

Fixing Affiliate Marketing

Benjamin Edelman

Why affiliate marketing?

- Creativity
- Reach
- Attractive pricing model, risk model

/BUT/

- How to supervise small affiliates a retailer has never met?
- Many & divergent incentives: merchant, network, affiliate program manager, affiliate

Affiliate earns commission if ...

- User requests affiliate web site
- User clicks affiliate's link to merchant /and/
- User makes a purchase

→ Merchant can safely partner with anyone?

- HOME
- CONTACT
- STORES
- SUBSCRIBE
- TIPS

May
08

Buy.com Coupons & Reviews

- Retailers
- Stumble It!

SEARCH & FIND WHAT

Search

Enter your email address:

- TOP STORES COUPO
-
- 00lnkJets Coupons
 - 4lnkJets Coupons
 - 5upMedical Series Coupo
 - AccessoryGeeks Coupons
 - Advice Network Coupons

```
<iframe SRC="http://affiliate.buy.com/gateway.aspx?adid=17662&#038;aid=10389736&#038;pid=2705091&#038;sid=&#038;sURL=http%3A//www.buy.com/" WIDTH=5 HEIGHT=5 frameborder="0" scrolling="no">
```

09-09-2008, 08:11 PM #41 (permalink)

SecretShopperxy Deal Seeker

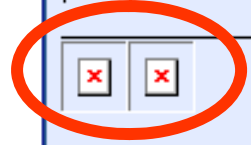
Join Date: Sep 2008 Posts: 7

Re: Points2Shop - Shop For Free at Amazon.com

Quote:

Originally Posted by somerset1106 Are there any other sites like this?? I'm trying to compare em all it's a headache lol.

Ditto. I am still researching some other sites that are similar. If I find out any information I will keep ya posted. In the meantime, I am going to sign up.



Coming to a store near you!



09-11-2008, 02:30 PM #42 (permalink)

dem 1481

Join Date: Aug 2007

←

→
GET /img16.jpg HTTP/1.1 ...
Host: www.avxf.com

←
HTTP/1.1 302 Found ...
Location: http://secure.hostgator.com/cgi-bin/
affiliates/clickthru.cgi?id=dspplcmnt01 ...

→
GET /img17.jpg HTTP/1.1 ...
Host: www.avxf.com

←
HTTP/1.1 302 Found ...
Location: http://www.amazon.com/?...&tag=qufrho-20

```
→ GET /iframe3? ...
Host: ad.yieldmanager.com ...
← HTTP/1.1 200 OK
Date: Mon, 29 Sep 2008 05:36:02 GMT
```

```
...
<iframe src="http://allebrands.com/allebrands.jpg"
...

```

```
→ GET /allebrands.jpg HTTP/1.1 ...
Host: allebrands.com ...
```

```
← ...
<a href='http://allebrands.com'>
<img src='images/allebrands.JPG'></a>
<iframe src='http://click.linksynergy.com/click?id=Ov83T/v4Fsg&offerid=144797.1
subid=0' width='0' height='0'>
<iframe src='http://www.microsoftaffiliates.net/t.aspx?kbid=9066&p=http%3a%2f%2fcontent.microsoftaffil
iates.net%2fWLToolbar.aspx%2f&m=27&cid=8' width='0'
height='0'>
<iframe src='http://send.onenetworkdirect.net/z/41/
CD98773' width='0' height='0'>
```

McAfee

Microsoft OneCare 3&

Symantec

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE, CENTRAL BRANCH

COMMISSION JUNCTION, INC.,

Plaintiff,

v.

THUNDERWOOD HOLDINGS, INC. dba
KESSLER'S FLYING CIRCUS; TODD
DUNNING; BRIAN DUNNING; and
DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 30-2008 00101025
ASSIGNED FOR ALL PURPOSES TO:
JUDGE RANDELL L. WILKINSON
DEPARTMENT C25

**SECOND AMENDED COMPLAINT
FOR DAMAGES**

1. Breach of Contract
2. Open Book Account
3. Account Stated
4. Reasonable Value
5. Conversion
6. Unfair Competition
7. Declaratory Relief

[Unlimited]

Plaintiff Commission Junction, Inc. alleges as follows:

1. At all times relevant herein, plaintiff Commission Junction, Inc. ("CJI") was a corporation organized and existing under the laws of the State of Delaware and wholly

Hi Todd:

Further to our conversation, this is the letter I referred to. I appreciate your understanding in this matter. As we discussed, please wire us the funds (\$565,517.84) less your wiring fee, tomorrow morning at your convenience. If you could kindly call me at (805-450-8126) and email to confirm once done, I'd greatly appreciate it.

Below are the payment instructions for wire payment:

Wire Payment Information

Beneficiary: Commission Junction
Bank: Wells Fargo Bank
Address: 420 Montgomery Street
San Francisco,
CA 94104
Account No: 4121196406
Routing No: 121 000 248
Swift Code: BIC WFBIUS6S

Thanks again for your cooperation and understanding!

Cheers,

Peter Bexelius
Account Manager - Strategic Accounts

Commission Junction, a ValueClick Company
530 East Montecito Street
Santa Barbara, CA 93103
Direct: 805 730 8106
Fax: 805 730 8458
Email: pbexelius@cj.com

← POST /adshow HTTP/1.1
User-Agent: TSA/4.0.4.1...
Host: a.targetsaver.com
http://www.tesco.com/clubcarddeals/

→ HTTP/1.1 200 OK
http://www.targetsaver.com/redirect.php?clientID=...
&finalURL=http://redirect.tracking202.com/dl/5668...

← GET /dl/5668626?t202kw= HTTP/1.1
Host: redirect.tracking202.com ...

← <script>window.location='http://clkuk.tradedoubler.com/click?p=898&a=1686304&g=2385383669505';</script>

→ GET /click?p=898&a=1686304&g=2385383669505 HTTP/1.1
Host: clkuk.tradedoubler.com

← HTTP/1.1 302 Found
Location: http://www.tesco.com/landing?tidsi=Affiliates/Tradedoubler/Direct&url=http://www.tesco.com/



TARGETSAVER.COM

TARGETED MARKETING

TargetSaver, Inc
269 S Beverly Dr #1200
Beverly Hills, CA 90212 USA



San Sai Beverly Hills

S Beverly Dr

S Beverly Dr

Anat B Boutique

POSTAL PLACE

Affiliate earns commission if ...

- User requests affiliate web site
- User clicks affiliate's link to merchant /and/
- User makes a purchase

~~→ Merchant can safely partner with anyone?~~

Fixing Affiliate Marketing

- Supervising small affiliates
 - Penalties?
 - Litigation?
 - Identity verification
 - Name – email – phone number – address – tax ID – IP
 - Sequential pseudonymity: reregistering using a new name

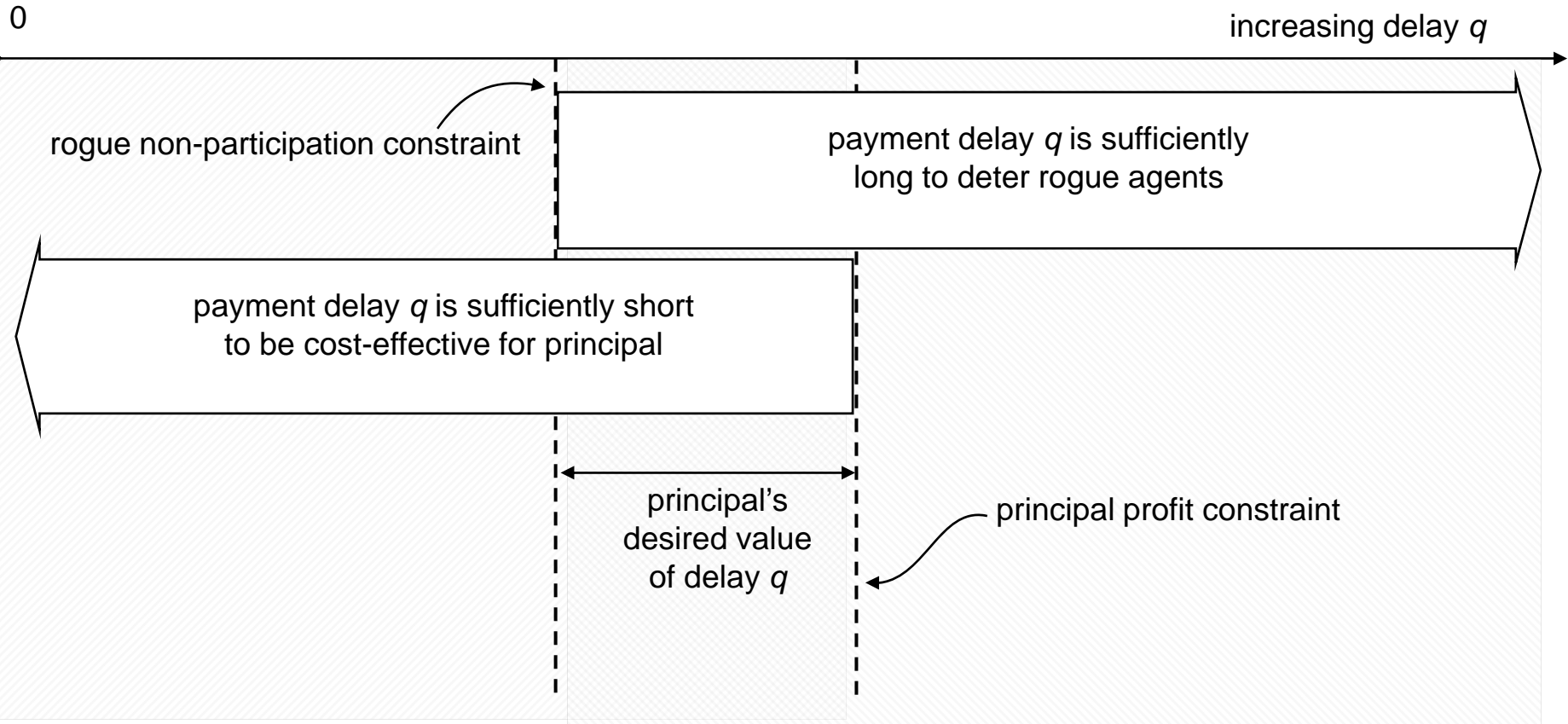
Incentives wishlist

- Take existing detection technology as given
- Effective at deterrence
 - No more cat-and-mouse
- Undercut incentives for use of pseudonyms and multiple identities

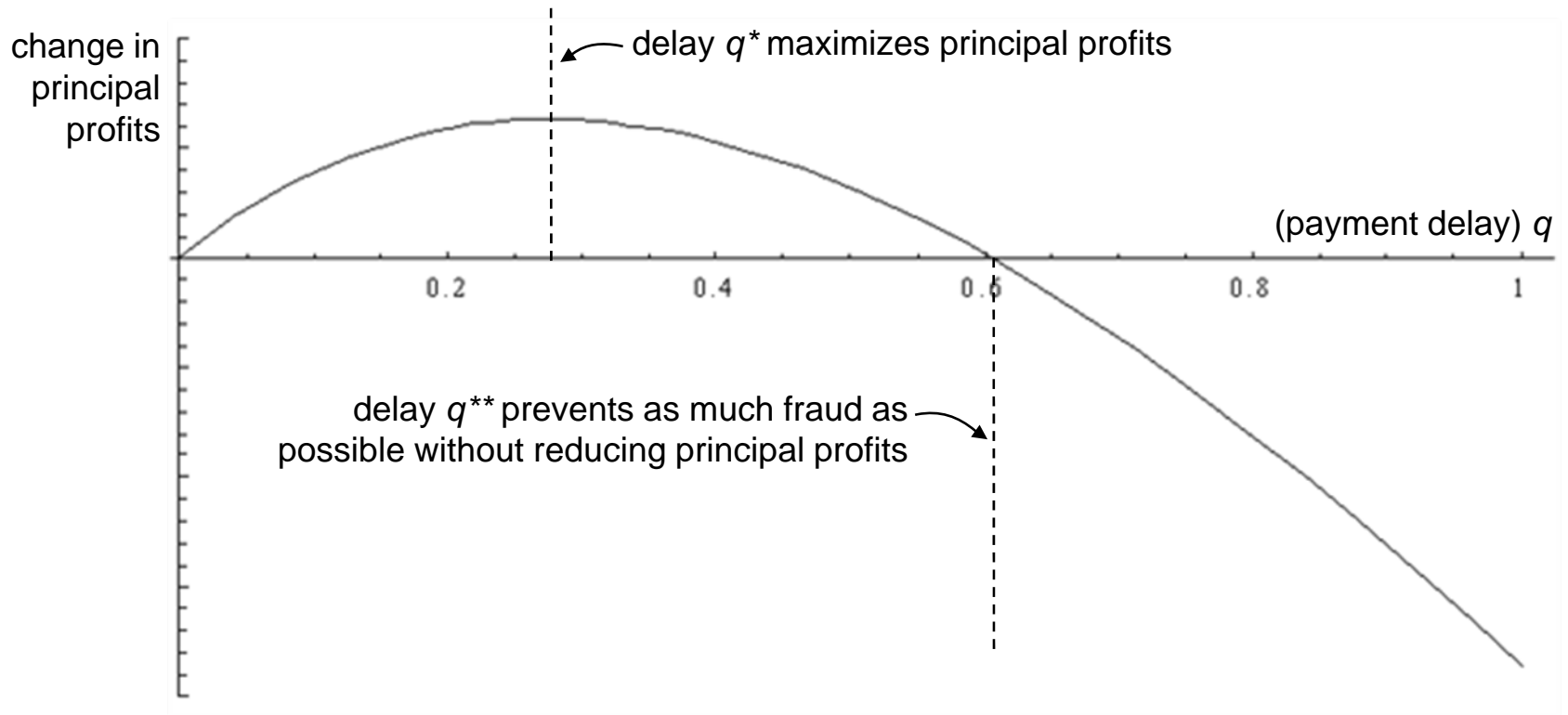
Payment delay

- Pay more slowly.
- If uncover a fraud, don't pay.
- Pay a bonus to make good agents indifferent.
 - Compensate good agents for having to wait.

Resulting incentives



Calibration



What does this fix?

- Sequential pseudonymity
- Fraud unredressable due to litigation costs
- Detection systems with low effectiveness

References:

Delaying Payment to Deter Online Advertising Fraud (2008)
benedelman.org/paymentdelay

Deterring Online Advertising Fraud Through Optimal Payment in Arrears
Financial Cryptography 2009 - SV LNCS

Fixing Affiliate Marketing

- Supervising small affiliates a retailer has never met.
- Managing divergent incentives: merchant, network, affiliate program manager, affiliate

Managers' incentives

- Network: “10% of spend”
- Affiliate program manager: “20% of year-over-year growth”

CJ Advertiser Service Agreement

To the fullest extent permissible pursuant to applicable law, CJ disclaims all warranties implied, including ... that CJ's security methods will be sufficient ... The entire risk as to satisfactory quality, performance [and] accuracy ... is with you. CJ is, under no circumstances, responsible for the practices, acts or omissions of any advertiser or publisher.

Affilinet Advertiser T&C's

10.2 Affilinet shall not be liable (whether in contract, tort or otherwise) for any loss of profit, revenue or any consequential loss or damage.

10.5 The Platform is made available on an "as is" basis without any warranties, terms or conditions of any kind, including ... as to satisfactory quality, fitness for purpose

10.6 Affilinet has no control over the Publisher Website ... and ... makes no warranties as to ... satisfactory quality, fitness ... or compliance ...

Fixing Affiliate Marketing

- Supervising small affiliates a retailer has never met.
- Managing divergent incentives: merchant, network, affiliate program manager, affiliate

/AND/

- Retaining the cost-effectiveness, excitement, flexibility, and passion of affiliate marketing?

benedelman.org

more examples, perpetrators, and infractions