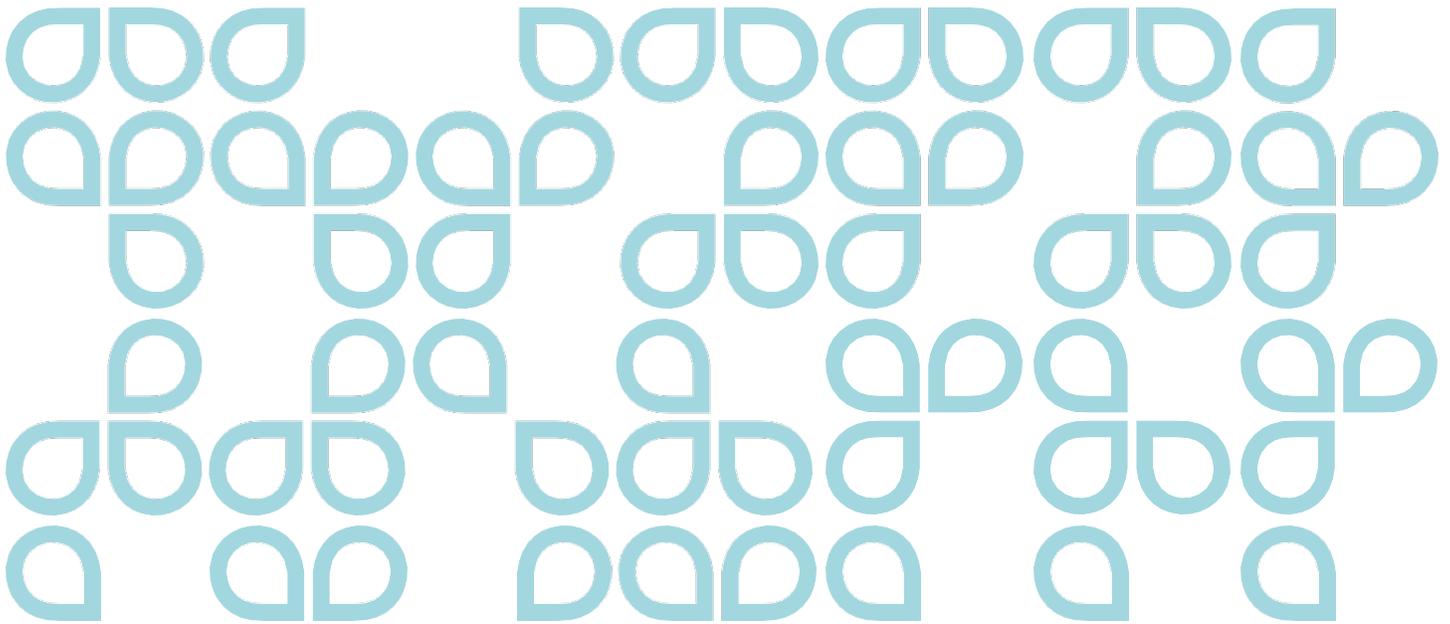




PERFORMANCE **MARKETING** ASSOCIATION



Benefits of Working with Deal and Coupon Affiliates

created by the PMA Coupons & Deals Council

In **2021**, you will likely be overwhelmed in the business of Affiliate Marketing with brands shouting for more Content publishers and Influencers to promote their brands. What happened to deal and coupon publishers? Well, believe it or not, they are still around, and doing better than ever! The Covid and post-Covid ecommerce boom created a thriving environment for bargain conscious online shoppers. But many advertisers still think that their brand integrity will suffer by couponing. Put your mind at ease and learn how relationships with these affiliates can make a huge impact on the success of your affiliate program.

First of all, if you are an advertiser that sells commonly available/commoditized products, you should know that you are competing on only a few points - brand loyalty, price and shipping. Many times a coupon is the only thing that will close a sale. Without it, the consumer can choose to make the purchase somewhere else where a coupon is available. If you decide to not work with coupon affiliates, you are very likely conceding sales to your competitors.

To Unlock Growth, Consider New Affiliate Partners

It's been said that the secret sauce to achieving success lies in your ability to live in a constant state of moderation. Never too much of this or that allows the scale to remain balanced in harmony. The same is true with managing successful partnerships inside the partnership and affiliate channels. There is no magic bullet in working with one partner type—content, coupon or otherwise. The secret to driving sales (new-to-file sales and repeat sales) through the partnership channel is by adding new and different partner types into your mix. To know what type or partner or who you should add to the mix, you should leverage whatever relevant data you have available to evaluate the efficacy of the partners you currently work with to understand what has been successful in the past and what has not. Next, take the necessary time to access or establish whatever it is that you hope to achieve in the channel so you can gain a clear understanding of how implementing certain partner types will align to these goals.

Among Partnerize's U.S. retail clients, a [recently published index report](#) says they saw 57% of June's new customer revenue being driven by content partners followed by a significant 46% of revenue being driven by coupon partners, proving there is very real material value in working with both partner types (hello balance!). Again, developing your strategy to see which partner type should hold more weight in your program, you need to go back to your original goals and objectives. For example, if driving new sales at an enormous scale is a priority, consider adding cashback or coupon partners to the mix. They have large audiences, can cost-effectively drive scale on a pay-for-performance basis and allow you to easily acquire new customers. While this is just one example of a partnership type that can help drive new business, we always encourage you to reach out to your tech providers' Customer Success or Partnerships team to understand the different types of partners you could be working with.

A briefing by PartnerCentric, [Benefits of Working with Coupon Affiliates](#), explains why advertisers should never turn their back on Coupon affiliates. Online coupons can help you:

- Stimulate purchases from customers who otherwise wouldn't buy
- Encourage faster purchases or impulse buys
- Encourage brand loyal customers to try the competition
- Increase the average order size

It's also good to note that you still have control over your coupons since you decide the context, content, and terms of each promotion.

eAccountable's research has found that some of the biggest coupon users are wealthier (100K+ HHI). According to Max McClary of popular deal/cashback tool JoinPiggy, who also works with multiple luxury brands, their users boast a similarly high HHI. There is little data to support that luxury brands will compromise their image by participating in coupons and loyalty campaigns.

Coupon Best Practices for Advertisers

To help you know the do's and don'ts of coupon strategy, apply these tips to increase AOV (average order value) or AOS (average order size) with coupons:

- Use percentage off coupons with a minimum order value for big ticket items.
- Use a minimum order value over your current AOV.
- Use BOGO's (buy one get one either free or at a discount).
- Don't reduce existing sales value
- Attract New Customers
- Dollar off coupons for first time purchasers are good for this.
- A reward for signing up for a subscriber/newsletter/email list as typically only new customers are not already signed up.
- Offer a higher commission for new customer orders. Typically this is 2-4% higher than returning customers.
- Encourage Repeat Orders
- Provide a coupon that discounts the current order and also provides a gift card or credit for a second order. You can deliver the second promotion via email right after the purchase is completed.
- Provide a coupon after a review is received - Reviews have a lot of value now for both organic and paid search. Google will show stars on your organic listing and ads, once you have enough, depending on the review platform you use. Most customers won't mind taking a couple minutes to write a review if they get a discount out of it.

How to Optimize with Coupon Affiliates

- Provide exclusive or semi-exclusive offers.
- Look into stopping user generated content for your brand.
- Utilize evergreen content like free shipping for example, if your site always offers it, to keep content fresh and consistent on coupon sites.
- Utilize the new attribution tools that networks are rolling out to keep control and protect your brand.
- Assign coupon codes to select publishers so only they can earn commissions on sales using those codes.
- Make codes from other channels non-commissionable.
- Vanity codes - Many publishers will offer placements in exchange for vanity codes so you don't necessarily need to create a ton of unique offers.
 - For example, JoinPiggy offers a multi merchant newsletter placement with the exclusive code PIGGY10.
- Use revshare paid placements. This removes the risk of lack of performance and is a good test with publishers you have not secured placements with previously.
- Explore paid search - This is ideal for advertisers who do not have a search team.
- Trademark Plus Bidding (TM+) - When rights are granted to coupon affiliates to bid on a merchant's trademarked term in conjunction with some modifier.
- Arbitrage - When web publishers, such as 2nd tier search engines, directories and vertical search engines, engage in buying and reselling of traffic.

Coupon Code Creation and Formatting Suggestions

Affiliate managers should communicate all terms and conditions of the coupon as well as any exclusions (brand limits, minimum pricing items, clearance section, etc.). Details should also include coupon start date and end date (including the time zone).

Create seasonally-themed coupons. Coordinate your affiliate channel's marketing efforts with your other marketing channels.

Make coupon codes as short and simple as possible - especially for your mobile customers. Be especially careful to avoid confusion with O's and zeros, ones and L's, and so forth. Make sure the coupon code works in both uppercase and lowercase (and mixed) characters.

Coupons should be designed to increase average order value and encourage impulse purchases. Use minimum order size limits to encourage larger order sizes. Let your customers know they can benefit by adding another item to hit the discount or free shipping threshold.

Vary start and expiration times of coupons and discount values so you'll have more options and price points for affiliates to use in their promotional efforts on your behalf. You can even have single-day coupons!

Create affiliate-only coupons - especially for affiliates targeting new markets for you. This builds goodwill with affiliates and helps them pitch your products and brand. Conversely, note any coupons that are not available to affiliates by creating a "do not use" list of coupons and make that list available to affiliates.

Test and then retest your coupon mix periodically. Not all coupon types work for all retail categories and retailers. Find out what works for you and your affiliates. Ask your best affiliates for advice.

Use affiliate network emails, programs like FMTC offers, and other services to distribute coupons to affiliates.

Notify your customer service team of your affiliate coupons (and terms) so they won't overwrite or void them.

Coupon Parameters and Requirements

- Specify start and end dates (including time zones)
- Clearly-define discount terms
- Identify all brand, category, product, and other exclusions

Coupon Code Standards

Within affiliate marketing, effective coupon codes must address the needs of advertisers, publishers, and consumers. Ideally, from an advertiser's perspective, coupon codes should enhance the conversion rate and/or increase the order size. Publishers need coupon codes to be accurately distributed to them, contain clearly defined terms, and be worthy of sharing with their user base. Finally, from a consumer's perspective, coupon codes should be easy-to-use and add obvious value to their equation.

To accomplish these goals and ensure a smooth and transparent experience for consumers, coupon codes should adhere to some essential standards. Particular attention should be paid by advertisers to the formatting and best practices sections above to cover the structural and environmental components of the code.

Publishers, on the other hand, must consider how and where they present coupon codes. These decisions are critical to effective marketing. In making affiliate referrals, publishers must maintain an environment that does not mislead or confuse their users. In addition to this, how coupon codes are presented can have both legal and ethical ramifications.

In particular, with the goal of ensuring transparency and avoiding confusion for consumers, publishers should adhere to the following standards in presenting coupon codes:

1. Publish only authorized codes provided by the advertiser for use in the affiliate channel.
2. Along with the code, accurately state the offer, discount value, terms of use, and any exclusions. The applicable advertiser should be clearly identified also.
3. Prominently post the code's expiration date. Similarly, adding a start or publication date is also recommended for new codes.
4. Any code that is pre-announced or expired should be clearly designated as such. There should be no confusion with those that are active.
5. Consumers should not be forced to click an affiliate link to access any of the above information. The actual coupon code, however, may be made visible with an affiliate link click.

The bottom line is that Coupons work and shoppers use them. In fact, the Wall Street Journal reported that in 2020, digital coupon redemption surpassed physical coupons for the first time ever! The key for advertisers is to build a healthy mix of affiliates, not just throw out all deal and coupon sites due to biases not supported by facts. Tracie Gross of PartnerCentric notes in a 2021 blog post that Content sites are terrific for the "Awareness" stage of the customer buying journey, but to capitalize on the "exploration" phase, coupon sites are a necessary piece of the puzzle to convert shoppers to purchasers.

Add coupon sites, utilize the above tips to work with them smartly, and you will enjoy a healthy, diverse population of affiliates driving you clicks and conversions.



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