

**a guide to tracking
affiliate partnerships
in a post third-party
cookie world**

2023



over the past few years

Digital marketing has undergone unprecedented disruption due to improved privacy legislation and major changes to the ways in which consumers can be tracked online. Cookies are crumbling, privacy is taking centre-stage and many businesses are questioning how they will be able to monitor the performance of their marketing channels moving forward.

The ability to track clicks, impressions and sales has been one of the biggest drivers of investment in digital marketing services. But if that ability to track is removed, does that spell the end of digital advertising as we know it?

The good news is that there are ways that digital marketing channels withstand these threats and the affiliate & partnership marketing channel is no exception.

This guide has been created to offer you, whether you're a brand, advertiser or agency, assurances and advice on how you can safely and confidently continue to invest your budgets in the affiliate partnerships channel regardless of today's, or tomorrow's, uncertainties.

A collaboration between the largest affiliate marketing businesses operating in Australia, this guide explains:

- **The current state of Affiliate and Partnership marketing in Australia**
- **What Affiliate & Partnership tracking does, and how it works**
- **Why it's so important to utilise the latest forms of tracking**

Ultimately affiliate and partnership marketing is a fast-growing, robust and sustainable marketing channel built on performance led affiliate partnerships, an essential part of your marketing mix, connecting you with your next customer.

This guide has been created and endorsed by the members of the IAB's affiliate & partnership marketing working group:



background

It's a fact of life that regardless of which online marketing activity we are considering, we're operating against the backdrop of privacy regulation and big tech's reactions to it. This means digital marketing companies are adapting how they track their marketing and also how they handle consumer data.

The changes we're reacting to are coming from three main sources, all driven by a goal of giving consumers more choice about how their data is accessed, stored and shared:

- **Web browsers are restricting how data is shared across websites and across organisations.**
- **Consumers have options for when and how their data can be shared and stored.**
- **Regulatory bodies are defining requirements about how consumers should be informed and given choices about how their data is used by online businesses.**

Industry perspective

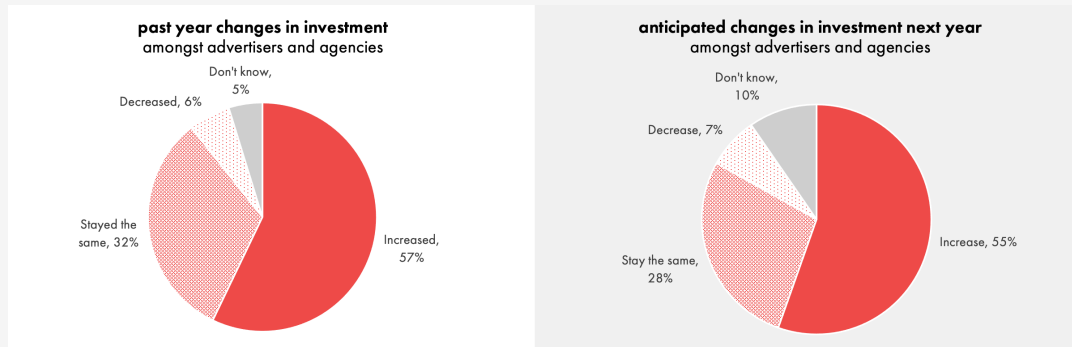
To assess the state of the industry, the IAB's Affiliate and Partnership Marketing Working Group have surveyed Australian advertisers, and agencies over the past several years.

One clear conclusion has been that Affiliate and Partnership marketing has cemented itself as an established, valuable, and sophisticated acquisition channel, having witnessed substantial growth in recent years. It was found that 57% of advertisers and agencies have increased their overall spend on affiliate and partnership marketing over the last year, and 55% are anticipating further increases in the coming year.



The industry's attractiveness is also underpinned by a clear return on investment delivered by a payment on performance model. If those surveyed, advertisers rated Affiliate & Partnership marketing a 7.4 out of 10 on average, compared to other marketing activities.

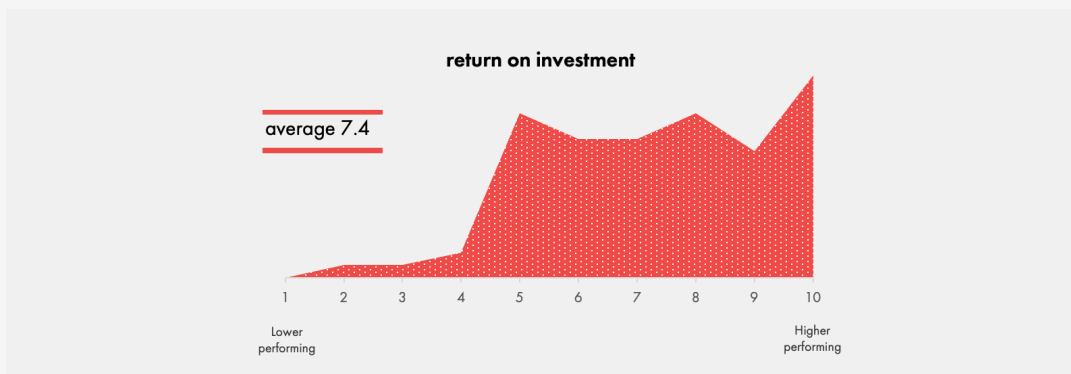
Figure 1 - advertiser investment changes



Source: IAB Australia affiliate and partnership industry review April 2023

However, those surveyed were also asked about how they track their affiliate activity. 20% believe they are reliant on third-party cookies with 29% saying they don't know how their affiliate programme is tracked.

Figure 2 - advertiser success rating of affiliate & partnership marketing, compared with other marketing activities

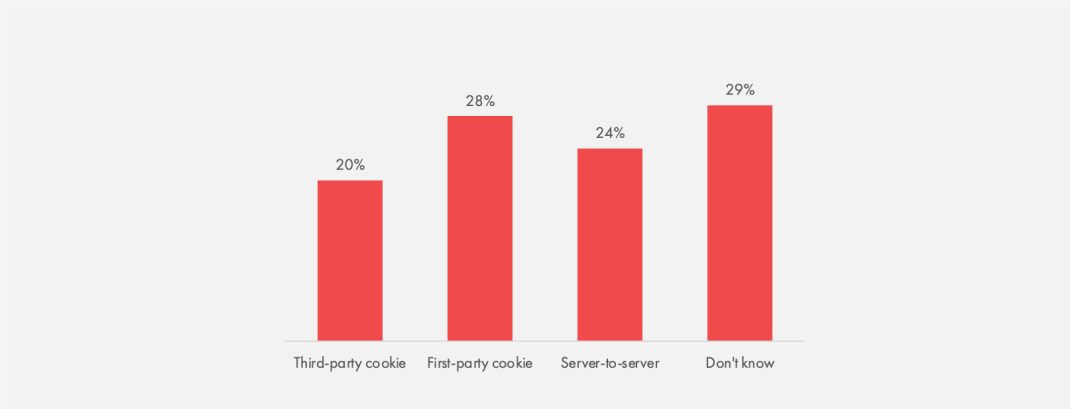


Source: IAB Australia affiliate and partnership industry review April 2023



With third-party cookies becoming increasingly obsolete, it is imperative that brands take action now if they are to continue to run and grow a sustainable and healthy affiliate program.

Figure 3 - advertiser methods of tracking affiliate & partnership marketing



Source: IAB Australia affiliate and partnership industry review April 2023

why these changes matter

Affiliate and partner marketing is less reliant on personal consumer data than other digital advertising models, but these changes still impact us.

Without the ability to see how advertising influences customer behaviour and actions, there is no way to understand how marketing campaigns are performing nor is there a way to optimise campaigns.

In response, affiliate marketing companies have adapted the technologies they use to ensure any necessary data continues to be viable.

Advertisers who continue to use legacy tracking methods will likely see a decline in their affiliate partnership opportunities as publishers choose to work with brands who track accurately and pay them for the conversions they drive.

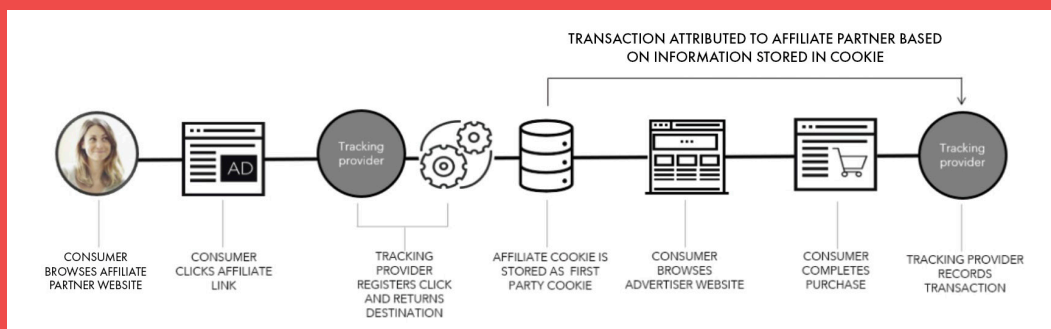
These legacy tracking technologies used for affiliate and partner marketing have heavily relied on third-party cookies which are now being restricted and degraded on almost all web browsers and mobile devices.

what affiliate marketing tracking does

Affiliate marketing tracking allows brands to record the clicks, impressions and sales delivered by their affiliates, publishers, and partners. These interactions can take place across all devices, including in-app, and in some cases, online to offline.

A typical affiliate journey tracked by any of the companies endorsing this guide looks like this:

Figure 4



Source: based on Affiliate and Partner Marketing UK resource Tracking in a Post Third-party Cookie World

Affiliate networks or SaaS platforms typically act as the intermediary: think of them as marketing technology businesses that look after the tracking, reporting and payments for you.

Each of these businesses has created their own proprietary tracking technology that is used by brands and affiliate partners to connect them and track their unique journeys. They typically will have their own terminology and phraseology they use to talk about their affiliate tracking, so it's recommended you contact your individual supplier(s) to ask them for their technical integration documents.

At the end of this document, you will find links to each major affiliate network or SaaS platform that operates in Australia. Given most affiliate partners are remunerated on a cost-per-action (usually a sale), it is imperative that the tracking is robust and able to deal with any technical limitations such as ad blocking technology and the depreciation of third-party cookies.

How affiliate marketing tracking works

When launching an affiliate program, advertisers need to add tracking code to their website to record affiliate partner interactions. The advertisers chosen technology provider (network or SaaS platform) can advise on the integration of this tracking code.

Please see an illustration of how affiliate tracking works, as depicted in [Figure 4](#).

1. Affiliate partners add tracking links across their website. This can be done through text, banner, product feed/API, or widgets.
2. Consumers click through to the advertiser's website via the tracking link on the affiliate partner's site. For example, this link might be to a product that has been reviewed by a blogger, or a discount on a coupon website.
3. Advertisers store first-party cookies which capture the details of that click. This includes the ID of the affiliate partner whose site the user clicked through from, details of the product clicked and time of the click.
4. Advertisers need to ensure they have complied with local privacy laws. This includes obtaining any applicable consents for the use of cookies and processing of any personal data.
5. Consumers are directed to a "Thank You" or "Order Confirmation" page where the point of sale is tracked. This is completed by reading the details in the cookie which activates one of the following tracking methods:
 - A pixel placed on the "Thank You"/"Order Confirmation" page
 - A server-to-server (or API) call

When a purchase has been tracked, key information will be passed back to the network or SaaS platform by the advertiser. This includes:

- **The order identifier (order ID/order reference)**
- **The basket value**
- **The affiliate partner identifier**

Based on the goals and strategies of the advertiser, they may decide to pass additional information from the tracked sale, such as product information, coupon codes, delivery method, and more.

Network or SaaS platforms will provide a list of available data points they can track. Again, it is important to consider any privacy and legal implications of processing this information.

Additionally, Network or SaaS platforms may have 'back-up' tracking methods to capture any sales lost due to errors with the primary tracking method. Each provider can advise on these.

To maintain a holistic view of your affiliate program's performance, it is essential to ensure that clicks and sales are tracked across the entire customer journey. Tracking should be integrated across all device types, including apps, which can be often overlooked. App transactions now account for a significant portion of many advertisers' revenue.

First-party cookies, which are shared directly between a website and user, have, for many years, been the better way for affiliate partnership programs to track. All businesses mentioned in this guide offer this robust alternative as standard.

Another increasingly popular method of tracking is server based tracking. Server-to-server (S2S) tracking is a method of tracking conversions whereby the advertiser's servers directly communicate with the network or SaaS platform server to forward conversion data. S2S tracking is independent of browsers which differs from the above first party cookie method that is triggered in a user's browser.

how do I know what tracking set-up I have?

As we've seen, there are various methods to track, and advertisers may have various tracking configurations that are tailored to their specific priorities. But that also means that these may not be optimal or future proofed.

Even where it's felt like optimal tracking set-up has been achieved for a program, it is important to confirm that an up-to-date method is being used and a program is not reliant on legacy-based tracking methods in any way.

If the method is not known, it is advised that the network or SaaS platform is contacted to confirm, and any necessary upgrades are arranged as soon as possible. Ensuring you have the optimal set-up will mean you can continue to reap the benefits from Affiliate & Partnership marketing that thousands of businesses are seeing.

If you're unsure what the current tracking status of your program is, you should prioritise an audit of your current technical integration. Speak to your network or SaaS platform, who will be able to give you all the information you need.



why you should upgrade your tracking

First and foremost, not updating program tracking appropriately could have the following consequences:

- Inability to track affiliate sales properly and comprehensively
- Inability to attribute sales to the appropriate affiliate partner
- Inability to apportion commission correctly
- Affiliate program becomes difficult to measure and optimise
- Affiliates lose visibility on how they're performing which may consequently have knock on effect with the affiliate relationship and loyalty

lauren leisk explains why upgrading your affiliate tracking is so important:

"When tracking is done through third-party cookies, there is a higher chance of inaccurate tracking due to cookie blocking, deletion, or expiration. This means that publishers may not receive commission for the sales they generate, which can result in poor data quality to base optimisations on and lost revenue. With reduced confidence in tracking accuracy, this leaves little room to build a trusted partnership when the commercial model depends on sales conversions to track. The knock-on effect is that publishers will de-prioritise featuring the advertiser in their content and ultimately the advertiser receives reduced exposure, traffic and sales from the publisher."



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affiliate & ecomm marketplaces
are media, and iab member

As well as the general reasons for optimising your tracking set-up, there are a series of other issues that threaten the ability to track your affiliate and partner activity or limit the scope of your marketing efforts.

1. Governments and institutions are regulating how consumers are tracked online.

While regulation does not dictate what specific tracking technology has to be used, it does require that the use of cookies (and similar technologies) complies with data protection and privacy rules.

If upgrades are necessary to address or maintain compliance then it is important you use the opportunity to switch to methods and solutions to ensure compliance with these regulations. In its simplest form, affiliate marketing tracks very little personal data.

This can be seen when looking at other forms of digital advertising that rely on creating profiles to serve ads.

Coupled with the precise conversion measurement that affiliate tracking provides, affiliate marketing should be an important consideration for brands.

2. In-app affiliate and partner sales must not be overlooked

With more and more sales tracked in mobile apps, brands should ensure they are tracking sales on handsets.

If a program has already been integrated to track affiliate and partner sales and you then launch a transactional app, tracking must be reviewed and upgraded to accommodate affiliate campaign tracking.

App sales can add valuable revenue for brands as well as offering a full picture of how affiliates and partners add value across the whole purchase path.

It's important to fairly reward affiliates and partners who are driving these sales and vital to ensure long term campaign sustainability. Speak to your network or SaaS platform who can advise you on the best set-up for your app tracking.

3. Many affiliate sales can be tracked offline and in-store

In an increasingly cashless society, if you're a multi-channel retailer with stores, you may be thinking about how you connect consumers who are interacting with your brand in both physical and online settings. Most networks & SaaS platforms will work with partners who can help you track these interactions. Again, reach out to them to find out more so you have a fuller view across the customer journey.



bringing it all together

The Affiliate & Partnership channel is here to stay. Advertisers are increasingly realising how valuable the channel is in driving new customer acquisition and ROI, and are subsequently investing heavily in this marketing practice.

It's clear, however, that many advertisers are still not up-to-date with the latest tracking technologies. Not only does this have a significant impact on the measurability of affiliate activity, but it reduces the chances of forming successful and long-term partnerships. Further to this, Australia is moving towards more legislation around online privacy & data storage, which must be taken seriously by online marketers.

It's therefore imperative that advertisers stop being complacent around their affiliate tracking, and ensure they are running attributable, compliant, and successful affiliate programs.

Check your tracking is fit for purpose and optimised to take advantage of the channel's growth, using the latest technology to track across every customer journey.

iab resources

[1. Affiliate and Partnership Marketing Industry Review 2023](#)

[2. Affiliate and Partnership Marketing Industry Training \(e-learning\)](#)

[3. Affiliate and Partnership Marketing Handbook](#)

how can i find out more?

[Awin](#) | [Commission Factory](#) | [Impact](#) | [Partnerize](#) | [Rakuten Advertising](#)

