



# Performance Marketing Glossary

Industry Definitions prepared by the PMA Industry Advancement Council  
Performance Marketing Association

## Purpose

The performance marketing industry can be complicated, with a large diversity of company types, marketing methods, supporting technologies and hundreds of thousands of people involved in the development of this emerging industry. Combine that with terms that may have different meanings in other areas of marketing, such as lead generation, display advertising, direct response, search, and interactive advertising, and it can be confusing. On top of grasping the sophisticated concepts, the performance marketing space has a lot of jargon, terminology and acronyms. The PMA's Industry Advancement Council supports the standardization of terminology, or at least a common resource, to minimize confusion and enhance education.

This is a living document and will be updated frequently.

## Audience

### *Primary*

- Anyone new to performance marketing, or unfamiliar with the industry and its terms.
- Marketing professionals familiar with other, similar definitions and terms.

### *Secondary*

- Experienced performance marketing professionals

**- A -**

**A/B Testing:** The practice of showing a user one version (A) or another (B) and tracking the behavior based on which version the user saw. The (A) version is usually the existing design and (B) is the challenger, with one copy or design element changed.

**Above the Fold:** Portion of a webpage – normally the top part – that is visible once a web page has loaded in a browser window. The term comes from the newspaper industry and refers to the area of the front page that is visible when the newspaper is folded in half.

**Ad Copywriting:** The writing of text specifically for a paid campaign ad. Good ad copywriting can have a positive effect on the click-through rate of an ad.

**Ad Inventory:** The number of page views and/or virtual “real estate” a site has available for advertising.

**AdSense:** An advertising program run by Google enabling website owners to display text and image advertisements. Revenue is generated typically on a pay-per-click basis. Google uses its search technology to serve ads based on website content and users’ geographical location.

**Adware:** Software, usually in the form of toolbars or browser extensions, downloaded by a user for a specific intent (e.g., having coupons from a website displayed when browsing a merchant’s website).

**AdWords:** Google’s text-based advertising system. It is a cost-per-click (CPC) advertising model and publishers pay only when users click on their ad. It has cost control features that can set daily budget and limits.

**Advertiser (also Merchant or Retailer):** Any website that markets and sells goods or services. In affiliate marketing programs, advertisers contract with affiliates (also publishers) to get consumers to register for services, purchase products, fill out forms or visit websites.

**Affiliate (also Publisher):** A website owner that earns a commission for referring clicks, leads or sales to a merchant.

**Affiliate Agreement:** Legal terms between a merchant and an affiliate that govern their relationship.

**Affiliate Fraud:** Bogus activity generated by an affiliate in an attempt to generate illegitimate, unearned revenue.

**Affiliate Information Page:** A page or pages on a website that explains the details of an advertiser’s affiliate program.

**Affiliate Link:** A piece of HTML or JavaScript code residing in a graphic image or piece of text that is placed on an affiliate’s webpage designed to track a customer or visitor that clicks to a merchant’s website for which an affiliate might receive potential compensation.

**Affiliate Manager:** The manager responsible for overseeing the marketing of a merchant’s affiliate program. Common duties include recruiting new affiliates, monitoring program integrity, developing forecasts, reports and budgets, communicating with affiliates regularly, establishing incentives and monitoring industry news and trends.

**Affiliate Management Agency (also Outsource Affiliate Agency or Outsource Program Manager):** An agency or management company that manages affiliate programs on behalf of a merchant for a nominal fee or performance percentage. It generally can handle any aspect of the recruitment, activation and management of new affiliates, providing creative and running promotions.

**Affiliate Marketing:** An agreement between two parties in which the affiliate agrees to feature content or an ad designed to drive traffic to a merchant’s site. In return, the affiliate earns a commission for referring clicks, leads or sales to a merchant.

**Affiliate Network:** An intermediary between an affiliate and merchant. For merchants, it offers tracking technology, fraud protection, reporting tools, payment processing and access to affiliates. For affiliates, it offers access to merchant affiliate programs, reporting tools and payment aggregation.

**Affiliate Nexus Tax:** Although the specific language and implementation of each bill or law varies from state to state, the basic concept is similar – states are attempting to define their resident affiliates as having a sales presence sufficient to constitute a legal physical or economic “presence” (or “nexus”) for out of state merchants in order to collect sales tax for purchases made within that state.

**Affiliate Program (also Associate, Partner, Referral or Revenue Sharing Program):** A program where a merchant pays a commission to an affiliate for generating clicks, leads or sales from a graphic, code or text link located on the affiliate’s site or through an affiliate’s promotional efforts.

**Affiliate Program Directory:** A list of affiliate programs that features information such as the commission rate, number of affiliates and affiliate solution provider.

**Affiliate Recruiting:** The act of seeking and enrolling a person, company or organization to become an affiliate partner in sales for a program.

**Affiliate Software:** Software that enables merchants to start an in-house affiliate program without joining a network.

**Affiliate Solution Provider:** A company that provides the network, software and services needed to create and track an affiliate program.

**Affiliate Tracking ID (also Sub-ID Tracking):** A variable that can be used by the affiliate at the time of the click to store information that will be used in optimization efforts after a sale or lead conversion has occurred. As a simple example, the affiliate might store the name of the search engine used in the affiliate tracking ID variable to determine which search engine is most effective.

**Aggregator:** A website or program that collects related items of content and displays them or links to them.

**Algorithm:** A set of mathematical equations or rules that direct the decision-making aspects of a software-based system. One common example is a search engine which uses an algorithm (or multiple algorithms) to find and rank the content contained within its index in response to a particular search query.

**Analytics:** Technology that helps track and analyze the performance of a website or online marketing campaign.

**API:** Application Programming Interface. A language and message format used by an application to extract data from a database management system (DBMS) or communications protocol.

**Application Service Provider (ASP):** An online network that is accessible through the Internet instead of through the installation of software. It is quickly integrated with other websites and the services are easily implemented and scalable.

**Arbitrage:** A practice through which Web publishers – second tier search engines, directories and vertical search engines – engage in the buying and reselling of Web traffic.

**Associate:** A synonym for affiliate.

**Associate Program (also Affiliate, Partner, Referral or Revenue Sharing Program):** A program where a merchant pays a commission to an affiliate for generating clicks, leads or sales from a graphic or text link located on the affiliate’s site or through an affiliate’s promotional efforts.

**Asynchronous JavaScript and XML (AJAX):** A programming language that allows for the updating of specific sections of content on a webpage, without completely reloading the page.

**Attribution:** Giving credit to one or more affiliates with a click in the Click Stream based on rules established in the Affiliate Program for commission eligibility and prioritization. The two most common forms of attribution used in Affiliate Marketing are Last Click crediting and First Click crediting.

**Auto-Approve:** An affiliate application approval process where all applicants are automatically approved for an affiliate program—usually based on some set of criteria.

**Auto-Responder:** An email feature that automatically sends an email message to anyone who performs a predetermined action.

**Average Order Value (also AOV):** An ecommerce metric representing the average total of shopping cart orders placed for a Merchant over a particular time period.

## - B -

**Backlinks (also Inbound Links):** A link to a particular page from elsewhere on the Internet. Backlinks are important to SEO because many search engines' rankings are at least partially based on the amount and quality of inbound links.

**Banner Ad:** An electronic ad in the form of an image that is available in many sizes (often standardized sizes) and resides on a webpage. Banner ad space is sold to advertisers to earn revenue for the website.

**Banner Farm:** A webpage, often found on a free Web host site, that consists of pay-per-view banner ads or banners linked to affiliate programs. It is considered to be a practice that affiliates should avoid.

**Behavioral Targeting:** The practice of targeting and serving ads to groups of users who exhibit similarities in their location, demographics and how they act and react in their online environment.

**Benchmark Report:** A report used to mark where a website falls on a search engine's results page for a list of keywords. Subsequent search engine position reports are compared to that.

**Bid:** The maximum amount of money that an advertiser is willing to pay each time a searcher clicks on an ad. Bid prices can vary widely depending on competition from other advertisers and keyword popularity.

**Bid Management Software:** Software that manages PPC campaigns automatically, called either rules based (with triggering rules or conditions set by the advertiser) or intelligent software (enacting real-time adjustments based on tracked conversions and competitor actions).

**Blog:** An online chronological journal that can be updated regularly. By utilizing easy-to-use software (e.g., WordPress), users with little or no technical background can maintain a blog.

**Blogsphere or Blogosphere:** The current state of all information available on blogs and/or the subculture of those who create and use blogs.

**Bookmark:** A stored location on the Web for quick retrieval. Web browsers provide bookmarks containing the addresses of favorite sites.

**Bot (also Crawler, Robot, or Spider):** A software program component of a search engine that gathers listings by automatically crawling the Web and following links to webpages. It makes indexes of the webpages found and stores them in the search engine's database.

**Bounty (also Commission, Finder's Fee or Referral Fee):** The income an affiliate receives for generating a sale, lead or click through a merchant's affiliate program.

**Brand Name Bidding Policy:** The bidding policies that merchants develop to govern affiliate behavior on search engines. Typically covers whether (or how) affiliates are allowed to bid on trademarked terms (specifically brand names) or if they can directly link to the advertiser's site from the search engine.

**Browser:** A software application that enables a user to display and interact with text, images, videos and other information typically located on the Web.

## - C -

**Cache:** An area of storage space on a computer that temporarily stores webpages that a user has visited through their web browser. Similarly, a web server may cache pages and complex queries frequently requested by web browsers to speed up the delivery of them to the requesting users.

**Cascading Style Sheets (CSS):** A stylesheet language that describes the presentation of a document written in a markup language. CSS enables moving the text for ranking a page to the top of the HTML file, which is the reason for using CSS from an SEO perspective. CSS also allows web developers to improve the user experience by writing more efficient (and faster) code featuring enhanced visual and layout elements.

**CAN SPAM:** The CAN SPAM (Controlling the Assault of Non-Solicited Pornography and Marketing) Act of 2003 providing recipients of spam with the right to unsubscribe (or opt-out) of receiving these types of emails.

**Charge Back:** An incomplete sales transaction (e.g., merchandise is purchased and then returned) that results in an affiliate commission deduction.

**Click (also Click-Through):** When a user clicks on a link or advertisement and is taken to the destination of that link.

**Click & Bye:** The process in which an affiliate loses a visitor to a merchant's site once they click on a merchant's banner or text link.

**Click Bot:** A program generally used to artificially click on paid search listings or ads in order to artificially inflate click amounts and thus PPC revenue.

**Click Fraud:** The deceitful practice of posing as pay-per-click traffic for the purpose of generating false revenue by the affiliates serving the ads. In PPC advertising terms, it generates a charge per click without having actual interest in the target of the ad's link.

**Click-Through (also Click):** When a user clicks on a link or advertisement and is taken to the destination of that link.

**Click-Through Rate (CTR):** The number of clicks an ad receives, divided by the total number of times that ad is displayed or served (represented as:  $\text{total clicks} / \text{total impressions} = \text{CTR}$ ). For example, if an ad has 100 impressions and 3 clicks, the CTR is 3 percent.

**Click Stream:** All clicks leading up to a sale or lead which potentially qualify for a commission.

**Cloaking:** A deceptive process that sends search engine spiders content or results that is different than that seen by an end user. This results in the search engine recording content for a URL that is different from what the visitor sees. Cloaking is used in an effort to obtain more favorable search ranking or positions.

**Cobranding:** A website or page to which affiliates send visitors that includes their own logo and branding.

**Collaborative Commerce Networks:** An organization of merchants and websites that work together as business partners. Merchants give their affiliates the same support that manufacturers give to their resellers.

**Commission (also Bounty, Finder's Fee or Referral Fee):** The income an affiliate receives for generating a sale, lead or click through a merchant's affiliate program.

**Commission Rate (also Compensation Rate):** The rate of income an affiliate receives for generating each sale, lead or click-through to a merchant's website.

**Content Management System (CMS):** A document-centric collaborative application or platform for managing documents and other content. A CMS is often a Web application (e.g. WordPress, Drupal, Shopify) and often it is used as a method of managing websites, blogs and Web content.

**Content Marketing:** The promotion of products or services via a website with content about one or more subjects related to the product or service.

**Context Centric:** Refers to a product or service offer that is placed next to relevant content on an affiliate's site or that is closely matched to the interests of those who visit the website.

**Contextual Advertising:** The term applied to ads appearing on websites or other media where the ads are selected and served by automated systems based on the content displayed by the user.

**Contextual Link:** The integration of affiliate links within related text.

**Contextual Merchandising:** The act of placing targeted products near relevant content.

**Contextual Search:** A search that analyzes the page being viewed by a user and gives a list of related search results.

**Convert (or Converting):** A visitor who takes a desired action such as a sale or registration.

**Conversion Rate:** The number of visitors who convert after clicking through on an ad, divided by the total number of clicks through to a site for that ad. (Expressed as: total click-throughs that convert / total click-throughs for that ad = conversion rate.)

**Conversion Reporting:** A measurement for tracking conversions and lead generation from search engines queries. It identifies the originating search engine, keywords, specific landing pages entered and the related conversion for each.

**Cookie:** Small file usually automatically downloaded by the web browser and stored on a visitor's computer that records information. For affiliate programs, cookies have two functions: to keep track of what a customer purchases and to track which affiliate was responsible for generating the sale and is owed a commission.

**Cookie Duration (also Return Days):** The length in time, usually defined in days that an affiliate may receive credit for a user action after the initial promotional click that introduced the user to the potential action. The cookie is generally set to expire after this period of time, effectively removing the chance of credit after that timeframe.

**Cookie Stuffing or Cookie Dropping:** Improperly placing an Affiliate Program cookie without the desired user action of a click-through to the merchant site. An example of cookie stuffing is when a cookie for an affiliate is set when the merchant site is loaded using PPV Advertising versus an ad targeting the merchant's site for which the user must click on to set the cookie.

**Copyright:** The right granted by law to the author or originator of certain literary, artistic and musical productions that allows the author, or those to whom the author grants a license, to control the use of the product for a period of time.

**Cost Per Acquisition (CPA):** The cost metric for each time a qualifying action, such as sales and registrations, takes place.

**Cost Per Action (CPA):** The cost metric for each time a commissionable action takes place.

**Cost Per Click (CPC):** The cost metric for each click to an advertising link.

**Cost Per Lead (CPL):** The cost an advertiser pays per qualified lead.

**Cost Per Mille (CPM) or Cost Per Thousand Impressions:** The cost metric for one thousand (mille is the Latin word meaning thousand) banner advertising impressions. The amount paid per impression is calculated by dividing the CPM by 1,000. For example, a \$10 CPM equals \$.01 per impression.

**Cost Per Order (CPO):** The cost metric for each time an order is transacted.

**Cost Per Sale (CPS):** The term for advertising in which the advertiser pays only for those clicks where the user clicks through on the banner or ad and actually purchases a product on the advertiser's site.

**Cost Per View (CPV) Advertising (also Pay Per View or PPV Advertising):** Cost Per View advertising is a form of advertising used by affiliates to deliver ads (usually in the form of pop-up or pop-under ads) via Adware (or potentially

Malware or Spyware) to promote an Affiliate Program. Affiliates pay for the ads on a per view (or thousand view) basis. Merchants want to ensure any affiliate promoting via this method is only setting a cookie after the user clicks on an ad (and not when the ad is viewed or any other cookie stuffing technique)

**Coupon:** A popular form of online sales promotion, usually in the form of a code entered into a promotional box during checkout to trigger a discount or some other special offer. The consumer is usually offered free shipping, a free gift, or an amount or percentage off the purchase upon presentation of the coupon.

**Coupon Affiliate:** An affiliate whose business model substantially consists of making coupons available to users.

**Coupon Attribution (also Coupon Tracking or Code Tracking):** This form of attribution assigns credit to a specific affiliate based solely on a private code used in a sale.

**Crawler (also Bot, Robot, or Spider):** A software program component of a search engine that gathers listings by automatically crawling the Web and following links to webpages. It makes copies and/or builds indexes of the webpages found and stores them in the search engine's database.

**Creative:** A banner ad or text link used by an affiliate to promote a merchant's affiliate program.

**Cross-Channel Marketing (also Multi-Channel Marketing and Omni-Channel Marketing):** Tracking and monitoring the actions, movements and data of visitors and customers across all devices and all digital channels.

**Cross Device Tracking (also Cross Platform Tracking):** A technological solution which ties a click (i.e., cookie) on one device (e.g., a mobile phone) to a sale by the same user on another device (e.g., a personal computer).

**Cross Promotion:** A way to attract more customers with less by joining forces with people who reach the same target market. Cross promotions can include bundled offerings, collaboratively produced resources, co-branding offers, co-op advertising and shared space.

**Customer Acquisition Cost:** The cost associated with acquiring a new customer via the Web or any other medium.

**Customer Bounty:** The merchant payment to an affiliate partner for every new customer that they direct to a merchant.

**Cybersquatting:** When a person buys a domain that is the trademark or near trademark (often a misspelling) of some other company.

## - D -

**Day After Recall Test (DART):** A research method that is used to assess an ad's effectiveness by testing how well consumers remember the ad the day after they see it.

**Dayparting:** The ability to specify different times of day – or days of the week – for ad displays, as a way to target searchers more specifically. An option that limits the serving of specified ads based on day and time factors.

**Data Feed (also Product Catalog or Product Feed):** A text file that contains the information needed to generate content for a website or software application. It is provided either directly to the affiliate or indirectly through a network. The affiliate then converts the data feed into a database, which is then used to populate webpages (apps, and/or queries) full of products.

**Dead Link:** An Internet link that does not lead to a page or site most likely because the page no longer exists or the server is down.

**Deep Linking:** Linking to specific content or a specific product or service buried deep within a website. Deep Linking will usually bring higher conversion rates giving users specifically what they seek without additional navigation requirements levied onto them.

**Delisting:** When webpages are removed from a search engine's index (often for unethical SEO behavior that violates the search engine's terms and conditions).

**Demographics:** The term that refers to specific information about a population or a target market. Demographics include information such as age, sex, geographic location, and size of the group.

**Destination URL:** The specific location within a site where the user who has clicked on the ad should be directed. For PPC advertising, the Destination URL does not have to match the Display URL but should be in the same domain.

**Display URL:** The URL that is showed to visitors on PPC ads in Google AdWords and other paid search engines. It appears below the ad text and is often the same URL as the site's homepage.

**Distribution Network:** A network of websites or search engines and their partner sites on which paid ads can be distributed. The network receives advertisements from the host search engine, paid for with a CPC or CPM model.

**Domain Name:** Controlled by the worldwide organization called ICANN, domain names are obtained on a first come basis and are used to identify a unique website.

**Doorway Page (also Gateway Page):** A webpage created expressly with the intent of ranking well for a search term in a search engine's non-paid listing. It does not deliver much information but is designed to entice visitors to click through to a merchant's site. Most major search engines will not allow the use of doorway pages anymore.

**Dynamic Content:** Information of webpages which changes based on database queries or is changed automatically based on user factors such as geography, language, operating system, and web browser.

**Dynamic Text:** Text, keyword or ad copy that customizes search ads returned to a searcher by using parameters to insert the desired text within the title or ad. When the search query matches the defined parameter, then the associated term or copy is automatically embedded within the ad.

## - E -

**Email Link:** A link (often an affiliate link) to a merchant site in an email newsletter, signature or a dedicated email blast.

**Email List (also Opt-in List):** A list of the email addresses of subscribers who have agreed to be contacted by email.

**Email Marketing:** The promotion of products or services via electronic mail.

**Email Signature (also Sig File):** A brief snippet of text and/or imagery appended to the end of an email message.

**Embedded Commerce:** A type of service provider that allows content websites to build online stores. Some service providers offer ecommerce services in which the customer places an order right on the content website.

**Earnings Per Hundred Clicks (EPC):** Earnings or average pay out per hundred clicks

**Earning per Mille (EPM) or Earnings Per Thousand Impressions:** Earnings or average payout per thousand impressions (mille is the Latin word meaning thousand).

**Eighty Twenty (80/20) Rule:** The Pareto principle that states that, for many events, eighty percent of the effects are generated by twenty percent of the causes. For Affiliate Marketing, this rule suggests that eighty percent of an affiliate program's revenue will be generated by twenty percent of their affiliates.

**Electronic Funds Transfer (EFT):** The transfer of money from one account to another by computer.

**Electronic Software Distribution (ESD):** A system for selling products such as software over a network or the Internet. ESD systems provide secure ways for customers to download and purchase software.

**Escalating Commission (also Sliding or Tiered Scale):** A compensation system based on an increase in the money paid to an affiliate. It is a percentage commission that increases based on the achievement of certain targets, such as specific number of copies sold.

**eZine:** The short term for an electronic magazine that can be electronic versions of existing print magazines or only exist only in digital format.

## - F -

**First Click Crediting:** A form of attribution whereby the affiliate credited for the commission is the affiliate responsible for the first click in the window of time equal to the Cookie Duration prior to the sale or lead.

**First-Party Cookie:** A cookie created and readable by the website a user is visiting.

**Finder's Fee (also Bounty, Commission or Referral Fee):** The income an affiliate receives for generating a sale, lead or click through a merchant's affiliate program.

**Freemium:** A business mode that offers basic services for free, or on an ad-supported basis, but charges a premium for advanced or ad-free features.

**Frequently Asked Questions (FAQ):** A document that answers the most common questions on a particular subject.

**Frames:** An HTML technique that allows two or more webpages to display in one browser window. Many search engines had trouble indexing websites that used frames (now largely resolved), generally only seeing the contents of a single frame.

**FTC:** Federal Trade Commission, an independent U.S. agency, with the mission of protecting consumer rights and eliminating deceptive advertising practices.

**FTP:** File Transfer Protocol is a standard network protocol used to transfer electronic files from one host to another.

## - G -

**Gateway Page (also Doorway Page):** A webpage created expressly with the intent of ranking well for a search term in a search engine's non-paid listing. It does not deliver much information but is designed to entice visitors to click through to a merchant's site.

**General Data Protection Regulation (GDPR):** A regulation in EU law protecting privacy, export of personal data and data protection requirements for European Union and the European Economic Area individuals.

**Geographical Targeting:** The analytical process of making decisions on the regions and locales on which a company should focus its marketing efforts.

**Geotargeting:** The method of targeting audiences geographically. Search and other marketers specify locations where ads should be placed, not just which keywords trigger the ads. Some websites automatically adjust web content and ads based on the user's location.

**Geographical Segmentation:** The ability to determine from which geographical area Web traffic is coming.

## - H -

**Hidden Text:** The deceptive processing of filling webpages with keywords that are not visible to visitors but can be indexed by search engines to help achieve higher rankings.

**Hit:** Request from a Web server for a graphic or other element to be displayed on a webpage. Sometimes a misleading term as a hit is not the same as a visitor.

**HTML:** Hypertext Markup Language is the code used to build webpages – affiliates use it to put links on their websites. Affiliate solution providers often provide tools where affiliates can simply copy the code for an affiliate link and paste it into their own HTML pages.

**Hybrid Model:** An affiliate commission model that combines payment options (i.e., CPC & CPA).

**Hypertext:** Refers to text on a computer that will lead the user to other related information via a link.

## - I -

**ICANN:** The Internet Corporation on Assigned Names and Numbers is a non-profit organization that administers the world's Domain Name System and registration system.

**Impression:** An advertising metric that indicates how many times an advertising banner, link or product on the Internet is loaded and potentially viewed.

**Inbound Link (also Backlinks):** A link to a particular page from elsewhere on the Internet. Inbound links are important to SEO because many search engines' rankings are at least partially based on the amount and quality of inbound links.

**Index:** The database of webpages maintained by a search engine.

**Indy, Indies:** A merchant with an in-house affiliate program or an affiliate program that is independent (no network).

**Influencer:** A person or group that has the ability to influence the behavior or opinions of others. In the context of Online Marketing, Influencers are those who can use their influence to drive conversions (e.g., clicks, leads, sales, etc.) for a merchant partner in exchange for payment. An Influencer's payment may come in the form of a fixed fee, on a CPA basis or as a hybrid model.

**In-house:** An alternative to using an affiliate network solution provider; it builds an affiliate program architecture within a company.

**Intelligent Tracking Prevention (ITP):** An Apple technology available in the Safari browser to limit the use of third-party cookies (version 1.0 in 2017) and eliminate the use of third-party cookies (version 2.0 in 2018). Since third-party cookies have historically been such a big part of tracking Affiliate Marketing transactions, tracking systems (especially Affiliate Networks) have needed to employ tracking technologies based solely on first-party cookies to allow for continued tracking of transactions that occur in Safari which is especially prevalent in the mobile environment with the popularity of Apple iPhones and iPads. First-party cookies will only be available for seven days as part of ITP 2.1 announced in February 2019 which will come into effect as soon as iOS 12.2 and Safari 12.1 emerge from beta.

**Interactive Agency:** An agency offering a mix of Web design and development, Internet advertising and online marketing, or e-business/e-commerce consulting.

**Internet Protocol (IP) Address:** A unique combination of numbers and letters assigned to individual electronic devices or networks that communicate over the Internet. IPv4 defines an IP address as a 32-bit number (e.g., 172.18.254.1) while IPv6 uses 128 bits for an IP address (e.g., 1942:db8:0:1234:0:567:8:1).

**Interstitial Ad:** An advertisement that loads between two content pages.

**Instant Page Creator (IPC):** A data feed tool that allows non-programmers to build custom, dynamic product pages and sites very quickly, sometimes in less than a minute.

## - K -

**Key Performance Indicators (KPIs):** Metrics that are used to quantify objectives that reflect the strategic performance of an online marketing campaign. They provide business and marketing intelligence to assess a measurable objective and the direction in which that objective is headed.

**Keyword:** The word or phrase entered into a search engine's search field. Also, this can refer to the term that the marketer hopes users will search on to find a particular page.

**Keyword Buys:** The act of bidding on specific search terms related to a specific industry.

**Keyword Density:** The number of repetitions of a keyword as a percentage of the total word count of a webpage. For example, if a webpage has 200 total words on it and 20 of them are keyword advertising, then the keyword advertising has a 10% keyword density on the page.

**Keyword Domain Name:** The use of keywords as part of the URL to a website. Positioning is improved on some search engines when keywords are reinforced in the URL.

**Keyword Effectiveness Index (KEI):** The KEI compares the number of searches for a keyword with the number of search results to pinpoint which keywords are most effective for your campaign.

**Keyword Marketing:** The method of getting a message in front of people who are searching through the use of particular words or terms.

**Keyword Phrase:** Refers to two or more keywords combined to form a search query.

**Keyword Popularity:** A measure of the most frequent words and phrases used in Web searches. Marketers can use keyword popularity to determine which keywords bring large numbers of potential customers to a website.

**Keyword Stuffing:** The process of adding an excessive number of (and often unrelated) keywords to a webpage in an attempt to achieve higher search rankings for visitors searching these terms. Keyword stuffing is now largely ineffective and often counter-productive to achieving ranking boosts.

**Keywords Tag:** META tag used to help define the primary keywords of a webpage (largely thought to be ignored now by search engines due to "keyword stuffing").

## - L -

**Landing Page:** The specific webpage a visitor reaches after clicking on a search engine listing, pay-per-click ad or banner ad.

**Last Click Crediting:** A form of attribution whereby the affiliate credited for the commission is the affiliate responsible for the last (or most recent) click in the window of time equal to the Cookie Duration prior to the sale or lead.

**Lead:** Someone who has expressed an interest in a marketer's product or service usually by providing personal information like an email or phone number.

**Lead Generation:** Websites that generate leads for products or services offered by another company. On a lead generation site, the visitor completes a contact form to get more information about a product or service. The submitted contact form is considered a lead.

**Lifetime Value of a Customer:** The amount of sales in dollars that a customer will spend with a particular company over their lifetime.

**Link Bait:** A useful, entertaining, creative Web content or Web tool that encourages website owners to link to it.

**Link Exchange:** When a webmaster puts a hyperlink on their website to another company's website and they reciprocate by placing a link to your website on theirs. The most effective exchanges are to websites that are ranked higher than the others and complement the content. This practice is looked on unfavorably by search engines.

**Link Popularity:** The number of websites that link to a particular site. On most search engines link popularity along with the quality of incoming links are important aspects of determining the ranking of a website on search engine results pages.

**Linking Code:** A unique identifying code often contained in HTML tags. Affiliates add the linking code to their sites so that searches for a product generated from the affiliate site are automatically credited to an account in the affiliate program so the affiliate gets credit for sales.

**Linkspam:** Attempts to place as many inbound links as possible to their site regardless of the context of the originating site.

**Listing:** The information that appears on a search engine's results page in response to a search.

**Log File:** A file maintained on a server in which records of all file accesses are stored. With log file analysis tools, it is possible to find out where visitors are coming from, how often they return, and how they navigate through a site. Google Analytics is an example of a program businesses use to analyze log files.

**Loyalty Affiliates:** Affiliates who offer incentives to their members with cashback, points or other benefits and rewards to shop through their website. Often they own cashback or affinity shopping websites.

## - M -

**Malware (also Spyware):** Generally, refers to deceitful software that is secretly installed on a user's computer and that monitors use of the computer in some way without the users' knowledge or consent. Most malware tries to get the user to view advertising and/or particular webpages or sets cookies for an Affiliate Program without a valid user click.

**Manual Approval:** An affiliate application approval process where all applicants are manually approved for an affiliate program.

**Merchant (also Advertiser or Retailer):** Any website that markets and sells goods or services. In affiliate marketing programs, merchants contract with affiliates to get consumers to register for services, purchase products, fill out forms or visit websites.

**Merchant Account:** An account with a payment processor for settlement of credit card transactions. Any website that takes credit card orders must establish a merchant account.

**Meta Tag:** A way to describe various aspects of a webpage that is not intended for users to see. Meta tags pass information to Web crawlers and spiders along with browsers and other applications.

**Minimum Bid:** The least amount that an advertiser can bid for a keyword or keyword phrase and still be active on the search ad network. This amount can range from \$0.01 to \$10.00 or more for highly competitive keywords and is set by the search engines.

**Mobile Commerce (also M-Commerce):** The use of wireless or handheld devices, such as smart phones or tablets, to conduct commercial transactions online.

**Mobile Commerce Site (also M-Commerce Site):** Refers to the mobile version of a website alternatively displayed to wireless or handheld devices which have smaller screens and resolution than desktop or laptop computers. If a merchant operates a separate M-Commerce site, it is important to ensure all Affiliate Marketing tracking exists as it does for the regular website.

**Mobile Marketing:** The promotion of products or services on or with a mobile device such as a smart phone.

**Multilevel Marketing (also Two-Tier Marketing):** Affiliate program structure whereby affiliates earn commissions on their conversions as well as conversions of other affiliates they refer to the program.

**- N -**

**News Reader (also RSS Aggregator or RSS Reader):** A client software that uses Web feeds to retrieve syndicated Web content such as blogs, podcasts, vlogs, or in the case of a search aggregator, a customized set of search results.

**Niche Sites:** A website oriented towards a very specific topic or audience. Niche sites often have high traffic and items can bring higher prices than on general purpose sites because they serve customers looking for unique content.

**- O -**

**Opt-in:** To subscribe to an e-mail newsletter, electronic service or online agreement.

**Opt-in Email:** Email information that the recipient explicitly requests such as a newsletter.

**Opt-in List (also Email List):** A list of the email addresses of customers who have agreed to be contacted by email.

**Optimization:** Changes made to a webpage specifically to improve the positioning of the page on search engines.

**Organic Search Results (also Natural Search Results):** Non-paid search engine results. These are the pages that search engines determine to be the most relevant matches for the search keywords.

**Outbound Link:** A link on a webpage leading to other webpages on other websites (domains).

**Outsource Affiliate Agency or Outsource Program Manager (also Affiliate Management Agency):** An agency or management company that manages affiliate programs on behalf of a merchant for a nominal fee or performance percentage. It generally can handle any aspect of the recruitment, activation and management of new affiliates, providing creative and running promotions.

**- P -**

**Page Rank:** An indicator of the value of a webpage that is used for ranking in search engine results and is governed by a proprietary formula by search engines. It is based on factors include the number and quality of links to a website and the content of the Web site itself.

**Page View:** The term for the loading and screen presentation of a single webpage.

**Paid Inclusion (also Trusted Feed):** A fee-based custom crawl service offered by some search engines. These results appear in the “organic search results” of the engine. Typically, the fee is based on a “cost per click,” depending on the category of site content.

**Paid Listings or Paid Sponsors (also Sponsored Listing):** A title or column heading on search engine results pages to identify paid advertisers and distinguish between paid and organic (free) search engine listings.

**Paid Placement:** Advertising program where listings are guaranteed to appear with high rankings in response to a particular search term or on a particular page. This is achieved largely by paying more than other advertisers. This is most often done in an auction or bidding environment.

**Paid Search:** Paid search often referred to as pay per click (PPC) is a strategy used by a large number of affiliates to drive users to their own site or directly to a merchant’s site.

**Parallel Tracking:** A new tracking feature employed by Google in AdWords in 2018 which helps the ad destination landing pages to load more quickly by sending the user straight to the destination while, in parallel, calling the

tracking URL separately. SEM affiliates need to ensure each network has implemented the necessary technological adjustments needed to account for this new AdWords feature without affecting tracking—particularly as it relates to ITP requirements for tracking.

**Parasite:** Software that works on a person's computer, typically without their knowledge or consent and without a visible interface. It can include software that is installed along with another application and typically shows ads, extracts usage data, and/or overwrites affiliate cookies.

**ParasiteWare:** Technology (including, but not restricted to, browser helpers, browser plug-ins, toolbars and pop ups/sliders) that knowingly or unknowingly undermines or removes another affiliate's ability to fairly compete by changing, intercepting or redirecting an affiliate link.

**Partner Program (also Affiliate, Associate, Referral or Revenue Sharing Program):** A program where a merchant pays a commission to an affiliate for generating clicks, leads or sales from a graphic or text link located on the affiliate's site or through an affiliate's promotional efforts.

**Pay Out:** The amount or percentage of earnings available to affiliates for converting a sale, lead or desired action.

**Pay Per Call:** A model of paid advertising similar to pay per click (PPC), except advertisers pay for phone calls that comes to them from a search or website ad, rather than for every click-through to their website landing page for the ad.

**Pay Per Click (PPC):** A program where an affiliate receives receive a commission for each click they refer to a merchant's website. PPC offers some of the lowest commissions and high conversion ratio since visitors need to only click on a link to earn the affiliate a commission.

**Pay Per Impression (PPI):** An advertising pricing model in which advertisers pay based on how many users were served their ads.

**Pay Per Lead (PPL):** A program where an affiliate receives a commission for each lead that they generate for a merchant website such as completed surveys, contest or sweepstakes entries. Pay per lead generally offers midrange commissions and mid-range to high conversion ratios.

**Pay Per Sale (PPS):** A program where an affiliate receives a commission for each sale of a product or service that they refer to a merchant's website. Pay-per-sale programs usually offer the highest commissions and the lowest conversion ratio.

**Pay Per View (PPV):** A program where an affiliate earns a fee based on the number of views of a particular video or piece of content.

**Pay Per View (PPV) Advertising (also Cost Per View or COV Advertising):** Pay Per View advertising is a form of advertising used by affiliates to deliver ads (sometimes in the form of pop-up or pop-under ads) to promote an Affiliate Program. Affiliates usually pay for the ads on a per view (or thousand view) basis. Merchants want to ensure any affiliate promoting via this method is only setting a cookie after the user clicks on an ad unless an alternate form of commission crediting is arranged.

**Payment Threshold:** The minimum accumulated commission an affiliate must earn to trigger payment from an affiliate program.

**Performance Marketing (also Affiliate Marketing):** A type of marketing where one business rewards one or more affiliates (or publishers) for a set action by a user (e.g., a sale) referred due to one or more promotional efforts made by the affiliate(s). The marketing costs are generally incurred by the business after the performance of the affiliate and its users.

**Performance Pricing Model:** An advertising model in which advertisers pay based on a set of agreed upon performance criteria, such as a percentage of online revenues or delivery of new sales leads.

**PHP (Hypertext Preprocessor):** A server-side scripting language originally designed for producing dynamic webpages. It is especially suited for Web development and can be embedded into HTML.

**Podcasting:** A form of audio broadcasting using the Internet. Podcasting involves making one or more audio files available as “enclosures” in an RSS feed, and can be played back by the subscriber at their convenience on an audio device.

**Pop-Up Ad:** An ad that displays in a new browser window, which is generally a scaled-down browser window.

**Pop-Under Ad:** An ad that displays in a new browser window behind the current browser window. Pop-under ads remain behind the current browser window and appear only after other windows are closed.

**Postroll:** A form of online video ad placement where the advertisement is played after the content video plays.

**PPC Search Engine:** Search engine results that are ranked according to the bid – advertisers are charged when a searcher clicks on the search listing in the Sponsored section. Advertisers supply the listing and provide the keywords that apply and the bid. The first listing is generally the one with the highest combination of bid and ad quality score or index for that keyword.

## - Q -

**Query:** The word (or phrase) a searcher enters into a search engine’s search box.

**Quality Score:** Reflects an ad’s historical CTR, keyword relevance, landing page relevance and other factors proprietary to Google. Yahoo! refers to it as a Quality Index.

## - R -

**Rank:** How high a particular webpage or website is listed in a search engine’s results.

**Rate Card:** A document that gives details about various ad placement options. Although rate cards list ad prices, they are not necessarily fixed price sheets.

**Raw Data Feed:** Raw data is information that has been collected but not formatted, analyzed or processed. This raw data can be used to build an optimized XML feed.

**Really Simple Syndication (RSS) Feed:** A data format for syndicating news and other content. Subscribers to RSS feeds are notified every time content is updated on a particular site.

**Reciprocal Link:** A link exchange – the process when two websites’ owners agree to display a link to each other’s sites. Search engines generally penalize website owners for this practice.

**Referral Fee (also Bounty, Commission or Finder’s Fee):** The income an affiliate receives for generating a sale, lead or click through a merchant’s affiliate program.

**Referral Link:** A place from which the user clicked to get to the current page.

**Referral Program (also Affiliate, Associate, Partner or Revenue Sharing Program):** A program where a merchant pays a commission to an affiliate for generating clicks, leads or sales from a graphic or text link located on the affiliate’s site or through an affiliate’s promotional efforts.

**Residual Earnings:** A program that pays affiliates not just for the first sale, but all additional sales made at the merchant’s site over the life of the customer.

**Responsive Web Design:** An approach to designing a website in such a way that it renders differently and effectively for all varieties of resolutions and screen sizes. More recently, Responsive Web Design has been the

more popular design technique (replacing the need for a separate M-Commerce Site) to adapt to users visiting websites with a multitude of devices (e.g., laptops, tablets, Smart phones, etc.).

**Retailer (also Advertiser or Merchant):** Any website that markets and sells goods or services. In affiliate marketing programs, retailers contract with affiliates to get consumers to register for services, purchase products, fill out forms or visit websites.

**Retargeting (also Remarketing):** The process of identifying and marketing to individuals, usually in the form of display ads on other websites, who have visited a website but did not become a customer.

**Return on Advertising Spending (ROAS):** The amount of revenue generated for every dollar spent on advertising. A ROAS of \$5 means \$5 of sales are generated for every \$1 spend in advertising.

**Return Days (also Cookie Duration):** The length in time, usually defined in days that an affiliate may receive credit for a user action after the initial promotional click that introduced the user to the potential action. The cookie is generally set to expire after this period of time removing the chance of the credit.

**Return on Investment (ROI):** The amount of money (i.e., return) that an investment makes.

**Return Visits:** The average number of times a user returns to a site over a specific time period.

**Revenue Sharing Program (also Affiliate, Associate, Partner or Referral Program):** A program where a merchant pays a commission to an affiliate for generating clicks, leads or sales from a graphic or text link located on the affiliate's site or through an affiliate's promotional efforts.

**Robot (also Bot, Crawler or Spider):** A software program component of a search engine that crawls the Web and follows links to webpages. It develops indexes from the webpages found and stores them in the search engine's database.

**RSS Aggregator or RSS Reader (also News Reader):** A client software that uses Web feeds to retrieve syndicated Web content such as blogs, podcasts, vlogs, or in the case of a search aggregator, a customized set of search results.

**Run of Network (RON):** Scheduling of Internet advertising whereby an Ad Network positions ads across the sites it represents at its discretion, according to available inventory. The advertiser usually forgoes premium positioning in exchange for more advertising weight at a lower CPM.

**Run of Site (ROS):** The scheduling of Internet advertising whereby ads run across an entire site, often at a lower cost to the advertiser than the purchase of specific site sub-sections.

## - S -

**SaaS:** Software as a Service. May also refer to a Platform as a Service (PaaS). In the Performance Marketing Industry, it often refers to an affiliate program tracking solution available as a network or a separate software system.

**Search Engine Marketing (SEM):** Tactics that seek to promote websites by increasing their visibility in search engine results. SEM methods include SEO, pay per click, paid placement and paid inclusion. It also includes the practice of buying paid search listings with the goal of obtaining better free search listings.

**Search Engine Positioning (SEP):** How well a particular webpage or website is listed in a search engine's results. Positions one to three are the most visible and the most desirable.

**Search Engine Results Page (SERP):** The results page the search engines delivers after a visitor entered a search query.

**Search Engine Optimization (SEO):** The practice of optimizing a website so that it does well in the organic, crawler-based listings of search engines. The process usually involves choosing targeted and relevant keywords and phrases that will drive traffic to the site.

**Search Funnel:** The process of doing several searches before reaching a buying decision, which works from broad, general keyword search terms to narrower, specific keywords. Advertisers use the search funnel to anticipate customer intent and develop keywords targeted to different stages.

**Secure Server:** A Web server that uses a secure socket layer (SSL) for secure data encryption that allows for private e-commerce transactions. The SSL encryption protects consumers' private information such as name, phone, e-mail, and credit card number. Search engines are moving to requiring all websites, regardless of the existence of e-commerce transactions, to use SSL encryption to be listed.

**Server:** A computer, or a software package, that provides a specific kind of service to client software running on other computers.

**Shopping Cart:** The term for software that is used to make a merchant site's product catalog available for online ordering, whereby visitors may select, view, add, remove and purchase merchandise.

**Shopping Cart Abandonment (also Cart Abandonment):** When a user leaves a shopping cart with an item in it prior to completing the sale transaction.

**Sig File (also Email Signature):** A brief snippet of text and/or imagery appended to the end of an email message.

**Site Map:** A "directory" of links that shows the entire public content of a website.

**Skyscraper:** An online ad that is significantly taller than the 120x240 pixel vertical banner. The height of a standard skyscraper ad is 600 pixels.

**Sliding Scale (also Escalating Commission or Tiered Scale):** A compensation system based on an increase in the money paid to an affiliate. It is a percentage commission that increases based on the achievement of certain targets, such as specific number of copies sold.

**Social Network:** Online networks of communities (e.g. Facebook) who share interests and activities or who are interested in exploring the interests and activities of others, which necessitates the use of software.

**Spam or Spamming:** Electronic junk mail, comments and other usually automated mass postings. Spam generally includes some kind of advertising for some product, service or site.

**Spamdexing (also Search Engine Spamming):** It combines techniques employed by some Web marketers and designers to attempt to fool a search engine's spider and indexing programs to ensure that their website always appears at or near the top of the list of search engine results.

**Spider (also Bot, Crawler or Robot):** A software program component of a search engine that gathers listings by automatically crawling the Web and following links to webpages. It develops indexes of the webpages found to build the search engine's database.

**Sponsored Listing (also Paid Listings or Paid Sponsors):** A term used as a title or column heading on search engine results pages to identify paid advertisers and distinguish between paid and organic (free) search engine listings.

**Spyware (also Malware):** Generally, refers to deceitful software that is secretly installed on a user's computer and that monitors use of the computer in some way without the users' knowledge or consent. Most spyware tries to get the user to view advertising and/or particular webpages or sets cookies for an Affiliate Program without a valid user click.

**Storefront:** A prefabricated HTML page for affiliates that displays new or specialized products with integrated affiliate links.

**Sub-Affiliate:** A model where an affiliate creates its own network of affiliates, often with similar or common vertical targets or marketing methods.

**Sub-ID Tracking (also Affiliate Tracking ID):** A variable that can be used by the affiliate at the time of the click to store information that will be used in optimization efforts after a sale or lead conversion has occurred. As a simple example, the affiliate might store the name of the search engine used in the sub-id variable to determine which search engine is most effective.

**Super Affiliates:** The best affiliates in a program based on performance and earnings, usually the top 1 percent, who generate a significant amount of revenue for a merchant's program.

## - T -

**Targeted Marketing:** The act of making the right offers to the right customer at the right time.

**Text Link:** A link that is not accompanied by an image.

**Text Link Exchange:** A network of reciprocal links in which participating websites display ads in exchange for credits that are turned into ads to appear on other sites.

**Third-Party Cookie:** A cookie created and readable by the website other than the website a user is visiting.

**Tier Levels:** Merchants offer incentives to affiliates to drive more business to them over competitors by tempting them with increased commission if you drive a certain number of sales or leads to them. Tier levels are sometimes custom built for individual affiliates based on business strategy.

**Tiered Scale (also Escalating Commission or Sliding Scale):** A compensation system based on an increase in the money paid to an affiliate. It is a percentage commission that increases based on the achievement of certain targets, such as specific number of copies sold.

**Tracking Method:** The way a program tracks referred sales, leads or clicks. The most common is by unique Web address for each affiliate or by embedding an affiliate ID number into the link that is processed by the merchant's software.

**Trademark (TM):** A trademark is a proprietary term that is usually registered by the merchant with the Patent and Trademark Office to assure its exclusive rights to use.

**Trademark Plus (TM+) Bidding Rights:** Rights, usually granted to coupon affiliates, to bid on a merchant's trademarked term in conjunction with some modifier (e.g., trademark term + "coupons").

**Trademark Poaching:** The act of using a PPC ads to appear as though they have come from a merchant (using its trademark without merchant permission). When clicked on, the ad directs the consumer to the trademark owner's site through a link that inserted the affiliate ID, generating a bogus commission for any resulting purchase.

**Two-Tier Marketing (also Multilevel Marketing):** Affiliate program structure whereby affiliates earn commissions on their conversions as well as conversions of other affiliates they refer to the program.

## - V -

**Viral Marketing:** The rapid adoption of a product or passing on of an offer to friends and family through word-of-mouth (or word-of-email) networks. Any advertising that propagates itself the way viruses do.

**Visitor Segmentation:** Differentiating of users to site by categories such as age, sex, language, geographic location, etc.

**Visit:** Measurement that has been filtered for robotic activity of one or more text and/or graphics downloads from a site without 30 consecutive minutes of inactivity and which can be reasonably attributed to a single browser for a single session.

**- W -**

**Widget:** A small application designed to reside on a computer or within a Web-based portal or social network site offering useful or entertaining functionality to the end user.

**Wiki:** Software that allows people to contribute knowledge on a particular topic. A Wiki is another Web publishing platform that makes use of technologies similar to blogs and also allows for collaboration with multiple people.

**- X -**

**XML (Extensible Markup Language):** Its primary purpose is to facilitate the sharing of structured data across different information systems. It is used both to encode documents and to serialize data.

**- Y -**

**YouTuber:** A type of videographer or celebrity who has gained popularity or influence from the videos they post on YouTube.

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### About the Performance Marketing Association

The Performance Marketing Association is a non-profit trade association founded in 2008 by the leaders of the performance marketing industry, to connect, inform and advocate on behalf of this rapidly growing field. It is the only trade association representing the performance marketing industry. The PMA's mission is to champion and protect accountable performance marketing.

The Performance Marketing Association (PMA) strives to raise the profile of performance marketing by demonstrating the value of this multi-billion marketing channel, which comprises more than 200,000 businesses and individuals. The PMA is the first formal organization representing the burgeoning performance marketing space and offering members a means to learn, share or communicate on a global scale.

The PMA gives performance marketers a unified voice to address issues and challenges facing the industry, such as regulations and legislation proposed on state and federal levels. The association also coordinates advocacy efforts, speaking on behalf of the industry – allowing its members to be heard while still focusing on their respective businesses.

### About the PMA Industry Advancement Council (IAC)

Chaired by Choots Humphries, co-founder of LinkConnector, the PMA Industry Advancement Council's mission is to raise the level of knowledge, awareness and opportunities available through the performance-based advertising/marketing model. This Council elaborates on best practices and standards that can be leveraged by both internal and external industry professionals.

#### IAC members who contributed include...

Mike Allen – Businesswright  
 Sarah Bundy – All Inclusive Marketing  
 Mike Carney – PerformanceJOBS.com  
 Andrew Crowley – Awin  
 Yonatan Dotan – Affluent  
 Rick Gardiner – iAffiliate Management

Jason Hulott - Speedie Consultants  
 Choots Humphries – LinkConnector  
 Amber Sweeney – Pepperjam  
 Mayrena Tavarez – Affiliatemanager.com  
 Anna Tumadottir – Wickfire

#### Previous IAC members who contributed include...

Mike Allen  
 Marty Bickford  
 Nicholas Cartwright  
 Rick Gardiner  
 Ryan Gilbert  
 Adam Glazer

Erin Groh  
 Choots Humphries  
 Peter Klein  
 Lisa Picarille  
 Durk Price  
 Wade Sisson