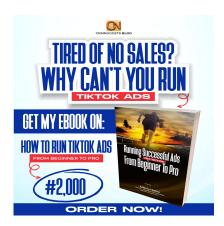With best practices in place and organized strategies being implemented, affiliate marketing can be quite a lucrative endeavor for both merchants and affiliates. Merchants particularly see this business model as a win-win for them.

They only pay for the actual conversions, i.e. for their goals being achieved. They do not risk losing any investment because they only pay based on performance.

However, the situation is not that plain and simple.

There are a number of issues you have to be aware of when running an affiliate program. Not only could these cause harm to your website but they can lead to having to pay for fake performance, thus completely wasting your budget without seeing any benefits from affiliate links.

To make sure you avoid this and to see real results from affiliate marketing, pay attention to these issues and how to prevent them.

#1 Fraudulent affiliates

A fraudulent affiliate is an affiliate who uses a type of fraud to earn commissions in an affiliate program. These frauds can include spamming, squatting, faking the number of clicks, using stolen credit cards for purchases, etc.

Actions such as these will not lead to a successful performance or even worse, they might show fake conversions where the merchants would have to pay commissions for no real performance.

Here are a couple of ways to avoid this issue:

• **Use the terms of service to define what a valid affiliate action is –** Affiliates who sign up for the program will have to accept these terms to join. This way, you protect yourself from any detected frauds because you will not have to pay for them.
• **Check affiliates sites –** Even though it might be time-consuming to do this if you have lots of affiliates, this could help a lot with discovering fraudulent affiliates.
• **Communicate with the affiliates regularly –** This is a good way to establish a relationship with the affiliates, but you could also gain insights into their tactics, feedback about the program, etc.

• **Have a blacklist –** Besides your own data, fraudulent affiliates are often blacklisted on forums or blogs, so this could be used as a reference.
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• **Check your own data –** If you notice a sudden increase in traffic or an affiliate who out of the blue gets lots of transactions credited, make sure you look into this. It could be a sign of fraudulent activity.

#2 Automatic approval of affiliates

As the term suggests, the automatic approval of affiliates includes the automatic acceptance of a potential affiliate to the program.

One of the main reasons for doing so is to motivate the affiliates. Merchants are interested in new affiliates joining the program because this will help them boost their profits. In order to encourage the affiliate to start the program promotion immediately, some merchants use this option.

They believe that while waiting for the application to be approved, some affiliates might lose interest and go on to another strategy, or join another program. Also, automatic approval makes things more comfortable for the merchants because they do not have to do the approval manually.

Although this thinking does have valid reasoning, it is a very dangerous move, one that could turn out to be a big issue. With this kind of automatic approval, anyone can gain access to the affiliate program and potentially apply suspicious and illegal practices to earn commissions.

On the other hand, some merchants decide to use automation features to decline affiliates. In this case, you will automatically decline affiliates if they do not fulfill the specified criteria. Since it is an automatic decline, it does not involve a review of the affiliate manager, which means that reviewing a website is usually not the reason for the declined application.

The reason could be affiliate location, ranking (some affiliate networks offer rankings for affiliates, so once you join you start with no ranking at all), etc.

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Since these criteria are set automatically, legitimate affiliates might be turned down. Just because someone is a beginner affiliate on a network, it does not mean that the strategy is spammy or that merchants should not give a chance to such affiliates.

How to approve affiliates?

Despite the fact that both options reduce the time you will need to invest in affiliate marketing because they automate a part of the tasks, neither of the two approaches is perfect, which is why you should compromise:

• **Automatic approval**

If you decide to choose this option, the solution is to monitor the applications regularly. Even a brief oversight could allow an affiliate to damage your brand through illegitimate techniques. That is why you will have to be on the lookout all the time.

• Automatic decline

If you use this option, you will have to make sure that the criteria used for declining an application are really relevant to you. In case you get a lot of applications for your program, this option can help you filter some of them out.

However, the actual review is always recommended to fully access a website's eligibility to join your program. When using this option, leave a contact email so that the users who get an automatic decline message can contact you and request a manual review. By doing this, you ensure that you do not turn down potential affiliates.

• Swift approval

Alternatively, you could avoid using automated options. Instead, use the strategy of a swift approval. What this means is that you manually approve each affiliate, but you do it very fast. As soon as you receive an application for an affiliate to join, you should start researching the affiliate and looking into the application.

Even though this approach is time-consuming, it helps you with solving two major flaws of the automation process. You actually review the affiliate and if it is a perfect fit for your program. You also do it fast, so that they are motivated to start Cookie stuffing

Cookie stuffing is a black hat marketing technique. It relies on taking advantage of the system in order to create misleading performance and get a commission based on it. It can disrupt the metrics of a marketing campaign, and it can also have a negative effect on other affiliates.

To understand how this happens, you will need to understand what cookies do.

Cookies are used for tracking affiliate link performance. Once the user clicks on the affiliate link, cookies are stored in the browser and they stay there during their cookie life, which can vary from a couple of hours to a couple of months.

Even if the user decides to complete the purchase later on, as long as the cookie is active, the affiliate gets credited for that conversion.

There is also a rule that states that the last cookie gets the credit. This means that one user can click on one affiliate link, but decides not to buy at that moment, so the cookies are stored on his computer.

However, as the same user is browsing the internet, he might come across on another affiliate link for the same product and clicks on it. In this case, the cookies from the first affiliate are deleted, and the commission (if it happens) will be credited to the second affiliate.

Cookie stuffing is a practice that violates both of these rules. Firstly, when using cookie stuffing methods, affiliates are placing cookies into the user's browser even if they have never clicked on the affiliate link.

This means that the commission would be credited to the affiliate if the user buys the product during the cookie life specified by the merchant's program.

However, this is an illegitimate practice because this affiliate was not able to convert the

visitor as the actual click never happened. This practice enables those with low content quality and conversion rates to earn commissions in a manner that is not legitimate.

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As for the last cookie rule, this black hat affiliate marketing technique can overwrite cookies and attribute them to the affiliate who is using it, even though the user has not clicked on such link. The user might get other cookies active, but when cookie stuffing is in place, the commission is hijacked and credited to the affiliate who is using this technique.

The solution for this issue is to monitor your affiliate program and the traffic you receive closely. Cookie stuffing is a practice that can be detected when aggressively used, so always keep an eye on abnormalities in your affiliate program and check why those might have occurred.

#3 Trademark violations

Trademark represents a company and it helps with identification on the market. When online users look up a specific trademark, they are directed to the company's website. The methods used for reaching the users can involve non-paid methods (organic search results) and paid methods (search engine ads).

The issue that might occur in affiliate marketing includes so-called trademark poachers. What

they do is they violate your trademark to gain profit through their own links. Here is how they do it.

Affiliates use paid search results to promote merchants' products in search engines. However, they might use the merchant's trademark and URL in their list of keywords to bid for their campaign.

They also use trademark and URL variations or misspelled forms. When they do so, they attract traffic to their own pages even though those searches are directly targeted at the merchant's website. Once the user clicks on the affiliate link which is promoted in the search engines, the cookies are immediately activated, and the affiliate will be credited for that conversion.

In this situation, the affiliate's action is considered unfair because the affiliate really had nothing to do with this conversion.

An online user looking up a specific brand name is already interested in the brand and perhaps has even made a decision about buying.

Since the paid search results rank first in the search engine result pages, above the organic results, the user might end up clicking the affiliate link without any intention to do so. Additionally, the merchant will be paying the undeserved commission.

The best way to fight this issue is to define this aspect of online promotion in the affiliate program's terms of service.

In fact, most affiliate programs have this section in their terms where the affiliates are forbidden to bid on trademark and URL (or name variations) as keywords in search engine paid campaigns.

Any affiliate who is detected to go against these terms should immediately be removed from the affiliate program.

#4 Motivating affiliates

Motivating affiliates might become an issue for merchants due to the nature of affiliate marketing. Affiliate marketing is performance-based marketing, which means that there is no fixed commission or specific goals affiliates have to achieve.

On the contrary, affiliate marketing gives them a lot of flexibility when working because they can do it at their own pace. They also have a variety of merchants to choose from, some of which are competitors.

One of the tasks of affiliate managers is to learn how to motivate affiliates to keep promoting their programs and to enhance their strategies to increase performance.
Tactics to help you motivate affiliates

Here are a couple of approaches merchants can use to motivate their affiliates:

• **Offer special deals –** From time to time, it is good to create special deals and offers for affiliates, where they can earn extra commission or a bonus for particular actions. Some of these actions could be increasing the number of referrals, promoting a specific product, etc.

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• **Award outstanding performance –** This is a great approach when you want to keep your most loyal and best-performing affiliates. Again, any offer such as a commission increase, bonus, extended cookie life, will serve as motivation.

• **Build trust –** Affiliates love to work with merchants who are easy to work with, professional and pay regularly. Therefore, maintaining a good reputation and building trust is a great way to motivate affiliates to be a part of your affiliate program.

• **High-quality and efficient communication –** Make sure you pay attention to the way you communicate with the affiliates. Consider them your partners who work hard to promote your affiliate program. Treat them with kindness and respect. Always try to reply promptly when you receive a question or feedback from one of the affiliates.

Affiliate marketing scams

Affiliate marketing has earned a somewhat negative reputation mainly because of the affiliate scams people were pulling off. This is why some affiliates are reluctant to expand their work and join new programs.

If you are an affiliate, here are the things you should pay attention to, as these will help you avoid potential affiliate scams.

• Paying a fee to join the program

Most legitimate affiliate programs are free. There is no sense in requiring an affiliate to pay the fee because the goal is for affiliates to earn money through an affiliate program. If you notice such a deal, it is very likely a scam, so make sure you explore a little bit more before joining.

• A middleman

When an affiliate wants to join the program, he or she can do so by contacting a brand or applying to the program directly.

There is no reason to involve a middleman in the process. However, some people decide to "assist" you with the process for specific compensation. If you are not able to apply for the program yourself (due to a language barrier, lack of skills, or knowledge), then affiliate marketing might not be for you at all.

• No product or service

Some of the most notorious affiliate scams were discovered as those promoting no product or service.

The money was simply transferred from one recruiter to the other, without anything being sold in the end. Make sure you investigate what kind of product or service you will be promoting in the affiliate program you want to join.

Affiliate marketing is a strategy with great potential and opportunities, but one has to be aware of the issues that might come along. A general guideline for avoiding issues is the following:

For merchants: Create the terms of service that help you protect your affiliate program and safeguard it from affiliates who are using illegitimate techniques.

This can help you regulate the program and the relationship with the affiliates. It is also necessary to monitor the program and to immediately notice unusual actions that could be a signal that there is fraudulent activity.

For affiliates: Before you join any program, make sure you find out more about the company that is providing the program. This will help you figure out if the program is legitimate or not. The document that deserves your absolute attention is the terms of service because any affiliate marketing strategy you consider implementing needs to be in accordance with this document.

Action Point

PS: I know you might agree with some of the points raised in this article or disagree with some of the issues raised.

Please share your thoughts on the topic discussed. We would appreciate it if you could drop

your comment. Thanks in anticipation.

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