

Team Affiliate Marketing: Using Coordination to Achieve Greater Earnings Per Click for Small and Medium Size Lists

David J. Kosmider of HillSeven.com

Version 2c: September 19, 2019

Synopsis:

- Small and medium size lists achieve sporadic results from affiliate marketing, especially on higher price products.
- Coordinating the efforts of multiple lists can decrease risk and increase the likelihood of getting the best possible ROI on any affiliate offer.
- A good click tracking service should be used to measure the proportional contribution from each partner to distribute commissions.

"Probability is not a mere computation of odds... it is the acceptance of the lack of certainty in our knowledge and the development of methods for dealing with our ignorance."

-Taleb, Fooled by Randomness

The following document describes the methodology and reasoning behind a process that I have developed for coordinating the efforts of several list owners to promote affiliate offers in a way that lowers risk, increases ROI, and fairly distributes earned commissions to each "partner" on a specific team marketing effort. For the purpose of this paper, I'm considering small to medium size lists as any that could send 100-900 unique clicks for one offer in less than one week.

The ultimate goal of this process is to allow each partner on one of these teams achieve a per click rate of return on affiliate marketing comparable to, or better than, any similar large list could achieve from promoting the same product.

This process is useful because of the degree of randomness and uncertainty involved in generating commission on affiliate sales. The best rate of return can be obtained from the higher priced products, but if you have a small list and are promoting a high price product, chances are good that you will earn nothing from your efforts on many promotions. For example, an affiliate offer that averages a sale every 250 clicks; if you can only send 250 unique clicks, there's a good chance that just by bad luck, the 250 people on the other side of those clicks will not include one who is willing to take out their credit card and make that purchase. Then your efforts result in nothing.

Larger lists don't have this problem to the same degree. If you're in the position to easily send 1,000 or more clicks, then the **law of large numbers** comes into play and your **obtained** results (the payments you actually get) are much more likely to end up close to your **expected** results (the average of all similar affiliates). You'll more easily get your first sale hopefully several more.

The solution that I have developed is to coordinate the efforts of several separate sites, track the number of good, unique clicks from each source, then distribute the earned commission proportionally by click.

This mitigates the risk of any individual list owner receiving nothing for their efforts; even if the promotion goes poorly, if a group sends 1,000+ clicks they should get at least 1 sale to split up. But the real bonus comes in the coordination among the lists. If each individual list manager were trying to maximize their profits independently for their own list, their promotions would mostly cluster around the typical best mailing times. However, if we are trying to maximize the total combined earning of several different lists working together, we can spread the promotions across the available time. Our industry has a lot of overlap in subscribers, staggering promotions maximizes the total number of individuals who see at least one of the messages.

For example, if I have 5 lists mailing for an offer today (and no time constraints) I might send at 7AM, 9AM, 11AM, 4PM, and 6PM ET. It also serves as reminders to the individuals who end up seeing more than one message. Even staggering promotions by 15-30 minutes when timing is important, as for a final reminder before a webinar starts or the opening promotion of a major launch, should increase the total reach of all the lists.

Additionally, I use something like the concept of **horizontal segmentation** (the idea that having multiple versions of something will appeal to the greater number of people vs a single monolithic best version) in choosing my copy and subject lines. If I have multiple good options, I try to make sure each partner sends something different, to increase the probability of capturing the attention of the greatest total number of people.

In the end, the result is that we are not simply splitting up the total that each list would have earned on their own. It is likely that the total commission generated from a coordinated promotion effort of multiple lists is more than the total that would have been earned if each list were individually optimizing promotions for their own benefit.

Then the key to making sure all of this effort ends up with a fair distribution of earned commissions is a good, impartial, 3rd party click tracking service that can serve as a standard across multiple deals. I use ClickMagick.com but there are probably other acceptable services out there. Most affiliate software provides internal capabilities for adding tracking codes to affiliate links, e.g. in

Infusionsoft you can add "/anything" to the end of a tracking link. You could use that data to break up the commissions, but this only shows the raw, unfiltered totals. Unfortunately, there are a lot of bots and spiders hitting every link out there. You need something that filters out the junk clicks from real people. [ClickMagick](#) does that. For each individual tracking link you get columns for the "TC" (total clicks), "UC" (unique clicks), and "FC" (flagged clicks). The Flagged Clicks are the bad ones, and their number is not reflected in the TC or UC numbers, they're filtered out.

The naming convention I use for links starts with a code for the promotion, such as the site or product being promoted, the start date of the promotion, a number to identify the individual affiliate link being used, and finally each partner gets a 2-3 letter code. I use "x" as an arbitrary separator of each section in the names. So a code for a launch starting on August 1st for the TimingResearch audience might look like: **product080119x1xTR**. [ClickMagic](#) provides a column total at the bottom of every table and allows links to be grouped so that searches only show results for links in that group. So I can search for "xTR" and see the total Unique Clicks for all TimingResearch clicks across multiple links for that individual promotion, or "x1" to see all the clicks on the first link if I'm using more than one for a promotion. When the promotion is over, the total unique clicks from each individual partner code is the number I record to use for proportionally breaking up commissions.

Below is a real example from one of my early efforts. You can see that List2, for example, sent 125 unique clicks, which ended up being 28.1% of the total 445 unique clicks. Then \$1,532.30 was earned, so the owner of List2 received \$430.42 as soon as the commission payment was received. The \$1,532.30 earned commission in this case just happened to come from 4 separate customers. Maybe they all came from List1 or all from List4 or maybe one from each. Without the coordination among the lists, maybe only 2 or 3 of the customers would have purchased the product. No one will know for sure. We just know that 4 separate lists all sent similar amounts of good quality traffic and each received \$3.44 per unique click back for their efforts.

Webinar 06.28.19

\$1,532.30	445		\$3.44
SITE	UCLICKS	PERC	PAYOUT
List1	168	37.8%	\$578.49
List2	125	28.1%	\$430.42
List3	90	20.2%	\$309.90
List4	62	13.9%	\$213.49

Below are some additional thoughts about maintaining a fair distribution of commission for all lists on these types of promotions:

- Whether used for the a major launch, a webinar, or just a dedicated push for an evergreen offer, the team nature of this process could serve to inspire each member of the group to push harder than they might otherwise on their own, especially with regular updates from the organizer, which should result in greater ROI for everyone.
- This method works best for promotions that involve quick, individual product sales. A subscription service or a product with an unusually long average time to sale would be very complicated to use this type of promotion on, especially if you were going to use that same affiliate account more than once.
- Registration count, instead of click count, could be used to split the commission portions. Like with clicks though, you would need to devise a method for making sure only good, unique registrations were counted. Even if that were possible, I still believe unique clicks (from good sources) is the best measure of proportional contribution, in general, due to the benefits that the site owner could be getting from just having interested people land on their site, whether they register immediately or not, e.g. push notifications and retargeting ads.
- All lists in the group should be able to send a relatively similar amount of traffic. If one partner sends more than 50% or less than 5% of the total clicks, that's quite likely an unfair pairing for someone. Having everyone agree to a minimum click count before the promotion starts could help make sure things stay relatively even.
- Only lists that actually have a good chance of making one sale on their own should participate. This depends on the individual conversion rate of the program, but generally I'd want each partner to have, at worst, a 33% chance of making at least one sale on their own.
- The level of devotion of each audience might also be an issue. If one partner has a strong personal connection with their audience and the others do not, that might cause an unfair imbalance. Same if one partner has an audience that is very specifically suited to the product being promoted and none of the others were.
- All lists in the group should have relatively similar list hygiene practices; especially the use of ZeroBounce or other similar email verification service. [ClickMagick](#) should count good clicks mostly correctly, but will likely always be some small number of false positives and false negatives. It's important that there's a good chance that the rate false readings are fairly even across all lists. (I am also now running a monthly ZeroBounce group, please contact me if you want to learn more about that as well.)
- It could also be possible to create a system where multiple factors are used to determine the final commission portions; maybe clicks count for 65% and registrations count for 35%, for example. Other factors could be used as well. This may be useful in a case where you had so many companies participating that you wanted to having multiple checks to make sure everyone ended up a fair portion of the commissions.

"The universe is an endless raging sea of randomness. Our job isn't to fight it, but to weather it together..."

-Nadir, Community

Next Step: If you found this information interesting, I am working on organizing more of these team promotions. If you would like to participate with your list or if you have a high-converting offer that you'd like me to consider, please contact me (info below) and we can talk about making some money together.

Thank you,

-David J. Kosmider

site: <http://hillseven.com/>

email: david@hillseven.com

cell: 859.327.9437

skype: david.kosmider