

Lead Generation Playbook

Affiliate Marketing



JOLT
DIGITAL

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Note: The Lead generation playbook is not exhaustive and built to give you enough elements to start a campaign. However, at every stage there are more things to cover for which we would be happy to help you. Just reach out! <https://jolt-digital.com/contact/>

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Executive Summary

Affiliate marketing was created in the late 1990s in the USA. It attracted a lot of brands and affiliates (the sellers) as it didn't require a lot of marketing work from brands to drive sales and on the other hand a great way for affiliates to earn money leveraging some successful products.

Affiliate marketing is very well developed in USA and Europe but still nascent in Asia.

This means that for us in Asia, affiliate marketing comes as an opportunity but it also comes with challenges. For example, the number of affiliates you can use in your market might be limited, the expertise in Asia at affiliate marketing networks/companies might be lacking or the opportunity to integrate affiliate marketing with more traditional agencies, might not exist yet.

However, affiliate marketing represents a fantastic opportunity to complement your marketing activities and one tactic that is directly linked to sales. It is important to understand well how it works as it can be complex from a first look and it is evolving constantly with technology helping to track, manage and drive further performances.

Setting up affiliate campaigns requires to follow a process: from selecting the type of affiliate platforms you want to use to setting up the right remuneration model or communicating about your affiliate programmes.

Finally consider which option suits you best: in-house or outsourcing affiliate marketing. If you decide to run it in-house, you will have more control but it will require some resources, like an affiliate marketing specialist and if you outsource, it will cost you more but someone will take care of the recruitment, the optimization and leverage latest technologies. Spend some time evaluating the right option for you.

Introduction

In this playbook we will focus on affiliate marketing which is another ammunition you have in the lead generation arsenal. Affiliate marketing is a great complement to other lead generation tactics, such as GDN, SEM or influencer marketing, and much more focused on customer acquisition but it is a complex tactic that requires understanding and resources to work well.

This guide has been written specifically for local marketing practitioners and their teams in order to help them when using affiliate marketing in their lead generation campaigns.

The purpose is to provide some principles to follow.

The lead generation playbook is not exhaustive. It is built to give you enough elements to start a campaign. However, there are more things to cover for which we would be happy to help you. Just reach out!

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Why Affiliate Marketing is important for lead generation

While it is important to drive future consumers to website to close the sale or fill in a form for a quote, it is not guaranteed that when they browse the site or request a call back, will acquire a new customer. With affiliate marketing you can be closer to the acquisition of the future customer as you will only pay for an actual lead or a sale. This then seems like the only tactic you would require but in fact you still need to build a broader reach and capture leads not only through affiliates but also through search or display advertising, for example.

1. Plan

Understanding affiliate marketing



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Affiliate marketing is the process of earning a commission by promoting other companies' products.

”

Affiliate people find a product they like, promote it to others and earn a piece of the profit for each sale that is made.

Advertisers use affiliate marketing to attempt to mitigate wasteful spending in their marketing budget. It can be frustrating for a business to pay thousands for clicks or impressions only to win a handful of customers.

While most businesses recognize that spending money on advertising is necessary, the ideal situation is to keep their costs limited to customers earned.

That's where the idea for marketing with affiliates was born.

As a performance-based marketing method, affiliates and businesses work together in a revenue sharing relationship between brands and affiliate marketers.

This offers businesses a 100% return on their investment, which makes it unique among online marketing methods.



- **Advertiser:** The first party, typically referred to as the advertiser or merchant or brand, is the party that's selling the actual product or service.
- **Affiliate:** The second party is the publisher, more commonly referred to as the affiliate marketer. This is the individual working with the advertiser to sell in exchange for a commission.

Affiliate marketers fall under a very broad umbrella and could be just about anyone on the web. If you follow a blog or a popular social media profile, the chances are good that they are an affiliate of a brand.

The Advertiser/Affiliate relationship is a highly strategic one, as both parties need to make money for the relationship to continue.

- **Consumer:** Finally, you have the consumer or the party that will be buying your products. Thus, the relationship between the affiliate and the consumer should be one of trust.

Unlike influencer marketing which is a strategy that typically have a few people or one person acting as the face of a brand, affiliate marketing is a strategy without limits. A brand can have its products affiliated with one major website, or be using multiple affiliates at the same time.

We are going to list here the types of affiliates you could use when running affiliate marketing campaigns.

Types of Affiliates

■ Comparison websites

Typically, websites that provide some comparison across a specific vertical, is an affiliate. On these comparison websites you will not purchase the actual product but once you have compared and made a selection, you will be put in touch with the company that sells the product. They recommend products that you can buy directly on the product's company.

■ Blogs

They are more personalised options out there, like blogs, that help consumers understand what's the best brand for their needs. Similarly, to big comparison websites, blogs are also affiliates and earn a commissions from the other brands they recommend.

By writing on topics that the blogger's audience needs to know about, the blogger builds trust and acts as an influencer in their day-to-day. Some bloggers also complement their blog with a direct email marketing approach that puts them directly in their audience member's inbox.

All of this, is designed to build trust, not sell. Then they take the trust they build with the audience one level up to sales, and recommend specific products that bloggers are an affiliate marketer for. This is how bloggers make their cut.

■ Affiliate marketing programmes

Affiliate programs are an extension of the affiliate marketing strategy as a whole, with a few key differences.

- ✓ Affiliate programmes, also called associate programmes, are arrangements in which an online advertiser, pays affiliate websites a commission to send traffic to its website. These affiliate websites post ads that drive consumers to the advertiser's site and are paid according to a particular agreement.
- ✓ This agreement is usually based on the number of people the affiliate sends to the advertiser's site or the number of people they send who buy a product or perform some other action.
- ✓ You don't need to deal with each individual affiliate website but instead you can make one single agreement with a network of websites, called an ad network, that represents all websites and can provide this traffic/ conversion to your brands website.

■ Referral programme

Finally, we would like to highlight a last type of affiliate model that you should consider using. Consider creating a programme where you remunerate people who recommend your products via a referral code. You need to think about the financial model, how it would work (e.g. unique code, redemption) and how you will communicate about it.

The Process

In order to start running your affiliate marketing campaigns there are several things to do.

Research your campaigns

First of all, you want to decide upon some important factors such as:

- ✓ What types of affiliates you want to attract/ to partner with
- ✓ How many you need
- ✓ A revenue expectation for each
- ✓ How much commission you are willing to pay
- ✓ How much revenue overall you want to earn through affiliates
- ✓ How much net profit you want to earn

Getting some figures in mind at this early stage will provide you with direction when you get your affiliate campaigns going.

Choose a suitable commission model

Try to decide on your commission model at this early stage as well.

- ✓ Pay per sale commission
- ✓ Pay per lead
- ✓ Fixed amount for commission, or a percentage of the sale?

Research your competitors and find out who they use and what commissions they provide, which can help to give you a better idea of where to start.

Clarify the details for affiliates

- ✓ Develop a page for affiliates on your website where you clarify all the details
- ✓ This should explain how people can become affiliates and include some details on how it works, how to apply and tracking

Once you have sorted out the details of your affiliate marketing campaign, you will want to start looking for affiliates. You should consider the following:

- ✓ Invite your customers to join your programme
- ✓ Advertise it clearly on your website, in your newsletter, on your blog and via your social media channels
- ✓ Discuss it in affiliate forums and answer questions
- ✓ Submit your programme to various affiliate directories
- ✓ Use affiliate recruitment agencies

Provide marketing materials

You want to make things as easy as possible for your affiliates, so provide them with as much marketing material as you can. This could include:

- ✓ Banners and logos
- ✓ Articles for reprinting on their sites and in emails
- ✓ Reports
- ✓ Email creative
- ✓ Promotions

Once you have followed these steps, you are ready to recruit affiliates and build successful affiliate marketing campaigns.

It is important to recognise that following these steps would require some time and usually a dedicated specialist who have done it before and knows the ropes. It also might require a software to be able to track campaigns and affiliate performances.

This is what is called running affiliate marketing in-house.

You also have the choice of outsourcing your affiliate marketing campaigns. There will be two main types of companies you should consider for outsourcing:

■ **Media agencies**

They already plan and buy your media campaigns so they are well placed to leverage Ad networks and create affiliate campaigns for you

■ **Affiliate networks**

These are companies that specialise into affiliate marketing campaigns and come with technology and expertise

In Asia affiliate marketing is not as developed as in USA or Europe therefore Media agencies rarely offer this service as it requires some expertise that they might not have in Asia. Therefore, if you decide to outsource, you might have to use an affiliate network/ partner who is the expert in affiliate marketing.

However, make sure you assess the ability to recruit the right affiliates in your market and ability to execute campaigns in Asia. As mentioned before, affiliate marketing in Asia is not as developed as in other regions, therefore the affiliate network/ partner company might have just opened an office in your market, might not have the right affiliates in their network. Evaluate carefully.

Here are some of the things an affiliate network/partner takes care of:

- ✓ Affiliate recruitment
- ✓ Engagement of affiliates
- ✓ Provide marketing materials to affiliates to leverage
- ✓ Optimisation of affiliates
- ✓ Payment processing to affiliates
- ✓ Tracking technology and reporting solutions

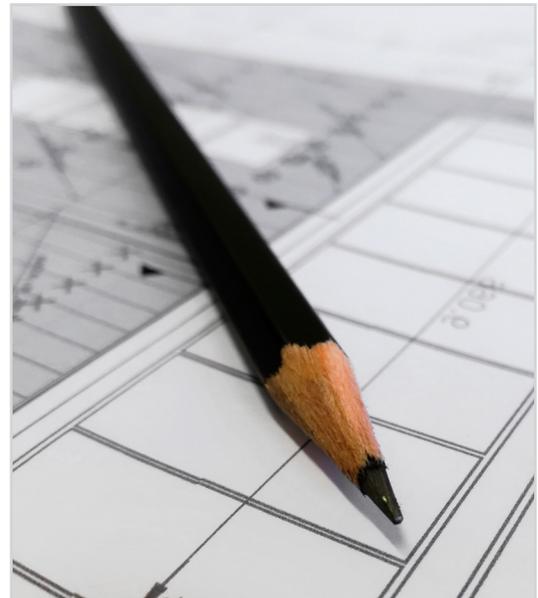
You will have to make a decision between in-house or using an affiliate network. For that we have listed here the Pros and Cons of each

	Pros	Cons
In-house affiliate	<ul style="list-style-type: none">- Low cost- Control your campaigns completely from recruitment to reporting	<ul style="list-style-type: none">- Recruitment might take up a lot of time- Require a software to manage campaigns- Might need to hire an affiliate expert- Won't have the latest tech tools
Using affiliate network/partner	<ul style="list-style-type: none">- Easy to deploy- They take care of the technical integration- Recruitment is easy- Optimise the affiliates	<ul style="list-style-type: none">- More expensive vs. in-house

In order to guide you further if you decide to use an affiliate network/partner, get in touch with us and we will provide the best companies most suited to your needs.

2. Measure

The KPIs you will use to measure affiliate marketing programmes will be similar if you run campaign in-house or use an affiliate network. However, specific KPIs you look at for your campaigns will very much depend on how you have structured the remuneration model of your affiliates. The KPIs for your campaigns and the remuneration model you have structured with your affiliates will have to match.



Let us list the different options you have.

✓ **Cost per Lead**

A user visits your site and completes a quote enquiry form, and the affiliate is paid for each valid completion (meaning the data is a real potential customer requiring your products or services). The longer the enquiry form and the more data you request the user to fill in, the more expensive the lead will cost.

✓ **Cost per Sale/ Acquisition**

A user comes in via an affiliate and buys your product, and you pay the affiliate a commission based on the sale. Note that this approach requires a full quote and buy solution on your website that you can follow by adding a tracking code.

✓ **Cost per Action**

A user signs up for your newsletter or downloads your ebook, and the affiliate is paid for the action. These tend to be easy actions and are therefore paid less.

✓ **Cost per Call**

A user calls your help desk, and you pay the affiliate. Payments can be tied to the length of the call, so the longer that call lasts, the more you pay the affiliate. For example, a 10-minute call is likely to lead to a sale, whereas a 1-minute call probably will not.

There are many ways to run your campaigns, and you don't have to stick to a single remuneration model. You can start small and work up to different models for different types of business.

3. Optimize

Let us provide some best practises you should follow to run your affiliate marketing campaigns.

Creative

- ✓ Make sure your creative is up to date and is being refreshed regularly. Also make sure your creative has the right logo and branding. Sometimes these slip through the net and your banners do not reflect the new website.

New Offers

- ✓ Do you have new products and services you could add to your programme? Can you afford to pay a bit more commission? These things will go a long way to get you back in front of affiliates.

Communication

- ✓ Make sure you have a plan to engage with your affiliate in place. Will you be emailing an affiliate newsletter once a month? Are you going to follow up with them all? Do not rely on your network or the affiliates themselves to be proactive? This is your responsibility to make sure they are kept up to date
- ✓ Treat your affiliates as individuals and be friendly. Take the time to address affiliates by name and tailor your first message to them as an individual, not a marketing channel. The personal touch really makes all the difference when it comes to affiliates
- ✓ Share multi-channel activity. Make sure you share any other marketing and media activities you are running. Be sure to share the timeline and content for this with your affiliates, so they can tie this into their content. Not only does this create a seamless experience for customers across all touch points but it also helps affiliates feel part of the overall brand-building advocacy.
- ✓ Do your research on affiliates sites before reaching out to them regarding your brand. What is their main focus? Which advertisers have they previously worked with? How frequently is their site updated? All of these questions help you to assess the suitability of a partnership, and give you something to talk about!

Recruitment Drive

- ✓ Are you always on the lookout for new affiliates? You need to spend some time each week or month looking out for new affiliates. You can hunt through the search engine results for your top keywords and see if there is anyone new appearing. Then fire them off an email. Do you use forums? Post some information about your programme. Don't forget to add a page about your programme on your website.

Affiliate Centre

- ✓ This is a big one and usually one that nearly all advertisers forget. Do you have an affiliate marketing centre, with all your creative in one place? Do you train your affiliates and give them articles on different marketing techniques? Do not assume that all affiliates know everything there is to know about marketing online. There could be some fantastic SEM affiliates that do not know how to blog for example. You will be surprised so make sure your resource centre caters for all.

Results

- ✓ Share results with your affiliates and feedback. If you want to maintain and grow your partnership, don't treat each campaign or promotion as a one-off. The relationship you build between yourselves and the affiliates should be continuous, so feedback, share results and keep your affiliates updated with upcoming opportunities.

Please get in touch with us for more information on: How to plan, execute and optimise your affiliate marketing campaign?

<https://jolt-digital.com/contact/>

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