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INTRODUCTION

Marketing has dramatically evolved over the past couple of years, with many brands leaning into affiliate marketing so as to get the best return on their marketing spend. However, inexperienced agencies and the general complexity of this channel has left many brands struggling to overcome some common challenges.

In an effort to answer brands' questions and top challenges, we've created this comprehensive guide with solutions that brands can begin implementing immediately.

When managed correctly, affiliate marketing is a powerful and highly profitable marketing channel that allows brands to pay for outcomes rather than inputs, while maximizing their return on investment.

Don't let confusion on how to leverage influencers in your affiliate program, how to successfully diversify your partners, expand into new markets or regions, or navigate the nuances of affiliate marketing for B2B companies stop you from tapping into this lucrative channel.

In this guide, we have the solutions you need - and more!

DIVERSIFYING YOUR PARTNERSHIP STRATEGY TO MEET UNIQUE NEEDS

While <u>traditional partners</u> (such as coupon, loyalty, deal, content and sub-affiliate networks) are instrumental to strategically scaling a program, it's important brands understand that relying on only one partner type—traditional or nontraditional—is hazardous to your program's long-term success.

A top-tier partnership marketing management agency will not only recognize the need to customize your partnership plan to your individual needs, but proactively bring <u>diversification opportunities</u> to the table.

Here are 4 best practices to keep in mind when building a diverse partner program:

1 Too much of anything might not be a good thing.

Don't stack the deck against yourself by singling out 1-2 partner types for your program. Your partnership goals should be complex and nuanced and align with your other marketing initiatives. You might think you only want content partners (which can be great partners), but <u>trademark</u> <u>bidding</u> partners might be needed to protect your branded keywords from competitors. Or maybe you want to focus on attracting new customers as well as retaining customers, in which case <u>loyalty partners</u> can be hugely beneficial (especially in a tough economy).

2 Open yourself up to new partners to reach new audiences.

Building relationships with multiple affiliates can grow your program through a variety of revenue streams managed on a performance basis. The key to success is being willing to test new partners while keeping existing performers valued and engaged. AP can tailor a partner mix that creatively incorporates A/B testing and messaging with different partners, helping you to achieve your goals.





OVERCOMING OUTDATED AFFILIATE STEREOTYPES

Over the years, we've heard some brands express concerns about allowing certain traditional affiliate types (coupon, loyalty, deal) into their affiliate programs. Often, they are under the outdated generalization that these types of partners may damage their brand and are unable to deliver incremental revenue.

There are benefits to consider with all partner types, and regardless of the type, brands can find specialized partners that will help them achieve their KPIs. Don't make the mistake of taking a blanket approach and avoid working with all traditional partners, just because you've heard some outdated generalizations. With the right guidance from partnership marketing experts, a wider variety of partners can add unique benefits to your program.

Discover some of our clients' success stories with traditional affiliates:



Acceleration Partners Helps Reebok Increase Revenue 161% YoY with Loyalty Affiliate Campaign

AP presented Reebok with a media placement opportunity to run a lucrative campaign with loyalty affiliate Cartera, with the goal to target new consumers and increase revenue.

- 161% increase in revenue YoY from Cartera
- 143% increase in new customer revenue
 YoY from Cartera
- 1 49% increase in AOV YoY from Cartera

READ CASE STUDY →



How Exclusivity and Savvy Strategy Helped Blurb Raise ROAS and Increase Incremental Sales

AP strategically onboarded coupon partners into Blurb's affiliate program to drive incremental sales from new customers and cost-effectively help the brand realize impressive ROAS.

- 361% of revenue projection reached
- 30% of orders generated from coupon partners
- **1** 50% ROAS increase for some partners

READ CASE STUDY →



CouponFollow Increases Revenue +37% For Brands From Diverse Verticals

Acceleration Partners and affiliate CouponFollow created an innovative a Back-to-School newsletter to help AP clients increase revenue while offering an easy point-of-entry.

- +30k email recipients and 56% open rate
- 1 +37% average revenue increase for brands
- 1 +13% avgerage clicks increase for brands

READ CASE STUDY →

HOW TO LEVERAGE THE BEST OPTIMIZATIONS, UNIQUE PARTNERSHIPS, AND EXCLUSIVE OPPORTUNITIES

One challenge brands face when not working with a skilled partnership marketing agency with extensive resources and a network of partners, is their inability to tap into unique and exclusive opportunities.

With the right agency partner, a brand will find the door open to more of these <u>out-of-the-box ideas</u>. Below are a few examples of unique opportunities top-tier agencies can offer brands within partnership marketing.

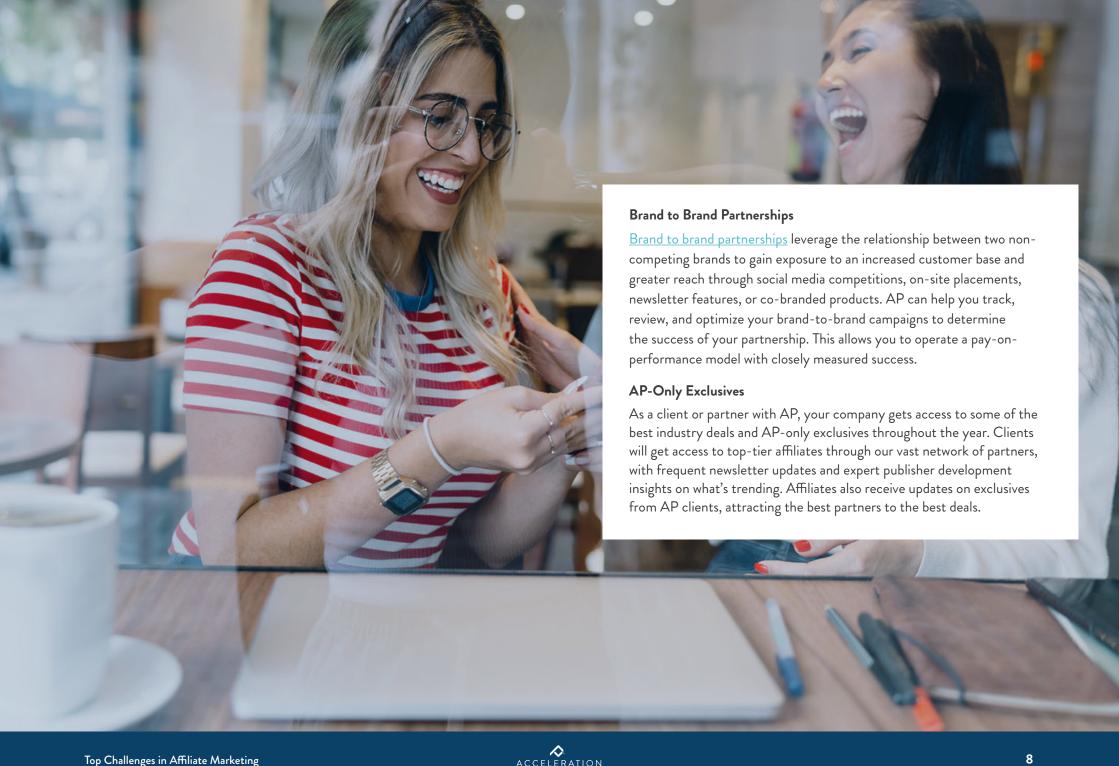
Free Gifting and CPA-Only Optimizations

<u>Partner optimization</u> is a key component to program success, but an oftenoverlooked partner optimization is utilizing CPA-only, gifted products, and free-of-charge opportunities. Even during an uncertain economy, these kinds of performance-based opportunities still exist. An experienced agency can leverage their network of solid partnerships, clear communication skills, savvy processes and proven success to build a customized optimization plan for your unique brand.

Charitable Partnerships: JA Worldwide

Charitable partnership marketing often consists of sponsorships, in-kind donations, or even designated-charity shop-for-a-cause online retailer programs. However, AP offers brands and affiliates a chance to collaborate with <u>JA Worldwide</u>, one of the world's largest youth-serving non-governmental organizations, at scale. For brands, this is an opportunity to strengthen existing customer relationships or introduce, literally and figuratively, a whole new world of new customer markets across JA Worldwide's vast global network of 100 million+ alumni.







A truly successful partnership marketing program must have a strong relationship with the partners in the program – and for agencies that plug-and-play cookie cutter strategies with their affiliates, that relationship is often not fully formed. While brands might see short-term results, the challenge is that their program is not being set up for long-term success.

If a partnership is strategically and thoughtfully maintained by a partnership marketing agency, then partners will continue to create new placement opportunities, capabilities, tools and products, and advertisers that are willing to try new approaches and test new engagements will come out with significantly better outcomes.

Difficult conversations can, and will, arise in any partnership. Instances come up where a commission rate needs to be lowered, a major program change occurs, or even a situation where a brand needs to remove an affiliate from their program due to various factors. These are sensitive topics that could potentially be detrimental to an affiliate's business and your partner relationship as a whole, so they should be handled with respect and empathy.





When communicating sensitive topics, there are some important things clients and partners should keep in mind to ensure a positive, long-lasting relationship:

- Clearly communicating the "WHY". As an agency partner, we strive to provide transparency as much as possible and ensure communication is clear and thoughtful.
- Give the affiliate enough time to act, and react. By giving your affiliate enough time to take the necessary steps to change, you're allowing for a better outcome that reflects your new direction.
- Be open to compromising. Before making any drastic decisions or changes, make sure your agency is able to first approach the affiliate about the challenge or issue to see if there are actionable steps that can be taken to switch gears or fix the problem.
- Get on a call. Tone can be misconstrued over email AP account teams are always willing to hop on calls to sort out any confusion or misunderstandings.

Acceleration Partners understands that partner development is first and foremost about building relationships. All forms of partnership marketing—from affiliate to influencer and brand-to-brand—are relationship-based.

With our empathetic and thoughtful network of partner relationships built on transparency and communication, AP can drive strong, incremental growth with mutually beneficial strategies for your brand.

HOW TO SUCCESSFULLY INTEGRATE INFLUENCER MARKETING INTO YOUR AFFILIATE PROGRAM

As the influencer market continues its exponential growth, creating <u>outcome-driven influencer programs</u> becomes just as critical to brand growth as affiliate programs. Yet we often hear that managing influencer partnerships are a ton of work, they're difficult to scale and even harder to track.



MANAGE

To effectively leverage the power of influencers, it is essential for brands to integrate influencer marketing into their overall marketing strategy and approach. This means bringing together the teams responsible for affiliate marketing and influencer partnerships, and aligning their efforts to maximize the impact of both channels.



TRACK

Tracking the success of influencer campaigns can be challenging, as it involves monitoring a wide range of metrics and analyzing the resulting data. Influencer performance KPIs can vary widely, making it difficult to compare the success of different campaigns and identify trends. These factors can make it time-consuming and labor-intensive to manage a large influencer marketing program.



SCALE

Influencer partnership marketing programs rely on personal connections and relationships, which can be difficult to replicate at a larger scale. The large quantity of participants can also be difficult to effectively coordinate and manage.





Ensure You Can Accurately Measure and Track Conversions

Tracking a B2B sale from lead generation through sale conversion – which most B2B companies want from an affiliate program – can be complex and requires flexibility and sophistication from tracking technology. For B2B companies, tracking technology must interface with not only their website, but also with their CRM system(s) and possibly other systems.

Consider the Impact of Fraud and Compliance on Your Brand

Fraud prevention and compliance are important with any affiliate program, but for B2B brands this can become critical to avoiding hefty fines and/or legal fees and maintaining brand reputation. For many B2B brands, campaigns may include the exchange of sensitive customer data or financial information. Failure to comply with relevant regulations can not only open the company to legal and financial consequences, but also damage the brand's reputation in the market.

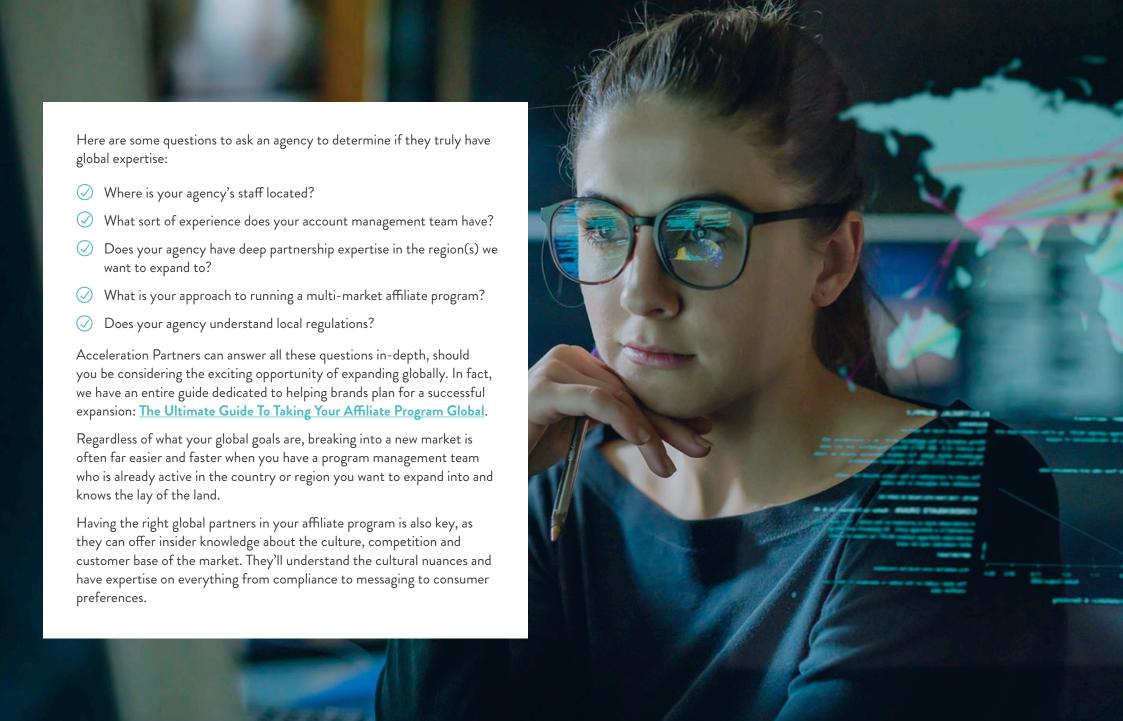
Finding the Right Agency Partner

As a B2B brand, finding the right agency partner for your affiliate program will be key to its success. Acceleration Partners delivers fully integrated, strategic, and transparent affiliate and partnership program management for B2B clients.

We understand the unique challenges of a B2B program and implement the expertise, technology, and resources required to develop a partnership marketing program that takes your sector, audience, and goals into account.







IMPLEMENTING BETTER FRAUD AWARENESS AND PREVENTION

<u>Fraud awareness and prevention</u> is an essential aspect of any affiliate program. By carefully screening affiliates, monitoring their activities, and having clear policies in place, program managers can help to prevent fraud and maintain the reputation and integrity of the program.

What is Affiliate Fraud?

In an affiliate program, "fraud" is a broad term which can encompass anything that violates your affiliate terms and conditions, including any unethical or unscrupulous behavior by your affiliates. As the industry has evolved, the risk for fraudulent behavior and transactions has increased.

Some types of non-compliant affiliate activity include attribution fraud, coupon fraud, botnet fraud, form stuffing, brand bidding, cookie stuffing and ad hijacking.

Learn more about each.

Ways to Prevent Affiliate Fraud

A properly managed affiliate program will have an established process for screening for and preventing fraudulent activity. Below are ways to implement better fraud awareness and prevention processes in your brand's affiliate program.

- Manually approve new affiliates: Carefully screen and select affiliates before allowing them to join the program to help weed out potentially dishonest affiliates and prevent them from joining the program.
- Enforce terms and conditions: Have clear and transparent affiliate agreements in place regarding what constitutes fraudulent activity, and address any violations with appropriate consequences, such as suspension or termination from the program.
- Consistently monitor affiliate activity: This can include tracking their sales and commissions, as well as monitoring their websites and marketing materials for any signs of fraudulent activity.
- Use Data to Spot Fraud: In addition to third-party tools that continuously monitor publishers for search engine bidding violations, you can check your program's referring URLs, sub-affiliate networks, and IP addresses, and monitor traffic to identify unusual trends.

Be Prepared to Take Action

When you do find fraud in any form, be prepared to take action. Document the evidence and send the affiliate a violation warning. The affiliate may be out of compliance due to a glitch or something innocent and will need time to correct the issue. But if the issue occurs again or the affiliate is caught in another fraud attempt, it's essential to terminate that affiliate from your program.

At Acceleration Partners, we take our role as steward and protector of your brand seriously and have a <u>zero-tolerance</u> approach to fraud. We maintain processes to ensure brand compliance, and proactively monitor for and quickly stop any fraudulent activity, including proactive fraud mitigation, automated fraud detection, manual fraud monitoring, and shared internal best practice. Read how we <u>helped our client identify and eliminate</u> affiliate program fraud.

GET AN IN-DEPTH LOOK AT HOW YOUR PROGRAM IS REALLY PERFORMING

One common affiliate marketing challenge for brands is finding an agency partner that can accurately track performance with detailed insights into what is and isn't working, then proactively make adjustments to course correct. Having a narrow perspective of industry performance and partner metrics can be detrimental to the overall growth and health of your program.

Superior affiliate program management means knowing how to conduct robust reporting and customized spend management, including performance reports and bespoke commission structures. Acceleration Partners offers weekly, monthly, quarterly, and annual reviews to monitor your account performance and campaign progress.

A Data-Driven Approach with APVision

At Acceleration Partners, your program will be supported by the combined power of our client services teams' deep industry expertise and our proprietary analytics platform, <u>APVision</u>.

APVision leverages BI and artificial intelligence to deliver integrated performance data to account teams – giving them more time to dedicate to program strategy and campaign evaluation.

This tool also combines direct data streams from all integrated networks and platforms to deliver both accountspecific and aggregated data to inform strategic decisions and identify new opportunities.

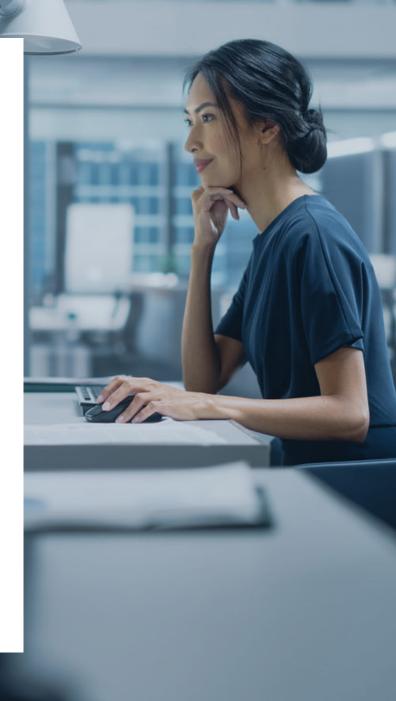
Our data-driven tool allows us to take a comprehensive look at:

- The prior week's program and partner recruitment
- Program and affiliate performance

Activation performance

- Key performance indicators and goal achievements
- Accomplishments and action-oriented next steps

APVision enables our teams to <u>stay ahead of trends</u> and identify unique opportunities to accelerate client performance. It also provides sophisticated customizable reporting you won't find anywhere else.





SWITCHING AFFILIATE TECHNOLOGY WITHOUT NEGATIVELY IMPACTING YOUR PARTNER PROGRAM

Migrating to a new <u>affiliate technology network or platform</u> can be a daunting task, but it is often necessary to improve program performance and support revenue goals. Whether you <u>choose an affiliate network of a software as a service (SaaS)</u> <u>platform</u>, there are a few <u>key steps</u> your brand can take to complete a successful migration without losing affiliates or experiencing a drop in program performance.

1 Carefully plan and prepare for the migration.

Before beginning the migration process, it is important to create a <u>comprehensive migration plan</u>, identify potential challenges, and develop a timeline. Your timeline will depend upon your program's <u>complexity</u> and may take months to complete.

2 Communicate with and provide resources to affiliates.

Your affiliates are critical to your program's success, so be sure to develop a <u>strategy</u> to inform partners of the transition and any platform benefits, provide training and resources, and incent them to switch platforms. Following the migration, keep track of your affiliate and identify segments where further action is required.

3 Monitor the program tracking and reporting following migration.

Once you've completed the migration, check program tracking to make sure that everything works as intended and regularly review program reports to ensure accuracy and to measure <u>performance against</u> <u>expectations</u>.

Affiliate Networks

- Primarily charge clients a performance fee, which is typically a percentage of program revenue (e.g., 1-2%) or commissions paid to affiliates (e.g., 30%)
- Range from offering full program management services to offering only technology solutions while also managing affiliates within their network.

SaaS Platforms

- → Serve solely as a tracking and payment solution as a quality, white-labeled affiliate network technology for brands to manage direct affiliate relationships
- → Fee models vary and include fixed, volume/transaction-based tiers, and performance fees, as well as for custom technology solutions

Acceleration Partners can help you migrate your affiliate program to a <u>new affiliate technology network or platform</u> – we partner with you to manage all of the planning, design, and execution to ensure an ensure a smooth transition. In addition, our team will guide you through the technology selection process from an educated, agnostic perspective so that you can choose the platform that will enable your brand to most effectively meet its goals.

