

IAB Affiliate Marketing Council Best Practice Guides:

Conducting Affiliate Audits, September 2011

Best Practice for Conducting Affiliate Audits

Having visibility on who your affiliates are and how they are promoting your brand is a key requirement for an effectively managed affiliate programme. As every advertiser has control over the affiliates that they choose to partner with to promote their programme it is important to take the time to understand your affiliate base, in collaboration with your agency or network.

However, formal affiliate audits are by no means a required part of affiliate programme management. Most advertisers monitor their affiliates on an ongoing or ad hoc basis, rather than undertaking full programme audits. If you are planning to audit your affiliate base it is always worthwhile seeking advice from your network or agency as they should be able to advise you on the best course of action.

The most successful audits are those that are undertaken with the intention of improving the overall affiliate campaign with a view to building new relationships and re-engaging dormant affiliates that may not have generated any revenue for a period of time. Auditing affiliates may also underscore any problems in the relationship that may need to be addressed. In the most severe instances, the advertiser may choose to terminate their relationship with an affiliate following an audit. However, it is important that these decisions are made on a case-by-case basis and are worked through with the affiliate in order to assess whether there is an alternative solution.

What should be the scope of the audit?

An affiliate audit benefits from having a clearly-defined scope before it is started. This should specify:

- **The number of affiliates to be audited** For instance, should the audit be conducted on affiliates already on the programme or include those pending approval as well?
- **What affiliates should be audited on** A clearly-defined number of factors (examples of which are below) help standardise the audit amongst those conducting it. This makes the audit manageable, identifies potential issues that might not be apparent at first glance, and ensures that all affiliates are audited to the same extent and treated fairly.
- **The period the audit covers** It is advisable that some form of auditing or monitoring of a programme takes place on an ongoing basis. However, where an audit provides a 'snapshot' of the programme at a particular time, to keep the audit manageable it is necessary to specify what time period the audit will cover (for example, 'all/certain affiliates joined/applied to the programme before/since January 1st 2010 up to January 1st 2011').

As a general rule, advertisers conducting an audit should assume positive intent on the part of their affiliates, and ensure that communication with them is clear and offers the option of reply/redress to any issues raised.

What should happen following the audit?

A process for handling the results of the audit should also be agreed before it is begun. This would specify what action should be taken in respect of each affiliate audited, and under what conditions. Namely:

- Where no further action is necessary
- Where more information is needed about the affiliate and the audit should be continued
- Where the affiliate should be contacted to provide more information
- Where the affiliate should be suspended from the programme

What should be audited?

The extent of the audit should be at the advertiser's discretion and dependent on the aims of the audit as defined before it is undertaken. Where requested by the advertiser, the network/agency should endeavour to supply all information requested for the performance of the audit. Affiliates should be informed of the audit prior to it taking place. It is important at this stage to take into account the promotional schedules and marketing plans of your affiliate partners and how auditing may affect these activities.

Affiliates should be advised of the scope of the audit, in terms of which areas it will cover. In turn, affiliates should do their best to make sure that they can be audited with ease. This may include checking to ensure their details are up to date, and being ready to provide information about how and where they are promoting an advertiser, if requested.

The below list summarises some areas which advertisers may wish to be covered by the audit, but is **purely indicative and should not be considered exhaustive or mandatory**.

- **Affiliate name and contact details** Making contact with affiliates is sometimes an area that the advertiser tasks the agency and/or network with. Therefore, precisely what details are supplied, and who takes charge of contacting affiliates, can be arranged between these parties.
- **Method(s) of promotion used for the advertiser** Where the affiliate uses more than one promotional method, it is useful to indicate the primary method. Where possible referring URLs help an audit process considerably (with masked URLs or redirects highlighted), but it should be noted that referrer information is not always attainable where an affiliate generates low click volumes, or where they only register impressions rather than clicks.
- **Misuse of content or creative** Auditing for this might highlight incorrect copy or descriptions of the advertiser's offers or business; or hard-coded creative displaying the same. Some areas of affiliate activity may need to be audited according to sector-specific requirements. Advertisers providing financial services, for example, may need to audit their affiliates according to FSA requirements.

It is also worth bearing in mind that where there is a problem with content on an affiliate's site, removing the affiliate from the programme effectively severs the relationship with that affiliate and therefore could make it more difficult to address the original issue.

All parties involved in an audit should bear in mind that affiliate activity is covered by the ASA's Digital Remit, available to download via [this link](#) (PDF format). The Code covers:

“Advertisements and other marketing communications by or from companies, organisations or sole traders on their own websites, or in other non-paid-for space online under their control, that are directly connected with the supply or transfer of goods, services, opportunities and gifts, or which consist of direct solicitations of donations as part of their own fund-raising activities”

The Affiliate Marketing Council's Best Practice documents for networks, advertisers and affiliates in relation to the ASA's extended Digital Remit provides more information and will be available in due course.

- **Representation of the advertiser's brand** Advertisers may wish to audit an affiliate in consideration of how well or badly their activity reflects on the advertiser's brand. How this is decided should be at the discretion of the advertiser, who should be able to retain control over their programme and have final say on how their brand, products or services are represented. To this end, it is important that the advertiser makes clear to affiliates joining the programme how they wish their brand to be presented. In cases where the way an affiliate represents the advertiser differs from how the advertiser would wish to be represented, the advertiser has the right to request this be changed, and to suspend or remove any affiliate that does not respond to these requests.
- **Network-level checks on the affiliate's account to prevent abuse.** Where a programme runs on an affiliate network there should already be certain checks undertaken at the time of the affiliate joining the network. Details of these checks and their outcome should be available from the latter on request of the advertiser or their agency.

Best Practice for Affiliate Removals

Clarity from the Outset

Advertisers should be as clear as possible in their programme description and/or Terms & Conditions which types of affiliate activity they are not willing to work with on their programmes. Advertisers should refer to the [Ethical Merchant Charter](#) for examples of what to include. Clarity from the outset about what is and is not acceptable helps prevent issues arising further down the line and limits the extent of any action it is might be necessary to take.

Removing Inactive Affiliates

It is advisable that affiliates are not removed from a programme simply on the grounds that their accounts are dormant or non-revenue generating without the consent of the affiliate in question. There might be a number of reasons for non-activity, and these should be explored before any action is taken. Advertisers considering removing affiliates they deem to be 'non-performing' should consider more than just sales volume. For example, an affiliate driving a high number of click-throughs or impressions is still a valuable partner, and proper management with a view to re-engagement is preferable to removal.

Improving Programme Statistics

Similarly, it is advisable that affiliates not be removed from the programme simply in an effort to improve the publically-visible statistics on a programme's performance. It should be remembered that statistics for a programme overall will differ markedly at an individual affiliate level. The profitability of an affiliate's campaign depends on many factors and good affiliates are unlikely to be dissuaded from promoting an advertiser on the basis of programme-wide statistics on conversion rates, EPCs or order approvals.

For these reasons, large-scale affiliate 'culls' should be considered bad practice. Advertisers wishing to retain close control over their programmes whilst avoiding managing multiple affiliate relationships may wish to run a 'hidden' or invite-only programme on their chosen network as an alternative to mass removals.

However, as noted above, advertisers should have control on who promotes them via their affiliate programme and ultimately it should be at the advertiser's discretion which affiliates they choose to work with.

Advertisers who intend to remove an affiliate/affiliates from their programme should make contact with the affiliate in the first instance to explain the reasons for their removal from a programme. The point of contact at a network or agency (if one is used) should also be informed so that they can provide advice and assistance in getting in touch with affiliates.

Reasonable Notice Periods

Except where an affiliate has breached a programme's Terms & Conditions, advertisers should provide reasonable notice to any affiliates they intend to remove from their programmes. The advertiser's contact details should be provided in this correspondence to allow for affiliates to respond prior to removal.