AS FEATURED IN

DIGITAL COMMERCE 360 RETAIL

2023 LEADING VENDORS TO THE TOP 1000 RETAILERS

Ranking, data and analysis of the top ecommerce technology providers




Compliments of

Partnerize

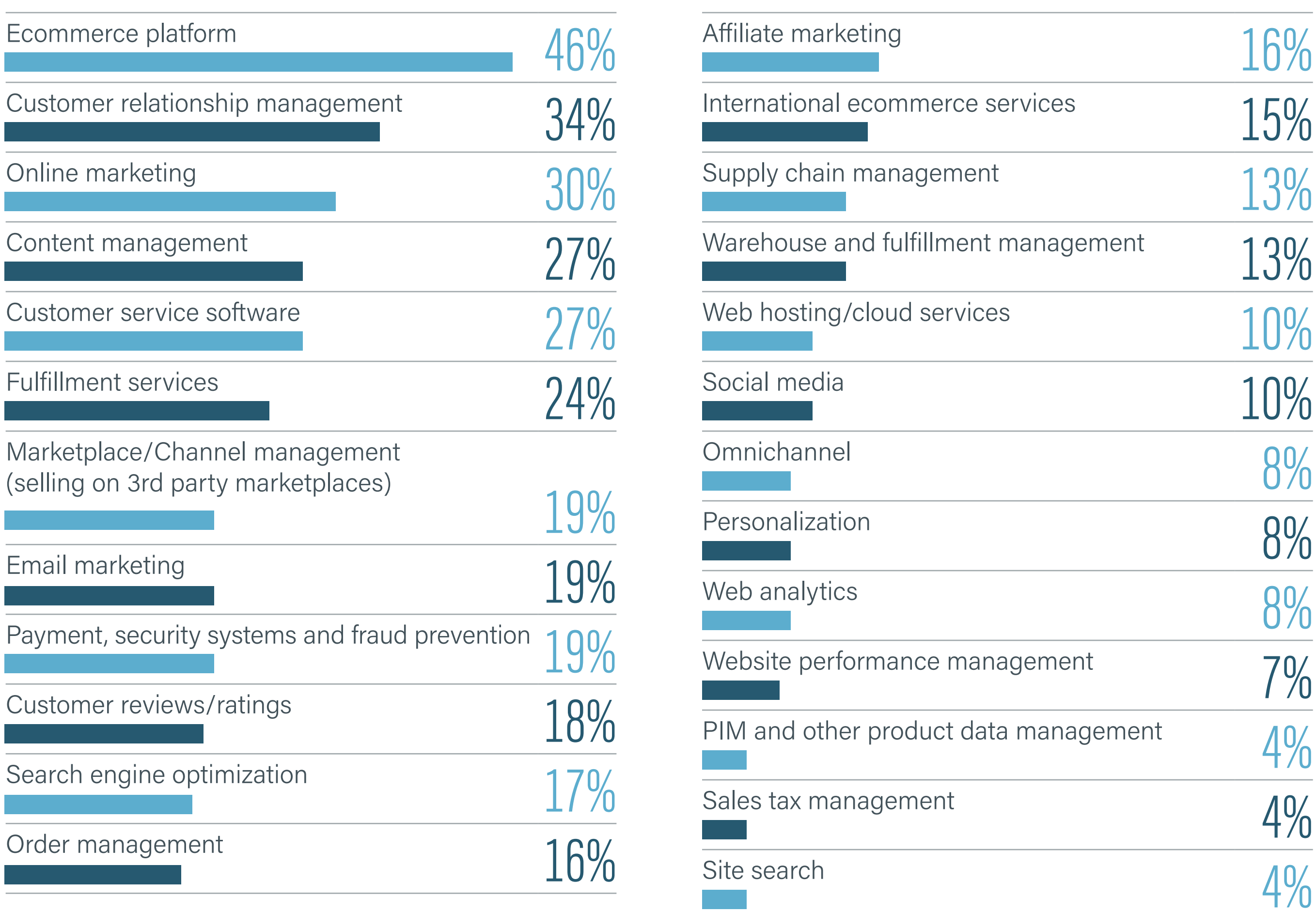
OVERVIEW

In 2022, retailers are finetuning the technologies needed to offer customers a fluid ecommerce experience. According to Digital Commerce 360's Digital Technology survey, conducted from September through October 2022, an ecommerce platform is the top technology budget priority over the next year (46% of 135 respondents).

Other top budget priorities include customer relationship management (CRM) at 34%, online marketing (30%), content management (27%), customer service software (27%) and fulfillment services (24%).

WHAT ARE YOUR TOP FIVE ECOMMERCE TECHNOLOGY BUDGET PRIORITIES OVER THE NEXT YEAR?

Select up to five priorities.



Source: Digital Commerce 360 digital technology survey, September-October 2022

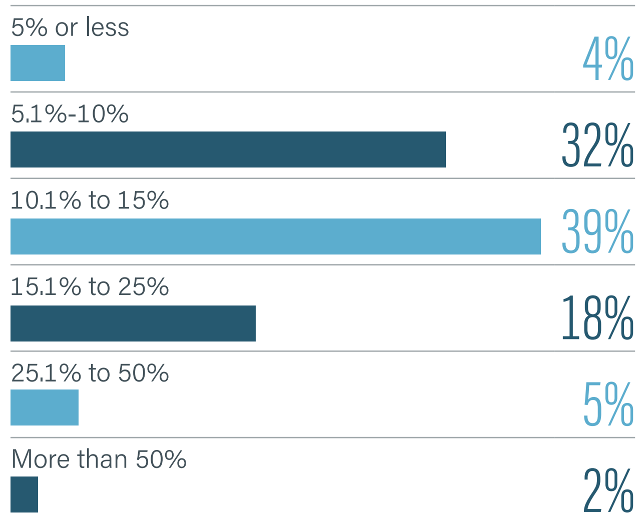
DIGITAL COMMERCE 360 RETAIL

Three-quarters of retailers (76%) plan to increase spending on technology and services over the next year. Only 22% plan to keep budgets the same and 2% plan to decrease ecommerce technology spending.

While retailers plan to spend more, three in four retailers expect their spending increase to be 15% or less. 39% of retailers predict spending to increase 10.1% to 15%. And 32% expect spending to increase 5.1% to 10.0%. One quarter of retailers said they anticipate technology spending to increase more than 15% over the next year.

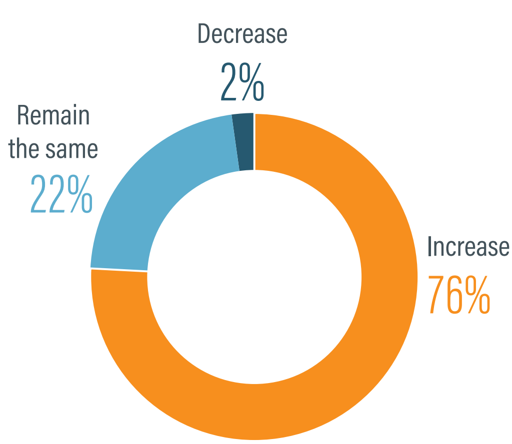
The top reason retailers plan to spend more on ecommerce technology over the next year is marketing to attract new customers (66%). And nearly half (48%) plan to increase spending to retain existing customers.

HOW MUCH OF AN INCREASE IN ECOMMERCE TECHNOLOGY SPENDING DO YOU ANTICIPATE OVER THE NEXT YEAR?



Source: Digital Commerce 360 digital technology survey, September-October 2022

WILL YOUR SPENDING ON ECOMMERCE TECHNOLOGY AND SERVICES INCREASE, DECREASE OR REMAIN THE SAME OVER THE NEXT YEAR?



Source: Digital Commerce 360 digital technology survey, September-October 2022

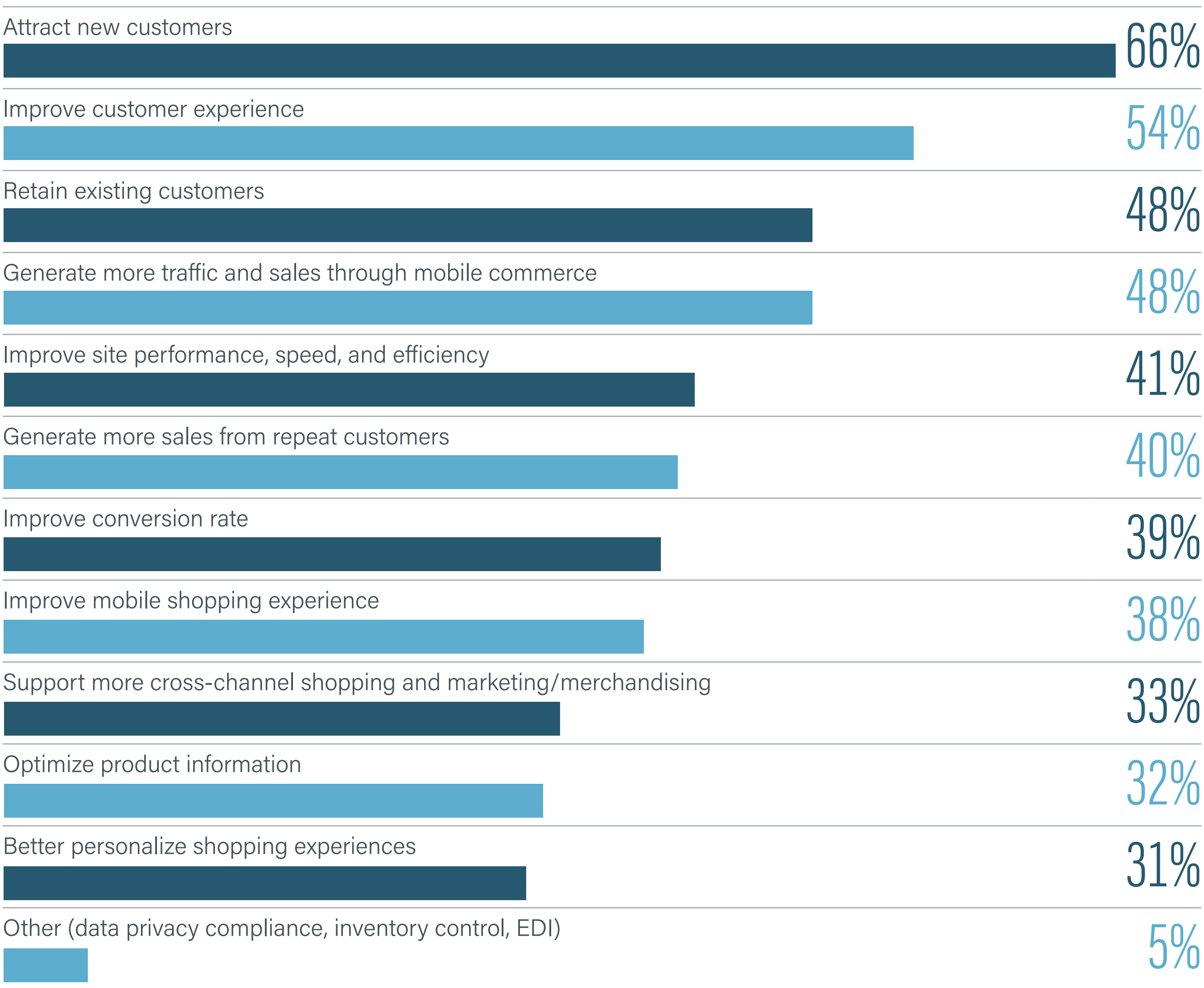
On the customer experience side, 54% of retailers plan to spend more on improving CX. Ensuring customers can browse and checkout easily is also a focal point as 41% of retailers plan to invest in site performance improvements, speed and efficiency. 33% of respondents plan to support more cross-channel shopping and marketing/merchandising, 32% plan to optimize product information, and 31% plan to improve shopping experience personalization.

Nearly half of retailers are focusing on KPIs (Key Performance Indicators) — specifically generating more traffic and sales via mobile commerce (48%). 40% plan to invest in generating more sales from repeat customers and 39% seek to improve conversion rates.

Rather than grow a tech stack in house, 70% of respondents said they typically use a vendor to try to build technology. Retailers seek out experts specialized in their fields (68%). More than half (56%) said speed was a factor — it's faster to get a project completed when using a vendor.

Curbing costs was also a factor for 31% of retailers that find it is cheaper to use a vendor

WHAT ARE YOUR MAIN REASONS FOR SPENDING MORE ON ECOMMERCE TECHNOLOGY OVER THE NEXT YEAR? Check all that apply.



Source: Digital Commerce 360 digital technology survey, September-October 2022 than build a technology from scratch. 28% said there is more accountability when using an outside vendor. And 27% of retailers were concerned about overstretching employees.

Payment, security and fraud prevention are the top reasons retailers invested in technology (37%), followed by CRM (35%), ecommerce platform (34%), email marketing (33%) and online marketing and customer service software each reaching 31% as top reasons. **LV**

WHEN IMPLEMENTING A NEW TECHNOLOGY, DO YOU TYPICALLY USE A VENDOR OR TRY TO BUILD THE TECHNOLOGY IN-HOUSE?

Source: Digital Commerce 360 digital technology survey, September-October 2022

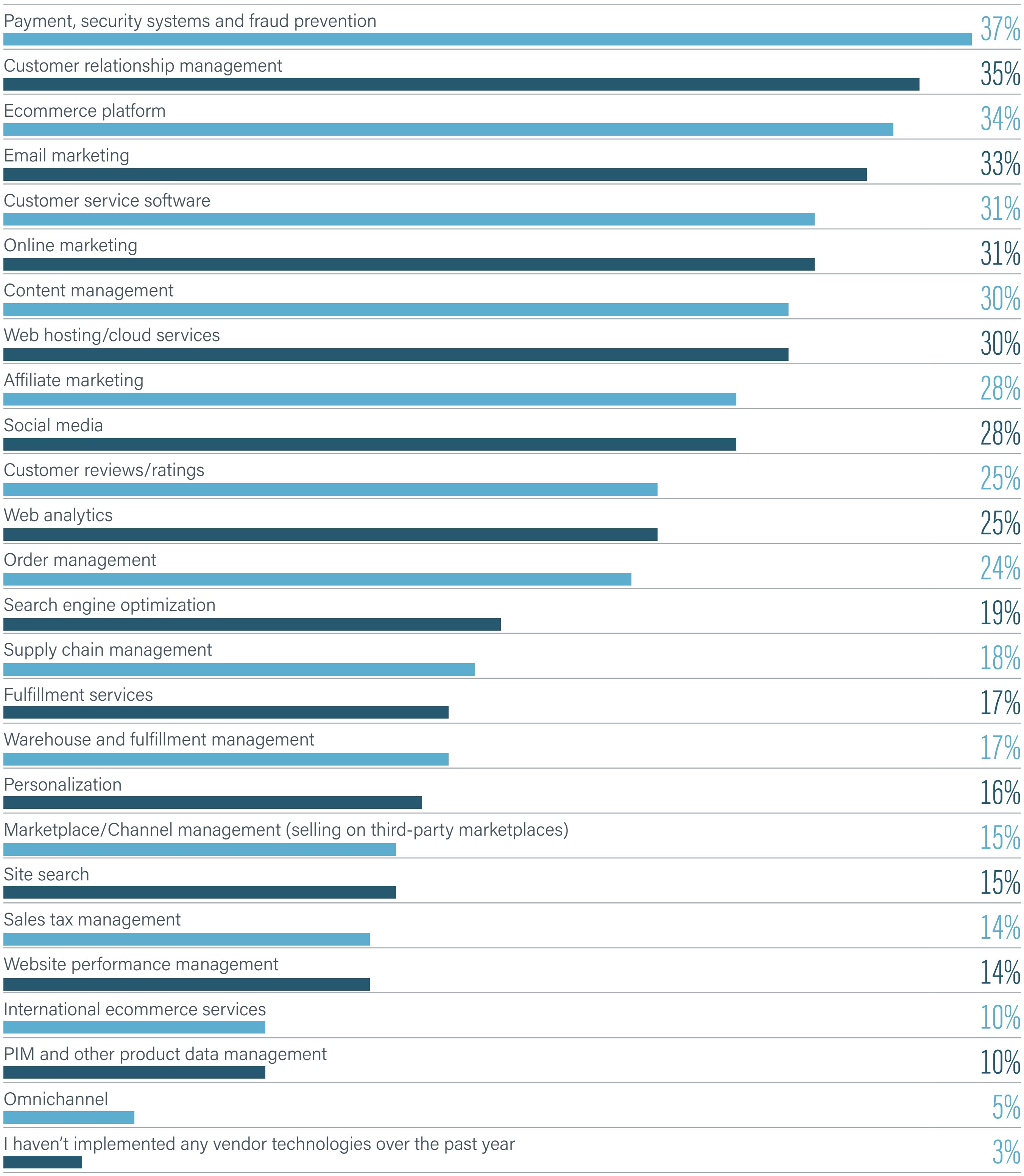
WHAT ARE YOUR REASONS FOR USING A VENDOR?

(Multiple responses allowed)

Source: Digital Commerce 360 digital technology survey, September-October 2022

WHAT TECHNOLOGIES FROM VENDORS HAVE YOU IMPLEMENTED OVER THE PAST YEAR?

(Multiple responses allowed.)



Source: Digital Commerce 360 digital technology survey, September-October 2022

DIGITAL COMMERCE 360 RETAIL

AFFILIATE MARKETING

Affiliate marketing is one of the oldest online marketing strategies in ecommerce, but it can be one of the most effective, as it's easy to measure success and failure. Easier to measure than, for example, television commercials or billboards, where tracking an advertisement to a final sale is murky. Affiliate marketing, which means paying publishers to mention a brand and/or link back to its site, can be less risky than other forms of online advertising in terms of cost because most retailers arrange a cost-per-acquisition payment structure, where they only pay a publisher if the traffic from a particular ad drives a sale. Some retailers choose to operate their own affiliate networks and manage the multiple affiliate links to their site from blogs, forums or social channels, while others work with major affiliate network operators.

1. CJ Affiliate[1]
2. Partnerize
3. Rakuten
4. Impact.com
5. Awin Group
6. Gen3 Marketing
7. AvantLink
8. Acceleration Partners[2]
9. Assembly[3]
10. Sovrn

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. CJ Affiliate is owned by Publicis Groupe. 2. In 2021 Acceleration Partners acquired Streamline Marketing. 3. In 2021 ForwardPMX merged into Assembly.

PARTNERIZE

RANK IN CATEGORY
2

Partnerize

2022 TOP 1000 RETAIL CLIENTS
101

Partnerize helps marketers unlock the full growth potential of their partnerships. Partnerize supports marketers with a global partnership platform that automates the discovery, recruitment, activation and success measurement of your partner ecosystem without sacrificing brand safety. Partnerize is a global solutions provider for affiliate marketing and partner automation; its services include brand monitoring and compliance. Partnerize serves more than 1,750 enterprise and mid-market clients worldwide, driving more than $7B in transactions via their relationships with an ecosystem of 750,000+ partners, including 250,000+ influencers.

PRIMARY URL
Partnerize.com

YEAR LAUNCHED
2010

TOTAL 2022 TOP 1000 CLIENT WEB SALES
$44.07 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 36 Chain: 15 Manufacturer: 48 Direct Marketer: 2

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 48 $125-500M: 41 $500M or more: 12

KEY CLIENTS
Farfectch
Expedia
Adidas
Alo Yoga
Le Creuset
Go Pro

PRODUCTS & SERVICES
Fully integrated, comprehensive suite of discovery, recruitment, optimization, payment, brand safety and fraud prevention capabilities for marketers seeking a high transparency, scalable subsidy to alleviate pressure on their unit economics as a result of over dependence on primary sales and marketing channels.

Pricing: Flexible models including SaaS, performance and agency fee structures.

Source: Digital Commerce 360 2023 Leading Vendors to the Top 1000. Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included..

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SPONSORED CONTENT

Q&A

The affiliate channel offers scale and automation while delivering a strong return on ad spend

An executive conversation with **Mandy O'Brien,** vice president of customer success, Partnerize

The pandemic, intelligent tracking prevention (ITP) updates, inflation and excess inventory, have created a high-stress, high-stakes situation for retailers. These events have served as a catalyst for retailers to expedite their decision-making around where, when and how they spend their precious ad dollars. Digital Commerce 360 recently spoke with Mandy O'Brien, vice president of customer success at Partnerize, about how affiliate marketing offers retailers a means to access their target audience through the power of partnerships while efficiently utilizing their marketing budget.

Why is affiliate marketing so important to a retailer's success in today's ecommerce climate?

The channel offers the necessary combination of scale and automation, delivering a solid 12-to-1 return on ad spend — a return that is hard to turn down. A recent report from the Performance Marketing Association and PwC estimates the affiliate marketing channel is now worth more than $9 billion a year thanks to its combination of diversification, compensation, influence and conversion.

Do the benefits of affiliate marketing need to be better understood?

A recent Commerce Next survey of 100 retail and brand executives indicated that those surveyed ranked affiliate marketing as the No. 2 acquisition channel anticipated to drive the best ROI and return on ad spend this holiday season. Despite that, the channel is only a mere 2.79% of digital ad spending in the U.S.

Regarding marketers' awareness and understanding of the affiliate channel, there are a few challenges, according to Forrester Consulting's research. Namely, executive-level marketers don't understand the affiliate channel, prioritize other channels they're comfortable using and have difficulty measuring channel performance. Therefore, marketers must become educated about affiliate marketing and the channel's benefits, especially in economic environments with greater pressure to deliver.

What should retailers do to enable a successful affiliate marketing channel?

In the wake of consumer behavior shifts and an unpredictable climate, marketers are shouldering more pressure to deliver a cohesive experience across the buyer journey — including achieving omnipresence and managing evolving privacy regulations, budget shifts, inflation and rising ad costs.

The partnership channel is emerging as the all-encompassing solution to these challenges. It provides marketers with scale, automation and outcome-based pricing that enables the critical operating leverage necessary to survive. But partnerships are seemingly complex and can easily become overwhelming without the right provider to navigate through the steps necessary to maximize the benefits of the channel.

How can retailers manage these complexities?

Partnerize's single-destination partnership lifecycle management platform, for example, helps solve this problem by providing marketers with a fully integrated, comprehensive suite of discovery, recruitment, optimization, payment, brand safety and fraud prevention capabilities — functionality critical to finding and converting target audiences at a controlled cost. The end-to-end partnership platform automates traditionally tedious tasks associated with partner management to help retailers find and convert their target audience at scale. In addition to offering an innovative partner technology platform, Partnerize also has a team of experts to help marketers achieve profitable growth from their partnerships.

While macro challenges like pandemics, inflation and recession fears seem daunting, the reality is that challenges like these will always present themselves. When it comes to marketing, the best, most efficient way out of any downturn isn't to cease but to continue investing in the right channels. By design, the affiliate channel uses a pay-for-performance model that combines scale and automation while delivering a strong return on ad spend.

Partnerize

AFFILIATE MARKETING

Online retailers often use affiliate marketing to reach out to new shoppers via social media channels or popular publications. Influencers, online personalities, deals and coupon websites, among other channels, help marketers promote brands. Footwear startup Tronus LLC invested in technology to manage its online affiliate marketing program to monitor sales from influencers and keep tabs on commissions. It’s another way online retailers can reach out to new shoppers and increase online sales.

SNEAKER RETAILER TRONUS KEEPS TRACK OF INFLUENCER-GENERATED COMMISSIONS

Tronus LLC is a small retailer with just five full-time employees that began selling its high-end, unisex sneakers in November 2020. It was founded by Santia Deck, a prominent female athlete — she was reportedly the first woman to win a multimillion-dollar football contract when she signed with the Women’s Football League

Association in 2020 — who has become an online celebrity with 889,000 Instagram followers.

As a small startup, Tronus needed help in getting out the word about its product. It launched a marketing campaign with online influencers who have social media followers of their own. It relies on technology to automate that campaign as well as to handle fulfillment.

Tronus began recruiting social media personalities to promote its sneakers, the prices of which start at $120 for children's footwear and $135 for adults. The younger consumers Tronus targets are more likely to respond to expert testimonials than to ads, says Cynthia Cureton-Robles, chief operating officer of Tronus and Santia Deck's mother.

"This Gen Z and millennial population can see through something that's not real," she says. "Having the brand ambassadors, it's like our shoes, it's coming from a real place. That is what helps us generate sales."

Tronus uses Refersion, which specializes in online affiliate marketing programs, to keep track of sales from influencers and calculate commissions. Each social media personality gets a unique code, and when a consumer makes a purchase on the Tronus online store after clicking on an influencer's link, Refersion tracks the commission the brand ambassador earns.

That commission varies based on the influencer's social media following, Cureton-Robles says. She says the Tronus program has three tiers, with the celebrities in the top tier earning the highest commission.

Through the Refersion program, brand ambassadors can sign in to see their sales and commissions. And Refersion handles payments to the influencers without Tronus intervention, Cureton-Robles says.

"We don't have to do a lot, other than monitoring and approving applications to be brand ambassadors," she says. "They create these reports, what is owed every ambassador, and they're paid at the end of the month." Tronus also uses a vendor to efficiently fulfill its orders and automatically communicate shipping status to customers. Orders placed on the Tronus ecommerce site go directly to Verte LLC, a fulfillment company and warehouse management software provider that generally ships out the product the same day, Cureton-Robles says.

Once a product ships, Verte automatically issues a tracking number, which goes through the Tronus store on the Shopify Inc. platform to the customer without manual intervention.

"That sounds very simple, right? But if you don't have that in place and you're dealing with this manually, humans make errors," Cureton-Robles says. “We had lots of problems with our previous fulfillment center, probably due to the fact it was a manual process.”

Results: While the brand ambassador program only began a few months ago, Cureton-Robles says it already accounts for between 10% and 20% of Tronus’s sales. She declined to disclose company revenue. She says Tronus plans to put more emphasis on the brand ambassador program in 2022.

Refersion’s starting price is $89 per month for tracking up to 130 conversions. The company negotiates pricing for brands with higher volumes.

Takeaway: For a brand like Tronus aiming to reach younger consumers, influencers can be effective, says Forrester Research principal analyst Kelsey Chickering.

“As brands look to build relationships with a younger audience, influencers are a smart way to get into Gen Z feeds,” she says. She points to a 2021 Forrester survey in which the third most popular social activity that Gen Z consumers do weekly is following influencers, cited by 37% of respondents.

She adds that consumer brands are investing in influencer marketing and in related services. In a 2021 Forrester survey of 770 consumer marketers, 34% said they planned to use influencer marketing services in the coming year. And in a 2022 survey of 800 marketing executives, 43% said they planned to increase their influencer marketing spend.

A 2021 Digital Commerce 360 survey of 143 retailers also found that many recognize the value of influencer marketing, with 41% saying it helps build brand awareness. But some are still investigating this marketing strategy and others have found it lacking. 10% say they’re using technology to find influencers that are a good fit for their brand.

Connecting with the right social media advocates is a key to success, Chickering says. “To build a successful influencer program, brands must invest in consistent, longer-term partnerships with influencers, versus one-off sponsorships,” she says.

It’s not surprising that marketing through social media celebrities and bloggers would catch on at a time when privacy regulations limit retailers’ ability to find new customers through cookie-driven, targeted ads. After all, consumers voluntarily follow people on social media, so they’ve already given their permission for those influencers to communicate with them. Retailers are piggybacking on that permission to reach their target audience. **LV**

ABOUT US

Digital Commerce 360

Digital Commerce 360 has been a global leader in retail and B2B ecommerce research and media for over two decades. Our organization provides daily news, trend analysis, and competitive data to a vast community of executives, retailers, financial firms, manufacturers and more. Our team of experienced journalists and researchers publish a multitude of products each year, including dozens of research reports, newsletters, charts and infographics, webinars, live events, and data on thousands of ecommerce companies through its Digital Commerce 360 Research brand. We also founded groundbreaking ecommerce events, including the Internet Retailer Conference & Exhibition (IRCE) and, most recently, the EnvisionB2B Conference & Exhibition.

Digital Commerce 360 Retail

Digital Commerce 360 Retail delivers business intelligence and topic-focused reports on the global online retail market. Our reporting on retail trends, technologies and industry best practices reaches a diverse ecommerce community. These exclusive reports are available for download on DigitalCommerce360.com and deliver quality leads to our sponsors.

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