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[Essentials of Software-as-a-Service \(SaaS\) Business.](#)

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Building and Managing Affiliate Program - Commission Structure and Rewards

Launching an affiliate program for a SaaS requires **strategic planning**. You need to create a win-win proposition: **attractive enough for affiliates to join and promote, and profitable for you in the long run with quality customers acquired**. Let's break down the key elements.

The first question any potential affiliate will have is: "What's in it for me?". SaaS companies have a variety of models for affiliate commissions.

a) Recurring Commissions

...are **ongoing payments** that affiliates receive as **a percentage of a customer's subscription** fee for as long as that customer remains subscribed.

A big appeal in affiliate programs is the possibility of **recurring commissions**. Since SaaS revenue is subscription-based, many programs reward affiliates with a percentage of the subscription revenue for as long as the customer stays.



For instance, **ConvertKit**, an email marketing platform, offers affiliates a **30% recurring commission for up to 24 months** for every new customer referred.

This means that if someone you refer, subscribes to ConvertKit, you will earn **30% of their subscription fee each month for two years**.

tapaffiliate.com

Affiliates love this because it creates a passive income stream. Some SaaS programs pay out even up to **70%** of the revenue to affiliates.

wecantrack.com

b) One-time payout

...is a **single, upfront commission** that affiliates receive - **often equal to the first month's fee or a fixed amount** - for each new customer they refer.

On the other hand, some SaaS opt for a **one-time payout**, often a hefty amount like the first month's fee or a fixed sum per subscription.



For example ProProfs, a platform for training and support tools, gives **100% of the first month's subscription as commission for monthly plans, or 40% of an annual plan upfront.**

tapaffiliate.com

That means if a customer buys a \$200 month plan, **the affiliate gets \$200 once.** An annual plan of \$1,000 **might net \$400.** This big immediate reward can motivate affiliates who prefer quick payout.

There's no one right approach? It depends on your cash flow preferences and what motivates your affiliate base.

- **Payout Types**

Affiliate programs can vary not only in payment timing, but also in the **way they calculate payouts**: either as a **percentage of the sale** or as a **flat fixed amount**. Let's explore what that means in practice. Commission percentages commonly range **from 15% to 30%, and even up to 50% or more for aggressive programs.**



For instance **ClickFunnels**, a tool for creating websites and sales funnels offers **tiered commissions that can reach 40%**. That's exceptionally high, making it one of the highest-paid affiliate programs in the SaaS world.

ClickFunnels starts affiliates at a lower rate, maybe 20-30%, but once they bring in a certain number of customers, they bump them to 40%. This **tiered approach** incentivizes affiliates to ramp up performance.

Some SaaS companies opt for **flat bounty per sale**.



For instance, **SEMrush** gives \$200 for each new subscription sale.

They also offer lower payouts for simple actions, such as \$0.01 for sign-ups and around \$10 for trial activations.

This is unique: they recognized that even getting someone to sign up for a free trial is worth something, so affiliates feel that even partial progress is rewarded.

The key principle in structuring commissions is to make them **generous enough to attract promoter interest** while ensuring the economics still make sense. Some companies even give affiliates a choice. For example, 100% of the first month's payment or 20% recurring for a year. This gives them flexibility depending on whether they prefer immediate cash or ongoing income.

- **Cookie Duration & Attribution:**

And finally, affiliates will also care about **how long their referral link remains credited**. This is defined by **cookie duration**. When someone clicks a link, a cookie identifies that affiliate, and if the person signs up within a certain time period, the affiliate gets credit. A 30-day cookie is industry standard, but many SaaS programs extend this.

Longer cookies are definitely a selling point for affiliates because SaaS purchases can have longer consideration cycles. If someone reads a blog, then takes two months to convince their boss to buy the software, the affiliate wants to still be credited. By offering a longer cookie - 3 or 4 months, you stand out from competitors.

It's worth noting that longer attribution windows can increase the chances of paying multiple affiliates for one customer if the customer interacts with several, so some programs use "last click" attribution or other rules. But as a general rule, **offering a longer cookie duration helps attract quality affiliates**.