



# 5 Essential Elements of a High-Performing Affiliate Marketing Channel

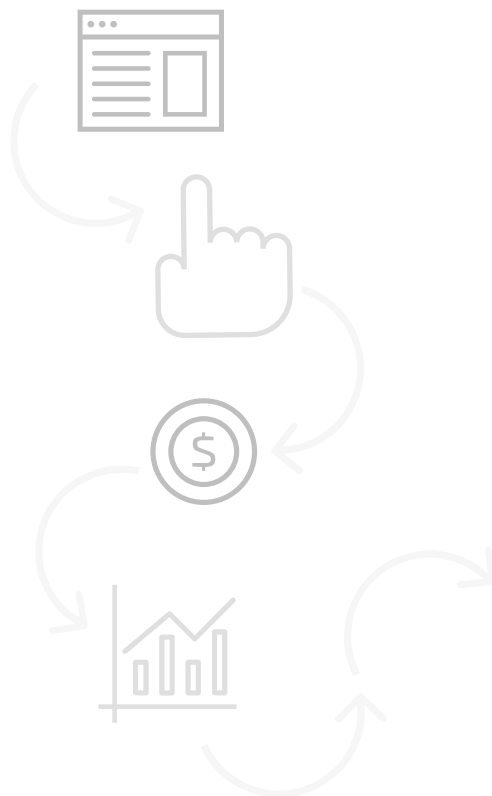


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LQ is a customer acquisition company with a simple goal:  
**TO HELP YOU WIN MORE PROFITABLE CUSTOMERS DIGITALLY.**



Whether you're a veteran of affiliate marketing or testing the waters out for the first time, your goal should be to run the most successful affiliate marketing program possible. Unfortunately, a poorly managed affiliate marketing program is oftentimes the biggest culprit contributing to lackluster results. But that doesn't have to be the case. Even though there's no real "one-size-fits-all" approach to affiliate marketing, there are some tried-and-true best practices that no affiliate marketing program can truly succeed without.

In this paper, you'll learn the following:

- 1** Why affiliate marketing can be such a huge driver of growth for brands.
- 2** What every brand must do to build and grow a successful affiliate marketing program
- 3** How to evaluate the best manager to take you on your affiliate marketing journey

# AFFILIATE MARKETING IS A GAME CHANGER FOR CUSTOMER ACQUISITION

If your business objective is to drive leads, acquire new customers, and boost overall sales and revenue growth, an affiliate marketing program can fundamentally supercharge your entire marketing strategy. Here's are a few important reasons why:



## IT EXPANDS REACH.

As effective as paid advertising is, there will inevitably come a time when you hit a performance plateau or have restrictions on your spend. In short, you need new, more economical ways to grow. The biggest benefit of affiliate marketing is that it can open up new avenues for reaching untapped customers, driving valuable leads, and generating sales. Tapping into the mindshare of these “ready to buy” consumers alone can breathe new life into your digital advertising efforts.



## IT OPTIMIZES DIGITAL AD SPEND.

If you're a smaller brand and don't necessarily have large marketing budgets to work with, getting top billing can be tough and expensive. Affiliates can ease this burden for you. Because they earn commission from multiple brands, they have larger combined budgets to reinvest into their own digital advertising efforts. This is important because the affiliates you work with typically have more leverage to bid on prime inventory at a lower overall CPA than most brands would have on their own. This is a guaranteed way to get your brand up, front, and center on the search results page in the most targeted and cost-effective way.



### **IT GUARANTEES RESULTS.**

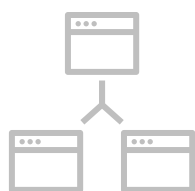
Affiliate marketing helps minimize risk by having you pay for only those leads that turn into a purchase. You partner with affiliates to deliver results. When they succeed, you succeed. Affiliates aren't just marketing on your brand's behalf; they are on the hook to drive growth. If they don't, they know they'll lose your business—and trust.



### **IT IMPROVES REVIEWS + RANKINGS.**

The more time you dedicate to building a relationship with your affiliates, the more likely your rankings and reviews on their sites will improve. As your rankings improve, you'll have more influence over consumers who visit those sites. And as your influence grows, so will the number of consumer interactions you get through those sites.

# 5 STEPS TO WINNING AFFILIATE MARKETING PROGRAM



Affiliate marketing can be a real game changer for your brand, but only when the program is managed properly. To turn your program into a well-oiled affiliate marketing machine, here are the most critical elements that you must absolutely get right from the very start:

## 1 A POWERFUL PLATFORM

Your affiliate marketing program won't start driving results on its own. You need to tap into the power of smart and trusted platform to support every part of your program – from marketing automation to distribution. Investing in a centralized platform will simplify the day-to-day operations of your program and automate the critical tasks that keep it humming seamlessly: sending insertion orders on the fly, finding new affiliates in the marketplace, managing financials, detecting and avoiding fraud, and so much more. It also allows you to more easily tap into a powerful marketplace of potential affiliates. The only issue here is that setting up your technical “support system” can be a time-consuming and overwhelming process. That's why it's important to partner with the right manager or

agency to do all this heavy lifting for you. Just keep in mind that not all platforms are created equal; some are more tech-focused while others are more focused on the number of affiliates in their marketplace. We work with leading affiliate platforms such as **Impact Radius**, **CJ Affiliate** and **Rakuten Marketing** but we will help you choose a platform that works best with your business.

## 2 AN INVESTMENT MINDSET

Investing in an affiliate marketing program means being in it for the long haul. Results don't happen overnight. The smart investments you make in your program today will drive results tomorrow—as long as you approach it with a forward-looking, investment mindset. After all, an affiliate marketing program is as much an investment in relationships as it is in



marketing your brand. Relationships take time to build; dollars won't start pouring in on day one. However, if you take the time to nurture and grow your program from day one, you will see great results. As you recruit more affiliates to your program, you will see them build your program up to its peak potential. This is why giving yourself an investment mindset "gut check" should be a prerequisite. If you're not ready to invest time, money, and resources for the long haul into an affiliate marketing program, you aren't ready to build a program in the first place.

### **3** A COMPETITIVE SPIRIT

Good marketers know that success happens when you effectively beat the competition at their own game. You need to approach your affiliate marketing program with the same mentality. It's important to know which sites your biggest competitors are affiliated with as well as what they are doing on those sites to promote themselves before you decide to jump into the same "sandbox" with them. Affiliate sites are the epitome of "compare and

contrast." Your products and services must be just as strong, if not better than your competitor's. You must be able to operate and distribute on a national scale (even if you operate a small, local brand). You should have a clear understanding of both your brand's as well as your competitor's CPA and conversion rates to know where you might have leverage. Affiliates like to work with winning brands. You have to enter that relationship with a winning spirit. The better able you are to demonstrate the relative strength and influence of your brand—in both metrics and value—compared to your competitors, the greater chance you'll earn better rankings, more positive reviews, and priority treatment. But this doesn't happen on its own. You have to go into every affiliate relationship ready to compete—and win.

### **4** AN ABILITY TO DETECT (+ AVOID) FRAUD

Unfortunately, affiliate marketing has earned a bad reputation over time due to the fact that some affiliates have been known to "cheat" the system. You don't want your brand to

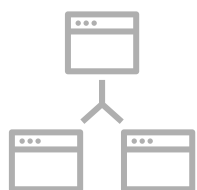


be tarnished with that kind of reputation. So, in addition to properly vetting your affiliates, you need to put processes in place to ensure that your program stays healthy. For starters, you need to thoroughly understand the distribution practices of your affiliates, taking into account which affiliate models are riskier than others. You also want to avoid enabling an environment that makes it easy to “cheat.” If a customer returns their purchase, you must have the ability to report that return to an affiliate. These reports, which can be easily generated via your platform, will help you understand and analyze which publishers have the highest return rates so you can more effectively optimize what you pay them. Equally, you need to ensure that your finance department is keeping a close eye on all transactions to ensure that your chargeback rate stays below one percent (as anything above that can quickly become a red flag for fraud). In short, it’s important to have the right checks, balances, and reporting tools in place to ensure that your program is running smoothly and cleanly.

## **5** A READINESS TO BUILD LONG-TERM RELATIONSHIPS

The most successful affiliate marketing programs are those where a true partnership exists between brands and affiliates. The better relationship you have, the better your results will be. Give your affiliates a good reason—paid or otherwise—to help your brand grow, and they’ll deliver tenfold. Building these relationships takes time. That’s why it’s so important to start small, especially if this is your first foray into affiliate marketing. If you cast too wide of a net, you’ll be spread too thin and you won’t develop deep relationships, which will ultimately make it hard to scale your program effectively. However, if you take the time to grow your program and build relationships with affiliates at a sustainable pace, it won’t be long before your affiliates essentially become an extension of your marketing and sales teams. Simply put, you can’t “set and forget” an affiliate marketing program; what happens behind the scenes is just as important as every transaction that takes place on those sites.

# THE RIGHT MANAGER IS WORTH ITS WEIGHT IN GOLD



If you're new to affiliate marketing, expect to go through a bit of a learning curve. It takes time and a number of resources to build a high performing affiliate marketing strategy that will achieve your brand's specific goals. More often than not, the affiliate strategy may not be your only job! You are also responsible for search, direct, and all other channels for acquisition. That's why finding the right manager or agency to help you build, implement, grow, and nurture your affiliate marketing program is critical to your program's success. The right manager will take the time to understand your business needs and tailor a program that makes sense for you.

And even though there's no one-size-fits-all approach to affiliate marketing, the manager you choose to guide you along this journey must tick a few important boxes:

## **THEY MUST HAVE HIGH-QUALITY RELATIONSHIPS WITH AFFILIATES**

An affiliate marketing program is only as successful as the relationships that exist between brands and affiliates. This is one of the biggest hurdles for any brand to overcome. However, the right manager for your program will already have positive and long-lasting relationships developed with a wide variety of affiliates so you don't have to start from scratch. Not only will this help get your

program up and running a lot faster, but it will also help position your brand for success right from the start.

## **THEY MUST UNDERSTAND WHAT A FULL-SERVICE TECH PLATFORM IS**

It isn't easy determining what platform is right for you. There are a lot of options available and, as mentioned above, each platform has its own strengths and weaknesses. The truth is, affiliate marketing is a complicated process.



The right manager for your brand should already know what platform will work best for you and ensure all parts of your program are running like clockwork before you ever hit “go.” They should also be able to help you understand what your competitors are already offering to their affiliates in order to provide strategic feedback on how you should structure your insertion orders so you can be more competitive in the marketplace.

### **THEY MUST TAKE A “BEYOND THE PIXEL” APPROACH**

A smart and savvy manager will know that driving value from an affiliate marketing program goes way beyond simply measuring transactions (i.e. leads and sales) at the platform-level. The right manager for you should be obsessed with understanding the total value of the customers being generated

from your affiliate marketing efforts. They’ll examine the business models of the affiliates you’re considering to work with to evaluate the value of the traffic that can be driven to your business. They’ll also know, however, that if a low funnel affiliate is the right strategic fit for a brand, it will be considered as part of the marketing mix. The important takeaway here is that just as no two brands are created equal, no two affiliates are either. The manager that helps you build your strategy must ensure that your program is most appropriately tailored to your brand’s unique goals, needs, and expectations. Evaluating affiliates based on volume alone won’t set your program up for long-term success.

# AFFILIATE MARKETING: YOUR TICKET TO LONG-TERM GROWTH

When done right, an affiliate marketing program can be a huge catalyst for growth and effectively change your entire approach to digital marketing as a whole. You must be hands-on from start to finish to drive real results and bring on a manager or agency that can ensure your program's success. LQ Digital is here to help when you're ready to get started.





## HOW WE CAN HELP

LQ Digital is a customer acquisition company. Our mission is to help brands win profitable customers. We do this with our people, our technology platform and our full funnel approach. What makes us unique is we are obsessed with lifetime value, are paid on performance and bring an objective marketwide perspective on your acquisition strategy.

**Call 1.800.670.3515 now and speak with one of our digital media specialists or visit us at [lqdigital.com](http://lqdigital.com) and start today.**

How confident are you in your digital performance?