

How To Attract Super Affiliates



Identifying, attracting, and retaining super affiliates should be a key goal of any affiliate program.



A super affiliate is an individual or company that can produce very large revenues for your affiliate program. In most affiliate programs a handful of super affiliates are responsible for the vast majority of revenues. They are often sophisticated Internet marketers and will commit significant financial and labor resources to ensuring that their online marketing campaign is successful. Super affiliates use a variety of online marketing tactics to drive traffic: buying pay-per-click (PPC) traffic, search engine optimization (SEO), creating focused websites with product information and reviews, co-registration, and email marketing.

Understanding Super Affiliates

Identifying, attracting, and retaining super affiliates should be a key goal of any affiliate program. The best way to do this is to start with an understanding of the super affiliate mindset.

Mercenary -- Super affiliates do not work for you. They work for themselves. Because of this, they will always seek out the best opportunities. If they do not like working with you or they find a more compelling financial opportunity elsewhere, they will switch their allegiances. Overnight a significant part of your traffic will disappear and be re-aimed at one of your competitors' websites. They will always negotiate and expect a better payment structure; either before an initial test or after evidence of their ability to drive significant traffic and sales.

Busy -- Super affiliates are in the business of making money. They are constantly tuning their existing programs and testing new programs. If an offer makes it into their pipeline for consideration, an initial small-scale test is usually done on the most promising traffic. If the initial test results in success, the program is scaled up. If the test fails or is not very profitable, the program will quickly be abandoned.

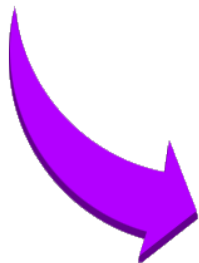
Greedy -- Super affiliates are bombarded with special offers from merchants and affiliate networks/aggregators. They are constantly getting better than the "rack rate" deals available to standard affiliates. They evaluate potential new programs based on a number of criteria: the strength of the merchant's brand or name recognition, payout structure compared to similar offers, average sale amount, degree of competition on related SEO or PPC keywords, payment



frequency/delay/method, possibility of recurring income on repeat sales, possible scale and total profits from the program, perceived quality of the landing pages, and conversion rate. If they cannot get key financial information about program performance, or your program is new and has no track record, they will typically decline to even test it.

Lazy -- Super affiliates want to do as little setup or ongoing work as possible. Most have invested significant time and effort in streamlining their new program testing and ongoing program maintenance. If your program requires extra work and customization to implement, and deviates from their standard testing process, it will likely be rejected. Super affiliates ideally want to do just a little upfront work and create a large ongoing passive income stream for themselves. They then move on and try to create additional income streams. They like predictability, and resent any changes such as different payout structures or frequently changing consumer offers that can impact their income stream.

The following Top 10 list will help you make your affiliate program “super affiliate friendly.”



Top 10 Tips for Attracting Super Affiliates

The following Top 10 list will help you make your affiliate program “super affiliate friendly.”

10 – Join an affiliate network

If you join a reputable affiliate network or offer network (such as Commission Junction, LinkShare, or Kowabunga), you will have demonstrated credibility to the super affiliate. They will know that you are legitimate, that their activities will be properly tracked, and that they will be paid on time. Most super affiliates already run multiple programs and have accounts on the major networks. So signing up for your program will be as easy as pressing a button. If you are not on a major network, the super affiliate would most likely run a very small-scale test and then wait a full payment cycle to see if they get paid before turning on their campaign in earnest.

9 – Offer better payouts

Many super affiliates will not consider your standard “rate card” payout structure. They will ask for and be able to get better terms from either you or one of your competitors. At a minimum they can usually get your top volume public payout tier before even



These tips may require a little more administration and accounting on your end, but you will be seen as a trusted partner by the super affiliates.



turning on a test program. Others will wait until they have demonstrated the ability to drive significant business and will then renegotiate terms.

Under the traditional percent-of-sale or fixed amount-per-lead payout structures the goals of each side are different. The merchant wants the highest possible volume because they have a fixed and guaranteed profit per sale. The super affiliate wants to maximize program profits after media cost. Since they must subtract the media costs from their payouts they will not scale the program past their profit maximum point, even if it is at much lower traffic volumes.

Some super affiliates will only work on “net profit split” terms. These deals work as follows: the super affiliate drives traffic (fronting any media costs required). The gross profit from the sales is calculated (subtracting any variable cost of goods sold). The media costs are then reimbursed to the super affiliate, and the remaining net profit is split between the merchant and the super affiliate based upon an agreed percentage. The advantage of this kind of arrangement is that both parties are trying to achieve the same goal: to maximize program net profits. This often results in much larger program scale and higher profits for both parties.

If your business has significant repeat sales or upsells, you should offer commissions on this lifetime value (LTV) to the super affiliate.

8 – Pay reliably

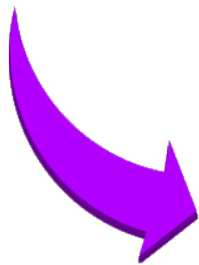
It should go without saying, but problems with payments can quickly kill a promising affiliate’s enthusiasm. Payment issues are especially critical during the beginning of the relationship. If you are using in-house or third-party affiliate tracking software (and are not signed up on one of the major affiliate networks), many super affiliates will run a small-scale test and then wait to make sure that they receive the correct payment amount in a timely manner.

There are actually several components to establishing a good payment reputation:

Pay quickly – Do not hold payments for longer than 30 days. Ideally your payment should go out within a week of the payment period end-date. Remember that many super affiliates have fronted significant hard-dollar media costs and have to “float” this cashflow until you pay. If your sales cycle is long, consider tying the payout



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to an immediate action such as a lead form-fill.

Pay frequently – Pay at least monthly. You may also consider supplemental twice-monthly or weekly payments for super affiliates.

Pay reliably – Never be late with or actually miss a payment. If this happens even once, you may lose the trust of the super affiliate forever.

Pay conveniently – Pay via direct deposit or wire transfer if possible. If large amounts are involved and you pay by check then overnight a cashier’s check to your top performers. Otherwise they are forced to wait for regular mail and then have to deal with a bank hold on the check after they have deposit it.

Minimize allowances – Many programs withhold generous allowances for future returns or refunds. Once a super affiliate establishes a good track record, you should lower or completely remove any withholding allowances.

All of this may require a little more administration and accounting on your end, but you will be seen as a trusted partner by the super affiliates.

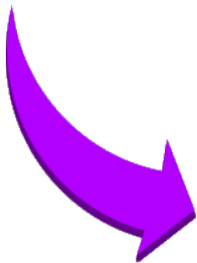
7 – Allow bidding on your brand

Some affiliate managers see pay-per-click (PPC) super affiliates simply as parasites who piggy back on the power of your brand and do not “add value”. In fact, most PPC super affiliates will conduct exhaustive keyword research, optimize the copywriting of the ads, and effectively manage the program to maximize sales and profits. They will also serve as a valuable partner who will make suggestions on how to improve your program and landing pages. As part of their keyword research they will of course uncover keywords that involve your corporate brand or specific model/product names. But they will also find all of the general and generic keywords in your industry, along with all of your major competitor’s keywords.

Affiliate managers see PPC super affiliates as being in direct competition with their in-house PPC programs. In fact, this “if you win, then I lose” mentality is rarely appropriate. Your inhouse listing is usually seen alongside those of your competitors and archrivals. A super affiliate can actually “roadblock” your competitors by taking up one of the top listings, which increases the chances that the



Always communicate proactively with your super affiliates and let them know about your upcoming plans.



searcher eventually ends up on your site. So the choice is really between a slightly reduced profit margin for the sale coming through your super affiliate, or the entire sale going to your competitor. There is rarely cannibalization or channel conflict to the extent that you have lower overall profits as a result of super affiliates bidding on your branded terms.

In order to minimize their risk, PPC super affiliates then will typically run a small-scale test focused on your branded keywords. If the test is not profitable, then this is a good indication that the program will perform even more poorly with generic or general keywords in your industry. In other words, if you cannot convert on your own brand, then the super affiliate will not bother with your program. If the test is successful, they will of course expand the keyword list to include a much larger number of keywords (many of which you are not even aware of).

If you do not allow bidding on your branded keywords, many PPC super affiliates will decline to even test your program. You should at a minimum allow a very limited number of trusted PPC super affiliates to bid on your branded keywords.

6 – Don't be "high maintenance"

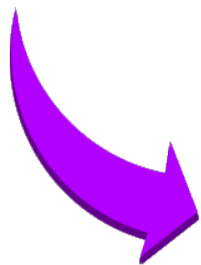
Many affiliate managers are constantly changing their offers and landing pages, or running short-lived seasonal promotions. If the super affiliate has tuned their keyword mix or sales copy to your old offer, their program may perform much worse when the traffic is aimed at your new landing page. This forces them to scramble and adjust their program. Basically you are causing them anxiety, additional work, and a reduction in profits until they can again stabilize the program. If you must make new offers available frequently, always leave your old offers and landing pages active for the super affiliates that do not want to be bothered. If your new offers are truly that compelling, then the super affiliates will migrate to them in due course. Keep the chaos to a minimum and do not mess with your existing profit streams by providing continuity and "backward compatibility" for your affiliates. Always communicate proactively with your super affiliates and let them know about your upcoming plans.

5 – Don't change the rules of the game

Do not change your payout structure frequently or in a negative di-



If you are protective of your information, or do not have accurate numbers for key financial metrics, the super affiliates will not view you as cooperative or credible.



rection. Every time your payout structure changes, it will probably be noticed as reduced program profits during the super affiliate's next reporting cycle. Even if you had sent out an email notification of the new terms, the super affiliate was probably too busy to notice. So they will be faced with the unpleasant surprise of lower profits or an actual loss. This will most likely trigger a program review. The super affiliate will survey the competitive landscape in your industry and will try to find better performing offers. If they do, there is a high likelihood that they will switch to one of your competitors. Unless you are planning a payout increase, it is better to remain "out of sight and out of mind".

4 – Share sensitive information

Most super affiliates are very sophisticated in their tracking and analysis of program performance. They also use a variety of metrics to evaluate which new programs they will test. They require accurate historical information about your program. This may include: conversion rates by various sources, average initial sales amount, lifetime value of the client, payouts to top affiliates using the same tactics as the super affiliate. In short, you should sign a non-disclosure agreement and then share as much information as possible with the super affiliate. This will allow them to make the best decisions possible. If you are protective of your information, or do not have accurate numbers for key financial metrics, the super affiliates will not view you as cooperative or credible.

3 – Listen to suggestions

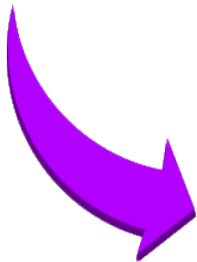
Super affiliates usually have a lot of experience with successful large-scale affiliate programs. They have seen what works and what does not across a number of industries. You should be attuned to any suggestions from your top performers. In fact, you should be actively soliciting advice. Super affiliates can often help you with the following: evaluating the competitiveness of your payout structure (not your standard "rack rate" payouts – but the top rates being paid by your competitors), suggestions for landing page improvements, and improvements to your offers or promotions.

2 – Go the extra mile

Super affiliate performance follows "The Rule of 80/20" – 20% of your affiliates will account for 80% of your revenues. In fact many affiliate programs follow a 95/5 pattern – 5% of your affiliates ac-



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A 20% increase in conversion rate will DOUBLE the super affiliate's profits!

count for 95% of your program revenues. It is critical that you do everything that you can to support super affiliates. Many larger affiliate programs have dedicated staff catering to their needs. Even if you do not have dedicated staff, helping a few super affiliates will have much higher payback than dealing with the interrupt-driven routine requests from a large number of your “retail” affiliates.

Super affiliates may need campaign and keyword level tracking in order to maximize their ROI. Any tracking issues should be resolved as quickly as possible with the support of your

I.T. staff. They may also be able to come up with suggestions for more effective landing pages. Help them to get these pages developed. If your I.T. pipeline is full and it is difficult to get new landing pages up, then allow the super affiliate to host the landing pages on their servers and forward any required information to you.

1 – Fix your conversion rate

The single most important feature of your affiliate program is the conversion rate of the desired action on your website or landing pages. Super affiliates look past higher payout structures to the performance of the site itself. If your landing pages are confusing, cluttered, or unprofessional, the resulting lower conversion rate will wipe out any advantages of a higher payout.

If you fix the conversion rate of your website, everyone will benefit. Your program makes more money, your affiliate network drives higher revenues, and your affiliates will love you. Fixing your conversion rate allows you to pay affiliates more without increasing your payout percentage!

Lets look at a simple example: Your super affiliate has a 25% return on investment (ROI) - for every \$1.00 spent on marketing, \$0.25 in profit is created.

BEFORE -- Payout: \$1.25 -- Cost: \$1.00 -- Profit: \$0.25

Let's assume that you can increase your conversion rate by a modest 20%. What would be the impact on the super affiliate's profits?

AFTER -- Payout: \$1.50 (\$1.25 x 120%) -- Cost: \$1.00 (Unchanged - same marketing activities) -- Profit: \$0.50

The 20% increase in conversion rate will DOUBLE the super affiliate's profits!



Your affiliates typically can not control the costs of the traffic that they drive to your website. But you should be doing everything possible to improve your conversion rate and help them to make more money. This will lock in the loyalty of your super affiliates more than any other single factor.

How to Fix Your Conversion Rate

Until recently, you basically had three options when trying to improve your conversion rate:

1) Do it yourself – If you are testing some simple alternatives (e.g. a couple of different offers or simple headline changes) then you can rent the software to run your own tests in-house. In order to complete the test, you will have to do the following: decide exactly what to test, design any landing pages required, decide what subset of your traffic can be used for the test, install the proper tracking, randomly split your test traffic and direct it to the different landing pages that you are testing, collect the data, and analyze the results. You will probably need support from your web designers and I.T. staff.

2) Pay for an engagement – You can hire a conversion rate tuning company to run an engagement for you. They will help you decide what to test, assist in the implementation of any required landing pages, run the test, and analyze the results. If you choose this option you will be required to pay for the engagement up front. The fees are substantial, often ranging from tens to hundreds of thousands of dollars per year. There is no guarantee of results when you pay for the engagement upfront. You must pay even if you get no conversion rate improvement.

3) Pay only for results – SiteTuners has pioneered performance based website tuning. It is unique among leading conversion rate tuning companies because it gets paid based only on the profit improvement generated. The company has developed its proprietary Tuning EngineSM technology to run much larger tests than are possible with primitive approaches such as A/B Split testing and Multivariate Analysis (also known as the Taguchi Method). SiteTuners specializes in very high data rate environments and larger programs.





Now, you have another option:

OnDialog powered by SiteTuners

OnDialog, Inc. and SiteTuners.com have teamed up to bring you the best of two worlds – powerful optimization technology created by experts together with high productivity creation of landing pages, microsites and dynamic content.

This partnership puts the power of SiteTuners’ Tuning Engine directly into the hands of marketers. OnDialog’s automated test instrumentation technology means that the creation process and the test instrumentation process are the same process – saving loads of time and enabling marketers to initiate testing as soon as they have created a page with variable content options. Build, instrument and test in one simple process.

And, while most of your tuning can now be easily implemented in-house, you can still get direct support from the experts at SiteTuners when needed for your more complex and broad scale optimization.

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If you are interested in finding out more about the OnDialog powered by SiteTuners approach, please contact the company for a complimentary phone consultation:

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