

Affiliate Program Health Check

How do you evaluate the health of
your affiliate marketing program?





If you're like most marketers, you will start with your Key Performance Indicators (KPIs). It's certainly the most straightforward way to see if your program is moving the needle. Perhaps you have other metrics you typically review, measures such as traffic levels, lead generation, email signups, and the like.

But just as your own picture of health doesn't stop with the numbers on the scale, the health of your affiliate program doesn't stop with the obvious KPIs. We recently interviewed Gen3 Marketing's Jon Kendall to learn more about how to do a thorough health check on your affiliate marketing program.

Don't Put Too Much Emphasis on Too Many KPIs

Kendall says KPIs have their role in measuring affiliate performance, but focusing on too many individual details can lead to confusion and “analysis paralysis.” He recommends keeping an eye on the bigger picture and not getting too bogged down in the details.

“When you’re pulling yourself in too many directions, it’s best to prioritize the goals above all else,” shares Kendall. “If you’re getting an exponentially greater amount of sales and top line every day, then one day of poor performance or a temporary dip in an ancillary metric shouldn’t matter.”

Look at the Diversity of Your Program

Most affiliate programs take a multichannel approach. But being too dependent on just one or two publishers can affect your results differently than if your performance is spread out across multiple partners.

“We like to look at the diversity of a program and the dependency on certain top affiliates. There are a lot of big players in this space and these can sometimes represent the majority of a program’s volume. I never want to see a program be so dependent on one single publisher, even if they have a great name and history in the affiliate space. The reason for this is because they could change the way they promote you overnight, wreaking havoc with the program. It’s the Raise All Ships philosophy.”

Kendall shares that placing too much of your affiliate investment on certain publishers and even certain affiliate models is much like any unweighted investment portfolio. You don’t want to put all your eggs in one basket. Keep your program flexible so that you retain leverage if a partner decides to change things in a way that might not serve you as well.

Maximize All Aspects of Your Conversion Funnel

No matter which channels you choose as your affiliate vehicles, Kendall notes that you should understand each channel's full potential. "It's the difference between walking down a single hallway versus knowing the entire floor plan of a building. Maybe you have people at the top of the funnel telling your brand's story through content. And then maybe you have some mid-funnel marketing where people post reviews or unboxing videos. And at the bottom of the funnel, you're looking at how others are assisting in facilitating the sale."

For brands that are already getting great returns by investing in only bottom-funnel activities, Kendall says it's still worthwhile to bring top- and mid-stage activities into the mix. "Then you have more opportunities coming through the funnel. And when you want to stretch the bottom of the funnel, you're simply going to have to put more in at the top. This is actually a great time to invest in the people driving traffic to your brand since the bottom of the funnel tactics are working so well. You've obviously got a whole suite of partners who know how to convert relevant traffic for you, so why wouldn't you want to increase that traffic?"

Kendall believes a program is at peak health when it's maximizing all aspects of the funnel. Leveraging all publisher models, all publisher types, and all stages of the funnel will keep a program as healthy as possible.

Find Lookalike Opportunities

From an agency perspective, if you're having success in a certain vein, it makes the most sense to build on those successes by doing more of those things. For example, if you're doing well on Ebates/Rakuten Rewards, it makes sense to explore other loyalty sites to see if you can replicate

your success elsewhere. This move helps expand your program and puts the product in front of a potentially larger, yet similar, audience, and amplifies demand.

“Sites fall in and out of favor with people all the time. Those sites are still there, but people are constantly evolving. Their preferences change. These are the kinds of shifts we’re trying to insulate our clients from. One way we can do this is to help our clients be everywhere their lookalike customers are.”

Conduct a Gap Analysis

A realistic gap analysis hinges on the availability of data, which is where an agency like Gen3 Marketing can be so valuable to an affiliate program. This analysis represents the distance between your current performance and where you want to be.

“We have a database where we have compiled every transaction on behalf of our clients dating back to 2015. It allows us to quickly cross-reference with any program data to see where gaps exist, who is performing well or underperforming, or even overperforming (which could indicate a compliance risk). These are rich, actionable insights. We can compare a client with the ten other clients that are most like them. It’s a powerful tool to measure yourself against industry trends. And in our case, we’re measuring clients against our other clients that we’re working with directly. That’s the kind of value you can only get from an agency.”

Review Program Compliance

Last but not least, Kendall warns that a lack of compliance oversight can significantly skew program results.

Compliance can be confusing in affiliate marketing because it can mean two different things. In a financial services world, compliance means staying within the guidelines of regulatory agencies and consumer protection laws. But it’s also making sure the program is as squeaky clean as

possible: correct coupon codes, only giving credit for actual sales, enforcing terms and conditions, and ensuring accurate information, for example.

“How is everyone in your program driving traffic? Are you enforcing your trademarks within paid search? Are you checking for fraud within your program? Are you doing reversals if a purchase is returned and refunded so that publishers do not get the commission? All of these things can impact the program’s integrity.”

Combine all of the above and add a full serving of confidence, and you get the value of an agency. Contact our team today to see how Gen3 Marketing can evaluate the health of your affiliate program and get you on the path to sustainable success.

Gen3, headquartered in Blue Bell, PA, is a leading digital marketing agency that provides affiliate marketing services to customers (“advertisers”) by optimizing advertisers’ positioning of their products and services on third party websites (“publishers” or “affiliates”). The company also provides additional digital marketing services, including pay-per-click, search engine optimization, social media and other digital marketing campaigns. The Gen3 platform combines technology expertise, people and process to effectively manage online marketing spend for customers globally.

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