Why you only need one affiliate provider.

Theories, realities and the importance of evaluating providers and asking the right questions.

In today's sophisticated and nuanced affiliate landscape, marketers are looking to make the absolute most out of every marketing dollar. And with dozens of major affiliate marketing networks — and tens of thousands of publisher partners, brands may wonder if working with multiple affiliate providers is a viable option.

If you're considering working with multiple affiliate providers, it's critical you thoroughly evaluate providers and be sure you're asking all the right questions. Failing to enact due diligence in researching pros and cons of working with multiple providers and simply defaulting to the more-is-better mentality, can prove detrimental in terms of time, resources and bandwidth. Additionally, you could be lacking a singular and critical view of channel costs, crucial data and more.

By employing a single affiliate provider strategy, you can take control over your affiliate relationships. **Here's how:**

Technology

Few brands seek to develop their own proprietary tracking and technology solutions for partner management. Rather than building custom proprietary affiliate tracking solutions to measure and quantify the results of activity, they prefer to utilize networks or third-party platforms to connect them to partners with similar demographics to their target audience. Some brands take it so far to engage multiple technology providers that they succeed in creating a fragmented approach which makes it difficult to optimize and improve their affiliate strategy.

The theory:
In conventional affiliate marketing, brands can broaden their reach and extend their advertising by engaging publishers on multiple, well-established affiliate marketing networks and platforms.

Theoretically, working with multiple affiliate networks makes it possible for you to cover more demographic ground. Presumably, there is a cost savings when dealing with higher-volume players on a software as a service (SaaS) model as software license costs are typically fixed and therefore more predictable compared to traditional network payment models. People may think that but, there are overage and usage fees based on tariff-based pricing. Therefore, larger partners yield cost savings with SaaS because it tends to operate on a fixed cost whereas network models generally employ the performance-fee model, which is variable. The potential to experience more consistent results when dealing with longer-tail partners on a pay-for-performance network may also exist. This is because SaaS platforms typically aren't applying their own efforts to grow and optimize the partner base. Keep on mind that when considering a SaaS-only model, one of the most notable downfalls lies in its fixed pricing structure. While attractive, it may end up costing you more if long-tail partners aren't active and generating the revenue yield necessary to justify the high, fixed fee technology costs.

The reality:
When you split your partner relationships across multiple providers, you are over-complicating your business processes, as well as losing out on focus, optimization and potentially inflating costs.

When you work through multiple platforms and networks, you increase your administrative load while maintaining the same bandwidth. You must remember which partners are running through which providers, as well as manage communication and information through multiple platforms. Data views become fragmented and difficult to access, and each individual platform requires a different strategy.

Altogether, this creates confusion and delays optimization. You're left unable to truly quantify the improvements you make and your overall performance, because you've become trapped in a sequence of comparing apples to oranges. With more drag on available resources (i.e., time), the overhead costs become greater, and the realized value of affiliate marketing overall is lessened.

Further, though affiliate marketing networks may claim that they have exclusivity with specific partners, this is simply untrue. Generally, the 80/20 rule applies here where 20% of your partners drive 80% of your outcomes. So, with that holding true, why do network providers race to play a publisher distribution numbers game in showcasing who holds the biggest stick? The truth is, it doesn't matter. The old adage of 'quality over quantity' holds true in the case of affiliate marketing. More doesn't equate to better because not all publishing partners are the right fit for a brand. For example, as a marketer, would you want a yoga instructor advertising fast food? No, because the inherent qualities, characteristics and attributes of yoga do not align to fast food in any form.

For the partner, there is no benefit to being exclusive. Networks have bought distribution in attempts to control the entire value stream, which is an intention on their part to own distribution because they can't grow it. This means that some networks are double dipping on your ad dollars in the form of network fees and publisher commission fees. Let's consider this for a minute--the last time your network recommended a publisher partner, was it because there was truly inherent value for your brand or was it because they simply wanted to drive more revenue for their own corporate conglomerate?

Bottomline: While a SaaS-only pricing model appears straightforward, in reality, opacity exists by way of overage fees and tariff based structures.

Key takeaway:

Working with a single affiliate provider streamlines your processes, making it easier for you to optimize and improve upon your strategies, saving you time.

A single affiliate provider is a scalable and optimized solution. Rather than having to juggle multiple contracts through multiple platforms, you can instead focus on getting the most value out of partners. You have a singular toolset that needs to be learned which creates increased efficiency. You also get the significant advantage of having all your brands' data in one place rather than scattered across multiple locations. Further, with a single provider, there is no room for partners' confusion about which network or platform your brand is on. Finally, there are no issues with de-duping across multiple providers.

As your brand begins to scale, using multiple, third-party solutions becomes prohibitively time-consuming, and can easily lead to you losing track of your most important metrics. With a single provider solution, the burden of administration is substantially reduced, and results and improvements are trackable and scalable.

Channel performance

You must track channel performance to understand how your marketing strategies are working, and whether they are appropriately resonating with your target audience.

The theory:

It's easy to consolidate reporting across multiple platforms and spreadsheets are a solve for this.

With multiple affiliate providers, brands must acquire their data separately, combining it into a single over-arching report or reporting tool. Ideally, brands will analyze multiple provider performance holistically and independently, identifying the performance of each. The reality is that it's not easy to standardize data points across platforms.

The reality:

Reporting across multiple affiliate technologies is tedious and resource intensive.

When you use multiple providers, you fail to have a singular view of channel performance. This means you need to aggregate reporting from multiple providers and normalize the data to achieve a singular view. That takes time and is tedious work, unless it's configured in some automated fashion which is more often not the case.

With multiple platform reporting, it's difficult for you to determine whether it is the partner or the platform that is failing you. There may also be situations where partners are in both platforms and driving revenue/performance and then their data isn't appropriately reconciled to one line because of different naming conventions, URLs, etc. By adding multiple factors, the data begins to obfuscate any truly actionable conclusions. You're left adrift and unable to act towards improving upon your marketing strategies.

There are nuances across platforms, too. In terms of how they calculate certain metrics—and it's not always 1:1 on the data and metrics, making the task of data consolidation even more challenging. A single affiliate provider removes all of this, creating a consistent and level playing field though which you're able to manage your partners.

Bottomline: Your goal should be to work with a provider that gives you one view and enables you to easily export your data into your single source of truth/multi-touch attribution (MTA) to see how affiliate compares across all other channels.

Key takeaway:

It can be difficult or impossible to quantify the performance of individual publishers when spread across multiple affiliate networks.

Having a single provider makes it possible to analyze data on a level playing field. Without this type of in-depth data analysis, it becomes difficult (if not outright impossible) for a company to optimize its marketing strategies. Having multiple affiliate providers ultimately leads to having multiple sets of unrelated data, making it more difficult to drill down to what the company needs to do to improve upon its major metrics.

Services

Consider the channel execution and ask whose interests are being served in a multi-vendor structure. Another consideration is that while SaaS technology is sophisticated and has all the bells and whistles, unless you have in-house expertise, you must rely on an agency for channel execution, creating additional fees from the added vendor cost.

The theory:

Some brands opt to use distinct affiliate marketing services because each is specialized in a different discipline.

When it comes to affiliate marketing platforms, there is a common notion that service providers are good at service/execution and the technology providers are only good at building technology.

A common example is utilizing both a SaaS platform and an agency. Since SaaS providers don't offer service, they create the illusion that brands should seek expertise from an agency or outsourced program management (OPM).

The reality:
Multiple external resources struggle to work in tandem to form a cohesive strategy.

Working with multiple providers puts the onus on you to pull these disparate services into a single, consistent marketing strategy. A service provider is not an expert on the technology platform or its tools. The agency might also not have category knowledge or access to large repositories of data like a technology provider has, creating benchmark guidance for you. Technology providers inherently offer a lot of value because they are closest to the users—they build features for the users, and therefore have feedback loops to users to improve their product based on their experiences. They also have data insights that are not readily accessible by a service-only provider.

Bottomline: A single affiliate provider, which provides both technology and services, can dedicate the full weight of these technologies and services towards their clients. Additionally, with SaaS only solutions, resource costs need to be contemplated based on whether the channel is managed in-house or outsourced to an agency. If a service provider is part of the mix, then there are added vendor costs to consider, in addition to the SaaS costs.

Key takeaway:

A single provider of both technology and service is better poised to provide comprehensive value.

Instead, you should consider the services of those closest to your data—your primary affiliate technology provider. These technology providers have access to data that is unavailable on the platform. You may capture optimization insights from the tech provider because of their position in the data—which they oversee. In addition to the added costs associated with a service-only provider, they are operating in a black box and their optimization recommendations are limited to the brands within their portfolio.

Compliance

As your brand's campaign grows, the number of providers may also grow organically—ultimately leading to an ever-growing number of providers who are working apart rather than together.

The theory:
Brands use supporting providers to monitor brand compliance.

Brands may find themselves using multiple supporting providers to monitor their brand compliance. These supporting products may be provided through the owner of the affiliate channel, the platform itself, or a third-party entirely. When working with these dedicated, supporting tools, there is a presumption of expertise: a different specialized tool for every scenario.

As each platform and affiliate marketer is different, brands may find themselves running a fragmented "stack"of these supporting services, each of them managing or monitoring a different area of the affiliate marketing campaign. When well-integrated and well-run, this "stack" can act as a completely supportive ecosystem.

The reality:
You can yield significant cost and time savings by limiting the number of affiliate providers you work with.

Though a well-integrated stack can yield positive results, it's very rare that your brand is able to organize all its service providers into a single network in this way. Rather, you should be able to improve your costs and your time management by limiting the number of providers you use, through a single channel of affiliate marketing.

Regarding compliance, the other benefit is that the third-party monitoring provider only does that: monitors. They don't close the loop by taking action against the affiliate offender. That means the marketer needs to leave the complacent monitoring tool and go back into the network to then reduce the publisher's commission or kick them out of the program. Wouldn't it be easier to have all those workflows in a consolidated view and platform?

Bottomline: You may find yourself spending tens of thousands of dollars annually, solely to ensure that your brand is safeguarded. Add auxiliary services, such as tracking brand mentions, and you'll find yourself with additional licensing fees and administrative time. These are added expenses that detract from bottom-line profit and reduce the effectiveness of an affiliate marketing campaign.

Key takeaway:

Working with multiple platforms naturally leads to a collection of additional services, which spread organically and cut into your brand's time and money.

A single affiliate provider can provide the technology and services that your brand needs to excel, rather than having to acquire these devices piecemeal. When you're working with multiple platforms, partners, and services, it will by necessity require additional third-party services and solutions to support you. Over time, the marketing ecosystem becomes unwieldy, and the cost of maintaining the marketing ecosystem begins to cut into your bottom-line profits.

Influencer marketing

Influencer marketing has collided head on with affiliate marketing. While many brands dream of their influencer strategy taking off with those of macro-level influence and reach, the reality is that those influencers will be reserved for large brand collaborations, leaving smaller brands in growth mode in search of a means to test an influencer strategy.

The theory:
Companies are increasingly establishing partnerships with macro influencers to promote their brand due to the potential for "virality" and improved reach.

Connecting with the right influencer can grow a brand's marketing strategies by leaps and bounds, and some affiliate marketing platforms have the ability to connect brands with influencers inside of their realm.

Affiliate marketing platforms have been designed around connecting brands and influencers who have remarkably similar demographics, thereby providing value to both parties. Through the right platform, a brand can immediately connect with influencers who are ready and willing to provide them with tremendously effective advertising.

Put an emphasis on engaging micro-influencers who have direct engagement and see how that impacts your outcomes for brand awareness.

The reality:
Macro or larger influencers are uninterested in working with smaller brands or for smaller collaborations.

Working with influencers through multiple affiliate providers creates an even more convoluted marketing approach, as every influencer has their own method of marketing. Brands go looking for influencers via influencer marketing platforms, independent of affiliate platforms. Many are just getting started or testing the waters and are therefore making a monetary and resource investment right out of the gate, not knowing if influencer marketing will even work out for them.

Testing influencers in the affiliate channel is a good idea because micro influencers, or those that don't have large follower bases, can't command high fees, therefore creating an opportunity to earn on a performance basis in affiliate. The channel is essentially a proving ground for them, and a great way for brands to test out pilot programs before endeavoring to take on influencer strategies.

The reality is that affiliate marketing includes influencers. The models are not all that different, it really comes down to the payment model that creates the difference. But in some cases, it’s all the same, and influencers can be affiliates/partners too.

Bottomline: Why not test the waters or simply run your mature influencer program on the same platform that you are already using to run your affiliate program? No additional investment in dollars, in training resources or in integration. Keep it in a consolidated provider so that it’s one less system and expense that you need to manage for what is effectively, the same thing.

Overall takeaway

Affiliate marketing remains one of the most effective methods of extending brand awareness and generating leads. However, you need to be measured and consistent in your affiliate marketing strategies if you are to achieve results. Today's brands may be working with multiple affiliate marketing platforms, tracking partners and influencers throughout. Without any consolidation or consistency in data, you’re unable to quantify the success of these strategies—and you may find yourself losing both time and money to the management of your platforms, solutions, and services.

With a single affiliate provider, you can gain access to partners and influencers through a single platform and service. A focused, scalable solution, a single affiliate provider creates a consolidated architecture through which you’re able to measure the most important metrics and continually optimize your strategy. You’re able to put the full weight of your efforts upon improving a known quantity, rather than attempting to synthesize knowledge through a network of disparate systems.

Want to know more about the benefits of a single affiliate provider? Learn more