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A Lead Gen Marketer's Guide to Affiliate

What's Affiliate Marketing (and Why Marketers Should Care)?

Affiliate marketing is a unique channel wherein brands can increase leads by commissioning digital partners to promote their business. For lead gen brands, content marketing is commonly used as the bait in affiliate; when a qualified sales lead downloads your PDF through a partner's site, for example, you pay an agreed-upon fee to the partner.

With the right strategy, affiliate marketing can be an effective tactic for consumer services brands to increase leads and boost your sales team performance. This is also a unique opportunity for brands to make your budget work harder for you by **only paying for performance**. This is done by setting guidelines with affiliates for the KPIs that matter most to your bottom line.

Only pay for performance. Yes, you read that correctly. Affiliate marketing uniquely positions your brand to have complete control over the CPL and number of qualified leads brought to your sales team. You set the KPIs that matter most to your brand, and affiliate partners will only charge you when those KPIs are met. Never dread a bogus lead again.

Components of a Successful Affiliate Program

Multiple Affiliate Partners

A strong program will have many affiliate partners, which can be used to compare traffic quality and potentially allow for more competitive CPL rates. Additionally, if a top partner suddenly drops out of the program—or has a slow month and can't deliver the leads that your brand is relying on—Rise can shift budget quickly to another high-performing partner to deliver the leads.

Budget to Test

However, to have a high-quality repertoire of affiliate partners, a brand needs the budget to test the quality of leads that each partner can deliver. When testing a partner, most affiliates require a minimum of $5,000 to run a campaign. If successful, a lead gen team will determine how much additional budget should be allocated towards that partner.

Strong Partnerships

Don't fall for the sales gimmick; work with partners that have a campaign manager as strong as the sales person. If the campaign manager isn't showing you thoughtfulness and attention to detail in response, the partnership won't be as effective as you deserve. You want partners that are strong on delivering the campaigns and promises from their sales stories.

Organization & Communication

Choosing the right team to run a successful campaign is crucial. You want a team that has the experience, historical relationships, bandwidth to execute, and organization for everything to run smoothly.

- **Historical Relationships:** A team that already has many relationships and partners will be beneficial for quick onboarding and a fast-tracked RFP process. An internal CRM of partners and an in-depth Vendor Matrix will help you compare audiences and vertical specialties to fit your needs.
- **Frequent Communication**: To best monitor progress, you'll need to communicate with your partners on a near-daily basis. Frequent communication with partners optimizes the program and can result in better CPLs with month to month contracts.
- **Organization to Streamline and Automate**: It's extremely important that a team is organized and has the tools built out to manage a multitude of partners. From swapping reports and optimizing assets, to signed contracts and negotiations, it's best to go with a strong team that has the resources and bandwidth that can be allocated to the detailed initiative.

How to Continuously Optimize Your Affiliate Program

One of the largest mistakes we see with lead gen affiliate programs is brands that send budgets to partners for leads without optimizing based on the lead quality. It's extremely important to continually optimize towards your goals to get the best leads.

Clearly Defined Goals

Before your campaign is active, clearly define what KPIs are important to your brand—such as Sales Qualified Leads and Market Qualified Leads—to help inform how you'll evaluate partner performance. Then, define whether the focus is quality or quantity. Some brands are determined to grow their lead list to the maximum amount, while other brands are focused on a smaller set of very qualified leads. Determining this goal will help choose the right partners for you and allocate the campaign budget correctly.

Leverage Multiple Assets

Your partners will give you feedback on how your assets are being received from the audience. Don't be afraid to tweak your assets when something is not working. If your white paper is not strong enough to acquire the leads you are looking for, consider combining 3 or 4 white papers into an online ebook. More material and content is instantly more attractive and can reach a broader audience.

Find the Right Measurement Tools

Rise has built a proprietary report card that cross-analyzes partners to grade them based on the quality of their traffic and comparative performance. Grades are given with some KPIs weighing heavier on the result, and it's modifiable based on campaign to deliver the insights that matter most to a brand's goals. If you're running an affiliate campaign, a sophisticated measurement process like this is crucial to make sure you're not continuously paying for leads that aren't qualified for sales conversations. Partners making the biggest business impact should be allocated a larger amount of the budget, and that requires a reliable data configuration to support your decisions.

Nurture Your Leads

Leads are top- to mid-funnel. They need to be nurtured by a strong drip email campaign built out by your team. Partners can provide best practices for a strong email campaign.

Maintain Frequent Communication with Sales

This will be a major success factor for your program. Usually, it takes a minimum of three months to determine the quality of a lead. Your sales team needs to communicate to the team managing your program about the quality and success of the leads. The team can map the leads back to the partners and determine additional performance metrics for each partner, as well as refining the form fields and target audience based on the feedback from them.

Proving Incrementality Through Your Affiliate Program

Although affiliate provides a more cost-effective and complementary cross-channel campaign investment, one of the most glaring issues holding lead gen marketers back from investing more is proving the incremental growth driven by affiliate efforts. Read on to learn how to prove incrementality in the long run.

Evaluating Your Network

Avoid choosing an affiliate network based on its popularity or namesake—instead, consider investing in a technology provider that offers a similar product without a variable fee. There are many advantages of switching from a variable-fee network to a flat-fee technology provider, including:

- High-performance campaigns earn incremental revenue after hitting a break-even point
- Increased returns without needing to share a percentage of revenue with the network
- Variable commission rates at the category or product level to generate higher payouts

For campaigns with larger sales volume, the cost of running on a traditional affiliate network can rack up over time as payouts to the network are applied to every order. As a result, brands expecting to see large returns should consider spending their budget on a flat-fee technology to increase their efficiencies. Because there is no incremental payout to the affiliate network to use its technology, each sale made after reaching that break-even point becomes incremental revenue.

Understanding the Customer Journey

Although affiliate marketing predominantly follows a separate, last-click commission model, attribution has gradually begun to play a more prominent role in the channel. To better understand the customer's journey to purchase, marketers should consider investing resources towards an attribution solution.

Affiliate program managers can use attribution data to justify rewards for top-of-funnel content publishers over last click coupon sites. This payout system requires the network technology to be able to pay out on a first click basis, but this is becoming more commonplace as affiliate networks see the growing need for alternative commission structures. As marketers begin to experiment and test the waters with the new technologies that are rapidly becoming available, publishers will be sure to react in a way that will help guide the dialogue of a changing industry.

The more holistic and long-term approach to attribution involves using a cross-channel attribution solution to examine the incremental effects of the affiliate channel on a digital marketing program. This can provide a high-level overview of how the affiliate channel interacts with other channels and contributes to bottom-line sales growth, enabling marketers to make agile, data-driven budget allocations toward the channels, campaigns, and ads making a business difference.

Setting Performance KPIs

Program managers should segment their analysis based on the type of publisher and resist tracking performance by the same metrics across the program. For example, a content publisher may drive more top-of-funnel traffic than coupon sites, but they can't provide the same type of brand exposure as a large coupon affiliate.

Affiliate marketers must be proactive when measuring and comparing their program results, leveraging both data and marketing intuition to set the appropriate measurement tiers. Once these are set, and enough conversion data has been collected, affiliate managers should be equipped to start a conversation with their partners. This can lead to optimization efforts and can open up the door for both advertisers and publishers to talk shop.

Publishers can apply the same methodology to their advertisers and can, in turn, present opportunities for the advertiser to fix UX-related issues that went previously unnoticed, get ahead of a tracking error, or update promotional copy to increase conversion rates. As long as both parties remember to segment their data, these tools have the potential to positively influence the future of affiliate marketing and should be strongly considered.

Evaluating Your Publishers

Affiliate marketing managers should constantly monitor the performance of publishers in their program. Custom solutions for evaluating publishers vary depending on the goals and needs of the program manager, but the end goal of such a tool remains the same—find a way to justify an increase or decrease in commissions based on relevant performance metrics. In doing so, affiliate managers can take control of their program's spend based on real data, not on gut feeling. The goal of this should never be to cut costs, but rather to properly reflect affiliate performance onto commission payouts.

While raising a publisher's commission can drive them to perform better, lowering commissions for those who aren't performing can create incentive for the affiliate to work their way back to their old rate or even an increased rate. This can also open up the floor for discussion and provide a more transparent landscape, which can help with communication between the advertiser and affiliate.

Realizing Incremental Growth

There are endless opportunities for the affiliate space to grow and become more robust. After these changes have been implemented and there is enough data to collect, marketers can compare their current metrics to a previous period.

Optimized affiliate programs should show increased return on ad spend, thereby allowing incremental growth to be realized as the program grows. It is up to today's affiliate program managers to be thought leaders and impact influencers by pushing these innovations and initiatives. Ignoring the changes occurring in the affiliate space right now would be ignoring potential incremental growth. As the tools to show this evolve, take time to build out your affiliate program and start these conversations with your partners.

Want to learn more? **Contact Rise** to learn how an award-winning agency partner can help you launch, optimize, and realize incremental returns through a data-driven affiliate program.

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