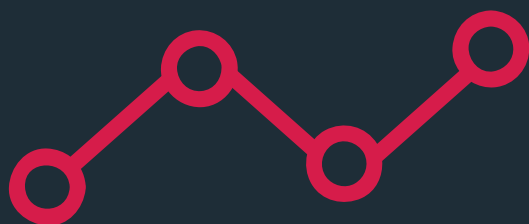


# AFFILIATE SUMMIT

40.7405° N, 73.9832° W

**100 US Advertisers  
Share how their  
Partnership Marketing  
Channel Strategy has  
Developed over the  
last 18 Months**



SPONSORED BY:

 Partnerize

MARKETING  
CHANNEL  
STRATEGY  
DEVELOPMENT  
OVER  
THE  
LAST  
18  
MONTHS

# **Contents**

- 3 Adapting to a Turbulent 18 Months**
- 4 Methodology**
- 5 Spend on Partners**
- 7 Total Marketing Spend**
- 9 Number of Partners**
- 12 Most Valuable Types of Partners**
- 14 Partner Compensation**
- 16 Measuring Channel Performance**
- 18 Attribution Providers**
- 19 Key Takeaways**

# Adapting to a Turbulent 18 Months

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Already challenged by the ever-present necessity to reach and resonate with target audiences across the buyer journey, marketers have had to grapple with an ever-changing economic climate over the last 18 months — unforeseen circumstances that required shifts to accommodate the dynamic environment. To adapt to the turbulence, marketers were forced to adjust their marketing mix, alter spend allocation and change the way they execute across channels without a playbook for driving profitable growth during unprecedented times. No channel was exempt from the impact, for better or for worse.

In the affiliate and partnership channel, we witnessed a concerted effort from industry participants to provide greater transparency and insight into the trends and performance benchmarks across our ecosystem through various reports and indices. However, one-time efforts do not suffice. Collectively, we must remain proactive in our quest to provide greater visibility and accountability in our channel by way of data—transparency that delivers a better way to partner for marketers leveraging performance channels.



**Collectively, we must remain proactive in our quest to provide greater visibility and accountability in our channel by way of data transparency.**

Further, the urgency to deliver accurate, actionable insights requires the partnership channel to more readily embrace independent, single sources of truth critical to transparency, deduplication, and optimization across the digital mix. Legacy and protectionist behaviors limit marketers to siloed attribution measurement methodologies making necessary performance optics impossible to garner. And many marketers settle for the status quo, due to limited resources, strained budget or a lack of education, restricting their ability to analyze channel effectiveness relative to the broader channel mix, and ultimately hindering effective optimization.

To that end, it is with great pleasure that Partnerize presents the results of survey research issued in 2021 in conjunction with Affiliate Summit. The intention of the research is to continue to provide visibility and transparency into marketers' approach, sentiment, and perspective as it relates to their affiliate and partner programs. Within the survey results, you will be able to glean a greater understanding of marketers' channel-specific approach across partner types, spend, measurement and attribution models and more. We hope that our collective industry may continue to reap the benefits of data-driven channel insights that inform decisioning across the space, resulting in a better partnership opportunity for all.



**Maura Smith**  
SVP of Marketing, Partnerize

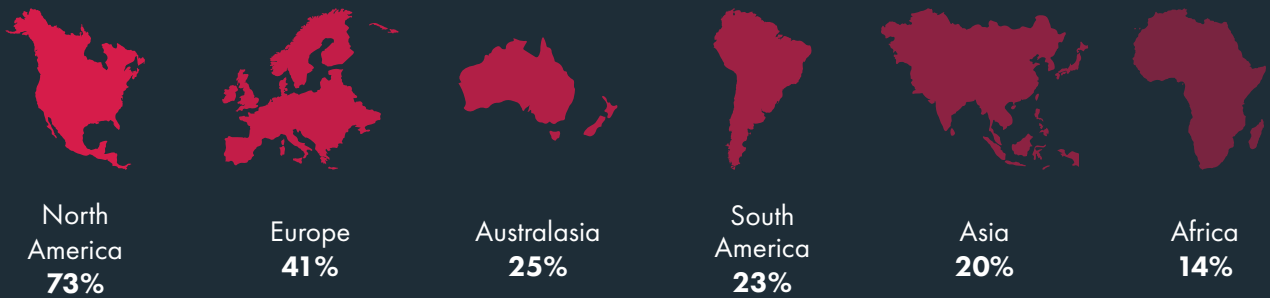
# Methodology

This survey was sent to advertisers from Affiliate Summit and Partnerize.

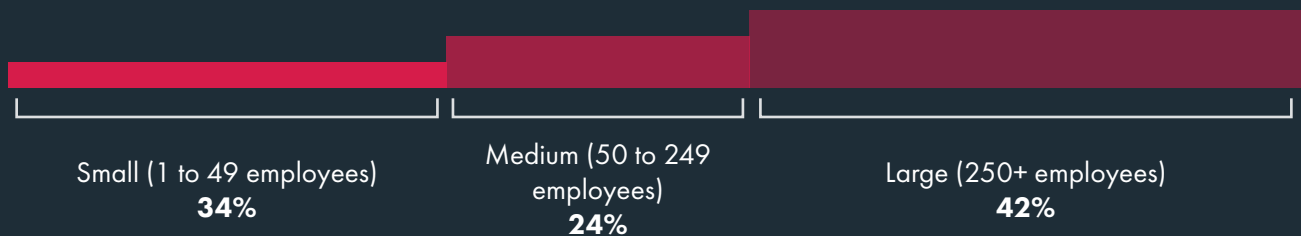
It was completed by **106 organizations** with a mixture of verticals, company size and geographical areas.

A partner is defined as an affiliate, influencer, content publisher or blogger.

## WHAT GEOGRAPHICAL AREA(S) DO YOU WORK IN?



## WHAT SIZE OF COMPANY DO YOU WORK FOR?



# Spend on Partners



Advertisers are increasing their spend on partners.

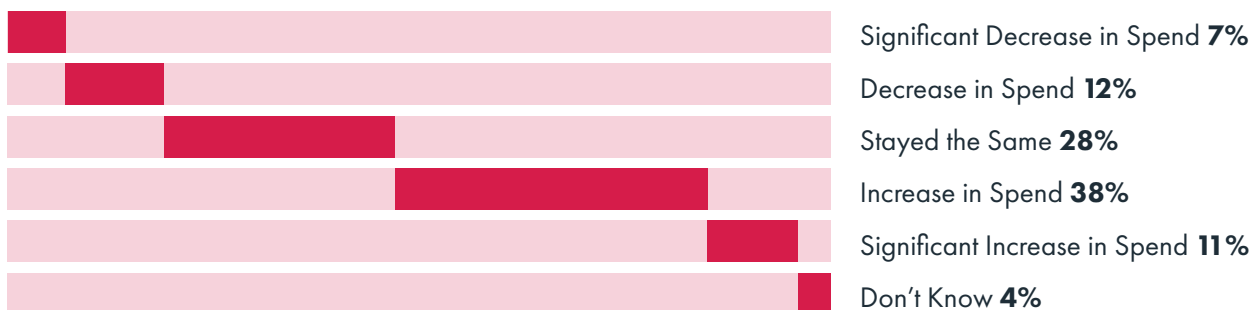
Almost half (49%) of respondents said that they have increased or significantly increased their spend on the affiliates and partners compared to pre-pandemic — whereas 19% of respondents planned to decrease or significantly decrease spend.



**Affiliate marketing can be a great NTF introducer whether it's coupons/ cashback to get someone over the hump of purchasing or content to introduce a brand to a new audience.**

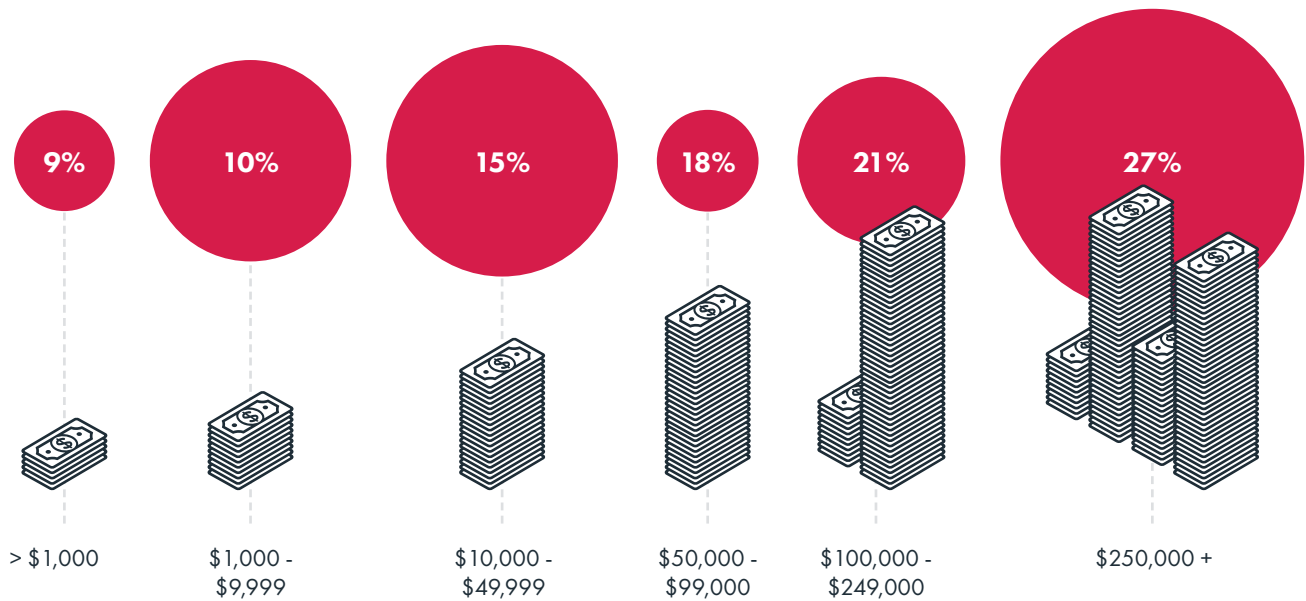
Heidi Solchenberger,  
Foot Locker

## HOW HAS YOUR MONTHLY SPEND ON PARTNERS CHANGED COMPARED TO PRE-PANDEMIC SPEND?



Both Madara Polycarpou, Head of Partnership at Buyagift and Heidi Solchenberger, Senior Manager of Affiliate & Partnership Marketing at Foot Locker Inc links this growth to the positioning of the affiliate channel to gain new customers.

## WHAT'S YOUR AVERAGE MONTHLY SPEND ON PARTNERS?



*"The market is full of new users who were thrown into the ecommerce environment during the pandemic. Companies are fighting for their attention and what is a better way to work with a wide variety of affiliates who can highlight your brand to millions of their users, especially when it's offer or discount led. Customers are also becoming more savvy and the affiliate channel is the place to be for those who know how to shop." Madara Polycarpou*

*"The National Retail Federation put out a survey that showed 45% of boomers shopping more online due to the pandemic. We also saw that brand loyalty decreased during the pandemic and that consumers were open to trying new brands during their quarantine. Affiliate marketing can be a great NTF introducer whether it's Coupons/Cashback to get someone over the hump of purchasing or Content to introduce a brand to a new audience." Heidi Solchenberger*

Christina Weaver, Global Affiliate Marketing Manger, Lovehoney credits the flexibility of the channel for the growth *"The affiliate channel was able to react very flexibly to the pandemic due to the diversity of publisher sites within the digital space. With such an increase of online search demand within our sector we thought it important to harness this opportunity to ensure we had coverage on all the key players within the industry, to which I am sure most other brands also adopted as a tactic."*



**“  
The affiliate channel was able to react very flexibly to the pandemic due to the diversity of publisher sites within the digital space.**

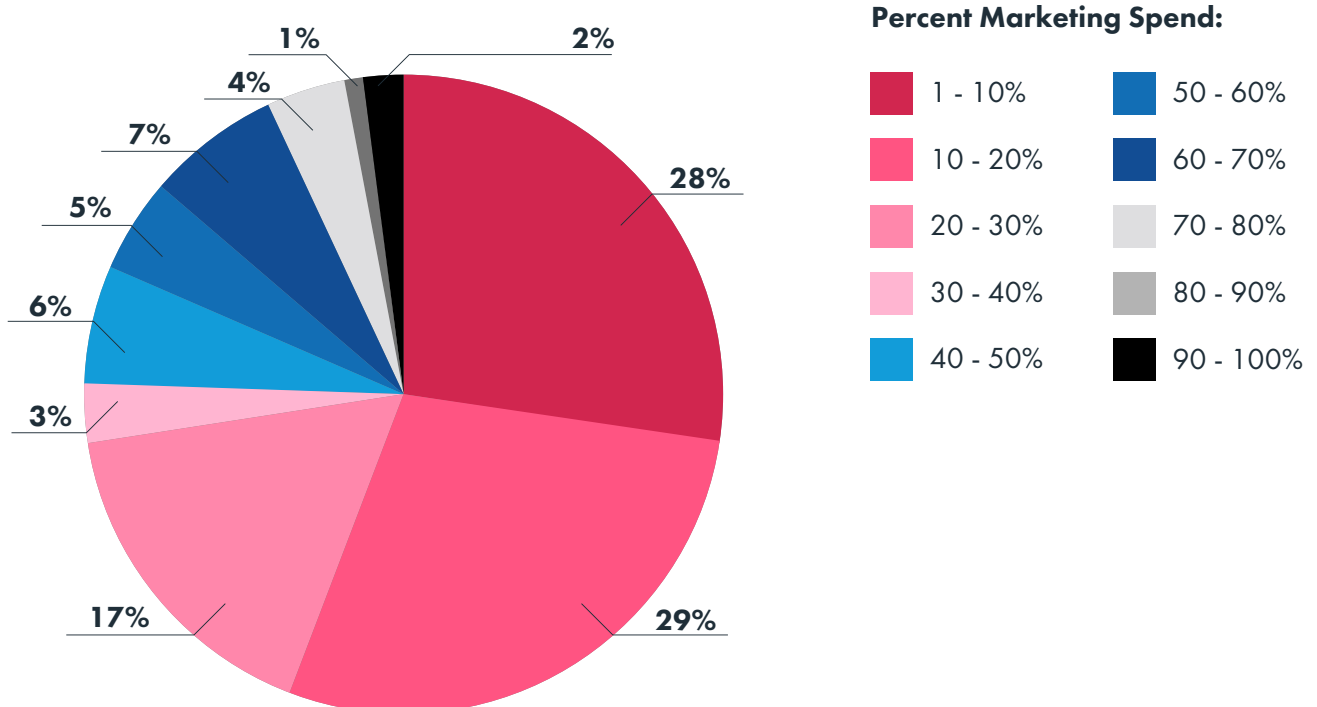
Christina Weaver,  
Lovehoney

# Total Marketing Spend

46% of respondents indicate that 10-30% of their marketing spend is directed to affiliate marketing.

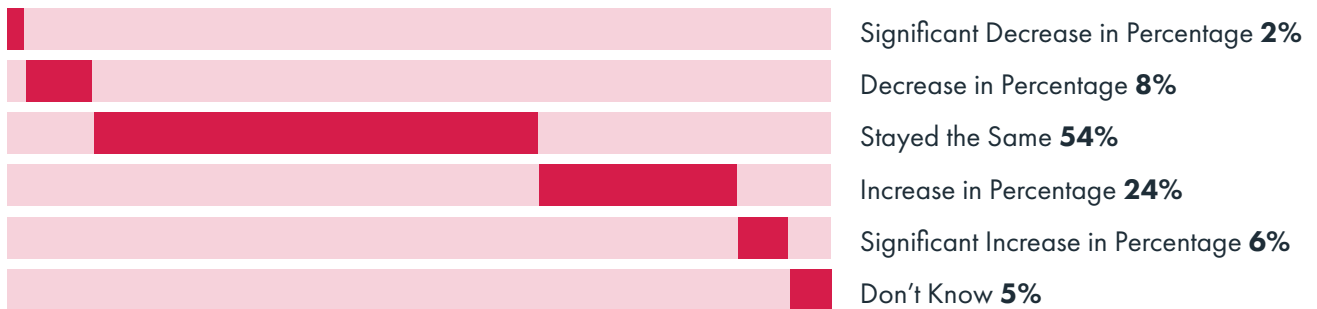
74% said they spend 30% or less of their total marketing spend on the affiliate channel — with only 18% spending at least half on the channel.

WHAT PERCENTAGE OF YOUR TOTAL MARKETING SPEND IS ON AFFILIATE MARKETING?



The percentage of total marketing spend on affiliates has stayed the same for the majority (54%), with 30% increasing their percentage of spend on the channel.

## HOW HAS THIS CHANGED COMPARED TO PRE-PANDEMIC SPEND?



Madara sees the growth in spend came from how the channel has evolved. *“I believe in a multi-channel approach when marketing to your customers. If the marketing mix is right, then I wouldn’t expect affiliate spend to go beyond 30%. Affiliate industry has developed beyond influencing the customer journey with just a discount voucher and has become more complex and interesting. Companies have had time to understand the channel better and therefore they might be more convinced to increase the spend for this channel.”*

Christina sees this trend of spending a large percentage on the channel continuing. *“The affiliate channel continues to diversify the types of publishers within the industry, bringing in some non-traditional affiliate types into the mix (i.e. Google Shopping, Display, PPC). So as the industry becomes more diverse in it’s offering, this in turn will start to increase the slice of the spend pie for the channel, so I do believe we will see a continuation of this trend, particularly as the channel has done so well over the pandemic and showcased its potential.”*

Heidi also believes the trend will continue, crediting the increasing awareness of the channel. *“Affiliate marketing continues to become more mainstream as some of the largest publishers like Rakuten even have had Super Bowl commercials and we see creators even doing brand deals with cashback sites to promote them.”*



**As the industry becomes more diverse in it’s offering, this in turn will start to increase the slice of the spend pie for the channel.**

Christina Weaver,  
Lovehoney

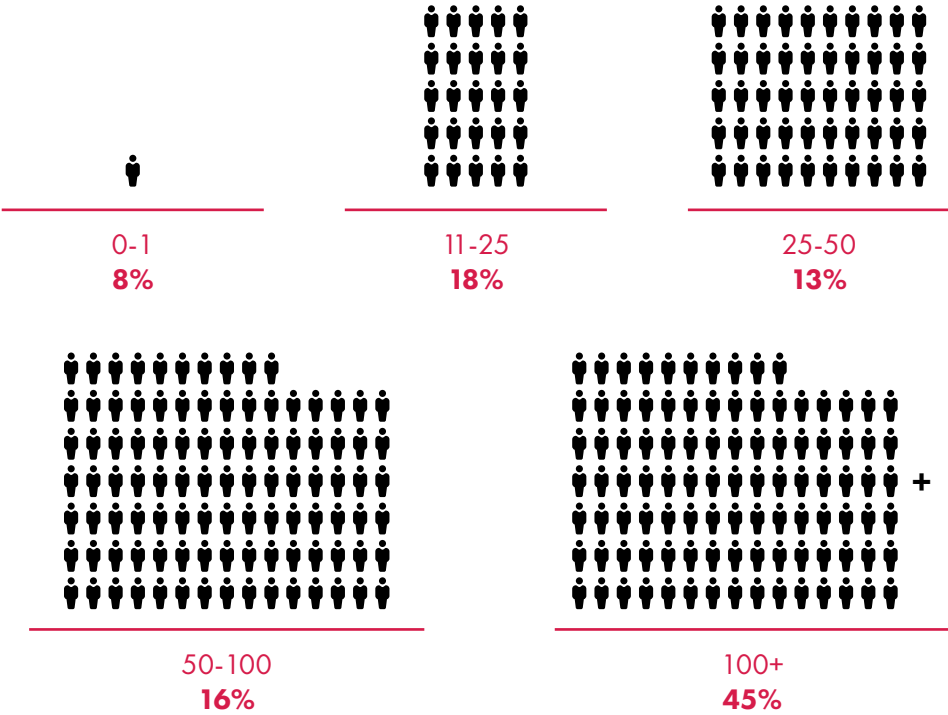


# Number of Partners

Advertisers are increasing the number of partners they work with.

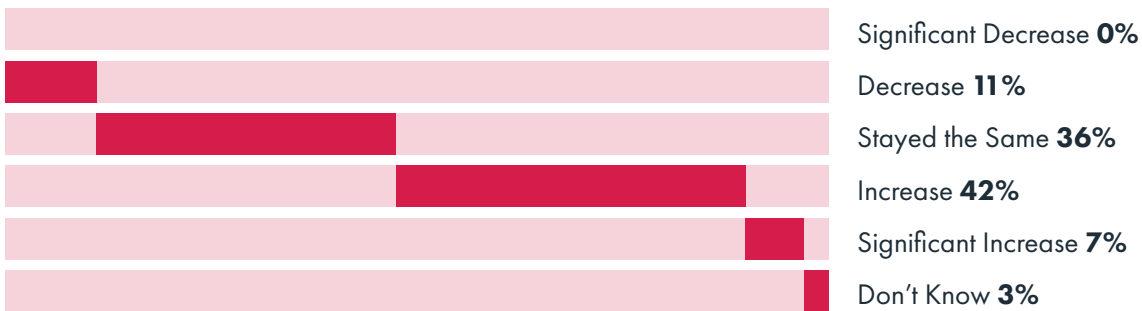
45% of advertisers currently work with 100+ affiliates, influencers, content publishers or bloggers.

HOW MANY PARTNERS DO YOU CURRENTLY WORK WITH?(A PARTNER IS DEFINED AS AN AFFILIATE, INFLUENCER, CONTENT PUBLISHER OR BLOGGER)



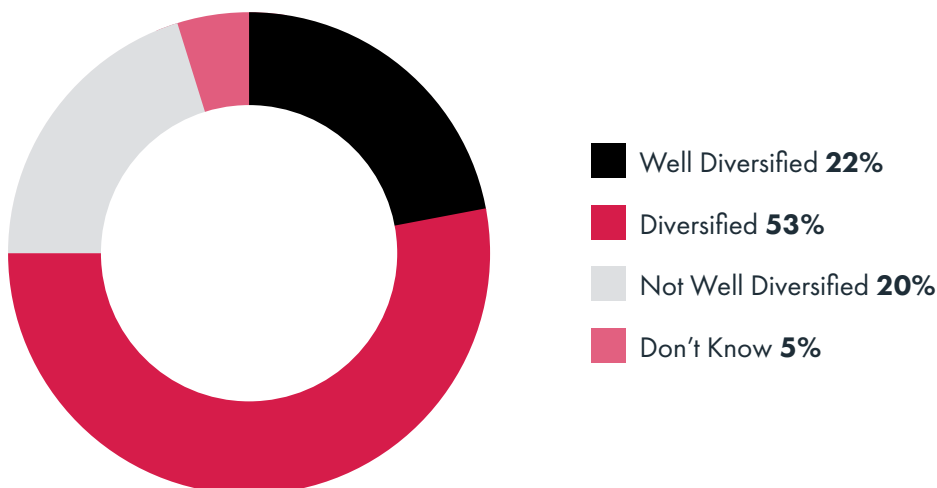
49% of respondents have increased or significantly increased the number of partners they work with. No advertisers significantly decreased who they work with.

HOW HAS THE NUMBER OF PARTNERS CHANGED SINCE THE PANDEMIC?



Of these partnerships 75% said the composition of partnerships was diverse or well diverse.

PLEASE SELECT THE ANSWER THAT BEST DESCRIBES THE COMPOSITION OF AFFILIATE OR PARTNER TYPES WITHIN YOUR PROGRAM.



“  
**A diverse program allows advertisers to adapt their strategy for every campaign or KPI as it brings in a wider range of demographics and stages in the journey - so it's no surprise that the more data driven brands have moved to this approach.**

Christina Weaver,  
Lovehoney

Christina credits the more data driven brands in having a diverse composition of partners. *“As programs mature they continue to diversify, particularly with the introduction of attribution tracking which has showcased the importance of more upper funnel affiliate types. A diverse program allows advertisers to adapt their strategy for every campaign or KPI as it brings in a wider range of demographics and stages in the journey - so it's no surprise that the more data driven brands have moved to this approach.”*

Heidi sees the diversification changing along with the channel's development. *“Stakeholders want something interesting past the same coupon partnerships. We have been pushing to prove affiliate as an incremental channel which turns into how unique a partner is and what they bring to the table. Coupons will never go away since they serve a certain type of customer but we will continue to go after building a robust full funnel program. Too long affiliate marketing has been plagued with being a last click stealing channel that is primarily just coupon sites – we are so much more.”*

# Most Valuable Types of Partners



**Social commerce is a very powerful tool that can build brand awareness while also providing trackable links to prove out the effectiveness.**

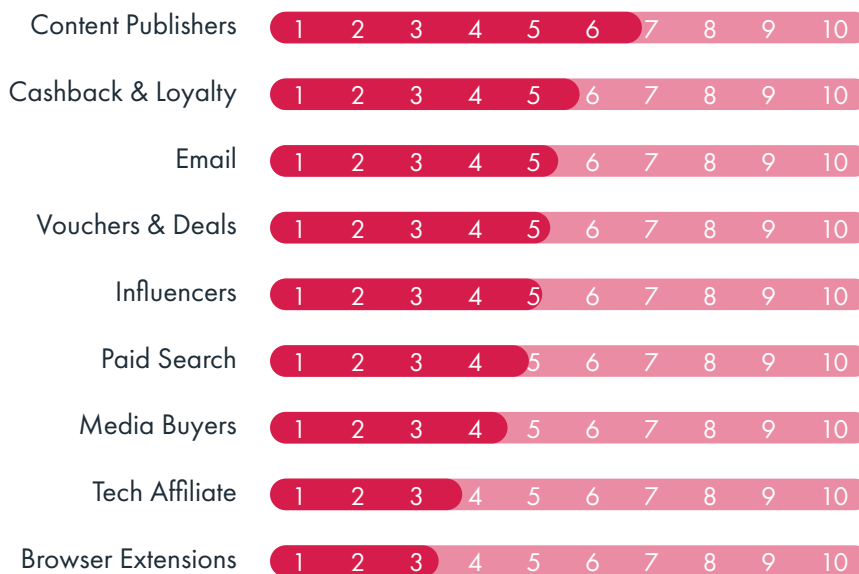
Heidi Solchenberger,  
Foot Locker

Content publishers are the most valued and revenue driving partners.

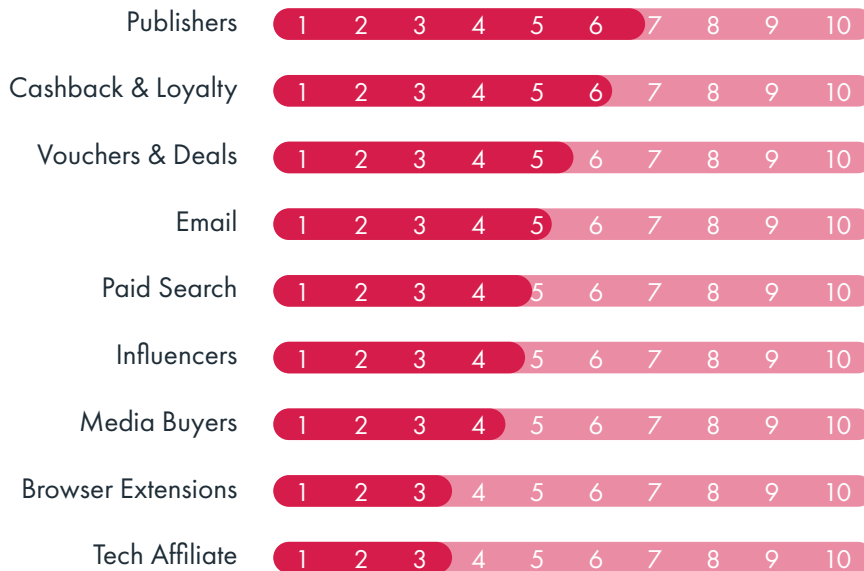
Respondents ranked publishers as their most valuable partnership types, followed by cashback and loyalty.

Browser extensions were seen as the least valuable and driving the least amount of revenue.

HOW VALUABLE DO YOU FIND THE FOLLOWING AFFILIATE PARTNERSHIP TYPES? - RANK IN ORDER OF VALUE.



PLEASE RANK THE REVENUE CONTRIBUTION BY PARTNER TYPE FOR YOUR AFFILIATE PROGRAM.



**Lately customers are becoming loyal to content/niche affiliates who tailor the offering to their followers' interests and it is exciting to work with a wide variety of smaller affiliates who can drive non-discounted sales.**

Madara Polycarpou,  
Buyagift

Publishers could be seen as most valuable because of their role in acquiring new customers. As Christina mentions, "Content publishers are particularly important because they give room to educate their audiences on the brand and its attributes, which has particular value in acquiring new customers. Browser extensions on the other hand can be a highly debated publisher type in terms of incrementality, as the user is already on the advertiser's shop when this touchpoint enters the journey, so proving their incrementality is more difficult."

Heidi agrees with the value that publishers add to the top of the funnel. "Social commerce is a very powerful tool that can build brand awareness while also providing trackable links to prove out the effectiveness. I have managed programs for brands from early stage startups, 100+ year old companies, to retail giants like Foot Locker. Brands of all sizes can really benefit from working with these partners to keep their brand top of mind with consumers."

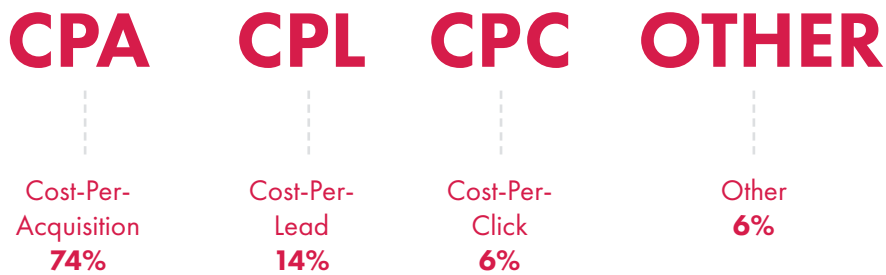
To some this may be surprising, where Honey or others may provide significant revenue contribution and therefore value to a brand. Heidi believes that they still provide merit. "I personally love what Honey has done with Honey Offers to help cut down on comparison shopping & helping brands move product that might need that extra boost without having to 'give away the farm' as my stakeholders say."

## Partner Compensation

Advertisers focus on rewarding based on CPA.

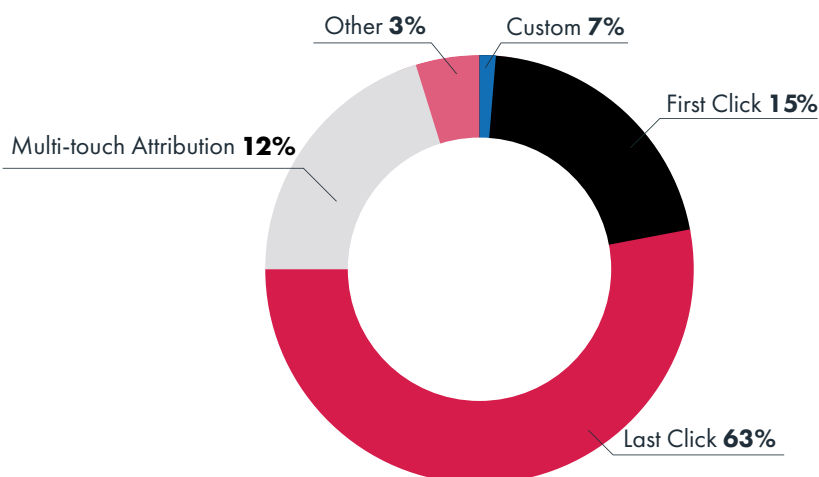
74% of respondents said that their method of payment was on CPA, with only 6% using CPC.

WHAT PAYMENT METHODS DO YOU USE FOR AFFILIATES?



The majority of advertisers, 63%, are rewarding partners based on a last click attribution model — with only 12% using a multi-touch model.

WHAT ATTRIBUTION MODEL DO YOU CURRENTLY USE?



Madara sees the value and need to reward partners in different parts of the customer journey. *“Affiliate channel for Smartbox UK is very mature — 19 years of experience and relationships in this space. We have a strategy for ensuring a diverse mix of partners in different parts of the customer journey and we have a commission policy that rewards affiliates not only on last-click basis but also for assisting other channels or other affiliates. Lately we see that customers are becoming loyal to content/niche affiliates who tailor the offering to their followers’ interests and it is exciting to work with a wide variety of smaller affiliates who can drive non-discounted sales. Also influencers have entered the pay for outcome commission model which opens a lot of interesting avenues for brands who focus on measurable marketing activity.”*

Christina agrees that the industry as a whole needs to move to a full model attribution view. *“I absolutely believe that advertisers should adopt a full model attribution view. Only viewing the last interaction in the journey is such a skewed view of publisher influence, and without the full picture strategy, we will always be hindered.”*

*Even without automated commissioning, the industry needs to adopt a full model reporting view so advertisers can effectively strategize the channel; this will in turn focus affiliates’ attention on adding value to the customer journey rather than last click only.”*

Heidi also mentions the need for the industry to find the right mix in rewarding partners. *“We need to find innovative ways to cut down on the leapfrogging to better support the creators who are driving the traffic to the site but without disrupting the consumer experience. Cashback is a great NTF (new to file) driver if done correctly, so that is where I don’t know if I agree with first touch attribution. But we need to find a proper mix.”*



**We need to find innovative ways to cut down on the leapfrogging to better support the creators who are driving the traffic to the site but without disrupting the consumer experience.**

Heidi Solchenberger,  
Foot Locker

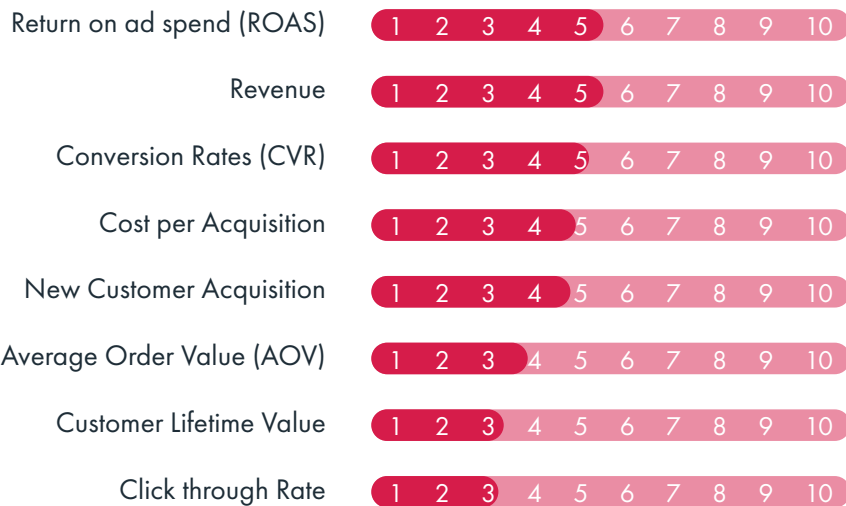
# Measuring Channel Performance

Revenue and ROAS emerge as top KPIs advertisers use to measure channel performance.

81% of respondents regularly compare and review cross-channel performance with other digital channels, with paid search the most popular channel to compare with 66% of respondents doing so.

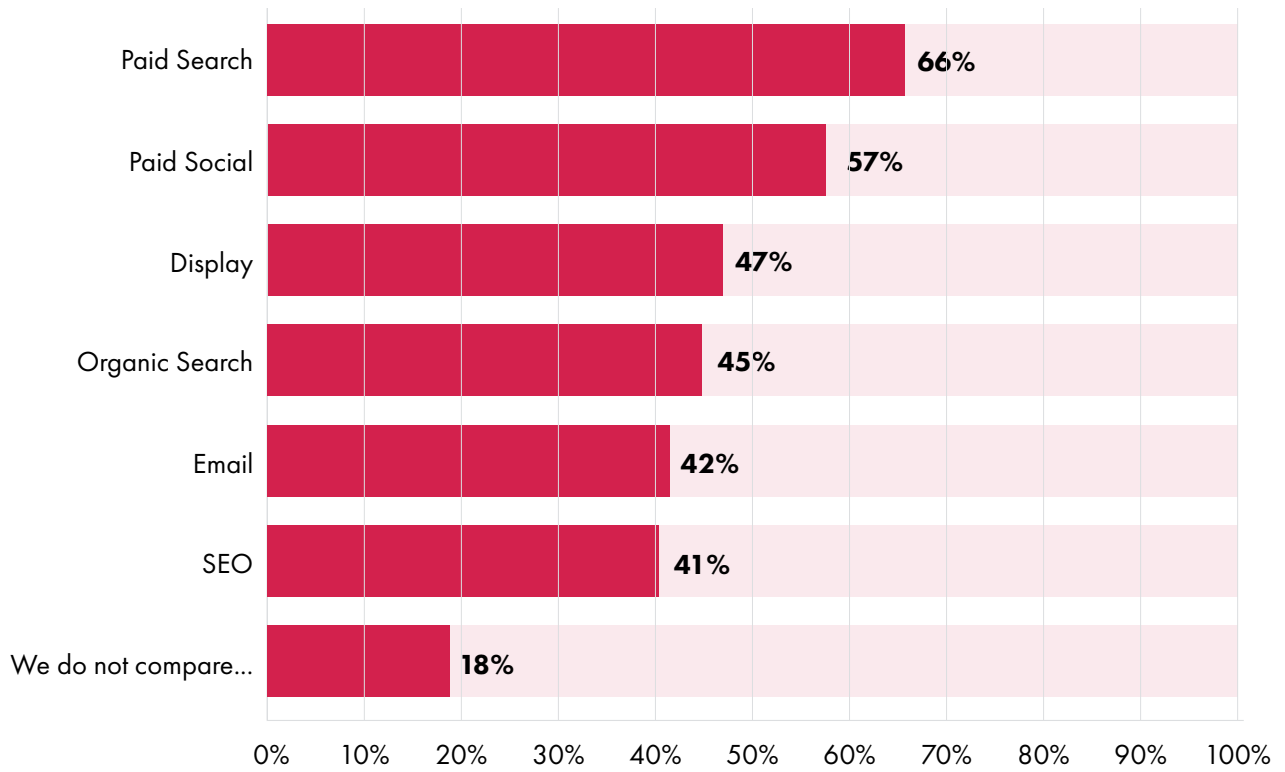
Revenue is the most crucial KPI respondents use to gauge performance, with click through rate being the least important.

## RANK THE TOP KPIS YOU USE TO GAUGE PERFORMANCE IN THE CHANNEL.





DO YOU REGULARLY COMPARE AND REVIEW CROSS-CHANNEL PERFORMANCE WITH OTHER DIGITAL CHANNELS AND IF SO WHICH?

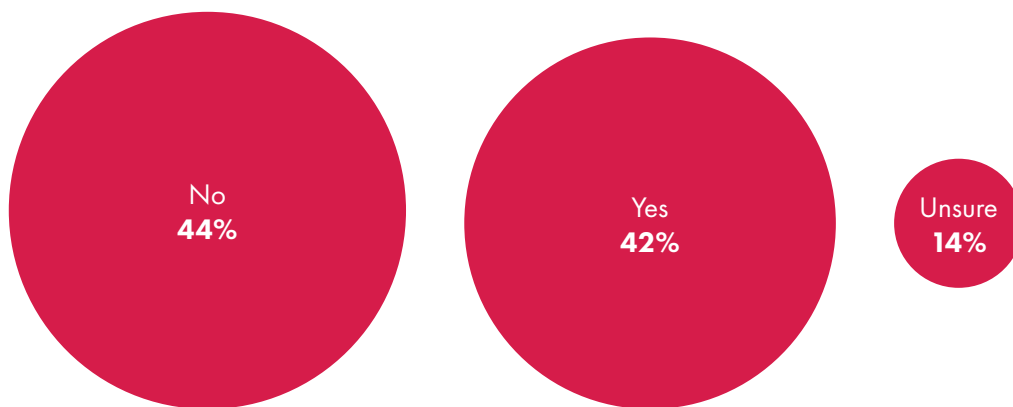


## Attribution Providers

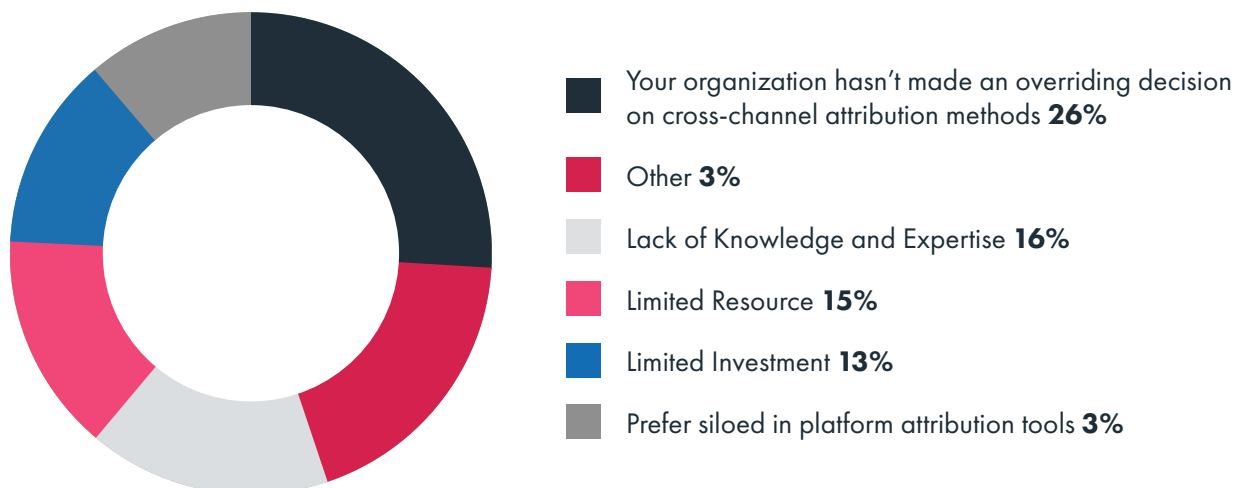
Use of attribution providers is closely split between advertisers.

42% of respondents do use an attribution provider outside of their network or SaaS platform.

ARE YOU USING AN ATTRIBUTION PROVIDER OUTSIDE OF YOUR NETWORK OR SAAS AFFILIATE MANAGEMENT SOLUTION?



IF YOU DO NOT USE AN ATTRIBUTION PROVIDER, WHAT IS THE MOST COMMON REASONING BEHIND THIS?



## Key Takeaways

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- 1. Overall, advertisers are increasing their spend on affiliates and partners.**
- 2. 10-30% of most advertisers marketing spend is directed to affiliate marketing.**
- 3. Advertisers are increasing and diversifying the number of partners they work with.**
- 4. Content publishers are the most valued and revenue-driving partners.**
- 5. Most advertisers focus on rewarding based on CPA and still follow a last-click attribution model.**
- 6. Revenue and ROAS emerge as top KPIs advertisers use to measure channel performance.**

# Contributors



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### Content & Commerce

[How to Crush Your Content & Commerce in 2021](#)



### Customer Journeys

[The Data Behind Single and Multi-Publisher Customer Journeys](#)



### Cookieless

[Ecommerce in a 'Cookieless' World](#)



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