



Why Every B2B Company Should be Leveraging Partnership Marketing

This is a collaborative report aiming to help channel leaders understand the current B2B partnership marketing landscape and see the opportunities within to reach strategic goals and achieve scalable growth.

INTRODUCTION

In 2022, over **60% of digital marketing spend** went to paid marketing channels. With this level of demand for paid media, it is no surprise costs for these channels are at an all-time high. Let's take a quick look at the **big five media platforms**:

- ▶ Amazon CPC is up 20%
- ▶ Meta CPM is up 30%
- ▶ Snap CPM is up 64%
- ▶ Google CPC is up 40% and CPM is up 198%
- ▶ TikTok CPM is up 92%

While competitiveness among paid media channels continues to increase, many brands are exploring alternative channels where they can be more effective with their ad spend. *Enter partnership marketing.*

Broadly speaking, partnership marketing is a growth strategy where brands team up with publishers, influencers, affiliates, or even other brands, and leverage their audience to make a conversion—whether it's to drive sales, leads, new customers, etc. Partnership marketing can be used in many forms, whether it be to engage users at their highest point of intent to buy by partnering with review sites, or even to counter declining consumer sentiment by partnering with deal sites.

In fact, just over **80% of e-commerce brands** leverage partnership marketing in addition or as an alternative to other paid channels. Following suit, B2B brands are adopting partnership marketing strategies at a rapid pace.

As more B2B brands step into the unknown of partnership marketing, they are flooded with questions about strategy, scalability, return on investment (ROI), fraud, and much more. This report intends to help B2B marketers answer these questions, debunk misinformation, and easily adopt partnership marketing as a means to increase incremental user acquisition and improve client retention.

Acceleration Partners publishes this report with perspectives and insights from more than 15 years as the global leader in partnership marketing, alongside industry experts from companies like PartnerStack and Grovia by Acceleration Partners. PartnerStack is a partnership network and platform built for B2B SaaS that powers predictable, recurring revenue. Grovia (acquired by Acceleration Partners) is a tech-enabled partner recruitment service, specializing in B2B programs.

There are many elements within the realm of partnership marketing that can be intimidating to tackle alone; use this report as your guide to get started with partnership marketing. You can also reach out to us directly at any point and we can help get your partnership program headed in the right direction together!

OVERVIEW OF PARTNERSHIP MARKETING FOR B2B COMPANIES

Partnership marketing is unique in that it is closely tied to every other marketing channel. You can think of it as a *marketing melting pot*. Here are a few examples:

- ▶ Content affiliates leverage SEO to rank for key terms and drive traffic to your site
- ▶ **Trademark plus** (TM+) is partnership marketing strategy leveraging affiliates to bid on brand terms and thus blocking out competitors from ranking on them
- ▶ Micro-influencers tap into their social audiences to promote your brand



One of the first steps that should be taken when exploring partnership marketing is identifying what kinds of partnerships will fit with your brand's growth goals and KPIs. Within partnership marketing, there are several different partner types, but some of the ones B2B companies will find most beneficial include affiliate partners, referral partners, and reseller partners.

While these different partners are great starting points for developing a successful B2B partnership program, brands can still customize and contextualize their strategy to fit their unique business and target audience. For example, you could turn all of your current customers into referral partners, or you could integrate with popular platforms like Shopify and consider each of them a tech partner.

Below you'll find a brief overview of each partner type:

Affiliate Partners

At its core, affiliate marketing is an efficient, cost-effective, and scalable channel that operates on a pay-per-performance model.

Like influencer, word-of-mouth, or referral marketing, affiliate marketing involves a person or business entity sharing information about a product or service and why they find value in it. A key difference is that, in the affiliate model, companies often pay their partners after they've delivered on a desired outcome, which is established by the brand. Regardless of what outcome you're wanting your affiliate partners to achieve (new customers, leads, etc.), any company in any industry vertical can benefit from the affiliate marketing model.



Affiliate partners drive traffic to your website and/or landing pages using unique, trackable affiliate links. When someone clicks that link and completes a conversion on your website — for example, signing up or becoming a paying customer — that affiliate earns a reward.

The best affiliate marketers place their links inside highly relevant content aimed at high-intent audiences. For example, if you sell project management software, your affiliates could place their affiliate link inside an article reviewing project management software, or inside a guide on effective project management. Affiliate marketers can also drive traffic through paid ads (if your program allows this) by bidding on keywords and targeting audiences that your direct team might not prioritize, helping you gain access to new markets.

The nuances lie in how a particular brand should use the affiliate model in ways that will offer the most value to their business and their brand. In other words, the best affiliate programs are all customized depending on the unique needs, goals and business structure of the brand.

The overall goal of an affiliate program is to create a win-win framework for both brands and their affiliate partners – a structure that, when established properly and strategically managed, can make up a significant portion of a brand's online revenue, with high return on ad spend (ROAS) and low cost per action (CPA).

Referral Partners

Where affiliate programs can focus on driving a variety of desired outcomes, referral partners are all about getting qualified leads sent your way. If your customers are already happy sending you more business, a referral program is a great way to incentivize them to continue sending more leads over.

Getting high-intent, qualified leads delivered to you can be a major revenue booster that your sales team is bound to appreciate. Keep in mind this type of program can take a little longer to set up because of the amount of onboarding required and trust needed for a partner to prospect on your behalf.

Referral leads not only convert at a **30% higher rate** than standard leads, but they have a 37% higher retention rate and are four times more likely to pay it forward and refer your brand in the future, creating an opportunity for exponential growth over time with the right partners.



Reseller Partners

Unlike other types of partners that drive prospects and leads to you so that you can convert them into paying customers, reseller partners work more like an extended sales team: they sell your product directly to end customers on your behalf, and almost entirely own the relationship with the clients that use your product.

There are two ways resellers sell your software:

- ▶ They finalize the terms of the deal with their client, and then submit the completed deal to your team for approval. Once the deal is fully closed, the reseller partner is paid a commission for the sale.
- ▶ They purchase licenses for your software at a reduced cost and resell them at full price; the amount of the discount is kept by the reseller as their margin.

What makes a reseller program unique is that it hands the entire sales process to your reseller partners. Think of them like certified partners who can sell on your behalf. They create their own pipeline and sell your product or service. Understandably, these partners need extensive training to understand the entire sales process. A level of oversight with checks and balances is needed as well, especially if these partners are promoting your products and services on their websites.

Although reseller partners require a lot more training upfront than affiliate or referral partners, the opportunities become endless, especially as you start finding ways to efficiently scale your program. PartnerStack research shows that brands using learning management systems (LMS) to help with partner onboarding can lead to **six times more revenue** driven by partners.

Economically speaking, partnership marketing is a great channel for startups and enterprises alike. While other marketing methods rely on a PPC model, affiliate and referral partners will often promote your brand on a CPA basis (cost-per-action). By leveraging these partnership channels, you're getting access to full-funnel coverage, and you only have to pay for desired outcomes.

Conversely, it is a common misconception that every partner will work on pure performance. In some cases, you may expect to offer services (ex. a backlink on your site, or a newsletter exchange). You may find that the most valuable partners will charge a flat fee for placements or even ask to work on a cost-per-click (CPC) model. In any case, you'll want to assess each unique partnership to assure a positive ROI.

PROVING ROI THROUGH PARTNERSHIP MARKETING

One of the most significant benefits around partnership marketing is being able to guarantee a positive ROI, since the CPA model enables you to only pay for results. This contrasts with other channels where you pay for clicks and impressions that may not result in sales.

Further, with the ever-changing landscape of data privacy (like the iOS14.5 update), marketing channels that rely heavily on user data and retargeting have become more difficult to optimize and consequently less profitable. One report shows **Apple's privacy changes** have cut the average mobile advertiser's return on investment by almost 40% and caused them to drop mobile ad spend by 25%.

Another drawback among paid channels is increased competitiveness, which has led to an increase in cost and a decline in average ROI. As a result of the above, brands are shifting more spend to partnership marketing, where a positive ROI can be tracked more accurately and more confidently. Spending in the affiliate industry increased **47% to \$9.1B in 2021 from \$6.2B in 2018**.



By leveraging a partner management platform like PartnerStack, you can accurately track clicks, conversions, leads, and sales by leveraging tracking protocols like server-to-server first-party cookies. We mentioned in a previous section that, while a CPA payout model is ideal, partner compensation is not one-size-fits-all. To provide a few examples:

- ▶ Influencer partners with high-intent, quality traffic will often request a flat fee, plus commission
- ▶ Many review sites will operate on a CPC model
- ▶ Resellers will negotiate a fixed rate with you and sell your product at a premium

It is best practice to analyze the revenue potential for each partnership opportunity and determine your willingness to pay based on the expected outcome. You will want to consider several data points, including expected/historical traffic from similar promotional methods, conversion rate, average order value, lifetime value, audience demographics, and more.

FINDING THE RIGHT PARTNER FIT FOR B2B AFFILIATE MARKETING

It is a common misconception that only e-commerce or direct-to-consumer brands can leverage affiliate marketing or partnership marketing as a customer acquisition channel. While some traditional affiliate marketing partners (i.e., coupon and loyalty) may not be the best fit for B2B brands, there are many other partner types that can be lucrative in driving incremental revenue for brands outside of e-commerce.

For example, content and review affiliates are more valuable than ever for B2B brands:

- ▶ **77%** of B2B buyers are spending more time researching purchases
- ▶ **73%** of B2B buyers are using more sources to research and evaluate purchases

Affiliate marketing allows brands to have an infinite number of advocates acting as an extension of their brand around the clock, exponentially expanding the reach and effectiveness of their marketing dollars. It is virtually impossible for any brand to always be in the right place at the right time for their buyers' decision-making process, especially in a cost-effective way.

According to a [McKinsey](#) report, B2B customers are using twice as many distinct channels during their decision journeys, with the average consumer visiting 10 channels before a decision in 2021, compared to the average consumer visiting 5 in 2016. By embracing partnerships, the likelihood of reaching that high-intent buyer when they are considering and ready to purchase is significantly increased.



The COVID-19 pandemic forced a shift in B2B companies to adopt more self-service digital buying options, as live events and in-person sales opportunities suddenly became obsolete. These companies were compelled to adjust their customer experience and try new marketing channels. Over the past two years, many have shifted marketing budget toward their partnership efforts, as they have recognized the value and measurable impact.

Simultaneously, buyers are spending more time online and have shifted to more self-guided research and online interactions in their buying journey, paving the way for high-value content creation to thrive and the necessity of these third-party advocates to represent brands online in meaningful ways.

Historically, affiliate networks and platforms that relied heavily on [third-party cookie tracking](#) to measure affiliate performance struggled to effectively support the B2B affiliate programs. However, this challenge has been eliminated with the current advancements to full-funnel tracking happening across the industry.

By syncing with CRM and transaction providers, you can track every event in the customer journey, which is crucial for subscription SaaS products and others. Modern affiliate management platforms can now support even the most complex non-transactional sales cycles.

RECRUITING VALUABLE PARTNERS FOR B2B PROGRAMS

To generate revenue through affiliate marketing, you'll need to recruit the right partners. To start, you'll need to work with your affiliate marketing management agency to identify which types of partners will be able to meet your specific goals. Your affiliate management agency can also recommend an affiliate network or software as a service (SaaS) platform that will best enable you to track your affiliates' performance. A strong affiliate management agency partner will:



- ▶ Recruit the right partners for your program that are eager to join and align with your brand
- ▶ Strategically activate partners that can quickly drive revenue
- ▶ Continuously optimize partnerships across a diverse range of partner types to maximize your brand's investment

Whereas other marketing channels can scale programmatically, affiliate marketing has an element of human-to-human interaction that makes growth inherently more manual. With the right tools and methodologies, many components of affiliate recruitment can be automated. Most successful B2B affiliate programs will share three common forms of partner recruitment strategies – inbound, outbound, and network.

Inbound

It is common practice for brands to include a link to their affiliate program application in the footer of their website. By making your affiliate program application publicly discoverable, you can capture existing customer advocates and other potential partners that are actively seeking to promote your brand. Use this opportunity to capture as much information about the affiliate as possible (i.e., audience size and demographics, how they plan to promote your brand, general contact information, etc.).

Outbound

While the recruitment strategies above are more passive and limited in scale, developing an effective outbound strategy will unlock unlimited growth. Partner Recruitment Agencies like Grovia specialize in automated affiliate discovery, scaled outreach, and strategic activation. When building a partner recruitment strategy internally, you may borrow some tools and methodologies from your sales prospecting team. Depending on what types of partners you're wanting to recruit, you may go about

partner discovery by tapping into publicly available agency databases, searching for relevant content sites on Google, or looking for influencers on YouTube. You can then mine contacts with tools like Hunter.io or Clearbit. You can also engage with partners via email or social media platforms like LinkedIn. The best practice is to leverage a service like Grovia.io that automates all of the above so you can put your partner recruitment efforts on auto-pilot. Lastly, you should onboard, enable, and activate partners through your partnership technology platform of choice.



Network

Partner networks allow you to promote your partner program to a large number of active partners at once. Some partner management platforms have partner networks built in, allowing you to promote your program with the same tools you use to run it. When deciding which platform to power your partnerships with, consider if that platform can help you find more of the right partners. For example, PartnerStack allows you to promote your program to thousands of active B2B-focused partners through the [PartnerStack Marketplace](#), which partners can browse to find new programs that fit their audience and industry focus. But you don't need to wait for partners to find you: PartnerStack's partner discovery tool allows you to search, filter, and reach out to partners that look like a good fit for your program.

The ongoing management and maintenance of these relationships and related programs can be prohibitive for many organizations, which is why working with an experienced B2B partnership marketing management agency like Acceleration Partners is vital for both short-term and long-term success.

SETTING UP PARTNER PAYOUTS FOR B2B PROGRAMS

In the old world of affiliate marketing, it was common to see brands run successful affiliate programs by offering a one-time CPA (\$20 per conversion or 15% of each sale). This commissioning model persists today and is generally ample when it comes to activating down-funnel partners like coupon and loyalty sites. A modest CPA payout can even be enough to attract smaller top-funnel partners or even content affiliates that aim to mention your brand regardless of your payout. Conversely, with increased competition in the affiliate channel, brands should consider more attractive incentives when actively recruiting new partners.

When designing the various incentives you may offer, keep in mind the concept of *media risk*. In a CPC arrangement, the brand pays for clicks and consequently bears the media risk as the purchased traffic may not convert. On a CPA model, a publisher might put in the work to draft an article to share with their audience, then bear the media risk as the brand may not effectively convert the traffic to paying customers.

In order to create a mutually beneficial partnership, it is important to find a middle ground and effectively share the media risk. To compare, would you expect a sales rep to work on commission only?

Please note that most affiliate networks enable brands to set up numerous incentive campaigns to cater to the requests of various partners, such as:



► **Recurring Percentage of Sale**

Platforms like PartnerStack allow brands to reward their partners for each recurring payment that results from a referred customer. This is one of the more common payout models today in the B2B SaaS space, as many affiliates prefer receiving residual income in the B2B SaaS space that offer monthly and annual subscriptions, as many affiliates prefer receiving residual income for the customers lifetime.

► **Increased CPA**

It is becoming more common for subscription brands to offer a CPA that is higher than the initial cost of the subscription. For example, you may offer a \$100 CPA on a \$50/month subscription, knowing that your customer lifetime value is \$250. This is a more attractive model for affiliates that prefer instant gratification.

► **CPL**

The CPL (cost-per-lead) model is an effective way for brands to take on some media risk while still only paying for results. By recognizing the value of a new customer and identifying the lead-to-customer rate, a brand should quickly be able to determine a reasonable CPL. For affiliates, this model is more attractive, as they don't have to worry about the effectiveness of the brand's sales funnel. Brands can also choose to payout on lead, qualified lead, or both.

► **CPC**

Many review sites and sometimes partners in other verticals will work on a CPC model. These types of partners often have a system in place to enable brands to bid on clicks and dynamically adjust their position on a list prioritizing brands that generate the most revenue. Typically, the cost per click on these sites are less than what you'd find with Google or LinkedIn. Further, these sites tend to lead to higher conversion rates, as readers consider them a trusted source.

► **Flat Fee and Hybrid**

In some cases, content affiliates will charge a one-time or recurring flat fee either standalone or in addition to a commission. When assessing partnerships like this, it is important to understand the quality and volume of traffic you may receive in order to determine the likelihood of a positive ROI.

► Bonus

Although slightly different from some of the more standard commissioning models, you can reward affiliates for hitting certain milestones. An example could be “earn \$100 after driving 100 signups,” which can be setup using PartnerStack’s ‘Challenges’ feature.

Some of these commissioning models may align with your business model more than others. Consider structuring your program leveraging a combination of payout models to test what drives the results you’re looking for.

Depending on what you are looking to get out of a partnership, there are many different incentives you may offer partners that fall outside of a commission. A few examples include:



- Exchange newsletter placements
- Free Product access
- Inclusion on your partner directory
- Event co-sponsorship or other co-marketing activities
- A backlink or mention in your blog

Lastly, you may be able to build fruitful partnerships by simply building good relationships with people in your industry. Attending industry events, joining communities, and reaching out to thought-leaders is a great place to start.

CONCLUSION

With the level of success B2B brands have seen from affiliate marketing so far, we can expect that the rise of B2B brands adopting this outcomes-driven approach will only increase over time. PartnerStack, a leader in B2B affiliate marketing software, has seen an average of 122% YoY revenue growth across all brands launched on their platform. In 2021, a B2B e-commerce software provider teamed up with Grovia and PartnerStack to grow their affiliate program to account for over 50% of the company’s revenue.

While SaaS-focused B2B companies are adopting partnership marketing at a rapid pace, there is certainly an opportunity for B2B companies across any vertical to implement partnership strategies. According to an [Insider Intelligence report](#), B2B e-commerce site sales are expected to grow 47% from 2022 to 2026, while B2B electronic sales are expected to grow by over 17% during the same time frame. Companies like Acceleration Partners and PartnerStack continue to innovate and pave the way for B2B brands of any kind to successfully launch and scale their partnership programs.



ABOUT ACCELERATION PARTNERS



Founded in 2007, Acceleration Partners is the recognized leader in partnership marketing and a five-time International Performance Marketing Award (IPMA) winner in the “Best Performance Marketing Agency” category. Acceleration Partners manages programs in 40 countries for more than 170 brands including Target, GoToMeeting, Noom, ButcherBox, and Betterment. Acceleration Partners’ fully remote global staff of 300+ maintains a singular focus on delivering exceptional outcomes; and delivers deep and data-driven expertise in all key partnership marketing tactics, including affiliate, influencer, content, mass media, and B2B partnership marketing. Grovia by Acceleration Partners specializes in accelerating the discovery, outreach, and activation of new partners for brands and supporting organizations in launching and scaling programs quickly. Grovia works with top brands, including Gorgias, Freshworks, and Rev.com.

ABOUT PARTNERSTACK



PartnerStack is the all-in-one platform for scaling your SaaS partner ecosystem. Unlike other partnerships software that only handle one step of the partner journey, or work for only a single type of partner, PartnerStack comes with everything you need to recruit, activate, track, reward, and optimize all of your partnerships: affiliate partners that drive traffic, referral partners that bring you qualified leads, and reseller partners that sell your solution for you. PartnerStack connects you with more of the right partners and automates the toughest parts of managing partnerships, so you can grow your ecosystem and unlock new revenue channels. In the past year alone, businesses that use PartnerStack to power their partnerships — like Webflow, ZoomInfo, Aircall, Close, and many other B2B SaaS companies — have generated over \$185 million in partner-sourced revenue.

Ready to implement B2B partnership marketing into your growth strategy?

LET'S CONNECT!

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