



# AFFILIATE MARKETING AUSTRALIAN INDUSTRY REVIEW

FEBRUARY 2018



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# IAB AUSTRALIA AFFILIATE MARKETING WORKING GROUP

This Working Group comprises IAB Australia members from the following organisations:



## ABOUT THE INTERACTIVE ADVERTISING BUREAU

The Interactive Advertising Bureau (IAB) Limited is the peak trade association for online advertising in Australia & was incorporated in July 2010. As one of over 43 IAB offices globally, and with a rapidly growing membership, IAB Australia's principal objective is to support and enable the media and marketing industry to ensure that they thrive in the digital economy. The role of the IAB is to work with its members and the broader advertising and marketing industry to assist marketers to identify how best to employ online as part of their marketing strategy, to better target and engage their customers and build their brands.



# EXECUTIVE SUMMARY

The data in this market survey is a collection from Australian advertisers demonstrates that Affiliate Marketing is on the up and up. Already a proven and established channel, we are seeing more advertisers engaging and investing in the affiliate channel. This growth is driven in large part by the measurable and effective ROI when compared to other channels, with 61 percent of the organisations surveyed scoring Affiliate Marketing at 7 or higher out of 10 when it comes to ROI versus other channels.

Advertisers are seeing the returns too, with 66 percent of respondents receiving at least 10 percent of their online revenue from the channel. Marketers are finding to it be an effective means of reaching new customers, with just over 1 in 5 of respondents receiving 20 percent of their new customers coming from the affiliate channel.

As the industry grows, we are seeing a move away from last-click attribution models. Once the main measurement of affiliate attribution, last-click is giving way to different custom models that award recognition for many different consumer touch points along the purchase journey. It's a complex but needed change, and one that the IAB Affiliate Marketing Working Group will be monitoring in future research.

**Matthew Sheppard**  
International Account Manager, Navigate Digital  
Chair, IAB Australia Affiliate Marketing Work Group

“ Marketers are finding to it be an effective means of finding new customers, with just over one-fifth of respondents receiving 20 percent of their new customers coming from affiliate channels. ”

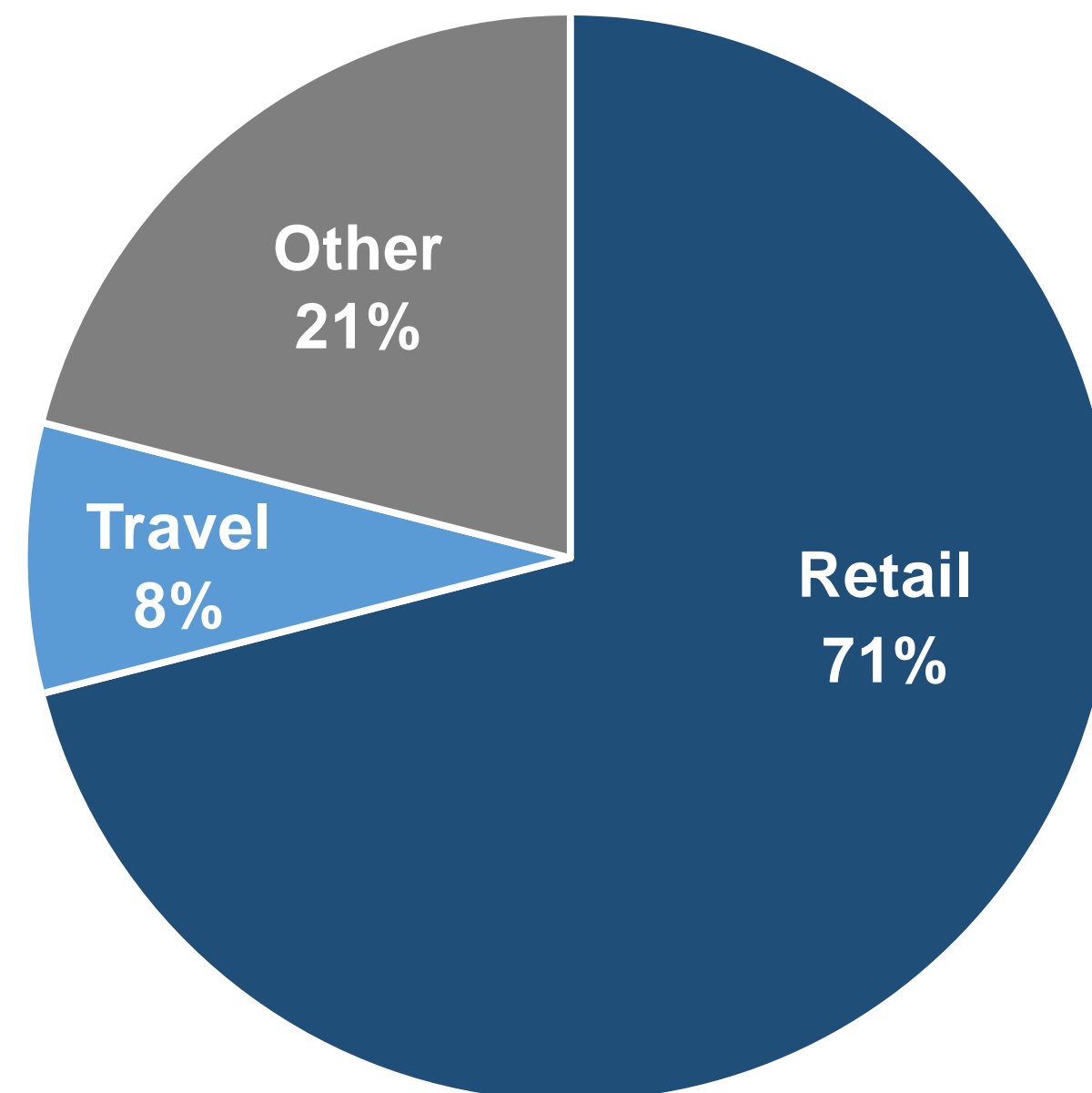


## 2 METHODOLOGY

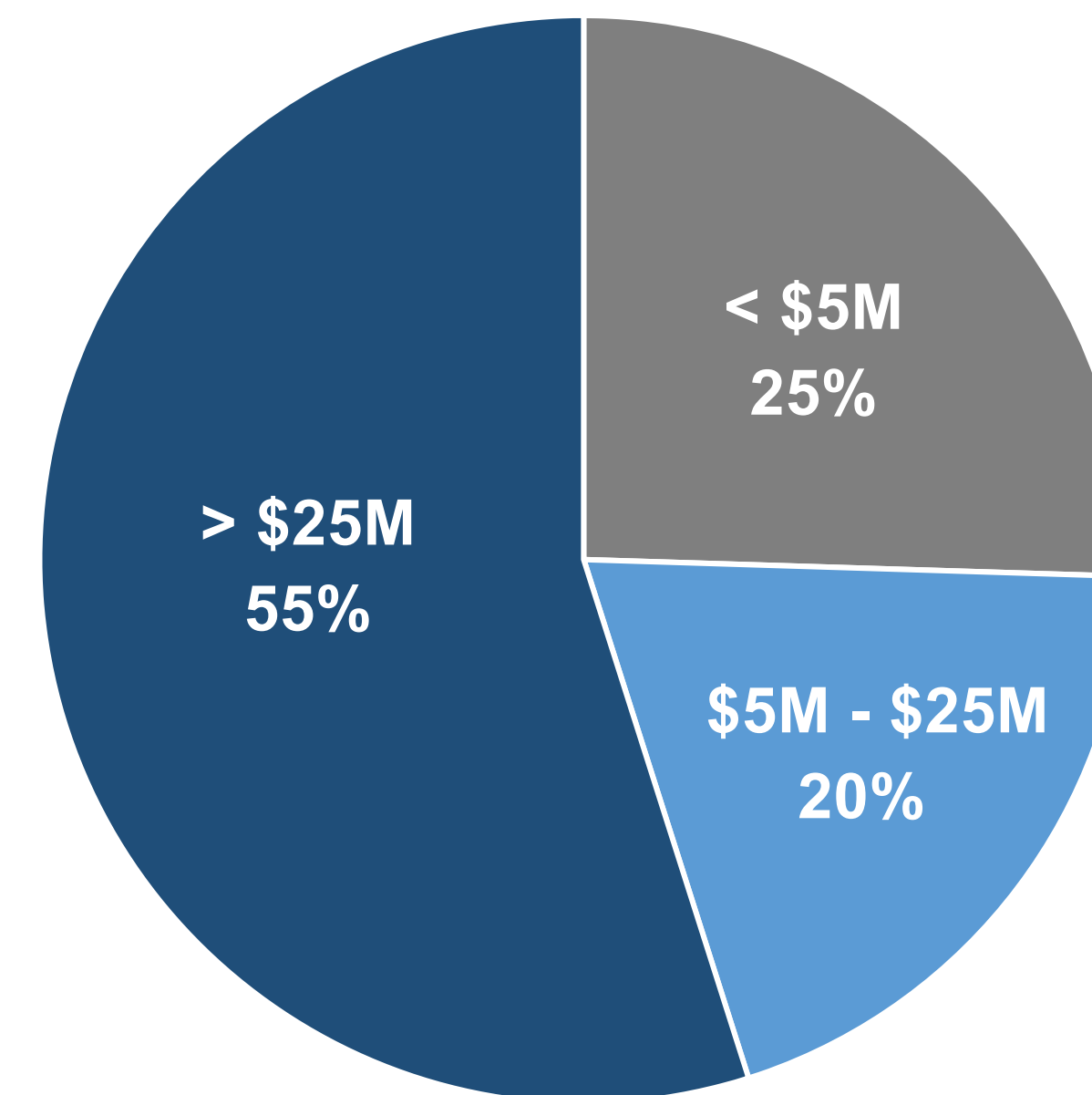
This research was designed and run by the IAB Australia Affiliate Marketing Working Group. An industry survey was in field in November and December 2017 and responses were gathered from 102 advertisers and 20 agencies. This deck is based on the responses from advertisers looking at their experiences and plans for affiliate marketing in the Australian market.

### ADVERTISER RESPONDENT SAMPLE

ADVERTISER CATEGORY



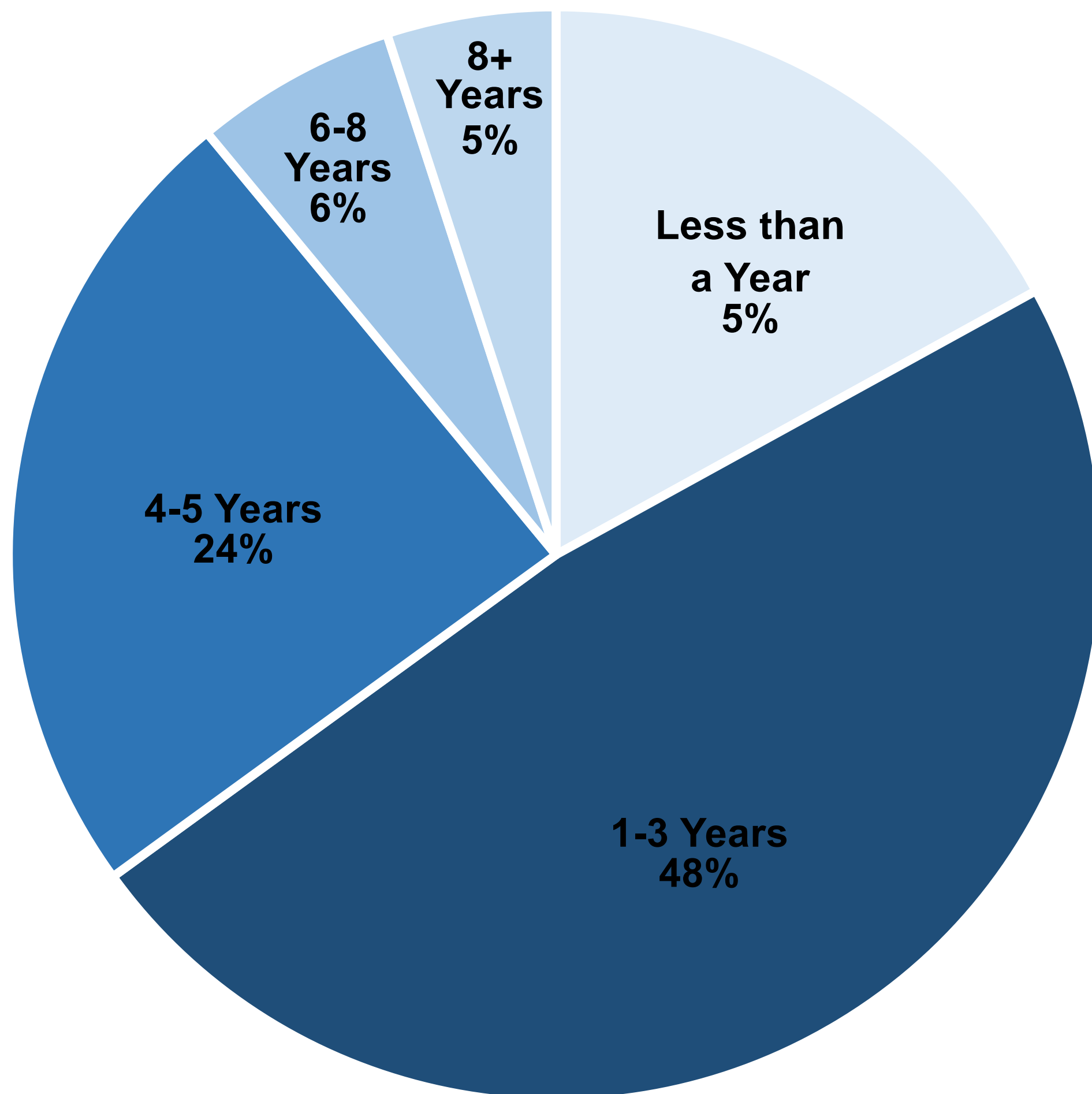
ANNUAL COMPANY TURNOVER



# 3 EXPERIENCE & LOCATION

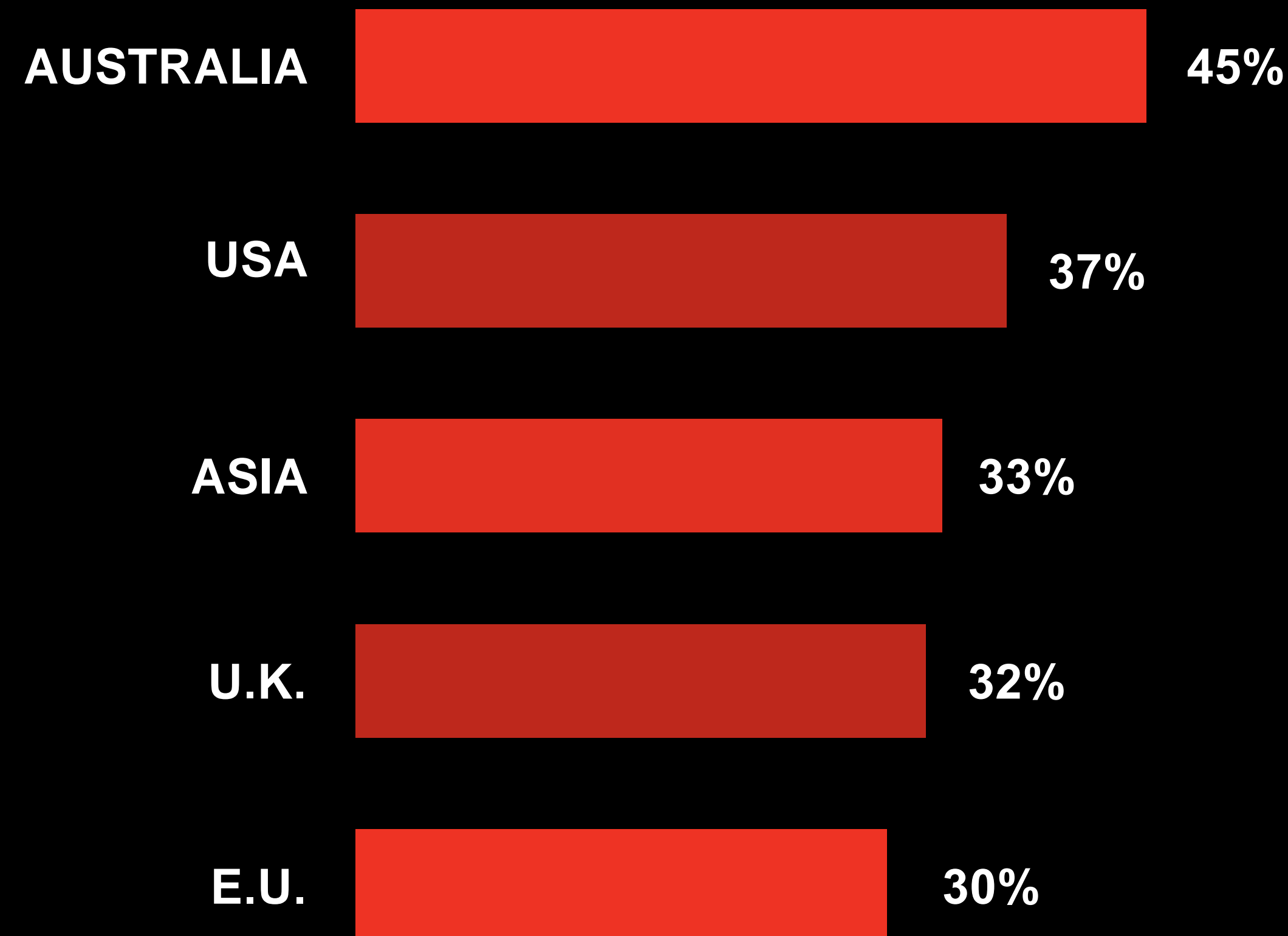
2/3 of organisations have been using affiliate marketing for 3 years or less.

YEARS RUNNING AFFILIATE PROGRAM



Organisations run the highest percentage of affiliate programs in Australia.

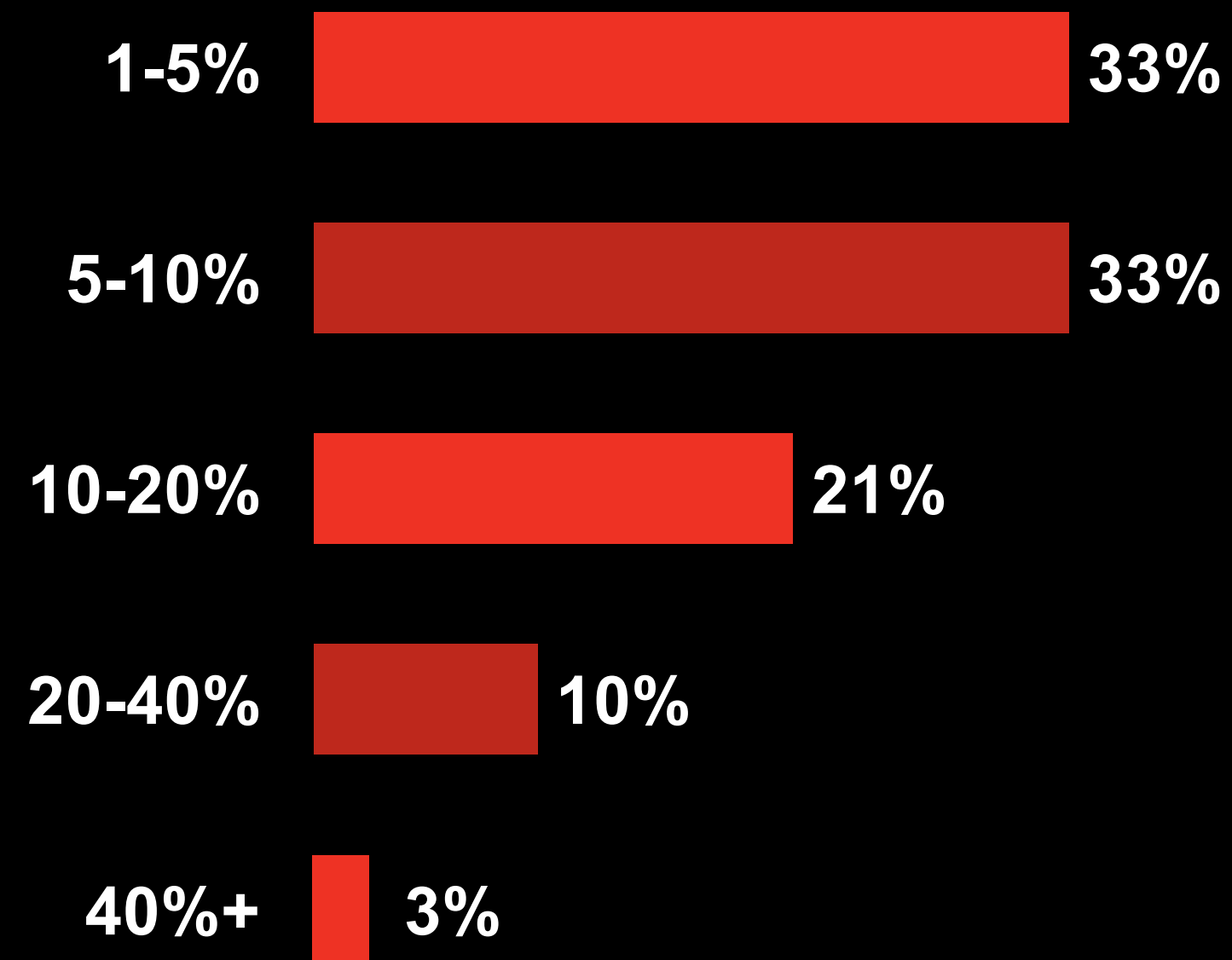
WHERE DOES YOUR ORGANISATION RUN AFFILIATE PROGRAMS?



## 4 AFFILIATE MARKETING INVESTMENT

1/3 of organisations investing in affiliate marketing invest 10%+ of their online marketing budget in this channel.

### PERCENT OF MARKETING BUDGET SPENT ON AFFILIATE MARKETING

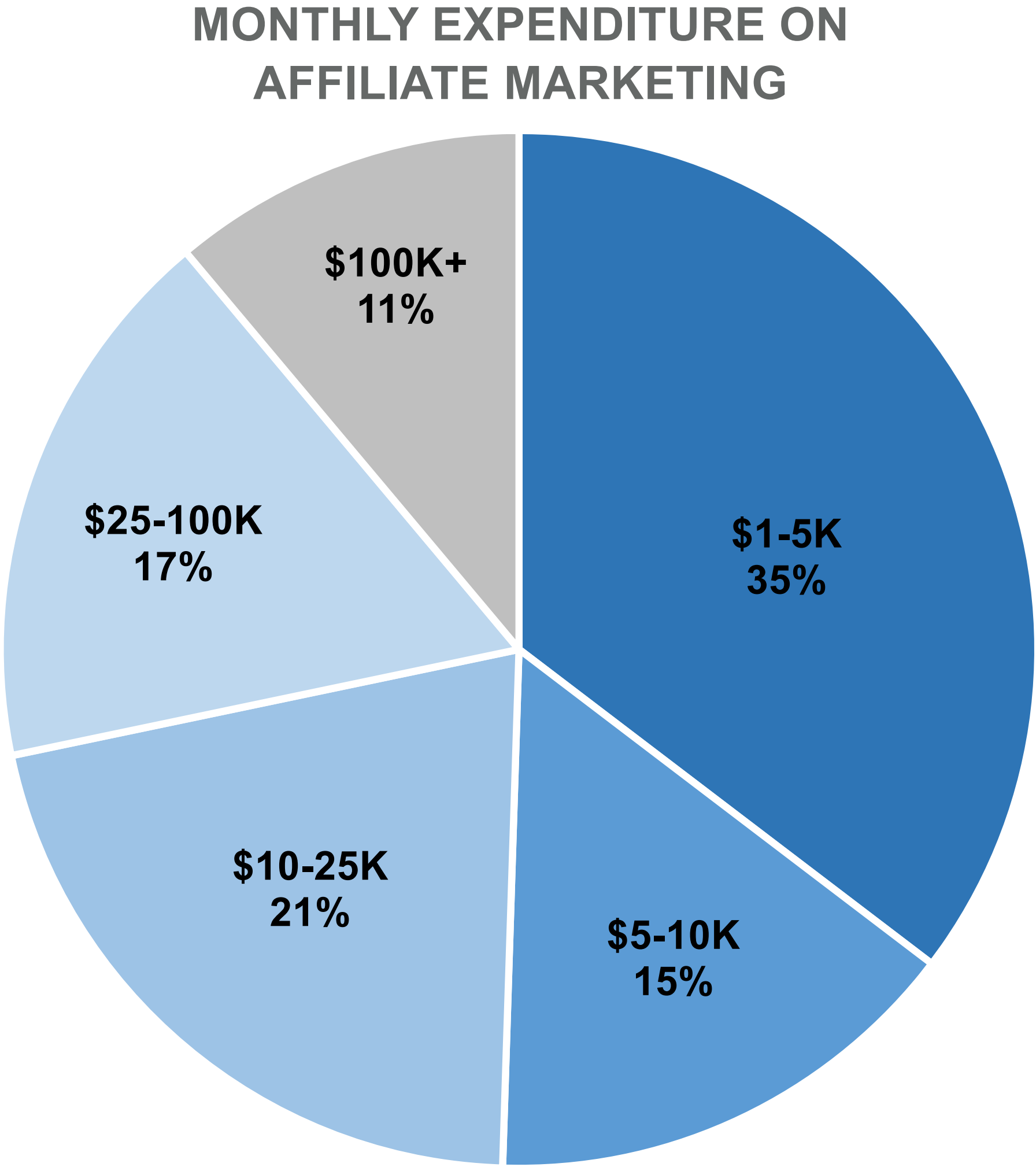


**68%**  
of organisations  
do not cap their  
monthly spend

## 4 AFFILIATE MARKETING INVESTMENT












1/3 of organisations investing in affiliate marketing invest 10%+ of their online marketing budget in this channel.

	Affiliate as a % of online marketing spend	Affiliate as a % of online revenue
< 10%	66%	51%
10-20%	21%	36%
20-40%	10%	11%
40%	3%	3%



# 5 CHANGES IN SPEND

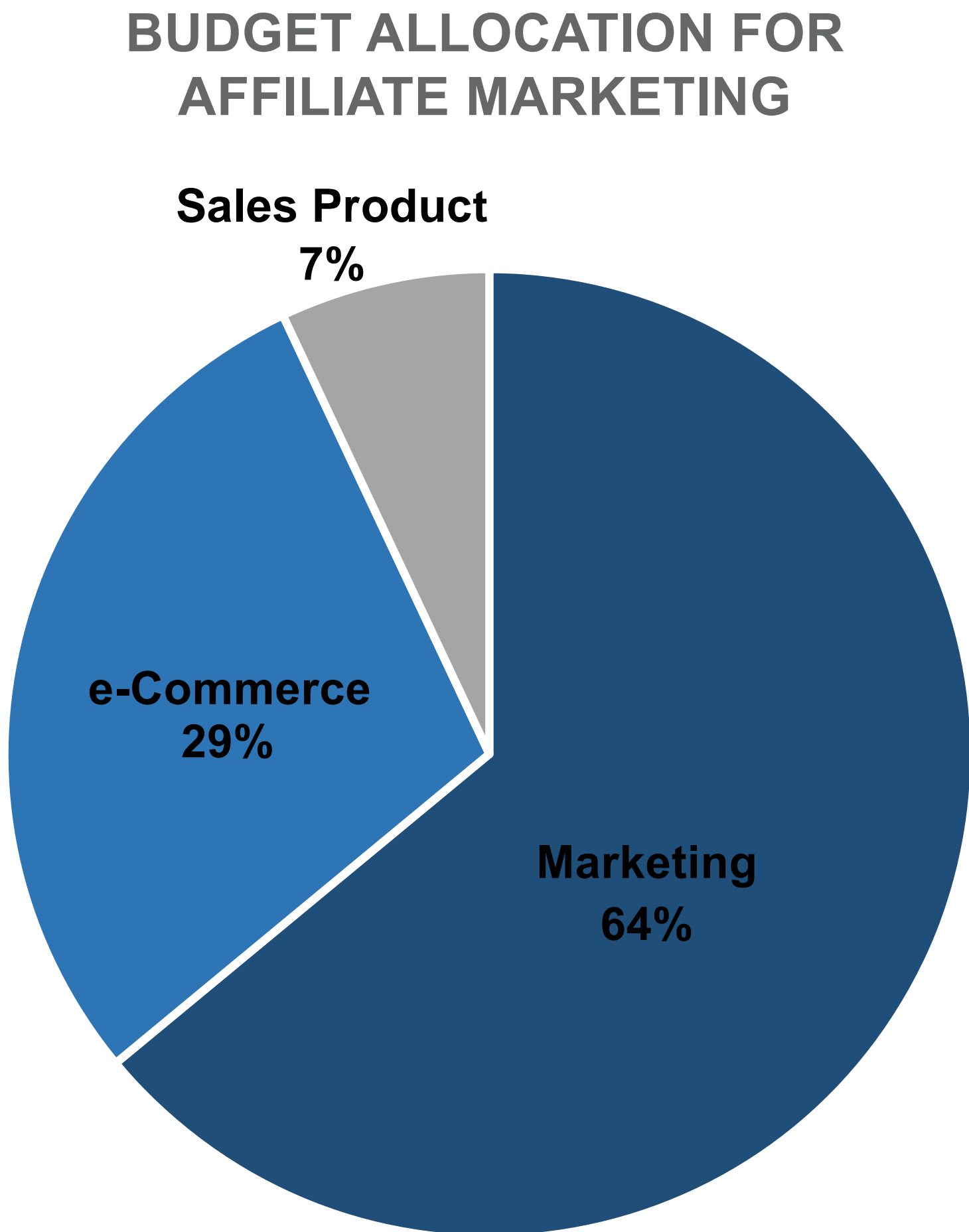
7 in 10 organisations using affiliate marketing intend to increase their spend in the next 12 months.

	CHANGE IN PAST 12 MONTHS	CHANGE IN NEXT 12 MONTHS	CHANGE COMPARED TO OTHER DIGITAL AD SPEND IN LAST 12 MONTHS
INCREASE	79% 	71% 	57% 
DECREASE	9% 	1% 	13% 
NO CHANGE	9% 	12% 	
NOT SURE	3% 	16% 	30% 

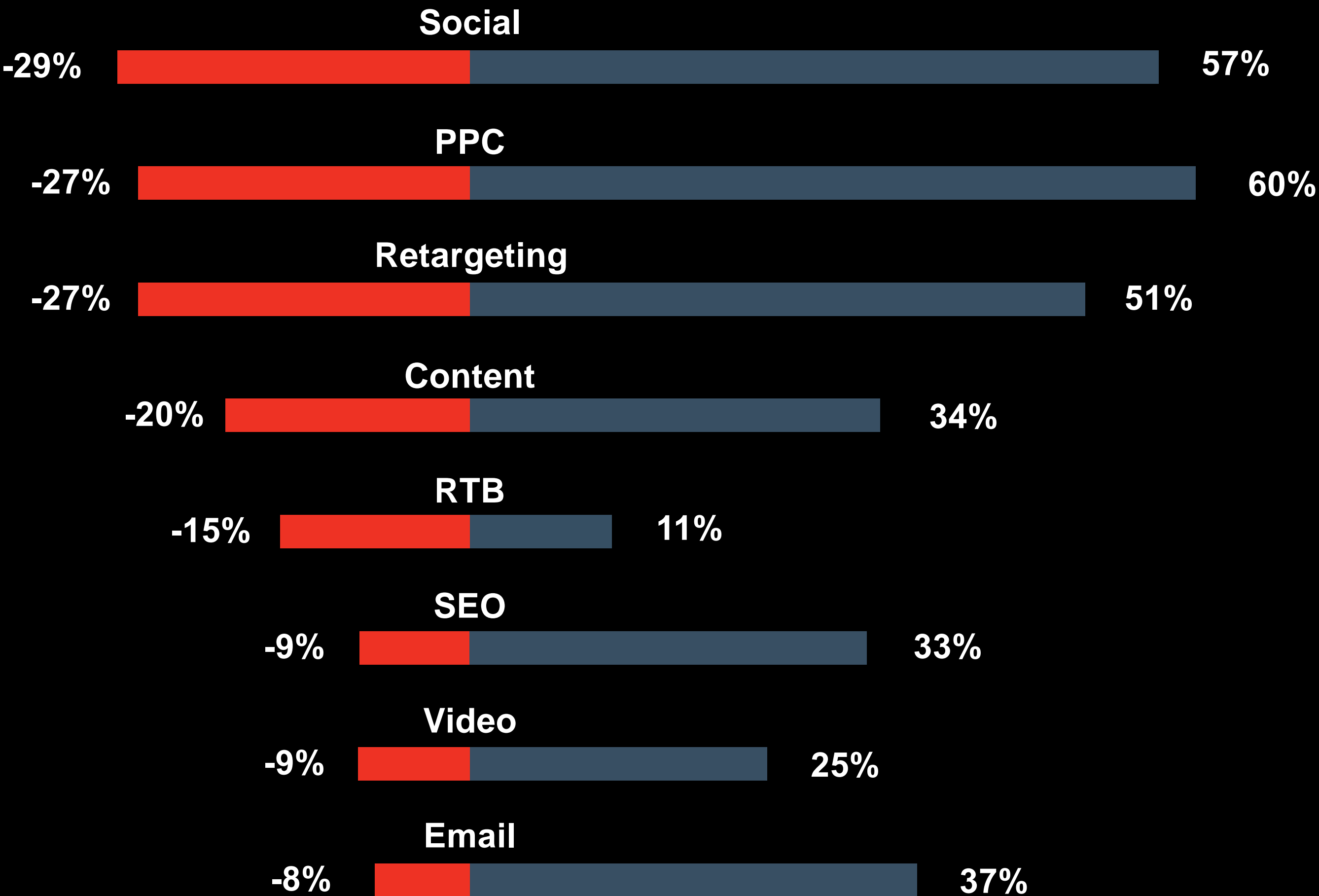


# 6 BUDGET ALLOCATION

Email was the performance channel that was least impacted by increased affiliate spend.



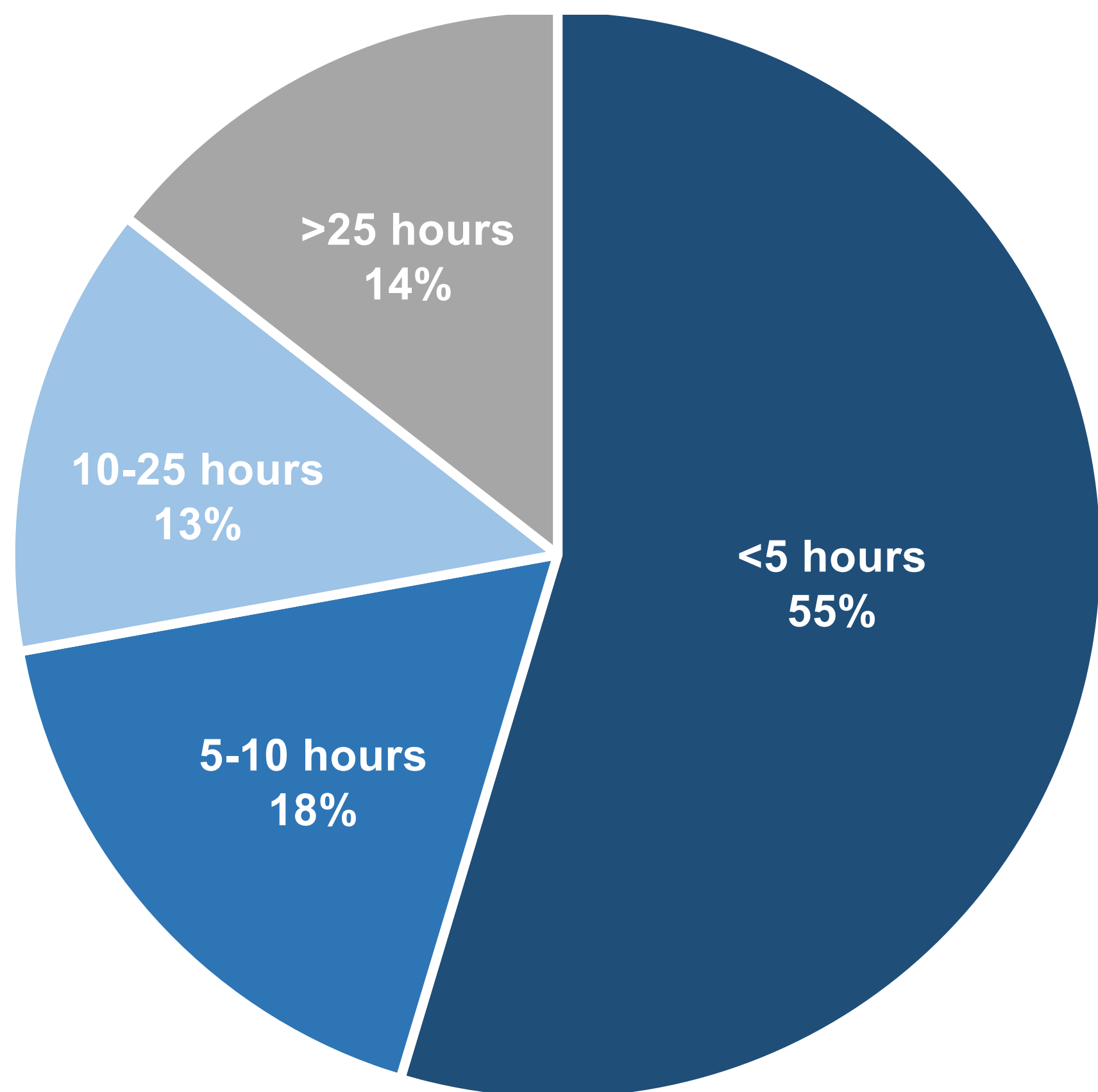
## PERCENTAGE OF ORGANISATIONS THAT HAVE REDUCED OR INCREASED BUDGET IN THE PAST YEAR IN RELATION TO AFFILIATE MARKETING



# 7 RESOURCING & ACQUISITION

30% of sales via affiliate channels are first customers for 4 in 10 marketers.

HOURS PER WEEK SPENT MANAGING AFFILIATE MARKETING



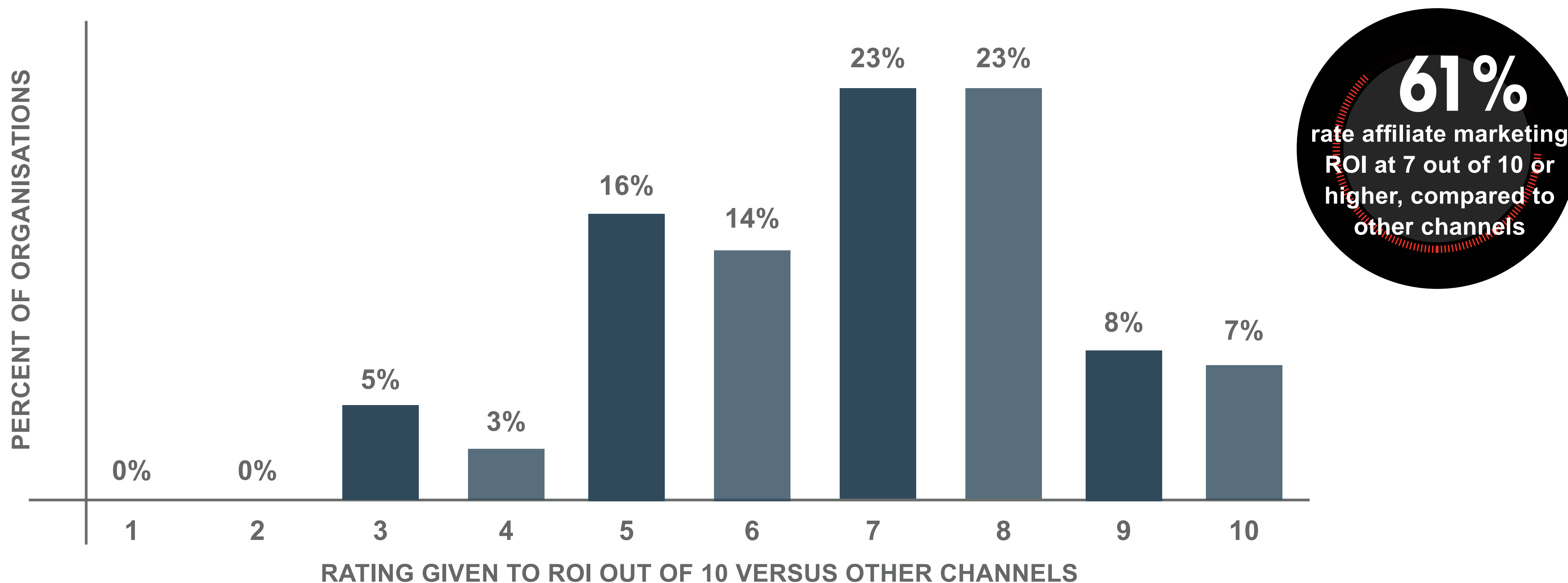
PERCENT OF CUSTOMERS FROM THE AFFILIATE CHANNELS CONSIDERED TO BE NEW CUSTOMERS

% of new customers	% of organisations
1-10	22%
10-20	18%
20-30	21%
30-40	17%
40+	21%

# 8 PERFORMANCE OF AFFILIATE MARKETING

3/4 of organisations using affiliate marketing claim that the ROI is higher than their average marketing spend.

RATING AFFILIATE MARKETING IN TERMS OF ROI VS. OTHER CHANNELS  
(RATING FROM 0 TO 10)





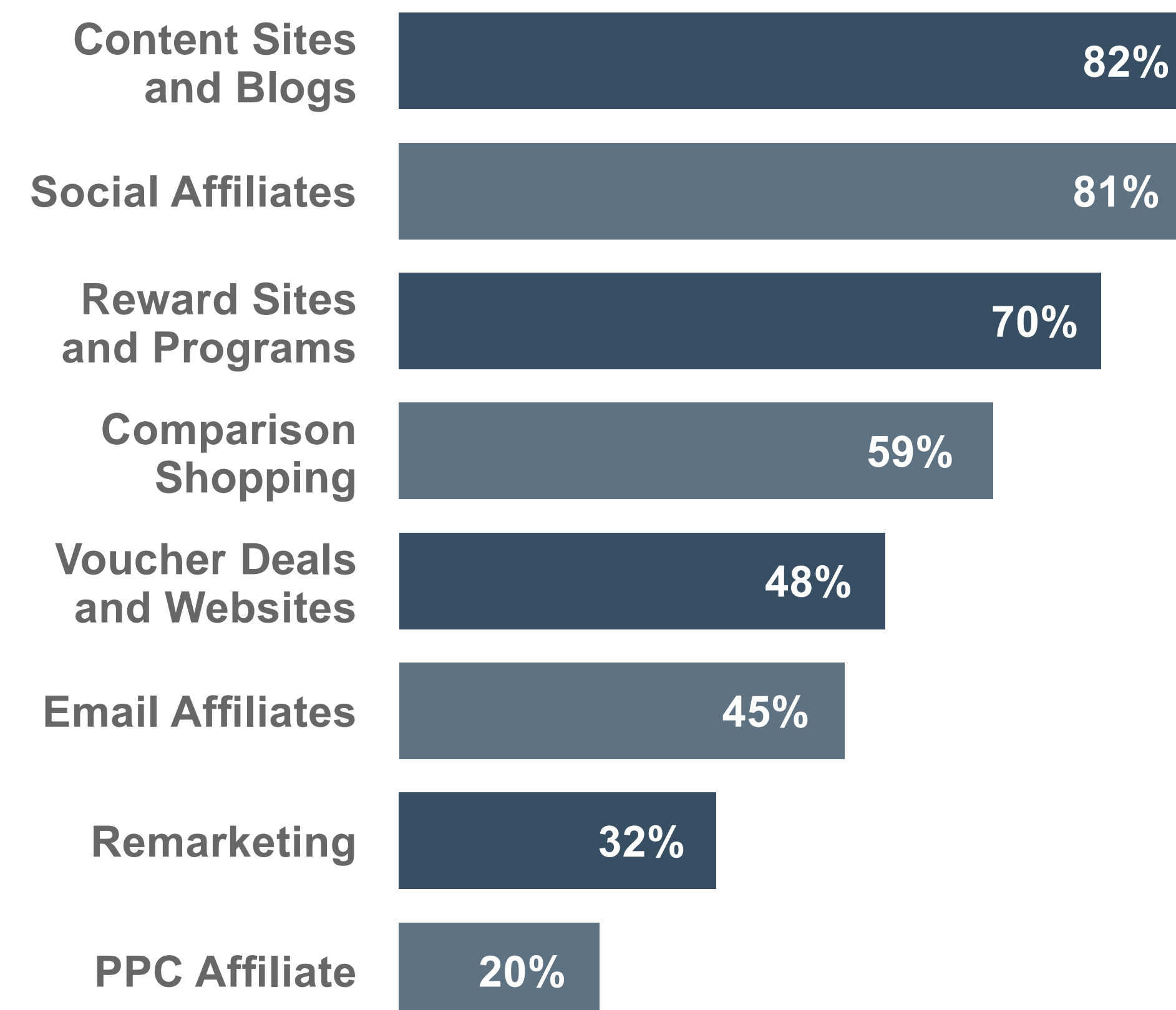
# 9 TYPES OF AFFILIATE MARKETING

Content Sites and Blogs are the most used and have the highest rate of satisfaction of all affiliate channels.

## SATISFACTION RATING FOR EACH CHANNEL USED (OUT OF 10)



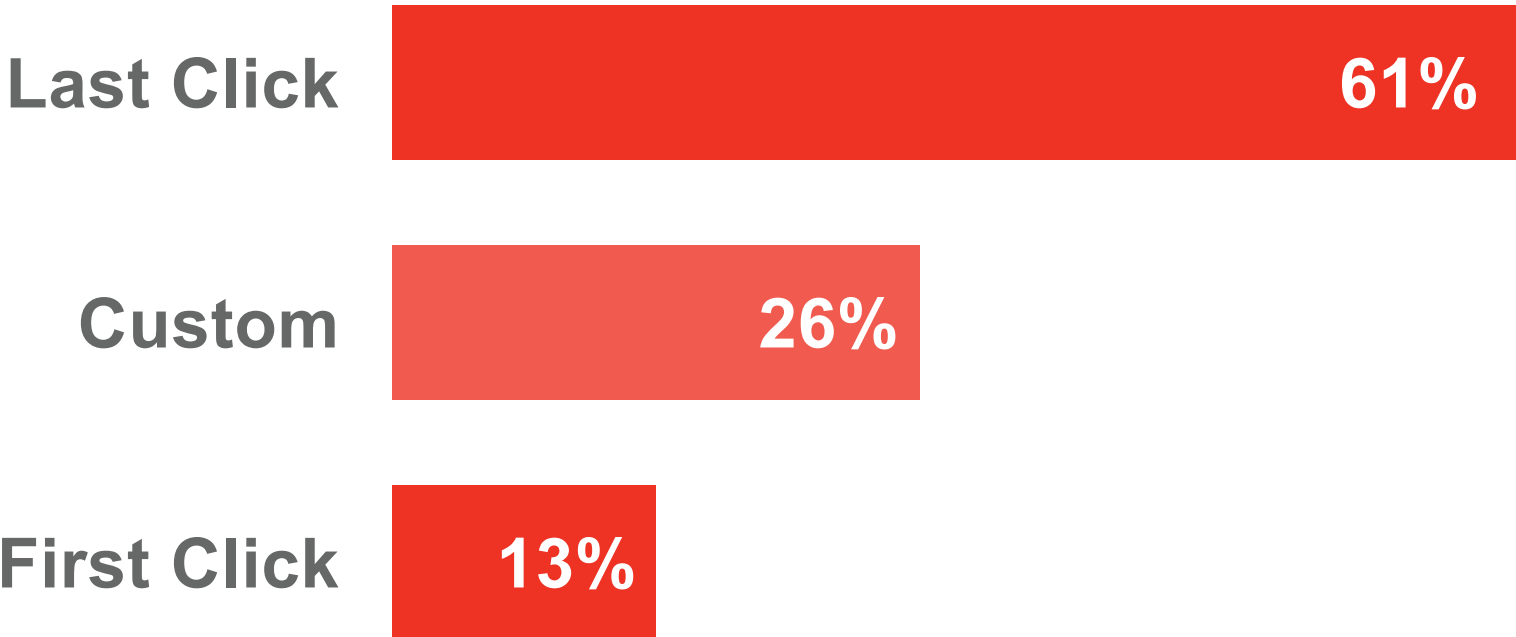
## TYPES OF AFFILIATE MARKETING PROGRAMS USED BY ORGANISATIONS



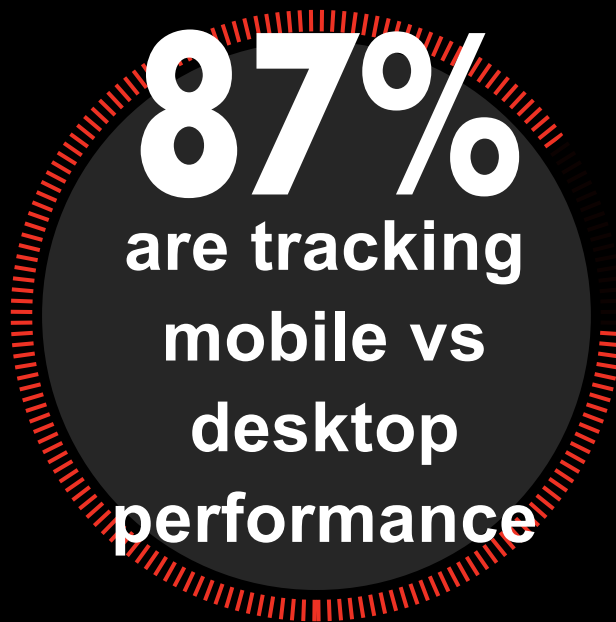
# 10 TRACKING AND IMPORTANCE OF MOBILE

1 in 4 marketers are receiving more than 40% of their affiliate-driven sales via mobile devices.

## ATTRIBUTION METHOD USED

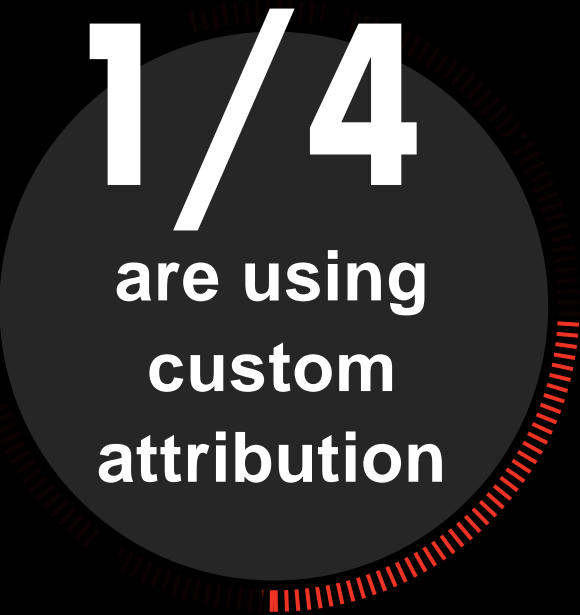


There is growing sophistication in attribution techniques used by many marketers and offered by organisations in the affiliate marketing space. These custom models recognise the contribution for different touch points through the marketing funnel.



## MOBILE DRIVEN SALES ACROSS ORGANISATIONS

% of sales driven by mobile	% of organisations
1-10%	9%
11-20%	17%
21-30%	23%
31-40%	13%
41-50%	15%
>50%	24%



# MORE RESOURCES FROM IAB AUSTRALIA

## Research & Resources

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### [Affiliate Marketing Handbook](#)



The Australian digital advertising and marketing ecosystem is growing and Affiliate Marketing is a key part of the value chain. Affiliate Marketing has outgrown its role as just another marketing channel and become an objective in its own right.

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## Video

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### [Interview with Rakuten Marketing MD Anthony Capano](#)



Anthony shares insight into Rakuten's future plans and how he sees the direction of Affiliate Marketing in Australia and highlighted the importance of content websites and blogs to retailer strategies.

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Stay up-to-date with IAB Australia and the work we do to simplify and inspire the digital advertising industry by [signing up for our monthly newsletter](#) and following us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

