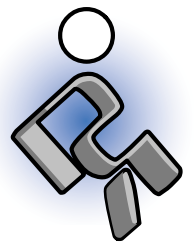


# paid on results

Commission



## Simple is Best

- It is always best to keep your commission basis simple.
- A lower rate, that is, easier to achieve and understand, is better than a higher rate, which is difficult to 'convert' and/or understand.
- Affiliates prefer 'a bird in the hand' rather than '2 in the bush'.
- We would not proceed with a program that has 'unreasonable' commission qualifications, as it would be destined to fail.

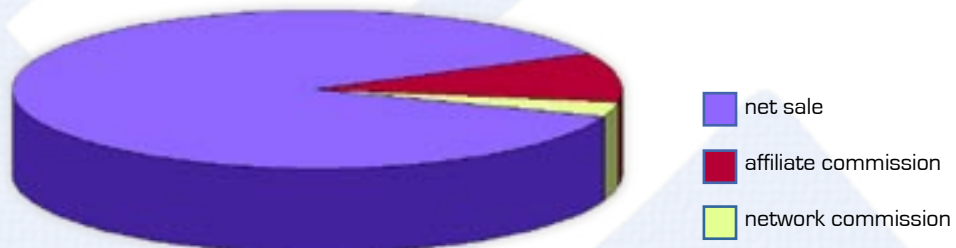
Experience tells us this and our expertise is a key part of your competitive advantage.

## Types of Commission

Merchants pay 2 types of commission.

1. Affiliate commission. This is the largest commission and is set by the merchant.
2. Network commission or over-riding commission. This is a smaller commission and is set by Paid On Results. It is the commission taken by Paid On Results. Our current standard rate is **30% of affiliate commission**.

## Commission Example 1



For example if you pay affiliates 10% commission you will also pay Paid On Results an additional 3%. Your total commission payable would be 13%. So, if you had set your affiliate commission rate at 10% of sale and you sold an item at £100 via Paid On Results, you would pay £13 total commission, leaving you with £87.

## Commission Example 2

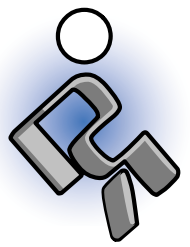
Sale price	£	100.00
Less Affiliate commission (@ say 10%, set by merchant)		-10.00
Less Paid On Results commission (30% of affiliate com )		-3.00
Merchant net income from sale		<u>£87.00</u>

**Or**

For every £1 commission paid to affiliates, you pay an additional 30p to Paid On Results, making your total commission charge £1.30p.

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Commission cont...



## **Commission Basis**

Commission basis should be one of the following - per click, per lead, per quote, per sale or a combination. For example - a holiday company may pay £100 per holiday booked (per sale) and 50p per brochure request (per lead). You should base your commission on what you can afford to pay and any knowledge you have of competing programs. We will also give you a recommendation.

## **Commission Levels**

You must always set a commission level you can sustain or increase. You run the risk of damaging your campaign if you reduce commission.

Due to the sophistication of the Paid On Results network, it is possible to pay different levels of commission for different products. This is particularly useful if a merchant has a wide range of products or services. If the merchant can supply a spreadsheet with the various commission details, Paid On Results can readily apply the different rates. This 'additional complexity' should not be used unless it is clearly worthwhile.

## **Commission Distribution**

When you decide how much commission you wish to pay in total, there are 2 ways to distribute this.

1. Specify the affiliate commission and add 30% of that figure for Paid On Results.
2. Allocate a total commission and leave Paid On Results to manage the split, using our expertise.

Merchants pay all commission directly to Paid On Results. We then pay the major proportion to affiliates. This saves the merchant considerable work.

## **Commission Tiers**

It is useful to pay more commission to better performing affiliates. This is called 'tiering'. You should set your commission level(s) to allow for 'tiering', if not at the outset, then probably in the future.