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## Optimize Your Merchant Campaign at ROI Rocket

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If you advertise using Google AdWords, you don't shut down your whole advertising campaign if a few of your keywords don't perform. You simply either lower the bids for the underperforming keywords or toss those keywords out. Right? The same holds true with the affiliate traffic you receive from ROI Rocket (or from any other affiliate network).

*But how do I know which affiliates are sending me quality traffic and which ones aren't? Even if I did know, what can I do about it?*

Glad you asked. This document not only answers these questions, but shows you how to do it.

### Identifying Underperforming Affiliates

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The first step in identifying underperforming affiliates is by having ROI Rocket send you (the merchant/advertiser) the affiliate that is responsible for referring every visitor you receive through the ROI Rocket affiliate network. This can easily be done on our side.

For example, let's suppose you are already a merchant/advertiser at ROI Rocket and we are sending all affiliate traffic to

<http://www.myservices.com/landingpage.cgi>

What we can do is modify that URL to something like:

Example #1: <http://www.myservices.com/landingpage.cgi?subid=12345>

Example #2: <http://www.myservices.com/landingpage.cgi?12345>

Or let's say your landing page was your home page:

<http://www.myservices.com>

We can modify the URL so it is like:

Example #1: <http://www.myservices.com/?subid=12345>

Example #2: <http://www.myservices.com/?12345>

where **12345** is the ID number of the ROI Rocket affiliate sending the current visitor.

Now, what you would need to do is to save that data with the visitor. In this example, that value can be stuffed into a cookie called **rocketid** with just a few lines of code.

Now, let's assume that you are paying ROI Rocket affiliates a \$5.00 commission for every lead they send. And let's assume that a lead is defined as the visitor signing up for your free, 14-day trial offer.

When a person signs up for your free trial offer, you will need to also check and see if there's a cookie called **rocketid**. If there isn't, then everything is the same as it was before. However, if there is a cookie called **rocketid**, then you know the visitor was referred by a ROI Rocket affiliate.

What you need to do is save that affiliate ID and associate it with the person who just signed up for your free, 14-day trial offer. This could be saved in a new field in your Users database table (or where ever your member data is saved) or could be saved in a new table. You just need to be sure that the ID number of the new, trial member and the affiliate ID of the ROI Rocket affiliate who referred the visitor stay connected.

Now that you have associated the ROI Rocket affiliate with each new member that signs up, we can move on to defining what *quality traffic* means.

## Defining Quality Traffic

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Next, you need to define what quality traffic is and what it is not. That will depend on what you do at your site and how you generate your revenue. For now, let's continue with our existing example and assume that you are hoping that the free, trial member will love your service so much that they will upgrade to a paid membership after the 14-day trial period ends. And let's assume your membership costs a one-time fee of \$50. So, in order for the traffic being delivered by a particular affiliate to be profitable (or at least break-even), you would need one in ten free trial members to continue their membership beyond the 14-day trial period since you would spend \$50 (10 leads at \$5 each) to get one paid member (\$50 in revenue).

Once you've defined what is quality or profitable traffic, we can move on to evaluating the affiliate traffic.

## Evaluating the Traffic

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At this point, you now have the following:

- All the users that have been referred by a given ROI Rocket affiliate
- Criteria for defining quality or profitable traffic

The rest is easy. Run a query against your database and find out how many free, trial members each ROI Rocket affiliate has generated for you along with how many of those have paid \$50 to remain a member. If the ratio is better than one in 10 (in this example), then the quality of traffic that affiliate is sending is profitable. If it is worse than one in 10, then the traffic is not profitable.

Note: You need to be careful when evaluating the data. For example, if you have a new affiliate who just started sending traffic last week, they probably won't have any upgraded members yet since their 14-day, trial period has not ended yet. Also, you need to make sure you have enough data to evaluate. If you have three leads for a given affiliate but no upgraded members, I wouldn't call that unprofitable yet. The next free member that signs up may upgrade making this affiliate's traffic profitable. Even still, I may not evaluate an affiliate's traffic until they had sent me at least 20 leads that had finished their 14-day trial period (in this example).

## Unprofitable Traffic

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For those ROI Rocket affiliates that are not quite profitable, you may still be able to make them profitable. Instead of dropping the affiliate altogether, you may offer them a lower payout. If they accept, you will need to re-evaluate the numbers again once they are at a lower payout.

For example, if you offer an affiliate \$2.50 a lead instead of \$5, you would now need one in 20 leads they provide to be profitable (20 leads x \$2.50 = \$50). If they now meet the new criteria, you just improved your bottom line.

Now, if the affiliate declines to take the lower payout, you can drop them and you've still improved your bottom line since you were spending more on leads that one affiliate sent than the revenue those members generated in membership fees. Either way, you win.

If the conversions for the traffic sent by a given affiliate are just beyond hope, just let your ROI Rocket account manager know and we'll turn them off - easy as that. You will no longer receive any further traffic or leads from that affiliate. All you have to do is give us their ROI Rocket affiliate ID number, which you have in the reports you have run evaluating the quality of your leads.

## Profitable Traffic

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Now, here's the fun part. If you really want to crank up the volume, consider offering the very profitable ROI Rocket affiliates a higher payout in exchange for more leads/traffic/exposure. For example, if an affiliate is generating 50 free, trial member leads per day and one in five are becoming a paid member, that means they are generating 10 paid members each day for you. That's \$500 in revenue, less the \$250 in commissions you have paid (50 leads per day x \$5 per lead), which means you are making \$250 per day.

Now, let's say the affiliate can generate twice the (same quality) leads for you for \$1 per lead more (\$6 per lead). Would you be wise to do so? You bet. 100 leads per day means that 20 should become paid members, which means  $20 \times \$50 = \$1000$  in revenue. 100 leads per day at \$6 each = \$600 in commissions. You're now making \$400 per day instead of \$250 even though you are paying more per lead *for this one affiliate*.

## Review

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So, tracking traffic at the affiliate-level can help you improve your profitability machine. To do this we:

- Modified the URL to which visitors are sent from ROI Rocket to your site by adding the ROI Rocket affiliate's ID number
- You modified your landing page URL to look for the ROI Rocket affiliate number and save that in a cookie
- You modified your "thank you" page to look for the new cookie and if exists, store the ROI Rocket affiliate ID number along with the new member information
- Defined what quality or profitable traffic means to you
- Run a report to determine which ROI Rocket affiliates are sending you profitable traffic and which are not
- Drop very unprofitable ROI Rocket affiliates, ask for lower payouts for marginal affiliates, and consider increasing payouts for very profitable affiliates that can drive more traffic