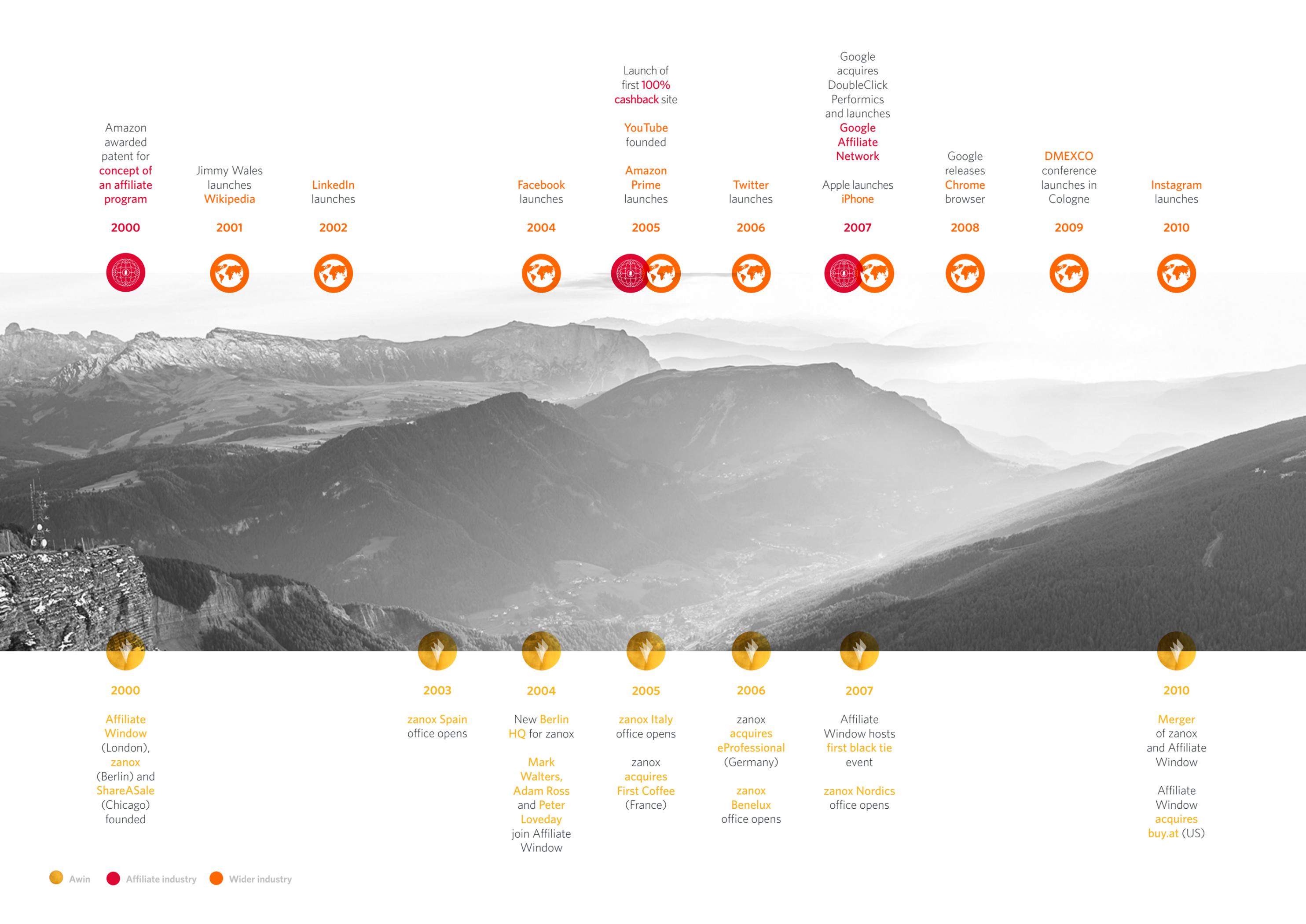




# Awin Report

Celebrating 20 years of success



Amazon awarded patent for **concept of an affiliate program**

2000



Jimmy Wales launches **Wikipedia**

2001



**LinkedIn** launches

2002



**Facebook** launches

2004



Launch of first **100% cashback** site

**YouTube** founded

**Amazon Prime** launches

2005



**Twitter** launches

2006



Google acquires DoubleClick Performics and launches **Google Affiliate Network**

Apple launches **iPhone**

2007



Google releases **Chrome** browser

2008



**DMEXCO** conference launches in Cologne

2009



**Instagram** launches

2010



2000

**Affiliate Window** (London), **zanox** (Berlin) and **ShareASale** (Chicago) founded



2003

**zanox Spain** office opens



2004

New **Berlin HQ** for **zanox**

**Mark Walters**, **Adam Ross** and **Peter Loveday** join **Affiliate Window**



2005

**zanox Italy** office opens

**zanox** acquires **First Coffee** (France)



2006

**zanox** acquires **eProfessional** (Germany)

**zanox Benelux** office opens



2007

**Affiliate Window** hosts **first black tie** event

**zanox Nordics** office opens



2010

**Merger** of **zanox** and **Affiliate Window**

**Affiliate Window** acquires **buy.at** (US)



Left to right:  
Peter Loveday (CTO)  
Adam Ross (COO)  
Virpy Richter (CFO)  
Mark Walters (CEO)

# Message from the Board

**Anniversaries always allow for time to look back on the past, as well as celebrate success.** For Awin, 2020 marks our 20th anniversary and we wanted this year's Awin Report to reflect on our history and the role the business has played in shaping the global affiliate industry.

While it's important to acknowledge our past heritage, no industry stands still. Defining a compelling affiliate vision for 2020 and beyond is imperative to ensure Awin remains not only relevant, but a key partner for our clients for years to come.

This year will see Awin embark on projects that address challenges marketers face around the world. While tough nuts to crack, we see them as opportunities to cement affiliate marketing's credentials as a data-respectful and transparent vehicle for continued investment.

Crucially, they'll also offer a chance to reinvent and rethink how we run our partner programs.

Awin is seeing a fundamental realignment within the industry based around changing client needs. This offers us the chance to reshape the business in the next stage of our development.

In 2020, Awin will be offering new services that build more flexible

and accessible programs to retailers of all shapes and sizes. We want to accelerate how our partners work with us while opening up affiliate marketing to startups and thousands of small businesses, allowing every type of enterprise to collaborate. We're determined to strike the right balance between service, reporting and meaningful insight while leveraging our 20 years of affiliate marketing heritage.

For this Report, we asked five Awin stakeholders to share how we are forging new relationships with our partners. You can read their views in our section, Looking to the Future.

As a business that has thrived over the past two decades because of the strength of our client and partner relationships, we've spoken to our industry comrades for their views on a variety of subjects. You'll read how mass media houses are embracing affiliate marketing, why the channel is leading the way in the convergence between digital and physical, as well as the hurdles

faced in bringing a successful new affiliate business to life.

Alongside a handful of stories that have shaped the evolving affiliate channel since Awin's inception, we're showcasing some of our most inspiring case studies.

Finally, as a management team with collectively more than 50 years experience working in the business, Awin knows our success is predicated on the strength of the people who have worked at the companies that comprise us: zanox, First Coffee, Affiliate Window, buy.at, M4N, ShareASale, affilinet and, most recently, our friends at Australian network Commission Factory. You can read their thoughts from their time at the company.

We want to thank you for your support over the past 20 years in helping to shape Awin into the business it is today. 2020 may mark an important milestone but it's also the start of a new journey for the business. We hope you'll join us in writing the next exciting chapter of Awin's story.



Amy  
Ely

*Then*  
Marketing Manager ↻  
Head of Marketing  
buy.at / Affiliate Window  
Baltimore  
(4 years)

*Now*  
Senior Manager  
Canada E-commerce & ArmourBox  
Under Armour



“What I most enjoyed about my time at the company was the team, they were amazing – **really talented industry experts that also became lifelong friends.**”

Tim  
Markestein

*Then*  
Account Manager ↻  
Business Development Manager  
M4N / zanox  
Amsterdam  
(4 years)

*Now*  
Head of Client Success  
Sage + Archer



“In the future I can see the channel being further appreciated as an enabler of **valuable connections between independent publishers and quality advertisers** that are looking for alternatives to Facebook, Google and Amazon.”

Pettersom  
Paiva

*Then*  
Head of Business Development  
and Publisher Sales  
zanox / Awin  
Madrid / São Paulo  
(2 years)

*Now*  
Co-Founder & CEO  
Vooptr



“Networks like Awin can play an extraordinary role in connecting new media models to big advertisers, therefore acting as a **catalyst for innovation** in the e-commerce industry.”

Charlotte  
Lumbroso-Pinard

*Then*  
Corporate Development  
and Strategy Director  
zanox  
Berlin  
(5 years)

*Now*  
Director of Strategic Growth  
News Media International  
Axel Springer



“My biggest takeaway from my time at the company is that **no project is too ambitious as long as it's driven by a solid team** who is able to challenge the status quo while never losing sight of the overall objectives.”

## Alumni Voices

Former employees across the world reflect on their time at Awin and working in the affiliate channel





# Industry Insights

With over 15,000 advertisers and more than 200,000 publishers now connecting via its global network, Awin has tracked a growing volume of data around the world throughout its history.

That vantage point has afforded us a unique perspective on the latest trends within the industry which has, in turn, helped to shape our own direction and offering... from the growth of mobile and the transformation of tracking, to the evolution of publisher types and the explosion of global retail events like Black Friday.

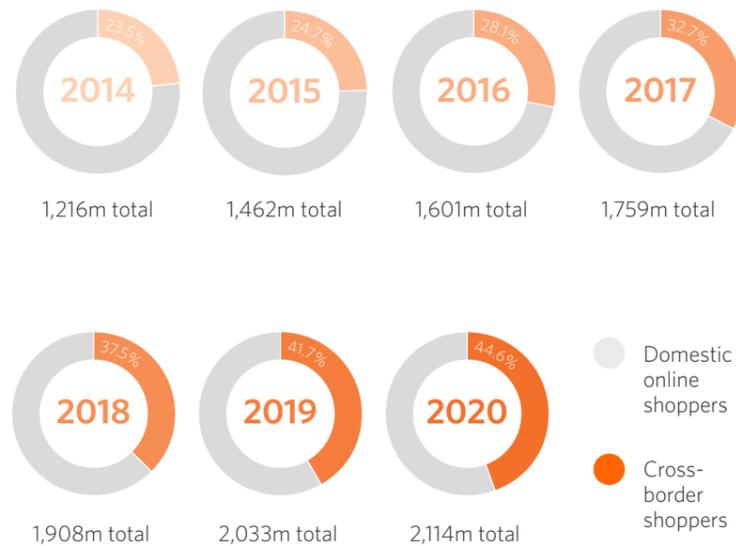
**Let us tell you the story of these radical changes through the data, numbers and insights we've bore witness to.**

# The internationalization of affiliates

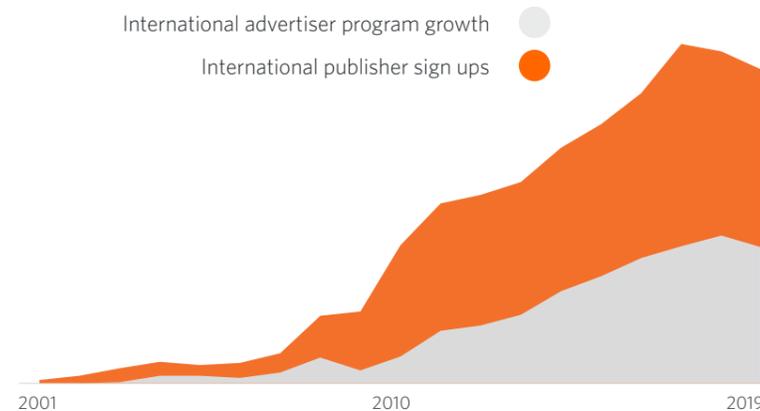
## Cross-border shopping growth

Percentage of cross-border shoppers, 2014-2020

The internet is profoundly borderless and thanks to the rise of global retail events, improved e-commerce platforms and logistics of delivery and returns, consumer confidence in buying from non-domestic brands has grown. Accenture's research<sup>1</sup> on cross-border online shopping suggests that **this year almost 45% of shoppers will buy internationally on the web.**



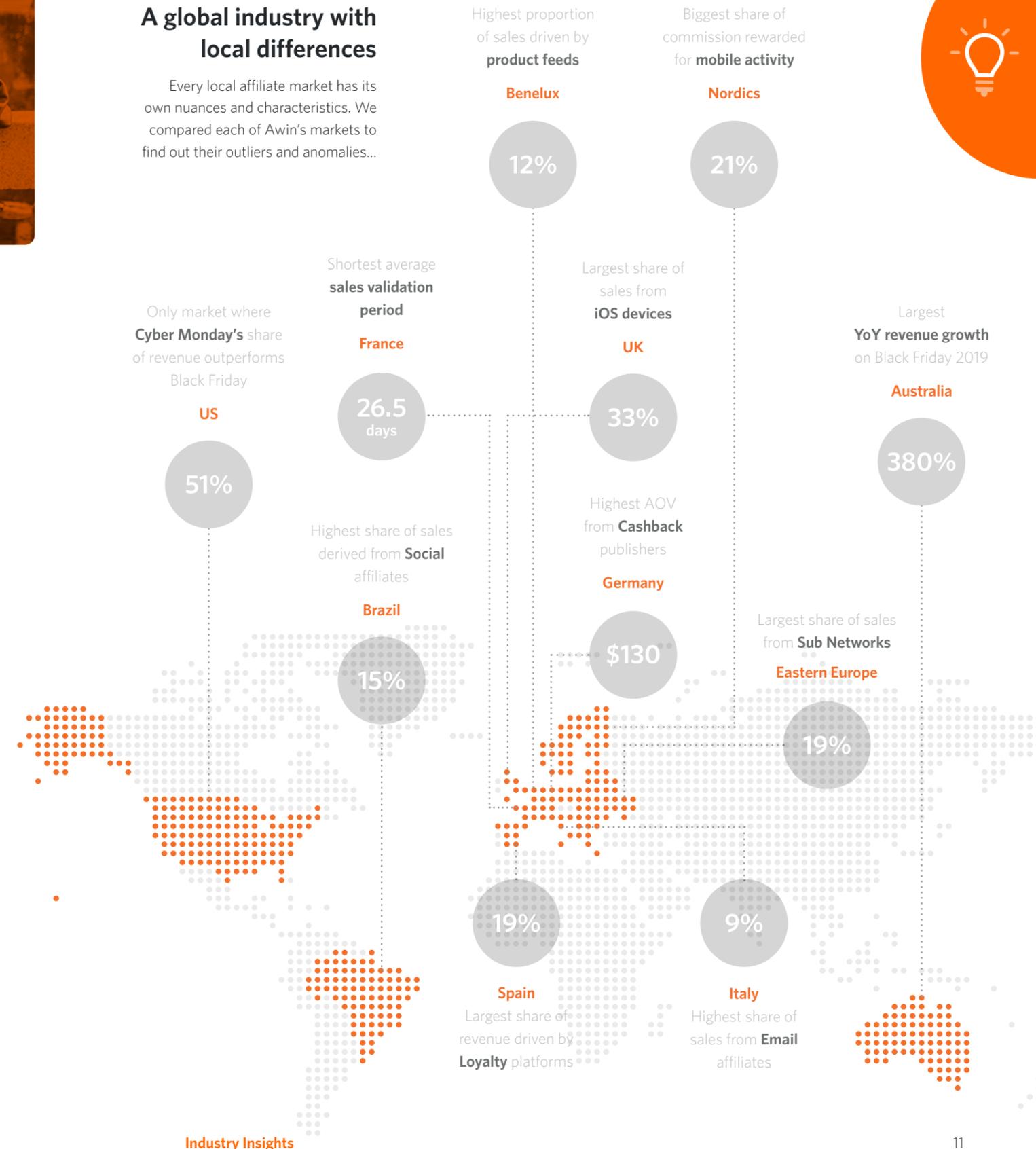
## International publisher sign ups and advertiser program growth



Affiliate marketing has long been an international phenomenon. Local expertise from affiliates can be invaluable to brands seeking to break into new markets overseas and engage new audiences. Awin has seen substantial growth in terms of both affiliates signing up **from more markets around the world** (orange), and in terms of brands opening **non-domestic programs** to target these new markets (grey).

## A global industry with local differences

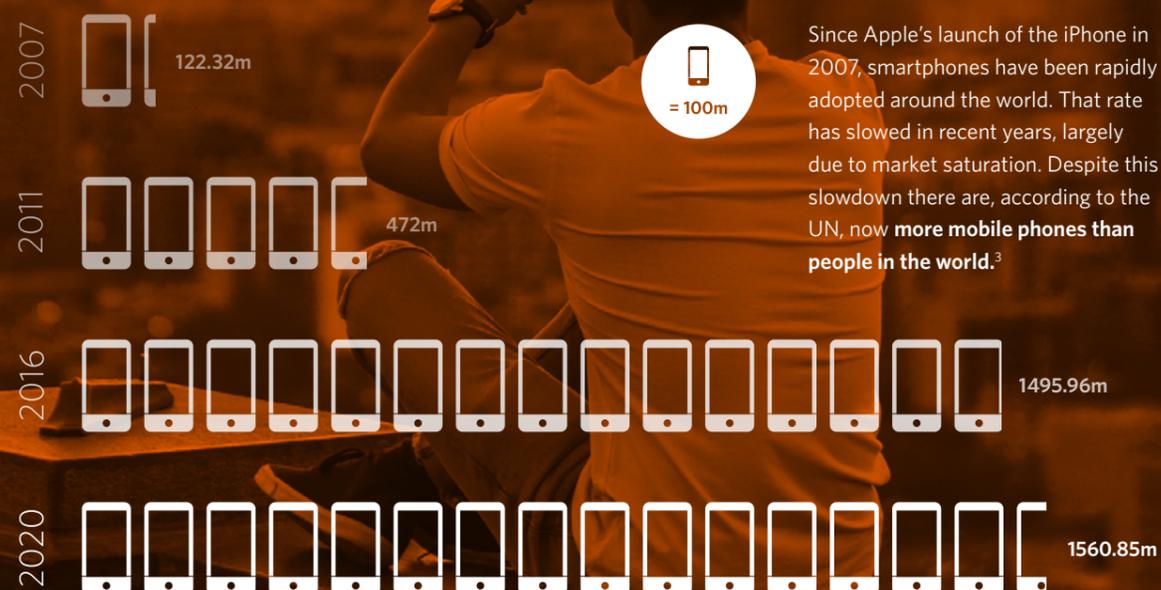
Every local affiliate market has its own nuances and characteristics. We compared each of Awin's markets to find out their outliers and anomalies...



# The year(s) of mobile

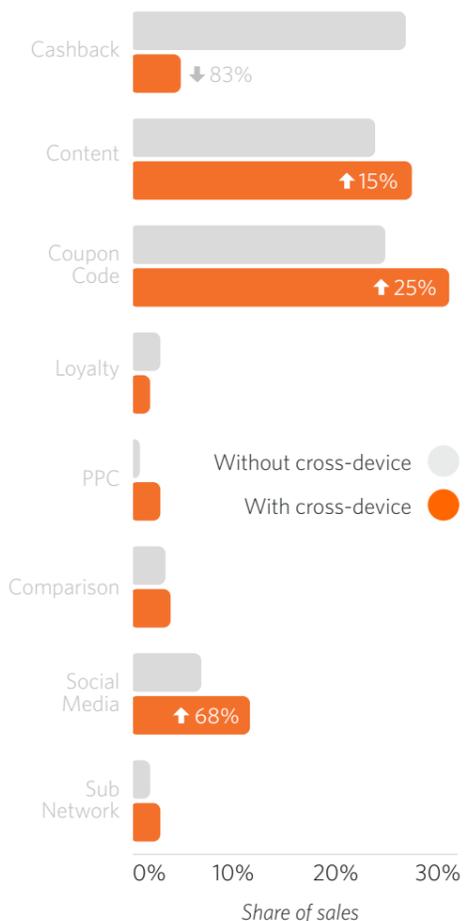
## The global growth of smartphone adoption

Number of smartphones sold to end users worldwide<sup>2</sup>



## Time spent on mobile is incremental

It's interesting to note that the growth of smartphones **hasn't actually cannibalized the time** previously spent online via desktop devices. Instead, it has been incremental growth. A decade ago we spent less than three hours online per day altogether. **Now we spend more than that via our smartphones alone.**<sup>4</sup>



## The need for cross-device tracking

Impact of cross-device on share of sales

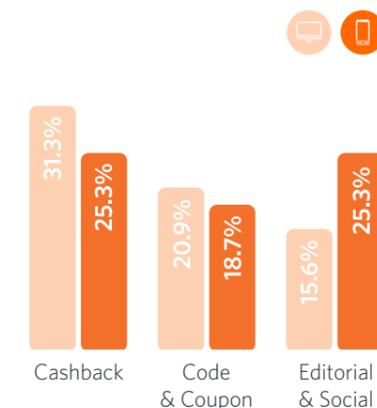
The shift to a multi-device world that smartphone adoption induced made it harder than ever to effectively track online marketing efforts. In 2015, Awin launched its cross-device tracking technology to resolve this dilemma. The early signs were significant in highlighting how **certain affiliates were missing out on properly attributed sales**. An affiliate program with cross-device tracking saw a huge uplift in the share of sales awarded to Social Media publishers. This was an intuitive insight. Social activity largely occurs on smartphones, while e-commerce activity occurs on desktop. By tying these two devices together, we could provide **a clearer picture of how users were using their mobile devices prior to purchasing from brands online**.

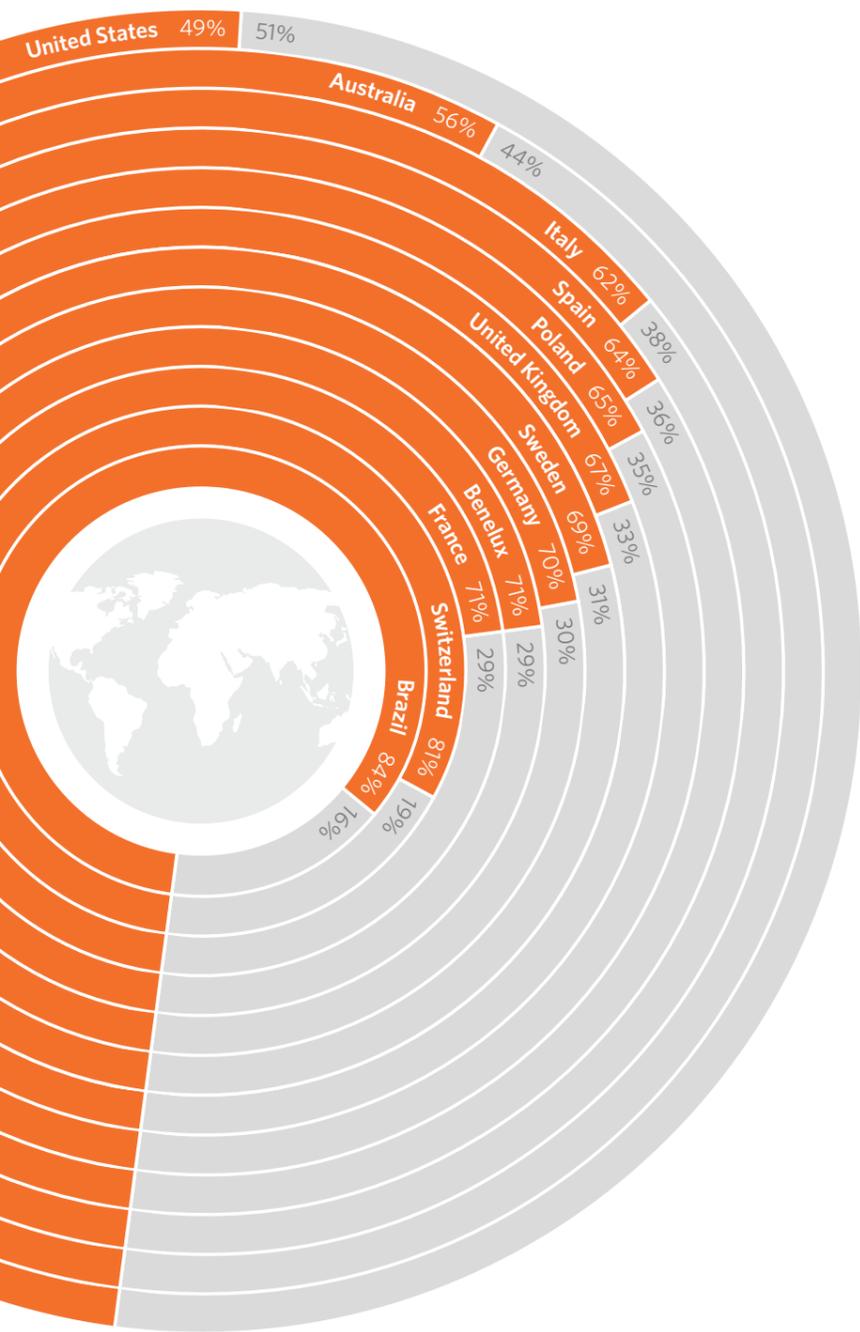
## Shedding light on device differences

Desktop vs mobile share of commission

The difference between mobile and desktop traffic is clear when the types of publishers tracking sales through different devices are understood. Over Black Friday 2019, commissions earned by Editorial and Social publishers via smartphones exceeded Coupon sites

and matched Cashback portals, a much more even split compared to desktop. **It's vital brands understand how the makeup of an affiliate program can change radically** when cross-device tracking is switched on and the devices driving sales are examined.





# Black Friday's evolution

Black Friday ●  
Cyber Monday ●

## The global domination of Black Friday

Local share of tracked revenue, Black Friday vs Cyber Monday 2019

The growing importance of Black Friday is highlighted in how it accounts for **more than two-thirds of the aggregate revenue** from both it and Cyber Monday. In Brazil it is overwhelmingly the most important trading day of the year, in contrast to the US where Cyber Monday continues to play to its traditional in-store strengths. However, when taking sales instead of revenue into account, **Black Friday edged out Cyber Monday in the US in 2019**, giving it a clean sweep across all countries where Awin has offices.

## The rise of the 'Black Friday Elephant'

Sales across the day (by hour), Black Friday & Cyber Monday 2019



Black Friday and Cyber Monday tell an interesting story when sales are plotted hourly across both days. The midnight rush as Black Friday and Cyber Monday begin is evident, especially when overlaid with device data showing the importance of mobile sales in the early hours. The subsequent dip, reinvigorated by mobile sales as people begin their morning commute, then switches to

desktop prominence across lunchtime. **Sales peak in the evening at 9pm on both days** with a particularly pronounced spike on Cyber Monday, possibly comprising more considered consumer purchases finally transacting as offers and deals come to an end. **This recurring trend is one that we have come to name the 'Black Friday Elephant'** because of its familiar outline.



## The importance of the 'Golden Quarter'

Monthly sales indexed against monthly average, 2019

When Awin's sales are indexed across the year, the importance of November and December is evident. Taking an average across the year and plotting each month to see where seasonal spikes help boost performance, **it is obvious how important Black Friday, Cyber Monday, Singles' Day and Christmas trading are.** This data from 2019 shows a small over-indexing in March with a Spring boost. The big story, however, is November, with sales tracking at one and one half times the average compared to the rest of the year.

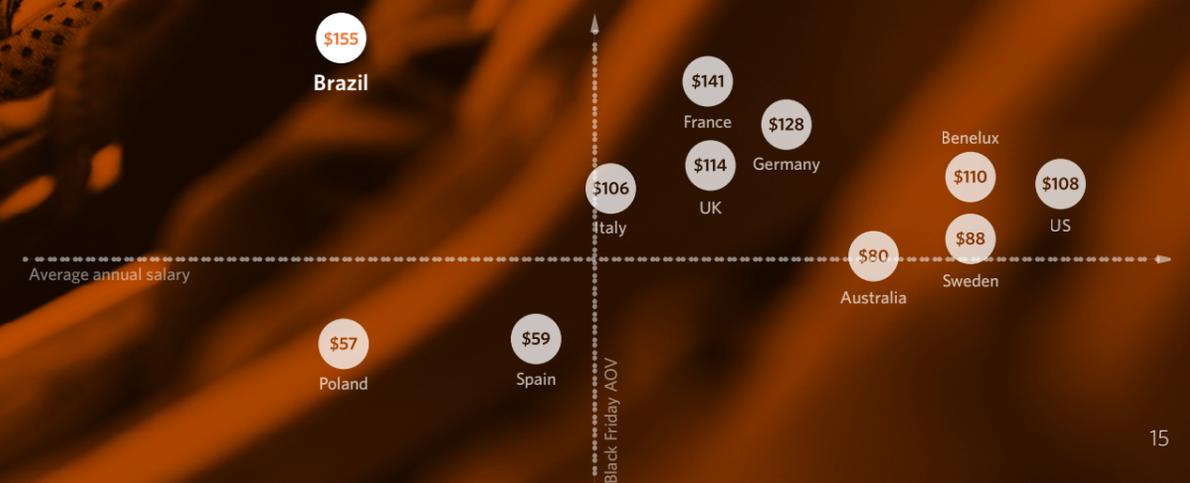


## Brazil's Black Friday AOV anomaly

Taking into account local nuances is always an important aspect of monitoring Black Friday trends. One of the more interesting ones we've noticed is Brazil's high AOV on the day. **This anomaly is especially**

**pronounced when set against average annual incomes for each of our markets.** Despite having the lowest average annual wage, Brazil's shoppers appear to spend more on the day than anywhere else. But

the traditional **'13th salary' bonus** Brazilian employees are paid just before Black Friday appears to help explain this statistical outlier, with many using the bonus to buy items heavily discounted during the event.

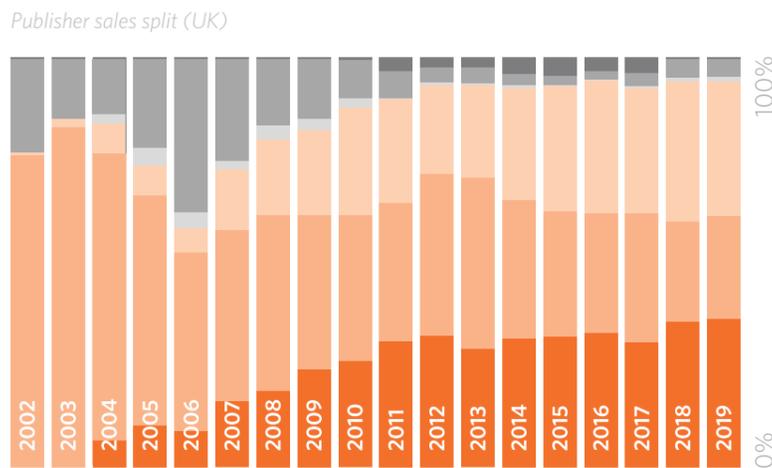


# Publisher diversification

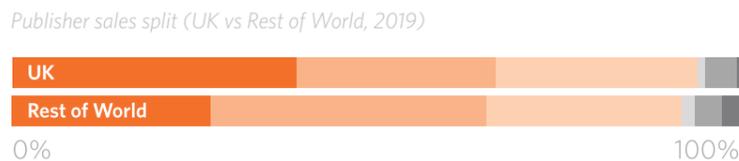
## The changing affiliate landscape



We can see here just how much the affiliate landscape has changed over time. This chart highlights the share of sales in the UK by a selection of publisher types. In the early days, volume drivers like Content and PPC dominated the landscape. Although Content has continued to grow, with the introduction of incentive partners like Coupon and Cashback affiliates, the share of where activity came from was reshaped as these publishers became increasingly popular with consumers.



Of course, this view is specific to the UK market and it is interesting to also note the publisher variances today between Awin's UK and other global markets (right).



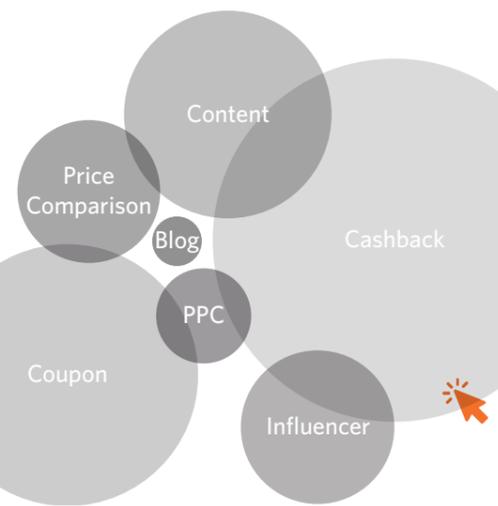
## Daisy chain analysis

Clicks (per publisher type) in an example user journey

The dominance of incentive-based publishers on affiliate programs, and the debates around the value they drive for brands, has become a perennial dilemma within the channel. It was precisely this discussion that led Awin to develop its 'daisy chain' click path analysis, designed to illustrate these sites weren't simply overwriting other affiliate types in the channel and 'stealing' their commissions. By

stitching together the affiliate clicks in a user's journey we were able to see that on average **only 12% of tracked sales were overwritten by other affiliates** - a much smaller figure than many advertisers had at first feared.

Incidentally, where overwriting did occur, it mostly happened between publishers of the same type: Cashback on Cashback, or Coupon on Coupon.



171m sales

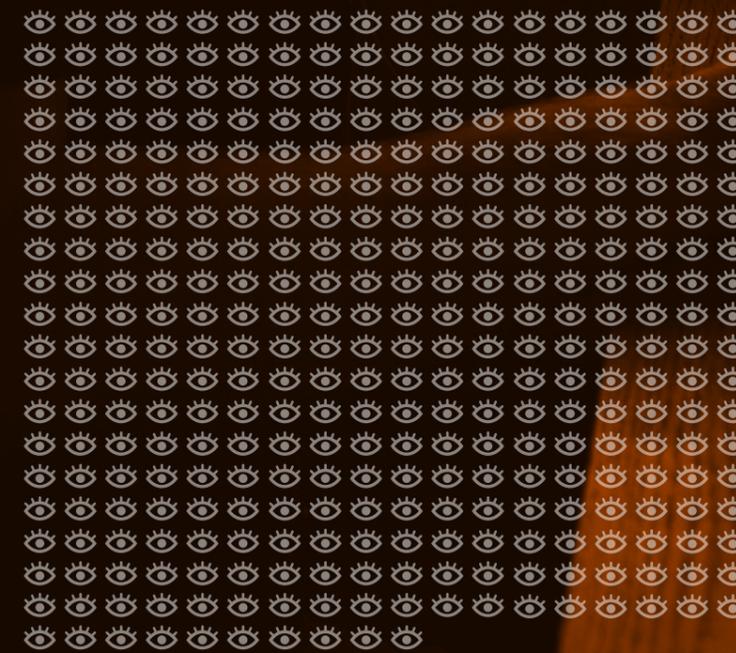
For every one sale

5b clicks

29 clicks for every sale

60b impressions

352 impressions for every sale



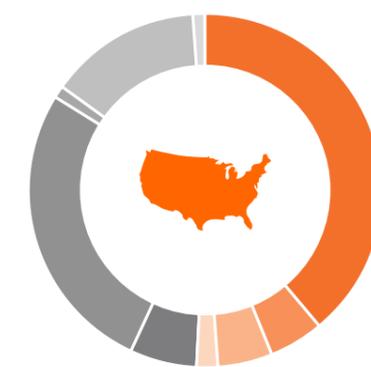
## Affiliate effort versus last-click rewards

A larger issue for affiliates in general is the **disparity in earnings they receive versus the value they frequently contribute** when paid on a traditional CPA basis. If we take a measure of how much value Awin's network of publishers is driving for brands around the globe beyond just sales, it makes clear the vast sum of marketing effort that goes unrewarded when working on a pure last-click payment model. Last year Awin's affiliates generated over 170m sales, but also 5b clicks and over 60b impressions for advertisers. Paid on a pure CPA model, **the vast majority of that effort would go unrewarded.**

## In the US, content is king

Ad spend by affiliate type

The Performance Marketing Association's inaugural study of the US affiliate market appeared to suggest that this approach may be evolving though.<sup>5</sup> One of the most surprising but welcome findings from the study revealed that Content & Blogger sites were earning almost a 40% share of publisher commissions in 2018 - an indication perhaps of a **growing diversification away from the last-click legacy** of the channel.



- Content & Bloggers
- Sub Network
- Comparison
- Retargeting & Remarketing
- Other Ad Spend
- Cashback, Loyalty & Rewards
- Social
- Coupon, Voucher & Rebate
- Search Engine Marketing (SEM)

# Tracking in a privacy-conscious era

**1995**  
European Data Protection Directive launches

**2005**  
Adblock Plus launches

**2007**  
Facebook's Beacon platform launches to track users outside of its own ecosystem

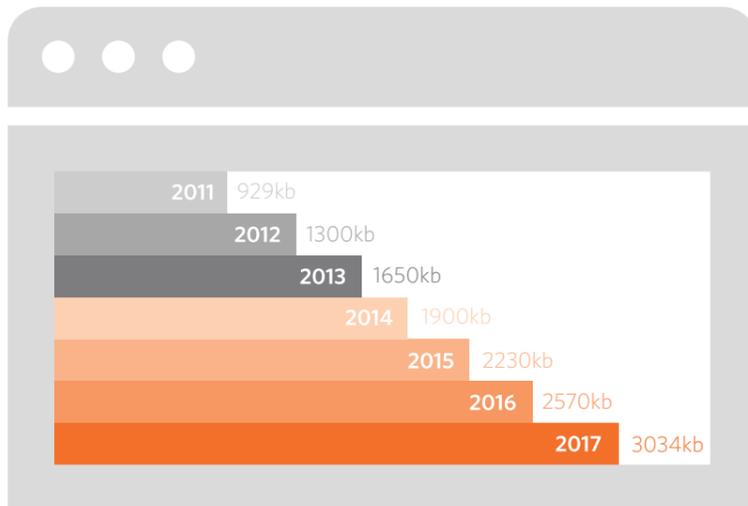
**2015**  
Number of global users adopting ad blockers reaches 200m

**2017**  
Apple releases first ITP update, limiting tracking of users in Safari

**2018**  
*March*  
Facebook's Cambridge Analytica scandal breaks

## Tracking tags add to page bloat

Average webpage size over time (kb)



Although internet speeds have generally improved over time, the proliferation of advertising scripts and tags on web pages, as well as the adoption of larger images and video files on many websites, has led to page sizes bloating in recent years,

slowing many sites down.<sup>6</sup> Today's users have no tolerance for this though. According to SEO expert Neil Patel, **40% of people will abandon a site that doesn't load within three seconds.**<sup>7</sup> Page load speed is now a major factor in defining e-commerce success.

**2018**

*May*  
GDPR implemented by the EU and its member states

**2018**

*June*  
ITP 2.0 released

**2019**

*June*  
Microsoft Edge introduces tracking prevention feature

Firefox launches Enhanced Tracking Protection feature

**2019**

*July*  
Facebook fined \$5b by FTC for part in Cambridge Analytica data breach

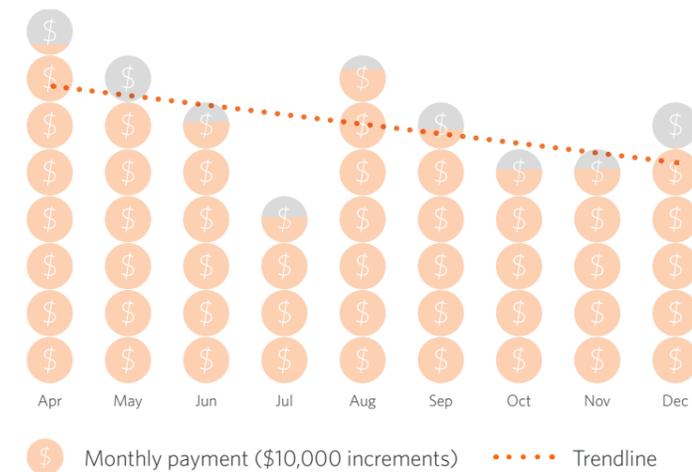
British Airways receives biggest GDPR fine yet of \$240m for data breach

**2020**

*January*  
California Consumer Privacy Act comes into effect

## Compensating publishers for ITP losses

ITP publisher compensation over time

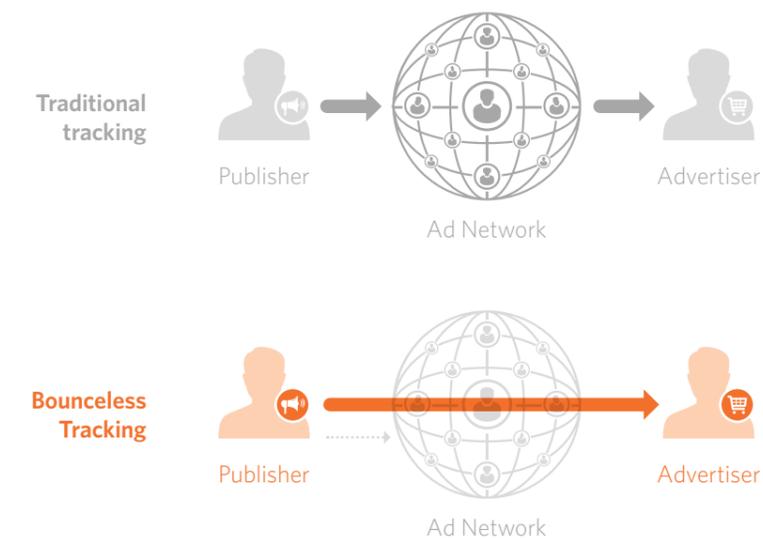


With Apple's ITP gradually removing the ability of cookies to track users within its Safari browsers, Awin urged advertisers to upgrade to its full tracking suite to mitigate the impact of this change. Despite less than 1% of transactions taking longer than 24-hours to convert, the network

was still eager to **ensure publishers were compensated for sales that might have been missed due to older tracking setups.** In this chart we can see the monthly compensation payments Awin calculated and facilitated for publishers from advertisers with such a setup. By the

end of 2019 over \$500k had been recompensed. **Most satisfying to see though was the trendline illustrating the declining amount being paid out** thanks to more advertisers adopting an optimal tracking configuration that ensured the best possible means of tracking all affiliate activity.

## Launching Bounceless Tracking



Compensation was a short-term fix. Instead, a more long-term solution to the tracking dilemmas we all face was required. At the end of 2019, Awin announced its Bounceless Tracking solution. This new method removed the need for affiliate links to be redirected via Awin's server. **Instead, users would be directed straight to the advertiser.** In doing so, Bounceless Tracking would be compliant with the more stringent tracking policies of major browsers, provide a faster user journey and give full visibility on the URL referrer within Awin's transaction reports. This cutting-edge approach will ensure affiliate remains **the most robust and privacy-conscious model** for online advertising in the future.

Sheyla Biasini

*Then*  
Country Manager, Italy  
zanox / Awin  
Milan  
(11 years)

*Now*  
Event Organizer  
Milano Bike City



"If there was one thing I took away from my time at Awin it was that **everyone has a talent**. Recognizing what it is and having the right people in the right place is a key success factor for every company."

Lauri Kööp

*Then*  
Managing Director  
M4N / zanox / Awin  
Amsterdam  
(6 years)

*Now*  
CEO Online Services  
DPGmedia



"Accountability, conversion and a performance focus are the strengths of the channel. Because **publishers only get paid for their own successes**, they are obliged to truly assess how they can deliver meaningful content to the consumer."

Simon Bird

*Then*  
Brand Sales Manager  
Affiliate Window  
London  
(4 years)

*Now*  
Co-Founder & CEO  
RevLifter



"It really was work hard, play hard in those early years. It was certainly a fun place to work. **We were the trailblazers of affiliate marketing**, winning large brands from many competitors. It felt like we were the white knight of the industry."

Mateusz Łukianiuk

*Then*  
Account Manager  
Country Manager, Eastern Europe  
zanox / Awin  
Warsaw  
(7 years)

*Now*  
E-commerce Director  
Ringier Axel-Springer



"It's hard to pick just one thing, but during that time I had a chance to learn so much. Awin showed me **the international 'face' of the business**, enabling me to exchange ideas and develop connections, not to mention the Aspen parties!"

## Alumni Voices

Former employees across the world reflect on their time at Awin and working in the affiliate channel





# Success Stories

Documenting success is often as important as achieving it. Awin has made a habit of sharing numerous case studies around its most effective and innovative campaigns over the years, with many picking up awards along the way.

For this edition of the Awin Report we decided to feature a variety of case studies, both past and present, that are among our favorites and exemplify the variety of **best-in-class work being done for our clients.**

Showcasing a diverse mix of sectors, markets, objectives and models, this selection of campaigns illustrates the sheer breadth of what affiliate marketing can achieve when it's done right.

# “Missed your last train home?”

## Using geofences to target London’s Christmas party revelers

“A hotel brand came to us looking for an innovative new way of using data targeting to maximize hotel bookings outside of Q1 peak. We came up with the idea of using London tube station geolocations to gather a pool of commuter data. The idea was to retarget and encourage hotel bookings on the night of office Christmas parties in December with a closed-loop exclusive 10% off code. This was a hugely exciting campaign for us, and stands as an early example of just how powerful geotargeting can be when used correctly.”

Jessica Brown,  
Client Services Manager, vouchercloud

One of the very first affiliate campaigns to demonstrate the value of targeted marketing using geo-location data, this partnership between vouchercloud and a hotel brand was hugely successful for both parties over the Christmas period.

vouchercloud’s popular smartphone app provided its users with access to a variety of the latest discounts and deals from brands across a selection of sectors. Those who downloaded the app had the option to consent to having relevant notifications sent directly to their smartphone.

When a prominent hotel booking site came to vouchercloud to discuss potential campaigns for the Christmas period that would help it drive more sales via mobile devices, vouchercloud suggested a creative proposal that leveraged all the benefits a smartphone can bring to individuals.

With Christmas marking the onset of the London office party

season, vouchercloud decided to set up a series of geofences - utilizing GPS technology built within smartphones - around a selection of popular central London underground tube stations.

Knowing the propensity of some revelers to party a little longer than anticipated, vouchercloud arranged its geofences to kick into action when a vouchercloud user entered the vicinity of a selected station after the last train home had already departed.

If that user had enabled notifications from the vouchercloud app on their device, they would then automatically receive a message offering a 10% discount at a local hotel via the hotel brand.

The campaign was wildly successful for both parties, increasing sales via smartphones just as the brand sought to achieve.

By creatively leveraging the technology at its fingertips, vouchercloud was able to not only deliver on a brand’s campaign objectives but provide a clear and valuable solution to a common dilemma faced by a targeted selection of its user base.

In doing so, the campaign demonstrated the best aspects of the value affiliates can provide to advertisers: creativity, genuine value to users, and a tangible objective achieved.

### Campaign results

**+472%**  
sales via vouchercloud

**+281%**  
mobile sales for the  
hotel brand

**+30%**  
in-store/hotel  
redemptions





# Establishing content as a real source of results

“This campaign had to be fast, it had to be smart, and we had to reach the right audience. Digital Trends helped us facilitate that, and the numbers blew the roof off our expectations.”

Austin Ratner,  
Affiliate + Partnerships Marketing Manager at HP



Awin Report 2020



**+600%**  
MoM sales  
during HP Days campaign

Responding to the increasing US trend for mass media outlets and traditional publishing houses to consider affiliate as a new revenue stream, HP and Awin sought to strengthen the HP affiliate program by establishing content campaigns as a key segment of the brand's performance activity.

The affiliate team approached this from two directions.

On one side, coordination with HP's product review team meant Awin was better informed on which publishers would be best suited to the specific products being promoted.

On the other, the affiliate team also made education and communication a key part of their approach. Their proactive outreach and support to relevant publishers meant they were helping these partners to make the most of the tools at their disposal and use affiliate links to effectively monetize existing content.

### Forging relationships with valuable partners

One such example of this new tactic in action was HP's collaborative work with the technology news and review site Digital Trends.

With a website that reaches over 30m people worldwide and a social following of over 6m, the award-winning Digital Trends brand



**+43%**  
revenue  
from HP's content partners

interacts with more than 100m people every month. Its mission, to help guide its audience through an increasingly complex digital world by humanizing technology, is one that aligned well with HP's own desire to create technology that makes life better for everyone, everywhere.

As such, the Awin and HP teams began establishing regular communication with the publisher to forge good working relationships with the publisher's own content and marketing teams and keep them informed of the brand's latest product releases and initiatives.

Face-to-face meetings between HP and Digital Trends at Awin and ShareASale's signature conference ThinkTank US 2019 - as well as at the HP + Awin Publisher Day held for top partners immediately prior to ThinkTank - offered the chance to share insights on progress and for HP to give Digital Trends firsthand experience of its core product lines.

### HP Days content campaign

To coincide with the HP Days campaign, Digital Trends worked with the brand to promote its new Spectre Folio, a 2-in-1 laptop with a unique leather finish that exemplifies the best of HP design and innovation.

To generate buzz around the 72-hour flash sale and drive more



**11%**  
program revenue  
generated by content partners

customers to HP, Digital Trends coordinated a giveaway of a Spectre Folio and a \$500 gift card for its audience. In addition, Digital Trends created custom content based on its positive product reviews of the Spectre Folio and related laptops. Alongside this was a host of supporting shoulder content, social and newsletter promotions, and a featured spot on Digital Trends Live, its daily weekday interactive broadcast on the latest tech and product news.

### Commitment to content yields real results

HP's work with Digital Trends saw impressive outcomes with the one-week HP Days campaign, yielding +600% growth over the same period month-on-month. It also contributed heavily to the overall success of the affiliate team's content strategy.

Through efficient management strategies, proactive partner recruitment, increased collaboration with HP's product review teams, and a desire to build relationships with media partners, HP and Awin saw content publishers collectively achieve a 43% increase in revenue year-on-year, well exceeding their 20% target. Additionally, content partner contribution to the affiliate program grew to account for 11% of program revenue above the initial target of 10%.

# Measuring the impact of new consumer legislation in the telecoms sector

“Ofcom’s new legislation made it a lot easier for consumers to change their rate and the results show that it had the desired effect, with the sale of SIM-only deals seeing an uplift straight away. It shows the number of people that were potentially holding back or unable to switch previously, who are now taking advantage of the changes.”

Dawn Quigg,  
Client Services Director, Awin

The influence of regulators on a market can sometimes be an overlooked factor in how a retailer or sector performs. But sometimes there are individual instances where we can clearly feel its impact.

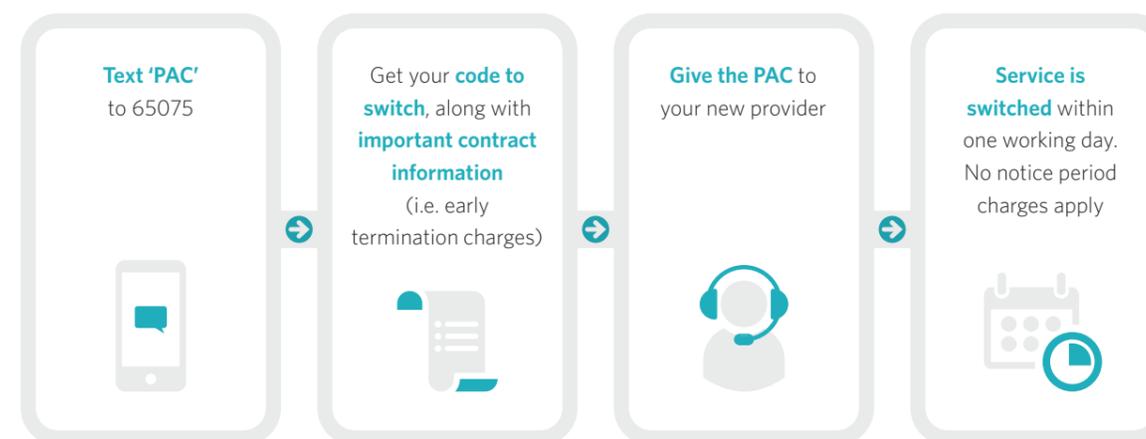
One such example was witnessed in 2019, when the UK’s regulatory and competition authority for the telecoms sector, Ofcom, introduced its new ‘Text-to-Switch’ legislation, making it easier than ever for customers to switch mobile networks.

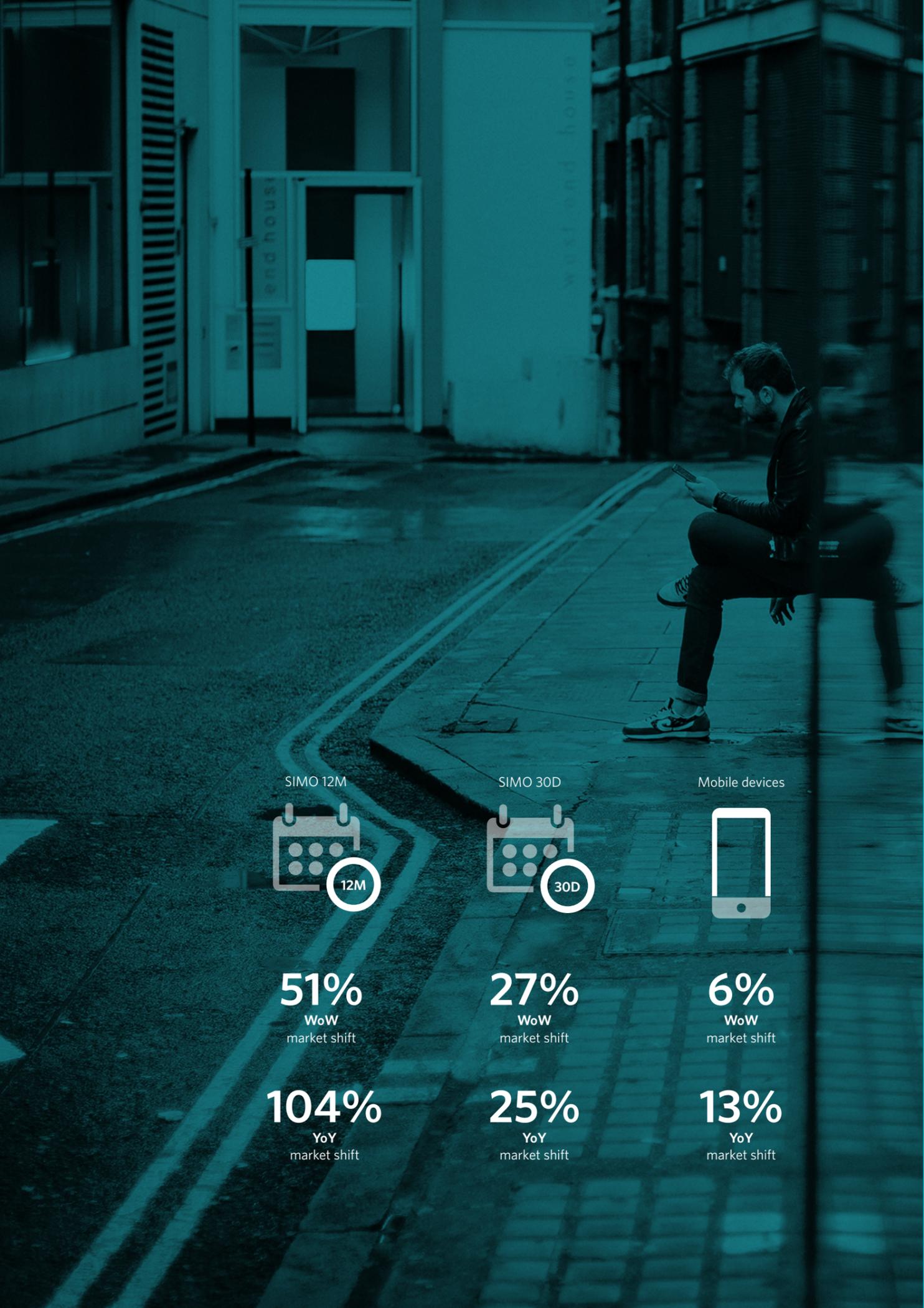
Designed to help further empower individual consumers to choose the right provider for them, customers could now simply text ‘PAC’ to 65075 and, within minutes, use the code they received to switch their network provider while retaining their existing phone number. By making it easier to switch

network providers, the assumption was that Awin would see a significant increase in sales of new contracts and mobile devices for those customers approaching the end of their current term.

Thanks to the broad range of telecoms clients on its UK network, Awin has a strong grasp of the market. Its weekly Mobile Benchmarking Report, an internal report featuring tracked sales data developed to better understand market trends since 2014, was poised to provide this insight.

To analyze the impact of the ‘Text-to-Switch’ Ofcom changes on the SIM-only (SIMO) market, the Mobile Benchmarking Report was used to assess how the market shifted in comparison to the years of data already accessible within the report.





SIMO 12M



**51%**

WoW  
market shift

**104%**

YoY  
market shift

SIMO 30D



**27%**

WoW  
market shift

**25%**

YoY  
market shift

Mobile devices



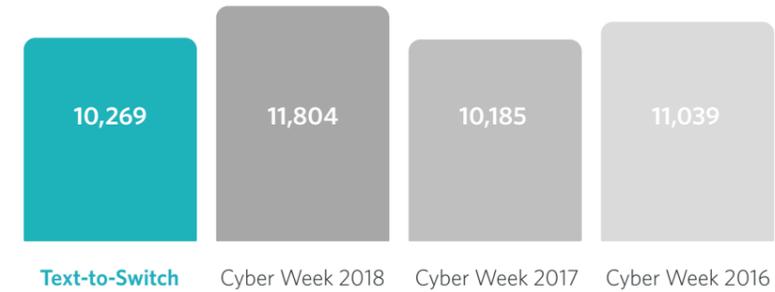
**6%**

WoW  
market shift

**13%**

YoY  
market shift

SIMO sales volume comparison, selected weeks



Sure enough, the legislative changes appeared to capture the public's imagination.

The report showed that SIMO sales volumes for the week commencing July 1, 2019, when the new initiative launched, was the third largest the market had witnessed since 2014.

The sales volume even surpassed Cyber Week 2017 and was only 13% behind Cyber Week 2018, periods that have traditionally seen the biggest sales spikes because of the availability of strong deals during those events.

In some instances, brands were able to double or even triple the amount of SIMO orders they'd usually see in a typical calendar week.

In total, the mobile market increased in sales volume by 37% week-on-week (WoW) and 57% year-on-year (YoY).

Looking at these uplifts from an individual product level across SIM-only 12-month (SIMO 12M) or 30-day (SIMO 30D) contracts and individual mobile devices, Awin tracked significant sales increases in the market (see inset chart).

What was ultimately clear was the fact that the new regulatory initiative had unlocked a consumer appetite that had previously been hindered by the difficulty consumers found in changing their mobile network providers.

'Text-to-Switch' demonstrated the extent to which this was the case and the instance highlighted, once again, just how valuable publishers could be in helping these consumers find the right deal for them online.

*"The new regulatory initiative had unlocked a consumer appetite that had previously been hindered."*

# Harnessing the popularity of Brazil's telenovelas to reach a new audience online

"The partnership with Awin was essential for the campaign's success. Awin coordinated all of the communications and negotiations with our influencer partners, making everything so much easier for us. Without Awin's support, we would never have achieved these fantastic results."

Vinicius Latorraca,  
Digital Media Specialist, Carrefour



**+4m**  
impressions  
from Caio Castro



**+112%**  
affiliate  
revenue



**6.6%**  
overall growth  
in Brazil

With more than 12,300 stores worldwide, Carrefour is one of the world's largest hypermarket chains, offering a wide variety of products at affordable prices.

E-commerce expansion has been a priority project for the brand over the last year and, with more than 74% of its population online and the market expected to generate more than \$21b in e-commerce sales in 2019, Brazil was identified as an ideal location to undertake this project.

With the aim of increasing awareness of the brand's e-commerce site, growing and diversifying its affiliate program and promoting a specific product (the Samsung Galaxy S10) during a traditional local lull period of Q1, Carrefour had set high expectations for its affiliate team.

Collaborating with Awin to devise an effective local strategy, Carrefour decided to focus its attention on using influencer partners that could help raise awareness of their offering and build a profile with a very specific and emerging consumer type.

Thanks to Awin's partnership with the influencer marketing platform Post2B, Awin was able to offer Carrefour a wide selection of potential candidates with whom they could achieve this.

Recognizing the immense popularity of telenovela TV shows in Brazil, model

and actor Caio Castro was identified as the perfect choice. Telenovelas like the ones he appears in regularly draw monthly audiences of over 60m Brazilians of the precise demographics Carrefour wanted to target. Castro's sizable audience of social media-using online shoppers was deemed to be a perfect fit for Carrefour's objectives.

Awin's relationship with Post2B sped up the collaboration with Castro, and he was quickly using a combination of Instagram stories and in-person engagement to communicate with his fans about the launch of the Samsung S10 on Carrefour's online site.

Each of his stories and posts tagged Carrefour and Samsung using a Carrefour filter and special hashtag that Awin tracked, encouraging fans to buy the phone through Carrefour's platform. At the launch event in the Carrefour store, Castro even wore blue to support the brand and interacted with fans to help build an authentic and engaging story.

All of Castro's posts featured affiliate links, allowing Awin to track and analyze the subsequent performance of the partnership through its platform over the following months.

Combined with Carrefour's own social promotion via a selection of local shopping-focused Facebook groups that Awin coordinated, Castro's promotional efforts helped

*"Caio Castro's promotional efforts helped achieve every one of the original targets the brand had set."*

achieve every one of the original targets the brand had set.

Over 4m impressions were generated during the campaign, and Carrefour's site saw a 76% increase in affiliate traffic to its site in April alone thanks to the awareness-building aspect of the partnership.

The revenue driven by affiliates grew by 112%, largely thanks to the huge increase in sales of the Samsung S10, and Carrefour Brazil saw an overall business growth of 6.6% from the previous quarter, more than double its original goal.

In doing so, the collaboration with one of Brazil's high-profile telenovela stars demonstrated the ability of the affiliate channel to effectively measure and deliver an influencer campaign to bring both brand awareness and sales. The campaign was so effective, in fact, that it culminated in winning the LATAM Best Performance Marketing Campaign category at the 2019 IPMAs, a true mark of success.

# Driving sales through personalization, not incentivization

“Our partnership with Smarter Click both met and far exceeded expectations as it crafted bespoke journeys for segments of our traffic based upon their previous activity on site. Not only did Smarter Click help us achieve a phenomenal uplift in orders, but the personalized activity was able to help more than accomplish our trading objectives.

To achieve such non-incentivized sales volumes spoke to Smarter Click’s ability to help us provide a great online experience for our customers, and to enable us to connect them with the products and services they require.”

Wesley Kepple  
Partnerships Manager, CPW

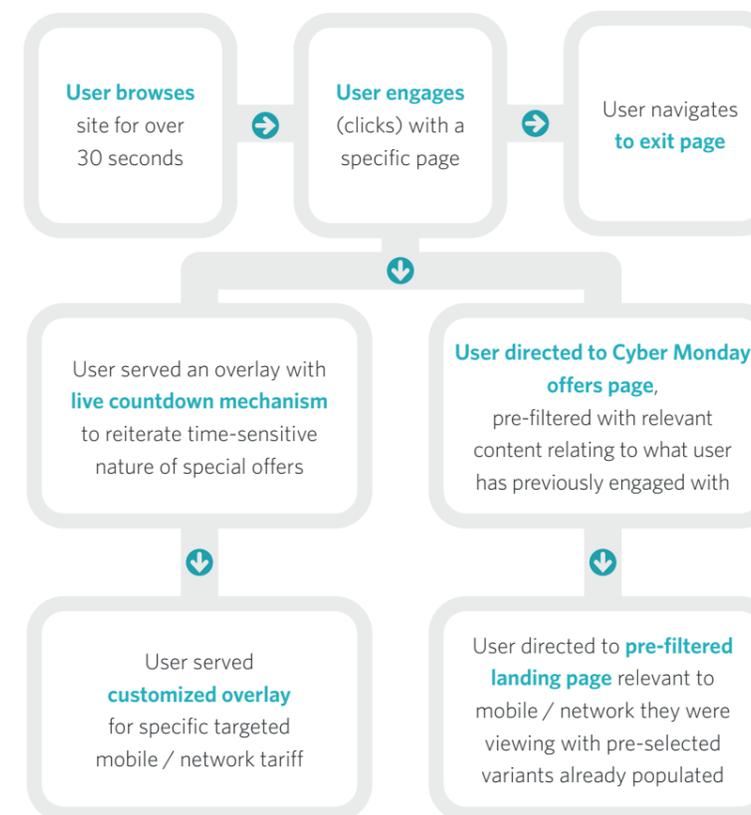
Many successful affiliate partnerships are predicated upon some kind of incentive to engage individual consumers. In the world of shopping cart abandonment technologies that has been particularly true. On-site overlays have traditionally incited customers to complete their purchase by offering a last-minute incentive to sweeten the deal.

When UK smartphone retailer Carphone Warehouse partnered

with conversion optimization specialist Smarter Click during its all-important Q4 period, this kind of approach wasn't an option.

Instead, Smarter Click devised a totally different tactic, basing its method on personalization rather than incentivization. By aiming to provide customers with the most relevant content and offers it could on site, Smarter Click hoped this would help improve conversion rates organically.

Example user journey





9%

Smarter Click's conversion rate over Cyber Monday - double the average of the client's top 10 publishers



60%

Proportion of mobile devices sold over Cyber Monday that were trading priority items



4th

By the end of the overall campaign Smarter Click had established itself as the 4th biggest publisher on the program



70%

Carphone Warehouse's Cyber Monday sales increase YoY; Smarter Click supplied 33% of that growth

"One of the beauties of digital marketing is the ability to tailor offerings to suit the unique needs of consumers. However, few publishers are able to successfully develop and execute campaigns that truly capitalize on this ability."

- Wesley Kepple

To successfully execute this campaign, it required a deep understanding of how users interacted with the Carphone Warehouse site, and so Awin's team coordinated strategic sessions between the companies to share these insights, with Smarter Click meeting with Carphone Warehouse's own On-site Optimization team.

Off the back of these meetings, Smarter Click storyboarded all of its ideas around how content delivery could be improved on site, helping the client to visualize Smarter Click's recommendations.

Thanks to the Awin MasterTag, integration of Smarter Click's technology to the Carphone Warehouse site was simple and swift. Once in place, Smarter Click was able to gather extensive information on user behavior on the brand's site and use this to devise personalized messaging for each individual.

Smarter Click's sophisticated technology was then implemented to activate when a user showed exit intent from the Carphone Warehouse site.

Campaign factors included:

**All messaging was aligned with the brand** to ensure a seamless user experience

**Various overlay designs** were tested to find the most engaging ones

**Countdown timers** were used to convey a sense of urgency to convert

Users were directed to **dynamically pre-filtered product pages** based on their preferences

Messaging only appeared on **organic or direct traffic**, thereby not cannibalizing other sources

**Client's trading priorities** were also considered, promoting priority mobile devices

With campaigns set live across some of the most important and competitive retail dates in the year, including Cyber Monday and the run up to Christmas, Carphone Warehouse was thrilled with the results of Smarter Click's personalization approach to shopping cart abandonment (page 36).

Daniel  
Fernandes

*Then*  
Account Director  
Affiliate Window  
London  
(5 years)

*Now*  
Client Partner  
Facebook



"I most enjoyed the early exposure I got to top UK retailers at Affiliate Window, as well as early access to management opportunities, and **the right balance of autonomy in approach versus leadership support.**"

Julia  
Stent

*Then*  
Account Manager  
Client Strategist  
Affiliate Window  
London  
(2 years)

*Now*  
Online Consultant and  
Commercial Mentor  
Trajectory Mentoring



"The biggest learning I got was seeing how fast companies can react to change when they're set up right. It imprinted a belief in me that **companies can and should be lightning fast to react to changes.**"

Helen  
Southgate

*Then*  
Managing Director  
affilinet  
London  
(4 years)

*Now*  
Managing Director EMEA & APAC  
Acceleration Partners



"**Diversity and innovation are the channel's strength.** There's always a new idea, creative campaign, or technology around the corner, which makes the channel the most exciting and valuable to clients."

Diederick  
Ubbels

*Then*  
Intern  
Business Development Manager  
M4N / zanox  
Amsterdam  
(4 years)

*Now*  
Co-Founder & CEO  
Mobpro



"Allowing entrepreneurs to create the best business model is a real strength of the channel. Affiliate marketing is, for me, **the channel that can monetize media spend**, making it commercial."

## Alumni Voices

Former employees across the world reflect on their time at Awin and working in the affiliate channel





# Thoughts for Today

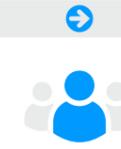
To get a feel for the current affiliate zeitgeist, we asked **industry thought leaders for their views on the state of the channel.**

Uniqodo's Chris Giddins shares a tech startup's view on finding its feet in affiliate. Eagle Eye's Miya Knights sizes up the affiliate opportunity on main street. Sarah Bundy from All Inclusive Marketing tells the channel's story in the US. James Maley at RevLifter details how Black Friday is the perfect test case for showing the value of personalization. And two UK mass media publishers discuss why affiliate marketing is being taken so seriously by such businesses now.



# A view from the **startup foothills**

Uniqodo's evolution  
as an affiliate business



**Chris Giddins**  
CEO & Co-Founder  
Uniqodo

You don't necessarily expect the company you founded to take on a life of its own. But it does. I founded Uniqodo with Julius Somoye with one goal in mind — to provide coupon control to advertisers and affiliates. But since our start in 2014, the company's initial focus has morphed in line with the evolving digital landscape and the changing demands of our clients.

It turned out, coupons become far more interesting when they are 'unique.' They become adaptable and secure, providing assurances to advertisers and attribution to affiliates. More than that, they lend themselves to creativity. Our growth has coincided with a period of networks expanding the range of e-commerce solutions coupons offer to brands, something we've been keen to support.

My story has been about how businesses change. Uniqodo's story has been about changing the relationship between affiliate and digital marketing. It wasn't something that I set out to do, but it has become my goal.

#### The lightbulb moment

It started at an Awin conference back in 2013. I kept hearing people talk about the problems they faced maintaining control over their coupons, and how single-use codes could be a solution. But hardly anyone was doing anything about it.

It simply bothered me, and the fact that the affiliate channel itself was too often an avenue for code misuse bothered me even more. I had always liked the idea of working for myself. But it wasn't really until I saw a problem that I knew how to solve, and no one seemed to be addressing, that an afterthought turned into an ambition. It might have even become an obsession.

I left Awin soon after to focus on developing a solution that could deliver. Leaving the security of my job wasn't easy — I gave up a good salary and bonus for a few years of financial uncertainty. But I was sure that I'd be able to take my idea and run with it. If it all went wrong, I was confident that with my experience and the credibility of working for Awin for so long, I could find myself another job.

I did, however, have one not-insignificant problem... I couldn't really write any code. I needed a technical co-founder. So, after an initial misstep, I got in touch with Julius (an old Awin colleague) and told him about my plans.

Once Julius agreed to come on board with his technical expertise, my vision for building a single-use code generator together with simple integration with advertiser websites could finally be realized. Over the next year, that is exactly what happened.

*"A few connections I had from the affiliate industry put their hands in their pockets and invested in our idea and the little success we had at that point."*

#### Raising investment

While Julius was busy building our minimum viable product (MVP), I did a few months consulting for EasyFundraising, helping it with a new platform launch. This paid the bills for a few months and, with my savings, it got Uniqodo through to the launch of our MVP in May 2015.

But we soon needed some money to help us get the MVP out there to win our first customers and give us time. I was lucky enough that I could raise a small investment round from family members that gave us another year of life, before an angel-investment round in 2016. A few connections I had from the affiliate industry put their hands in their pockets and invested in our idea and the little success we had at that point.

We've not raised anything since, and have funded our growth out of the profits we have been able to make. Some new businesses in the affiliate

space in recent times have been so focused on raising money and telling everyone about it, but that's not my way of doing things. We could have raised much more than we have, but have chosen not to as it has been so much more satisfying and more of an achievement to have grown the business without large financial help. We also don't have the pressure from the big investors and shareholders who want their investment funds spent and the inevitable lack of profitability and short financial runway that this brings.

#### Gaining our first customers

Once we had the MVP up and running, I contacted an old industry friend, Zak Edwards, founder and managing director at prezybox.com. I asked if he would be willing to give Uniqodo a try for free, and we've been helping it ever since. This gave us a live and practical example of Uniqodo in action that we could demo to other potential customers.

I worked with the Awin team to refine a potential client list, and that was the catalyst needed to begin our relationship with BT and Boots. This gave us some great credibility and a stellar early client list that we have built upon to this day. We're now at a point where we're working with some of the biggest e-commerce companies in the UK and worldwide who see us as a key part of their digital marketing toolkit.



### Watching your business take on a life of its own

A big challenge for many entrepreneurs is learning how to give up control. That starts with your team — every new person you bring on board changes the culture, offers new ideas and impacts the way you work. But it also extends to how customers use your product.

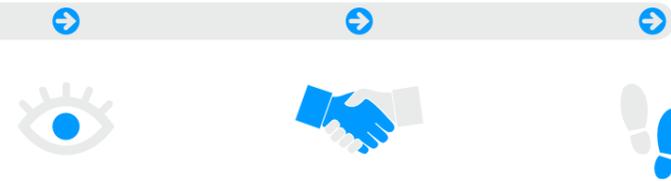
When you sell SaaS, you are handing over a toolset to every customer and it's really up to them what they do next. What was amazing to watch was how our software, designed to simply provide control over coupons, was able to unleash advertiser creativity.

For example, single-use coupons allow for the personalization of promotions themselves, not just promotional messaging. We didn't foresee the coupling of analytic data to promotional campaigns, tailoring offers to match past

purchase patterns. Even more satisfying has been the clients we've witnessed 'gamifying' promotions, building sophisticated customer loyalty (and outreach) programs that deliver increasingly desirable rewards based on purchases or the recruitment of new customers.

Single-use coupons are also trackable. Originally, we saw this as a benefit to publishers, allowing them to prove attribution for their outreach. But it has also provided advertisers and affiliates the ability to A/B test and iterate promo campaigns along any number of variables. This, again, inspires creativity and allows for the honing of even more successful and sophisticated campaigns.

The thing we realized by building Uniqodo was the mass distribution capabilities of the internet had never been fully harnessed for promotional purposes. As generic, 'leak-able' liabilities, standard



promo coupons kept promotional marketing isolated and siloed within marketing more generally.

The stability that single-use codes brings changed the types of promotions being used and how they're being delivered. All of a sudden, it might even make sense to run promotional campaigns at a loss to grab longer-term benefits. Taking back control of how brands are promoted has definitely been a theme of recent years. I think it's fair to say many felt coupons were a necessary evil, but by placing control back in their hands, brands are able to be more strategic and therefore incorporate promotions within their entire marketing strategy.

Single-use coupons make it easier to create and execute focused campaigns for short periods of time to achieve very specific goals. Ultimately, they change digital acquisition strategies and bring into sharp relief how blunt an instrument universal coupons are.

Using unique promo codes, affiliates are also able to show brands how they can be more campaign oriented.

### Partnering on something big

On face value, we are conscious our business seems to offer more value to advertisers than affiliates. But we know affiliate marketing has struggled generally for credibility and

accountability in some circles and we hope that our solution has helped, in its own small way, to address one of the headaches around discounting that existed in the affiliate market.

Working hand in hand with companies that are easily able to expedite our products has been instrumental to our success and is one of the great benefits of the affiliate channel — the ability to quickly ramp up and roll out solutions that can instantly benefit brands.

### An entrepreneurial journey

Awin helped us start something special and unexpected. It's been a central goal for Julius and myself to help the affiliate industry grow. We remain excited about where things are headed. But the future remains a mystery.

What we know for sure is where we came from. And that is a path we're proud of. More than anything, it's been exhilarating to watch this company take on a life of its own and deliver solutions we hadn't even considered when getting started.

There's no better way to describe what it's like to be an entrepreneur other than to say it's a journey, and we're lucky ours has been positive. We think this is just the start of how coupons can influence marketing, and where the affiliate industry is headed in 2020 and beyond.

*"We hope that our solution has helped, in its own small way, to address one of the headaches around discounting that existed in the affiliate market."*



# From 'Wild West' **to digital haven**

The evolution of affiliate marketing



**Sarah Bundy**  
Founder & CEO  
All Inclusive Marketing, Inc.

I've been managing and growing successful affiliate marketing programs since 2004. When I entered the space, I was fresh out of college and didn't know of its reputation.

"Affiliate marketing is filled with black hat marketers that cheat advertisers and poach on their traffic and spend to make an easy buck."

Sadly, that sentiment still exists in the minds of some advertisers who fear entering the space today.

I'm here to tell you the affiliate industry has changed drastically since then.

The 'Wild West' term used to describe that era came from a belief the industry was a complete free-for-all. 'Every man for himself' was the mantra, and it was one that neither the systems nor technology of the time could effectively police.

Thankfully, those same tools, as well as the channel's constituents, have caught up and made affiliate marketing a high-value and compliant growth strategy that has gone mainstream.

Many of the largest advertisers in the world leverage affiliate marketing now to help drive incremental revenue, new customer acquisition, market expansion, and a better ROI on ad spend. Affiliate marketing routinely contributes 10-30% to sales for these brands now.

But how did the industry go from this perceived 'Wild West' state to an in-demand, best-in-class sales and marketing strategy?

Let's consider how affiliate marketing has undergone such a transformation and been embraced by thousands of the world's most loved brands today.

#### The evolution of technology

Back in the late 1990s and early 2000s, there were only a few affiliate networks and tracking platforms available worldwide. Tracking, reporting, and attribution capabilities were limited and there was little data to understand how affiliates were contributing to sales.

Traffic and sale data was visible, but we sorely lacked insights relating to the entire click path and how affiliates were interacting with each other, as well as other channels.

By contrast, we now have the luxury of much more granular insights that can tell us everything from whether a customer is new or existing, their lifetime value to a brand, product-level data, what device is being used, the customer's location... not to mention many more valuable variables.

Furthermore, with API integrations available to pull data into more centralized reporting suites like Adobe and Salesforce, advertisers

can better understand how affiliates are contributing to their wider marketing objectives.

#### The evolution of performance-based marketing

Back in 2004, there was only a handful of affiliate types to work with. Today, there are dozens to choose from and hundreds of thousands of potential collaborators within those categories. How has this bounty of choice come about? Well, there are a few reasons.

The first is the advent of social media. Social helped cultivate an abundance of 'micro-influencers' that use their blogs, YouTube channels or online profiles to engage with followers and promote products via reviews and 'how-to' instructional content.

This is the fastest growing segment of affiliate marketing today, as more Millennial and Gen Z consumers are increasingly influenced by such figures to buy online via social platforms.

Influencers are seeking to scale their businesses and passive income too. I've heard multiple times over the last 12 months how successful influencers are getting tired of the "free stuff they don't have room for," or "doing another placement for cash up front, just to have to do it again, and again and again." Many understand they need to find ways to monetize their content and audiences

in the long term, and affiliate marketing offers that opportunity.

Traditional mass media partners (like the New York Times, Huffington Post, and Condé Nast) have also recognized the value of our channel for monetization. Although they still look to PR and sponsored posts to help generate revenue, they have increasingly utilized affiliate marketing to earn considerable income from the authoritative content and huge audiences their sites boast.

And let's not forget how major technological advances are introducing new partnership opportunities in the channel too. Artificial Intelligence arguably holds the most transformational prospects, and it is becoming a more commonplace investment by tech-savvy affiliates today.

Affiliate AI capabilities range from personalized cross-selling and dynamic offers to live, AI-driven optimization of landing pages to improve conversion rates.

Such offerings give an alluring glimpse into the near future of our industry.

#### Enforced regulations and standards of care

The reason affiliate was known as a 'Wild West' was because it was a free-for-all back then.

*"Artificial Intelligence arguably holds the most transformational prospects, and it is becoming a more commonplace investment by tech-savvy affiliates today."*





*“Industry conferences have also become a rich source of professional education and advancement, thanks to the high quality, informative sessions they feature across the world.”*

Regulations or standards of care were absent and no single body governed the market to keep order.

From the year 2000 though, the FTC started regulating the wider online advertising market in the US and began to enforce ethical standards to protect consumers. Those not complying faced severe penalties, often in the region of hundreds of thousands of dollars, which quickly shifted some companies' behavior.

Within the channel we also started to see more collaborative efforts from organizations focused on creating affiliate-centered standards of care and best practices. Networks, agencies, tracking platforms and trade bodies like the IAB and PMA worked to establish these, and this helped to formalize the boundaries of acceptable conduct.

More recently, we've seen browsers implement their own means of enforcing new standards. In 2017, Apple introduced Intelligent Tracking Prevention (ITP) within Safari to limit companies' abilities to track people online.

In response, many affiliate programs around the world - prompted by their networks and tracking platforms - have adopted ITP compliance as a mandatory aspect of setup.

Last year also saw the Consumer Online Privacy Rights Act (COPRA)

give Americans control over their personal data, prohibit companies from using consumer data to harm or deceive them, and promise to punish those that failed to meet the new standards. Much like Europe's GDPR, the legislation codified the rights of individuals to pursue claims against entities that violate their data privacy.

With these kinds of standards and protections in place, affiliate has become a much safer marketing opportunity, thereby giving more advertisers the confidence they need to invest in it.

#### Education and knowledge-sharing

Regulation isn't the only aspect that has changed for the better. Knowledge-sharing and education have improved immeasurably too.

Back in 2004, people held their cards extremely close to their chests. Asking industry peers about how they drove results, I frequently faced a wall of silence. The fear of having others copy your success and then lose market share was a chronic issue. This was as true of affiliates as it was of agencies and networks, eager to differentiate themselves.

Education was negligible too. In-house affiliate managers didn't have any formal training, and there was no central source of guidance for navigating the landscape. Everyone had to figure it out as they went.

Fast forward a few years later, and it's fascinating to see companies vying to showcase their successes and how they lead the industry in innovation, transparency and effectiveness. To compete today, it has become vital to share your achievements.

Industry conferences have also become a rich source of professional education and advancement, thanks to the high-quality, informative sessions they feature across the world. Events like Affiliate Summit, PI Live, AM Days, and Affiliate World, in addition to the numerous network-specific events, have allowed stakeholders within the industry to sharpen their expertise, evolve their strategies and nurture new and existing partnerships.

Industry reports, such as the PMA's inaugural 2018 US Industry Benchmark Report, shed light on our industry's value and performance by ROAS and vertical.

Taken together, these efforts embody a desire for the affiliate channel to continue to grow. In communicating the value of our efforts and approach, advertisers will increasingly look for our support to strengthen their own businesses.

#### Work still needs to be done

We've seen our industry take some incredible strides in the last 20 years, but there is still plenty to be done.

No formalized and agreed upon 'best practices' training or certification program exists that is standard for the industry. Some companies are still finding solutions to technology limitations in tracking and attribution. Influencers and content creators lack support in how to use affiliate marketing links to best monetize their content and audiences. Advertisers are still learning where affiliate fits into their overall marketing mix. Many new entrants need better resources for understanding the nuances of the channel.

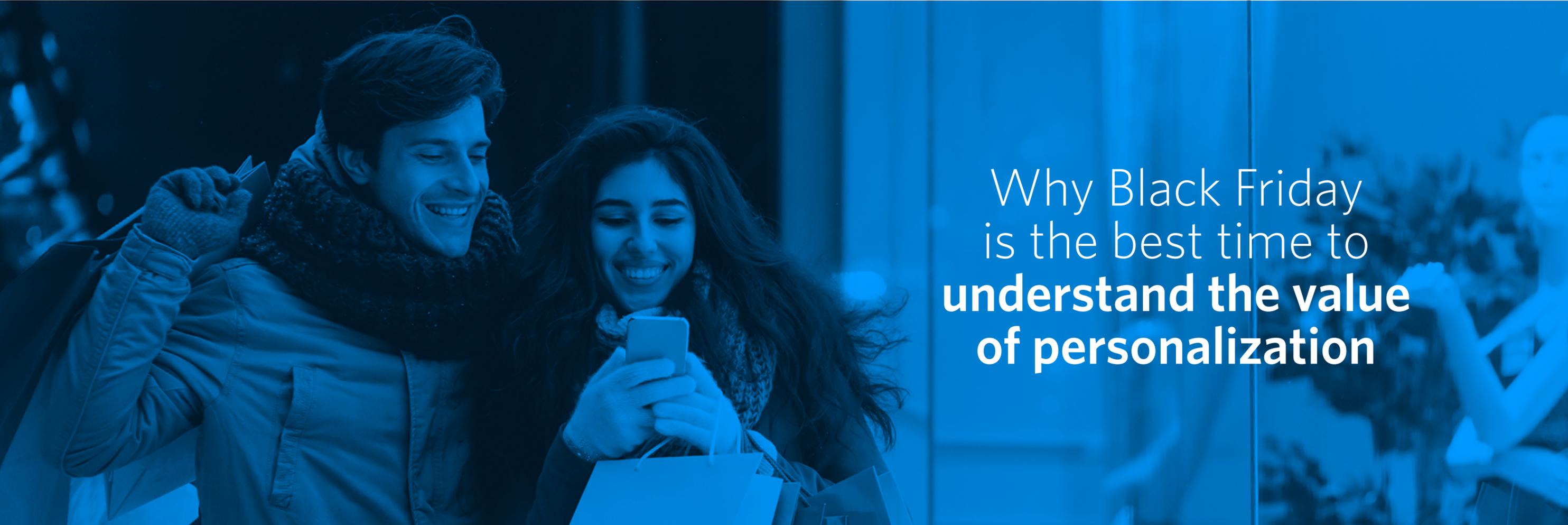
And yet the future looks bright.

Technology will continue to evolve and influence how businesses and individuals interact with one another. This ever-changing landscape is one affiliates are primed to take advantage of by continuing to do what our industry does best - innovating, testing, learning, collaborating, holding each other accountable and progressing together.

What's important to emphasize is the next decade of affiliate marketing progress has a clean and strong foundation upon which to build.

The 'Wild West' is dead. In its place is a professional, ethical, performance-based marketing channel that can be a digital haven for advertisers and publishers seeking scale and success around the world.





Why Black Friday  
is the best time to  
**understand the value  
of personalization**



**James Maley**  
Head of Business  
Development EMEA  
RevLifter

Is discounting a viable proposition in the current retail climate? In our opinion it is, but not in a traditional sense. Personalization is causing nothing short of a revolution across discounting, and there is no better way of assessing the change than with a look into what's happening across Black Friday.

It all started innocently enough. Known historically as the post-Thanksgiving period where retailer balance sheets would move from the red to the black, Black Friday saw the use of discounts as a way of promoting their slow-moving stock. Today, though, we're dealing with a very different beast.

The gradual amplification of Black Friday, the epicenter of a month-long event, has created something of a herd mentality among consumers. Given the continued promise of discounts, people now rush to websites expecting to see deals on everything they want to buy. Indeed, popular UK department store John Lewis - a known participant - once reported a 300% increase in traffic during the early hours of Black Friday 2015.<sup>1</sup> The cumulative effect is customers know they don't have to buy anything at full price because retailers will have to compete.

More recently, brands have been forced to consider the negative impact of promotions that drive more sales but transform regular customers into 'serial returners.' Last

year, UK fashion brands were said to have spent \$2.1b cleaning, tagging and reselling items that were sold during Black Friday.<sup>2</sup> Considering the evident push towards more ethical and sustainable practices, 'necessary evils' like Black Friday and Cyber Monday appear counterintuitive to the industry's wider goals.

The problem is, with so many customers now expecting big discounts, and so many competitors willing to drop their prices, can the critics afford to opt out? Advertisers are now faced with a catch 22 - to participate and risk damage to their profits, brand image and reputation, or leave the business on the table.

Few can ignore the murmurs of discontent over Black Friday and what it has become. Thankfully, we are seeing a gradual shift towards strategies that will banish the days of people fighting over the last 50" TV. And it's all down to personalization.

#### **Solving the deal conundrum**

The evolution of discounting is something that many retailers have been crying out for. While no one is forcing brands to run mass, untargeted promotions, the fear of competitors going the extra mile on events like Black Friday can prove too much to bear.

One way of breaking the cycle would be to bring personalization

into the mix. Brands have already started doing this - albeit in a similar fashion to Black Friday - investing because 'everyone else does.'

While just about every retailer should feel the benefits of a more targeted promotional strategy, a general lack of consideration into the type of deal being issued, and the type of person it's issued to, takes us right back to square one.

Today's brands also have a habit of overcomplicating the process and ignoring simple matters, like their customers' wants and needs. If you personalize anything, whether a deal or a piece of content, it must resonate with the person at the other end.

Our goal should be to serve deals and apply discounts according to the customer's preferences, as well as the retailer's own KPIs. If someone has a pair of boots in their cart, we should be able to incentivize them with a relevant offer - perhaps for a high-quality shoe polish that achieves a better margin.

Such an approach would allow for the judging of sales on their merits. Through an adaptive framework, we could dynamically switch our focus and strategy to drive the results we need at certain points in the year, month, week or day. The retailers are kept happy by incentivizing on their terms, while

*"Few can ignore the murmurs of discontent over Black Friday and what it has become. Thankfully, we are seeing a gradual shift towards strategies that will banish the days of people fighting over the last 50" TV. And it's all down to personalization."*

customers are handed personalized deals and experiences - resulting in more loyalty, higher spend and greater lifetime value (LTV).

The barrier is our ability to react to certain information in real time. Despite having more data and being more connected to their customers, just 13% of businesses have the ability to orchestrate customer journeys at scale, while 63% have difficulty with taking immediate action on what they collect.<sup>3</sup>

That being said, technology is improving and we have solutions that can deliver deals according to the individual customer and what's in their shopping cart.





#### How personalization could work

To give an idea of a typical scenario, let's imagine a customer heads onto a retailer's site on Black Friday. With items in their cart, the brand can decipher key information around their demographics and interests in real time. That data is cross-referenced with other events, like the sale of goods to similar customers, to create a deal that is guaranteed to resonate with the individual based on a winning formula.

The final piece in the jigsaw involves an examination of the customer's on-site behavior. This is used to clarify their intent to select the best deal for them. For instance, if the customer is flicking between pages and showing signs of leaving their cart, the retailer can issue a special offer through an exit pop-up to reduce the chances of abandonment.

As a provider of technology that powers such journeys, we at RevLifter are part of the industry-wide movement on a mission to rid mass discounting for good. Last year, we saw phenomenal increases in conversion rates and average order values (AOV) driven by personalization during the Black Friday period. We increased AOV by an average of 54%, while the number of sales driven by personalization increased by 390% compared to the same period in 2018. Telecommunications led the

pack with an impressive 1,226% increase, followed by electronics, which boasted a 521% rise.

Any brand could report a similar set of readings. However, if Black Friday is to represent anything other than a false economy, retailers have to change not only the deals they serve, but the way they serve them.

#### Sustainable practices

The best thing about turning Black Friday into more of an opportunity is that we already have the means to do it. All it takes is an investment in technology and a good strategy.

When building a deal algorithm for the future, our advice would be to focus on metrics that feed into your long-term goals. Too many brands run mass, untargeted '20% off' sales for the purpose of driving traffic and conversions. If we start thinking less about volume and more about AOV and LTV, we can drive spend in the right direction.

It's the same with product margins, the biggest casualty of Black Friday. As long as we have a way of pushing high-margin products and making sure they complement the existing purchase, no one is missing out.

In terms of combatting serial returners, you should start with the information you're giving to customers online. Do people have adequate details

*"Too many brands run mass, untargeted '20% off' sales for the purpose of driving traffic and conversions. If we start thinking less about volume and more about AOV and LTV, we can drive spend in the right direction."*

on sizing? Can you give a better visual representation of what you're selling? The more someone knows about the item, the less likely they are to gamble on it being a success.

If you're still worried about people returning their goods, why not incentivize them to keep their purchase? Consider the use of gift cards for attracting customers and ensuring that high-value sales are not reversed. New technology makes it possible to send these rewards automatically once a return deadline has passed. If the customer opts for a refund prior to the specified date, they won't receive their card.

Black Friday isn't going anywhere. However, by trading sitewide sales for more targeted, tactical and considered efforts, retailers can start to make it work for their business, rather than against it.





## Below **the fold**

Uncovering the perspective of  
media houses on affiliate



**Paul Cunliffe**  
General Manager  
& Director of Affiliate  
Shortlist Media

The last two years have seen a significant expansion of new publisher and partner models in the affiliate channel. But not all of these businesses are new. One of the most notable examples is how traditional media publications have embraced affiliate as they seek to tap into alternative revenue streams.

From Schibsted Media in the Nordics to the Mondadori Group in Italy, ESI Media in the UK and BuzzFeed in the US, large media houses are partnering directly with brands through Awin. Revenue tracked by the network from these partners has more than tripled in the past two years.

What then is the view from inside these media powerhouses? We spoke to two individuals responsible for driving digital revenue for their respective businesses and asked where they are in their affiliate journey. Paul Cunliffe is General Manager & Director of Affiliate at Shortlist Media, and Emily Ferguson is E-commerce Director at Marie Claire Edit.

**A risk-free and easy-to-integrate ad solution**

Cunliffe explains why affiliate was a natural route to take, "Our legacy ad models have been challenged. Google is punishing sites for overloading pages with advertising and programmatic is at risk."

The low barrier to entry and ease of integration has also helped expedite affiliate efforts, according to Ferguson, "It has allowed us to utilize great technology to expand our business, while not having to worry about fulfilment, distribution or customer services. We engage audiences and tell brand stories. We need to keep that at the heart of what we do, while still offering our audiences the full e-commerce journey."

Cunliffe adds, "Affiliate is a relatively safe revenue model that can be developed without significant investment and is helping users to complete a journey they came to you for. If you do an excellent job of helping a user get a good deal for something they wanted to buy in the first place, there is a strong chance they'll trust you to guide them through their next purchase too. In that way, our business can present a simple and 'clean' proposition to users: be upfront about our reader-supported model and hopefully build a long-term business based on quality content and recommendation.

The affiliate channel can provide good returns for minimal costs (at least initially), and I think most publishers are now aware that there are good returns to be made through the channel."

Given the ease of use, it may seem surprising it's taken this long for

affiliate to establish itself as a viable channel for publishing houses.

Cunliffe explains, "Affiliate never previously played a significant part in the business. It was an identified need to diversify revenue alongside the demonstrable success of several other publishers in this space that persuaded us to invest heavily in this area and develop a property with affiliates at its core. Shortlist is almost entirely 'ad-free.'

In my previous role as Director of Affiliate at TI Media (formerly Time Inc UK), there was a significant change over a three-year period as the business began to see noticeable results and growth, and then began to invest in tech and other resources to support it."

For Ferguson affiliate has been straightforward to sell in as a non-competing, additional layer of revenue to sit alongside more established advertising, "I have created a complementary business model that brings benefits to existing revenue streams. Demonstrating that to the wider business has undoubtedly helped prove that affiliate marketing is now vital to what we do."

Having strong and persuasive advocates of the affiliate channel within businesses is often directly linked to how successful it is, and positioning is key to this. Cunliffe

explains, "I often present affiliates as 'gardening' rather than 'hunting:' incremental revenues that build and can grow year after year. A run rate of 'x million' one year is very likely to be there to build on the year after, and, accepting fluctuations and traffic challenges, it is a relatively stable revenue stream."

**Balancing editorial integrity with commercial interests**

Encouragingly, the investment in affiliate has not been at the expense of other efforts.

"We haven't had to restructure our teams," Ferguson states. "Instead, we've used technology, innovation and the power of the brand name to create new revenue streams. The Marie Claire Edit, our in-house fashion aggregator that allows users to shop over 6,000 brands in the same place, is testament to that. That will only grow. New partnerships and brand extensions will be launched this year, fueled by affiliate revenues."

But that's not to say there aren't challenges. The age-old question of how editorial content is balanced against commercial concerns remains. For Ferguson, however, this is easily defined, "We work for the editorial team, and our advertising teams work for the brands. Everything we do is editorially independent on the affiliate side.

*"Our business can present a simple and 'clean' proposition to users: be upfront about our reader-supported model and hopefully build a long-term business based on quality content and recommendation."*



It's important to maintain the power of the editorial voice." Cunliffe echoes this but also references how commercial interests can exist symbiotically with editorial, "Some separation is required, generally ensuring that editorial isn't making decisions about what they cover at a granular level based on commercial opportunity or favorable commissions.

There is though, a system of feedback in place at category level. For example, we may request editorial create content around the 'Baby' category as we identify a strong commercial opportunity, but we wouldn't then dictate what products are covered

within this. And editorial wouldn't determine what retailers to link to.

Second to this, and perhaps the best approach, has been to employ commerce writers who are embedded in the editorial team but are reporting into the affiliate team and therefore have a clearer understanding of where the commercial benefits are, but are aware of where to draw the line."

Cunliffe also points to a critical distinction for the affiliate payment model, linked to return in investment rather than eyeballs on a page, "A crucial factor here is that editorial success is measured by pageviews,

arguably dictated by the ad market's drive for CPMs. Affiliate success has additional KPIs of CTR and CR, so an article needn't perform especially well from a pageview perspective to have value for affiliates. The two are often in conflict. Why would editorial produce an article that won't perform for traffic if that's their KPI? Having dedicated commerce writers who are targeted on revenue performance helps overcome this."

#### **A channel not without its own challenges**

Foundational factors are also referenced as potential barriers.

Ferguson states, "Tracking is my biggest challenge now. A lot of sales we make come through mobile and, with only a one-day cookie window, it's a real challenge."

Cunliffe agrees, "ITP and cookie tracking are the main challenges, alongside occasional challenges from the Advertising Standards Authority around correct disclosure. There is concern and a lack of clarity around the former, and grey areas around the latter."

Cunliffe also references the success of the channel as a potential problem, "It has become very competitive, especially during peak shopping periods. Whereas the publishing affiliate space was previously the domain of a handful of players, it's now rather crowded and publishers with good search equity can outrank those who have long invested in this area with ease. Affiliate is a scale game, and as more publishers jump on board, there is arguably a dilution of the visibility of commerce content."

What then needs to happen in the future to cement affiliate's position as a valuable source of revenue for media houses? For Ferguson, recognizing contribution will need to be addressed, "Proper tracking across all channels is vital to the success of any affiliate program, along with attribution across the whole purchase funnel. Publishers also need to diversify what they are doing, utilize technology to reach

new customers and drive acquisition. Less reliance on Google will be key to this and social shopping will play a bigger part of the customer journey."

Cunliffe chooses a different area of focus, "I'd like to see more support and outreach around our regulatory challenges. Second to this, we see very little technical innovation from networks and, while work is being done on attribution and cookie-less tracking, it isn't being widely talked about. I also think data is playing more of a part than ever, and from a publisher side I'd like to see us move from descriptive (where most of us are now) to a prescriptive then to a predictive use of data.

Serving the right thing to the right user at the right time is how the channel can succeed, but this isn't done nearly enough. A simple example: Most users who look at an article about how to get the most out of their iPhone 11 will already own one - and are probably browsing on it at that very moment - but most publishers will try and sell them another iPhone 11, rather than accessories.

From a content point of view, a clearer understanding of purpose is required. Not every article is meant to do the same thing and I'd like to see publishers be braver at recognizing this, removing all advertising from affiliate-led articles, for example, to maximize CTR. This is a hard ask, but is likely to pay off in the long run given the challenges other revenue channels are facing."

*"We work for the editorial team, and our advertising teams work for the brands. Everything we do is editorially independent on the affiliate side. It's important to maintain the power of the editorial voice."*





Capitalizing on  
**digital and physical  
convergence**



**Miya Knights**  
Head of Industry Insight  
Eagle Eye Solutions Ltd.

The good news is consumers will always buy stuff. But digital is revolutionizing the ways and means of consumer consumption, where the last decade was littered with traditional retailers that failed to adapt to this change.

The affiliate industry has led the way in the meantime, forging new digital ad-based connections to customers, and creating new value through online performance-led marketing that left the traditional ad world exposed.

The online world also capitalizes on the capacity to know who customers are by virtue of a digital connection. The benchmark - Amazon - has used this connection to disrupt how it sells, not what it sells, which is everything.

Amazon Prime has become a proxy for one of the world's largest loyalty schemes that comes with the benefit of recurring revenue. Knowing who its customers are enables it to sell them more of what they want.

Brands are exploiting this capability with direct-to-consumer (DTC) initiatives. It's no coincidence Unilever's Dollar Shave Club and Nike Adventure Club, Nike's first children's footwear service, are subscription-based.

This year, retail sales are forecasted to decelerate, growing by only 4.5% globally according to eMarketer. Meanwhile, it predicts global

e-commerce growth will continue, but also at a slower pace of 20.7%.<sup>4</sup>

This is why Amazon, Google and Facebook will focus on an escalating digital ad war in the coming year. The fallout will push networks and publishers harder to monetize their customer data and marketing content.

But consumers will continue to dictate the pace of change. 1.4b more people accessing the internet via mobile over the next seven years, in tandem with the rollout of 5G, will do more than just drive digital sales online.

#### Online advantages move offline

With 60% of the world's population digitally connected via mobile by 2025, the next shift will be dictated not only by how consumers choose to buy (i.e. online versus offline) but the time and place they buy from too.

Traditional retail has long struggled to level the optimum balance between the costs of maintaining a physical presence, while optimizing margins from store and e-commerce-based sales and fulfilment.

Yet, over 80% of sales (including the fulfilment of online orders) are still completed in person, in store.<sup>5</sup> So, while challenged to evolve, the High Street or Main Street will remain an essential part of shopping journeys.



The growing value of digital connections to people, places and things is leading to an inevitable mix of offline and online marketing channels informing consumer shopping journeys. Tracking this in real time will be key.

Online growth has, to date, belied an increasing need to extend digital

customer connections into the physical world. The next decade's performance marketing opportunity lies with those enabling this convergence.

Research has shown omnichannel customers, who shop online and in stores, spend 4% more in store and 10% more online





*“Many large retailers have initiated or doubled down on loyalty investments that tie digital, often loyalty, customer IDs to link sales and marketing activity online and in store.”*

when compared to single-channel shoppers.<sup>6</sup> Understanding their path-to-purchase is essential.

It's no surprise then Amazon is as keen to get into grocery stores as it is the digital ad space, or even healthcare. Walmart is exploiting its store base to compete on rapid fulfilment. Retail is converging.

When it does, the results are compelling. Many large retailers have initiated or doubled down on loyalty investments that tie digital, often loyalty, customer IDs to link sales and marketing activity online and in store.

#### **Closing the attribution gap**

Few pure-plays opening stores or retailers moving online can scale loyalty or subscription offers to gain visibility of their best customers. They need a performance marketing connection at the physical point of sale.

Performance marketing traffic dominates online only because the tracking of online spend in store is difficult to track and attribute commission between publishers and retail advertisers. But the offline prize is huge.

The industry average conversion rate for an affiliate link click to purchase seems to be around 5%. Digital mobile promotions can deliver up to 58% redemptions

a month, attributable back to a sale and possible ID.

That's the rate at which the 2m mobile app users redeemed offers Eagle Eye's clients used to engage with them via its performance marketing platform and connection with their point of sale, both online and in store.

Real-time tracking of an individual promotion or reward from issuance through to redemption at checkout using unique codes for clear attribution enables Eagle Eye to facilitate the use of cookies in the offline world.<sup>7</sup>

Offline, this offers huge opportunity to monetize digital customer marketing engagement before, during and after a visit, and can contribute to high-end retail growth by driving more sales and traffic in store, as online.

Retailers can also combine channel-siloed customer views to personalize shopping journeys to and in the store, scaling engagement via online channels and networks to further monetize above-the-line and digital content.

Online, this convergence represents the next performance marketing frontier - unleashing the power of digital on more than just 20% of retail sales to establish offline connections capable of driving more valuable traffic.



Mihaela Draghici

*Then*  
Product Manager  
Awin  
London  
(3 years)

*Now*  
Product Manager  
Volkswagen Digital Solutions



"I had the opportunity to work with some amazing colleagues, **really smart, curious, passionate, and motivated teammates who care about their work.** Although challenging, I learned a lot from many of them."

Austin Ratner

*Then*  
Account Executive  
Account Manager  
Affiliate Window / Awin  
Baltimore  
(2 years)

*Now*  
Affiliate + Partnerships  
Marketing Manager  
HP



"There's typically two schools of thought when it comes to marketing. **One is that storytelling matters, and the other is that data matters.** I feel that affiliate technology is poised to be the connective tissue between these two schools of thought."

Simon Hofmeister

*Then*  
Account Manager  
Account Director & Strategist  
Affiliate Window  
London  
(5 years)

*Now*  
Global Head of  
Performance Marketing  
ASOS



"Really, I learned that **the client is just as responsible as the network for nurturing a successful partnership,** and I believe that's helped me get the most out of network relationships in my time client side. At the end of the day, collaboration is key."

Victoria Raby

*Then*  
Publisher Admin Assistant  
Client Services Account Director  
Awin  
London  
(7 years)

*Now*  
Commercial Director  
Global Savings Group



"Joining the company at a time where I could influence change was really important. **As the company grew, I grew with it,** meaning I was able to implement a lot of my ideas on the publisher side."

## Alumni Voices

Former employees across the world reflect on their time at Awin and working in the affiliate channel





## Looking to the Future

Fast-moving and filled with innovation, the affiliate industry is one constantly bursting with change. But what do the months and years ahead have in store?

To get a taste of things to come in 2020 and beyond, **we asked experts from across the business to give us their predictions for the new year.**

Ranging from regulatory challenges and tracking updates to new attribution solutions, emerging entrepreneurialism, and the evolving use of data in the channel, some of Awin's leading minds share their thoughts.



**Julia Bodnar**  
Head of Legal  
Awin

# Legal clarity around consent will determine affiliate marketing's future in 2020

**For online marketing businesses,** nothing has shaken up their attitude and approach to handling personal data more than Europe's Global Data Protection Regulation (GDPR).

Much of my time leading up to that May 2018 deadline was spent attempting to interpret, make sense of, and feasibly apply the concepts of the new law to the running of our operations and data processing activities.

I'm sure many of my peers working in similar organizations around the world had a comparable experience, debating and weighing up the particular nuances of what terms like 'consent,' 'legitimate interest' and 'joint control' definitively meant in the eyes of the law.

As painful as that experience may have been, I think the rigor with which we were compelled to consider our legal responsibilities when handling data has been crucial in ensuring we identified a robust position that left us in good standing for the future. And that future has begun to bear down on us.

GDPR is arguably the legislative epicenter of global data regulation. Its implications have been far-reaching, with tremors now being felt in other markets around the world as a response. And as those countries formulate their own privacy laws, the differences between them present additional challenges for global businesses.

This year we've seen the launch of the California Consumer Privacy Act (CCPA), the first major legislation of its kind in the US. In preparation, we undertook efforts throughout 2019 to ensure we were ready for the new law, which contrary to many opinions, has some key differences to the frameworks set out by its European equivalent.

As a company operating across multiple continents, we can also look

*"GDPR is arguably the legislative epicenter of global data regulation. Its implications have been far-reaching, with tremors now being felt in other markets around the world as a response."*

forward to further legal challenges in 2020, with Brazil due to adopt its own General Data Protection Law in August. Once again, I look forward to seeing the particular local distinctions that this new proposal brings to the table.

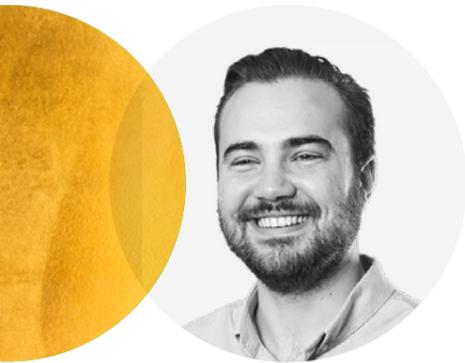
Throughout all of these preparations, one of the main challenges we've faced has been the lack of a clear narrative around affiliate marketing's impact on privacy. As a model that, in its traditional form, is inherently less intrusive than other forms of online tracking, the danger has always been that our industry is bundled in with the more invasive and personalized elements of the wider digital advertising environment and simply written off as collateral damage.

In some ways, GDPR addresses this imbalance by imposing additional requirements on businesses that carry out profiling or process special categories of data. But where GDPR has intentionally been less prescriptive is on the concept of consent for tracking and other similar technologies. Instead, this is where the impending ePrivacy Regulation in Europe is intended to take up the mantle.

However, with ePrivacy having been through several redrafts as a consequence of continued deliberation and lobbying efforts, attempting to balance the fundamental right to privacy with the value of online content and services has proven to be a difficult hurdle to overcome so far.

At the time of writing, the most recent ePrivacy draft has been rejected, once again leaving the concept of consent unclear. With the latest EU presidency, we hope to see lawmakers and politicians provide the clarity we all need for affiliate marketing to continue to function and thrive in 2020 and beyond.





**Paul Stewart**  
Head of Global Strategic  
Partnerships & Innovation  
Awin

# Adoption of attribution solutions will see **digital silos recede and investment increase**

**Our channel has always facilitated a wide** variety of partnerships, generally all built around a performance relationship. But, as with all things, the devil is in the details. In this case, what we mean by 'performance.'

This topic of defining performance (i.e. attribution) is not new. However, the last 12 months have seen a sensible path beyond last click become much clearer (and more achievable) than ever before. I believe the implications of this are profoundly important, not just to Awin, but the future of partnerships in general.

Moving beyond last click is a topic far bigger than just our channel. It is also one that is wonderfully complex and often misunderstood, leading to a few misleading actions in its name. For example, there are certainly instances where it has been used as a byword for cost-cutting, and publishers have subsequently become understandably suspicious of it.

I've also seen many bogus marketing claims put out about the latest and greatest models based on nothing but subjective opinion or a dataset lacking in robustness.

With these misunderstandings beginning to fall by the wayside, what does the future hold for attribution in 2020 and beyond?

When I talk about a path forward, I am talking about algorithmic attribution based on all channel data - most commonly using either a system based on a Shapley value or a Markov model. Other subjective models - linear, time decay, positional,

*"What algorithmic platforms represent is the chance to shape the strategy of online."*

within channel, etc. - I believe to only be a small step forward, inevitably delaying the giant leap that algorithmic modeling presents.

I also believe that if you conflate understanding value and how you pay for it (at least for now), you're missing the point.

What algorithmic platforms represent is the chance to shape the strategy of online. This shouldn't be confused with the tactics required to work within different channels, nor should you think that implementing one of these platforms is an instantaneous magic bullet.

But to ensure these models produce the best insights, the devil now lies in the data and its quality. You need to minimize the errors in the dataset. And, somewhat inevitably, tracking display or PPC activity is far easier to standardize than the affiliate channel.

However, 2019 saw Awin take great strides to help here through our exclusive partnership with SingleView, making it simpler than

ever before to implement, tag and attribute all channels... and just as importantly is more cost effective.

So what does this mean for the future of partnerships? Where value was hidden, it now becomes clear. Where there was an inter-channel zero sum game, now a platform for collaboration will emerge.

The transparency that algorithmic attribution solutions offer makes their mainstream adoption a necessity. With this kind of foundation in place, I truly believe we can look forward to digital silos receding in 2020 and channel investment increasing as a result.





Jamie Birch  
Senior Data Analyst  
Awin

# Putting the BI horse before the AI cart

A recipe for success with data in 2020

**Whether we like it or not**, most online businesses have been impacted, evolved and even redefined by the data they capture. Since coined in 2005 by O'Reilly Media, the term 'big data' has transformed from an iconic buzzword to a drab cliché. Even more so within the world of digital marketing, where data is bread and butter, informing strategy at every level.

As our understanding and use of data increases, so does the power and influence it has on an organization, especially when it comes to the discipline of business intelligence and reporting.

With great power comes great responsibility. It is now a priority for businesses to not only harvest data effectively, but to sensibly process data sources and moderate how data flows outward to the rest of the organization.

If we are to keep up with the growing demand for data, we need to ensure it is well governed. No longer is data analytics a preserve for the few, but a rite of passage to all marketing professionals needing accurate reporting at their fingertips for data-led decisions.

Data can, and should, be democratized, freeing up admin time for analytics. The role of BI is no longer to merely push out reports, but to also shepherd the use of data and give guidance that improves overall data literacy.

Since working within data analytics from 2015 at Awin, I've been privileged to witness our own radical development of BI and reporting. In less than five years, we have expanded our remit from a two-person team to a global department dedicated to data, now over 20 people strong.

Throughout this we have continued to invest in the data visualization software Tableau - one of the market-leading tools in the field - which has pushed us to hone our capabilities in data analytics through the development of faster, more advanced and intuitive reporting.

*"Forecasting and machine learning are no longer concepts, but an integral part of the data we provide."*

Forecasting and machine learning are no longer concepts, but an integral part of the data we provide.

At Awin we've been taking steps to further democratize our data by exploring how we can combine our products together, making advanced analytics more readily available for all - from account managers to clients.

Through this we've had to balance the delivery of advanced dashboards with a curated set of self-serve data sources. Along the way we've also had to navigate the challenges of disparate data sources, leading us to bring our data under one unified roof.

So which firms will likely succeed in 2020? It will be those that have their BI groundwork in place to capitalize on the benefits of AI. Just as you wouldn't put the cart before the horse, you wouldn't develop AI before you had BI. For AI and BI reporting to grow, we need to first homogenize and govern our data better, giving us a platform for an efficient and democratized ecosystem... one that can lead the forefront of advanced data analytics.





**Michelle O'Sullivan**  
Business Development  
Director  
Awin

# Increased entrepreneurialism will trigger the need for simplified digital marketing solutions

**Technology is reshaping the way we work** across the globe. Wi-Fi, 5G, video calls, cloud computing. All of these developments are democratizing the infrastructure of business.

In the UK for instance, estimations show that half of workers will be self-employed as we enter 2020. Within this mix will be a growing proportion of young, ambitious, entrepreneurially-driven 'Generation Z-ers' hungry to start their own companies.

As a result, we can expect to see a blossoming of fresh, homegrown online businesses and technology solutions in the near future.

With this boost of startups comes new expectations and demands from these individuals who have been born tech-native and adopt a mobile-first approach.

Gen Z businesses will demand better digital marketing solutions that can cater for their early lifecycle needs without price point barriers that prevent them from competing with larger, more established brands.

Simplicity will also be key, ensuring they can operate with agility and speed to cut it among their peers.

These smaller businesses will lack the resources to market themselves effectively online though, making affiliate marketing's performance model invaluable. Marketing spend in our channel is inextricably tied to clear, demonstrable results, whether that's awareness, influence or actual sales.

The other benefit of using the affiliate channel is the diversity and number of partners it can offer. It provides access to promotional opportunities that can best match a small brand with niche audiences, making connections with online communities that are built upon trust and authenticity.

*"These smaller businesses will lack the resources to market themselves effectively online though, making affiliate marketing's performance model invaluable."*

You might be a local retailer seeking to partner with a similarly local community forum, parent blogger or micro-influencer who has a readymade and relevant audience with a genuine interest in hearing about your products or services.

It's out of precisely this growing demand from smaller advertisers to support their online marketing needs that I've spearheaded Awin's development of such a solution; we call it Awin Access.

With Awin Access, we want to provide all of the benefits of affiliate marketing without any of the traditional barriers that have prevented early-stage businesses, startups and entrepreneurs who don't have the necessary time, money or resources from utilizing it.

It's low cost and integration is simple and fast, thanks to a host of cutting-edge e-commerce

plugins. Support is always on hand due to a rich array of online resources, video tutorials, webinars and 24/7 chatbot support.

The Awin Access goal is simple: to nurture the grassroots brands of tomorrow by giving them the marketing solutions they need today. 2020 will be the year we see that vision come to fruition.





Stephen Short  
Product Manager  
Awin

# Browser tracking updates can help to build a **consensus for consent**

**The intent of big browser companies over the past few years has been clear:** to restrict how and what other businesses are able to track via their services. This presents obvious headaches for digital marketers looking to allocate their marketing budgets through multiple suppliers reliant on traditional tracking methods.

There's no doubt that, of the large browser companies, Apple has been setting the pace. With recent versions of Apple's Intelligent Tracking Prevention, they have penalized so-called 'link decoration' where additional values (like a customer identifier) can be added to a final landing page when ads are clicked on and users redirected. At the time of writing, cookies on the landing page are stored for just 24 hours. A logical progression will be the removal of this daily window and completely inhibiting first-party cookies from third-party scripts if the consumer has navigated through an ad network tracking domain. This is problematic for most affiliate networks' current solutions of placing a JavaScript tag on advertiser websites to create first-party cookies.

Although Awin does not profile individual consumers by using the same tracking methods as more personalized marketing channels, we are caught in the crossfire.

With Google Chrome and Mozilla Firefox also pushing their own initiatives, the need to develop centralized solutions that mitigate a loss of tracking while operating within the intended spirit of our new privacy-centric age is clear.

Awin explored a number of options before deciding to remove our ability to profile and track the same consumer across many different websites. We've done this by eliminating the

traditional 'bounce' redirect consumers take through a tracking domain with traditional tracking. We call it 'Bounceless Tracking' and rolling this out in 2020 is a significant focus.

But it's not just the ability to attribute sales and fairly reward publishers that has been affected by browser tracking prevention updates. Who isn't now numb to repeated cookie consent pop-ups on the same website? The same medium that can be used to profile and track consumers across the internet is also used for legitimate purposes like saving a consumer's data processing consent regarding opt-ins and opt-outs. This is affecting the ability of websites to continue consumer consent between browsing sessions.

Browsers have a role to play in helping solve some of the challenges their actions have provoked. Perhaps we will see them innovate in 2020 to tackle some of these. Developments in this space by any browser could set off a tidal wave of change for how data processing consent is managed on the internet.

How might browsers solve this? They could provide a JavaScript API where sites set and retrieve consent, as in an individual blog enables consumers to obtain consent for one specific ad network but not another. Such a small dataset, enforced by the API, means it couldn't be misappropriated to cross-site track a consumer, as is the case with cookies where

*"Browsers have a role to play in helping solve some of the challenges their actions have provoked. Perhaps we will see them innovate in 2020 to tackle some of these."*

large identifiers representing an individual consumer can be stored.

In an era of second-guessing what the next browser developments will be, what is clear is that it is critical for us to continue to innovate with the dual aim of creating new and robust solutions with privacy-first intentions.



Chris Said

*Then*  
Admin Assistant ↻  
Team Leader  
Affiliate Window / Awin  
London  
(6 years)

*Now*  
Head of Commercial & Partnerships  
Genie Ventures



**“Confidence was the biggest thing I took away from Awin.**

Believe it or not, when I started I was pretty quiet. You knew there were consequences if you didn't perform but were also praised when you did - the perfect balance for me.”

Hatice van Leeuwen

*Then*  
Publisher Scout ↻  
Mobile & Emerging Channel Specialist  
zanox  
Amsterdam  
(5 years)

*Now*  
Digital Strategist  
Mediahuis



“Working at zanox was my first job in the digital advertising industry and it quickly made me realize that **this is the industry I am most passionate about!**”

Mitun Pandey

*Then*  
Technical Sales Engineer ↻  
Global Product Manager  
zanox / Awin  
Berlin  
(8 years)

*Now*  
Chief Product Officer  
GoodsTag



“I believe that affiliate marketing is one of the few industries where product market fit is mirrored by the success of a publisher's business model. **Successful publishers are their own brands,** delivering incredible value to their users.”

Mat Downs

*Then*  
Sales & Marketing Director ↻  
Projects Director  
Affiliate Window  
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(7 years)

*Now*  
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Verizon Media



“I most enjoyed being part of a wider team that **built a foundation for success.** The freedom and opportunity to create a strategy and implement it quickly alongside the constant evolution of the business was great too.”

## Alumni Voices

Former employees across the world reflect on their time at Awin and working in the affiliate channel



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## Thoughts for Today

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Ethical Merchants Charter launched by IAB UK

2011



Facebook acquires Instagram and passes 1b members on platform

2012



Google Affiliate Network closes

China becomes biggest e-commerce market globally

2013



Facebook buys WhatsApp

Half of world now owns a mobile phone

2014



Apple Watch released for first time

2015



Pokemon Go becomes worldwide phenomenon using AR technology

2016



First International Performance Marketing Awards ceremony

2017



EU's GDPR legislation enacted

Cambridge Analytica data scandal breaks

2018



Widespread deployment of 5G wireless technology begins worldwide

2019



California Consumer Privacy Act legislation goes live

2020



2011

zanox acquires Dutch affiliate network M4N

zanox Brazil and zanox Poland open



2014

Mark Walters, Adam Ross and Peter Loveday form new company board for Affiliate Window / zanox



2015

Opportunity Marketplace and Cross-Device Tracking launch



2016

Affiliate Window / zanox acquire ShareASale



2017

Affiliate Window / zanox rebrand to Awin  
First Awin Report published



2018

Awin acquires and merges with affilinet  
Awin reaches 1,000 employees



2019

Awin invests in APAC network Commission Factory  
Virpy Richter joins Awin board as CFO



2020

Awin celebrates 20th anniversary

