Affiliate Programs have been an important part of advertiser digital sales channels for years. Advertisers running affiliate programs have a number of factors that impact performance of this important sales channel. With the maturity of tools in the marketplace, a key new lever advertisers must learn to properly utilize is the type of attribution model that works best for their program. This paper will deep dive into various attribution models in use today, offer the pros and cons of each model, and share associated insights to help advertisers choose the right path for their affiliate program.

What is an Attribution Model?

According to Google, an attribution model is the rule, or set of rules, that determines how credit for sales and conversions is assigned to touchpoints in conversion paths. For example, the Last Interaction model in Analytics assigns 100% credit to the final touchpoints (i.e., clicks) that immediately precede sales or conversions.

Common Attribution Models

Last-Click Attribution

- Last-Click Attribution is the standard model in the affiliate industry. If there are multiple clicks within the clickstream, Last-Click Attribution assigns 100% of the value to the publisher with the "last click."[1]
- Pros: The last-click attribution model is easy to understand for advertisers and publishers. Loyalty publishers, for example, can reliably offer a set commission rate.
- Cons: An estimated 9%-25% of affiliate sales involve multiple publishers.[2] [3] Since the publisher who generated a click before the "last click" receives no compensation, publishers at the beginning of a customer purchase journey are disincentivized. [4]

First-Click Attribution

- First-Click attribution assigns 100% of the value to the first click in a clickstream. The advertiser determines a lookback window, often between 1-90 days. After a sale, the first click within the determined lookback window receives 100% of the value.
- Pros: The first-click attribution model encourages top of funnel publishers.
- Cons: Other publishers, including those who may have played a more important or time-consuming role in the customer's purchase journey, are not rewarded for their efforts. For example, with First-Click Attribution, a Loyalty publisher would not receive commission if the customer first clicked an advertiser's affiliate link on Instagram within the lookback window.

Soft-Click Publisher Status

- When a publisher is designated as a "soft-click publisher," the publisher receives 100% of value from the advertiser if that publisher is the only click within the customer's purchase journey. A "soft-click publisher" becomes inferior to other

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[1] Attribution Playbook. Google Analytics. 2012.
https://services.google.com/fh/files/misc/attribution_playbook.pdf
[2] Up to 25 Percent of Affiliate Transactions Involve Multiple Publishers. AM Navigator. 2013
https://www.amnavigator.com/blog/2013/09/19/up-to-25-percent-affiliate-transactions-involve-multiple-publishers/
[3] Affiliate Marketing: Many Ways to Attribute Sales. PracticalEcommerce. 2015
https://www.practicalecommerce.com/Affiliate-Marketing-Many-Ways-to-Attribute-Sales
[4] How Publishers and Advertisers are losing out because of the Last Click model in affiliate marketing. Skimlinks. 2013
https://skimlinks.com/blog/how-publishers-and-advertisers-are-losing-out-because-of-the-last-click-model-in-affiliate-marketing

standard publishers. When multiple “soft clicks” exist and no other clicks exist in a customer’s purchase journey, the last soft click is often assigned the value.[5]

- Pros: Advertisers ensure that certain publishers cannot overwrite the cookies of other publishers. This allows advertisers to protect existing publishers.
- Cons: Soft-click publisher status would always reduce the commission a publisher would receive. For loyalty publishers, this might also result in a customer not getting credit for their shopping trip.

Non-Click Private Coupons/Exclusive

- Exclusive non-click private coupon codes are the best way for an affiliate to ensure that no other affiliate can “steal” their conversions. Unlike vanity codes (which are the same coupon offer at various affiliates, only the code itself is usually the affiliate’s name), private non-click coupons are exclusive offers designated to a specific affiliate. No matter where the coupon was found or what site was clicked, a non-click private coupon can be traced back to a single affiliate source.
- Pros: Affiliates no longer have to worry about competitors stealing their codes. If another website posts a code, it won’t matter if a customer clicks through a competitor’s link. If a private non-click coupon is used at checkout, the affiliate the code was created for will receive the conversion credit, regardless of how many other affiliate clicks it took to get there. Additionally, clicks aren’t even necessary with non-click private coupons. These exclusive codes can be shared anywhere and everywhere from emails to text messages to billboards in Times Square. It’s all about the code, not the click.
- Cons: If a customer uses an exclusive coupon code but they directly upload it elsewhere (via a competitor’s website or direct to the merchant site), advertisers won’t get any additional traffic to their site. The customer may not even know the website exists. Consequently, advertisers will not get the traffic or clicks and they may miss out on a new member or regular user.

In-Cart Attribution

- In-cart attribution is tied to a customer directly at the point of purchase. Generally, credit will be given to the affiliate clicked within a short time frame of adding something to a shopping cart. The main goal is to reward publishers for their impact earlier in the purchase path based on a time threshold before checkout.[6] Some versions of the In-Cart Attribution model will completely eliminate any affiliate credit if a customer already has something in their shopping cart before they click on an affiliate link.

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[5] What is the Soft Click proposition? Awin. 2018.
http://wiki.awin.com/index.php/Soft_Click_Affiliate

[6] Dynamic Attribution: Identifying the True Point of Influence. June 7, 2017.
https://www.pepperjam.com/blog/dynamic-attribution-identifying-the-true-point-of-influence

- Pros: In-Cart Attribution can help cut down on shopping cart sniping - affiliates who helped to push the conversion will no longer lose credit for a sale just because a customer quickly searched for a coupon code right before finally checking out. It also rewards publishers who are the last to drive the click conversion to a merchant's site, having convinced the customer to finally go shopping.
- Cons: Loyalty sites can see some confused (and disappointed) members if they have something in their cart and then remember last minute to click through their account on the affiliate's website to get credit. This method discounts any affiliates that may have convinced a customer to make a purchase if the customer had already added something to their cart, even if it was months prior. [7]

Time Decay Attribution

- The Time Decay Model gives more weight to those touch points that happen closest to the actual sale or conversion. Whether there are 10 touchpoints or three, the model will attribute a sale to the few touchpoints that occur in the shorter time right before any conversion.
- Pros: The touchpoints that pushed the consumer over the line to actually complete a purchase are rewarded. If a site was a larger influence on a customer (even if it were the ninth site looked at in the journey) right at the point of conversion, that affiliate will get recognized.
- Cons: It completely ignores and disincentivizes the sites at the beginning of a customer's journey as they receive no part of the sale. Customers could read a lengthy review on a site and be ready to buy, except they go click through a few coupon sites for a good coupon first. Even if they don't find any coupons, those last few coupon site clicks would get the credit.

Recent Attribution Controls

Preferred Publisher Status

Preferred publisher status is a more recent offering whereby an affiliate network will allow one publisher to have a "Preferred" status when it comes to a specific merchant. Generally, the merchant will select a specific publisher to garner Preferred status in exchange for preferential treatment (i.e "free" on-site placements, emails, newsletter mentions, featured homepage placement...). As a preferred publisher, the affiliate just needs to be one touch point at any spot within the shopping funnel in order to earn the entire click. That means the Preferred Publisher

[7] Affiliate marketing's biggest bugaboo, and how to tame it. May 11, 2017.
https://www.digitalcommerce360.com/2017/05/11/affiliate-marketings-biggest-bugaboo-and-how-to-tame-it/

could be the first click, last click or anywhere in between before the consumer completes his or her purchase. No matter who else is in the overall process, the Preferred Publisher is the only one that will receive credit for the sale.

Possible Cons of Preferred Publisher Status

The Preferred Publisher option can be considered dangerous by some affiliates, as it means one publisher can simply throw its muscle around in order to become a Preferred Publisher with all of a network's top merchants. As long as a Preferred Publisher has even one click at any point in the shopping funnel, this attribution model would effectively "steal" clicks and sales from other publishers who may very well be the main driving force behind a conversion. When it comes to loyalty or cashback sites, it's even more dangerous. A top revenue generating publisher that earned the Preferred Publisher status could simply lower their cashback rates without much concern because if a consumer clicked through and then decided to go compare rates elsewhere, it really wouldn't matter. That first Preferred Publisher would be getting the credit for the sale no matter what.

Shared Commissions

For years, affiliate networks have been toying with the idea of a Shared Commission structure. This would be the fairest way of crediting different affiliates based upon where they fall in the sales funnel. If a customer spent 20 minutes reading a product review on a blog and clicked through to a merchant site to make a purchase, only to then hop over to a coupon site to spend 1 minute reviewing the site and clicking through before making a purchase, normally the coupon site would get full credit. The blog may have been the main driving force behind that sale due to the extended length of time the user spent reading and researching the product, but the coupon pushed the consumer over the edge and thus receives 100% commission for the sale. A Shared Commission Structure would instead reward them both. Perhaps the blog would receive 75% of the commission and the coupon site 25% of the sale. A Linear Attribution model takes the Shared Commissions model and breaks out payments equally among all affiliates that were touched within the sales funnel.

Possible Cons of a Shared Commission Structure

The first con with the shared commission structure approach is the actual breakdown. It's easy to see if there are two affiliates involved. At worst, networks can do a 50/50 split between them. But what happens when there are many more affiliates involved? What if a customer clicks through five, 10 or even more sites before making that final purchase? Do they all get a tiny piece of the pie? Do we only credit two or three of the affiliates and forget about the rest?

Then, there is the concept of time. A consumer may spend a mere five seconds on the Introducer website but a solid 25 minutes on the Checkout Influencer. How do we calculate which affiliate deserves a larger piece of the pie?

Additionally, a shared commission structure would simply not work for loyalty and cashback websites. The fact that the actual commission amount for an affiliate would change based upon additional affiliates in the sales funnel will cause a huge problem for loyalty sites. Cashback sites need to expressly state the exact amount of cashback offered to members before a member clicks through to make a purchase. It simply would be too confusing for consumers if a cashback site tried explaining shared commissions through: “Get 10% cashback if you don’t click anywhere else, but only get 5% cashback if you also click on another site, or 3% if you’ve clicked on two or more sites, etc.” It is a very non-user friendly way to explain the process to members. Loyalty sites would simply have to drop out of any programs that were set up with a shared commission structure.

Attribution Tools by Network

Every affiliate network or platform chooses what it wants for an attribution model. While “last click” is still the most popular approach, affiliate networks have embraced different models based upon their users. What follows is a quick rundown of the top affiliate networks and which models are currently part of their offerings.

- **First Click**: The first affiliate touched in the sales funnel gets 100% of the attribution.
- **Last Click**: The last affiliate touched in the sales funnel gets 100% of the attribution.
- **Coupon Code Attribution**: An exclusive coupon code is tied to a specific affiliate. The unique code will attribute 100% of sales to the affiliate based on that coupon code.
- **Preferred Publisher**: No matter how many other touchpoints are in the sales funnel, if a Preferred Publisher is one of them, they will get 100% of the attribution.
- **Custom Attribution**: Unique attribution setup that could be any combination of the other models or something new.
- **Linear**: Each touchpoint in the conversion path - multiple affiliates or various sources such as Paid Search, Social Network, Email, and Direct channels - would share equal credit for the sale.
- **Time Decay**: The touchpoints closest in time to the sale or conversion get the credit.

Network/ Platform	First Click	Last Click	Coupon Code	Preferred Publisher	Custom	Linear	Time Decay
Avantlink	Yes	Yes	Yes	Yes	Yes	Yes	No
Awin	Yes	Yes	Yes	Yes	Yes	Yes	No
CAKE	Yes	Yes	No	No	Yes	Yes	Yes
Commission Junction	Yes	Yes	Yes	No	Yes	No	No
Impact	Yes	Yes	Yes	Yes	Yes	Yes	Yes
LinkConnector	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Partnerize	Yes	Yes	Yes	Yes	Yes	No	No
Pepperjam	No	Yes	Yes	Yes	Yes	No	No
Rakuten	Yes	Yes	No	No	Yes	Yes	Yes
ShareASale	Yes	Yes	Yes	Yes	Yes	Yes	Yes

The industry of affiliate was built on Last-Click attribution. While this has served the industry well enough in growing a mature and respected piece of the digital sales channel for many companies, the rise in new technology has allowed virtually any advertiser to choose an attribution model that better suits the acquisition of customers and sales they value most. Moving forward, we will continue to see networks offer more levers for advertisers in how they compensate affiliates.

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