

Choice, control, customisation

Proving the effectiveness of
affiliate marketing in uncertain times



In search of **stability** and **growth**

With consumers wary of spending and companies hesitant about investing due to economic uncertainty, marketers are under pressure to make their budgets work harder and improve their ROI.

The UK will be lucky if it escapes a recession this year and growth in the economy will be weak at just 0.3%, the International Monetary Fund estimates. And although budgets are growing modestly by 2.6% this year, according to Advertising Association/WARC figures, advertisers are scanning the horizon for innovative options that will help stretch their spending further in an increasingly competitive landscape.

Luckily, there is an option, and one that has been a mainstay of the digital toolkit for some time - affiliate and partner marketing.

Rather than funnelling investment into risky and unreliable 'last-click' solutions, using affiliate platforms to drive traffic and create action is a flexible solution. Not only does it offer stability, growth, and a robust ROI,

it also grants advertisers significant choice, control, and customisation in how they achieve their marketing goals.

Businesses are facing a tough environment following the battering they've received from overlapping macro events in recent years. Covid, supply chain disruption, global political events and inflation have all piled on the pain - and forced change.

The pandemic had a huge impact on brands, as stores closed and e-commerce soared. Although some trade has drifted back offline as stores reopened, e-commerce remains about 10% bigger than pre-pandemic, according to Awin, the global partner marketing platform.

"Customer behaviour has seen a big change. Journeys are not linear and customers will jump between online and offline content which means there is a challenge in understanding, measuring and giving consistent messages," Rosalyn Berrisford, regional managing director at Awin, says. "Advertisers need to join the dots. Before the pandemic it was better understood. Now it's all over the place."



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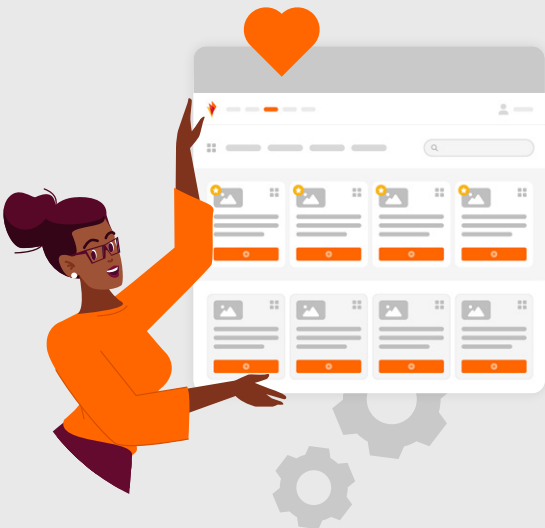
ROSALYN BERRISFORD, AWIN



Deal hunters

When the economy suffers, savvy consumers will always go looking for deals. In the 2008 downturn, there was a spike in incentive-related affiliate activity. Think discount codes, cashback and other reward-based models. Between 2008 and 2018, incentive partners' share of sales on Awin affiliate programmes in the UK grew from 37% to 70%.

At the same time, traditional digital techniques such as SEO and PPC are not having the impact they once did. Rising costs and a constant tweaking from Google to clamp down on brands gaming the system affected its ROI, leading to brands searching out new techniques for reaching consumers as they searched, compared and shopped online.



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Impact at every step

In the face of new challenges, more brands are looking to see what an affiliate and partnership approach can offer, says Berrisford. UK affiliate spend was up 33% in 2022, while 80% of US advertisers and agencies said it would be an even more important revenue stream in 2023 (Digiday.com *State of the Industry Report 2022*).

Not only is the ROI of around £14 per £1 invested more than double that offered by Google, partner marketing is also a more flexible option, Berrisford notes. “It allows brands to work with a diversity of partners, provides strong ROI, and is a fantastic way to test different partner types, campaigns, discount strategies or technologies.”

An influencer-led campaign for HP through Awin partner Gen.video resulted in a 232% increase in return on ad spend, for example (see case study 1 overleaf).

Affiliate and partnership activity drives value across the entire customer journey, Berrisford adds. Influencer content and media partners create awareness during the pre-purchase phase, and cashback partners help drive actions to complete a purchase.

In addition to this, affiliate technology partners can greatly improve customer experiences on the retailer's own site, increasing conversion rates further, all without the need for any in-house development work.

But even after a transaction has taken place there is space for affiliates to drive marketing value. Brand-to-brand partnerships that involve complementary affiliate partnerships between non-competing brands open up new seams of revenue and can boost customer loyalty. Refer-a-friend technologies like Soreto can also be easily implemented to turn customers into brand advocates among their peers online.



Case study 1

HP tailors content with influencer strategy

Since Gen.video integrated with Awin in 2019, HP has been one of its most successful partnerships. Gen.video partners brands with influencers who produce content to drive traffic and purchase intent in markets including consumer electronics and health & beauty. In the PC and gaming market, standing out is key and Gen.video helps HP tell the story of its products through world-class influencer content.

Performance data from previous social content was combined with the conversion analytics from Awin's affiliate tracking to identify which influencers were most suited to promote a specific product range.

By analysing KPIs like average order value and click-to-sale times, HP audience profiles have been identified and influencers whose customers aligned with those groups were handpicked to create content, such as for the premium OMEN range.

Gen.video also advised on which content formats were best to promote products. To showcase HP's line-up of PCs powered by Intel®'s 10th Gen Core processors, Gen.video identified three trusted YouTube creators in the tech space whose long-form videos would be right for comparing the benefits of three distinct products and summarising how they fitted different customer needs.

Results

Over the 14-month period
the Intel campaign ran:

232%

ROAS was achieved

+563%

sales MoM between
October and November,
during the Black Friday peak

Every brand is **individual**

As digital marketing becomes more sophisticated, brands expect solutions that can be tailored to their own specific needs rather than put up with a one-size-fits-all approach.

A strength of partner marketing has always been that it allows brands to develop highly bespoke marketing campaigns, says Berrisford. "It's about flexibility for advertisers. Everyone has a different strategy. Diversification allows you to work with different partners and not just apply the same strategy to all campaigns. You can test different ideas and partner types."

Advertisers can also easily determine the commission type they want to pay their partners, giving them complete control and flexibility. The beauty is that nothing is defined or dictated by the platforms you run this activity on, she adds. You can build your own marketing ecosystem in whichever way you choose.

Strength in partnership

By selecting affiliate and brand partners, niche brands can develop campaigns that play to their strengths. Awin's team helps brands find partners to run mutually beneficial marketing activity, as well as running a directory of brands who are seeking partners. It is an area that more and more brands are keen to explore, says Berrisford.

"The customers you can reach are highly targeted, allowing brands to develop great collaborations with non-competing brands that are complementary or that have similar brand values. For example, you could have a coffee company and a cosmetics brand that both embrace sustainability."

This can lead to new customer generation through those affinities in a way that is difficult to replicate through other media.



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Reciprocal **benefits**

By entering into an affiliate partnership with a relevant brand, retailers can generate a completely new income stream that has reciprocal benefits. In 2022, Awin helped connect over 700 advertisers via brand partnerships generating more than \$15m.

Challenger toiletries brand Wild, for example, integrated a gift-with-purchase solution through Awin partner Tyviso. This rewarded loyal customers, attracted new ones, and resulted in commission that was in five figures (see case study 2 overleaf).



Case study 2

Customers go Wild for partnership offer

Despite the cost-of-living crisis, more than half of UK consumers consider the environmental impact of the products they purchase.

Sustainable deodorant brand Wild offers a high-quality alternative to disposable competitors in the form of a reusable aluminium deodorant applicator.

Wild sought to add value to customers with a free gift from a third-party food box retailer. It partnered with Tyviso, an Awin brand partnership solution provider, integrating Tyviso's gift with purchase (GWP) product into its checkout flow to partner with third-party retailers. Wild customers could claim a free cook-at-home recipe box from SimplyCook while buying deodorant.

Following the success of the SimplyCook campaign, Wild has expanded the offer to partners like Smol (planet-friendly home cleaning products) and restaurant-discount card Tastecard.

Awin's tracking solutions allowed Wild to measure the success of its brand-to-brand campaign, proving that a free gift would increase the conversion rate.

The brand-to-brand partnerships programme has also unlocked a new revenue stream for the business, with huge potential to scale.

Results

Wild drove 500 new customers to SimplyCook in the first month with a conversion rate of

26%

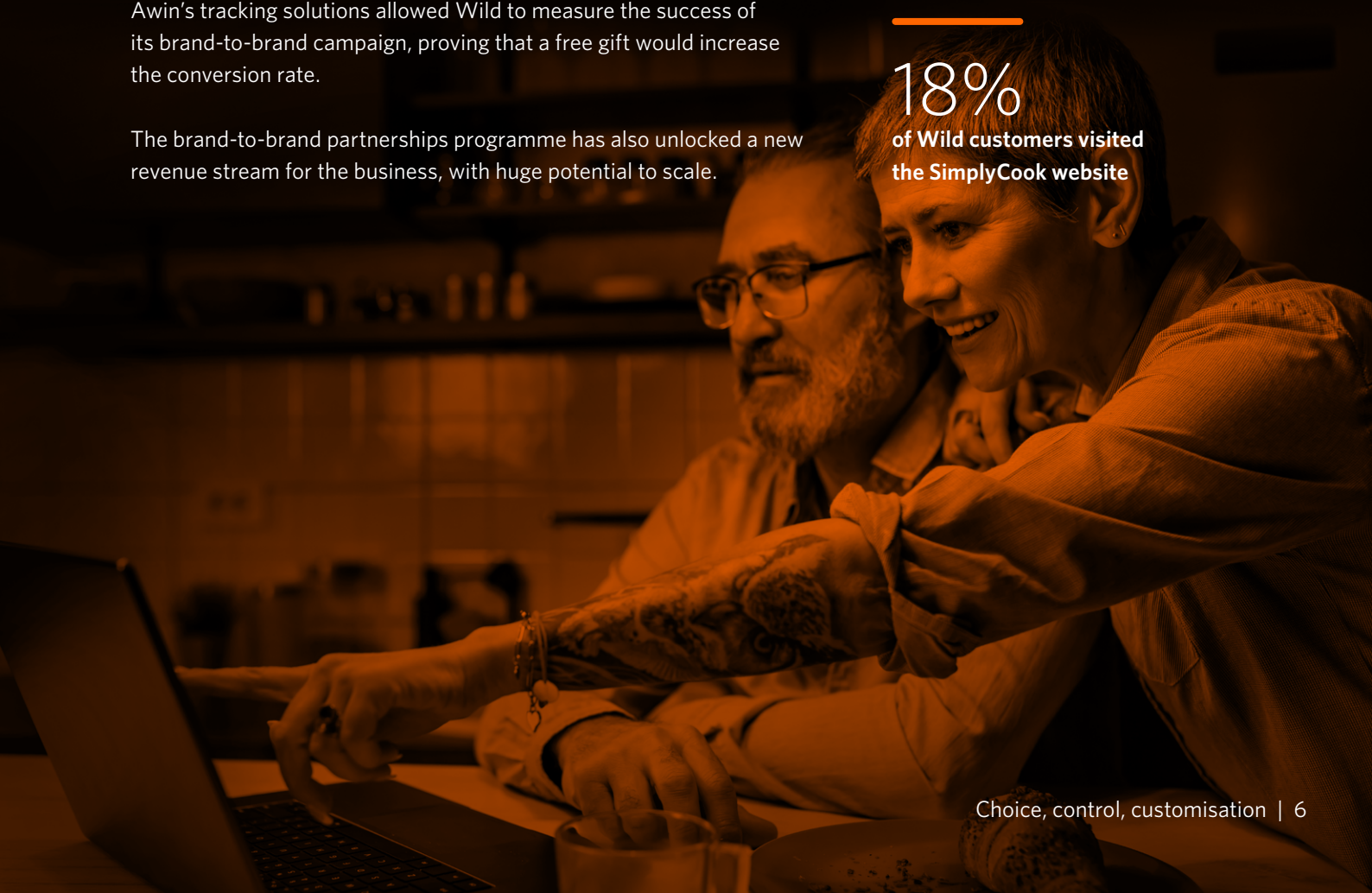
Wild generated five figures of commission with an earnings perclick of

£2.55

Wild saw an increase in basket completion and additional deodorant sales

18%

of Wild customers visited the SimplyCook website



The **tech** frontier

In the post-pandemic landscape, online competition has intensified and customer experience has increasingly become the most important means of differentiation. Higher customer-acquisition costs and squeezed marketing budgets are together leading more retailers to embrace the wide range of flexible technology solutions offered by partner marketing.

Getting the right technology mix can be tricky, with an element of trial and error. Awin simplifies this process by offering easy integration with technology partners through its 'master tag', a container tag that can deploy other solutions on an advertiser's own site.

With a choice of 64 technology partners currently in the Awin directory, brands can accelerate innovation by testing what works for them without going through a lengthy sign-up procedure. By streamlining this integration, Awin helps brands lighten their workload and transition towards a more self-service model, solving the common challenge of resource-intensive partner marketing.



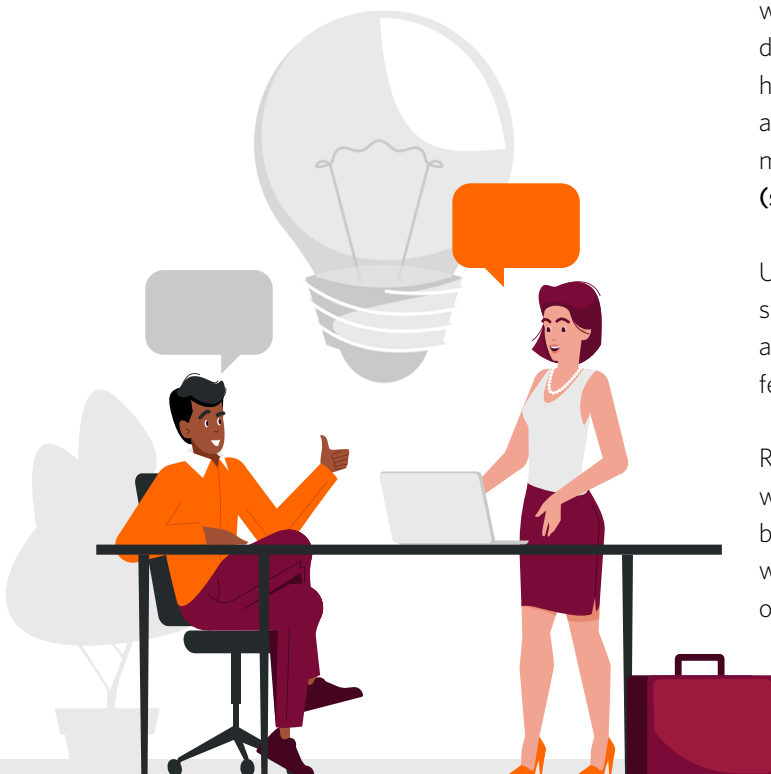
Adventure marketing

This is important as marketing from the comfort zone is no longer very comfortable. The chaos of the last few years has made life less predictable, putting a premium on the ability to be agile and innovative.

Start-up sunglasses brand Tomahawk Shades worked with Awin partner Today's Business to get directly in front of the editorial tastemakers who could help it compete with bigger brands. An imaginative approach saw it grow channel revenue by 77%, making partner marketing its biggest channel (see case study 3 overleaf).

Uncertainty means that proactive adventuring beats a steady-as-it-goes attitude. An 'armchair' approach to affiliate activity loses out. Winning programmes need to feature more varied partners and be experimental.

Research by Awin last year found that 'adventure' brands which strive for a diverse programme mix, with set budgets available for adapting to market changes, and which regularly welcome new partner types on board, outperformed more passive brands.



Results

Tomahawk Shades saw a
77%
increase in affiliate channel
revenue within a year

Affiliate marketing's share of
e-commerce revenue grew by
12%
and doubled its ROI

Programme average order
value (AOV) increased by
31%

The brand achieved
placements and reviews in
high-profile sites such as
Insider, GQ and Men's Health

250%
growth in the number of
sale-active editorial content
partners with a focus on menswear

Case study 3

Tomahawk focuses on growth

Launched in 2012, Tomahawk Shades targets a gap in the \$4bn US market for stylish, affordable frames. It sought to establish better awareness for the brand, but lacked the huge advertising budget of competitors.

Working with digital agency Today's Business, Tomahawk Shades decided to manage content partnerships via the affiliate channel.

Ambitious targets included:

- targeting high-end fashion publishers to increase AOV from affiliates by 20%
- growing affiliate revenue by 50%
- increasing e-commerce revenue by 10%.

Using tools like SEMrush, the agency created an active database of editors to target. Research revealed that editors would most likely respond to a pitch that was short, simple and had a unique angle.

The teams created 45-second videos modelling the sunglasses and highlighting key USPs and addressing prospective partners via direct messages on Instagram.

Meanwhile, a product sampling campaign sent more than 200 pairs of sunglasses to content creators.

Grow your own way

This need for agility and an adventurous approach requires tools that allow companies to adjust their tactics for their own markets and brand objectives. Awin is now launching a platform to suit every need, and not forcing companies into a one-size-fits-all solution.

Following the success of its traditional platform, it has launched a lighter-touch, less expensive version for SMEs. This Access platform is quick and easy to get up and running and allows SMEs to adopt a more self-service approach.

At the other end of the spectrum, larger enterprises need a solution that provides enhanced reporting across all partners and channels and more in-depth industry benchmarking. This Advanced platform sits on top of the classic Accelerate version for the midmarket, giving a choice of three options for brands.

Choice, control, customisation

The affiliate and partner marketing industry is constantly evolving, with advances in technology and shifts in consumer behaviour requiring businesses and marketers to adapt to remain competitive.

Finding the right partner mix and the ability to scale at speed has never been more important, with brands needing to move quickly, experiment and adjust their tactics.

Technology plays a crucial role, and the best tech tools allow brands to do what they need to do intuitively, clearing obstacles rather than creating them.

Despite tough times, brands that can embrace the power of affiliate and partner marketing can carve out an advantage over competitors.

Awin is now launching a platform to suit every need, and not forcing companies into a one-size-fits-all solution.





Infinite partnerships, simply enabled

Our global affiliate marketing platform empowers brands and retailers of all sizes to grow their businesses online.

25,000 customers grow their business every day
with Awin's affiliate marketing platform.

Find out how Awin can help your business.

awin.com

