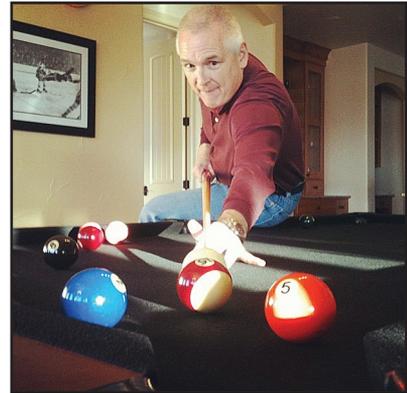


# with LinkConnector on Event and Cookie Attribution

How does a merchant decide to apportion the credit for a sale? Should the commission be paid to the last affiliate who touched the customer, or to the first affiliate who initiated the sales process? Or a mixture of the two? What if there are several affiliates involved?

Allocating the credit for a transaction is known as Event Attribution (also sometimes called sales attribution) and it is a core concept in affiliate marketing. All too often though it is misunderstood by both merchants and publishers. To understand the benefits and pitfalls of the different approaches, we sat down with Ernie St. Gelais of LinkConnector to get the inside story.

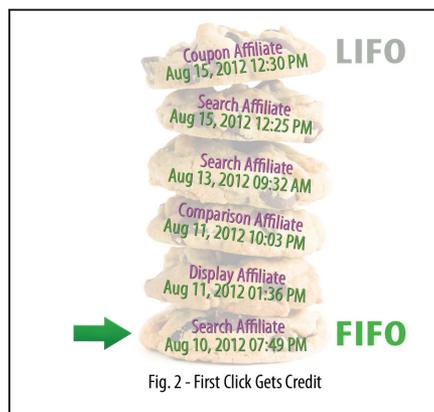
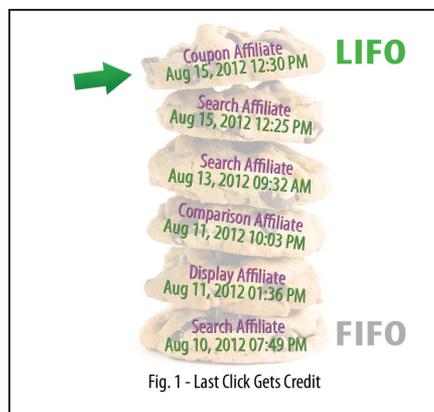


**Revenue Performance:** Ernie, it is well known that there are pros and cons associated with the different kinds of Event Attribution, especially in the differences between first-click and last-click attribution. What are the main issues that merchants need to be thinking about in this area?

**Ernie St. Gelais:** Savvy affiliate marketing merchants or advertisers should focus on how fraud factors into their attribution strategy, how different types of affiliates may prefer alternative approaches, and then examine whether there are other customizable solutions that may be a better fit. It is important to understand the sales process and the business issues that may be affected. At LinkConnector we have been dealing with this topic on behalf of merchants and affiliates since 2004. We use cookie stacking where we are able to track multiple cookies for each transaction and our advanced technology gives us a huge amount of data to analyze and use to aid in the merchant's attribution decision process.

**RP:** Attribution is a big topic in the industry right now. What are the different kinds of Event Attribution that LinkConnector offers?

**ESG:** Our technology is very advanced so we have the flexibility to do almost anything imaginable when it comes to at-



tribution. Primarily we offer last-click (LIFO, see fig. 1) and first-click (FIFO, see fig. 2) as Event Attribution options for our merchants. However as sales funnels have become more complex with potentially many different affiliates influencing the final transaction, we have developed the ability to customize the attribution method when it makes good business sense for the merchant and their affiliates.

**RP:** How does LinkConnector help merchants decide which kind of Event Attribution is appropriate?

**ESG:** It begins with education and understanding the needs of each particular merchant. Every one is different and one size does not fit all. We take the time to advise merchants in our network on the advantages and disadvantages of each available attribution option and how it would work with their business model. Once the decision is made, LinkConnector's tracking can be easily adapted to adjust to the needs of each individual merchant.

**RP:** Let's talk about the education process. What are the main factors that affect which Event Attribution

model a merchant should choose?

**ESG:** Affiliate type can be a major factor. One method of attribution can favor certain affiliate types over others (e.g.,

FIFO tends to favor comparison shopping and content sites while LIFO tends to favor coupon sites). Fraud is another significant factor. While LIFO tends to be an industry favorite, notably among coupon and loyalty affiliates, one of the downsides of LIFO is it tends to be more vulnerable to fraud. So, depending on the merchant's event type (e.g., sale, lead, etc.), and how vulnerable their business model naturally is to fraud, a merchant may give fraud considerations more weight in their attribution decision. Matching the affiliate marketing channel with the attribution of other online marketing efforts is also an important consideration for some merchants.

LinkConnector strives to empower our merchants and affiliates with unique and varied options in their affiliate marketing programs. We believe that with more options come more effective solutions. This is where we have parted company with much of our competition, most of whom only have the ability to do one attribution-type network-wide. We use stacked cookies, which allows us to take into account all the affiliates that influenced a user leading to the final event call.

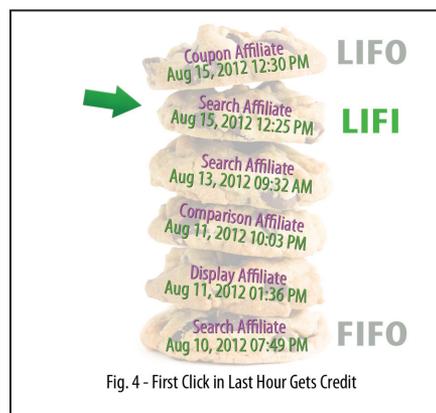
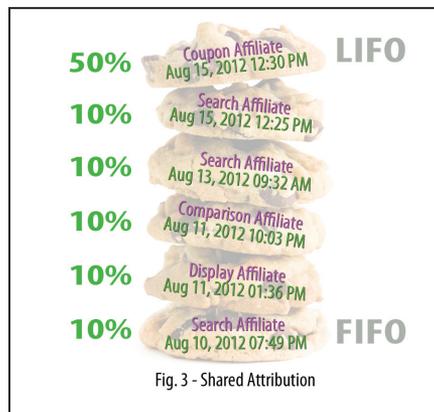
**RP:** What areas do you believe need a greater level of flexibility than just last-click or first-click?

**ESG:** Well, let's talk about Shared Attribution (see fig. 3). In many transactions or events, it is clear that more than one affiliate influenced the final sale or lead. It naturally depends on the particular business model and the types of affiliates involved, but for some merchants it is important to be able to recognize the efforts of all the associated affiliates.

To meet this need, LinkConnector has developed functionality that allows shared crediting with multiple affiliates for a single event. If a merchant feels that several affiliates were potentially part of the credited event, we want to have the flexibility to empower that merchant to reward all affiliate partners involved in a transaction. This is important because the nature of some affiliate promotion lends itself more to a FIFO model while a LIFO model may reward other types of affiliate promotion. Shared attribution can reward all affiliates involved in the promotion of a product or service that ended in a successful event.

**RP:** Why is so much flexibility needed?

**ESG:** We feel that a merchant needs to have this flexibility (Event and Shared Attribution) to maximize the effectiveness of their campaigns and to achieve their budget and revenue targets. By giving merchants the tools they need to be successful—after first counseling them on the implications of their



decisions—we believe that more merchants will succeed and expand their affiliate marketing efforts. As a result, more merchants will be able to create higher-paying campaigns for more affiliates. Flexibility, and the ability to reward every affiliate that influences an event, is a win-win for affiliates as well as merchants.

**RP:** Are there other attribution models that you make available to your merchants?

**ESG:** Last In, First In (LIFI, see fig. 4) is something LinkConnector has pioneered as a possible third Event Attribution alternative to offer merchants, which encapsulates the best of both current common Event Attribution methods. With LIFI, the first eligible cookie within some merchant defined period of time (e.g., the last hour before the event) gets the credit, otherwise LIFO applies.

**RP:** How often does a merchant have to make a decision of which affiliate to credit with an Event Attribution?

**ESG:** The attribution decision (Event Attribution or Shared Attribution) comes into play about 15% of the time on average for any particular event (when more than one affiliate is eli-

gible for crediting).

We'd like to thank LinkConnector and Ernie St. Gelais for the insights. Attribution is only going to become more important in the future as social recommendation, location-aware media and other non-traditional influencers gain traction. Successful merchants will need to be able to reward every affiliate in the influence chain and sales funnel, or those affiliates will simply choose to promote someone else's product.

For more information, or just to talk to an expert on Event Attribution, we are happy to recommend contacting Ernie St. Gelais at LinkConnector.



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