

TUNE

10 MISTAKES TO AVOID WHEN STARTING AN AFFILIATE PROGRAM



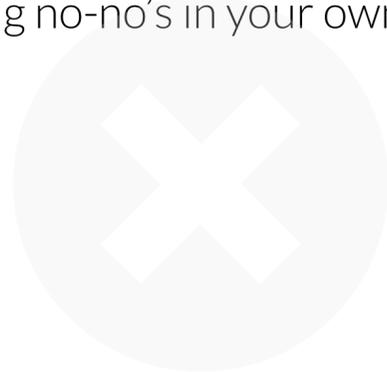


Everyone makes mistakes.

In fact, mistakes are a vital part of the learning process. It's hard to become an expert in anything without trying and failing at it first.

Still, who wants to make a mistake if it can be avoided?

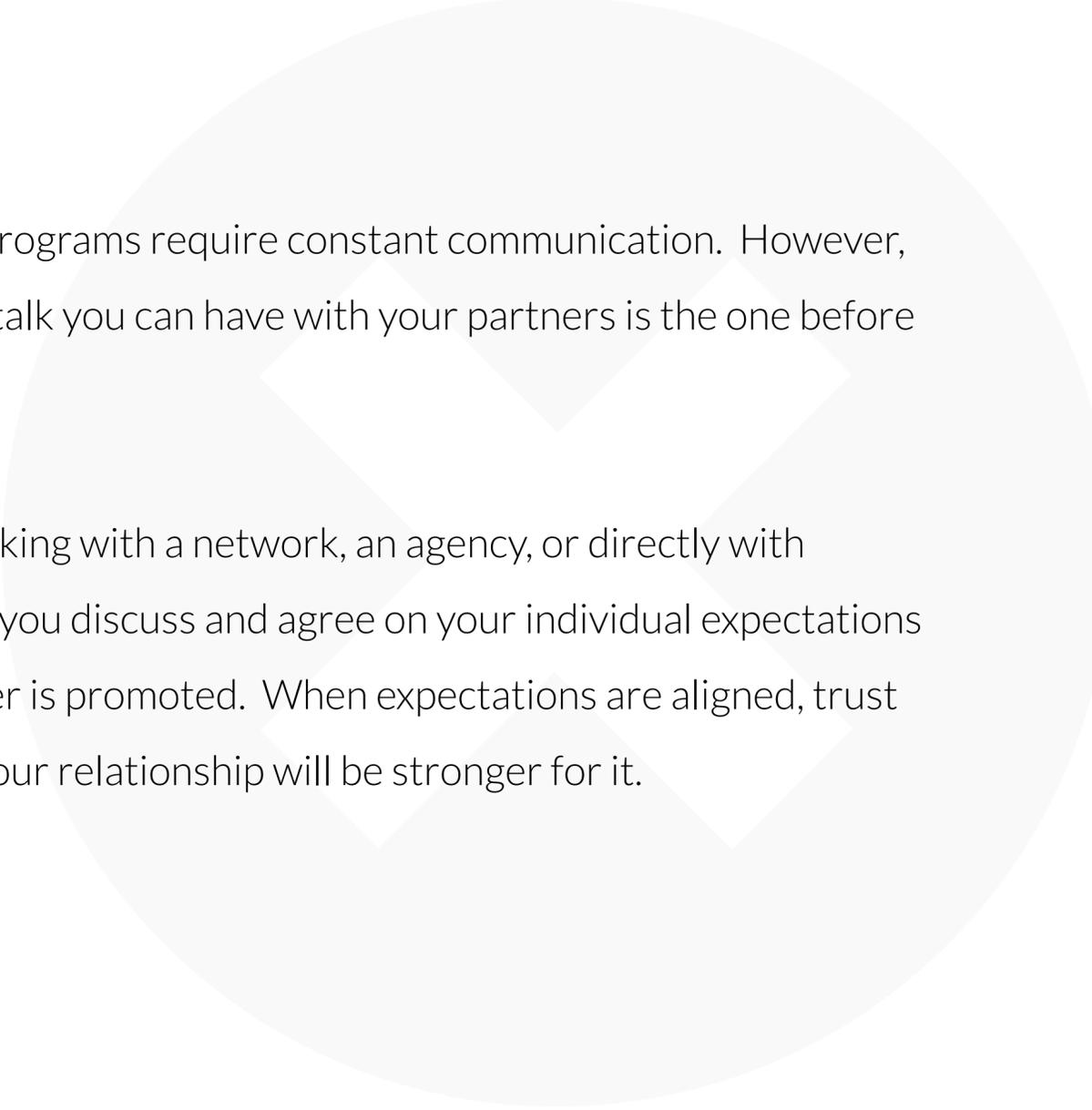
We asked experts at leading affiliate marketing programs, networks, and agencies to tell us about the mistakes they've seen (or made) when starting affiliate programs. Find out their top errors, see what they did to adapt, and hopefully avoid making any big no-no's in your own program.





✘ MISTAKE #1

Not setting expectations early on



Successful affiliate programs require constant communication. However, the most important talk you can have with your partners is the one before any traffic is served.

Whether you're working with a network, an agency, or directly with partners, make sure you discuss and agree on your individual expectations before even one offer is promoted. When expectations are aligned, trust is established, and your relationship will be stronger for it.


✘ MISTAKE #1

Not setting expectations early on

How the Director of an Influencer Marketing Agency sees it →



It's important to have clear communication and expectation-setting before launching a campaign with a publisher. Be open and honest early on about your site's conversion rates, your KPIs, and what kind of traffic you want to see. This will prevent a rocky start to a partnership from the get-go.

✘ MISTAKE #2

Launching without a clear strategy and expert help

An ounce of prevention is worth a pound of cure. Same with strategy and planning: Do a little now to save yourself a lot of work down the road.

While you're at it, hire someone who knows what they're doing to help get your partner marketing program off the ground. It takes years to learn the affiliate industry. An expert can get you started on the right foot and share shortcuts along the path to success.

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more info*

TUNE Solution:
TUNE Partners

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✘ MISTAKE #2

Launching without a clear strategy & expert help

“ It’s important to have a strategy built out before you start partnering with affiliates, and stick to that. Keeping all partners in line with your brand identity and values is important. It’s better to have 20 high-quality partners with the right audience than 300 affiliate partners that are not aligned with your brand identity or are introducing your brand to the wrong demographic. ”

—SOPHIE TOPOROFF, HEAD OF STRATEGIC PARTNERSHIPS



“ Don’t just throw an inexperienced person in to run the program. There are so many advantages an experienced affiliate marketer or agency (I know, I’m biased) can bring to the table. They have the right contacts, the right relationships, know how to structure partner engagements more strategically, and can grow programs faster and in a healthier way. They also know how to leverage additional tools and data outside of the basics to understand the value of each partnership. ”

—LACIE THOMPSON, CEO



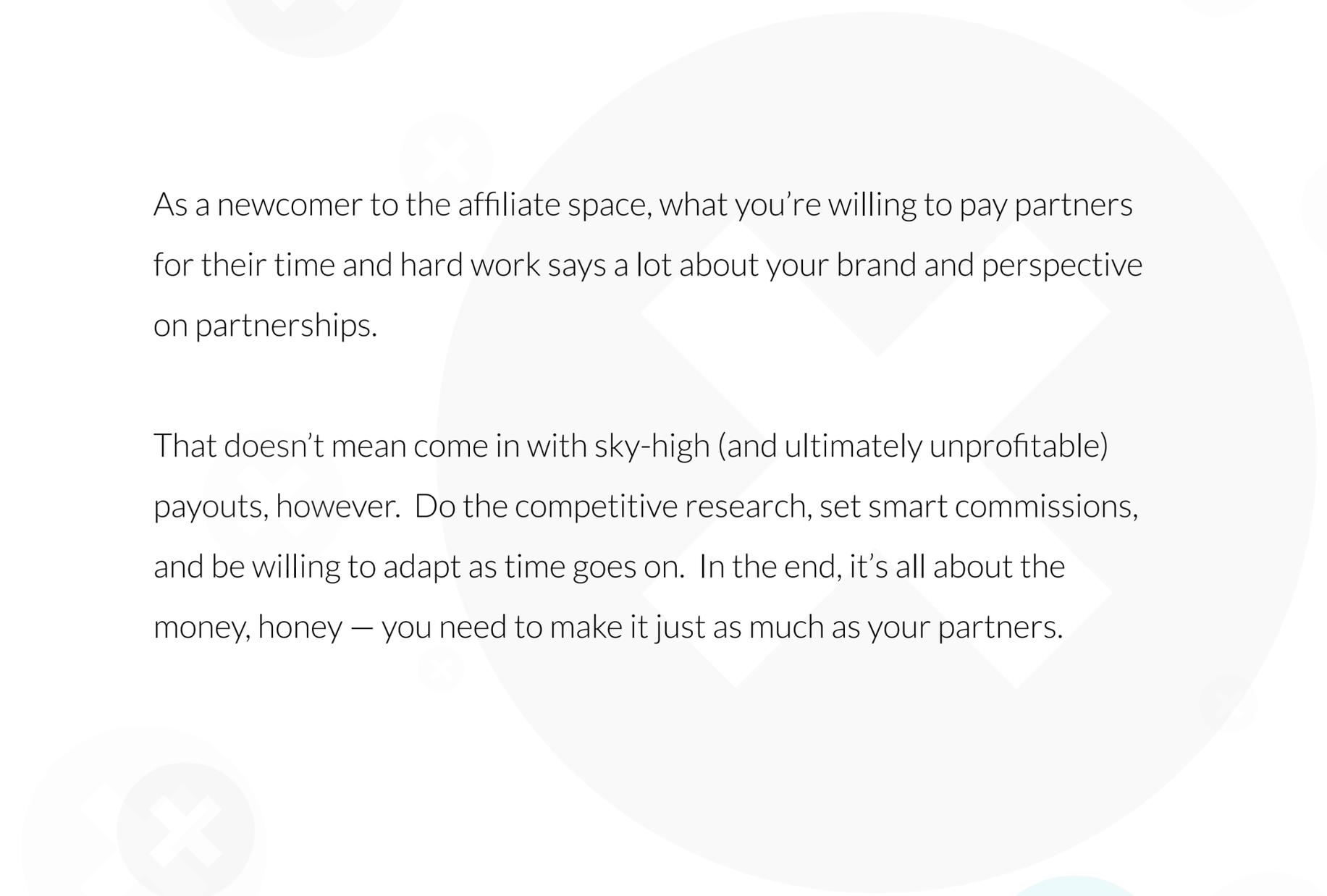
“ My #1 suggestion is to have a clear strategy! Ask yourself: What am I trying to achieve? And then design your strategy accordingly. The most successful brands in affiliate marketing know exactly what they are trying to achieve and they know exactly how they measure success, because they have done their homework. ”

—ALEXANDER HOLD, SR MANAGER



Global Savings Group

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✘ MISTAKE #3

Going to market with the wrong commission model

As a newcomer to the affiliate space, what you're willing to pay partners for their time and hard work says a lot about your brand and perspective on partnerships.

That doesn't mean come in with sky-high (and ultimately unprofitable) payouts, however. Do the competitive research, set smart commissions, and be willing to adapt as time goes on. In the end, it's all about the money, honey — you need to make it just as much as your partners.

TUNE Solution:
Payout Structures

TUNE

**✘ MISTAKE #3**

Going to market with the wrong commission model

“ Successful clients know their margins, do competitive research, and have a clear plan of what they will offer, and what they can offer in private to VIP partners. I have seen clients go into the market too high and have to cut commission. While it wasn't a large decrease and seemed minimal, it caused a lot of frustration and impacted promotions. Affiliates also talk to their friends, so reputation is important. ”



—MANAGING DIRECTOR AT AN AFFILIATE NETWORK

“ Brands can start and fail if their baseline commission isn't high enough and, in some verticals like travel, this could be a make-or-break it type of situation. When you get started with a program, you need to be flexible with your commissions and what you award partners as you are trying to grow your program.

—ERIN KERR, PARTNERSHIPS MANAGER



“ Take a data-driven approach and work to find a good balance between cost to consumer and cost to the affiliate.

—HEAD OF PARTNERSHIPS AT AN INFLUENCER NETWORK

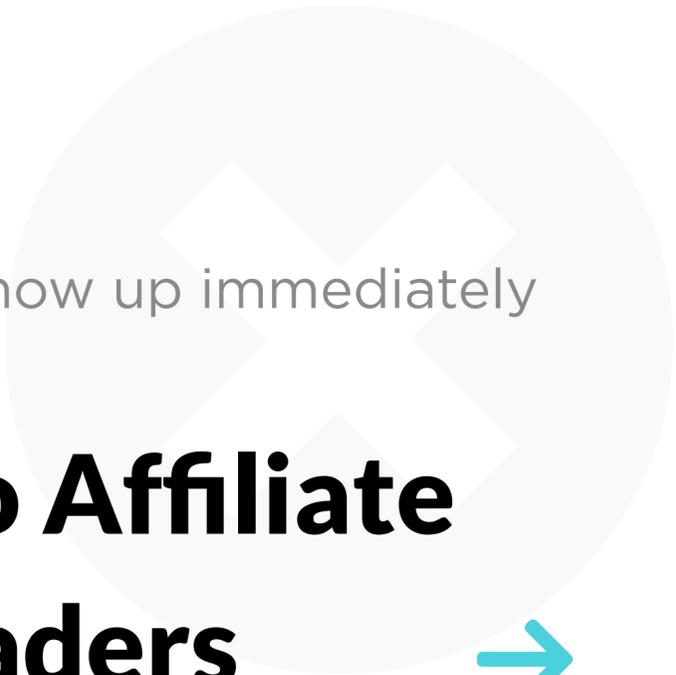


✘ MISTAKE #4

Expecting results to show up immediately

Just like a good relationship, the affiliate channel requires time to nurture and grow.

While some partners may be able to get up and running traffic in a few days, that's not the norm. If you aren't willing to take a longer-term view of your program, you may find yourself facing frustration and disappointment in the short term.



✘ **MISTAKE #4**

Expecting results to show up immediately

According to Affiliate Network Leaders →

“ Some brands feel that affiliate marketing is ‘set it and forget it,’ when in fact there is a lot of creativity, negotiating, and optimizations needed to build up this acquisition channel.

“ Affiliate tends to be a slow build, and projections should reflect that.

“ Be patient and tenacious! Success will not happen overnight, and this is a long-term objective, just like branding and SEO. The payout model is different, the end goal is the same.

✘ MISTAKE #5

Not getting serious about tracking and technology

Performance marketing is all about real-time data, optimization, and analysis. A free web analytics account and some spreadsheets won't cut it.

To be successful, affiliate programs require specialized software and tools for tracking, managing, and paying partners. Setting these up and mastering their use is no small feat. It is, however, a necessity for any business that wants to capitalize on the opportunities of this channel.

TUNE Solution:
Payments &
Postbacks

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✘ MISTAKE #5

Not getting serious about tracking & technology

Some small mistakes that turned out big for brands ...

“ Trying to set up pixels using GTM versus skipping that and doing server to server. Was a huge time suck and made reporting and management impossible. ”

—DIRECT-TO-CONSUMER REAL ESTATE COMPANY

“ A small reporting error that resulted in incorrect invoicing and tainted relationships. Eventually was corrected and the relationship was healed. ”

—ONLINE SUBSCRIPTION SERVICE ADVERTISER

“ Choosing the wrong partner management tool. And then not even implementing it correctly. ”

—INTERNATIONAL HEALTH & WELLNESS BRAND

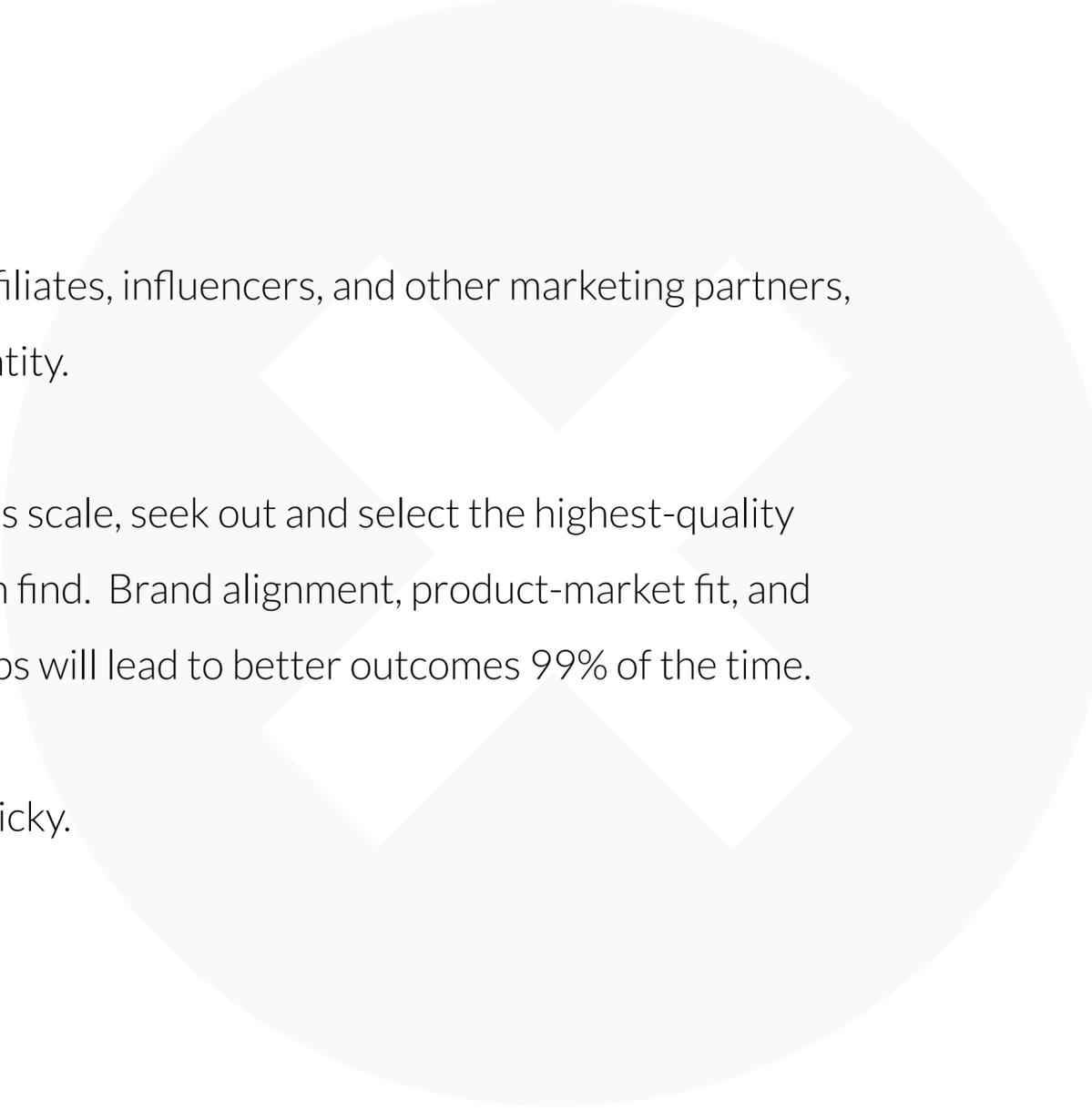
“ Lack of careful selection of technological partners. Each time you migrate a program, you are likely to have short-term disruptions with some of your key performers, and to lose long-tail affiliates in the process. While smaller affiliates do not necessarily count much in terms of immediate sales, they often make a difference in the long term for demand creation. ”

—FRANK RAVANELLI, GLOBAL HEAD OF AFFILIATES

FOREO
SWEDEN

✘ MISTAKE #6

Accepting every publisher that applies



When it comes to affiliates, influencers, and other marketing partners, it's quality over quantity.

Even when the goal is scale, seek out and select the highest-quality partnerships you can find. Brand alignment, product-market fit, and personal relationships will lead to better outcomes 99% of the time.

In other words: Be picky.

✘ MISTAKE #6

Accepting every publisher that applies

“ One thing is launching an affiliate program, but the more complicated matter is choosing the right publishing partners to work with. We experience that a lot of smaller retailers’ approach to affiliate marketing is quantity over quality, which is a shame. If you are new in affiliate marketing, do your due diligence and agree on a strategy. Trying to do everything will rarely yield a good result, and you end up with too many low-performing channels and it becomes hard to measure return. ”

—ALEXANDER HOLD, SENIOR MANAGER



“ Almost every affiliate channel sees 95%+ of their revenue from their top 10 partners. While it is important to diversify your portfolio of relationships, you will spend a lot of wasted energy trying to build the biggest program in partner numbers.

—MANAGING DIRECTOR AT AN AFFILIATE NETWORK

“ You can have a thousand publishers in your program, but how many of them are click active or revenue-driving? Less is more when you find the right partners!

—AFFILIATE MARKETING MANAGER



✘ MISTAKE #7

Ignoring optimization and incrementality

When it comes to performance marketing, just good is never good enough. There's always room to optimize and improve.

And while incrementality may be an unfamiliar concept, it's well worth learning and mastering. When you understand exactly what actions lead to exactly what outcomes, the path to success becomes clear. All you have to do is take it.

TUNE Solution:
**Performance
Automation**

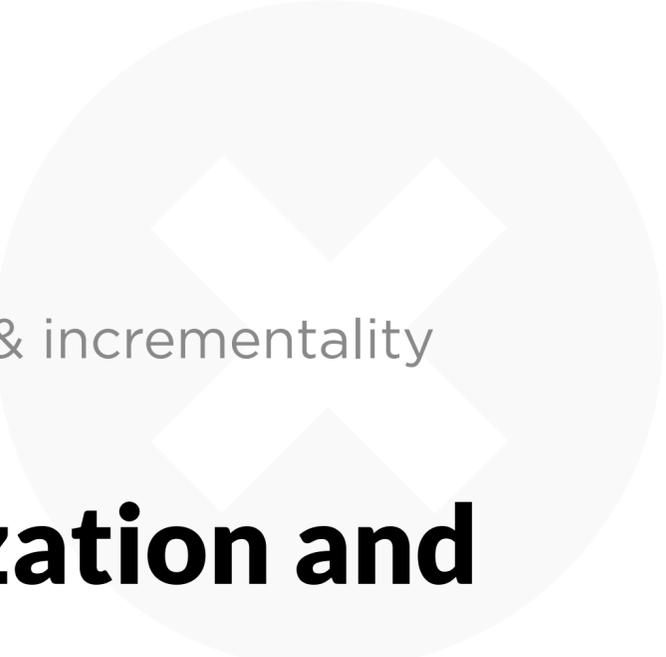
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✘ **MISTAKE #7**

Ignoring optimization & incrementality

Why optimization and incrementality matter →



“ Often, affiliate channels are not shown or proven to be truly incremental when in fact, comparing against other channels, they are very much so. Naturally, incrementality must be defined by the merchant as to how they measure and accept a conversion as truly incremental.

—JAMES REVELL, HEAD OF ECOMMERCE



“ Affiliate marketing can help drive more new customers, increase AOV, and help drive a substantial amount of traffic.

—JONATHAN GOODWIN, PARTNERSHIP EXECUTIVE



“ The affiliate channel is sometimes undervalued in organizations that expect it to constantly drive bottom-of-funnel sales. However, brands that play the long game and focus on building strong relationships eventually see those optimizations pay off.

—HEAD OF PARTNERSHIPS AT AN AFFILIATE NETWORK



✘ MISTAKE #8

Letting excessive fees and costs add up

Seems like a no-brainer, right? Yet plenty of affiliate program rookies find themselves wondering where they went wrong as they watch the bills roll in.

Recurring charges, like monthly access to a partner marketplace or fees based on a percentage of each payout, quickly add up. Avoid unnecessary costs by using affiliate program software with SaaS-based pricing and adding extras (such as network partners or agency services) only as needed.



✘ MISTAKE #8

Letting excessive fees & costs add up

“ Oh man, I have the best story here: In my agency days, took over management of a large shoe retailer who didn't want to be bothered with doing returns in the affiliate channel. They offered returns in store for online orders and, according to them, was too much of a hassle to figure out for affiliate. After finding out what their average return rate was overall for their company, I ran some numbers and showed them they were losing close to \$30,000 a month in publisher commissions and network fees that they overpaid. Only because they didn't want to fuss with it internally.

It was fixed and returns were processed before the month was over. ”

—ERIN KERR, PARTNERSHPS MANAGER



“ As a network, you are often floating a lot of money, depending on the gap between A/R schedules and A/P schedules. You need to make sure you understand the monetary risk and mitigate it wherever possible.

—AFFILIATE NETWORK EXECUTIVE



✘ MISTAKE #9

Not monitoring for fraud and compliance

They say one bad apple spoils the barrel. The same thing can be said about partner marketing – one bad actor can spoil your program.

While most affiliates you work with will prove themselves trustworthy, it's reckless to assume that is always the case. Monitoring for fraud will protect your investments. Making sure partners actually comply with your policies and rules will protect your reputation.

TUNE Solution:
**Proactive Fraud
Prevention**

TUNE

✘ MISTAKE #9**Not monitoring for fraud & compliance**

“ In order to best curb future fraud from the start, ensure you have a solid foundation in your program agreement that clearly lays out the rules of operation with your business. A program agreement should include everything from rules on paid search, coupon promotion, email and social media promotion, et cetera. Be sure to also include grounds for commission reversal and/or program termination.

Next, once the program is live, keep a close eye on your reporting to spot any anomalies in traffic or sales spikes. If it looks too good to be true, it likely is. Affiliate conversions and trends should mirror what you typically see for the site overall. Anything out of the ordinary should be examined further. ”

—SARAH BEESKOW BLAY, VICE PRESIDENT NORTH AMERICA



“ The thing I’ve seen brands regret the most is not implementing compliance monitoring and not vetting partners strictly enough.

—DIRECTOR OF PARTNERSHIPS AT AN AFFILIATE NETWORK

“ Done correctly, the affiliate program can be a well kept, invite-only channel, with ongoing reviews, and as needed, cleansing of merchant affiliate partners.

—JAMES REVELL, HEAD OF ECOMMERCE



“ Have a proper tracking system with fraud management in place, because it can have a huge impact.

—AFFILIATE MANAGER AT A DIRECT-TO-CONSUMER DIGITAL BRAND



✘ MISTAKE #10

Forgetting that partnerships are a two-way street



The most important thing to remember in partner marketing is the Golden Rule: Treat others as you would like to be treated.

At the end of the day, affiliates are working to make a living by helping your business make a profit. Give your fellow marketers the respect they deserve, and they will overwhelmingly return it in kind.

That's the beauty of performance partnerships — they're mutually beneficial. When one person wins, everybody wins.



✘ MISTAKE #10

Forgetting that partnerships are a two-way street

“ I see a lot of companies approaching partnership conversations with ego. Building relationships with publishers is an art, and requires mutual respect and a willingness to find ways to make the engagement beneficial for everyone, including the publisher. ”

—LACIE THOMPSON, CEO



“ Put yourself in the shoes of your potential affiliates: What will make them successful? If you can answer this question, in an objective manner, you are likely to make your affiliate program a hit.

—FRANK RAVANELLI, GLOBAL HEAD OF AFFILIATES



“ Partners are treated like they should be bowing down to the brand when, truthfully, it should be a happy marriage of the two. Both the brand and the partner should be able to work together openly to where it benefits both of them.

—ERIN KERR, PARTNERSHIPS MANAGER



“ The most overrated part of an affiliate program? The idea that you don't have to work it because your partners work for you. That's true to some degree, but you absolutely have to work it, too, or it will fail.

—AFFILIATE NETWORK EXECUTIVE

**We hope you've
learned from our
mistakes.**

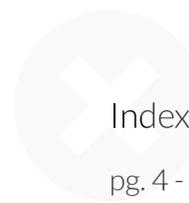
**We know we have.
Good luck out there!**



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