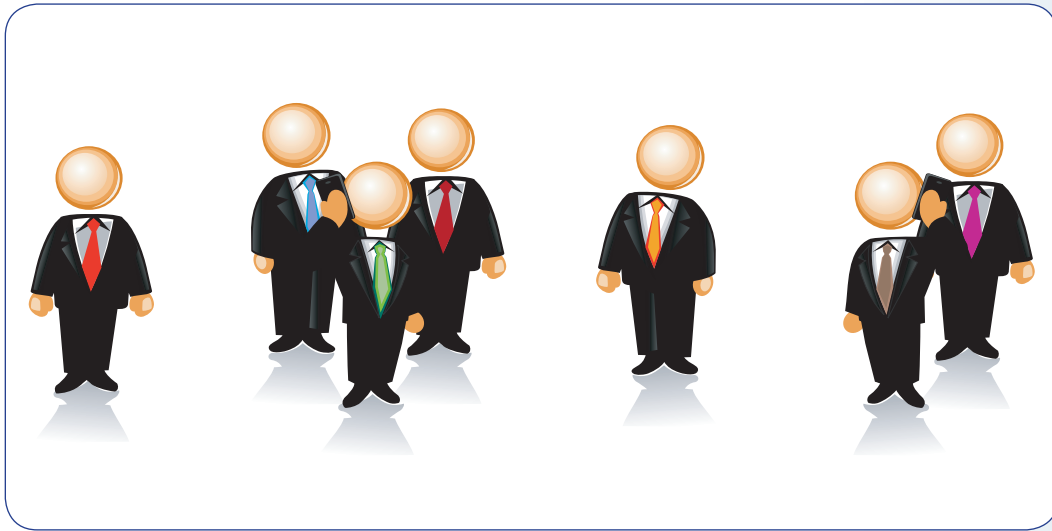


Affiliate Program Management Options

Affiliate Program Management Options

I want to start an affiliate program. We love those words. After all, building affiliate programs is what we do. Every week we get various referrals and introductions to individuals and companies who have somewhere, somehow, heard about affiliate marketing and believe their business will benefit from launching a program.

In many instances they are correct, but not always. Not every business is ready for an affiliate program, or will see the growth and results they expect. More importantly, those that are, need to make sure they develop the right type of program.



Technically, launching an affiliate program is really easy. Like most things on the internet these days, there are plenty of service providers offering a variety of solutions. Some are great, some are good, and some are really, really, bad. They all use the same marketing terms and buzzwords, but their approaches and abilities to deliver will vary.

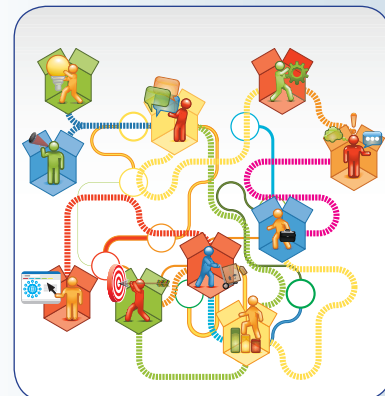
We'll first assume you already have a product or service that is successfully being sold on the internet, and your objective with an affiliate program is to increase your advertising and sales. If you're brand new, you may wish to review the other papers in our Education section.

Full-Service Networks with In-House Affiliate Program Management Teams

Some of the larger affiliate networks such as Commission Junction and Linkshare offer merchants complete and total affiliate management services. They provide the platform, the tracking software, the setup, recruitment, management, and payments to the affiliates in their network promoting your products and services. They work with the merchant to develop program goals and provide customized analysis, insights, and program recommendations. They will assist in the creation and optimization of all creative assets.

Benefits: These larger full-service networks offer varying levels of service, and with their most comprehensive program the advertiser gets a complete solution. The technical setup, campaign development, promotions and management are all mostly handled by the network staff.

Drawbacks: There are typically required setup fees and minimum monthly costs incurred, even if your program isn't making you any money. Also, the technical setups and marketing collateral requirements can be challenging for some advertisers, even though they have been streamlined and assistance is always available. And no matter how large the network already is, their recruitment abilities for affiliates to promote your offer is always limited to the affiliates already signed on, or willing to work with the network.



Full service networks offer an easy one-stop shopping option for a completely outsourced solution.

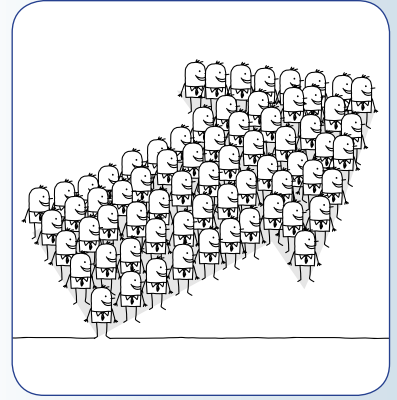
Be aware that some full service solutions will still incur monthly fees even if unable to deliver any traffic, leads, or sales.

CPA Networks

Cost-Per-Action (performance-based) networks also provide the necessary tracking, promotions, and payments to the affiliates in their network. There are easily hundreds of these networks available, and their services and performance will vary. They excel at promoting your offer to their network of publishers, since that is how they get paid, but most will not have the in-house teams and expertise to best help you develop your program. It's best if you already have all the pieces, and look to these networks simply for new distribution and traffic. You'll still want someone to actively manage the program.

Benefits: The CPA networks will typically charge no fees and the setup is pretty simple. Also, since most evolved from a core niche competency, they offer an easy way to quickly tap into a bunch of affiliates with the sort of traffic best for you and your offer. (The trick, of course, is to know what each network excels at and how they operate.)

Drawbacks: Not all CPA Networks are created equal. There are some really great ones out there, and there are a few too many with good intentions but lack the necessary experience, and others who are intentionally cutting corners and bending rules with little concern to your product or brand in order to make a buck. It doesn't take a lot of research to find stories about advertisers and affiliates alike who have lost money and suffered damages from the mismanagement of offers by a network.



CPA Networks can quickly generate traffic to an established offer.

Ask the network what type of traffic and offers have worked best with the majority of their affiliates.

Outsourced Program Management

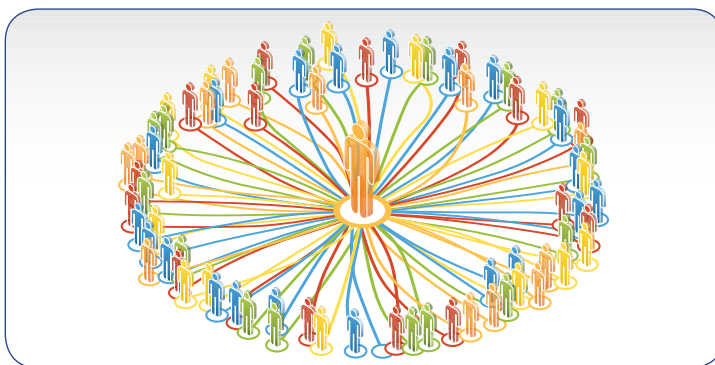
An Outsourced Program Manager (OPM) brings a wealth of experience and connections to your program. The good ones have been around and managed numerous campaigns in a variety of roles over the years. Some may specialize in the types of products or promotions they manage, while others may be more diverse and flexible. They may have their own network of publishers, and should also be able to manage your offer through both the large networks and CPA networks listed above.

Benefits: As mentioned above, an OPM typically combines some of the best features of the other options. Since they are usually smaller in size, they are personally involved in learning your product and building a custom program best for your company.

Drawbacks: Not many. The only thing that may give you pause is any program they build for you is likely still on their platform, using their tracking software and associated technology. While cost-effective, this can make it difficult if you ever choose to assume control of your program. Even if you're provided with complete transparency and have the contact information and relationship with the affiliates driving your traffic, you'll still need to have them switch links and sign new agreements before you can assume control.



OPM's bring skill and experience to build and control your affiliate program on one or more networks.



Direct (In-House) Affiliate Management

For maximum return, an in-house direct affiliate program is always recommended. With a direct program, an advertiser can take advantage of all the best features listed above, plus affiliates always prefer to work direct with the advertiser whenever possible.

Of course, to accomplish this, it is necessary to hire an experienced affiliate manager. Your in-house affiliate manager should be experienced with recruiting, promoting, and negotiating with affiliates. They should be able to spot trends, and monitor all affiliate activities for both brand management and fraud prevention.

Benefits: Building a direct program is by far the best way to go. To begin with, you can still take advantage of all the network benefits listed above. From there, transparency, compliance, and brand management are just the start. By establishing and growing the relationships with your affiliates, you will gain considerable competitive insight, and be able to quickly take advantage of unique opportunities with the affiliates you trust the most.

Drawbacks: It all depends on who you hire and how you assign the job responsibilities. A seasoned marketing professional with specific experience with affiliate management should be very capable of building your program by leveraging the use of the networks along with establishing direct relationships with affiliate marketers and not creating conflict. Far too often, however, the affiliate program is handed over to an entry-level employee who may either fail to correctly develop the program, or mistakenly creates conflicts which either unnecessarily increases costs or loses traffic.



A direct, in-house affiliate program increases control, transparency, competitive insight, and brand management for a company.

For continuous control, a direct in-house program will serve you best.

Who We Are

We're an online marketing agency specializing in search engine marketing and affiliate program development. We work very closely with our clients to build unique and branded programs with complete transparency and insight with a strict adherence to any and all marketing guidelines and compliance regulations as required per industry. Our clients completely own their programs at all times, and whenever requested, we offer a seamless transition and training services back to in-house teams. If you have any questions, and would like to discuss whether a direct program might be a good fit for your company, please give us a call at 303-379-9501, or visit us at www.tesseractmarketing.com. All consultations are free with no obligation. We look forward to speaking with you.



A Piece of Your Marketing Mosaic

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