

# Code of conduct deduping transactions and conversion attributions

This is an English translation from the original Code of conduct in Dutch. <u>The original document can be found here</u>. No rights can be derived from this document.



# Introduction

To be successful with affiliate marketing now and in the future it is essential to reward the right publisher(s) for their efforts. Because correct measurement, deduping and allocation of transactions have many technical challenges, Platform Affiliate Networks (PAN) has prepared a code of conduct. This includes directives to create transparency and to prevent misconduct.

Advertisers with an affiliate programme often work together with multiple affiliate networks. With affiliate marketing the affiliate network and the publisher only receive a payment if the visitor actually orders something from the advertiser. Both the affiliate network and the publisher benefit therefore from forwarding high-quality traffic. To prevent a transaction to multiple affiliate networks, thus duplicate, being recorded, advertisers often perform deduplication themselves. The most common method of deduping transactions used by advertisers is the Last Cookie Counts (LCC) method.

In the LCC method the publisher who is the last to forward the visitor to the advertiser is awarded payment. Some advertisers go further and reward one or even multiple publishers in response to their contribution to a transaction (and therefore not only those who last forwarded the visitor, as is the case in LCC). This is called conversion attribution.

The PAN is not negative about rewarding publishers on the basis of their qualitative contribution and would like to get involved in this process. However, it also indicates that there are abuses which do not benefit the allocation of transactions and publishers are wrongly allocated no reward. The correct measurement of the transaction and the allocation to the correct publisher(s) has many technical challenges. Due to the use of more and more different browsers, plugins, devices and due to law and regulations this is also becoming more complex. The correct measurement and allocation of transactions is technology that most of the affiliate networks have been developing for years and which is also being continuously developed further. Good measurement and allocation is top-level sport where not every advertiser or intermediate can dedicate equal time or expertise. To conduct this properly, the PAN decided to establish some rules.

In this code of conduct the PAN explains how advertisers need to act. PAN has established some strict agreements about how to comply with the code of conduct. With this code or conduct the PAN wants to create clarity in the market and prevent misconduct. PAN also expects that this code or conduct will make the need for correct deduplication for advertisers more clear. Rewarding the right publisher(s) for their efforts is essential for an advertiser to achieve optimal success with affiliate marketing now and in the future.



# Code of conduct

The members of the PAN shall communicate in the advertiser's programme conditions if it does not assign or deduping transactions between channels other than affiliate marketing according to the standard methods. This programme conditions are visible to publishers that the advertiser wishes to promote.

#### What are the standard methods?

PAN understands standard allocation methods to mean the following:

- 1) The placing of the regular conversion pixels of the affiliate network on the than you page of the advertiser, where in each transaction the conversion pixel is called up and the advanced measuring technology of the affiliate network can determine whether or not the transaction was generated via a publisher of the affiliate network. If the advertiser deploys multiple affiliate networks, several conversion pixels are grouped together, each one being called up for every transaction.
- 2) LCC with catch all (also called LCC with fall back). With method at the visitor's point of entry the advertiser itself 'tags' the visitor and (as the result of the tag) only calls on the conversion pixel of the affiliate network that forwarded the visitor last. If no tag is found, the advertiser calls on the conversion pixel of all affiliate networks, so that the advanced measuring technology of the affiliate networks can still can do its job. See here an example script of how this can be implemented (in Dutch).
- 3) Tested conversion attribution. With this method at the visitor's point of entry the advertiser itself 'tags' the visitor. If the visitor is forwarded via multiple publishers a formula can be applied here (example: the publisher that has forwarded them for the first time will receive 10 percent of the Commission, the second 30 percent, and the last 60 percent). If <u>no</u> tag is found, the advertiser calls on the conversion pixel of all affiliate networks, so that the advanced measuring technology of the affiliate networks still can do its job.

#### Non-standard methods

PAN understands non-standard methods to include the following:

- 1) LCC without catch all. With this method at the visitor's point of entry the advertiser itself 'tags' the visitor and (as the result of the tag) only calls on the conversion pixel of the affiliate network that forwarded the visitor last. If <u>no</u> tag is found, the advertiser does <u>not</u> call on the conversion pixel. So, the advanced measuring technology of the affiliate network cannot be used. There is a risk that is at the expense of a proper allocation. Therefore, this methodology must be noted in the programme conditions of the advertiser.
- 2) Conversion attribution. With this method at the visitor's point of entry the advertiser Itself 'tags' the visitor. If the visitor is forwarded by multiple publishers then a distribution key can be applied. If no 'tag' is found, no allocation takes place. So, the advanced measuring technology of the affiliate network cannot be used. There is a risk that is at the expense of a proper allocation. Therefore, this methodology must be noted in the programme conditions of the advertiser.



3) Direct matching. With this method the advertiser itself monitors via which publisher and which affiliate network which transaction is generated. This is often applied by advertisers where it only becomes clear after a while, what the value of the order (and therefore the percentage reward) shall be. The advertiser (or software of the advertiser) matches and registers the transactions. So, the advanced measuring technology of the affiliate network cannot be used. There is a risk that is at the expense of a proper allocation. Therefore, this methodology must be noted in the programme conditions of the advertiser.

### Deduping between channels other than affiliate marketing

In addition to the above the non-standard methods for the affiliate networks that make it impossible to use their advanced methods, there are also advertisers who deduping on sources other than affiliate marketing. Think of deduping with promotion channels such as SEA, SEO, direct traffic, direct partnerships on non-performance accountability, own newsletters and display advertising/re-targeting based on a CPM or CPC rate .

Deduping on sources other than affiliate marketing is strongly discouraged by the PAN. If the channel affiliate marketing for an advertiser is too expensive, the PAN recommends that advertisers look at the reward model. This is insightful for publishers. They can then decide whether or not they promote an advertiser. Deduping between channels other than affiliate marketing means that publishers sometimes mistakenly receive no reward. Therefore, this methodology must be noted in the programme conditions of the advertiser.

## Transparency and consistency

For any form of non-standard allocation or deduping between channels other than affiliate marketing, the advertiser is required to apply it in the same way for each affiliate network and to use the same distribution key. Communication about this should also be the same for each affiliate network. For this purpose, the PAN has developed the following standard default text. This text shall be placed in the programme conditions of advertisers who do not comply with this Code of conduct.

- Start standard text -

Please note! This advertiser uses a method of measurement that is different from the standard recommended by the PAN in the Code of Conduct for the conversion attribution and deduping of transactions. The network therefore cannot control the measurement and correct allocation of transactions.

The technique for the measurement of this advertiser is provided by

0 The advertiser itself 0 Name external party

The method used by this advertiser is known as

0 LCC without Catch all 0 Direct matching

0 Conversion attribution. The following distribution key applies: ... ...

If applicable: This advertiser deduplicates transactions of publishers with channels other than affiliate marketing: ...

## This does not comply with the directives of the PAN

This advertiser applies this technique in all affiliate networks where the programme is active. The deviant method may adversely affect the conversion of the advertiser.

More information about the code of conduct can be found here



# **Quality Control**

If an advertiser applies a conversion attribution, publishers and affiliate networks are entitled to request the distribution key for a few transactions, making it possible for a publisher and/or affiliate network to check the distribution key.

#### Commitment

All the members of the PAN commit to this code or conduct. This means in practice that there will be a notification for all advertisers where it is determined that they do not allocate according to the standard methods This allows the publisher to assess whether or not to (continue) to promote the advertiser.

The above agreements come into force per February 10, 2014. The members of the PAN maintain February 28, 2014 as a target date to implement all agreements.

#### Afterword

By means of this code or conduct the PAN wishes to prevent misconduct. It also wants to provide transparency for its publishers. In this way, they themselves can make choices whether or not to promote an advertiser that does not deduping using standard methods. Also, the interest of the advertiser is not forgotten. The ultimate goal of affiliate marketing is to generate as much turnover as possible for advertisers. All the members of the PAN support that correct deduping significantly contributes to successful advertising through affiliate marketing. The final objective of this code of conduct is to, in accordance with one of the main reasons for the creation of the PAN, increase the general quality of the affiliate branch.

### **Additional information**

Are you, as advertiser, active in multiple affiliate programmes, and are you wondering whether the LCC method has been implemented properly in your case?

- Read in this article how you can test your LCC implementation (in Dutch).
- <u>View a sample script how to implement the LCC method (in Dutch).</u>
- Read in this article how to properly implement the LCC method. (in Dutch).

For other questions contact the representative at your affiliate network. The following affiliate networks are linked to the PAN: Affiliate4You, affilinet, Daisycon/Paxz, Tradedoubler and Zanox-M4N. Together these five members with their activities and services cover the largest part of the affiliate marketing activities in the Netherlands at the moment. Find more information here <a href="https://www.vpan.nl">www.vpan.nl</a>.