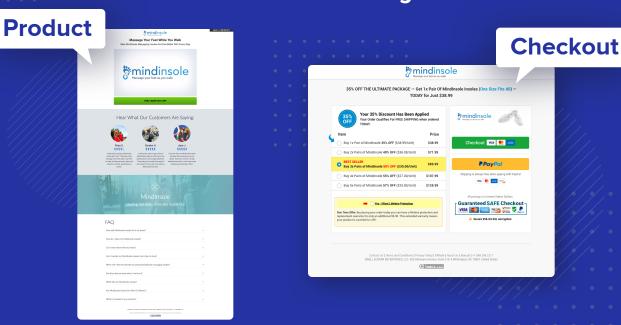
### **How Does Affiliate Marketing Work?**



#### Leads to Products Built by DFO



## What is Affiliate Marketing?



A methodology where 3rd party media buyers drive potential customers to an advertiser's product or service – on the advertiser's behalf.

### Why are Affiliates Used?

#### Affiliates can:

- Purchase media at scale to generate sales
- Create unique marketing materials –
  separate from the advertiser's materials –
  to target different consumers
- Market a product or service in new geographies



### **How are Affiliates Paid?**



Affiliates are paid on a cost-peracquisition basis. This means they are paid a fee for each result they drive (e.g. a sale of a product or service)

#### What are Sources of Traffic?

**Email** Facebook Tab<sub>2</sub> **Outbrain** 

> Google and other search engines

**Can We Trust Traffic Sources?** 

# Generally, YESIL

Traffic sources police advertising hosted on their platforms. **However**, there can be potential issues.

#### **Potential Issues**

Display

Affiliates fool the traffic source into approving ads that shouldn't be approved

Affiliates hide their content - DFO does not host their pages

Affiliates host pages that receive complaints – DFO can't see those complaints

## **DFO Solves These Issues By**



Ordering the immediate takedown of any fraudulent advertising

Deactivating applicable roque accounts and halting payments

Sending cease and desist letters to infringers