



# Harnessing the Power of Your Affiliates

THE  
**SEARCHMONITOR**

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# Introduction

As an affiliate manager, you hold the keys to a growth engine for your brand. Every CMO is looking for the most effective solution to influence buyers' purchasing decisions. What better method than delivering persuasive content to a network of online influencers who already have an audience, and who will work for the promise of earned commissions? Companies with well-run affiliate programs have seen affiliate marketing produce the highest ROI out of all the other online channels, and at The Search Monitor, we've seen it account for as much as 16 percent of all online revenue! And yet affiliate management has become one of the most challenging jobs in marketing. You're expected to

deliver outstanding ROI, but instead, you're getting reprimanded for affiliates violating your program rules or misrepresenting your brand or not complying with federal regulations like FTC disclosures. The PPC manager is pointing the finger at you for driving up CPC, while your boss is questioning the overuse of coupon code affiliates and worrying about social influencers creating liabilities. Sound familiar? How did things get so far off track? The answer lies in how you are recruiting and monitoring your affiliates. In this guide we will look at the struggles affiliate managers face and show you strategies to recruit, monitor, and manage affiliates with the goal of growth and minimizing risk and exposure.



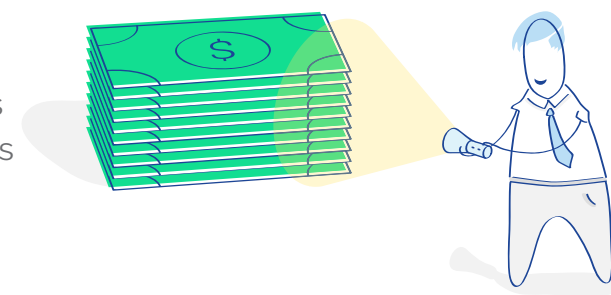
# How to Improve Your Affiliate Performance in the Next 8 Hours

If you are short on time, and you want just one thing to do today to improve your affiliate program, start with this: Eliminate your bad affiliates. These are your partners who are silently stealing your revenue and undermining your efforts for their own gains. You might be amazed to see all the different ways they are working against you. [Click here to see what your affiliates are doing right now.](#)

Eliminating bad affiliates is an easy process once you have spotted them. Identifying them, however, is much more challenging without a big data tool like The Search Monitor. It will crawl the web and social activity and report to you on your affiliates'

activities. At your command, it can take swift action to stop risky activity.

An important part of affiliate review and elimination is to weight the impact that the affiliate has on your program coupled the riskiness of their behavior. Affiliates who engage in risky tactics as the primary method to generate traffic to you should be targeted first. Conversely, Affiliates who primarily engage in above board allowed tactics, with a small percentage of mistakes, should not be eliminated as a first step. The questions to consider: (1) How much revenue does this affiliate drive?; (2) What percent of that revenue is attributed to risky tactics?; and (3) For affiliates who are primarily above board, how cooperative is the affiliate in fixing unwanted tactics?



A high-angle, top-down photograph of a person wearing a blue hoodie, seen from behind, typing on a silver keyboard. The person is seated at a desk with a large black monitor to the left and a black laptop to the right. A hard drive is lying on the desk between the monitor and the laptop. The background is a dark wood-grain wall. The image is partially obscured by a large teal and blue diagonal graphic on the left side.

# What are Bad Affiliates?

So, you know you have to remove bad affiliates, but what are “Bad Affiliates”? Let’s start out by reviewing some of the types of affiliates that could be hurting your performance.

# The Unauthorized Brand Bidder

When unauthorized affiliates outbid you on your brand+ keywords, traffic will land on the affiliates site first before being redirected to yours. Because the traffic came immediately from your affiliate's site, your SEM metrics will be skewed as ROI is diverted from the SEM channel and into the affiliate channel.

Worse yet, when your affiliates bid on your branded terms, they drive up the cost-per-click and cause a measurable decrease in direct click traffic. We, at [The Search Monitor](#), have seen competitive brand bidding cause a 60% increase in CPC and 54% decline in clicks. When the unauthorized bidding activity is stopped, CPCs normalize again and clicks increase.

## Impact of Brand Bidding on PPC Metrics

- 10% Decrease in CTR from each lost rank spot in the Top 5 PPC ranks
- 60% Increase in CPC when more than four competitors vie for the Top 3 PPC ranks
- 20% Change in conversion metric due to affiliates competing in the Top 4 PPC ranks

See who is bidding against your brand:

[CLICK HERE](#)

# The FTC Violator

Potentially the most dangerous type of affiliate is the one that misrepresents your brand and gets you in trouble with the FTC, causing government legal action including big fines. For example, are your affiliates following FTC guidelines for disclosing their endorsements as paid ads? If you are managing an affiliate program for a major brand and you are not staying on top of how affiliates represent their endorsements, you could be putting your company at real risk. In one recent case, the FTC accused national clothing retailer Lord & Taylor of paying 50 online fashion influencers to post Instagram pictures of themselves wearing a paisley dress from a new clothing line

without disclosing that it had given each influencer the dress and financial compensation in exchange for their endorsement.

The Search Monitor's crawl technology protects affiliate managers and their brands by scanning both the ads and web content of all your affiliate partnerships to ensure that they are within your compliance guidelines.



# The Coupon Scammer

A common type of affiliate foul play is to bait your customer into using coupon codes listed on the affiliate's site. A customer will be at your checkout page and notice a field to enter a discount code, and then go in search of coupons.

Unauthorized coupon affiliates will hunt and collect your discount codes and then share them with your customers. The worst part of this is that when the customer returns to the checkout page and enters the coupon, the affiliate gets the commission on the sale. Now you are paying twice: Once for the discount to the customer, and again for the commission to the affiliate... All for a sale that would have happened anyway!

In some cases, coupon affiliates can cost you three times what you would have spent without having them as a partner in the first place. You pay for the click, then you pay the coupon discount, and then you must pay the affiliate a commission. Your return on your marketing campaign can quickly change from positive to negative.

Tracking this activity is tedious but valuable. To make things easier and to stop needless commission costs, use a big data tool like The Search Monitor to track where your coupon traffic is coming from.





# The Hijacker

Hijacking is a covert and harmful practice affiliates use in paid search advertising to fool customers into thinking they have clicked on your paid search ad. This will steal commissions from you and hurt your search engine rankings.

Here's how it goes down: The affiliate advertiser will create an ad that looks like your ad. They will use your logo, display your URL, etc. When the customer clicks on the ad, it takes the customer through an affiliate link and lands on your site. The affiliate does not have a website, offers no value in the process, and is piggy backing on your good name.


Search engines only show one ad

from each advertiser at a time. This means that if you and your affiliate are both using the same display URL, your ad will only show a portion of the time, and the remaining portion of the time the other guy's ad version (WITH YOUR DISPLAY URL) will appear, stealing your impressions and clicks, and driving up your CPCs.

An affiliate who is URL Hijacking is doing this to avoid having to create a landing page. Traffic from the hijacked ad is directed through an affiliate link and then ultimately to your landing page. You still wind up receiving the business; however, the cost is tremendous. You lose the ranking and have to needlessly pay a commission to the affiliate.

## 4 Costs of Paid Search Hijacking

- 1 Ranking**  
Your own ads are knocked-off the search results page.
- 2 Brand messaging**  
You are not able to control your brand message. Think "bad PR" here. Lots of fires to put out.
- 3 Higher Cost Per Clicks**  
The competition is now between you, the marketplace, AND your affiliate. More competition for placement equals you paying more for every click.
- 4 Commission Rakes**  
Affiliate hijackers typically hijack on brand and typo terms where the meatiest traffic lies, thus taking clicks away from you.

An aerial view of a city skyline, likely New York City, with the Empire State Building prominently visible on the right. The image is overlaid with a diagonal gradient from green on the left to blue on the right.

# The Power of Big Data Tools

“When we started using The Search Monitor, we envisioned it as a nice add-on. We were surprised when it rose to a critical component of our offerings - it is now a Must Have.”

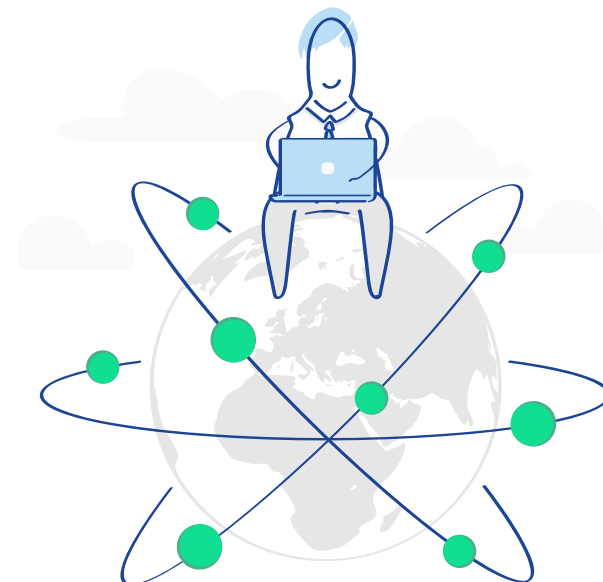
- Booyah! Advertising, a digital agency

# Why Big Data Tools are Vital to Proper Affiliate Management

Affiliates have found many creative ways to make money, and we love them for that. However, their creativity and ingenuity can cut both ways. Hijacking your traffic, bidding against you on your brand+ keywords, ad copy misrepresentation, getting you in trouble with the government, and worthless coupons are just a few of things you should look out for.

It's near impossible to keep an eye on every affiliate partner you have without a powerful tool. Manually monitoring them is difficult since paid search ads rotate every time a search query is launched, run both day and night, and are often targeted geographically.

The best solution is to use a fine-tuned automated crawler technology to complete the task for you. The Search Monitor uses geo-targeting to see exactly where your affiliates are active. This technology can be set to notify you when it sees a fraudulent activity. It can also send you a screenshot of the violation and provide the necessary steps toward ridding yourself of the problem.



Detecting bad affiliates isn't the only thing a big data tool will do for you, it can also show you who your All-Star Affiliates are. All-Star Affiliates are those affiliates who are complying with the partnership agreement and who are well positioned for promoting your brand and driving sales.

A big data tool can also show you who your All-Star Affiliates are.

Identifying the good affiliates will help you build on their success and perhaps find more affiliates like them. The Search Monitor will show you the affiliates that work with similar merchants. In addition, they will

highlight past bad behavior and provide you with a threat rating, so you can pre-qualify affiliates before accepting them into your program.

Don't underestimate the impact a big data tool can have on your ROI. Cutting the rejects and picking your All-Star affiliate team is just the first step. For the more advanced managers, [advanced PPC strategies](#) will take your affiliate team to the championship.



# Affiliate Monitoring Without Big Data

Keeping an eye on all your affiliates is almost impossible to do without a big data tool like The Search Monitor. However, if you can't afford to use a tool, or you just want to try going it alone first, here are some things to look out for.

- 01 Monitor your brand.** Search online to see what others are saying about your brand. Bad experiences, or reviews inconsistent with your offers can be signs of unauthorized activity.
- 02 Monitor URLs.** By looking at the referring URL, you will find hijackers who are essentially stealing your traffic.

**03 Look for sudden surges in affiliate-referred activity.** This can be sales, leads, or any other type of conversion you are commissioning for. Often a surge can indicate that there's some mischief going on.

**04 Through deduction,** you can use web analytics to spot affiliate fraud. It is a tedious process without a tool, but it can be done. You'll have to segment several different analytics reports and look for inconsistencies between them.

Acquisition reports, however, won't tell you if visitors came from a



Coordinating and comparing will have you knee deep in web analytics minutia. The Search Monitor does all the busy work for you. It uses a web crawling technology and big data to quickly spot the problems for you.

hijacker's page because hijackers mask themselves well. You instead have to compare your acquisition report with PPC reports in order to detect a hijacker. If you work in a large marketing department, this will likely require the coordination and communication between several sub-departments.

# Building Your Affiliate Growth Engine

Many businesses have a false expectation that Affiliate Marketing can run on autopilot. Many marketing departments expect that the affiliate platform will find and recruit the right affiliates, automate the delivery of marketing collateral, pay the commissions, and calculate your ROI. And with the right affiliate platform, managers can get back to practicing their golf swing? Right? In reality, the companies with successful affiliate programs are extremely hands on. They see affiliate platforms as the tools for building the growth engine, and not the engine itself. For every affiliate they recruit, they evaluate the following:

**Audience.** How big is the affiliate's audience? What is the audience demographic or geographic focus? How does the audience align with the brand's services or products? There is no use accepting an affiliate with U.K.-based blogs about comics and gaming if your brand is selling maternity clothing in the United States.

**Strategy.** How does the affiliate intend to promote our brand? Email? PPC? Blogs? Banner programs? Loyalty Programs? The strategy will determine what type of offer and contract terms you use in your affiliate program. Let's say you strike gold, and find an affiliate with a million



followers, that is passionate about your brand, and wants to write unique content promoting your products. Would you want to handle this affiliate the same as you would an affiliate that aims to do PPC or shopper discount marketing?

**Collaboration.** How can we build a more meaningful relationship with the affiliate? If the affiliate is doing PPC, you might look to how you collaborate on keyword strategies? If you have a blogger or email marketer, can you work with them to produce better content that better aligns with their audience?

## **BONUS: Advanced PPC Affiliate Strategy**

Most efforts of an affiliate manager are focused on preventing affiliates from bidding against you. However, done properly, you can actually utilize your affiliates to squeeze out competition,

dominate the SERPs, and increase your bottom line.

Here is the basic premise: Owning more paid search spots on search results can increase your clicks by 30–50 percent for each additional spot that you occupy. If you are seeing competitors occupying brand+ or prime keywords, you can make a PPC land grab by authorizing a few select partners or affiliates to bid on these keywords along with you. For example, if your CTR (click-through rate) alone is 2 percent, removing one competitor and replacing it with one affiliate with a CTR of 0.8 percent grows your additive CTR to 2.8 percent — a 40 percent gain!

Just be careful that you set terms in place for keywords and bidding so that your affiliates are not outranking you on your key branded terms.



Maximize your CTR by working with the "All Stars"! Get access to our proprietary list of top performing affiliates.

[REQUEST A DEMO](#)

# Conclusion

Affiliate marketing is a powerful tool, and like all tools it can cut both ways. It's important to be aware of all the dangers when using the tool. Affiliates can hurt you with hijacking, brand bidding, and coupon scams, and it's important to know how to detect and eliminate these violators.

Although it's a big job, harnessing the power of affiliates can be one of the most profitable arms of online marketing. The most effective way to handle the job is by using a big data tool like The Search Monitor. It can detect, report, and enforce your affiliate rules. Make managing your affiliates quick and easy so you can

spend your time on new and creative ways to extend and expand your marketing arms.

## To Sum Up:

### 01 Identify Affiliate Bad Actors

Identify the bad tactics used through automated monitoring or manually digging through web analytics

### 02 Weight the riskiness of the tactics:

How much exposure does this affiliate have? How big is the negative impact i.e. government fines, cannibalizing the SEM channel?

03 **Measure** the impact of the action vs. the value the affiliate adds to your business. How much revenue does this affiliate drive? What % of the revenue driven is from risky tactics?

04 **Determine your action steps**, warn and request a fix or eliminate the affiliate from your program.

05 **Keep a tally** on how cooperative and responsive the affiliate is to your action requests.