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SAMPLE: UK Affiliate Census 2011

In partnership with A4u

Sponsored by Commission Junction
and Argos

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<http://econsultancy.com/reports/affiliate-census>

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Econsultancy London
4th floor, 91-93 Farringdon Road
London EC1M 3LN
United Kingdom

Telephone: +44 (0)20 7269 1450

<http://econsultancy.com>
help@econsultancy.com

Econsultancy New York
41 East 11th St., 11th Floor
New York, NY 10003
United States

Telephone:
+1 212 699 3626

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1. Foreword by Commission Junction / Argos

There are two major lessons that you're taught in business;

1. Innovation is the only way for a business to grow – if you're not evolving, you're going to become stagnant at some point.
2. Learn as much about your audience as you can. If you know what the people buying/using/reading your product wants, you can tailor your offering to their needs.

There are many more business lessons other than these, but these two issues are integral to business, even when you're a recognised household brand such as Argos, audience and innovation are at the heart of all decisions.

These are the reasons why an affiliate census is so important. Publishers make up the majority of the affiliate industry, if networks, suppliers and merchants don't know the current issues effecting publishers, how can anyone expect to innovate and grow? Commission Junction needs to continually learn about its publishers and brands need to learn about their consumers. Publishers and audiences go hand in hand and is why we put so much effort into asking people for their thoughts and feedback.

What makes this feedback even more relevant is that the affiliate industry is in a constant state of flux; the online world evolves at exponential speed, there's always something new to learn, something faster and more efficient. Technology is always developing and companies need to keep pace. The key to succeeding in this crowded market place is to know and understand your audience and build bespoke affiliate programmes from this knowledge.

In the digital world there are many ways to analyse your audience, algorithms which can be implemented and complex maths which can be done but, as with all mathematics, you have to make assumptions. Asking someone their thoughts and opinions is more time consuming but always worth the effort; it's a more honest form of analysis and allows publishers to comment further and discuss the business issues they're facing. It's a way for publishers to talk and for networks and merchants to listen.

It's a win win situation; publishers can vent their frustration in a constructive way, networks can develop their offering to suit these demands and merchants tailor their affiliate programmes to adhere to the changes in consumer behaviour. Anybody in the industry should listen to what's being said and learn from it.

We hope you find this interesting and learn from the research that follows – Commission Junction and Argos certainly will.

Andrew Firmin, affiliate manager, Argos & Florian Gramshammer, UK country manager, Commission Junction

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2. Foreword by A4u

We are delighted to be partnering with Econsultancy for this year's UK affiliate census. Through data collection and analysis it's fantastic to be able to assist all stakeholders within the sector, effectively allowing advertisers to fine tune their affiliate marketing activity and match their future strategic plans to the desires and direction of their key publishers.

In what has been a testing year for affiliates who rely heavily on Google's SERPS results to complement their affiliate income, this year's UK Affiliate Census fully supports the concerns of these affiliates with 55% regarding any change in Google's algorithm as a highly significant threat to their earnings.

With affiliates being subjected to two well documented algorithm changes already this year (namely Panda and Panda 2.5) we're fully expecting more testing times to come, paving the way for affiliates to broaden their offering and limit risk by not putting all their eggs in one basket and increasing their marketing efforts to rely less on Google.

Let's not forget the cloud that is starting to re-form around the ePrivacy Directive, as the end of its extended 12-month grace period will catch up with us before we know it.

The outlook is far from doom and gloom within affiliate marketing however, as the introduction of new technologies that broaden an affiliate's reach across the many facets of Performance Marketing creates new opportunities in Mobile, Display and Social Media that will help many affiliates to spread risk and ultimately transform their web properties into brands.

Ensuring their affiliate sites are seen as shopping destinations, as opposed to just web properties, we are sure will be a primary target for affiliates over the coming year.

Chris Johnson
Head of Client Services
A4u - Affiliates4u.com

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3. Executive Summary and Highlights

More than 300 affiliates took part in the third Affiliate Census, conducted by Econsultancy in partnership with the **A4u** and sponsored by **Commission Junction** and **Argos**.

The research shows how **the industry has matured and become more professional** since similar studies were published in 2007 and 2009.

- Almost half of affiliates (46%) surveyed now work *full-time* in the industry, a large increase from 34% in 2009.

There are signs that direct communication between affiliates and merchants is improving.

Affiliates are optimistic about the future of the affiliate marketing sector, with the majority saying that income has increased in the past year.

- More than half of affiliates (57%) say that affiliate commissions have increased in the last year, with a fifth of those affiliates (19%) earning higher commissions reporting more than 100% growth in income over that period.

‘Content’ is still the most important affiliate category, despite the rise of other publishers such as voucher-code and cashback affiliates.

Despite the increased ability for advertisers to carry out marketing attribution and to de-duplicate affiliate sales, more affiliates than two years ago believe that ‘last click should always win’.

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Other related Econsultancy reports and events:

Affiliate Marketing Statistics

<http://econsultancy.com/uk/reports/affiliate-marketing-statistics>

The Innovation Report

<http://econsultancy.com/reports/innovation-report>

Affiliate Marketing Buyer's Guide 2010

<http://econsultancy.com/reports/affiliate-marketing-buyers-guide>

Internet Statistics Compendium

<http://econsultancy.com/reports/internet-statistics-compendium>

Affiliate Marketing Request for Proposal

<http://econsultancy.com/reports/affiliate-marketing-request-for-proposal-rfp>

Marketing Budgets Report 2011

<http://econsultancy.com/reports/marketing-budgets>

Affiliate Marketing Business Case

<http://econsultancy.com/reports/affiliate-marketing-business-case>

Achieving Digital Balance

<http://econsultancy.com/reports/achieving-digital-balance-best-practices-for-mastering-digital-strategy-and-budgets>

Affiliate Marketing Digital Template Files

<http://econsultancy.com/reports/affiliate-marketing-digital-marketing-template-files>

Econsultancy events and training:

Affiliate Marketing Training

<http://econsultancy.com/training/courses/affiliate-marketing>

Fast-track Digital Marketing

<http://econsultancy.com/training/courses/fast-track-digital-marketing>

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4. Methodology and partners

More than 300 affiliates responded to the UK Affiliate Census which took the form of an online survey¹ from July to September 2011

Information about the survey, including the link, was emailed to affiliates by Econsultancy, A4u and Commission Junction.

The survey was open to any affiliates based in the United Kingdom or promoting UK-based merchants from abroad. The incentive for taking part was access to a complimentary copy of this report in advance of its publication on the Econsultancy website.

The research comes almost five years after the first Affiliate Census was published at the start of 2007. The research was also repeated in 2009.

If you have any questions about the research, please email Econsultancy's Research Director, Linus Gregoriadis (Linus@econsultancy.com).

4.1. About Econsultancy

Econsultancy is a [global independent community-based publisher](#), focused on best practice digital marketing and e-commerce, and used by over 240,000 internet professionals every month.

Our hub has 105,000+ members worldwide from clients, agencies and suppliers alike with over 90% member retention rate. We help our members build their internal capabilities via a combination of research reports and how-to guides, training and development, consultancy, face-to-face conferences, forums and professional networking.

For the last ten years, our resources have helped members learn, make better decisions, build business cases, find the best suppliers, accelerate their careers and lead the way in best practice and innovation.

Econsultancy has offices in London, New York and Dubai and we are a leading provider of digital marketing training and consultancy. We are providing consultancy and custom training in the Middle East, and extensively across Europe and Asia. We trained over 3,000 marketers and ran over 200 public training courses in 2010.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also [contact us online](#).

4.2. About Affiliates4u

Affiliates4u has been providing Performance Marketing insight to over 70,000 members for over 10 years. Currently Affiliates4u is breaking industry news, creating in-depth articles and reports including our recent Performance Marketing Guide 2011 plus our ever popular industry forum with 10+ years of content.

Affiliates4u is part of the A4u brand, within which we create industry events including the a4uexpo Performance Marketing Conferences in London and Europe, plus the annual a4uAwards ceremony and our series of one-day PerformanceIN events focused on the vertical sectors within Performance Marketing. Visit www.affiliates4u.com for more information.

¹ Econsultancy uses Clicktools for its online surveys



4.3. About Commission Junction

Partnerships in Action

We've built the world's largest affiliate marketing company on three words: results, relationships and service.

We believe people and partnerships are as vital as the advanced technology we use. This stellar combination of people and technology helps us deliver amazing results based on wholly measurable brand actions.

Our teams match expertise in shaping highly specific and optimised digital brand strategies with a network of innovative publishers established in the UK and around the globe. We're part of ValueClick Inc., a world-leading online marketing company, which means our teams benefit from exposure to constant innovation and a focus on service in online marketing.

4.4. About Argos

Argos is the UK's largest multi-channel retailer selling over 35,000 products across 14 different categories. Our affiliate programme offers commissions of up to 3% on all products.

We offer a suite of promotional tools and weekly promotions. For more information visit www.argos-affiliates.co.uk.

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5. Findings

5.1. Profile of affiliates

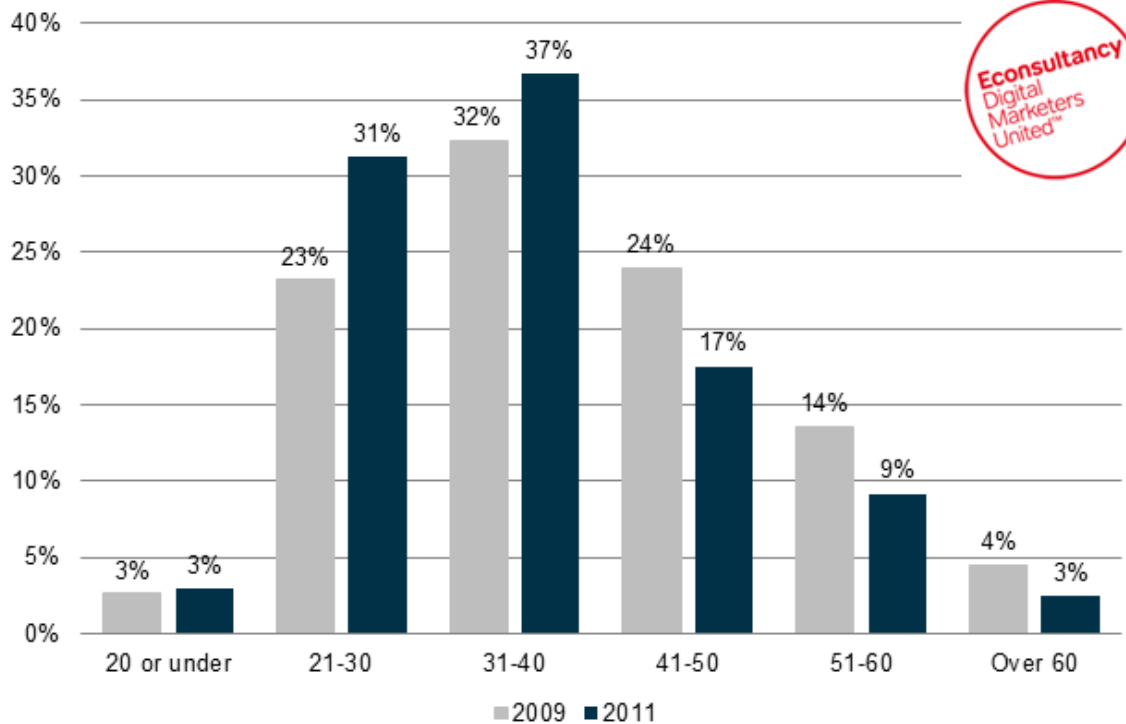
The majority of affiliates (54%) are aged between 31 and 50. The average age of affiliate publishers has got younger since 2009, with 34% of affiliate publishers aged 30 or under, compared to 66% over 30.

This has reversed a trend noted in 2009 when the number of affiliates under 30 had declined to 26%, down from 31% in 2007.

The number of affiliate publishers aged 51 or over has declined from 18% in 2009 to 12% this year.

5.1.1. Age

Figure 1: How old are you?



2011 respondents: 240
2009 respondents: 807

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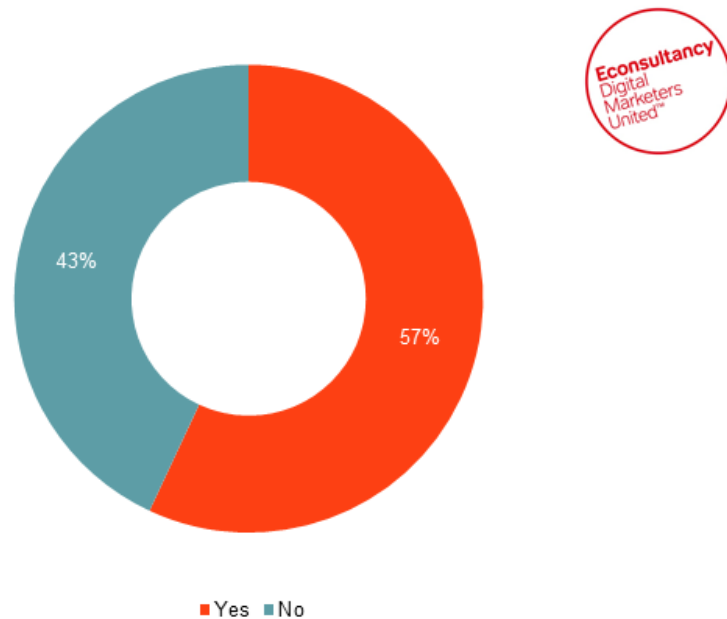
5.2. Scale of business and commissions

5.2.1. Change in affiliate commissions

More than half of affiliates (57%) say that their affiliate commissions have increased in the last year.

Around a fifth of those affiliates (19%) enjoying higher commissions say that they have more than doubled [Figure 10].

Figure 3: Have your affiliate commissions increased in the last year?



Respondents: 223

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5.3. Last click model and de-duplication

5.3.1. Perspective on last-click wins model

The increased availability of tools for marketing attribution has amplified the debate about the “last click wins” approach which has historically underpinned and defined the affiliate marketing industry.

Interestingly, while marketers generally are looking beyond the last click to understand the relationship between different channels, significantly more affiliates than two years ago believe that this is actually the best way for advertisers to reward affiliate publishers.

Voice of the expert

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Helen Southgate, Chair of the IAB Affiliate Marketing Council & Online Marketing Senior Manager at BSkyB



5.4. Networks

As we did in 2009, we asked affiliates to rank networks *by revenue generated through their merchants*.

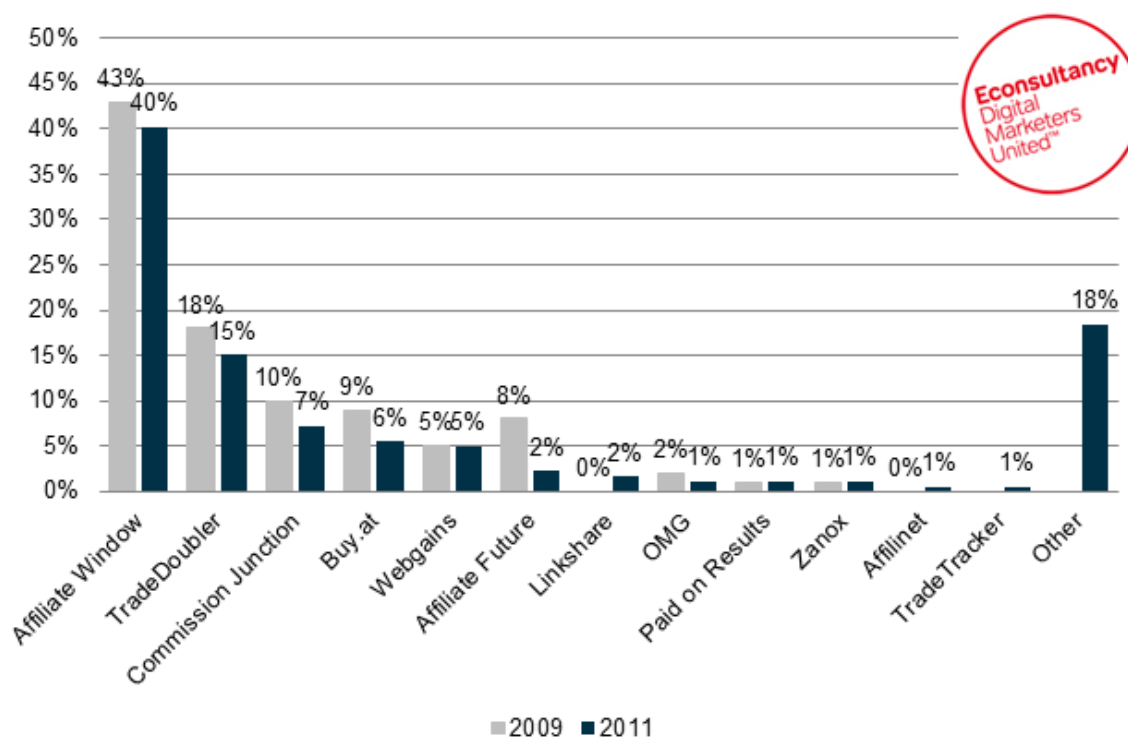
As was the case then, the top three networks for affiliates, in order, are *Affiliate Window*, *TradeDoubler* and *Commission Junction*.

It should be noted that, in 2010, buy.at was acquired by Digital Window, which also operates the Affiliate Window network.

Other networks mentioned include Performance Horizon, and those run by eBay and Amazon.

5.4.1. Top networks for generating revenue

Figure 4: Through which network do you generate most UK revenue?



Respondents: 179

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5.5. Communication and resources

5.5.1. Resources for affiliate marketing information

The chart below shows which resources respondents believe to be the most useful sources of information about affiliate marketing.

In comparison to 2009, *resources provided by networks* are seen to be less useful. Some 18% of respondents in 2011 reported this was the most useful source of information, compared to 29% in 2009.

Figure 5: What are the most useful sources of information about affiliate marketing?

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2011 respondents: 198
2009 respondents: 328

Voice of the expert

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Geno Prussakov, internationally-acclaimed affiliate marketing expert, speaker, consultant, founder and CEO of AM Navigator.



5.5.2. How could communication between affiliates and different stakeholders in the industry be improved?

Affiliates were asked how communication between affiliates and between different stakeholders could be improved.

Opportunities to meet face to face

- A large number of respondents felt that meeting people face to face would be beneficial – in particular, through more networking opportunities.
- Suggestions on improving face-to-face contact included:

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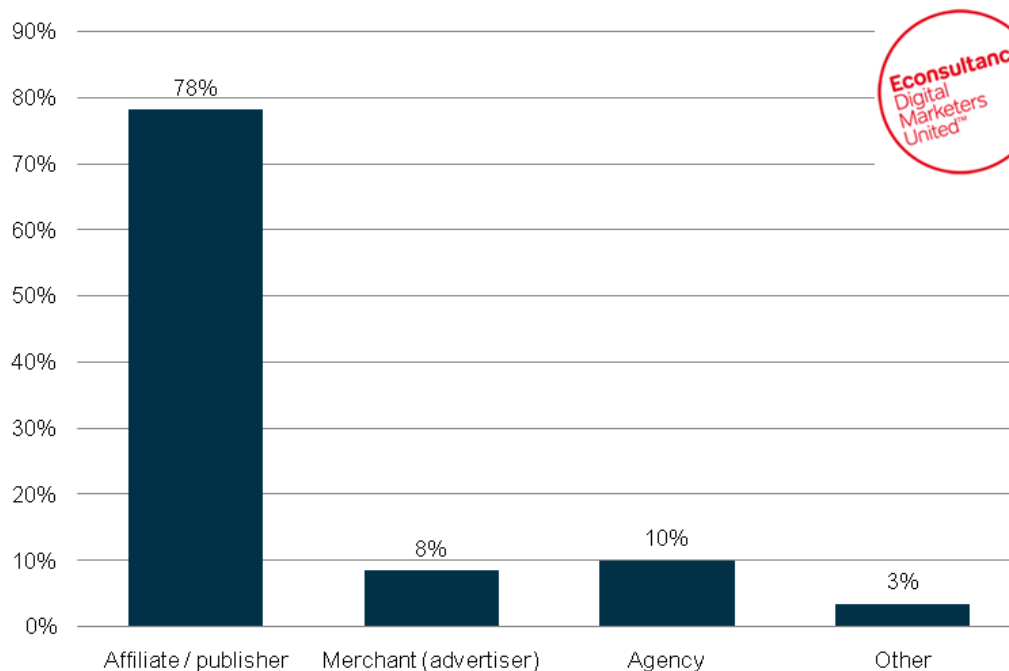


6. Appendix

6.1. Involvement in affiliate marketing

The chart below shows the type of people responding to the affiliate census. The findings of this survey relate only to affiliates, rather than merchants, agencies and 'others' who were not relevant for this particular survey.

Figure 6: What best describes your involvement in affiliate marketing?



Respondents: 320

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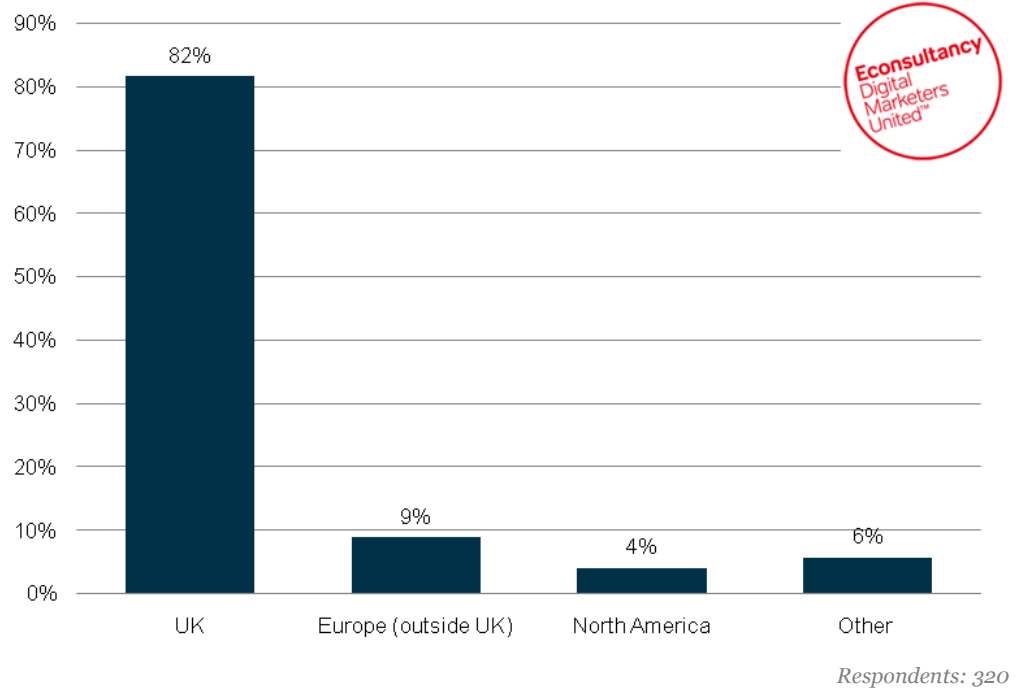
<http://econsultancy.com/reports/affiliate-census>



6.2. Geography

This chart shows where affiliates are based geographically. The survey was open to affiliates outside the UK, provided that they promote UK affiliates.

Figure 7: Where are you personally based?



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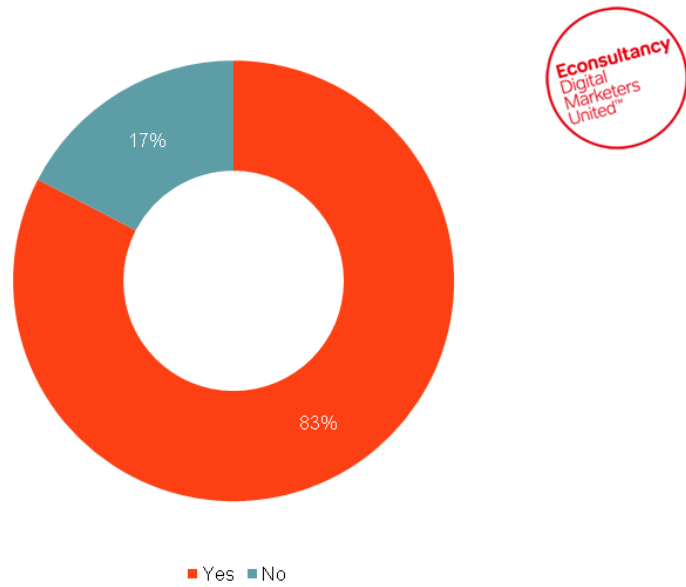


<http://econsultancy.com/reports/affiliate-census>



6.3. Promoting merchants in the UK

Figure 8: Do you promote merchants operating in the UK marketplace?



Respondents: 46

Note: This question was only for those not based in the UK. Those from abroad who do not promote UK merchants were excluded from the survey.

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