it:²



“It’s not that Impact is moving away from the word affiliate, we’re simply championing the evolution of new and different types of partnerships in addition to affiliates, including software integrations, business-to-business partnerships, social responsibility, influencers, media partners, and podcasts. It also defines the way in which a business works with their partners, which fosters a deeper and authentic relationship. The words partner and partnerships are 100% real, not simply a new label on affiliate, and are essential to framing a discussion with businesses and CMOs about growth for our industry that has the potential” —

David A. Yovanno, CEO of Impact.

2. <https://impact.com/news/partner-or-affiliate-thats-the-burning-question-from-affiliate-summit-west/>

What do you need to set up an affiliate partnership program?

First, consider whether your business model is a good fit. As a performance-based model, affiliate partnership programs are generally well recognized in direct-to-consumer businesses. But there are many cases where affiliate partnerships work in a B2B context as well.

The following business types are conducive to affiliate partnership programs:



B2C sites that sell clothing, accessories, electronics, vacations, or other products



Consumer member and subscription sites that offer insurance, financial services, online training, or other lead-generating verticals



B2B commerce, services, technology, and SaaS organizations

If you receive a lot of your leads, sales or transactions in the digital world, you should consider an affiliate program. As a rule of thumb, if your competitors or similar businesses have successful affiliate programs, you should too. Before you start an affiliate partnership program, ask yourself:

- What solution will you use to onboard and manage affiliate partners?
- How will you track, report, and process payments?
- What resources do you need to manage the channel?
- Should you internally hire or outsource program management?



What if you already have an affiliate program?

If you already have an affiliate program and are considering switching providers, think about what you want to change. Chances are you already have a good idea of what you like or don't like. Create a "wishlist" and look for those parameters in a new solution or service. With today's rapid advancements in technology and management strategies, you may even find new capabilities to learn about. All you need to do is ask the right questions.

What are your technology options?

You can run your affiliate partnership program in three ways:

- **Join an affiliate network.** This is the most popular option if you're looking for standardized processes and a large pool of affiliates. Affiliates can easily find your program and onboard with standard contracts and consistent payout options. However, affiliate networks have many hurdles that may inhibit your ability to customize your program and nurture direct partner relationships.
- **License a software solution.** This customizable alternative includes real-time tracking, enhanced reporting, and increased visibility on affiliate program performance. A platform solution is ideal if you want flexibility and control. It helps you to avoid conflicts of interest and scale programs to work exclusively with affiliate partners. To get the most out of the platform, you'll need in-house expertise or investment in account management.
- **Leverage a cost-per-acquisition (CPA) network.** CPA networks are typically started by super affiliates that leverage high commission rates to attract and sign sub-affiliates. While these networks offer lower costs to participate, the commissions are higher and there is less transparency for the buyer, which means there's also a disconnect between the merchant and the end affiliates. A CPA network is not a great fit if you want to nurture long-term relationships with the actual end affiliates, or retailers with a high volume of commission payouts.

CHAPTER 3

10 key considerations for buyers

1. Transparency in media partner management

In the not-so-distant past, advertisers typically had no contact with affiliates.

Affiliate networks followed a “black box” model and fees were based on access to an “exclusive” publisher base.

However, the affiliate industry adapted as the internet became more open, collaborative, and accessible.

Today, both advertisers and affiliates expect a transparent, collaborative working environment.

In this fiercely competitive space, it's increasingly difficult to justify closed networks.

The shift toward openness is a positive development. Advertisers and affiliates depend on each other for success, which makes communication and transparency critical to ensuring mutually beneficial terms and high-performance campaigns.



2

SaaS solutions versus traditional networks — the pros and cons

Fifteen years ago, affiliate networks or in-house performance tracking solutions were the only choice for advertisers that needed turnkey options to leverage affiliate relationships. This brings us back to our point on the demise of “traditional” affiliate marketing.

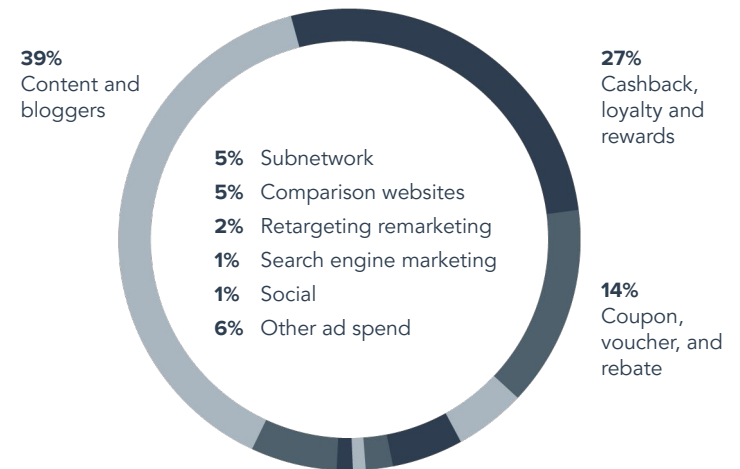
The tactics that led to top-heavy affiliate programs that relied on the “few” high-performing affiliates to deliver the most revenue have also expired. The approach left advertisers overexposed to coupon and loyalty verticals and little transparency on performance across the full user journey.

When looking at ad spend, affiliate sites with content and bloggers ranked at the top with 39% in 2018. Now, affiliate partnerships are about much more than coupons, deals, cashbacks, and rewards.³

Today’s programs need to include intentional campaigns and upper-funnel content that truly engages the target.

Affiliate partnership programs need to nurture the growth of a healthier, more diverse pool of partnerships that includes affiliates, bloggers, and content creators.

Ad spend by affiliate type



From PMA Performance Marketing Study:
Full Year 2018

3. <https://thepma.org/wp-content/uploads/2019/08/2018-PMA-Performance-Marketing-Survey.pdf>

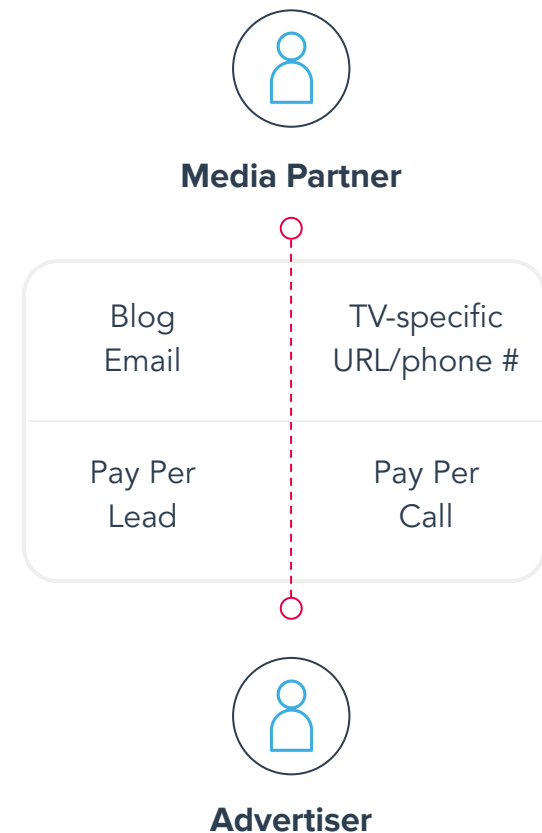


As SaaS platform solutions and automation technology developed, advertisers gained greater customization options and further opportunity to support affiliate partners through enhanced flexibility, transparency, and control.

For example, now you can actually track multiple touchpoints in the conversion funnel to award participation bonuses that compensate partners for their contribution to a sale — even if they were not the final click.

You can also scale engagement efforts by triggering messages once partners hit milestones like joining your program or making their first sale.

New partners should hear from you the days and weeks after they join your program, and SaaS solutions help automate that type of messaging.



3**Media convergence — the increasingly complex media ecosystem**

Consumers interact with information and content in a variety of traditional and digital formats. For example, online campaigns drive offline conversions by sending consumers to in-store purchases, events, and call centers. In an increasingly complex media ecosystem, the pace of change demands that performance marketing move beyond web-browser-only promotions.

Capturing and measuring campaigns across multiple channels more accurately reflects consumer behaviors and facilitates fair performance rewards.

Tracking and attributing online-to-offline pathways, for example, is critical, as is understanding the role of multiple devices in a conversion. Not everyone takes the same route to the checkout, so increasing the probability of turning traffic into profit requires optimizing multiple conversion paths.



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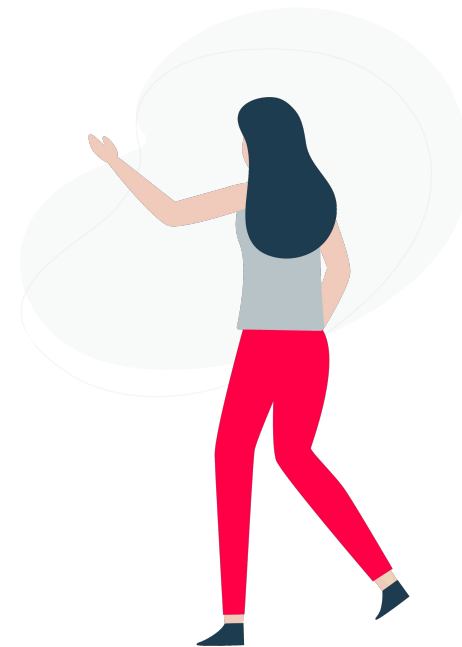
Tracking reliability, especially in a post-cookie world

Cookie blocking is now a default for the majority of consumers who take their privacy seriously. Alongside continuous anti-third-party cookie updates for Google and Safari browsers, cookie-based tracking solutions are no longer reliable or effective. Not only does reliance on cookie tracking lead to reporting discrepancies, uncompensated affiliate partners, and incorrect attribution, it will soon be obsolete. Modern tracking solutions that do not solely rely on cookies for referral sourcing are essential for truly understanding affiliate activity performance and attribution. Advanced technology employs multiple tracking methods and consumer identification information that avoids cookie privacy concerns, resulting in greater accuracy.

Server-to-server solutions are the most future-proof solution.

For example, APIs that directly connect between an advertiser's server and our partnership platform avoid cookies altogether, which in turn helps you avoid browser initiatives.

If an advertiser can communicate directly with a tech platform without relying on a browser, you'll have greater attribution visibility and share only the most relevant user data.



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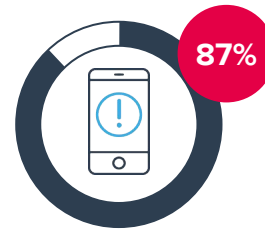
Mobile — the importance of user experience

Mobile continues to play a major role in marketing campaign success, and your affiliate program is no exception. A performance marketer's ability to grasp technologies unique to mobile is essential if you want to access innovative opportunities to reach consumers.

If you have a mobile app, as part of your affiliate program, you need to ensure the app is tracked and that partners deep link into the right in-app pages. Be sure to cover all user journey scenarios: web-to-web, web-to-app, and app-to-app.



50% of affiliate-referred traffic comes from mobile⁴



87% of users think brands need to put more effort into their mobile experience⁵



3x higher conversion rates in-app compared to mobile web⁶

4. <https://www.awin.com/us/news-and-events/industry-news/quarterly-mobile-update-q1-2016>
 5. Source: SuperOffice: Powerful Customer Experience Statistics You Need to Know
 6. https://www.criteo.com/wp-content/uploads/2018/05/18_GCR_Q1_Report_US_ENG.pdf



And, as privacy initiatives such as [iOS14's](#) expanding privacy protection makes device identifiers less available, ensure you are still able to reliably track partners who drive high-quality traffic into your app.

Consider your company's individual needs:

- Do you have an app you want to track?
- Are you planning to invest future marketing budgets in mobile apps?
- Are your affiliate partners driving traffic from mobile devices?
- Does your mobile user experience match consumer expectations?



6

More tools — the problem of managing multiple solutions

Working with a diverse affiliate base to protect margins and drive reach is important. However, affiliate partners are demanding more custom tools and real-time data to help increase conversions and workflow efficiency.

Affiliate programs, on the other hand, need tools for data feed management, coupon code provisioning and controls, mobile app tracking, electronic contracting, and automated payment processing. Access to a comprehensive toolset is key in building a robust channel.

7

Global solutions — do you need an international approach?

Will your program be domestic only — or reach across international borders? Global programs have unique requirements that can vary based on how your company and resources are structured and the countries where you plan to operate.

This may limit the potential solutions that meet your needs. Things to consider include multi-language support, international payment capabilities, market size, and the number of potential partnership opportunities (by country).

8

Payout based on value

To get the best out of your affiliate partners, you need to create contracts that pay them based on performance and “value,” even if not on the last click before purchase.

For example, while shopping cart affiliates may be great at capturing last click for payouts, affiliate and content partners higher up in the customer journey may be driving brand awareness by introducing or persuading a user to convert further down the line. Why should the last-click affiliate get all the credit?

Your chosen affiliate partnership solution needs to help you reward affiliates and content partners based on customized criteria, particularly when the nature of their content is more upper funnel than lower funnel.

It can be difficult to tell which partner made the decisive contribution.

You also need to consider the risks of “performance fraud” from the negative practice of browser cookie stuffing, but that’s where the right performance platform can help.



9

What are your internal resources?

Affiliate partnerships require specific technical know-how and a strong understanding of digital marketing. Consider the internal resources you have available, and calculate the pros and cons of hiring an in-house management team versus outsourcing services and technology.

Partnership tracking and automation can help you aggregate and compare the role each affiliate partner plays throughout the customer journey.

You can then attribute an incremental value to their role as an introducer, a contributor, or a closer. A great way to be fair is to implement participation bonuses that give partners a fixed sum per purchase, a percentage of sale if they drive activity, or alternative payouts for engagement anywhere in the conversion path.

Our partnership technology even allows you to subtract the bonus from the last-click partner's payout so the commission value stays budget-neutral.

10**Data usage — know how it will and can be used**

Before selecting your preferred vendor, it's critical to consider what they're permitted to do with your data. If data generated by your advertising efforts is not properly managed, it can be damaging. Make sure measures are in place to prevent competitors from gaining access and that outside vendors cannot leverage your data to benefit another company.

Once you know your data is properly protected, you need a solution that helps you manage your audience and develop customer profiles for future targeting.

Some affiliate networks are service-based and have clunky UIs. That's why data reports are notoriously hard to access, incomplete, and lack key information. Reports are rarely issued in real time since they need to be retrieved upon request.

Some affiliate networks even require three years' worth of transaction data sent manually, which may incur extra fees. Every business is different and your data view will be unique to you. To effectively manage affiliate partnerships, you need flexible reporting, cross-device tracking capability, and the agility to pull data when you need it.

API access to your platform in particular can make all the difference in the world, enabling you to create customized data flows, inject unique data sets, or pull real-time data for enhanced reporting and visualization.

CHAPTER 4

Investing in the right partnership technology for you

Deciding which solution to adopt requires a lot of research. Your selection depends on many factors, including internal and external business environments, but also the strengths and weaknesses of each solution.

In-house solutions — what to consider

Technology you build, host, and manage in-house is no longer common, with the exception of companies that have large, well-established affiliate programs and several companies in the lead gen space.

With this type of solution, you're responsible for accurate tracking, reporting, and affiliate payments — not to mention maintenance and continual technology development. Building your own in-house affiliate solution requires tech resources to create custom features for managing your affiliate program.

On the surface, this may seem straightforward, but very few companies have the expertise or willingness to invest in the resources required. It's worth noting that nuances must be considered when working with specific types of affiliates.

Often, brands will build a first version then find they have limited resources or budgets available to continue developing capabilities. They find themselves stuck with a suboptimal solution that requires manual work to attract top affiliates. If building it yourself is too much, dozens of established, out-of-the-box affiliate partner solutions are out there.



Affiliate networks — a standardized solution

With a built-in marketplace of advertisers and affiliates, networks are at an advantage. They have access to an expansive database and the experience to effectively manage programs at scale with standardized processes and procedures.

Affiliate networks typically combine program management services and technology into a “one size fits all” solution for large numbers of active affiliate partners that could also join your program. This makes getting partners up and running easier.

However, only working with in-network affiliates alongside exclusivity agreements can be restrictive. Network pricing models combine flat fees or minimums and media-based overrides — typically against a percentage of revenue or commissions.

Providers have a marketplace with multiple advertisers and affiliates that typically register with the network and then apply to individual programs. To participate, advertisers must pay the affiliate network.

Platform solutions — customized to your needs

The platform solution is a hybrid model that combines the benefits of traditional in-house solutions of the past with affiliate network solutions. You may have the option to configure your program and specify business rules, such as payment terms based on product, category purchased, a tiered incentive plan, role in the customer journey, and many other attributes.

Advanced platform solutions allow you to create branded experiences for affiliate partners.

They give you the ability to better market and promote your affiliate program within a marketplace and create visibility for prospective partners. A third critical feature typical of platforms is the clearinghouse or payment distribution system that automates payments between you and your affiliates, even with the most complicated of contractual rules. This kind of solution emphasizes technology and transparency between affiliate partners and advertisers.



Pros and cons of affiliate partnership solutions: Research is key to deciding how to set up and run your affiliate program. Here, you'll find a concise roundup of the pros and cons of affiliate technology when you take your programs in-house versus using a network versus using an agency.

1. In-house solutions

Put in the time and hire the expertise to create your own in-house platform

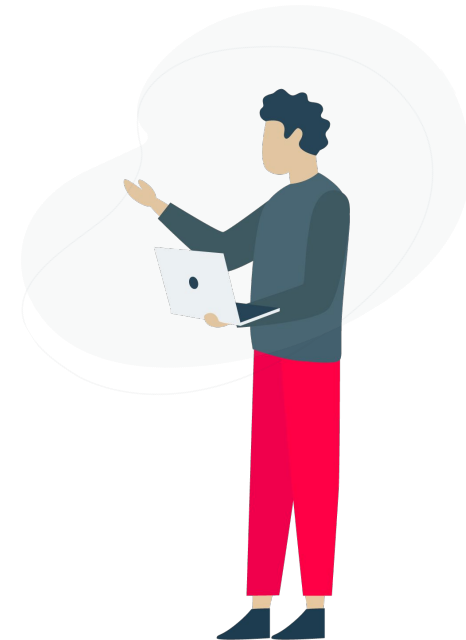
Pros:

- In-house software-based affiliate programs save money in the long run (e.g., on network fees)
- Streamlined processes often integrate directly into e-commerce systems and link to internal data systems
- Total ownership of and easy access to data and complete control over tracking, reporting, and management of ad creative
- Ability to build direct, transparent relationships with affiliate partners
- Configurable and customizable design, brand assets, and creative for any tools or technology features you want
- Affiliate partners interact with your program on your own domain via your branded web interface

1. In-house solutions (con't)

Cons:

- Requires significant resources and expertise to build and continually update a competitive solution
- Additional strain on finance teams to process hundreds/thousands of affiliate payments each month
- Affiliate recruitment — no immediate access to a large base of affiliate partners, leading to fewer partnership opportunities
- Lack the proven track record of networks so experienced affiliate partners may not be willing to work with you
- Resources and expertise are required to maintain the solution, which is expensive
- Integrations with top affiliate partners can take years to get on their development calendars



2. Affiliate network providers

Try to do your best with affiliate network providers

Pros:

- Standardized tracking, reporting, and payment processes that are tried and tested
- Provide access to an existing and often large pool of affiliates using their expansive database
- Enable publishers or affiliate partners to easily find your program
- Out-of-the-box legal agreements, established payment policies, consistent payment frequency, and tracking technology
- Third-party tracking and payment processing reduces perceived risks for affiliates
- Access to industry experts for advice (e.g., account management), although this service may come with added fees
- Ease of use as networks typically combine program management services and technology in one solution

2. Affiliate network providers (con't)

Cons:

- No direct relationship with affiliates or transparency in communication, which means no input on where ads are displayed
- Less control over enforcement of brand usage guidelines, although some offer brand monitoring services at an extra cost
- Significant costs, including setup, network access, and a number of “services” fees for program customization. There’s typically also an override calculated as a percentage of media fees or revenues paid to affiliate partners
- Lack of ability to switch management services; migrating to another network or platform from a network can be complex
- Lack of data ownership and control over its use, restricting the level of insight, or ability to react and optimize results
- Conflict of interest — affiliate networks often benefit from your sales and pay commissions, with no incentive to cut out publishers gaining credit on organic sales

2. Affiliate network providers (con't)

Cons (con't):

- High barriers of exit with exclusive contracts that restrict you from working directly with their affiliates or on other platforms
- Service-based approach that leads to additional account management costs, inaccurate reports, and clunky, inaccessible UI
- Inflexibility on unique or bespoke partnership types — even “award-winning” affiliate networks limit innovative partnerships such as Ticketmaster and Spotify; the only way to get a bespoke partner is for them to join the network, exposing them to competitors



3. Platform solutions

Invest in partnership technology for your internal marketing team

Pros:

- Standardized and real-time tracking and reporting makes data almost instantly visible, and can include payment processes
- Some provide access to an existing directory or marketplaces of affiliate partners
- If offered, third-party tracking and payment processing reduces perceived risks for affiliates
- Can include a flat fee that eliminates "growth tax," allowing you to grow your program without increasing what you pay
- Offers the ability to build direct relationships with affiliates and non-traditional partners. For example, Impact lets clients work with a much wider variety of partners (from animal shelters to airlines to subscriptions and beyond) that would never work in an affiliate network
- Flexibility and control — changes to campaigns can be made instantly, such as design updates, brand assets, and creative

3. Platform solutions (con't)

Pros (con't):

- Networks often get paid on volume, a platform can match you with a certified agency with your best interest and ROI at heart
- Import costs and dedupe conversions across multiple networks to see the entire conversion path and credit the right partner
- Connection with third parties such as Salesforce, with rules that pay on value when leads turn into an opportunity or conversion
- Beyond last click, a platform solution can enable commission on first click and last to cart, and include participation bonuses
- Opportunity for mobile integrations, such as Branch, Button, Segment, mParticle, Kochava, AppsFlyer, and eCommerce integrations like Demandware, Shopify, and Magento
- 10% of all tracking at an affiliate network is lost; platform solutions can help you maintain down tracking

3. Platform solutions (con't)

Cons:

- Platform solutions require total management, either by an in-house team or an external agency
- Some lack immediate access to a pool of affiliate partners, leading to lower media distribution
- Smaller, lesser-known solutions can lack the credibility of bigger networks — experienced affiliate marketers may be less engaged



CHAPTER 5

Finding the right service for your affiliate program

Developing proven strategies, setting goals, and allocating resources to execute your plan are key to any affiliate program's success. Consider these three choices when you evaluate program resources: in-house, network, or agency. Deciding how to manage your affiliate program depends on factors like internally available resources, program maturity, and whether affiliate recruitment is required.

- **In house.** When servicing in-house, an internal manager or team manages the affiliate program, recruits affiliates, analyzes performance, and approves payments.
- **Network.** When servicing a program through a network, you sign up to an affiliate network that has all the tracking and reporting software ready-built and affiliates waiting to join your program. Your program is fully managed by an affiliate network account manager.

- **Agency.** Smaller, lesser-known solutions can lack the credibility of bigger networks — experienced affiliate marketers may be less engaged

Pros and cons of various affiliate services

How to service it should be based on a number of factors, including the resources, size of your business, and levels of experience within your marketing department. Here, you'll find a concise roundup of the pros and cons of affiliate service solutions.



1. In-house services

Hire or use in-house talent to do the groundwork

Pros:

- If resources are available in-house, it can be cheaper to run this way
- An in-house managed solution gives you full control over the management and quality of the program
- The team can build personal relationships with key affiliate partners to improve engagement and loyalty
- Cost savings from in-house services can be reinvested into the channel to drive more results
- Faster reaction and optimization possible for affiliate campaigns on the back of performance insights
- Greater flexibility and choice in management resources (e.g., new recruits)
- Data accessibility — internal teams can quickly analyze and take action on data, resulting in more control
- Enhanced performance — when the program is managed in-house, managers are in close proximity to the people who really understand the business drivers
- Greater agility, access to know-how, and ability to impact strategy — a mature affiliate program needs to be at the center of the organization

1. In-house service (con't)

Cons:

- Requires experienced internal resources to manage the program, which can be difficult and expensive to hire
- Internal affiliate managers or teams have less time to manage other marketing priorities such as dealing with internal and external stakeholders
- Time pressures in-house may lead to delays on recruiting and activating new partnerships
- Compliance monitoring requires additional considerations that your in-house team will need to analyze for feasibility
- Internal teams must approve (and in some cases process) affiliate payments in-house, which can become a burden



2. Affiliate network services

Employ an affiliate network to run the whole program

Pros:

- The network can pay affiliates, which overcomes a big trust issue and saves you time
- Less time on managing the affiliate program enables you to spend more time making high-level strategic decisions
- Affiliate network account managers will actively recruit affiliates and manage relationships (with access to an extensive database)
- Account managers will have the industry experience and extensive knowledge to make the best of network technology
- A program fully serviced by a network will be monitored for fraudulent activity, which will protect margins
- Affiliates tend to trust networks and therefore will be more willing to work with them



2. Affiliate network services (con't)

Cons:

- Affiliate partners deal with a third party, making it difficult to optimize relationships; goals may get diluted
- High account management costs and setup fees, along with the overrides common with affiliate networks
- Affiliate networks benefit from higher payouts regardless of ROI/fraud, which can present a conflict of interest
- Affiliate networks often lock brands into exclusive contracts, which means you can't work directly with their affiliates on other platforms
- Advertisers normally have to wait a couple days for access to data or go through the affiliate network account manager
- Less transparency makes it harder to enforce brand usage guidelines, although some offer brand monitoring services at an extra cost
- Working with a third-party network to manage an affiliate program gives you less insight into how time and budget are spent

3. Agency services

If you prefer to let an agency do the legwork

Pros:

- Agencies often allow advertisers to use/migrate to their choice of solution (if contract allows)
- With the whole program managed by an agency, you don't need to invest time or resources in managing the affiliate program
- Agencies are responsible for recruiting and managing affiliates, thus tend to have an extensive affiliate network they can leverage
- No network fees (if running the program on an SaaS platform), creating higher margins and allowing more room to offer better affiliate commission rates
- Agencies are dedicated to getting the most out of every account and have multiple people involved with that goal in mind. They also have experience working with both advertisers and affiliates and are able to facilitate successful relationships
- Agencies offer support flexibility in terms of supporting an affiliate when it's needed with people on call at all hours of the day to provide assistance as a problem presents itself
- Getting started is easy with pre-established connections to affiliate partners, networks, and technologies.

3. Agency services (con't)

Cons:

- Agencies serve as an intermediary so it may not be possible to build direct brand relationships with some affiliates
- Agencies either charge a fee or take a performance percentage of earnings/payouts
- Working with a third-party agency to manage an affiliate program will give you less insight into how time and budget are spent (i.e., how much is administrative time vs. account management)



CHAPTER 6

Questions to ask to future-proof your affiliate marketing

Like any purchase, your decision should be based on business objectives, return on investment (ROI), and long-term marketing goals. It's important to think about the products and services you have now and those you may add later.

Here are some important questions to discuss with your team before you begin evaluating different solutions:

- **What do you want to track now and in the future?**

An online retailer, for example, will have an immediate need for multi-SKU, cost-per-sale tracking, but in the future may have a need to track leads, call orders, in-store purchases, and new vs returning customers. Ensure your plan accounts for expansion in the future.

- **What channels do you want to track?**

Affiliate partners are likely to build campaigns across multiple earned and paid channels such as email, website, search, social, mobile apps, and podcasts. Some will place unique promo codes and URLs in connected TV, digital out-of-home, and print ads, while others will want to drive calls via radio or other non-digital advertising channels. Don't restrict your sales opportunities because your affiliate management solution can't track across multiple channels.



- **Who is behind the solution?**

Is the solution backed by an experienced team of professionals (both business and technical)? Do leadership and product teams respond to the market's needs with effective features? Are improvements and substantial product releases infrequent? Ensure the company behind the solution will continue to support and grow your affiliate program long term.

- **How many unique affiliate partnership types do you want?**

Every single affiliate partner is different, which means you need the flexibility to manage them accordingly. Affiliate networks do not enable you to create bespoke partnerships. A new partner you invite to the affiliate network will be available to all your competitors. If you want exclusive and unique partnership types, you'll need a solution that lets you work with a wide variety of partners — from influencers and associations to strategic B2B relationships.

- **Do you plan to expand beyond affiliate in the future?**

Traditional affiliate marketing is a good place to start. But if you want to innovate and drive more career-advancing revenue, you'll need to expand far beyond that. A number of partnership types can benefit from the same affiliate payout framework, including influencers, ambassadors, mobile apps, content partnerships, strategic business partners, and more.

CHAPTER 7

Final thoughts on choosing your affiliate partnership technology

As a \$6.8 billion industry with 11,400 affiliate programs in the United States alone (and growing), affiliate partnerships are still very much alive and offering significant ROI with an impressive average of \$15 for every \$1 spent.⁷

Any brand that wants to maximize their online revenue efficiently should have an active and optimized affiliate channel with robust partnership automation technology.



Affiliate partnerships offer an average of
\$15 for every \$1 spent

\$1 → \$15

7. <https://www.amnavigator.com/blog/2016/04/27/20-affiliate-marketing-stats-will-blow-mind/>



Before you go shopping, you will need to prove the business case and offer a benchmark for comparison, and many companies also require an RFP (request for proposal) process before approaching potential vendors.

Before you do that, here are a few things to remember:

- It's better to research up-front before making a decision that could end up costing you more in the long run
- You will need to free up significant investment to avoid settling for sub-optimal technology, services, and results
- Create a matrix of features and services based on your business requirements

An agency or a potential vendor (such as Impact — contact us at grow@impact.com) can usually help you put this matrix together.



Key questions to ask to find the right affiliate solution

1

How important is data usage?

In affiliate partnerships, data ownership may sit with affiliate networks and may not have usage limitations for agencies. This is slowly starting to change as brands “wake up” and choose to own all of this data, control who has usage, and ensure that it is never used to benefit their competition.

2

How important is the ability to change personnel?

An agency or network may at any time change the servicing team, or the one you are initially assigned might not meet your expectations. Do you need the option to seamlessly transition teams or would you prefer to completely manage the channel in-house?

3

Are vendors aligned with last-click hoarding?

Investigate how networks and agencies optimize their own profit. If they stand to lose money by prohibiting or enforcing certain types of traffic, how will this impact media investments? Armed with the right data about incrementality, brands can ensure that media plans are reviewed and that each segment of their media mix shows value.

4

Do you require real-time access to data to optimize your marketing efforts?

Retailers that want to avoid wastage and enable accurate stock orders, may want real-time access to the data to spot any trends that indicate the most popular products and any that are in less demand than expected. Big budgets also come with more pressure for your affiliate campaign to perform, and access to real-time data can help you get the best bang for your buck.

5

How personal do you want to be with your affiliate partners?

If you want authentic content and engagement from your affiliate partners, it's important to inspire and motivate them in an authentic way, with more personalized communication. That said, if you have a simple campaign that just needs to be fired out at scale, you may be comfortable with being less personal on this campaign. Just bear in mind a potential hit down the line on your partnership relationships if you don't go the extra mile with personalization.



6

Do you need to recruit affiliate partners?

Do you already have enough affiliate partners or the brand gravitas to attract enough incoming affiliate requests, or do you need to actively recruit and discover quality affiliate partners. If it's the latter, do you have the best tools for the job, to save you time and support the onboarding process? Or, do you have the internal expertise and connections to effectively recruit affiliate partners?



7

Do you have strict brand guidelines that you want to maintain?

The financial and law sectors are typically more stringent on brand guidelines and therefore require robust affiliate partner management tools that protect and monitor the brand. Alternatively, an independent fashion brand willing to take risks and trust their affiliates to put out top quality content, may be less inclined to worry about brand guidelines. Either way, it's important to have some level of monitoring and protection throughout the process, whether that's a manual process in-house, supported by an affiliate network or automated through an affiliate partnership platform solution.



About Partnership Cloud

Impact's Partnership Cloud™ provides an integrated, end-to-end solution for managing all of an enterprise's partnerships throughout the world.

From discovery, recruitment, and contracting to tracking, protecting, and optimizing — through the entire partner life cycle — the Partnership Cloud helps you drive revenue growth from every type of partner, including traditional affiliates, influencers, strategic partners, app-to-app partners, premium publishers, and more.

To learn more, please visit <https://impact.com/partnership-cloud/> or contact grow@impact.com to schedule a free demo.

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