

Hot Trend: Attribution in Performance Marketing

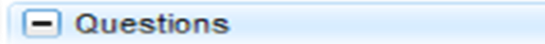
Rick Gardiner – iAffiliate Management

Cristian Miculi – Avangate

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www.avangate.com

Housekeeping Rules

1. All lines are on mute
2. Use the Questions Box on the right → 
3. Questions will be answered towards the end of the webinar.
4. Unanswered questions and parking lot items will be followed up subsequently.
5. This presentation is being recorded for later playback and sharing.
6. Feedback forms will be provided at the end of session.
7. Slides from this presentation will be emailed.

Agenda

What You Need to Know to Build a Strong Affiliate Channel

- › Introductions
- › Attribution in Performance Marketing – Rick Gardiner
- › Affiliates' Value in Customer Journey – Cristian Miculi
- › Q&A

Today's Speakers

Rick Gardiner – CEO, iAffiliate Management



Today's Speakers

Cristian Miculi – Sr. Manager, Affiliate Services, Avangate



Avangate: Customer Centric eCommerce

Over 3,400 Customers | Growing at 70% CAGR



Attribution in Performance Marketing



Agenda

- What is Attribution?
- Why Attribution
- Different Attribution Models
- Implementing an Attribution Model

What is Attribution

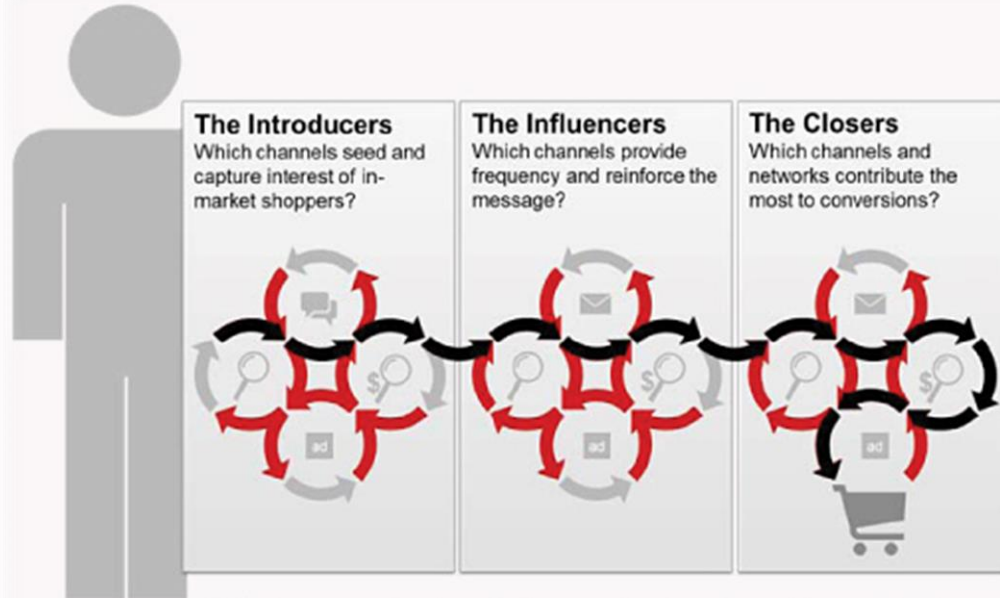
The rule, or set of rules, that determines how credit for sales and conversions is assigned to different touch points in conversion paths.

What is Attribution



Huh?

Why Attribution



Attribution helps analyze how effective marketing channels are at impacting business.

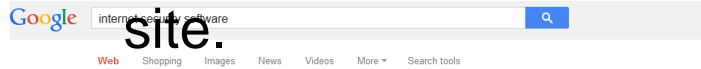
Conversion Path Example

Meet Bill. Bill needs to buy new security software.



Conversion Path Example






Bill does a search...finds a comparison grid on an affiliate site.



About 454,000,000 results (0.19 seconds)

Shop for internet security software on Google

Sponsored

 Kaspersky™ Internet Security 2014 \$59.95 Kaspersky.com	 McAfee Internet Security 2014 \$39.99 McAfee	 Norton Internet Security - 1 P... \$19.99 My Choice Sa...	 Norton™ Internet Security 2014 \$49.99 Norton.com	 AVG Internet Security 2014 \$54.99 AVG Online S...
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Security - Reviews and Price Comparisons from PC Magazine
www.pcmag.com/reviews/securitysoftware - PC Magazine
The Best Antivirus Software for 2011 ... Read up-to-date analysis and commentary on PC security software.



Conversion Path Example

Bill checks out your



The screenshot shows the product page for Total Defense Internet Security Suite. The page features a navigation bar with links for Products, Unlimited Security, Compare, Support, Contact, and Security Blog. The main content area includes a product image, a title 'TOTAL DEFENSE INTERNET SECURITY SUITE', and a sub-headline 'All-In-One Security for 3 Devices'. A list of features is provided, such as Total Protection, Parental Controls, Social Network Defender, Simple Pricing, Best Value, and Free Expert Installation. A pricing box on the right displays the current price of US\$48.99, a 30% discount from the original price of \$69.99, and a 'BUY NOW' button. Below the button are links for 'Current Customers', 'My Defense', 'Renew', and 'Support'.

TOTAL DEFENSE
PRODUCT PROTECTION

Products Unlimited Security Compare Support Contact Security Blog

TOTAL DEFENSE INTERNET SECURITY SUITE
All-In-One Security for 3 Devices

- ▶ Total Protection: For up to 3 connected devices in your home
- ▶ Parental Controls: Helps you protect your child from cyber bullying, online predators and offensive content online
- ▶ Social Network Defender: Flags dangerous links with real-time detection and protection in social network sites
- ▶ Simple Pricing: One price, cancel anytime
- ▶ Best Value: For households with many devices
- ▶ Free Expert Installation: Product set-up help

Protect up to 3 digital devices!

US\$48.99 ~~\$69.99~~ SAVE 30%!

1 Year
3 Devices

BUY NOW

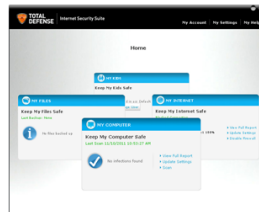
Current Customers
[My Defense](#) | [Renew](#) | [Support](#)

ALL-IN-ONE PROTECTION FOR UP TO 3 DEVICES

Total Defense Internet Security Suite software provides easy-to-use, comprehensive protection on up to 3 devices, against viruses, malware, spyware, spam, inappropriate content, lost files, and data corruption - without all the hassle. Now includes Mobile Security.

Industry-Grade Protection

With Total Defense Internet Security Suite, you get the same level of powerful PC security as that used by the world's largest businesses - in a convenient, simple-to-use suite optimized for home PCs.



Conversion Path Example

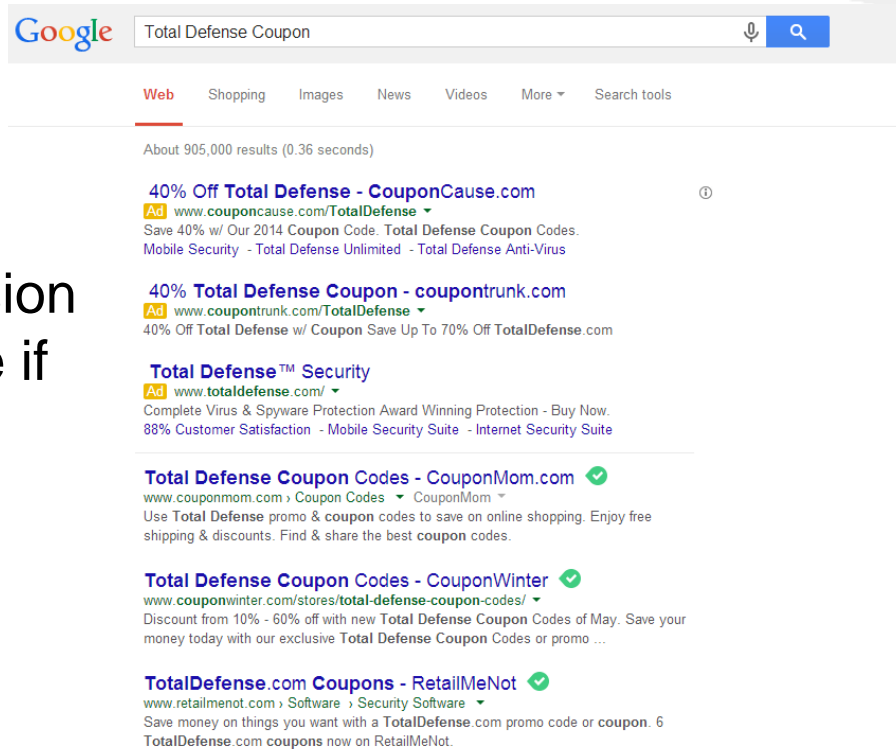
Bill forgets about it for a few days, but gets an email from an affiliate website he subscribes to.



The screenshot shows the BitsDuJour website interface. At the top, there's a blue navigation bar with the BitsDuJour logo and links for Mac, PC, iOS, and Free. Below the navigation bar, there's a promotional message: "You're Following Total Defense - and we've got another great deal for you available now." followed by "Don't turn into a pumpkin! This discount expires at Midnight Pacific Time." The main content area features a deal for "Total Defense Unlimited Internet Security Suite for PC - Today Only". On the left is an image of the software box. To the right of the image, the text reads "50% Off", "\$49.99 ~~\$99.99~~", and "Get the Deal". Below this, there's a description: "Total Defense Unlimited Internet Security Suite is a comprehensive subscription-based solution that covers all users and devices in your household with optimization, backup, and digital security safeguards." and a link to "Unsubscribe". On the right side of the page, there's a sidebar with social media links for Facebook and Twitter, the BitsDuJour logo, and a list of product categories: Audio, Business & Finance, Design, Photo & Graphics, Desktop Customization, Development, Hobby, Educational & Fun, Internet, Productivity, Security, Utilities, and Video. At the bottom of the page, there's a footer with social media links and a copyright notice: "Copyright © 2013 BitsDuJour LLC, Made in Philly & San Fran, All rights reserved."

Conversion Path Example

Bill makes a decision and checks to see if there is a coupon available.



Google Total Defense Coupon

Web Shopping Images News Videos More Search tools

About 905,000 results (0.36 seconds)

40% Off Total Defense - CouponCause.com
Ad www.couponcause.com/TotalDefense
Save 40% w/ Our 2014 Coupon Code. Total Defense Coupon Codes. Mobile Security - Total Defense Unlimited - Total Defense Anti-Virus

40% Total Defense Coupon - coupontrunk.com
Ad www.coupontrunk.com/TotalDefense
40% Off Total Defense w/ Coupon Save Up To 70% Off TotalDefense.com

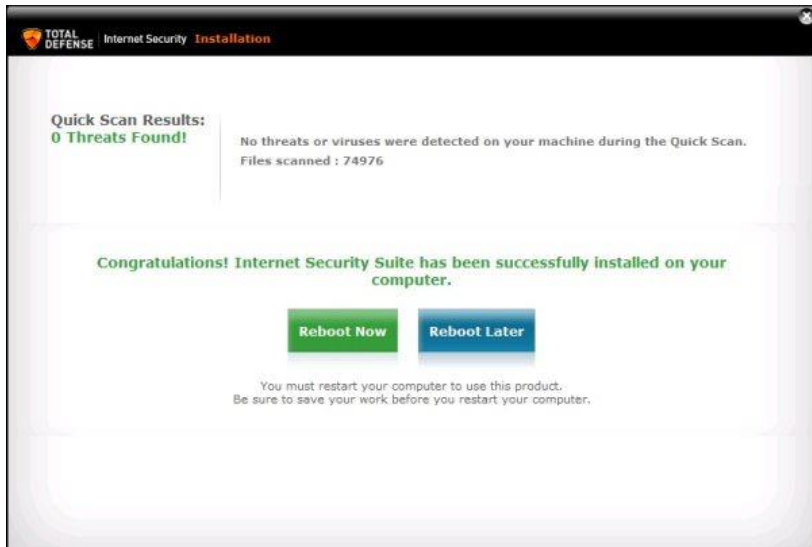
Total Defense™ Security
Ad www.totaldefense.com/
Complete Virus & Spyware Protection Award Winning Protection - Buy Now. 88% Customer Satisfaction - Mobile Security Suite - Internet Security Suite

Total Defense Coupon Codes - CouponMom.com ✓
www.couponmom.com › Coupon Codes › CouponMom
Use Total Defense promo & coupon codes to save on online shopping. Enjoy free shipping & discounts. Find & share the best coupon codes.

Total Defense Coupon Codes - CouponWinter ✓
www.couponwinter.com/stores/total-defense-coupon-codes/
Discount from 10% - 60% off with new Total Defense Coupon Codes of May. Save your money today with our exclusive Total Defense Coupon Codes or promo ...

TotalDefense.com Coupons - RetailMeNot ✓
www.retailmenot.com › Software › Security Software
Save money on things you want with a TotalDefense.com promo code or coupon. 6 TotalDefense.com coupons now on RetailMeNot.

Conversion Path Example



Bill makes the purchase and is now able to browse the internet safely and securely.

Who Gets Credit for the Sale

How many affiliate ads did Bill see?

How many affiliate sites did he click thru?

What was the timeline?

Which affiliates were most influential in the purchase?

Who should earn the commission?

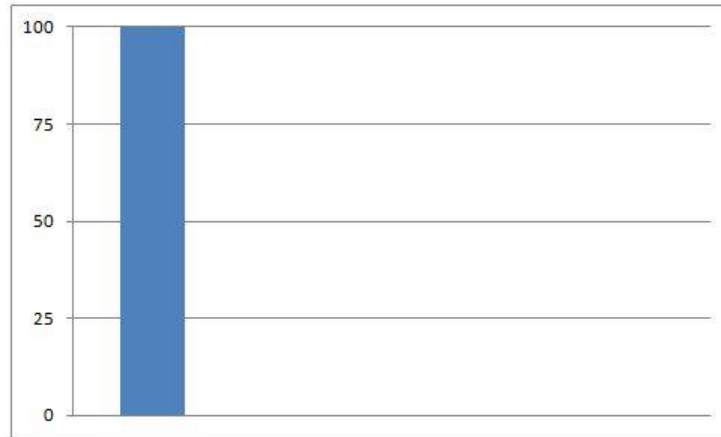
Attribution Models



Last Interaction Attribution Model

The last-click wins, in this case the coupon affiliate.

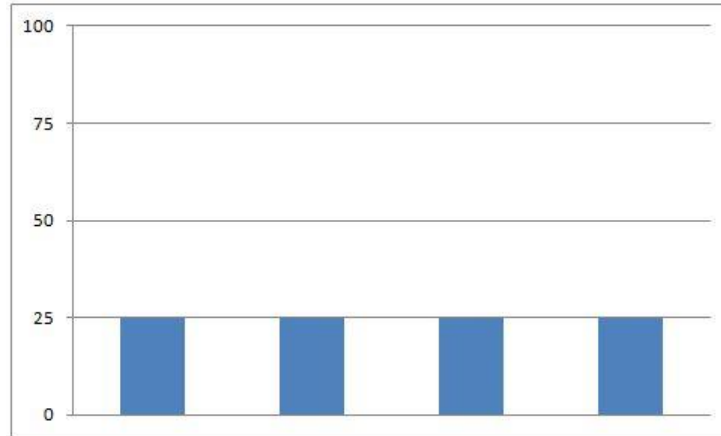
Attribution Models



First Interaction Attribution Model

The first-click wins, in this case the review affiliate.

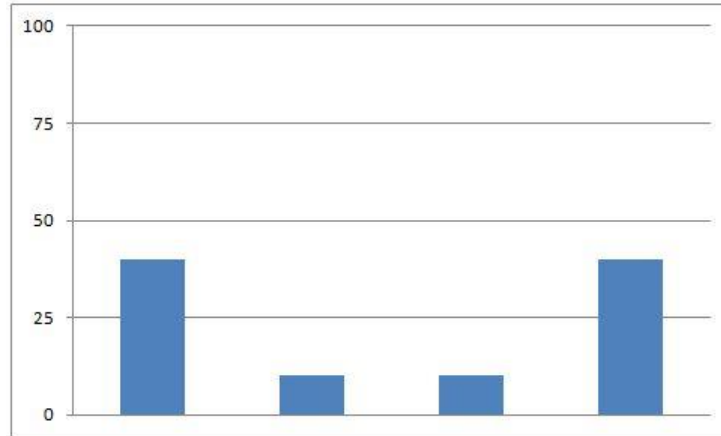
Attribution Models



Linear Attribution Model

Each interaction is weighted equally, in this case each affiliate gets equal credit.

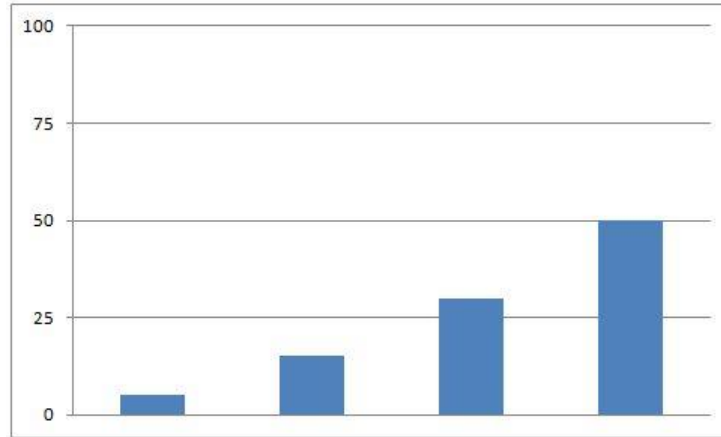
Attribution Models



Position Based Attribution Model

80% is split between the first and last interactions.
The remaining 20% split evenly between the middle interactions.

Attribution Models



Time Decay Attribution Model

The touchpoint closest in time to the conversion gets most of the credit.

Implementing an Attribution Model

A few things to keep in mind:

1. Understand your analytics data.
2. Get *all* stakeholders involved early.
3. There is no right or wrong attribution model.
4. Understand technical requirements and resources needed.
5. Have a good communication plan.

Affiliates' Value in the Customer Journey

Cristian Miculi, Sr. Manager,
Affiliate Services

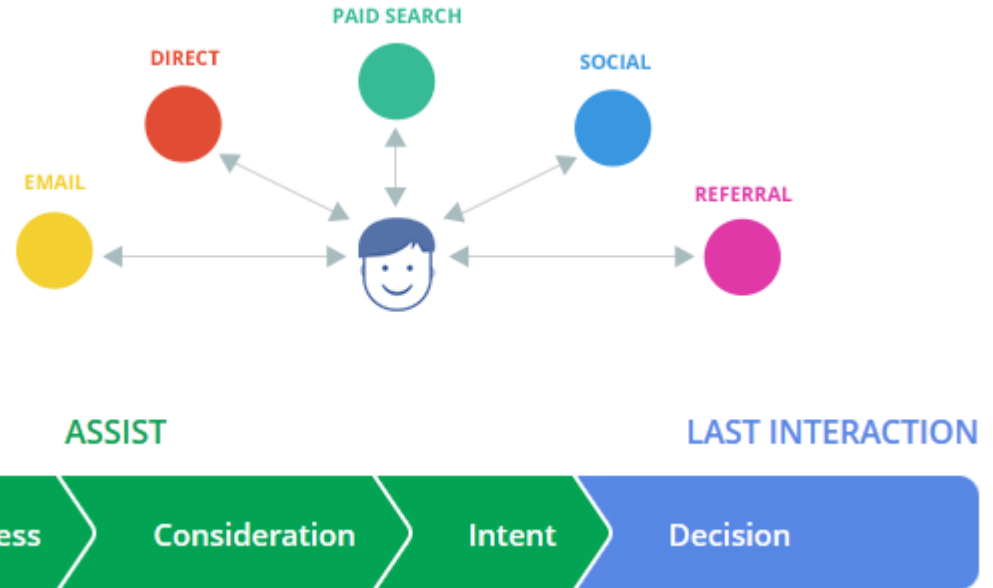
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Purchase Funnel Analysis

Customer interacts with multiple marketing channels

- > Some of the channels are “affiliate-powered”, others may be powered by you.
- > Crunching your GA data is vital to determine value of your efforts vs. affiliates’ efforts.
- > Depending on geography and industry, the position of each channel is different.
[\[ThinkWithGoogle.com\]](http://ThinkWithGoogle.com)



Source: <http://www.thinkwithgoogle.com/tools/customer-journey-to-online-purchase.html>

Affiliates' Role in the Purchase Funnel

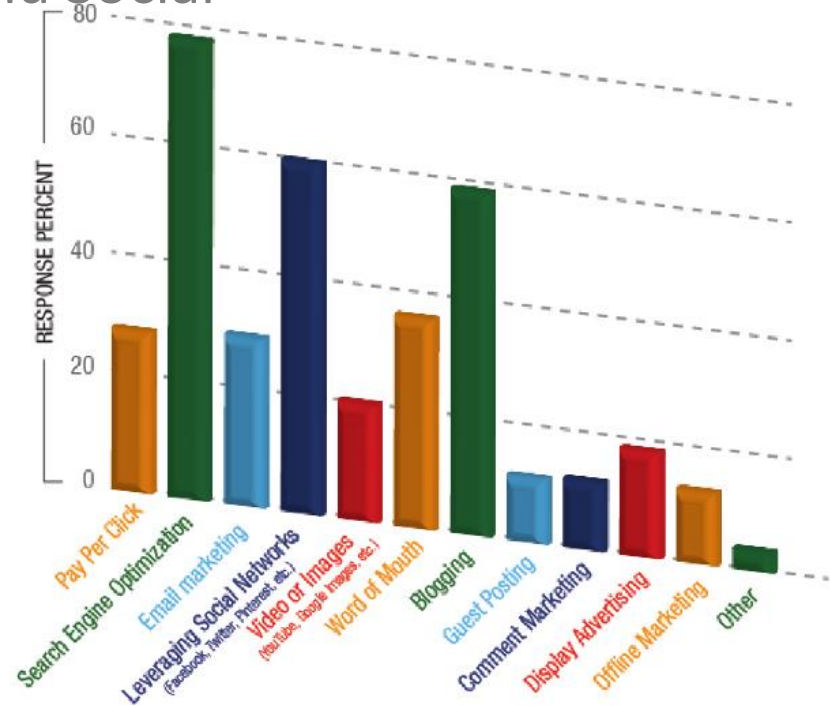
Traffic comes from SEM, Content and Social

> Assisting affiliates

- Content
- PPC*
- Social media
- Bloggers

> Decision affiliates

- Coupon
- Loyalty / Cashback
- Mobile
- Datafeed
- Email



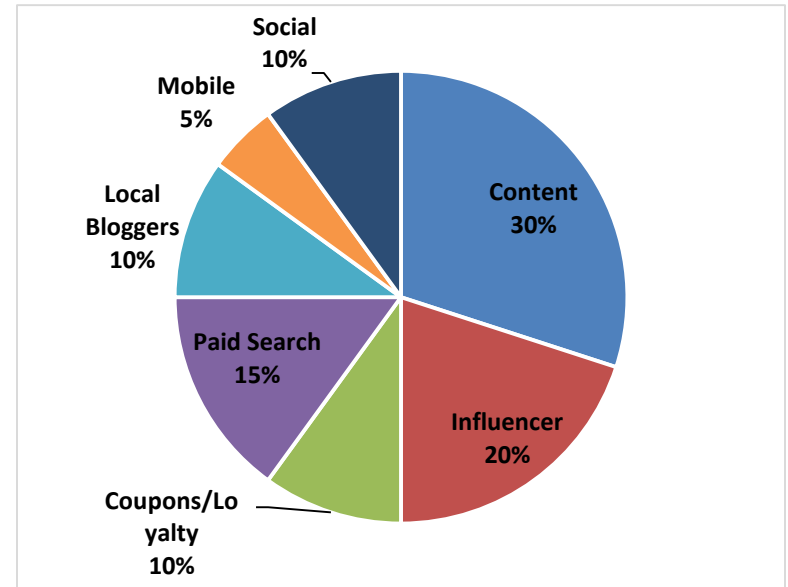
Source: AffStat 2013 report

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Ideal Affiliate Mix for Merchants

No universal recipe, but... content & influencers recommended

- > B2B / B2sB / professional products and services merchants should try to find content affiliates and influencers to promote them
- > Depending on their evolution stage, B2C merchants should focus on one of the types of affiliates:
 - smaller / newer merchants – focus on both assisting and decision affiliates;
 - bigger / established merchants – focus on assisting affiliates



Attribution via Flexible Compensation

Bonus Programs to reward performance


- > Automated bonus programs based on sales volumes or commission amounts thresholds.
- > One-time bonuses offered to affiliates.
- > Best fit for decision affiliates (usually Coupon, Loyalty / Cashback, Mobile, Datafeed, Email) – to be rewarded for exceeding expectations.

Add Bonus Program

Bonus Programs | Quick Payments | Bonus Payments History

Bonus Program Name:

Bonus conditions

 Reward you affiliates when they reach the targets you set: either on sales volumes or commissions earned.

Sales volumes min

Commission amount min

Select affiliates

All affiliates By name By commission list

Set bonus

Amount type % of sales volumes % of commission fixed amount Value %

Attribution via Flexible Compensation

Increased commission rate for preferred affiliate types

- > Personalized commission lists for different types of affiliates.
- > Best working with Manual affiliate approval in program.
- > Best fit for assisting affiliates (Content, PPC, Social media, Bloggers) to increase the payout for their sales.

Affiliate commission list details

List name: [View affiliates for Default List](#)

Affiliates can offer discounts up to: % [?](#)

Network Cross Selling discount: % [?](#)

Credit affiliates for renewals [?](#)

Approve & reject message templates: [Preview](#) [Add New Template](#) [?](#)

Product name	Renewal Commission	New Sales Commission
ACME Subscription	<input type="text" value="10.00"/> %	<input type="text" value="25.00"/> %
Avangate AB Testing Product	<input type="text" value="10.00"/> %	<input type="text" value="30.00"/> %
	<input type="text" value="5.00"/> %	<input type="text" value="55.00"/> %
	<input type="text" value="5.00"/> %	<input type="text" value="55.00"/> %
	<input type="text" value="10.00"/> %	<input type="text" value="25.00"/> %

Available Commission Lists

List name	Max Commission
December 2014 New Commission	
HMA	
Content affiliates	
50% Commission	
	20.00%
	40.00%
	20.00%

Takeaways

Align your data with your objectives

1. Crunch the data numbers: traffic, purchase funnel, etc.
2. Look at the different touch points your clients hit in their journey and understand who's driving each touch point.
3. Align your affiliates compensation models with the company objectives.




Q&A


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Meet Avangate at Affiliate Events

Connect with the experts in digital goods sales

Performance Marketing Insights Europe 2014

June 24-25, Berlin, Germany

Exhibition area, stand #68



Affiliate Summit East 2014

August 10-12, New York City, USA

Presentation on affiliate retention techniques

Meet Market area, table #113



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