

Affiliate Marketing: A Buyer's Guide

E-consultancy

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Introduction / About the Author

My name is Jessica Luthi and I am the affiliate manager for www.ASOS.com. My background in affiliate marketing is extensive. I started as affiliate manager for www.ukaffiliates.com in 1998. I joined www.affiliatewindow.com in June 2000 as operations manager and then joined www.ASOS.com in April 2002 as their affiliate manager. Prior to my arrival ASOS.com had already partnered with www.ukaffiliates.com, www.cj.com and www.tradedoubler.com within six months I set about consolidating our affiliate program to just one affiliate solution provider, which after careful consideration, we decided we would remain with www.tradedoubler.com. I am an affiliate in my spare time with multiple themed websites and I am well known and respected in the industry of affiliate marketing.

I will be using ASOS.com by way of example of a highly successful affiliate program. ASOS.com (PLC) is a fashion Internet store specialising in designer brands with a celebrity twist. We are currently number two on hitwise.com above Top Shop, Figleaves.com, La Redoute, Marks & Spencer and Laura Ashley. ASOS.com Ltd is a PLC and the share forecast is good. Our success is based on understanding our customers and their shopping habits combined with a strong product range and powerful online and offline marketing campaigns.

Our affiliate program drives between twenty-five and thirty percent of all online sales. We offer our affiliates between seven and ten percent commission and we have many hybrid deals in place. Our affiliate program is popular with all affiliates as our conversions are good and we offer affiliate incentives. Whist I run a fashion related affiliate program, the ground rules for a successful affiliate program can be applied to any product or service online.

This affiliate review is ideal for anyone who has little or no understanding of affiliate marketing in the UK. This review would be ideal for anyone just looking for the essential resources in affiliate marketing in the UK. I have, where possible, used a layman's terms approach which will help you to understand how affiliate marketing can help your online business and in turn help you make the right decisions. I hope you enjoy this review as much as I have enjoyed constructing it. If you have any comments or question please feel free to contact me info@affiliateprogramadvice.com

1. Overview

1.1 What is Affiliate Marketing?

1.1.1 The Basic Concept

A system of advertising in which site A agrees to feature buttons from site B, and site A gets a commission on any sales, clicks or leads generated for site B.

Affiliate Marketing is online advertising where the advertiser (Merchant) pays for advertising purely on results. All affiliate campaigns are based on a revenue share or hybrid commission/leads deal.

1.1.2 Origins

The origins of affiliate marketing can possibly be found in the USA in 1996. "As legend has it, Jeff Bezos, CEO and founder of Amazon.com, chatted with a woman at a cocktail party about how she wanted to sell books about divorce on her website. After that exchange, Bezos pondered the idea and thought about having the woman link her site to Amazon.com and receive a commission on the book sales. This was the impetus for creating the so-called "first on the Web" Amazon.com Associates Program which was launched in July 1996." Source affiliatedirectoryinfo.com (US)

Affiliate Marketing arrived in the UK in 1999 with the launch of two Affiliate Solution Providers, Uk Affiliates (www.Ukaffiliates.com), now part of Deal Group Media, and Affiliate Window (www.AffiliateWindow.com). Both were following in the footsteps of an industry-established company in the USA called Commission Junction (www.CJ.com). Tradedoubler (www.tradedoubler.com) were hot on their heels. Back then no-one knew if the UK was ready for affiliate marketing and the UK industry suffered its first casualty with the loss of Magic Button in 2001. Magic Button's investors lost confidence. Over time those that remained committed to the success of affiliate marketing were rewarded in 2002 with a surge of demand for affiliate marketing products and services. Affiliate marketing had arrived in the UK and would be here to stay.

1.2 What are 'affiliates'?

1.2.1 Affiliates of the Past

So who are affiliates? Back in 1999, in the UK, the average UK affiliate was a Joe or Joanne, sitting in his/her bedroom, creating hobby-based websites. Joe and Joanne were a 9-5 Student or Employee and the revenue they got from affiliate marketing in the UK had no significant impact on their income.

But Joe and Joanne got smart, because they both had technical skills. Not only were they able to build their own websites but also they were able to use the new emerging UK software to analyse their traffic to the point of being able to target their visitors with contextually relevant adverts. Joe and Joanna's conversions went up and the money started trickling in.

As the popularity and access to the Internet grew in the UK, so did Joe and Joanne's commissions. Joe and Joanne graduated from University or quit their day jobs and went into business for themselves. A lot of these UK affiliates moved away from hobby-based websites and set up shopping portals.

1.2.2 Super Affiliates

In 2000, a new breed of affiliate started emerging. These were affiliates that had a combination of website design skills, programming skills and the ability to create their own software in order to ensure a click, a sale or a lead. These 'super' affiliates can only be described as an elite sales force that will drive the majority of your affiliate results.

Whilst in numbers they will only make up a fraction of your affiliate program, super affiliates will make up the bulk of your sales, leads and clicks. They typically each represent between 7% - 15% of your affiliate program revenue. This may seem like a small percentage in itself but given you may have hundreds of affiliates in your program there are actually only a very small number who contribute the majority of your revenue. Equally, the value and consistency of results delivered by super affiliates can be considerable. For example, below are figures for one super affiliate from ASOS.com (1st to 30th Nov 03)

	Impressions served	Unique Visitors delivered	CTR (click through ratio)	CR (conversion Ratio)	Commission earned	Total Sales Value
Affiliate x	25,891*	31,163*	120.36%	3.04%	£5,000.04	£41,666.99

* As the affiliate above uses a combination of text links and banner links the number of unique visitors is higher than the number of impressions. This is because text links are not counted towards impressions.

The next group of affiliates are a mediocre group that will nevertheless consistently drive results. They will not deliver huge amounts, but they are steadfast and consistent.

The majority of affiliates in your program may have poor or no results. It's the 20/80 rule...20% will drive 80% of the results.

1.2.3 Unethical Affiliates and Spyware

Inevitably, there will be a few affiliates, known in the industry as "spyware", "Adware", or "parasiteware" affiliates, who will wish to partner with you. Spyware and Adware is downloadable software (e.g. 180solutions.com or whenu.com) that monitors and records users' browsing activity in order to try and serve them relevant advertising. Aside from any concerns over privacy, or intrusive advertising, that this may result in for users, it is also of concern for affiliates, and merchants, as the ads may get in the way of links and referrals that would otherwise be transacted as part of your normal affiliate relationship. In the worst case scenario such software may 'steal' or take the credit for a sale, or lead, delivered by another genuine affiliate.

Such parasitic affiliates can overwrite your affiliates' links in different ways. The most typical is by offering a shopper toolbar or rebate type of toolbar. A customer clicks YOUR affiliate's link and makes a purchase or registers for your service. Your affiliate should get paid that commission. But if the referring visitor has downloaded the XYZ cashsavings toolbar, it will overwrite your affiliate's link and the commission is credited to the parasite affiliate for that sale or registration.

The only way a merchant is parasite-free is if they refuse to partner with companies that use these unethical marketing methods. However, it's hard for merchants to police sometimes,

because unless you know that your affiliate is part of such an unethical practice it can take a while before you can see what they are doing. It takes a very diligent and affiliate-centred manager to insure a program stays clean. You are strongly advised to do some of your own research and draw your own conclusions as to whether you want these kinds of affiliates in your affiliate program. Your decision to accept them will be at the risk of losing your super affiliates.

1.2.4 What is a Two-Tiered Affiliate Program?

In the early days when UK Affiliate Solutions Providers first set up shop, most offered a cash bounty for recruiting / referring other affiliates into their network. This method was then applied to the merchant's own affiliate program.

Example of a two tiered Affiliate Solutions Provider:

- Jennifer, who runs her own affiliate site, signs up to www.affiliatewindow.com (for example)
- Jennifer tells John to click on her affiliatewindow.com affiliate recruiter link displayed on her website, and also join affiliatewindow.com as an affiliate
- As soon as John makes his first sale through one of the merchant's affiliate programs, Jennifer gets £1.00

Example of a two tiered merchants affiliate program.

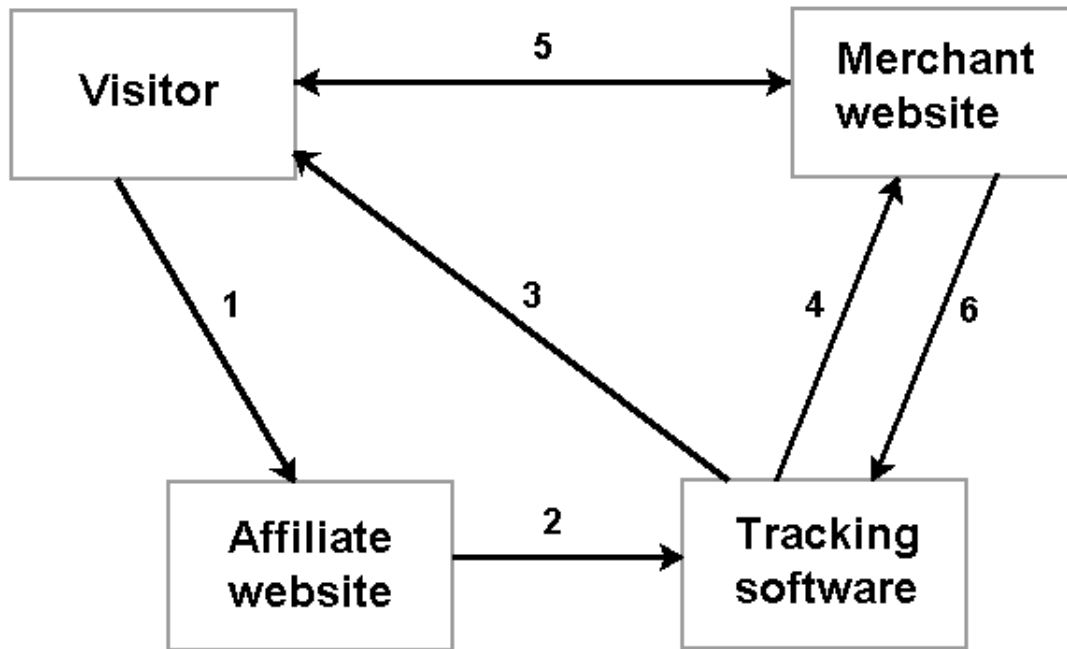
- Jennifer joins the ACME merchant affiliate program.
- Jennifer refers John to the ACME merchant's affiliate program via her ACME recruiter link on her website.
- Jennifer gets 5% of everything that John makes referring his visitors to acme.co.uk, however, Jennifer does not get the 5% until John has reached his affiliate payment threshold.

These incentives were offered as ways for the affiliate solution providers to grow their base of merchants and affiliates as quickly as possible. Thus it was the affiliate solution providers who paid for the second tier as it was most directly in their interests. Most affiliate solutions providers have since done away with the second tier, but a few still have this as an option. As a merchant it is worth considering finding an affiliate solutions provider who provides this second tier as an incentive for other affiliate to join your program. Indeed, it is worth considering offering to pay for this second tier incentive, as the merchant, as a way to get more relevant, high quality, affiliates to sign up to your program – if you get a few good ones on board you can then incentivise those ones to find the other affiliates for you.

1.3 What is Affiliate Tracking Software and how does it work?

1.3.1 The Process

A Merchant like <http://www.ASOS.com> recruits or tempts webmasters like <http://www.retailtherapyonline.co.uk> to take an ASOS.com banner or text link and for every visitor that comes to <http://www.retailtherapyonline.co.uk> and is forwarded onto to ASOS.com and makes a purchase, retailtherapyonline gets paid a % commission on the total sales transaction. The whole process is tracked by using an affiliate tracking ID, in this case ASOS.com use the software by the Affiliate Solution providers <http://www.Tradedoubler.com>



Explanation of graph:

1. The visitor visits the affiliate website
2. The visitor clicks on a link to a merchant. The link points to the affiliate tracking software which will do some accounting (registration of the click through)
3. The affiliate tracking software writes a cookie to the visitor's computer for tracking purposes.
4. The affiliate tracking software automatically redirects the visitor to the merchant's website. Steps 2, 3 and 4 only take a fraction of a second and therefore the visitor does not notice that he / she is not directed straight to the merchant website.
5. The visitor browses through the merchant's website and adds products to the shopping basket. Once done he / she proceeds to the checkout and pays for the products.
6. When the credit card is processed and payment has been taken the merchant's shopping cart software displays a 'Confirmation and thank you' page to confirm the sale to the customer and to thank him / her for customs. A short line of HTML code is placed on this page. This line of HTML code contains a unique identifier (like an order number) and an order amount. The line of code passes this information to the affiliate tracking software. The software checks for the cookie (written in step 3) and if the cookie is on the visitor's computer the sale will be logged to the affiliate account.

1.3.2 The importance of cookies

A cookie is a bit of information that is stored on a user's computer. This information can be used for affiliate tracking purposes as outlined above. It may well happen that a visitor clicks through from your affiliate's website but does not make a purchase on that first visit. If you have set your cookies to expire in sixty days and that visitor returns to your website within the sixty day period and makes a purchase or registers for your service, the affiliate is still paid a commission for that purchase or registration as it is tracked within the affiliate software.

Not surprisingly, affiliates prefer merchants who have set their cookie expiration time as long as possible - if possible 999 days. You must decide what you think is a reasonable period for a sale still to be credited to a referring affiliate post the original referred visit. A minimum of 60

days is recommended if you are to remain a viable and attractive proposition to most affiliates. Generally speaking, the longer you can reasonably make it, the better.

1.4 Terminology

1.4.1 Abbreviations

Below is a table which summarises the most common abbreviations used in affiliate marketing, what they stand for, and how they are calculated.

Abbreviation	Stands for...	Calculated as..
CTR	Click Through Ratio	$(\text{Number click throughs} / \text{Number impressions}) * 100$
CR	Conversion Ratio	$(\text{Number sales (or leads)} / \text{Number click throughs}) * 100$
EPC	Earnings Per Click	$(\text{Total commission amount} / \text{Number click throughs})$
EPM	Earnings Per 1000 Impressions	$(\text{Total commission amount} / \text{Number impressions}) * 1000$

1.4.2 Glossary

Terminology used throughout this document. For more marketing terminology please go to <http://www.marketingterms.com>

ASP – Affiliate Solutions Provider, example <http://www.tradedoubler.com>

Affiliate - The publisher in an affiliate marketing relationship.

Example: <http://www.kudoshops.co.uk>

Advertiser – See merchant.

Affiliate Link – A hyperlink with the affiliate identification code to the merchant's website or product.

Affiliate Manager – Some one that looks after the merchant's affiliate program. Usually has technical, analytical & communication skills and has an in-depth knowledge of the affiliate marketing industry.

Affiliate Forum - An online community where visitors may read and post topics related to affiliate marketing. Very useful for anyone just starting out.

Example <http://www.a4uforum.co.uk>

Affiliate Fraud - Bogus activity generated by an affiliate in an attempt to generate illegitimate, unearned revenue.

Affiliate Marketing - Revenue sharing between online advertisers/merchants and online publishers/salespeople, whereby commissions is based on performance measures, typically in the form of sales, clicks, registrations, or a hybrid model.

Affiliate Merchant - The advertiser in an affiliate marketing relationship.

Example: <http://www.ASOS.com>

Affiliate Network - A value-added intermediary providing services, including aggregation, for affiliate merchants and affiliates. Can also be called an ASP (Affiliate Solutions Provider)

Affiliate Software - Software that, at a minimum, provides tracking and reporting of commission-triggering actions (sales, registrations, or clicks) from affiliate links.

Banner – Graphic advertisement.

Button – Small graphic advertisement

Cookie - Information stored on a user's computer by a Web site so preferences are remembered on future requests.

CSV.File - A product feed is a CSV file containing the merchant's entire product range.

Exclusivity - Contract term in which one party grants another party sole rights with regard to a particular business function.

Dynamic Linking – Usually a piece of java script that affiliates can place on their website and where by the merchant has control over what is displayed on the affiliates website.

Hybrid - Combination of revenue share and CPC, CPM or Tenancy

Linking – Term used for the link from the affiliate's website to the merchant's website or vice-versa

Links – Can mean the above or as reference to buttons, banners, text links, product feeds or any graphical content that affiliates can use to display on their website.

Merchant - The advertiser in an affiliate marketing relationship.

Example: <http://www.ASOS.com>

Network- A database of affiliates, can also mean to socialise with like-minded people in the affiliate industry in a business capacity.

Payment Threshold - The minimum accumulated commission an affiliate must earn to trigger payment from an affiliate program or ASP

Publisher – Same as affiliate

Product Feed – Also known as a data feed. CSV or XML file containing merchant's entire product range, see also CSV file

Return days - The number of days an affiliate can earn commission on a conversion (sale or lead) by a referred visitor. Also, See cookies

Super Affiliate - An affiliate capable of generating a significant percentage of an affiliate program's activity. Example: <http://www.loquax.co.uk> & <http://www.kudoshops.co.uk>

Text-Link – Text with a hyperlink behind it. Example: e-consultancy Practical information & advice for [marketing and e-business](#) professionals

Two-tier Affiliate Program - Affiliate program structure whereby affiliates earn commissions on their conversions as well as conversions of webmasters they refer to the program.

Portal - A site featuring a suite of commonly used services, serving as a starting point and frequent gateway to the Web. Example <http://www.shopguide.co.uk>

1.5 Tips, Advice and Further Research

1.5.1 Online Advice Sources

For quick answers visit www.a4uforum.co.uk or for information about USA affiliate marketing go to www.abestweb.com also www.webmasterworld.com and www.revenews.com

For a three-month strategy plan based on a revenue share go to www.affiliateprogramadvice.com

1.5.2 Further Reading

The Practical Guide to building a profitable affiliate program

by Neil Durrant

This is an e-book. You can get free extracts by visiting www.affiliatetoolkit.com and www.affiliatemarketing.co.uk

Strategic Affiliate Marketing

by Simon Goldschmidt, Sven Junghagen, Uri Harris and Edward Elgar

They use TradeDoubler.com as their case study.

<http://www.amazon.co.uk/exec/obidos/ASIN/1843763907/qid%3D1081847979/026-0956085-7254008>

And, for an American perspective

Successful Affiliate Marketing for Merchants

by Shawn Collins.

2. The Top 10 Dos and Don'ts of Affiliate Marketing

Following are some of the dos and don'ts of affiliate marketing based on hard won experience

2.1 Do...

2.1.1 Do pay your affiliate on time

If there had to be a single golden rule this would be it. You may be a large company, or used to letting your accounts department deal with the messy business of invoicing and dealing with payments, but most affiliates are very small businesses so prompt payment is extremely important to their cash flow. If you don't pay on time then your affiliates will drop you. They really will.

2.1.2 Do employ a professional affiliate manager

You don't need to employ the affiliate manager full time, but you do need to ensure you have someone dedicated to affiliate management and, ideally, they should have some past experience in affiliate marketing. The role of the affiliate manager is more than just an analyst of metrics and an expert in Excel. Communication between the affiliate manager and the affiliates is key, not just for passing relevant information that will help the affiliate's conversions, such as the merchants' top best selling products or services, but also when it comes to doing individual deals. A good affiliate manager with a mature affiliate program can expect to drive sales & leads representing between 25% and 30% of all online business' transactions.

2.1.3 Do pay your affiliates as generous a commission as you can

The higher the commission you pay, the more attractive your affiliate program becomes to affiliates. Look at what your competitor is offering and increase that. This way not only do you attract new affiliates, but you will also attract your competitors' best affiliates. It should be fairly straight forwards for you to calculate what you can reasonably afford to pay by way of commission on a sale to your affiliate and still get a good return on investment yourself.

2.1.4 Do advertise your affiliate program on your web site

This may seem obvious but you would be surprised how many merchants forget.

2.1.5 Do submit your affiliate program to search engines and specialist directories

Spend some time and effort on doing search engine marketing (natural results optimisation and paid search) specifically for your affiliate program. This way you can be found by affiliates looking for an affiliate program within their specific criteria. There are also affiliate directories out there which you should be submitting your affiliate program to. For example:

- <http://www.affiliatemarketing.co.uk>
- <http://www.pwdnet.co.uk>
- <http://www.affiliate-scheme.co.uk>
- <http://www.associate-it.com>

2.1.6 Do provide product feeds to your affiliates

If you have products for sale then make sure that you can provide your affiliates with a data feed of your products. A product feed is typically a CSV or XML file containing the merchant's entire product range. Affiliates then upload this data into their software and display the product data on their website providing a huge variety of fresh products to their visitors. Not surprisingly, click throughs from actual product data result in the highest subsequent conversions on your site. Equally, for copy ads, provide your affiliates with the text for their website. This way you will know exactly how you are being promoted and in turn you make your affiliates' life a little easier. Be descriptive and aim your paragraph of text at your visitor, so all your affiliate has to do is copy and paste.

2.1.7 Do focus on converting your site visitors more efficiently

Clearly you should be trying to maximise your conversion rates anyway, but think about it from an affiliate's point of view – if you get paid only as a commission on conversions and site A converts at 3% whereas site B converts at 1.5%, where would you choose to send your traffic? If you convert well then you are going to be much more attractive to affiliates. "Online companies misuse the solution, thinking that it's just a low-cost form of advertising that will attract sales. If the site involved isn't working in the first place, an affiliate programme is not the solution." Nicky Iapino, Sales Director, DealGroupMedia.com

2.1.8 Do sell your unique proposition to your affiliates

Probably the most crucial aspect to your affiliate program is your understanding of your target market and why your proposition is of interest to them. If you know nothing about them how can your affiliates target their visitors to your website? If you are not offering anything compelling or unique then how likely are you to convert the visitors an affiliate sends you? Competitive differentiation, or a clearly communicated proposition, may be the deciding factor between an affiliate partnering with you in an area that already is saturated or where you are competing with an existing affiliate program that has been set up by your competitor.

2.1.9 Do check on affiliates delivering no clicks or results

These affiliates signed up for your program for a reason so if after a couple of weeks you still have affiliates displaying zero responses or results you need to find out why. Usually there are good reasons e.g.

- the affiliate is a novice and does not know how to put your links on his/her websites
- some affiliates may work up to a season in advance and are waiting for the right moment to put your links up
- some affiliates may have signed up by accidentally clicking on the wrong merchant link.

2.1.10 Do keep looking for new affiliates

"One of the cornerstones of a successful and growing affiliate program is an on-going strategy for finding and attracting new affiliates to your program. Unfortunately, so many affiliate managers think that once launched, their program will take care of itself. Like so many other things in life, you get out of your affiliate program exactly what you put into it. Growing your base of affiliates requires every bit as much thought and attention as any other aspect of your business". Joel Gehman, Finding and Attracting Affiliates

2.2 Don't...

2.2.1 Don't worry about the *number* of affiliates that you have in your program

Because it's the *quality* of the affiliates that matters. Does it matter that Tradedoubler.com may have 200,000 affiliates in their network whereas affiliatefuture.com may have 150,000 in theirs? Not really – it depends on which ones sign up to your program, how relevant they are for your target market, and how hard you work with them (and them with you) to drive conversions to the benefit of both. Most affiliates will sign up with most, or all, of the affiliate networks as they want to have access to as many potential merchants as possible. As a merchant you really need to identify and nurture your super affiliates.

2.2.2 Don't look at affiliate marketing as a quick fix

If you're a bit behind on your targets and think affiliate marketing can give you a quick no-risks revenue boost then think again. An affiliate program can take from three months minimum to six months to get just the foundations properly established.

2.2.3 Don't think of affiliate marketing as a cheap alternative to other advertising

It does work and it is pay on performance but that does not make it cheap, or mean you don't need to commit to it properly. You need to keep in mind set-up costs, affiliate commissions, affiliate incentives, network override charges, in some cases an ongoing management fee and any internal resource costs.

2.2.4 Don't treat your affiliate as a collective group

Treat them as individuals. This can be hard when you are working with hundreds, but good communication is extremely important. Try creating a newsletter especially for your affiliates, give tips to help the beginner, intermediate and advanced affiliates. Tell them about your top twenty best selling products or services. Most crucial is to provide your affiliates with the relevant tools and collateral to help them deliver you the right customers: the up-to-date advertising copy, links, graphics, product data, linking methods and so on.

2.2.5 Don't rely on banner ads to drive clicks

See 'Do provide product feeds above'... Banners can enhance other forms of advertising to create brand awareness, but unless you have a graphic that is set apart from the rest, you will find that text links, deep links and product feeds yield higher response and conversion rates.

2.2.6 Don't believe there is any such thing as a 'totally managed outsourced solution'

By all means use affiliate software, affiliate networks, affiliate managers and, indeed, affiliate consultants to help you. However, be wary of anyone who claims they can provide a totally managed solution where you need do nothing at all and have no involvement. The only totally managed solution that makes sense is where you totally manage your own affiliate program.

2.2.7 Don't accept affiliates known to use adware or spyware

Or at least be very aware of the risks of so doing. "Spyware" is described in section 1.2.3 earlier. Your biggest risk as a merchant is that other genuine affiliates, quite possibly your super affiliates, will drop you if you work with such software / affiliates.

2.2.8 Don't forget about tracking offline conversions

For example, if you have an telephone order number, you will need to ensure you can facilitate offline tracking so that affiliate-referred sales can be reported on even though the transaction went through another channel. If you offer alternate forms of payment but have no tracking in place, this will put the die hard affiliates off from joining your affiliate program. Talk to your technical team or affiliate software technical contact about how to integrate offline sales into your reporting.

2.2.9 Don't be afraid to admit to your affiliates that you are new to affiliate marketing

Affiliates have been making a career out of affiliate marketing for some years now and have a wealth of knowledge, skills and experience. Let them guide you - after all it's a partnership which only works if you both benefit.

2.2.10 Don't look too much over your shoulder at your competitors' affiliate program

Being innovative, fair and providing affiliate incentives will be enough to keep your affiliates motivated.

3. Setting up your own Affiliate Program

3.1 What are the basic resources that you will you need?

3.1.1 Affiliate Manager

Ideally, you will have an affiliate manager. Someone that understands affiliate marketing in-depth and has been working in the industry for a minimum of two years. You are looking for someone with excellent communication skills and a deep commitment to ethical affiliate marketing practices. This person should have some technical expertise and be proactive in affiliate recruitment, affiliate retention and have good analytical skills as well as administrative skills. This person will be responsible for validating commissions, providing fresh content for the affiliates to display on their website and some one that is not afraid to challenge companies with an entrenched traditional advertising mentality - in other words they will need to be able to sell affiliate marketing. Salaries for an experienced affiliate manager range between £25k and £50k. Remember, a good affiliate manager pays for themselves by way of the results they deliver.

3.1.2 Production skills

You will need a good graphic designer to create banners and other advertising graphics that will complement additional linking methods. Your technical person may need to provide a product / data feed as a CSV or XML file. Some knowledge of the following is a must: HTML, various web publishing tools (e.g. Front Page, Dreamweaver), Photoshop, Search Engine Marketing (both natural search engine optimisation and pay per click).

3.1.3 Technical skills

In most cases the integration of your affiliate tracking software should be pain free. After all, it is just a line of code that is placed on your 'thank you' page post purchase. There are occasions, fairly rare, when your shopping cart or website may not be able to accommodate that line of code and a script may have to be written. In all cases you should ask the Vendor to send you an example of their code. Pass this on to your in-house techs or your Vendor's technical team. They want your business and this should be free of charge and they should be able to walk you through each step. There may be occasions where you need to liaise with the technical team for a third party shopping cart if you use one – you may incur a fee for such technical assistance but in most cases this support should be free.

3.2 What linking methods will you need and what works best?

3.2.1 Linking methods and resulting conversion rates

Product feeds

Visitors referred from following product data links are typically the most likely to convert on coming to your site.

Text Links

These are usually the second best in terms of resulting conversions.

Dynamic Linking

Dynamic linking is a method where the merchant has complete control over what is displayed on the affiliate's website. This involves the affiliate taking the linking code and inserting it into

his/her website. ASOS.com use content units through www.tradedoubler.com and this is popular with the affiliates who don't know how to use product feeds.

Rich Media (e.g. flash banners)

These do not have such a good response rate as product feeds or text links. However www.PaidOnResults.com (see vendors in the marketplace later in the guide) are currently working with interactive linking methods with sound. It's in its early days but it is innovative.

Banners and buttons (see below for industry sizes and examples)

Banners and buttons should principally be used for brand awareness purposes. They are still a popular method of linking by affiliates, but are only really effective when used in addition to text links and product feeds.

3.2.2 Banners, Buttons, Pop Ups and Skyscrapers

Banners & Buttons		
Banner Size	Banner Type	
468 x 60 234 x 60 125 x 125 120 x 240 120 x 90 120 x 60 88 x 31	Full Banner Half Banner Square Button Vertical Banner Button #1 Button #2 Micro Bar	
Rectangles & Pop Ups		
Banner Size	Banner Type	
300 x 250 250 x 250 240 x 400 336 x 280 180 x 150	Medium Rectangle Square Pop-up Vertical Rectangle Large Rectangle Rectangle	
Skyscrapers		
Banner Size	Banner Type	
160 x 600 120 x 600	Wide Skyscraper Skyscraper	



468x60



234x60



125x125



120x240



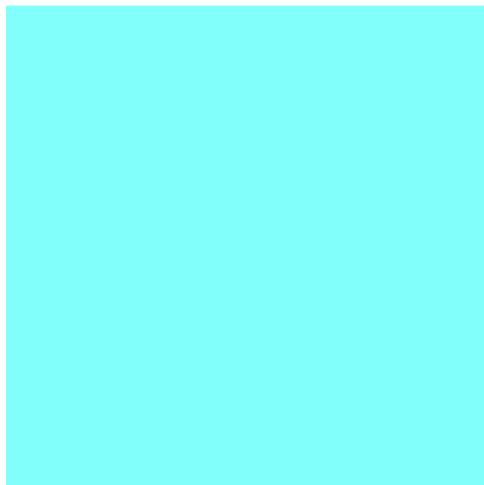
120x90



120x60



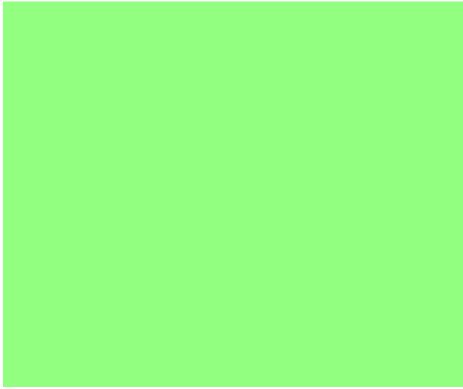
88x31



250x250



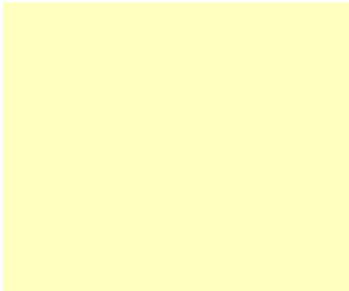
300x250



240x200



336x280



180x150



Sky Scraper
160x600



Sky Scraper
120x600



3.3 Outsource or do it in-house?

3.3.1 Keeping it in-house

Benefits of doing it in-house, as opposed to via an affiliate solutions provider include:

- You have total control over your entire affiliate program
- You are able to be more proactive and reactive to affiliate requests
- You pay the affiliate directly cutting out *override charges (an overpayment required by the affiliate solution provider so you have credit in your account) and, in some cases, monthly management fees.
- You own your affiliate relationship directly. You are not bound by any third party terms and conditions which might, for example, preclude you from dealing directly with your affiliates.

*All affiliate solution providers charge a percentage 'override'. For example, if your affiliates collectively earn £30,000 in commissions in a one month period, you could be paying up to 30% override making your monthly invoice £39,000. The override is essentially a credit or deposit against future payments. Some affiliate solution providers also charge an administration fee ranging from £50 to £500 per month.

As we have discussed already, the challenges of running your affiliate program in-house include:

- You will need to employ some one to manage your program
- You will have to deal with affiliate commission payments by cheque, BACS or PAYPal - this can be draining on human resources and you will have to cover the costs of postage
- You will need to offer affiliate support for general info, linking and financial queries
- You will have to recruit your own affiliates etc.

3.3.2 Outsourcing to affiliate solutions provider

Generally speaking affiliates prefer merchants who opt for launching their program through an affiliate solutions provider. There are three principal reasons for this:

- If you are using trusted third party software then the affiliate can be more confident that your tracking and commission reporting is accurate and impartial
- They can keep track of all their merchants using one provider and one piece of software
- As each affiliate solutions provider makes one *monthly payment of all the commissions from all the merchants the affiliate has joined, it is much easier to handle payments via a single, or limited, sources

*Most of the time, the affiliate solution providers have their own affiliate payment threshold, which the affiliate needs to reach. "At the specified time interval, accumulated commissions for each affiliate are compared to the minimum payment level. If an affiliate fails to meet the minimum payment level, the amount is rolled over to the next period. This continues until the accumulated commission is greater than the minimum payment level. When this happens, payment is sent a certain amount of days after the end of the period, as specified in the contract." Toby Simkin.

The main benefit of opting for an outsourced solution is in minimising the administrative demands in running an affiliate program:

- You do not have the demands of issuing hundreds of affiliate cheques every month
- Your program is offered to the existing Affiliate Solution Provider's network of affiliates, which will give any merchant a good head start

- You are not responsible for the maintenance of the affiliate tracking software
- Affiliate queries are minimised leaving you with more time to recruit new affiliates into your program.
- Most affiliate solution providers offer additional complementary services such as email marketing, search engine optimisation and assistance with PPC (pay per click) campaigns.

In terms of the cons against using an affiliate solution provider:

- The legal small print. In most cases, your affiliates are not yours. In other words if you initially decide to have an outsourced affiliate solution then decide later on to develop an in-house affiliate program, you cannot take your affiliates with you. You are bound by the terms and conditions of your contract "not to solicit away from the network, any affiliate". If you are thinking about having direct relationships with your affiliates further down the line you should read the terms of your contract with any affiliate solution provider very carefully.
- The software. Another potential drawback is that you need to get to grips with the Affiliate Solution Provider's software. One of the common problems of a lot of Affiliate Solution Providers is that they do not provide you with a user manual. Some Affiliate Solution Providers user instructions are too vague or too technical to understand. To resolve this you will need a technically savvy person your end or you will need to work through the implementation with someone technical at the affiliate solution provider.
- Lack of direct contact with your affiliates. Some Affiliate Solution Providers do not facilitate merchants having direct contact with their affiliates – they communicate with your affiliates 'on your behalf' telling them about your best selling products and latest affiliate incentive. Our advice would be to choose an affiliate solutions provider that allows you to communicate with your affiliates directly. Not only can you get vital information to your affiliates at a moment's notice but also it is perceived as more personal and valued a relationship by the affiliate - the message is loud and clear to your affiliates that you care about your affiliate program. This is how good financial relationships are built.

3.3.3 Which is right for you?

Whether to run your affiliate program in-house or to do outsource it will depend largely on your financial and human resources. For a merchant with a small budget your main investment should be hiring the services (even if part time) of an affiliate manager and opting for an affiliate solutions provider that has no or small set up costs. For merchants that have very little time but more budget, you should consider working with an affiliate solutions providers that also offers additional services such as e-mail and search engine marketing. In all cases, it is recommended that you use an affiliate solutions provider, or software provider, that allows you to communicate directly with your affiliates.

3.4 Business-to-business affiliate marketing

If you are a business-to-business merchant wanting to get into affiliate marketing then you should recognise that this market area is only just developing. Most affiliates work with consumers. The business-to-business sector of affiliate marketing is very niche and still fairly insular and the right affiliates are hard to come by. It is highly likely that you will need to source your own affiliates. It is possible to grow your affiliate network but you may need to work that little bit harder.

One of the main reasons why business-to-business affiliate marketing has not taken off yet is that many of these businesses do not have shopping baskets on their sites and they have

contact details rather than a sign up or registration page. This means it is harder to track sales and conversions and assign a value to them which affiliates can earn a commission on. Equally, sales lead times can be that much longer even if the sales values can be much higher. As an affiliate this means you risk waiting on uncertain future payouts that are hard to track as opposed to getting a regular monthly income. If you are going to launch an affiliate program in the B2B space then you will need to consider how to redress these challenges and incentivise your affiliates – perhaps by a hybrid scheme of paying for clicks as well as commissions on conversions.

3.5 Affiliates and Search Engine Marketing

For most companies with an internet business one of the areas of generating a sale or a lead is through Pay Per Click (PPC) search engine marketing via the likes of Google Adwords, Overture, Espotting or Mirago. Affiliates have become experts in this area as well as search engine marketing more generally. Often you will find that search engine results bring back more affiliates in the top rankings than they do actual merchants.

There is a growing debate in the UK around what level of freedom merchants should allow their affiliates in running PPC campaigns. The general consensus to date has been to let them carry on - after all they are making the financial commitment and as most of them are PPC experts they continue to drive very good results. However, as more merchants start to run their own PPC campaigns, they increasingly find that they are in direct competition with their own affiliates which risks driving up the media costs for both thereby lowering overall return on investment (ROI) for everyone.

As a merchant you need to be clear from the beginning about what exactly affiliates can and cannot do. Our recommendation would be to let them do what they want but they must refrain from bidding on your domain name and any trademarks, and, in some cases, your key product or brand names.

3.6 Affiliates and Discounts

Most merchants will have some kind of facility to be able to offer their visitors discounts, typically via a special code that is entered during the buying process. You should be aware that there are a number of affiliates who only advertise “money off” products or services so these would make ideal partners if you are happy to pass on your discount codes to them.

4. Choosing an Affiliate Solutions Provider

Below are questions that you should ask any affiliate solution provider, followed by an overview of each of the providers in the market place and then more detailed profiles of the key players.

4.1 Questions you should ask an Affiliate Solution Provider

- Will your technical support team provide free help with the integration? If not, what does it cost?
- How much time will be allocated each month to the management of my affiliate program?
- What information do we have to pass back to your software with regards to tracking a sale or lead?
- If you use a third party payment processor, is the third party payment processor I use compatible with your software?
- Do you charge a monthly management fee? If so, what do I get for it in return?
- Do you provide ongoing technical support?
- What monthly override do you charge?
- When will I get invoiced?
- How many active affiliates do you have?
- Do you have affiliates like 180 Solutions in your network?
- What is your policy with regards to affiliates spamming?
- Will you actively source affiliates for my affiliate program?
- Can I introduce my own affiliates?
- Are you 2 tier?
- Can I group / categorise my affiliates so that I can set commission levels and cookies per group of affiliates?
- Can I communicate with my affiliates directly (on an individual basis, per group, all affiliates)?
- Can I give different commissions based on different products or services I offer?
- Can I set up hybrid deals (i.e. Cost Per Sale and CPM)?
- Can I provide my affiliates with product feeds? How does this work? What do I have to provide?
- Can I claw back commissions on fraudulent sales?
- Do you have fraud protection measurements in place?
- Who will host my banners?
- Do you have merchants in your network that are in direct competition with me?
- Can I see a demo account?
- What sets your company apart from the other Affiliate Solutions Providers?

4.2 Overview of the Affiliate Solution Providers in the Marketplace

Below are brief summaries of the main affiliate solution providers operating in the UK. For more detail on each of these, please refer to section 5 which follows.

4.2.1 Advertising.com

Advertising.com technology is run through AdLearn. AdSelect is their second network Their Affiliate Solution aspect to their company is based on the principal of key account management, where the focus is on close relationships with key affiliates. "We strive to provide strong campaigns, with competitive payouts and exclusive offers." Kirsten Nielson. Advertising.com's roots can be found in the U.S.A and they have a strong foothold there. However in the UK, they are still trying to find their niche. They offer a bespoke advertising solution, which incorporates an affiliate marketing arm.

4.2.2 AffiliateFuture.com

AffiliateFuture.co.uk has been running for the past 2 years and is now the fastest growing affiliate network with over 250 merchants. They range from the big brands like Virgin Atlantic, Natwest Bank and Reebok to the smaller companies like soessential.co.uk. The network is owned by the Internet Business Group Plc www.ibg.co.uk who are one of the advertising, e-commerce and professional services groups. They see the differentiating factor between themselves and their competitors in terms of innovative easy linking methods and low merchant costs "AffiliateFuture.co.uk were the first site to provide a shopping search to affiliates. The Advanced Shopping Search tool is the first shopping facility to return individual products, pricing, images and merchant seller of any product." Peter Dickenson, Account Manager.

4.2.3 AffiliateWindow.com

AffiliateWindow.com were a slow starter in the industry. In the early years they were perceived as the poor relation. However, by releasing themselves from the shackles of a third party tracking software company, they have developed their own in-house tracking and have gone on to become one of the industry leaders in affiliate solution providers. AffiliateWindow.com have become innovators rather than followers which can be attributed to their team of specialists in software development and affiliate marketing practices. AffiliateWindow.com have an anti parasite policy and fast affiliate payment.

4.2.4 Befree.com

Now part of Valueclick – see CJ.com below

4.2.5 CJ.com

Recently acquired by Valueclick and part of Befree.com. CJ.com's roots are based firmly in the USA with a satellite office here in the UK. The Network of merchants and affiliates is enormous. CJ.com lost a bit of their popularity over the years, perhaps becoming victims of their own success. The support service, as an affiliate and as a merchant, was poor. Navigation of the website was a long and frustrating experience. However, CJ.com are addressing these issues and improvements are on the way. The software does calculate in \$ US dollars, which can be confusing for both the UK affiliate and UK merchant. However this is another issue that is currently being addressed. The UK team is very supportive and attentive. CJ.com currently has "spyware" partners in their network but you can ask for them not to allow these affiliates to have access to your program.

4.2.6 DealGroupMedia.com (also known as Ukaffiliates.com)

As one of the pioneers in affiliate marketing they continue to evolve incorporating a bespoke formula to enhance their merchants' performance. However, one drawback is that merchants are unable to communicate with their affiliates directly. With their merger with Webgravity in 2003, DealGroupMedia are able to offer an extensive range of complementary services, which they see as the main differentiator between themselves and their competitors. "Last year's merger with search company Webgravity led a wave of consolidation in the market - the future holds continual active progression and the breadth of services differentiates us from competitors." James Cooper, Accounts Manager

4.2.7 Kowabunga Technologies

Founded in 1996 in Westland, Michigan USA. By being a software provider rather than a network, Kowabunga charge only for the solution software and services and neither charge a percentage of sales nor require a monthly minimum payout of commissions. Merchants also

own the relationship with their affiliates as well as having the freedom to contact them whenever they wish. Their marketing partnership is with TeamAffiliate.com who manage, for a fee, the merchant's affiliate program. The software is not cheap but for any merchants wanting to set up their own in-house affiliate program this company appears to be very popular. Some of their clients include Buyagift.co.uk and Chipsworld.co.uk

4.2.8 OnlineMediaGroup.co.uk

Online Media Group's affiliate marketing division OMGUK.com was launched in 2002, initially focusing on Financial Services and Insurance programs, but more recently exploring other mainstream product categories. Unlike many networks, OMGUK.com is paid purely by performance, with no set up or management charges. OMGUK.com see their key points of difference as being "No set up or management charges. Heavy emphasis on account management and brand protection. Active affiliate recruitment and management." Oli Matthews, Head of Client Services. One draw back is that merchants cannot communicate directly with their affiliates.

4.2.9 PaidOnResults.com

PaidOnResults was set-up by two long-standing affiliates who have worked in the industry since 1997. They are an affiliate focused company and believe that if you don't give the same level of service to your top affiliates as you do to your merchant clients then you will not deliver top flight results for those merchants. PaidOnResults are very selective in the type of merchant / partners they bring onboard. Although one of the newest affiliate solution providers, PaidOnResults is a highly innovative affiliate marketing company. For example they were the first network to introduce "customer base" programs. "We very much see Paid On Results being the market leader in two years time. We will achieve this by being honest to our partners, providing new and innovative tools and ideas for marketing in this sector and simply by driving quality and effective results for both merchant and affiliate alike." Clarke Duncan, Director.

4.2.10 Perffiliate Technologies

A percentage of the revenues that Perffiliate (the company behind the Buy.at community webshops) earns goes to a charity. Buy.at says that their success is built on their relationships with their top performing affiliates. "We make sure we do the basics right like always being there for support and always paying on time." Malcom Cowley, Affiliate / Merchant Manager. Amongst their client list they boast Marks & Spencer, Amazon.co.uk, RAC & Blackwells.

4.2.11 TradeDoubler.com

"With a local presence in 15 European markets and a client base of 660 advertisers and country networks totalling nearly half a million publishers, TradeDoubler is the only truly Pan European network." Nicola Reed, Public Relations. Tradedoubler.com is a very polished company with its roots based in Sweden. Their linking methods are the same as most affiliate solution providers but with a heavy emphasis on dynamic linking. All affiliates must be pre-qualified by the merchant before allowing the affiliate to place the merchants' links on their website. Their software and reporting has come on leaps and bounds over the last year. TradeDoubler.com are popular amongst big brands. Clients include Apple, Dell, John Lewis, Renault and Kelkoo

4.2.12 Wheel

Wheel is a UK-based full service digital communications agency with an impressive client list. Their affiliate marketing solution is part of a much broader agency offering but they are the

first such agency to recognise the benefits of affiliate marketing and develop skills and expertise in this area to offer to their clients such as Laura Ashley, Bank of Scotland, Freeserve, Opodo, Marks & Spencer.

Below are two Affiliate Solution Providers not profiled in more detail in the affiliating matrix which follows in Section 5:

4.2.13 Referback.com

Gambling is one of the most lucrative markets on the internet, which explains why you see more and more online casinos and sports books opening their virtual doors. There are several established software suppliers like MicroGaming and PlayTech. Their software not only contains the casino and games, but also the affiliate tracking software.

The online gambling industry is also one of the most controversial industries and in several countries it is illegal to offer or advertise online casinos and / or sports books. For several years the US government has tried to pass legislation, which would make online gambling illegal. Recently the South African government voted and accepted laws, which will make online casinos and sports books illegal in their country. This was unexpected by many of the online casino operators, gambling marketing agencies and MicroGaming, who are all based in South Africa.

One of the first operators of online casinos in the industry is the Belle Rock Gaming Group, which runs several well-known online casinos like The Gaming Club and River Belle casino. Their affiliate programs are managed and marketed by ReferBack which again is one of the first companies to offer webmasters the opportunity to market online gambling on their web sites. More and more affiliate marketing companies are emerging in this industry e.g. WagerShare, CasinoProfitShare and IOG Ltd. There are several forums on the internet where you will be able to contact these affiliates. One of the most well known ones is probably the GPWA (<http://www.gpwa.net>).

4.2.14 Smartquotes.com

SMART-Quotes Ltd is a personal finance broker established in 2001. They provide access to products and services from the high street lenders, insurers and credit card issuers. They use affiliate marketing as the way of advertising their comparison services. Smart-Quotes is still emerging in the marketplace and if their friendly approach is any thing to go by, we envisage this finance specialist affiliate solution provider to be up there with the rest of them come 2005.

5. Detailed profiles of 11 UK Affiliate Solution Providers

Below are the first 5 profiles. The next 6 follow.

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
General Details					
URL	www.affiliatewindow.com	www.advertising.com	www.affiliatefuture.com	www.buy.at	www.cj.com
Are you an Affiliate Solution Provider or software solution only?	Affiliate Solutions Provider	Affiliate Solutions Provider	Affiliate Solutions Provider	Affiliate Solutions Provider	Affiliate Solutions Provider
Sector specialisation?	All	All	All	All	All
Are you UK only?	No	No	Yes	Yes	No
In which country is your main office located?	UK	USA	UK	UK	USA
Contact Name	Robert Glasgow	Kirsten Nielsen	Jules Bazley	Malcolm Cowley	Susan Kingston
Contact Telephone Number	0870 990 4228	0207 563 0515	0207 380 8533	0191 241 6500	0208 785 5870
Fax	0870 990 4229	0207 563 0599	0870 762 1826	0191 241 9302	0208 789 6520
Email	sales@affiliatewindow.com	kneilsen@uk.advertising.com	jules@affiliatefuture.com	Malcolm.cowley@perfiliate.com	skingston@cj.com
How many years in business?	5	6	2	4	6
Number of employees in the UK	14	40	8	7	10
Number of active UK merchants	400	80	238	60	125
Number of active affiliates	20,000	500	11,000	1,000	12,000
Do you have a Secure Socket Layer (SSL)?	Yes	Yes	Yes	Yes	Yes
Are all areas of	Yes	Yes	Yes	Yes	Yes

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfilete Technologies	5. Commission Junction
access to the reporting part of your website password protected?					
Do you have measures in place to protect against viruses and hacking?	Yes	Yes	Yes	Yes	Yes
Do you have insurance to protect merchants should you have a catastrophic software failure or should you go bust?	No	Yes	Yes	No	No
Do you have any affiliates that are deemed as spyware, adware or malware?	Unknown	No	No	No	Yes
Can your affiliate software track and report on the following?					
Pay Per impression (CPM)	No	Yes	Yes	Yes	No
Pay Per Click (CPC)	No	Yes	Yes	Yes	No
Pay Per Lead (PPL)	Yes	Yes	Yes	Yes	Yes
Pay Per Sale (CPA)	Yes	Yes	Yes	Yes	Yes
Can you accommodate % of Net losses for Gambling Merchants	No	No	No	Yes	Yes
Affiliate performance	Yes	No	Yes	Yes	Yes

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
incentives or bonuses					
Which of the following affiliate programs do you run?					
Adult e.g. sex or gambling	No Porn	No	Yes	No Porn	No Porn
A Private Affiliate Program	No	No	Yes	Yes	Yes
Do you have separate Terms and Conditions and guidelines?	No	Yes	No	Yes	Yes
Is there a privacy policy in place?	Yes	Yes	Yes	Yes	Yes
About your affiliate software					
Do you own your software outright?	Yes	Yes	Yes	Yes	Yes
Is or was your software developed in-house?	Yes	Yes	Yes	Yes	Yes
Do you offer real-time tracking?	Yes	Yes	Yes	Yes	Yes
Do you offer off-line tracking?	No	Yes	Yes	Yes	No
Is there a time lag on reporting statistics being updated? If so please specify.	No	No	Slight delay	With some statistics	No
What is the default currency of your software?	GBP	GBP	GBP	GBP	USD
Can merchants see the following?					
The Number of affiliates in their program?	Yes	No	Yes	Yes	Yes
Affiliate Website where the	No	No	Yes	Yes	Yes

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
merchant's links are being served?					
Is there an email function whereby merchants can communicate directly with their affiliates?					
Per affiliate	Yes	No	No	Yes	Yes
Per Group	Yes	No	No	Yes	Yes
Collectively	Yes	No	Yes	Yes	Yes
Is there a fee for the use of emailing your affiliates?	No	No	No	No	Yes & No (contact for details)
Can Merchants group their affiliates into categories, for example by top performing affiliates?	No	No	Yes	Yes	Yes
Can merchants give different commissions based on affiliate performance or group?	Yes	Yes	Yes	Yes	Yes
Can merchants give different commissions based on products or services?	Yes	Yes	Yes	Yes	Yes
Can merchants see their affiliate program performance?					
Per affiliate?	Yes	No	Yes	Yes	Yes
Per group?	No	No	No	Yes	Yes
Collectively?	Yes	Yes	Yes	Yes	Yes
Daily	Yes	Yes	Yes	Yes	Yes
Monthly	Yes	Yes	Yes	Yes	Yes
Yearly	Yes	Yes	Yes	Yes	Yes
Overall	Yes	Yes	Yes	Yes	Yes
Can merchants see the number of unique visitors that the affiliates have sent?					
Per affiliate?	Yes	No	Yes	Yes	Yes

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
Per group?	No	No	No	Yes	Yes
Collectively?	Yes	Yes	Yes	Yes	Yes
Daily	No	Yes	Yes	Yes	Yes
Monthly	Yes	Yes	Yes	Yes	Yes
Overall	No	Yes	Yes	Yes	Yes
Can merchants see the following					
Number of sales leads generated?	Yes	Yes	Yes	Yes	Yes
Per affiliate?	Yes	No	Yes	Yes	Yes
Per group?	No	No	No	Yes	Yes
Collectively?	Yes	Yes	Yes	Yes	Yes
Daily	Yes	Yes	Yes	Yes	Yes
Monthly	Yes	Yes	Yes	Yes	Yes
Overall	Yes	Yes	Yes	Yes	Yes
Can merchants see the number of impressions?					
Per affiliate?	Yes	No	Yes	No	Yes
Per group?	No	No	No	No	Yes
Collectively?	Yes	Yes	Yes	No	Yes
Daily	No	Yes	Yes	No	Yes
Monthly	Yes	Yes	Yes	No	Yes
Overall	Yes	Yes	Yes	No	Yes
Do merchants have control over their affiliates?					
Can merchants view their affiliates before accepting them?	Yes	No	No	Yes	Yes
Can merchants suspend affiliates from their program?	Yes	Yes	Yes	Yes	Yes
Can merchants auto validate their affiliates into their program?	Yes	No	Yes	Yes	Yes
Do merchants have to manually approve affiliate	Yes	No	No	No	Optional

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
commissions?					
Can merchants opt for auto validate affiliate commissions?	No	No	Yes	Yes	Yes
Can merchants see their CTR (Click Through Ratio)?	Yes	Yes	No	Yes	Yes
Do you calculate and display the EPC of affiliates / merchants?	No	No	No	Yes	Yes
How long are the statistics kept for (example Yearly)?	Forever	Varies	Varies	Varies	1 Year
Do you have anti fraud protection measures in place?	Yes	Yes	Yes	Yes	Yes
Linking methods offered					
Banners & Buttons?	Yes	Yes	Yes	Yes	Yes
Deep links to products?	Yes	Yes	Yes	Yes	Yes
Product Feeds?	Yes	No	Yes	Yes	Yes
Dynamic Linking?	Yes	Yes	Yes	Yes	Yes
Pop Ups & Under?	Yes	Yes	No	Yes	Yes
Search Boxes?	Yes	No	Yes	Yes	Yes
Email Marketing?	Yes	Yes	Yes	Yes	Yes
Multi Currency	No	Yes	No	Yes	Yes
Multi lingual?	No	No	No	Yes	Yes
Other	Shop window content delivery system – Affiliate created “Custom content units”. “Shopping channel” Webservers.				
Where are banners	Affiliatewindow.com	Advertising.com	Affiliatefuture.com	Perfiliate Technologies Ltd	Optional

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
hosted?					
What additional services do you offer?					
Consultancy?	No	Yes	Yes	Yes	Yes
Search Engine Optimisation ?	No	Yes	No	No	Yes
Account management?	Yes	Yes	Yes	Yes	Yes
Affiliate management?	Yes	Yes	No	Yes	Yes
Affiliate recruitment?	Yes	Yes	No	Yes	Yes
Are you two tiered?	Yes	No	Yes	No	No
Affiliate support?	Yes	Yes	Yes	Yes	Yes
Do you pay the affiliates on behalf of the merchant?	Yes	Yes	Yes	Yes	Yes
Do you offer an escrow?	No	No	Yes	Yes	Yes
When do you pay the affiliates?	Monthly	Monthly	Monthly	Monthly	Monthly
What is the affiliate threshold that they have to reach before being paid?	£25 for BACS. £100.00 for a cheque	£50.00	£25.00	£20.00	£25.00
How do you pay your affiliates?	Cheque & BACS	Cheque	Cheque & Direct Debits	Cheque	Bank Draft & Direct Debits
What are the costs upfront and on going?					
One time set up costs?	£1950.00	None	None	£2000.00	£1500.00
Is this inclusive of additional services? If so please state which service is included?	No	No	Yes, includes integration of tracking code and the setting up the program.	Yes	No
Monthly	£250.00	No	£75.00	No	From £350.00

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
administration fee?					
Account management fee?	£500.00	No	Included	No	No
Is this inclusive or exclusive of the set up costs?	Exclusive	No	No Charge	No	No
How much override do you charge?	30%	None	20%	Varies	30%
Consultancy?	No	No	Free	No	Yes
Affiliate management?	Included	No	No	No	Yes
Affiliate recruitment	Included	No	No	No	No
Search Engine Optimisation?	No	No	No	No	At a cost
Graphics?	£600.00 per banner pack	Yes	£200.00 per set	No	Yes
Email Marketing?	Negotiable	No	Included	No	Yes
Campaigns?	No	No	No	No	Yes
What terms of payment do you accept?	Cheque, Credit Card & Direct Debit	Cheque, Bankers Draft, Standing Order, Credit Card & Direct Debit	Cheque, Bankers Draft, Standing Order, Credit Card & Direct Debit	Cheque, Standing Orders, Credit Card & Direct Debits	Bankers Draft & Credit Card
What is the turn around from payment to technical integration?	Varies	Five working days	One working day	Five working days	Varies
What is the turn around from technical integration to launch?	Varies	Two days	One working day	Immediate	Immediate
Do you announce the launch of the merchants affiliate program to your entire network of	Yes	Yes	Yes	Yes	Yes

	1. AffiliateWindow	2. Advertising.com	3. AffiliateFuture	4. Perfiliate Technologies	5. Commission Junction
affiliates?					
When do merchants get invoiced?	Beginning of the month	End of the month	Monthly	End of the month	Beginning of the month
Do merchants get an itemised statement?	Yes	Yes	Yes	Yes	Yes. Online
Can merchants claw back commissions?	No	No	No	Varies	Yes

The remaining 6 profiles follow on the next page

	6. Deal Group Media	7. Kowabunga Technolgies	8. Online Media Group	9. Paid on Results.com	10. TradeDoubler.com	11. Wheel
URL	www.dgm2.com	www.myaffiliateprogr am.com	www.omguk.com	www.PaidOnResults. com	www.tradedoubler.com	www.wheel.co.uk
Are you an affiliate Solutions Provider or software solution only?	Affiliate Solutions Provider	Software Solution only	Affiliate Solutions Provider	Affiliate Solutions Provider	Affiliate Solutions Provider	Bespoke Advertising
Sector specialisation?	All	All	Financial	All	All	All
Are you UK only?	No	No	Yes	No	No	No
In which country is your main office located	UK	USA	UK	UK	Sweden	UK
Contact Name	Adam Black	Theresa Farmer	Tyson Pearcey	Clarke Duncan	Nicola Reed	Phillip Ludgate
Contact Telephone Number	0207 691 1880	+1 734 728 4500	01603 763089	0141 548 8037	0207 351 9782	0207 348 1000
Fax	0207 691 1881	+1 734 728 7810	0160 328 3644		0207 351 9721	0207 348 1111
Email	adam@dealgroup media.com	Theresa@kowabunga .net	Tyson@onlinemedi agroup.co.uk	info@PaidOnResults. com	Nicola.reed@tradedoub ler.com	Phillip.ludgate@wheel.co .uk
How many years in business?	5	8	3	2	5	15
Annual Turnover	12 million	Not given	Not given	Not given	Waiting for auditors	7million
Number of employees in the UK	65	0	25	5	20	75
Number of active UK merchants	141	250	25	23	300	8
Number of active affiliates	23,500	N/A	1000	2000	70,000	5000
Do you have a Secure Socket Layer (SSL)	Yes	Yes	Yes	Yes	Yes	Yes
Are all areas of access to your reporting part of your website password protected?	Yes	Yes	Yes	Yes	Yes	Yes
Do you have	Yes	Yes	Yes	Yes	Yes	Yes

	6. Deal Group Media	7. Kowabunga Technolgies	8. Online Media Group	9. Paid on Results.com	10. TradeDoublor.com	11. Wheel
measures in place to protect against viruses and hacking						
Do you have insurance to protect merchants should you have a catastrophic software failure or should you go bust?	No	No	Some	No	Yes	Yes
Do you have any affiliates that are deemed as spyware, adware or malware?	No	N/A	No	No	Yes	No
Can your affiliate software track and report on the following?						
Pay Per impression (CPM)	Yes	Yes	Yes	Yes	Yes	Yes
Pay Per Click (CPC)	Yes	Yes	Yes	Yes	Yes	Yes
Pay Per Lead (PPL)	Yes	Yes	Yes	Yes	Yes	Yes
Pay Per Sale (CPA)	Yes	Yes	Yes	Yes	Yes	Yes
Can you accommodate % of Net losses for Gambling Merchants	Yes	May require customisation at a fee	No	Yes	Yes	Yes
Affiliate performance incentives or bonuses	Yes	Yes	Yes	Yes	Yes	Yes
Which of the following affiliate programs do you run?						

	6. Deal Group Media	7. Kowabunga Technolgies	8. Online Media Group	9. Paid on Results.com	10. TradeDoublor.com	11. Wheel
Adult e.g. sex or gambling	No Porn	Yes	No	Yes	Yes	No
A Private Affiliate Program	Yes	Yes	Yes	Yes	Yes	Yes
Do you have separate Terms and Conditions and guidelines?	Yes	Yes	Yes	Yes	No	Yes
Is there a privacy policy in place?	Yes	Yes	Yes	Yes	Yes	Yes
About your software						
Do you own your software outright?	Yes	Yes	Yes	Yes	Yes	No
Is or was your software developed in-house?	Yes	Yes	Yes	Yes	Yes	No
Is your software outsourced?	No	Licensed	No	No	No	Yes
Do you offer real-time tracking?	Yes	Yes	Yes	Yes	Yes	Yes
Do you offer off-line tracking	No	Yes	Yes	Yes	No	No
Is there a time lag on reporting statistics being updated? If so please specify.	No	No	No	Between five and Fifteen minutes	Yes	No
What is the default currency of your software?	GBP	USD	GBP	GBP	GBP	GBP
Can merchants see the following?						
The Number of affiliates in their program?	Yes	Yes	Yes	Yes	Yes	Yes
Affiliate Website where the merchant's links	Only the url the affiliate submitted during their	Yes	Yes	Yes	No	Yes

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are being served?	application					
Is there an email function whereby merchants can communicate directly with their affiliates?						
Per affiliate	No	Yes	No	Yes	Yes	No
Per Group	No	Yes	No	Yes	Yes	No
Collectively	No	Yes	Yes	Yes	Yes	Yes
Is there a fee for the use of emailing your affiliates?	No	Yes	No	No	No	Yes
Can Merchants group their affiliates into categories, example by top performing affiliates?	Yes	Yes	Yes	Yes	No	Yes
Can merchants give different commissions based on affiliate performance or group?	Yes	Yes	Yes	Yes	Yes	Yes
Can merchants give different commissions based on products or services?	Yes	Yes	Yes	Yes	Yes	Yes
Can merchants see their affiliate program performance?						
Per affiliate?	Yes	Yes	Yes	Yes	Yes	Yes
Per group?	Yes	Yes	Yes	Yes	Yes	Yes
Collectively?	Yes	Yes	Yes	Yes	Yes	
Daily	Yes	Yes	Yes	Yes	Yes	Yes
Monthly	Yes	Yes	Yes	Yes	Yes	Yes
Yearly	Yes	Yes	Yes	Yes	Yes	Yes
Overall	Yes	Yes	Yes	Yes	Yes	Yes
Can merchants see the number of unique visitors that the affiliates have sent?						
Per affiliate?	Yes	Yes	Yes	Yes	Yes	Yes
Per group?	Yes	Yes	Yes	Yes	Yes	Yes

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Collectively?	Yes	Yes	Yes	Yes	Yes	Yes
Daily	Yes	Yes	Yes	Yes	Yes	Yes
Monthly	Yes	Yes	Yes	Yes	Yes	Yes
Overall	Yes	Yes	Yes	Yes	Yes	Yes
Other		Merchants can see search engine keywords				
Can merchants see the following						
Number of sales leads generated?	Yes	Yes	Yes	Yes	Yes	Yes
Per affiliate?	Yes	Yes	Yes	Yes	Yes	Yes
Per group?	Yes	Yes	Yes	Yes	Yes	Yes
Collectively?	Yes	Yes	Yes	Yes	Yes	Yes
Daily	Yes	Yes	Yes	Yes	Yes	Yes
Monthly	Yes	Yes	Yes	Yes	Yes	Yes
Overall	Yes	Yes	Yes	Yes	Yes	Yes
Can merchants see the number of impressions?						
Per affiliate?	Yes	Yes	No	Yes	Yes	Yes
Per group?	Yes	Yes	No	Yes	Yes	Yes
Collectively?	Yes	Yes	No	Yes	Yes	Yes
Daily	Yes	Yes	No	Yes	Yes	Yes
Monthly	Yes	Yes	No	Yes	Yes	Yes
Overall	Yes	Yes	No	Yes	Yes	Yes
Do merchants have control over their affiliates?						
Can merchants view their affiliates before accepting them?	Only on permission based programs	Yes	Yes	Yes	Yes	Yes
Can merchants suspend affiliates from their program?	Yes	Yes	Yes	Yes	Yes	Yes
Can merchants auto validate their affiliates into their program?	Yes	Yes	Yes	Yes	Yes	Yes
Do merchants	No	Yes	Optional	Yes	No	Yes

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have to manually approve affiliate commissions?						
Can merchants opt for auto validate affiliate commissions?	Yes	Yes	Yes	Yes	Yes	Yes
Can merchants see their CTR (Click Through Ratio)?	Yes	Yes	Optional	Yes	Yes	Yes
Do you calculate and display the EPC of affiliates / merchants?	No	Yes	Yes	No	No	Yes
How long are the statistics kept for (example Yearly)?	As long as the merchant's program is active	Forever	Forever	Forever	Forever	Forever
Do you have anti fraud protection measures in place?	Yes	Yes	Yes	Yes	Yes	No
Linking methods offered						
Banners & Buttons?	Yes	Yes	Yes	Yes	Yes	Yes
Deep links to products?	Yes	Yes	Yes	Yes	Yes	Yes
Product Feeds?	Yes	Yes	Yes	Yes	Yes	Yes
Dynamic Linking?	Yes	Yes	Yes	No	Yes	Yes
Pop Ups & Under?	Yes	Yes	Yes	Optional	Yes	Yes
Search Boxes?	Yes	Yes	Yes	Yes	Yes	Yes
Email Marketing?	Yes	Yes	By arrangement	Yes	Yes	Yes
Multi Currency	No	Yes	No	Yes	Yes	Yes
Multi lingual?	No	Yes	No	No	Yes	Yes
Other	Rich Media			Interactive creative, flash based banners with sound	Virtual store fronts with real time content	
Where are banners	Deal Group Media	Merchant	Online Media group	Paid on Results	Merchant	Wheel

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hosted?						
What additional services do you offer?						
Consultancy?	Yes	Yes	Yes	Yes	Yes	Yes
Search Engine Optimisation ?	Yes	Yes	Yes	No	Yes	Yes
Account management?	Yes	Yes	Yes	Yes	Yes	Yes
Affiliate management?	Yes	Yes	Yes	Yes	Yes	Yes
Affiliate recruitment?	Yes	Yes	Yes	Yes	Yes	Yes
Are you two tiered?	No	Yes	Yes	Yes	No	Yes
Affiliate support?	Yes	Yes	Yes	Yes	Yes	Yes
Do you pay the affiliates on behalf of the merchant?	Yes	As an additional Service	Yes	Yes	Yes	Yes
Do you offer an escrow?	No	No	No	Yes	Yes	No
When do you pay the affiliates?	Threshold based, monthly and quarterly	N/A	Upon merchant payment	Monthly	Monthly	Monthly
What is the affiliate threshold that they have to reach before being paid?	£25.00 per quarter & £100.00 per month	N/A	None	£25.00	£30.00	Varies
How do you pay your affiliates?	Cheque	N/A	Cheque & BACS	Cheque & BACS	Direct Debit	Cheque, Bankers Draft, Standing Order, Credit Card, Direct Debits
What are the costs upfront and ongoing?						
One time set up costs?	£2000.00	From \$995-\$3495.00 USD	None	None	£3,500.00	Varies
Is this inclusive of additional services? If so please state which service is	No	Affiliate announce	Yes	Yes	No	No

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included?						
Monthly administration fee?	£500.00	From \$25-\$250.00 USD	No Charge	£35.00 for the first six months	£300.00	Varies
Account management fee?	None	For a fee	No Charge	No Charge	£500.00 for six hours & 12 hours £900.00	Varies
Is this inclusive or exclusive of the set up costs?	Exclusive	Exclusive	Inclusive	Inclusive	Exclusive	Exclusive
How much override do you charge?	30%	None	Varies	25%	30%	None
Consultancy?	Included in Monthly administration fee	From \$995.00 per month	By arrangement	No charge	From £1500.00	£500-£1000.00 per hour
Affiliate management?	Included in monthly administration fee	From \$995.00 per month	No charge	No charge	Included in account management fee	Included in management fee
Affiliate Recruitment	Included in monthly administration fee	From \$995.00 per month	No charge	No charge	Included in account management fee	Included in management fee
Search Engine Optimisation?	Included in monthly administration fee	No	By arrangement	No	No	No
Graphics?	Advice	No	By arrangement	No Charge	No	£500-£900 per day
Email Marketing?	Included in monthly administration fee.	No	By arrangement	No	Some	Dependant on merchant's requirements.
Campaigns?	Included in monthly administration fee.	From \$995.00 per month	No Charge	No	Some	Varies
What terms of payment do you accept?	Cheque, Bankers Draft, Credit Card, Standing Order & Direct Debit	Cheque, Bankers Draft, Standing Order, Credit Card, Direct Debits & PayPal	Cheque, Bankers Draft & Standing Order & BACS	Cheque, Bankers Draft, Standing Order & Direct Debit	Cheque, Banker Draft & Standing Order	Cheque, Bankers Draft, Standing Order, Credit Card & Direct Debits
What is the turn around from payment to	Five working days	24hrs	Varies	One working day	Varies	Varies

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technical integration?						
What is the turn around from technical integration to launch?	Immediate	Varies	Immediate	Varies	Immediate	Varies
Do you announce the launch of the merchants affiliate program to your entire network of affiliates?	Yes	Yes	Yes	Yes	Yes	Yes unless otherwise instructed.
When do merchants get invoiced?	End of the month	Beginning of the month	End of the month	End of the month	End of the month	End of the month
Do merchants get an itemised statement?	Yes	Yes	Yes	Yes	Yes	Yes
Can merchants claw back commissions?	Yes	Yes	Yes	Yes	Yes	Yes