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# **A Modest Proposal**

*for establishing industry standards in affiliate marketing*

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**Presented by Shawn Collins**

## **A Modest Proposal**

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- 1. Credit the Referring Affiliate**
- 2. Merchant Profiles**
- 3. Education Effort**
- 4. Distribution of Adware**
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## **Credit the Referring Affiliate**

- **The affiliate that initially refers a transaction, should be the affiliate that earns commission on that transaction.**

**“Predatory advertising has been called ‘scumware’ and ‘stealware’ for good reason.**

**The affiliate does the work and someone else earns the commission. That's unethical and unfair.**

**To survive, the affiliate industry needs strong, contented affiliates. Banning predatory advertising would be one small step in that direction.”**

**– Allan Gardyne, AssociatePrograms.com**

## **A Modest Proposal: Credit the Referring Affiliate**

### **Affiliate Opinions**

"I believe that affiliate programs that allow predatory popups, blinkers, and sliders should be fully disclosed, in advance, to potential affiliates, so that an adequate risk assessment can be made.

With full disclosure, **it is up to the affiliate to decide** whether it's worth it to them to try to get the transaction despite the possibility of that type of interference.

At the very least, the answer to the question "Does this merchant deal with Browser Application affiliates?" should be answered on the merchant's info screen at the Network(s) it is signed up with.

However--and this is a big however--there are certain applications which directly overwrite affiliate code, NO MATTER WHAT the customer does, what I say on my sites, or how the pitch is presented.

**THESE applications should be \*100% prohibited\*, in all circumstances**, and the prohibitions enforced, because those apps \*totally prevent\* the proper affiliates from getting credit."

**- Marilyn Ferguson, leaders-site.com and 24 others**

### **Affiliate Opinions**

“Who is involved in affiliate marketing and exactly who is affected? Affiliates who practice diversionary tactics take sales and income from single mothers, senior citizens, the disabled, charitable organizations, parents caring for sick children and regular people seeking the dream of a better life. That is the face of affiliate marketing.

**Networks must decide what is good for business**, being aligned with affiliates who support the illegal transfer of music, pictures and copyrighted works or affiliates who put forth the honest effort to promote merchants without any type of diversion or deception.”

**- Michael Chambers, affiliateBOARDS.com**

### **Affiliate Opinions**

“Though the gambit is wide, and the contexts almost infinite, selling through affiliates can be represented as a relationship based on 3 principles:

**Affiliates drive traffic** to merchant sites that the merchants could not have found so economically themselves.

1. That traffic is **pre-qualified** and therefore more likely to act/buy than random traffic.
2. Affiliates are **rewarded for their efforts** (skills, deployment, investment) when an agreed action results from the delivery of that pre-qualified traffic at the merchant site.
3. If one affiliate expends effort and money to fulfill their side of that relationship, then another affiliate uses a trick to interject at the last moment to claim the reward, **that is plainly wrong**, and it should not be difficult to define contractually why and how it is wrong, and prevent it happening.”

- **Stewart Hutton, StewartHutton.co.uk**

### **Affiliate Opinions**

“Many people have worked long, hard, tedious hours to promote and sell products for merchants only to find that their just compensation is being blatantly stolen at the point of sale.

**The commission belongs to the originating site** and should be paid to them.

The networks are currently receiving compensation for sales that are not rightfully due to them, because of these commission stealing programs, and are subsequently biting the very hand that feeds them.

For if we affiliates are not justly compensated for our work, **we will not work**. I have personally deleted all merchants that have any connection what-so-ever with parasitic activities.”

**- Sandra Sanford, Sanfords.net & AriadneSpider.com**

### **Affiliate Opinions**

"I work hard on my site... I worked hard to learn how to make a site in the first place, learn HTML, learn how to do my own graphics, learn about search engines. **I did all of this by myself** when the kids were in bed in the evening. I didn't go to college to learn, I taught myself.

I work hard on my site... **the money I make goes to my family** so we can have a better life.

Then one day I find out that someone has decided to steal from me. Instead of using what they know to do good, they decided to use it for EVIL. They decided to use it to steal from others. and, then they decided to LIE about it, time and time again.

Simply put - I don't want any application/software (toolbar, popup, slider, blinking lights etc...) to use **MY content** and **MY website** and **MY traffic** for their financial gain."

**- Vicki Hatfield, [jelleyjar.com](http://jelleyjar.com)**

## **A Modest Proposal: Credit the Referring Affiliate**

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### **Affiliate Opinions**

“For the years that I have owned Clearance Crazy I have tried to **build a loyal customer base** so that my visitors could trust my referral to online stores. I feel that many of the sales that we generate are based upon this loyalty.

I don't feel it is just for **another company to be able to receive credit** for a sale that was generated due to my hard work and customer loyalty.

For years stores have depended upon customer loyalty from good customer support to generate return sales. I do NOT see how any store could honestly feel that it is a honest decision to continue this type of theft.

A store would not accept the fact that another store could receive credit for their sales just because the other store is willing to use dishonest software!”

**- Trina Glenn, ClearanceCrazy.com**

## **A Modest Proposal:** Credit the Referring Affiliate

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### **Affiliate Opinions**

"Today, while checking the statistics on my latest newsletter, I noticed the email address, coupons@whenu.com has been on my newsletter list since 6/18/02.

My site, MyBargainBuddy.com, is **not a big corporation**. It is run solely by me, a stay-home mom with three kids ages 8 and under. I do not make hundreds of thousands of dollars a year.

I enjoy finding good deals, sharing them with others and **the little money it brings** in is nice for taking my kids out for a movie or to a local amusement park.

I think it is very unscrupulous that this company is not only taking my commissions with their high-tech software systems, but that they are very likely **using the deals I find** for their own profit, as I doubt they are shopping through my newsletter links."

**- Karen Hoxmeier, MyBargainBuddy.com**

### **Affiliate Opinions**

“It is very upsetting that these companies can, and are allowed to have software that is stealing our affiliate earnings! We work hard at our jobs, and these people are allowed to **steal our earnings**.

Ask the people making the decision to put themselves in our position, and what would they do, and how would it affect them, and their earnings?

It looks as though anyone that comes up with this type of software can just steal anyone's earnings, like it is a free for all out there in cyberspace, steal from anyone & everyone you can.

I don't think this is the way the world is suppose to be, what do you think?”

**- Annie Gill, [winningisgreat.com](http://winningisgreat.com)**

### **Affiliate Opinions**

"I have noticed a dramatic decrease in sales through my web sites beginning approximately six months ago.

While my traffic is at least twice what it was at that time, **my sales have declined** by 60 to 70 percent. I continue to beat my head against a wall, remove links from affiliate programs that are not generating any sales even with thousands of clicks and become more stressed out daily.

I am one tenacious lady... I've hung on for more than four years, tried to change everything I could, contacted the affiliate programs I felt would work things out with me, all to no avail. No one knows anything and I hear more often than not that it's just the nature of the Internet, people are on vacation and not buying, etc. C'mon... **my traffic is soaring, my sales are crumbling.** Do the math.

Eventually, when the little guy gives up and goes home, the bad guy will lose money as well. **Reminds me of a pyramid scheme.** The 'ones at the top' get rich quick, burn out the population, then move on to the next scam."

- **Rexanne Mancini, Rexanne.com**

## **A Modest Proposal: Merchant Profiles**

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# **Merchant Profiles**

Merchants must divulge in their profile if they use any of the following tactics:

1. The merchant uses an 800# call center that either acts as an affiliate or works on a commission basis without recording the original referral ID# to credit the referring affiliate.
2. The merchant uses a third party gift certificate or gift registry service that either acts as an affiliate or works on a commission basis without recording the original referral ID# to credit the referring affiliate.
3. The merchant approves and works with "incentive" and reward affiliates.
4. The merchant approves and works with affiliates who deploy ParasiteWare™\*.
5. The merchant's website contain non-commissionable products or links to partner sites that do not track commissionable sales.
6. The merchant offers commissions based upon recruiting customers for third parties.
7. The merchant offers loyalty shopping incentives.

Merchants must divulge in their profile the following information:

1. The merchant's number of return cookie days and if they are disabled after the first sale.
2. Confirmation that the merchant has passed all network test purchase transactions (done on a random basis at least once a month).

**- Members of the A Best Web Community**

\* See Definitions in Appendix A

### **Education Effort**

- **Implement a Standardized Education Program into Solution Provider Orientation.**
- **Address Pros/Cons of Working with Adware as Affiliates, as well as issue of Adware Receiving Commission for Organic Traffic.**

**“If you have installed some free programs, especially music-sharing programs such as BearShare or AudioGalaxy, you may have installed other programs as well.**

**These tiny "time bombs" can show pop-ups at random intervals or based on anything you type on a web page.**

**If you are experiencing pop-ups generated by one of these malicious programs, you may want to remove the pop-up program from your computer.”**

**– Google on the possible source of pop-up ads on their site**

### **Education Effort**

“After speaking with **many merchants** on this issue, many **didn't understand** what they (adware applications) did, and all of them felt somewhat betrayed by the networks. They felt they should have been warned about the search engine results, pay per click etc.

Obviously the **ad networks are not explaining** these tool-bar companies and all the ways they earn commission.

Ad networks need to **educate the merchant** on these business practices, especially when it involves their other on-line advertising adventures, such as pay per click results, search engine results, and of course what they do, like pop up windows.

Part of the solution would entail, having these tool-bar fill out a different application.”

**- Theresa Bruce, Dot Moms Incorporated**

### **Education Effort**

“I learned to build pages aimed at shoppers. I learned to choose keyword phrases that attracted those shoppers, to optimize my sites in order to attract the shopper traffic, to write better pre-sell ad copy, and to choose merchant sites that were most likely to convert my traffic into sales.

This process is built on my time and my investment in certain technological tools, such as programs and services which support my research of new niches and new targeted audiences.

My traffic does not come to my sites for free, it is built by my time and money. If a merchant is allowing one of these parasitic technologies to override my links, **I will no longer choose to market their products.**

If this merchant is at a network where the overriding of my links by another affiliate with this technology is ignored or sanctioned, I will look for a merchant who runs an independent program.”

**- Elizabeth Eshel, [virtuallyignorant.com](http://virtuallyignorant.com)**

### **Education Effort**

"Traffic flows to a normal site in many ways: via incoming links, traffic from search engine listings, clicks on ads purchased by the site, type-ins into the browser Address bar and so on.

Incoming site **traffic doesn't originate spontaneously in a vacuum**. It must be "manufactured" through sweat equity (time/effort expended in developing, promoting a site etc.) and money (\$ spent on promotion, advertising, etc.)

A good capsule summary of the business model of parasitic applications would be: "We make OUR money from OTHER PEOPLE'S traffic."

Until an application no longer breaks accepted traffic generation rules (effort is required to produce traffic), and the accepted traffic flow control rules (a site has control of its traffic flow at all times from incoming link through to outgoing link), it is **unfairly exploiting** the work of the 3rd parties producing the traffic it is feeding on (whether affiliate or merchant) and **MUST** be considered parasitic."

**- Edwin Hayward, GenkiProductions.com**

### **Education Effort**

"I am already in the process of **moving away from the networks** that allow this and replacing them with independent merchants who don't, such as emmerchandise, amazon, and others.

If I can't find one, then Amazon will do, they sell everything on the planet and they have already taken **the correct stand on parasites** and others such as ebates.

Listen up networks and merchants, if you don't care to hit me in the pocket, then I sure as heck won't care to hit yours, I was looking for an affiliate program when I found yours, I can sure as heck look some more."

**- Jimmy Daniels, tipsdr.com**

### **Education Effort**

“The nature of the problem we are addressing is that for the most part the predatory affiliate practices do not put any effort into identifying and driving traffic, qualifying or pre-selling - they are opportunistic, **taking advantage of the work of others**. What is the logical conclusion of this?

The key affiliates who are capable of generating revenue will simply remove themselves from the risk of being preyed upon. This is self-evident - the millions of affiliates who are ignorant of the issues are by definition not supplying the lifeblood of the parasitic trade anyway.

**Some affiliates will fight back.** The technology being deployed is not complex or difficult to obtain, and there are many routes by which it can be delivered to the desktop.

Currently, it is being used in a way that merchants and networks may believe benefits them, but it requires a very small leap of the imagination to foresee **an anarchic situation** develop where affiliate commissions could easily be diverted between merchants and networks just as easily.”

**- Stewart Hutton, StewartHutton.co.uk**

### **Education Effort**

"It may be a simple thing to overlook by a company utilizing affiliate marketing to expand their sales and customer base, after all, a sale is a sale, no matter where it comes from. However, I want you to consider this.

You have spent a million dollars on a "Super Bowl commercial" on television (while you might not ever do this, just think about it). You are anticipating a high jump in sales because of the exposure.

You are watching the commercials and yours comes on! Just as it starts... a competitor's ad 'pops up,' covering yours, and directs the viewer's attention away from your million dollar ad to their product.

How would that grab you? **That's exactly what the predatory software does.** They guise themselves as 'free and useful tools' to guide an Internet surfer along their journey.

Then they **steal commissions** that would normally be earned by the owner of the website a surfer is visiting either by popping up a 'coupon' or something else to direct the potential sale to themselves."

**- Lorri Nevil, Kaelin Marketing**

### **Education Effort**

“From the perspective of the merchant, it is not in their best interest to lose their best performing affiliates or to be paying out commissions to a company that has not earned them.

It is only **in the interests of the third party networks** and, of course, the companies behind these software applications to maintain the status quo. **The networks are getting a cut** of what should be non-commissionable traffic, and the software companies are being paid for work they haven't done.

If these software companies are allowed to continue to overwrite, redirect or intercept affiliate traffic, the networks will find themselves increasingly cut out of the equation by savvy affiliates, will lose merchants and find themselves pressurized by those remaining to do something.

Ultimately, it is in their best interests to **regulate these software applications now**, before the market does it for them.”

**- Mark Stockton, 1Design4Life**

## **Distribution of Adware**

- **Standard Needed Regarding the Distribution Avenues**
  - Marketing to Children
  - Age of Consent Verification
  - One-Click Uninstallation

### **Marketing to Children**

- **BonziBUDDY**
  - Age Group: Age 4 to 8, Age 8 and Up  
([www.kidsdomain.com/down/pc/bonzibuddy.html](http://www.kidsdomain.com/down/pc/bonzibuddy.html))
  - Bundled with Adware

**“Targeting children? That’s just wrong. I guess some marketers would approve, but in my books you limit this to folks 18 and older, no way this should happen.”**

**– Declan Dunn on bundle of adware with kids title, BonziBUDDY**

# **Age of Consent Verification**

### **Do users want adware?**

- 31% of P2P users are 12 to 17 years old  
([www.jmm.com/xp/jmm/press/2001/pr\\_101001a.xml](http://www.jmm.com/xp/jmm/press/2001/pr_101001a.xml))
- Bundled with incongruous free downloads like a screensaver of women in bikinis (442,756 downloads)
- Some applications cannot be installed without adware components

### **Uninformed Installation**

- Application with adware is installed by a child.
- Mom goes to an affinity portal to make a purchase to benefit their child's school.
- Mom goes through the affinity site, and is automatically redirected or prompted by a pop-up.
- Mom buys, and the school and the affinity portal lose their deserved piece.

# **One-Click Uninstallation**

### **Users should not have to do the following:**

- Close all open windows and or applications
- Double-click on the "My Computer" icon on their desktop
- Double-click on "Control Panel"
- Double-click on "Add/Remove Programs"
- Select the "Install/Uninstall" tab
- Scroll down to the name of the program you want to uninstall
- Click to confirm uninstall
- Restart their computer after the uninstallation has been completed.

# **Distribution of Adware**

“It's simple really. Trust is the #1 quality of a successful Internet transaction. When we allow ‘scumware’ into our prospective customer's online experience, **it hurts everyone**. People will not want to shop online.

This is a legal form of SPAM in my opinion. When people get anything they did not expressly request (i.e. via a link or download), it is wrong and should be illegal. I don't care what it is or how ‘benign’ it is. It erodes away at the trust people have in the Internet and the online experience.

Solutions: Treat it like SPAM with the same consequences.”

**- Rob Ryan, petcareadvice.com**

### **Distribution of Adware**

“There is the problem with download drive by, many people don't even know what they have on their computer.

A solution to me (with the customer issue) is to **have the customer log in for each purchase** to get their rebates, or donate to charity, or whatever the incentive is. This way it solves the issue on the customer.

If the customer doesn't login, obviously **they don't want or need the service** the tool-bars are providing, hence the commission goes to the right person or merchants.

This is to make sure the costumer totally completely wants this service they so provide. If the company can't handle this idea, ask yourself why.

I don't have a problem with a blinking light, but I do have problems with pop up extending unto the view of the screen.”

**- Theresa Bruce, Dot Moms Incorporated**

## **Moving Forward**

- **Accrediting Affiliate Programs**
- **Agreement Amendment**
- **The Future?**

## **Accrediting Affiliate Programs**

The Internet Affiliate Marketing Association (iAfma.org) is willing to work in tandem with solution providers to do the legwork and manage the process.

# **Agreement Amendment**

"We, the undersigned, submit this "Honesty & Fair Practice" statement for review by the respective Ad Networks while they are 'Defining the Rules of Engagement for Software Technologies' on November 7th, 2002.

To use the services offered by [insert network name], all affiliates\* and merchants\* must agree to use honest and ethical business practices as defined by existing USA and International business and criminal laws. Any action, misrepresentation or software application that circumvents or violates existing or future laws will be just cause for immediate termination from the [insert network name] affiliate network with loss of all network benefits and accrued commissions.

**- Members of A Best Web Community**

\* See Definitions in Appendix A

# **The Future**

**Industry standards are needed now, before the issue degenerates.**

- Credit the Referring Affiliate
- Merchant Profiles
- Education Effort
- Distribution of Adware

## **Contact**

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# Definitions

1. **ParasiteWare™** is 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 compete by changing, intercepting or redirecting an affiliate link. Parasiteware™ may be installed knowingly or unknowingly by the end user, altering their normal web browser functions and/or installing a third party application that works through the user's altered browser.
2. **Merchant:** A licensed business who receives payment for products and/or services and takes responsibility for the delivery of the same to customers. Merchants agree to pay all commissions derived by honest affiliate sales activity in a timely manner and divulge any activities that undermine or negate referral commissions. Entities who have been accepted to pay commissions by [insert network name] but who are not involved in delivering a billable product or service, will be clearly marked as "special class merchants" in their profile.
3. **Affiliate:** An identifiable hosted domain or subdomain who seeks commissions for driving targeted traffic to [insert network name] merchants using trackable affiliate coded links assigned to them. To qualify for a commission, an affiliate must originate the trackable click from their own authorized domain or from e-mail identifying their authorized domain or subdomain.

**- Members of A Best Web Community**