

*A Yael Consulting White Paper*



**Y A E L**  
c o n s u l t i n g

## **Fatal Affiliate Mistakes You Need to Stop Today and Avoid Tomorrow**

**Yael Consulting**

5042 Wilshire Blvd #18350, Los Angeles, CA 90036

Phone | 424-239-9434 Fax | 1-877-863-7443 [www.yaelconsulting.com](http://www.yaelconsulting.com)

### **First Off, Why Affiliates?**

When companies want to grow their business using additional online channels then using affiliates is a good idea. We use affiliates (independent marketers) to help get the word out on our products and services, and introduce **new** clients (or potential clients) to our offerings. Affiliates should be operating in areas where we normally would not be.

#### **#1 Stealing the Quick Buck / Cannibalism**

When someone searches for your company name online i.e. “Yael Consulting” then that searcher obviously already knows who you are and probably knows what you offer. In other words, you have already reached that client at some point in his life (whether directly or indirectly) and now that person is probably looking to buy from you.

Affiliates will try to bid, through paid advertising, on your business name keyword. They know that the searcher may click **their** ad and make the sale through them – giving them their affiliate fee. Basically they will cannibalize your qualified web traffic.

This is the same as if you owned a restaurant and hired an affiliate to get you customers by handing them his coupon (noting that this is an affiliate customer). What if that affiliate stood at the entrance to your restaurant and gave entering customers his coupon– this surely is not what you want to happen.

#### **#2 Deteriorating Your Brand**

By approving an affiliate you are allowing him, in some shape or form, to represent your brand in order to sell your offerings. If an affiliate misrepresents your brand or your offerings, or places your brand name on a website that is not consistent with who you are, then it will reflect poorly on you. This will deteriorate your brand name and give searchers a negative idea of who you are – making it harder to sell to them in the future.

#### **#3 Search Confusion**

Affiliates may use your company name in their paid search advertising. There is an issue with this if you are also using paid

search because it can confuse the searcher. Imagine your friend told you to buy from Mike’s bird food website. You search for “Mike’s bird food” and you see four ads that say “mike’s bird food” wouldn’t this confuse you from knowing which is the real website? It will generally create bad search user experience which once again takes away from your brand experience.

#### **Preventing Brand Cannibalism and deterioration, and Searcher Confusion**

First, you need to specify in your affiliate terms and conditions that affiliates are not allowed to bid, in any search engine, on your brand term or any variation or misspelling of it. Furthermore you should not allow them to use your brand name in any part of their advertising, not even in the url or display url.

Second, monitor that affiliates are following the rules. One way is to manually search for your brand and best performing keywords (use [Google Ad Preview Tool](#) ), especially in the first few weeks following the launch of your affiliate program, but also sporadically over time. There are also great tools out there like [Ad Gooroo](#), a paid service that will monitor your brand name for you.

Lastly limit what type of websites affiliates can advertise your company on, and create strict guidelines of what they can or cannot say in their ads or present in their banner ads (avoid legal headaches).

#### **So, Should You Work with Affiliates?**

Yes... if you have the proper resources. Besides the risks involved with an affiliate program, it also requires a lot of maintenance and upkeep: providing them with resources to be successful, good communication and market research, to remaining the market leader. All these will help you to get new affiliates while keeping your best ones for the long-haul – and grow your market share.

**Have questions, comments, or want to speak to us about becoming an extension of your marketing team, contact me at:**

**424-239-9434 or [lior@yaelconsulting.com](mailto:lior@yaelconsulting.com)**

**Yael Consulting**

5042 Wilshire Blvd #18350, Los Angeles, CA 90036

Phone | 424-239-9434 Fax | 1-877-863-7443 [www.yaelconsulting.com](http://www.yaelconsulting.com)