

Affiliate Marketing 101

A FOUR-PART SERIES BY PARTNERCENTRIC

PARTNERCENTRIC

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CHAPTER ONE

Affiliate Marketing: Your Guide to What it Is, How it Works & What to Consider Before Getting Started

So what is affiliate marketing?
Affiliate marketing, at its core, is about partnerships. In essence, websites promoting offers (or "affiliates" as we'll learn in the next section) want to work with merchants to promote their products and services, and in return they get a commission for the value they drive for those merchants (typically sales or leads). Because these affiliates have audiences and untapped consumers that the merchants want to reach, this provides a win for all parties involved.

The affiliate gets paid, the merchant gets more new customers or sales, and the customer makes a purchase or completes an action that benefits them. Additionally, the affiliate invests in the marketing campaign upfront, and the merchant only pays on the desired actions once they have already happened ... the beauty of performance marketing!

How does it work and where does PartnerCentric come in?
Key players in affiliate marketing:

The advertiser: Also known as a merchant, retailer or brand. This is you. The advertiser can manage their program and affiliate partnerships on their own, or with an outsourced program management agency (like PartnerCentric) to start and grow their affiliate program. Some networks offer a certain degree of managed services but an OPM agency will give you the most strategic and hands-on, independent approach that is tailored to grow your business.
The affiliate: Also known as a publisher or influencer. Anyone that can reach new or returning customers on behalf of an advertiser to drive a desired action. This is achieved through various strategies including blogging, social shares and mentions, reviews, email campaigns, mobile, loyalty programs, discounts and special offers among many others. What's in it for them? Affiliates earn a commission from the advertiser, to compensate them for the value (typically a sale or a lead) that they drive.
The customer: Makes a purchase, fills out a form or completes an action after interacting with an affiliate. The affiliate gets paid once the action is successfully completed.
The networks and SaaS solutions: How do these partnerships work? They have to be tracked, reported on, and then paid. A network or a tracking SaaS solution is the foundation of an affiliate program. Relevant affiliates (because you certainly don't want a heavy metal blog promoting Tommy Hilfiger apparel) are recruited to an advertiser's program (and receive an invitation from their network/platform to join the program). The managing team lives and breathes in these technology solutions, updating links, banner ads, text ads and creative, product catalogues, and everything that affiliates will need to successfully promote you. In addition to being a management portal, these technologies track the consumer journey, offer affiliate and advertiser reporting, and disperse the commissions to all of the affiliate partners.
The OPM agency: This is us. Think strategy, expertise, and execution. Agencies offer a full-service and strategic approach to program management, properly setting up and leveraging the network technology, recruiting and optimizing the right affiliate partnerships, and ultimately ensuring your affiliate program is a success. They can work directly with an advertiser's in-house staff or fully manage the program. Additionally, agencies can work with multiple networks, which gives them more reach and ensures that the advertiser's program is successful.

What are the benefits of working with PartnerCentric as my OPM agency?
Our team aims to be the affiliate marketing extension of your company. We take a hands-on approach with our full-service clients and our tenured account managers dive in fully from day one. Because we have cultivated over 60,000 relationships and take a network and platform agnostic approach, our clients are getting strategic support to grow their programs without the need to play favorites. If one technology is more successful with a specific vertical than another, we will always choose the best option for our clients. Additionally, our full-service clients get an entire team of dedicated experts in account management, compliance and technical services to their account, not just one person. At least five team members are touching the program in a significant way every day, with your lead account manager spearheading strategy and acting as quarterback internally.

What should I think about before I start an affiliate program?
Before you start an affiliate program, it's important to have an understanding of the budget that must be allocated, and who is paid for what.
Technology: You'll need a solution to track, manage and grow your program. Networks typically charge a percentage of revenue or commissions paid to affiliates. SaaS solutions charge a flat fee based on the volume that goes through the solution.
Affiliate commissions: You're paying the affiliates on performance. Build a cost effective program with a strategic commission structure based on competitive Intel and publisher benchmarking, and proactive technology, which an agency like ours can guide you through. Commissions vary based on the value a partner drives for you, for example, you'd want to pay a content partner differently than a coupon partner.
Agency Investment: Think of this like an in-house hire, except instead of one junior "head" you get a team of seasoned industry experts and no ramp up or training required. Our team never learns on your dime. We are the trusted advisor, the confidante, the manpower, and the extension of your team you've been looking for to help you meet and exceed goals.



CHAPTER TWO

Navigating the Technology

After learning about the basics of affiliate marketing in chapter one of our four-part series to simplify affiliate marketing, let's dive into the technical aspects of how a merchant can drive the brand growth and revenue they're looking to achieve. At the macro level, the basis of understanding is that most affiliate programs will function through the integration of a pixel deployed on a merchant's "Order Confirmation" page, through a few lines of JavaScript (if they are driving a lead, it would be the equivalent email submission receipt or other lead verification form). This pixel will fire each time someone completes a transaction, and credit the affiliate with a referral commission (if that sale occurred within your predetermined referral parameters). A technology platform or network enables the merchant and its tens, hundreds, and very often thousands of affiliate relationships to exist with scale by providing the transparency (or tracking) of what occurred, and the payment from merchant to affiliate when what is being incentivized has, in fact, occurred. Sounds easy enough, right? So why are there so many different options for affiliate tracking platforms?

Technology platforms provide various answers to a merchant's specific program needs. If a merchant is looking to expand their web presence, protect their brand values, mitigate coupon leakage, create a smart commission strategy, expand internationally or drive new customer acquisition, there is a network or SaaS (Software-as-a-Service) solution to meet those needs. Working with an agency like PartnerCentric provides additional insight into true technology strengths, as opposed to just industry noise and marketing, and eliminates solutions that may lead to strategic disadvantages. Let's explore the most important elements to consider when selecting the right technology partner and solutions.

Costs

We all have budgets! Whether you're a Fortune 500 or a start-up, ROAS goals are usually one of the first considerations in how we allocate our marketing dollar. Technology solution pricing can vary across the channel and within the network itself. It's important to look at the available tools the network or SaaS provides and balance that with your goals as a merchant. It is key to analyze the risk and benefits of doing volume-based versus transaction-based pricing. PartnerCentric can help a merchant take advantage of our strategic partnerships, and to negotiate the most advantageous pricing for their specific needs. An agency like ours, who has worked with countless merchants across all the major and minor technologies, can also navigate the unique and often-times confusing terms and conditions in the agreements with the technologies. We know what is standard, what is best practice, and what is unusual.

In-house dev resources

Technology solutions take a variety of approaches when it comes to developmental support. Some are willing to walk you through every step or provide easy plug-ins designed to complement the most common cart solutions. Others provide basic documentation with the assumption a merchant's team will be able to handle the integration autonomously. An agency with a dedicated technology department can bridge this gap, offering additional support where it might be needed, speaking both the language of the technology and of the merchant so that a program can get implementation right the first time. If development resources are strained on a merchant's team, an agency can assist with testing, troubleshooting, documentation and research to ensure tracking is integrated properly. A merchant will also want to be able to lean on someone internally to add the tracking elements directly to their site or through their tag manager.

Timeline
If merchants are looking to get a program in place before a key season, selecting a technical solution with a proven publisher base could be the best choice. Many networks specialize in specific verticals: footwear, retail, finance or insurance. Others may have a better footprint for geographical reach, or better cost-of-entry terms to make it easier to test the waters. Most of the highest revenue-driving affiliates will have a presence within all of the major networks and platforms. Balancing the technology's publisher base with recruitment tool solutions will help a merchant gain traction as they grow. An agency like PartnerCentric can make sure merchants are taking advantage of the best opportunities in the space by providing an independent 360- degree approach to what's out there, where they are, and how to work with trusted technology partners to canvas the space to everyone's benefit.

Marketing Content
No matter what solution a merchant chooses, their affiliate partners will promote their brand through tracking links. These can live in banners or basic text and product links. Being prepared to provide high quality images, content and product feeds before the program launches will expedite the launch process, and will help merchants see the return on investment much sooner! Being prepared, and knowing what resources are needed from the merchant's side is half the battle.

Attribution and analytics
As a merchant, even if you're only looking to pay your affiliate partners for a specific action (a lead or a sale), integrating multiple parameters across multiple conversion or touch points can drive program success. While you may not incentivize a publisher for page visits for example, tracking your consumer behavior and their entire journey on the merchant's site can provide excellent data to help make smarter marketing decisions as the program grows. This information can be leveraged to build the best commission strategies, as well as lowered costs in your other channels. Program growth and cost efficiency are not mutually exclusive if done in a smart, thoughtful, and measured manner.



CHAPTER THREE

The Anatomy of a Launch

Getting Started
Immediately after signing a new client, the PartnerCentric tech and client services teams spring into action. If the client has an existing program, the tech team spends time reviewing the client's site and existing program settings. They look for ways to improve upon what the client is pleased with, and fix what they do not like. Additionally, they ask for existing login credentials to get a full view of what has been done previously to look for immediate areas for improvement.

If the client is starting with a new program, the tech team aims to find out what they're looking for in terms of tracking solutions. Prior to the kickoff call, a questionnaire is sent to the client whether they have an existing program or not. The questions aim to provide insight into the client's goals, general information about the brand and what success looks like for them. This ensures that the call is productive and everyone is on the same page.

The Kickoff Call
The tech team, the client services team (including the account's dedicated account manager and marketing analyst) and the client all join the kickoff call, which is typically set for 60-90 minutes. Because we see ourselves as an extension of the client's team and brand, the call allows us to begin the process of determining the best practices and strategy for launching a new program or taking an existing program to the next level. The tech team gathers information about current integrations (for existing programs) and gets an idea of what the client would like to improve. For new programs, the tech team gathers information about the proposed integration and what the client would like to implement based on their goals. The PartnerCentric client services team adds insights regarding program strategy and gets a better understanding of what the client's program needs to grow. At the end of the call, the tech and client services team have the information they need to get started and are able to set the strategy for success.

What Now?
After the kickoff call, both teams determine which tracking platform is most appropriate for the client's needs if it's a new program. The tech team then reaches out to secure pricing, proposals and contracts For an existing program, the tech team conducts pixel tests and reviews the current account settings to ensure everything is in order. Additionally, they ensure that all day-to-day items are set up including reporting. For new programs, the account manager makes sure that all text links, banners and newsletter templates are uploaded to the chosen network and for an existing program, they review all content for quality. Once all necessary integrations are completed successfully, the client services team can take over management of the account.



CHAPTER FOUR

My program is live. Now what?

In this final chapter, we will dive deeper into what happens after your program launches.

Once all integrations and necessary setups are complete, our knowledgeable and tenured client services team takes over management of the account. While each client gets a dedicated account manager, on any given day there are 5-6 strategists, compliance experts and analysts working within the account to ensure proper optimization and implementation.

The first six weeks
After the kickoff call with the client, the dedicated account manager and marketing analyst start working on a six-week action plan that covers the following:

- Recurring tasks are created - These include weekly reports, trademark monitoring, setting up a weekly call with the client to review program performance, updates and opportunities
- Creative and link inventory with recommendations provided to the client
- Competitive analysis conducted - This typically involves analyzing the affiliate programs of direct competitors (especially payouts, promotions, cookie duration, etc.)
- Loyalty Analysis conducted - Provides a landscape of all of the loyalty site and audits who the client is and isn't joined to, their percentages back, points back, and if their competitors are listed on the site and their percentages back, points back
- Recruitment and Optimization Campaigns
- Reviewing and securing new opportunities and placements and negotiating the best price for the client
- Reviewing all historical insights to understand past initiatives and their level of success

During this time, the client is only involved when we ask that they sign off on strategic initiatives that we're proposing or if we need them to send us necessary creative or deliverables. At the end of the six weeks, there is a comprehensive review set up with the client to go over all of the team's findings and then recurring weekly calls proceed normally as well as monthly dashboards and Quarterly Business Reviews.

After 90 days and beyond
Once the program has been live for 90 days, an additional review is scheduled with the client to analyze overall performance, insights on performance, what has been working well, what new opportunities exist and what we think can be further improved. We then propose initiatives and strategies to help with growth and optimization based on our research and years of industry experience.

After three months, we sometimes shift or set new goals based on what the client wants to see and whether their priorities shift. Our aim is to fully support our clients so they know that someone is always focused on their program and its opportunities. We work with the client to set up reviews quarterly to continue optimization and hold strategy reviews that dive into the monthly dashboard reports as well as other reporting to track progress.

We are there to answer their questions and provide insights every step of the way because our success is dictated by their success.

Thanks for reading! Have more questions?
Want to talk to someone about your affiliate program? Contact us!



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