



Benefits of Working with Deal & Coupon Affiliates

You may be wondering if partnering with coupon and deal affiliates is actually beneficial or if it's unfavorable. Well, you can put your mind at ease and learn how relationships with these affiliates can make a huge impact on the success of your affiliate program.

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

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

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

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

In [How Affiliate Marketing and Coupons Spread Brand Loyalty to a Larger Audience](#), Pepperjam's Chief Strategy Officer explains why it's a mistake for retailers to underestimate the brand affinity and sales opportunities derived from a smart online coupon strategy. Many merchants wrongly believe that coupons lead to lower revenue, but long-term coupon usage actually outweighs any short-term loss. Pepperjam also touches on incentive and how "78% of consumers are influenced to buy a brand they wouldn't typically buy due to a coupon". Brand loyalty is also positively impacted by coupons with 91% of brand loyal shoppers using them. This means you can not only gain new customers but keep your current customers coming back for more.

[eAccountable](#)'s research has also found that some of the biggest coupon users are wealthier (100K+ HHI). This point could go towards the fact that higher end brands can still discount without damaging their image.

Coupon Best Practices for Advertisers

To help you know the do's and don'ts of coupon strategy, apply these tips.

- **To increase AOV (average order value) or AOS (average order size) with coupons:**
 - Use percentage off coupons with a minimum order value for big ticket items.
 - Use a minimum order value over your current AOV.
- **Don't reduce existing sales value**
- **Attract New Customers**
 - Dollar off coupons are good for this.
 - An example would be "\$5 off any order for New Customers".
 - Offer a higher commission for new customer orders (if the advertiser is technically integrated to support this).
- **Encourage Repeat Orders**
 - Provide a coupon that discounts the current order and also provides a gift card or credit for a second order. You can deliver the second promotion via email right after the purchase is completed.
- **Provide a coupon after a review is received** - Reviews have a lot of value now for both organic and paid search. Google will show stars on your organic listing and ads, once you have enough, depending on the review platform you use. Most customers won't mind taking a couple minutes to write a review if they get a discount out of it.
- **Dedicated landing page** - Switch out landing pages depending on if you have a coupon available. If there is an available code, make the coupon code box present on the page. For times when there is no code, remove the coupon code box.

How to Optimize with Coupon Affiliates

- **Provide exclusive or semi-exclusive offers.**
- Look into **stopping user generated content** for your brand.
- **Utilize evergreen content**, like free shipping for example, if your site always offers it to keep content fresh on coupon sites.
- **Utilize the new attribution tools** that networks are rolling out to keep control and protect your brand.
 - Assign coupon codes to select publishers so only they can earn commissions on sales using those codes.
 - Make codes from other channels non-commissionable.
- **Vanity codes** - Many publishers will offer placements in exchange for vanity codes so you don't necessarily need to create a ton of unique offers.
 - For example, you could provide TopCashBack with the exclusive code TopCash10 in exchange for a featured offer placement.
- **Use revshare paid placements**
- **Explore paid search** - This is ideal for advertisers who do not have a search team.
 - **Trademark Plus Bidding (TM+)** - When rights are granted to coupon affiliates to bid on a merchant's trademarked term in conjunction with some modifier.
 - **Arbitrage** - When web publishers, such as 2nd tier search engines, directories and vertical search engines, engage in buying and reselling of traffic.

Coupon Code Creation and Formatting Suggestions:

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

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

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

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

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

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

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

Use affiliate network emails, [FMTC](#), and other services to distribute coupons to affiliates.

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

Coupon Parameters and Requirements

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

Additional Coupon Partner Best Practices

The [All Inclusive Marketing](#) team has provided helpful tips to optimize with coupon affiliates:

1. **Make sure you have new to file vs returning customer tracking setup.** All the affiliate networks and third party tracking platforms, such as Impact Radius and Performance Horizon, have this capability.
2. If your affiliate network or tracking platform has the ability, **ensure proper attribution is in place.** It's important to see where coupon publishers fit in the overall click to consume path of your buyers, to understand which publishers are introducers (top of funnel), engagers (those who assist in moving the consumer along in their buying decision), and closers (bottom of funnel). With proper attribution in place, brands will have a more accurate understanding of the value of different partners, where coupon publishers are fitting into it, and how they are contributing to the sale.
3. If your network or tracking platform has the capability, **ensure that you have coupon code compliance technologies turned on.** For example, some tracking platforms give you the option to “blacklist” coupons from affiliate usage, meaning, if a customer happens to buy from an affiliate site with a coupon code that was not meant for the affiliate channel, that publisher will not be credited for the sale.

4. **Lean on compliance services**, such as Brandverity, to monitor coupon abuse by partners, and TM and TM+ terms. If in your program terms of service you do not allow TM or TM+ terms to be used, this service will show you which coupon affiliates are bidding on these terms. It will also show you when they are using or abusing coupons they should not be.
5. **Make sure the terms of service for your program clearly outline what behaviours and strategies are allowed by coupon partners**, and around coupon usage for your program specifically. Without clear TOS, publishers will not know what they are not allowed to do, and therefore will promote in whichever way will benefit them most. With clear TOS, stakeholders can be held accountable, and partners will promote your offers in a manner that's more mutually beneficial.
6. **The best way to get the most value from your coupon publishers is to work closely with them for placements outside of organic listings alone.** For example, if you do a search for "Brand Coupon Code" in Google, many coupon publishers will organically appear. This does not take a lot of time or effort on their part, nor does it create any proven incrementally. One can argue that the brand would have gotten the sale anyway, since the buyer was simply looking for a code for something they were already going to purchase. On the other hand, by working with coupon publishers to highlight certain deals or exclusive offers on targeted landing pages, in their social channels, through their featured deals newsletter or even through their mobile app while someone shops in a physical brick and mortar retail store, the opportunity to drive incrementality through additional exposure, increased AOV, increased conversion rate, frequency of purchase or even extended lifetime value, can be there.

By creating and testing these best practices, All Inclusive Marketing has been able to showcase value in these areas, and the benefit of working with coupon affiliates when it makes sense for the brand. In the last example, they've even been able to impact up to 37% new-to-file customer acquisitions through coupon partners. Because of technology advancements, these new-to-file customer acquisitions can be credited a higher amount than returning customers, all automated, resulting in higher profitability for the program. This also encourages and rewards activities that drive the brand's defined incremental growth at scale.

Coupon Code Standards

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

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

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

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

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



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Larissa Feuerstein is the Merchant & OPM Liaison for FMTC, a premier affiliate datafeed and tool provider and winner of the 2015 Tool/Service of the Year. She has been with FMTC since 2013 and started out as a data engineer. She loves working with people and facilitating the relationships between merchants, OPMs, and affiliates.

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