

MOVING BEYOND TRADITIONAL AFFILIATE REPORTING

Intelligent insights are the key to evaluating and optimizing
your affiliate and strategic partnerships

Introduction

In today's sophisticated, web-driven marketplace, managing an affiliate and strategic partnership program without the benefit of deep customer intelligence is akin to playing soccer with a 20-pound boulder — you might manage to play the game, but you could be worse off for trying!



This ebook explores the ramifications of old school data management for affiliate marketers and dives into the deep value that partnership insights can deliver to your company's bottom line.

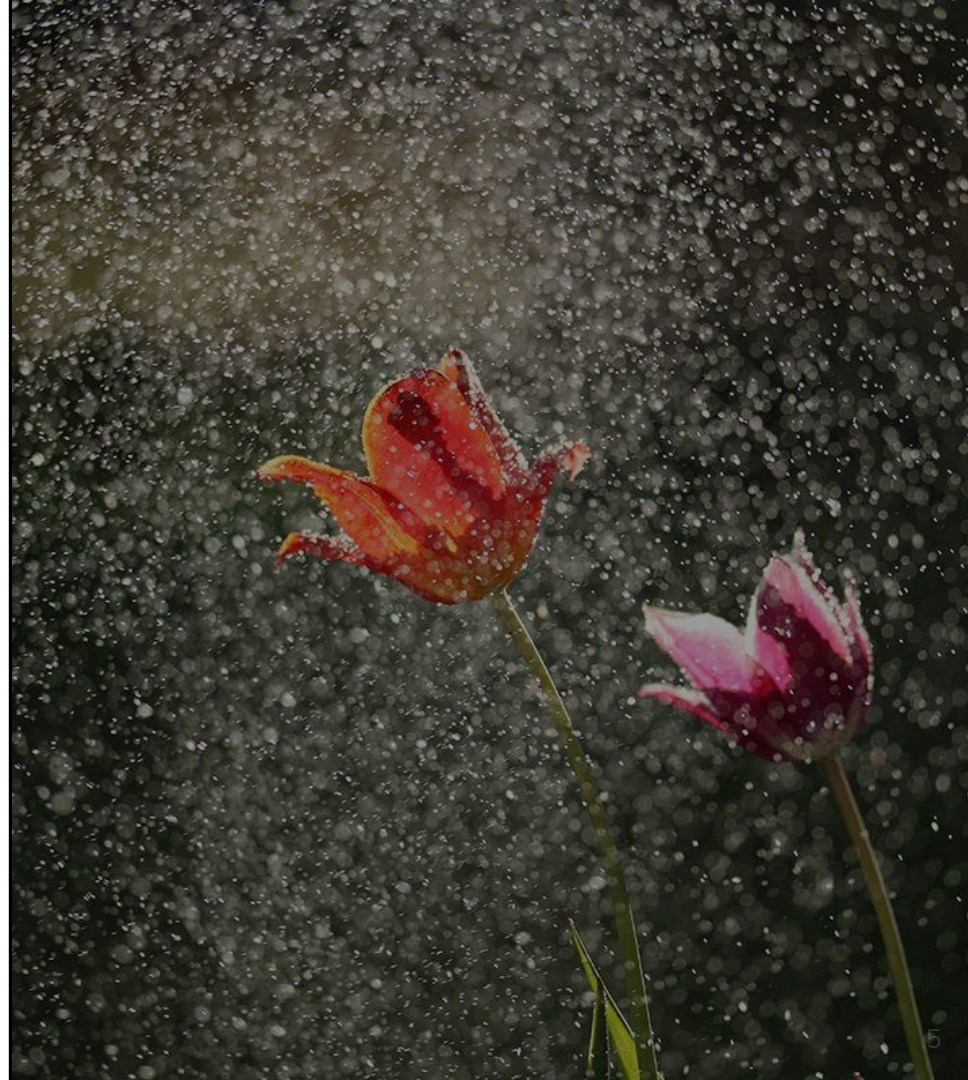
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1.

MEASURING TRUE PERFORMANCE OF YOUR PARTNERS

Intelligent insights are the key





In today's era of analytics and intelligence, visibility into the performance of every channel in your e-commerce marketing strategy is critical to evaluating and optimizing strategic partnerships and deciding which are delivering meaningful results for your business.

Unfortunately, many businesses rely on legacy affiliate networks that either don't collect the data needed to generate those insights, or make it difficult to access that intelligence.

If your company relies on data from legacy affiliate networks, you may be facing a significant competitive disadvantage. How can you tell if poor data visibility and lack of partner insight is hurting your partnership marketing program?

Here's a good test to help you find out...

Quick Quiz

How many of these questions can you answer with confidence?

Which of your affiliates and partners...

1. Tend to influence high value sales, but rarely (if ever) win the last click?
2. Tend to leapfrog the actual influencer and unfairly win the commission?
3. Rely on coupon codes vs. those who tend to sell at full price?
4. Drive incremental sales?
5. Tend to drive more new versus returning customers?
6. Influence higher average order values?
7. May be driving fraudulent or otherwise high risk traffic?

True Performance

Intelligent insights go beyond traditional performance reporting to give you full visibility into the TRUE performance of your partners, so you can allocate budget and efforts accordingly.

Traditional performance reporting is useful. But adding insights to the mix delivers two key benefits:

1. **Increase revenue:** By identifying high performing partners and better understanding how they contribute to sales, you can adjust your payout strategies and campaign efforts to maximize results.
2. **Reduce wasteful spend:** Similarly, insights can help you to identify and boost efforts of lower performers or rethink your partner mix, perhaps reallocating focus, energy and resources toward stronger contributors.

Before we discuss how we get there, it'll be helpful to take a quick look at the “old way”.

2.

THE LEGACY APPROACH TO AFFILIATE REPORTING

And why it's problematic



Traditional Affiliate Reporting

For context, let's take a quick look back at the legacy approach to affiliate reporting and why it's problematic.

When affiliate marketing first started gaining traction in the mid 1990s, most retailers remained murky on what it was and how it was executed. Even for marketing executives who understood the channel, the process of identifying high-performing affiliates was labor-intensive. And evaluating those affiliates was an entirely different beast.

Ultimately, that left many brands with just one option if they wanted to dip their toes into affiliate marketing: partner with an affiliate network with a high volume of partners and pony up the hefty fee for the privilege of doing so.



The good news was that these early networks typically yielded a healthy enough ROI that it was relatively easy to justify the spend. The bad news was that the networks' data wasn't easily accessible, transparent or comprehensive, which made it impossible for brands to intelligently manage the channel.

As a result, establishing individual partnerships with high-performing affiliates was difficult, and controlling riffraff — the unscrupulous affiliates that relied on shady practices to drive conversions — was like trying to sift a few grains of sand from a bag of sugar.

Why is this legacy approach problematic?

It's simple: Since networks own their data and control what brands are able to see, companies ultimately receive a narrow, subjective, and incongruent view of partner conversion and performance data. This prevents marketers from asking more sophisticated questions about partner performance, and often results in businesses agreeing to unfair or inaccurate cost-per-action (CPA) contracts.



Additionally, relying on siloed network data leaves marketers with just three options for analysis:

- Conduct two-dimensional data extraction and analysis (pulling data from one partner network and analyzing it in a vacuum)
- Run multiple reports for each network partner
- Attempt to aggregate data from disparate solutions to piece together insights into what's working and what needs to be optimized

As you might expect (or currently experience), these options aren't particularly effective or rich with insight, and often lead marketers down a dark rabbit hole to uncertainty.

To extract the most value, marketers must be able to track the true source of every sale and lead across multiple channels, vendors and partners. With a brighter spotlight on the broader activity, it becomes infinitely easier to evaluate the true performance of individual partners and to identify opportunities for them (and you) to shine.

3.

INTELLIGENT PARTNER INSIGHTS

A welcome disruption to the status quo



Intelligent Partnership Insights

Partnership Insights have become a welcome disruption to old school affiliate reporting.

In this golden age of marketing and customer intelligence, your business must do more than simply collect data points from a variety of affiliate silos, whenever they are made available to you, and attempt to make sense of the fractured data.

To succeed in today's market, you need to translate real-time data into multidimensional insights that facilitate agility and enable smarter decisions. And you need to be able to collect and report on the underlying data in whatever way works best for your team — via API, custom report building tools and/or scheduled reporting straight to your inbox.

If traditional affiliate networks don't provide the data or insights you need to effectively manage and optimize the performance of your partners and affiliates, you need to find a platform that will.



At the very least, your partner and affiliate platform should allow you these three benefits to ensure access to intelligent insights.



Visibility across your buyer's journey

To truly measure your program and partner performance, you need visibility into the entire customer journey, beyond the traffic and conversions driven by your partners. This access allows you to properly gauge incrementality of your program and the partners with it, while finding opportunities to work with your team and benefit from cross-channel synergies.



Granular data points in real-time

In order to fully optimize your efforts, you need to easily identify new vs returning customers and performance by product SKU, category, promo code and other granular dimensions... all by partner and all in real time.

Granular performance lets you test new deals and ads and work with partners to make adjustments as results come in.



Meaningful reports and easy visuals

Just having access to all your data is fantastic, especially if you're an Excel junkie who loves to slice and dice til the cows come home. But if you're a fast-paced marketer who needs fast answers, you need clean reports and easy visuals that make it easy to find exactly what you need, when you need it.

How leading brands leverage intelligent insights within their partner programs

Example #1: GlassesUSA

With full transparency into their buyer journey, GlassesUSA learned how their partners contributed to sales (versus just closing them). They used these insights to tailor their crediting rules and payouts, based on the typical role each partner played in a conversion, driving a 60% increase in ROAS from their affiliate channel alone.

Example #2: Ritz Camera

With click path reporting, Ritz Camera was able to see how often content sites were losing out to coupon sites, driving them to adjust commission rates for both groups accordingly. They shifted their crediting strategy and began tracking conversions with unique promo codes and URLs to better reward incremental contributors. With a renewed focus, Ritz Camera experienced 100% month-over-month growth within the influencer segment of their partnership program alone.

Example #3: Lenovo

Innovative PC leader, Lenovo, consolidated their fragmented partner programs across several networks onto a single platform and used detailed conversion path reporting to learn how their affiliates and partners fit into their holistic media strategy. The results were outstanding. According to Priest Willis, Lenovo's global affiliate marketing manager, "we're getting more useful insights than we ever imagined."

4.

CASE STUDY: ADVANCE AUTO PARTS

*Leveraging insights to overhaul their
partner program*



Case Study: Advance Auto Parts

How Advance Auto Parts leveraged the customer path to overhaul its partnership program

When Advance Auto Parts, the largest retailer of automotive replacement parts in the United States, began exploring the idea of switching from a traditional affiliate network to a partner management platform, the decision was influenced by a few key challenges. Namely, Pete Zeiner, Director of eBusiness Traffic Generation, says the company's suite of legacy e-commerce systems made it difficult to police affiliates, determine individual partner value, and compensate partners based on their actual contribution to sales.

"We had a relatively strong network of affiliates — about 6,000 in all — and we were seeing strong organic growth," Zeiner recalls.

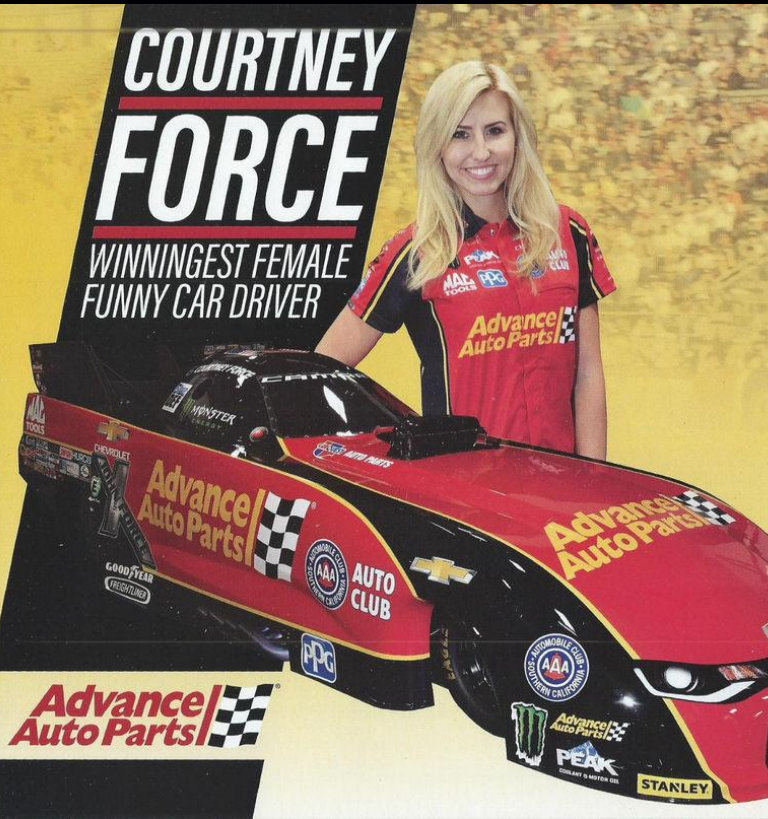
"But measuring value and determining which affiliates were playing by the rules was an incredibly time consuming, manual process. And from an attribution perspective, we just didn't have the analytics necessary to evaluate an affiliate's participation in the customer journey."

HURRY



**\$50 off \$100 Purchase
First 1,000 Customers Only!**

Case Study: Advance Auto Parts (cont'd)



So, Zeiner and team decided to ditch the traditional network model and sign on with a partner management platform. It didn't take long to start seeing results.

Advance Auto Parts immediately saw more accurate transaction counting and conversion reporting, and was able to meaningfully evaluate partner interactions with their other paid marketing channels.

"Honestly, it was kind of shocking how much leakage there was in our former reporting processes," Zeiner says. "The good news was that the first day we started using Impact Radius, we were alerted to the problem. And after that, we were able to tighten everything up pretty quickly."

Importantly, Zeiner says the data alone wasn't the driver of the partner optimization; it was how the that data was converted into actionable insights and presented that made it possible.

Case Study: Advance Auto Parts (cont'd)

“Data is just a massive pile of information that requires diligent sifting,” Zeiner explains. “Retail analytics people can burn themselves out all day long trying to find some sliver of insight from neverending data sources. But with the Impact Radius platform, we were able to quickly translate our data into a language that our team could understand.”

Ultimately, that intelligent reporting allowed the team to begin making adjustments that drastically improved performance. Most notably, they honed in on the partners that were most actively involved in new customer acquisition and tweaked its model to more accurately target and reward those actions.

In the short time following the adjustment, the company realized an immediate 10% increase in new customers and a 22% boost in product sales.



Case Study: Advance Auto Parts (cont'd)



Zeiner says early results have been impressive and the company's improved focus and efficiency speaks volumes about what the future holds for its partner program. "We see ROAS [Return on Ad Spend] improvements as high as 50% and are reducing overall costs dramatically. The incremental value and revenue of our performance marketing program has taken us to a whole other level."

"When you have a partner program generating sales like ours was, the fear of screwing up that revenue source can make status quo seem pretty appealing," Zeiner explains. "But we pulled the trigger and crossed our fingers—and we couldn't be happier with the results. Because we can now build direct relationships with our partners, we're incredibly excited about future growth opportunities in the space. Leveraging this kind of data insight just wasn't possible with affiliate networks."



CONCLUSION

Intelligent insights can completely change the way you build and leverage your affiliate and partner marketing channel. When you're able to connect partner actions to real-time insights, and then easily share and act upon those insights, you put yourself on a clear path to improve your program and increase your ROI.

Leveraging a turnkey solution that employs automation and data visualization tools to help affiliate marketers intelligently credit every conversion (including those that occur through mobile and in-app platforms) is one big step in the right direction.

The best partner marketing management solutions help you automate vital processes such as tracking, reporting, contracting, and payment of affiliates, while providing the data insights you need to know what's working and what needs to be optimized. And when you have that, you'll regain the flexibility and control you need to pull the right levers at the right time.

To learn more visit
www.ImpactRadius.com



Impact Radius is transforming the way advertisers handle media and performance marketing partnerships.

Our natively integrated suite of products enables digital brands and agencies to maximize their return on global ad spend by providing a single **trusted view** into the consumer journey from ad impression through acquisition across all devices and channels.