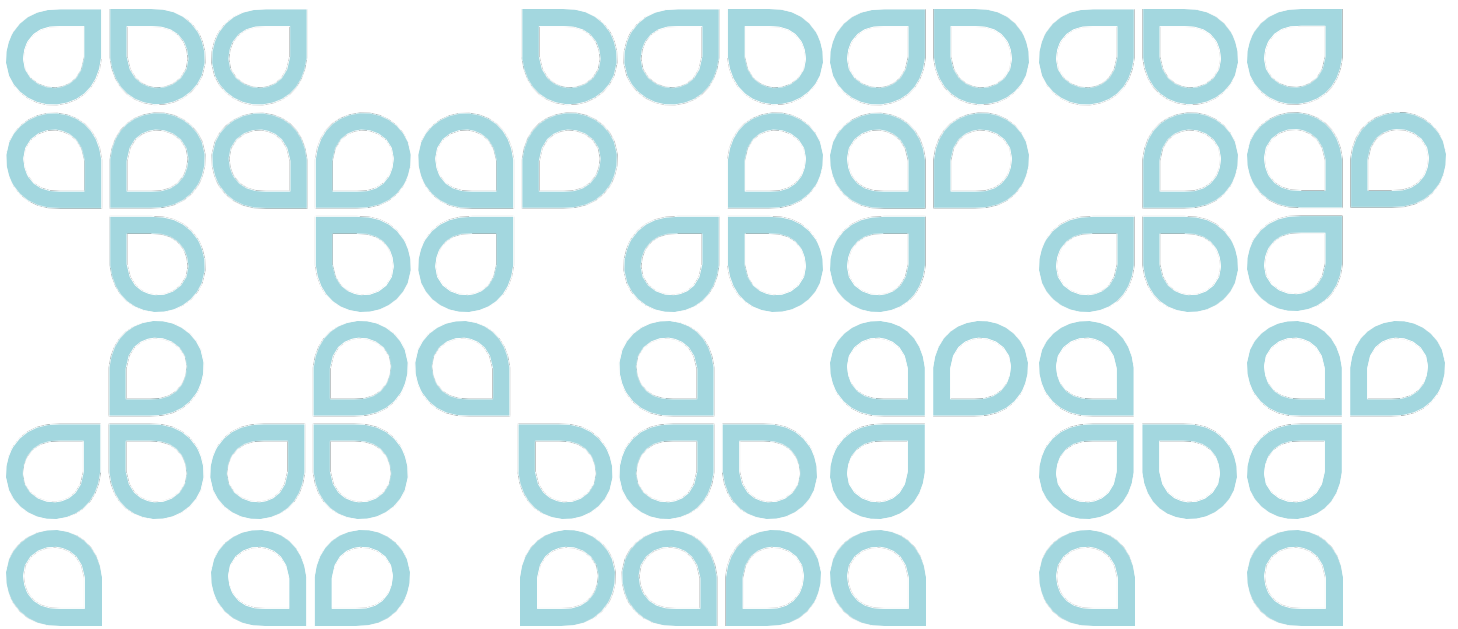




PERFORMANCE **MARKETING** ASSOCIATION



DSP: A Quick Reference Guide

created by the PMA Compliance Council | Performance Marketing Association

Introduction

A Downloadable Software Publisher (DSP) refers to a publisher whose business model includes the installation of a piece of software on a user's device. DSPs include toolbars, bookmarklets, or browser plug-ins. Toolbars were the predominant form of DSP in the early years of affiliate marketing but developed a bad reputation for their questionable installation practices, forced cookie stuffing, and generally spammy appearance. Browser Extensions are the more commonly seen DSP and they are similar to smart phone apps in that they are 3rd party software that extends the functionality of the software and are available from the first-party web stores such as the Chrome Web Store.

DSPs have been a topic discussed widely in affiliate marketing, with various viewpoints on all sides. Do they add value for merchants, and if so, in what way? Are they simply taking credit/attribution away from others? Do they improve the end user experience? Regardless of what stance you take, DSPs are a consequential part of affiliate marketing. Here are some best practice tips from our industry experts.

1. Concerns about Browser Extensions & Toolbars

Since the inception of toolbars, merchants have broadly had two concerns related to working with publishers who utilize downloadable software as their primary promotional method.

The Incremental Value of Browser Extension & Toolbar Publishers

Because customers are primarily interacting with software publishers once they are on a merchant's site, a common concern raised by merchants is that the conversions attributed to these partners are not incremental and would have happened anyway. A secondary concern is that these partners might be poaching conversions from affiliates further up the clickstream.

The good news is that many platforms have implemented features that empower merchants to analyze a user's conversion path at the transaction level and implement intelligent attribution and commission logic to properly compensate partners for their respective activity.

Just Because Everyone Does It Does Not Make It Okay

A longstanding concern about DSPs is a concern that 1) the software is forcing clicks where a user did not affirmatively consent and 2) that the software itself is being installed without the user's knowledge. As the industry has evolved, legitimate software publishers have adapted by adhering to rules where the extension stands down in the place of an existing affiliate cookie and will only drop a cookie when a user affirmatively clicks the extension. Additionally, most platforms have now implemented more stringent vetting criteria to ensure that software publishers working on the platform have clearly defined install and delete policies.

2. Advantages to Working with a DSP

Merchants may wonder what advantages there are in working with a DSP beyond those presented by a conventional coupon site, of which there can be several.

One benefit to working with a DSP is increased brand awareness; users with brand loyalty to the extension itself might be newly exposed to the merchant's brand through that relationship. Moreover, the software can increase retention by keeping a user on the merchant site or in their cart because the DSP is providing a competitive offer.

Because DSPs often work with different merchants in the same vertical, having a relationship with a DSP can help a merchant stay competitive. Some of this software will direct traffic to a competitor's site if a merchant doesn't work with that DSP or if there is a better deal to be found with the competitor.

Working with a DSP, and thereby monetizing the relationship, also provides a merchant with a level of control over the use of the merchant's coupon codes by that publisher. DSPs may even be able to share intelligence and analytics regarding how much traffic is leaving a merchant's site for a competitor, or vice versa.

3. Evaluating Toolbar and Extension Publisher Applications

When evaluating a DSP, the main considerations for the merchant should be the functionality of the tool and the standard concerns that would apply to any publisher relationship. Affiliate network compliance teams are very strict regarding downloadable software and require testing prior to approval to look for things such as not overwriting other publisher's cookies, ease to uninstall, and not automatically dropping cookies.

Testing the Software

Assessing how the downloadable software works involves recreating the end user's experience, starting with installation. A well-constructed piece of downloadable software should be easily installed and should not require the installation of any other software. Ideally it should work in multiple browsers, as this increases its footprint and makes a merchant's promotions available to a wider audience. To verify that the extension is safe to use, running a post-installation virus check (including ensuring that the browser itself is still clean) is always recommended.

After installation, it's important to confirm that the software doesn't affect the look and feel of the merchant site, and that it is unobtrusive on the page – while many reputable options “pop up” on the screen, this should not interfere with standard usage of the website.

Additionally, compliant downloadable software requires user interaction beyond the installation stage; coupon codes and promotions should never be applied without a click from the consumer. Merchants can ensure that the software is not operating without affirmative action from the user by going through the entire purchase process through the payment stage.

Finally, it should be as easy to uninstall the software as it was to install it. Merchants should always check their browser after uninstalling, in order to verify that there are no remnants of the software.

Evaluating the Publisher

Merchants should approach the decision as to whether to work with a DSP much in the same way as they would with a traditional partner; in fact, a merchant may already have an established relationship with the publisher outside of their DSP using more conventional promotional methods. It can also be worthwhile to look into the social media presence of the DSP as an indicator of their reach. Moreover, many downloadable software offerings are rated by consumers in whichever extension store they use. And as always, when in doubt, the publisher should be able to provide more information upon request.

4. Expectations to Set with the DSP

As there are many different types of downloadable software and merchants with various goals and success metrics, policies around these types of software and their behaviors differ between networks and merchants. For successful working relationships with DSPs, it is critical to set clear expectations with publishers about rates/pricing, policies and enforcement of policies.

Rates / Pricing

One of the first points to consider when working with DSPs is rate/pricing. As some merchants and internal teams may not see the same incremental values DSPs bring compared to other publishers, some merchants may assign lower rates/pricing to justify the spend.

What Behaviors are Allowed and Prohibited

For DSPs, it may be ideal to manage downloadable software and have the same behaviors across all merchants. However, it is not always the case for merchants. While it is important to keep up with the industry trends and think about the end user experience, merchants must establish clear policies and guidelines on what behaviors are allowed and what behaviors are prohibited, in order to align with their own goals. These policies and guidelines must be published and communicated to publishers before any promotion starts. Some of the points to consider are:

- Stand down (to other internal paid marketing channels or other publishers' traffic)
- Modification of sites (search engine results or merchant's site)
- Attribution behavior (automatic attribution or affirmative action from end users)

Monitoring and Enforcement of Policies

In addition to clear policies, enforcement of those policies must be clearly communicated. As downloadable software is updated over time, monitoring and testing them from time to time is critical to ensure adherence to merchants' policies.

- What actions will be taken once a DSP is identified as non-compliant?
- How long do publishers have to fix the issue?
- What happens if publishers are unable to fix the issues?

These are some of the points to consider. Unless merchants are serious about policies and enforcement, it will be difficult to manage DSPs, their expectations, and standards/fairness in publishers' promotions.

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Conclusion

As technology advances, it is likely that downloadable software will continue to make up a significant portion of the affiliate marketing industry, even potentially growing in prevalence. As such, it benefits both merchants and publishers to have a clear set of guidelines in place as to what behavior is permitted and prohibited. When merchants set these standards with the publisher and maintain them through compliance checks and open communication, all sides stand to find value in the relationship.

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