



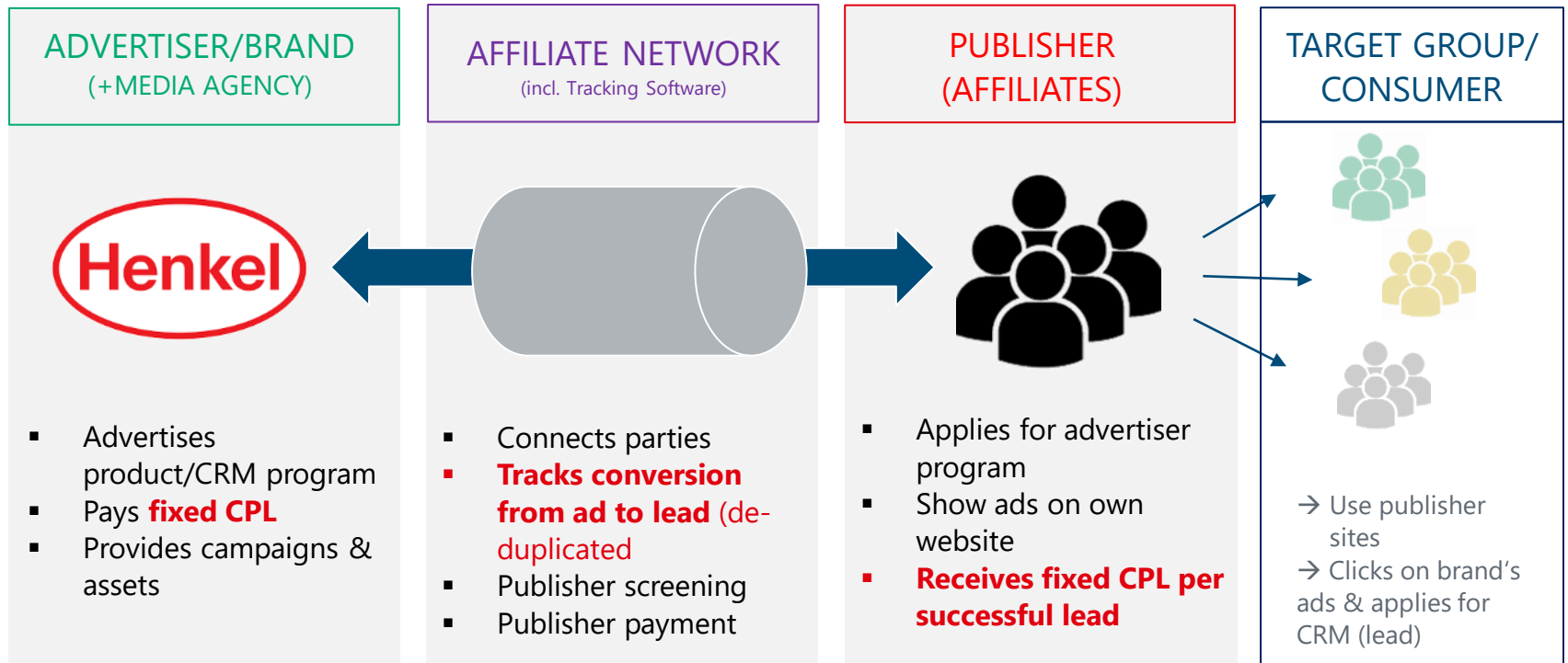
ASK TEAM CLEAN
WORKSHOP AFFILIATE &
PERFORMANCE PARTNERSHIPS

AGENDA

- 01** A quick look at the german case
- 02** How Affiliate marketing works
- 03** Different types of Affiliates
- 04** How to get started
- 05** How to set up quality validation
- 06** How to steadily improve

▶ 2. HOW AFFILIATE MARKETING WORKS

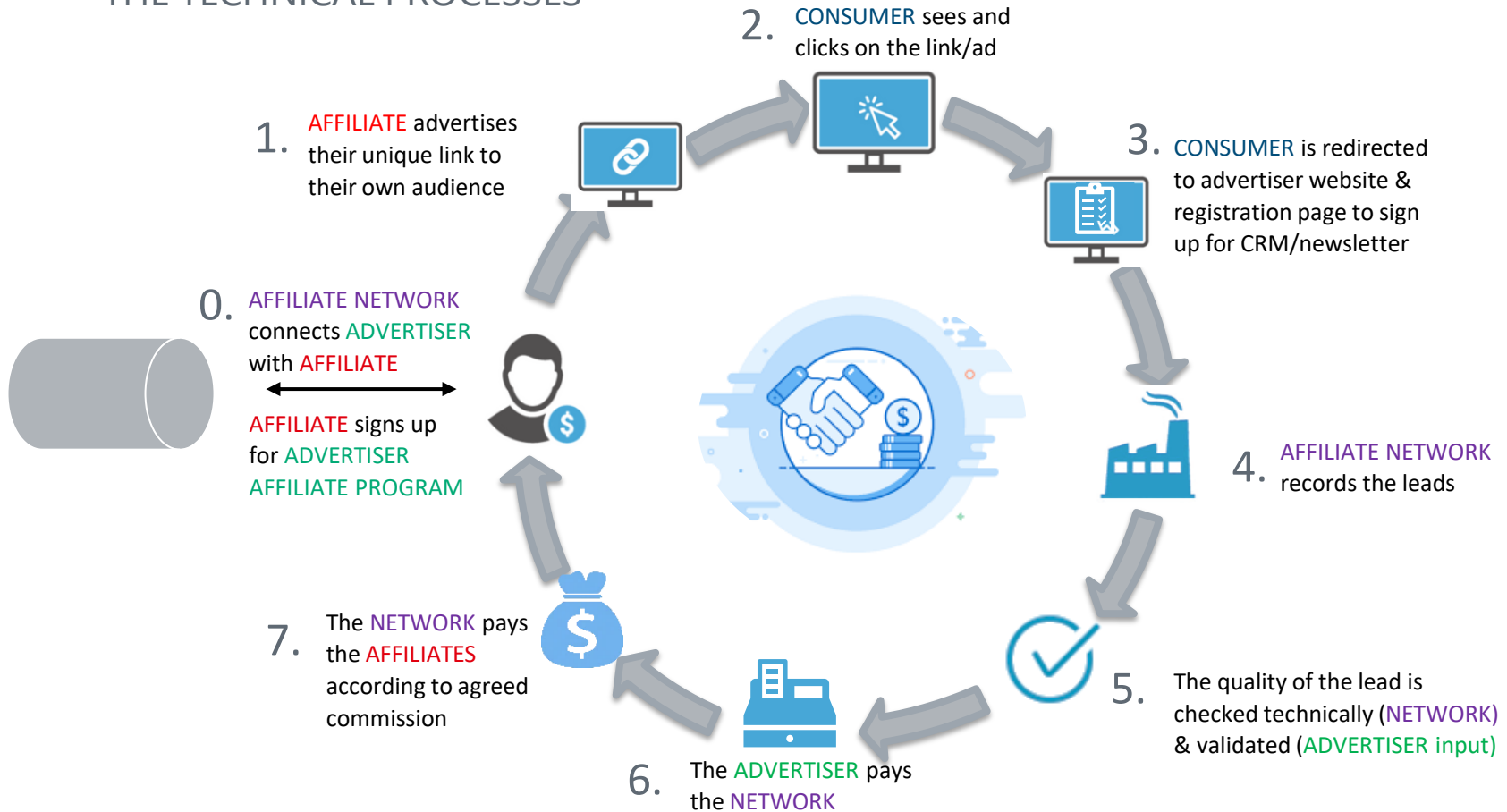
THE GOVERNING PRINCIPLES



Seamless tracking is absolute MUST for Affiliate → publisher payment only upon successful lead!

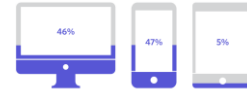
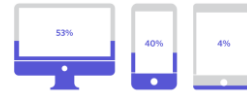
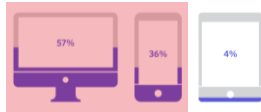
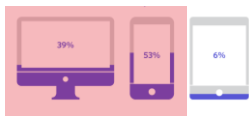
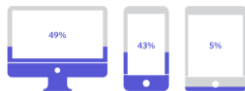
▶ 2. HOW AFFILIATE MARKETING WORKS

THE TECHNICAL PROCESSES



▶ 3. DIFFERENT TYPES OF AFFILIATES

MAJOR DIFFERENCES IN AFFILIATE IN EUROPE



- 24% Loyalty & Cashback
- 20% Coupon Code
- 18% Content
- 11% Sub Networks
- 11% Comparison
- 5% Social
- 4% Search
- 3% Tech Partners
- 2% Display
- 1% Email

- 38% Coupon Code
- 29% Loyalty & Cashback
- 9% Sub Networks
- 7% Content
- 5% Social
- 5% Comparison
- 4% Search
- 1% Email
- 1% Tech Partners
- 1% Display

- 27% Loyalty & Cashback
- 21% Coupon Code
- 18% Content
- 12% Comparison
- 6% Social
- 5% Search
- 5% Sub Networks
- 3% Email
- 2% Display
- 1% Tech Partners

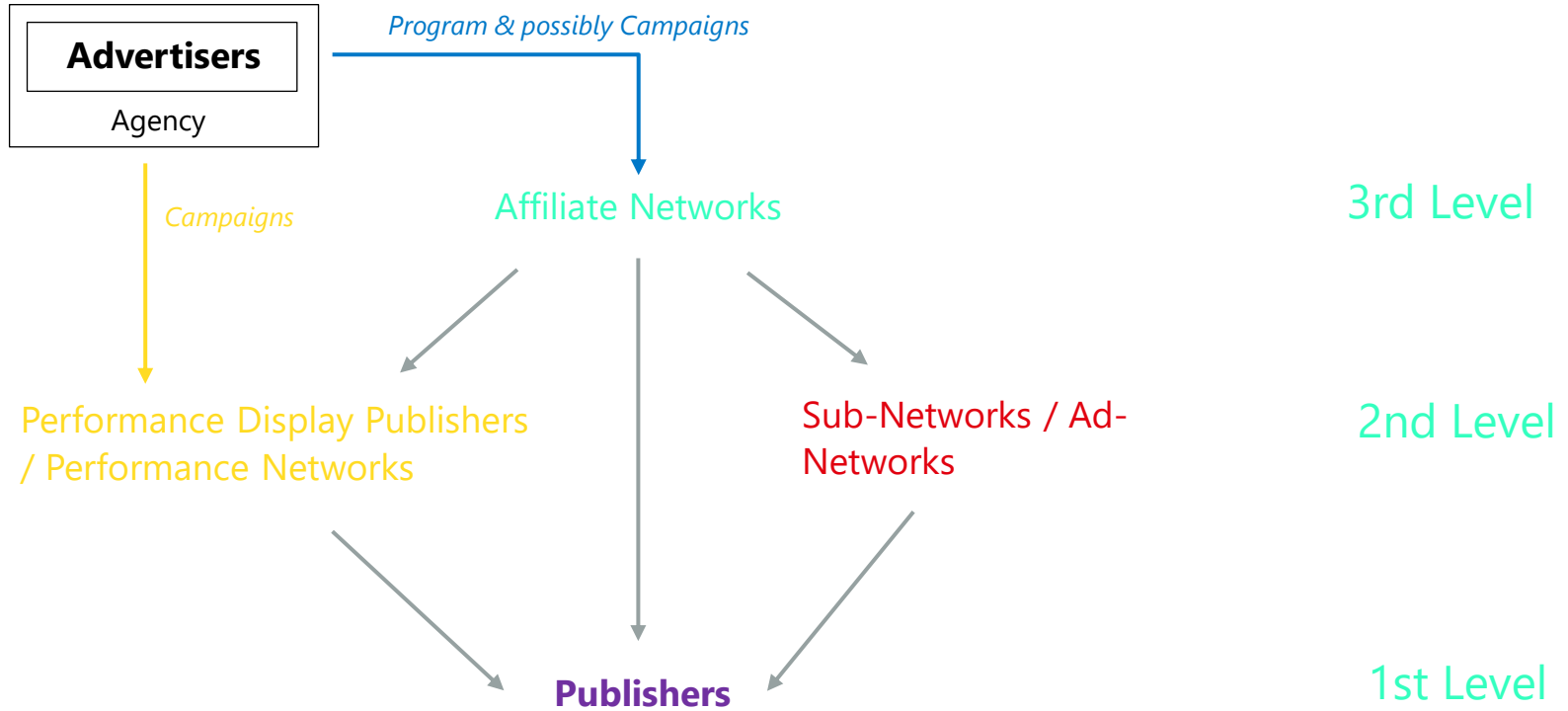
- 27% Loyalty & Cashback
- 22% Coupon Code
- 15% Content
- 11% Social
- 7% Search
- 6% Comparison
- 5% Sub Networks
- 3% Email
- 2% Display
- 2% Tech Partners

- 20% Coupon Code
- 19% Search
- 15% Content
- 13% Loyalty & Cashback
- 8% Tech Partners
- 7% Comparison
- 6% Social
- 5% Email
- 5% Sub Networks
- 2% Display

- 23% Content
- 22% Coupon Code
- 17% Loyalty & Cashback
- 15% Comparison
- 9% Search
- 5% Sub Networks
- 4% Social
- 3% Display
- 1% Tech Partners
- 1% Email

▶ 3. DIFFERENT TYPES OF AFFILIATES

DIFFERENT MEANINGS OF THE WORD AFFILIATE / PUBLISHER



▶ 4. HOW TO GET STARTED WITH AFFILIATE MARKETING AFFILIATE PROGRAM SET UP (1/2)

SETTING UP NEW AFFILIATE PROGRAM



- Select affiliate network/
platform
- **HACK:** select affiliate
network w/ relevant
publisher base (local heroes)

REWARD MODEL SELECTION



- Decide on fair and attractive
commission model
- Many options to choose from,
e.g. percentage of sales, flat
fee, product credits
- **RECO: cost per lead** (check
local benchmarks)

RECRUITING AFFILIATES



- Define relevant publisher types
- Use affiliate network mailings
& resources for new program
announcement
- **RECO:** active recruiting for top
local affiliates & legal check for
allowed publisher types

▶ 4. HOW TO GET STARTED WITH AFFILIATE MARKETING

AFFILIATE PROGRAM SET UP (2/2)

AFFILIATES SIGN UP & ONBOARDING



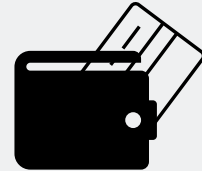
- Screen affiliate applications for good publisher sites & types
- Offer onboarding guides how the program works
- Provide assets & text links
- **HACK:** screening via agency, but request regular updates on top publishers

COMPLIANCE & FRAUD DETECTION



- Define program rules and policies
- Agreement on privacy policy, terms & conditions, cookie policy etc.
- **RECO:** Set up process to detect abnormalities in traffic volumes or other metrics

LEAD VALIDATION & PAYMENT



- Regular x-check of leads tracked by affiliate network vs. CRM backend
- Payment of valid leads via affiliate network
- **RECO:** establish monthly lead validation process according to program policies

▶ 4. HOW TO GET STARTED WITH AFFILIATE MARKETING

DEFINING A COMMISSION STRUCTURE

THE BASIS IS ALWAYS A CPA

CPL / CPO → Public, network-wide commission offer

- Public incentives
- Different commissions for different publisher segments
- ...

→ Publisher individual commission offer

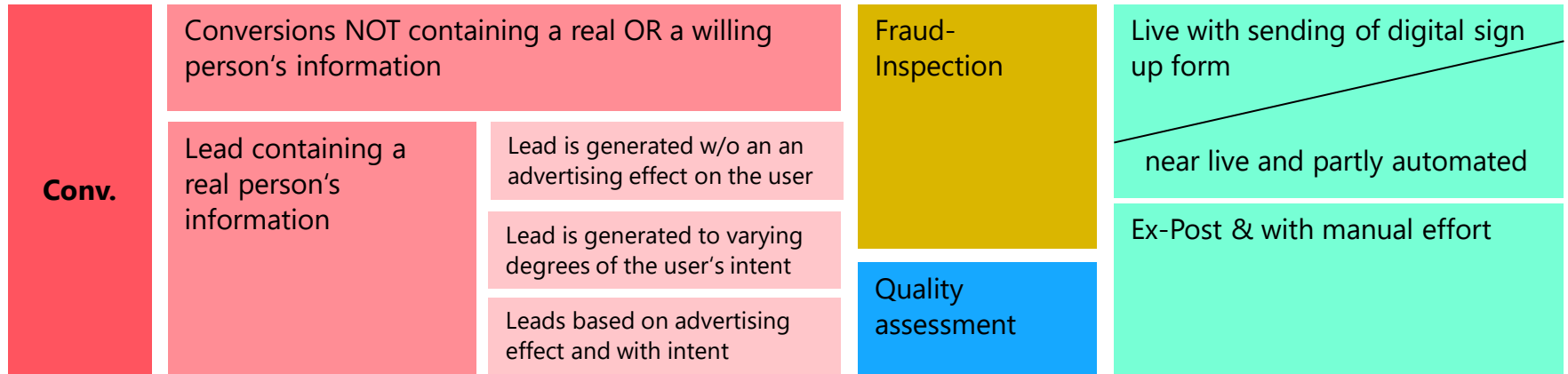
- Add. CPC
- Add. CPM
- Hybrid models
- One time Tenancies
- Lifetime
- New Clients Bonus
- Exclusive Vouchers

COST PER LEAD EXAMPLE

- The affiliate is paid when the visitor he referred to the advertiser's site fills up an application form (full registration)
- CPL compensation is based on a fixed fee
 - how much are you willing to pay per lead?
 - Differentiate "standard" vs. "premium" partners (for further incentivation)
- Pay only for confirmed (quality) leads
- Set criteria for quality lead (e.g.)
 - Type of audience
 - Type of traffic

▶ 5. HOW TO SET UP QUALITY VALIDATION

COVER THE SPECTRUM FROM FRAUD TO HIGH QUALITY



▶ 5. HOW TO SET UP QUALITY VALIDATION

THE DIFFERENT TYPES OF FRAUD TO LOOK OUT FOR

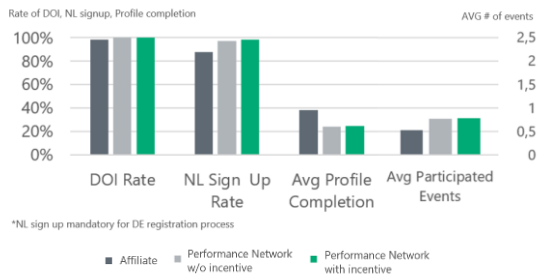
Lead NOT containing a real OR a willing person's information	Lead is generated w/o an an advertising effect on the user			One lead is commissioned for multiple times
Fake Orders / Leads	Cookie Dropping	Ad Hijacking / Brand-Bidding	Typosquatting	Affiliate Hopping
<ul style="list-style-type: none">• Input of fraudulent leads via affiliate-links• Lead information is either fictitious or pulled from open sources and put into the form w/o consent	<ul style="list-style-type: none">• Publisher's drop campaign cookies on user's devices without the user's willing interaction with an ad (i.e. via toolbars, browser extensions)• When such a user generates a lead on the ATC site the fraudulent publisher is therefore identified as having generated the lead via his own affiliate link and will receive a commission	<ul style="list-style-type: none">• A publisher uses Google Ads in combination with Henkel's brand terms to:• either directly bring users to the ATC site (via a door page the user does not see) using their affiliate link in the process (and dropping their cookie)• or drive traffic to his own site where he might only shortly promote an incentive code and usher users over to the ATC site	<ul style="list-style-type: none">• Publishers use misspellings in domain names• Fraudulent publishers register these typo domains and directly forward users typing in the misspelled domain name to the ATC site• In this linking process they integrate their affiliate (again, dropping a cookie)	<ul style="list-style-type: none">• Fraudulent Publishers sign up for an affiliate program via multiple networks / accounts and use the different affiliate links from these on all of their ads / advertising efforts• Users will receive multiple cookies and so the lead conversion will be sent to multiple networks where it will be paid out multiple times if no screening process is in place

▶ 5. HOW TO SET UP QUALITY VALIDATION

EXAMPLE DE: IMPLEMENTING THE CONSTRAINTS

✓ Minimize fraud potential

- ✓ Living exclusion list
- ✓ No commission sharing, no meta-networks
- ✓ No commissioning of mailed incentives
- ✓ Robust lead validation



Order ID implementation to track affiliate referrals and to match potentially suspicious leads with the publisher they were coming from. Blacklist those publishers.

Exclusion List: Medici, CPX United, Rapid Performance, Meta Networks and any Networks and Publishers that incentivize consumers additionally

Additional precautions for postal mailings

- Postal mailings sensitive when addressed directly to a consumer
- Therefore, avoid incentives from lead generation campaign to be sent by post
- Check national Robinson list for all personalized send outs
- Additionally, Henkel central X-BU data base required to store user data who actively declined personalized advertising by Henkel.

Evaluate future lead generation (quantity <--> quality)

- Extend technical possibilities of data sharing via Order ID
- Add qualitative parameters that are available in CDC to individual Order IDs
 - Timestamp Account Created
 - Timestamp DOI
 - Domain of used E-Mail Address (e.g. „gmail.com“) -> manually check scrapables
 - Address Data -> manually check against multiple entries
 - Profile completion percentage
 - Conversions in login-area (Downloads, Content interactions, participation in product tests, raffles etc.)
- Ideally implement onsite checks (currently no tool available / DX)
 - Check plausibility of addresses entered (no 1:1 check with address broker necessary)
 - Check if 10-minute e-mail addresses came into database and cancel them, no payout to publishers

▶ 6. HOW TO STEADILY IMPROVE LOOK AT THE WHOLE PACKAGE YOU ARE OFFERING

The publisher has:

- Their Website Traffic
- Your CPO / CPL offer

The publisher optimizes:

- Their promotion of the product in terms of clickrate

The publisher has no control over:

- Is their contact the last click?
- How is the Conversion Rate on the side?
- Do other publishers having a better deal?

The publishers place your offer **at their own risk**

The publishers decide which campaign they place by their **expected EpCs**

To **mitigate the risk** there are many things the publishers might ask for, that **work better & more directly than a higher CPO / CPL**

- **Customer Incentives**
- **Exclusive Offers**
- **Exclusive PPC rights**
- **Co-branded Landing-pages**
- **Tenancy payments**

Publishers just asking for higher CPLs MIGHT just try to increase the yield

Always ask them, what the increased costs mean in terms of **campaign exposure**.

▶ 7. HOW TO STEADILY IMPROVE KNOW WHAT TO EXPECT AND WHAT NOT TO EXPECT

1st level Publishers

- **Relationships:** Not all affiliates are huge companies and direct relationships to brands can go a long way
- **Loyalty:** Affiliates and aggregators are not contractually bound to work and keep links alive. Commission rates of competitors are visible, so publishers will very proactively switch to earn more consistent commissions
- **Alignment:** What works for one partner may not work for others. Don't make assumptions across products or partners

Affiliate Networks

- **Always-on:** Affiliates and Aggregators cannot just be switched off, so it does not lend itself for short term campaigns. Especially for CPO, the activities should be based on distribution budgets rather than media.
- **Platform service:** Networks see themselves more like a tech partner, enabling aggregation, tracking, payout and reporting rather than proactively grow advertisers' performance.
- **Steady build up:** Promotional visibility in the networks, exclusive offers and a credible interest in improving CRs for the publishers help to compete.

Performance Networks

- **Campaign enabled:** Performance networks have refined their own publisher base to be able to drive traffic more quickly (especially CPL) so that campaigns can be set up
- **Conversion rate driven:** In order to be able to do this, campaigns normally have to be very customer incentive driven, as high conversion rates are the way for publishers to mitigate the risk of performance-based selling
- **Delivery:** As partners are taking a risk, if campaigns fail, they will stop and may underdeliver quite heavily. Trying to persuade publishers to accept campaigns they deem lacking, spells failure.

Consultancy (GroupM)

- **Quality & Process Advocat:** We establish the right aggregator relationships to maximize performance in relation to quality requirements and help set up the processes to ensure the quality control
- **Sounding board for publishers:** Manage publisher communication as well as promotional planning via the 80/20 rule found in affiliate marketing
- **Transparent market:** High market transparency and quality control has done away with most of the personal relationship importance. Driven by the brand we have to proof our intent to really cooperate with the partners.

▶ 7. HOW TO STEADILY IMPROVE CPL DEALS NEED MAXIMUM CONVERSION RATES

TeamClean

Jetzt zur Community anmelden!

Sichere dir jetzt die Chance auf **1 von 2 Home-Umstylings** in einem Möbelhaus deiner Wahl und Persil Waschmittel!

Immer einen Klick Wert: Deine kostenlose Community für Waschen, Reinigen und Haushalt.

Tipps & Tricks | Produkttests | Kostenlose Gewinnspiele

Du liebst dein Zuhause, aber irgendwie möchtest du mal wieder etwas verändern? **Kein Problem!**

Zur Registrierung müssen alle mit einem * gekennzeichneten Felder ausgefüllt sein.

E-Mail-Adresse*

Passwort*

Ja, ich willige ein, dass Henkel mich zu den in der Einwilligungserklärung genannten Zwecken auch per E-Mail kontaktieren, insbesondere im Rahmen von Newsletter-Versendungen. Ich kann die Einwilligung jederzeit mit Wirkung für die Zukunft widerrufen, unter anderem indem ich die Einwilligung in meinem Nutzerprofil lösche oder auf den in jeder E-Mail für diesen Zweck zur Verfügung gestellten Link klicke.*

Ja, ich habe die **Nutzungsbedingungen** akzeptiert und willige in die Verarbeitung meiner personenbezogenen Daten durch Henkel AG & Co. KGaA gemäß der Einwilligungserklärung ein. Ich bestätige, dass ich mindestens 18 Jahre alt bin.*

Jetzt registrieren

Im Wert von mög. 50.000€

2x

80x

- Give the publisher the chance to set up their own landing page and connect it to your CRM
- Trustworthy publishers can and will implement quality checks proactively on their side, in order to optimize their own campaign optimization
- Talk openly with the publisher about possible exclusive incentives
- If the publishers have the experience and cases, they might proactively propose incentive campaigns like sweepstakes and also take over the costs and fulfillment

▶ 7. HOW TO STEADILY IMPROVE BE OPEN TO CHANGE YOUR RESTRICTIONS

What do to about
passing on of
commission?

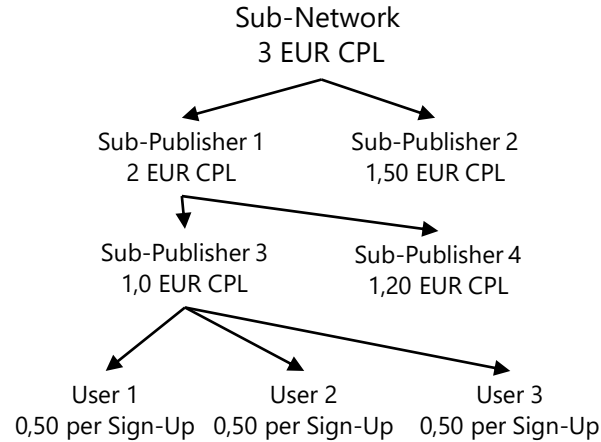
Zusätzliche Teilnahmebedingungen

Die Provisionsweitergabe in jeglicher Form ist ausgeschlossen, außer explizit im Einzelfall freigegeben. Bei Zuwiderhandlungen behalten wir uns vor, die Leads/Sales zu stornieren und die Partnerschaft zu beenden.

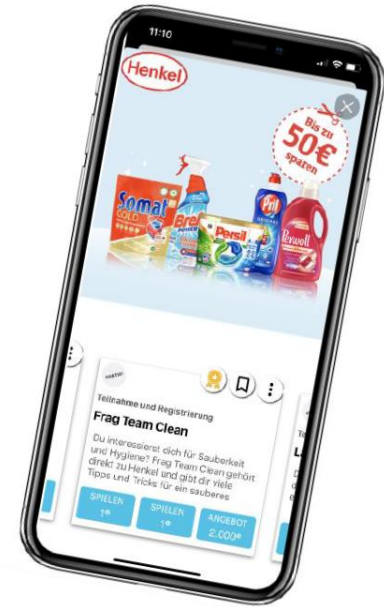
Die Bewerbung von Gratis-Artikeln oder Gewinnspielen ist nur nach Absprache gewünscht.

Für eine korrekte Zuordnung der Leads/Sales sind ausschließlich die im Partnerprogramm hinterlegten Links und Werbemittel zu verwenden. Selbst erstellte Deeplinks tracken ggf. nicht korrekt und müssen daher vorab mit dem Account Manager abgestimmt werden. Selbsterstellte Links können darüber hinaus auch von der Vergütung ausgeschlossen werden.

Why to control it?



Why to test it?



▶ KEY TAKE-AWAYS

1

The basis is a controlled environment

- Define exactly what **conversion** you are looking for **and** what **it's worth** for you
- Define how you can **measure** the conversion, **validate** it, and **enrich** quality assessment
- Based on your level of validation requirement, **set a public commission**
- Use **validation** for crowd control

2

The goal is a framework for growth

- If possible look at **affiliate as a distribution channel** rather than a marketing channel
- Keep in mind the **complete package you offer** to affiliates. One competitor making a better offer might decimate your performance
- Use **quality assessment to improve** relations to your top partners
- **Always be open** for suggestions and new business models

A large red triangle pointing to the right, with a darker red gradient at its base, occupies the left side of the slide.

Q&A