

affiliate & partnership marketing

australian advertiser and
publisher industry review

iab affiliate marketing working group

iab australia thanks the following organisations for their support in this study



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01. methodology

This research was designed and conducted in April 2024 by the IAB Australia Affiliate Marketing Working Group to explore experiences and plans with affiliate and partnership marketing from both sides of the industry – agencies and advertisers, along with affiliate publishers and partners.

agencies and advertisers

- Responses were gathered from 95 advertiser and agency industry participants who operate affiliate marketing programs in Australia.
- This report makes comparisons to previous IAB affiliate marketing industry surveys conducted amongst agencies and advertisers in March 2023 (n=94), December 2021 (n=140) and November 2020 (n=130).

publishers and partners

- Responses were gathered from 52 publisher or partner industry participants who operate affiliate marketing programs in Australia.
- This report makes comparisons to the previous IAB affiliate marketing industry surveys conducted amongst publishers and partners in March 2023 (n=59) and May 2022 (n=60).

02. introduction

The IAB and its Affiliate Marketing Working Group publish this annual industry review to explore current experiences and plans within affiliate and partnership marketing amongst advertisers, agencies and publishers in Australia.

Affiliate and Partnership Marketing offers a powerful means for brands to drive sales, new customer acquisition and foster mutually beneficial partnerships with affiliates. The channel also represents a growing revenue stream for affiliate publishers. Considering the current economic climate, both brands and publishers think that the affiliate and partnership marketing channel is even more important in helping them achieve their business goals.

For over a third of affiliate advertisers, the channel contributes over 10% of the online revenue of their business or clients' businesses on average. 6 in 10 of advertisers currently using affiliate and partnership marketing intend to increase spend over the next year. These results are driven by high advertiser satisfaction with affiliate marketing in delivering return on investment.

For over half of affiliate publishers, the channel contributes 25% or more of the online revenue of their company with most publishers recording increased revenue from the channel year on year and increases in the number of advertisers they are working with.

With the ongoing reduction in data signals, retirement of the third-party cookies and impending changes to Australian privacy legislation, some current methods for digital marketing and its measurement and tracking will continue to be challenged. A proportion of those involved with affiliate marketing feel unprepared for these changes or don't understand how they are tracking and how these changes might impact them. It's important for brands to make plans to adjust their marketing and measurement to ensure smooth continuity into the future.

More information, education and transparency on commission strategies and attribution of affiliate sales would be valued by the industry, along with understanding the impact of third-party cookie retirement and reduction in data signals.

The 2024 affiliate industry review demonstrates how important affiliate marketing is for Australian brands and publishers. Continued growth, and positive success metrics, are making this an invaluable channel.



Negin Farhangmehr
GrowthOps &
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GrowthOps

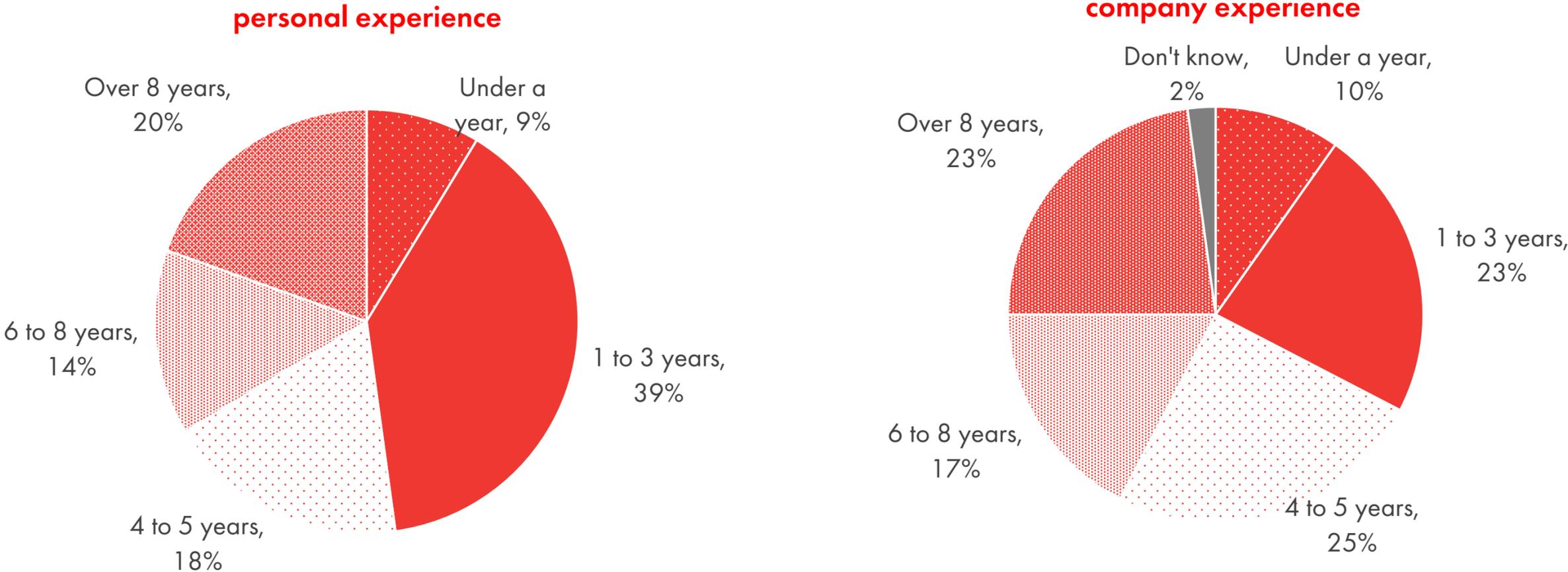
03.

experience and engagement

advertiser and agency experience

Two-thirds (66%) of advertisers and agencies surveyed have 5 years or less personal experience with affiliate and partnership marketing. Company experience is varied but around 6 in 10 (58%) respondents say their company has 5 years or less experience. The profile of advertisers and agency respondent experience with affiliate and partnership marketing remains very similar to the survey last year.

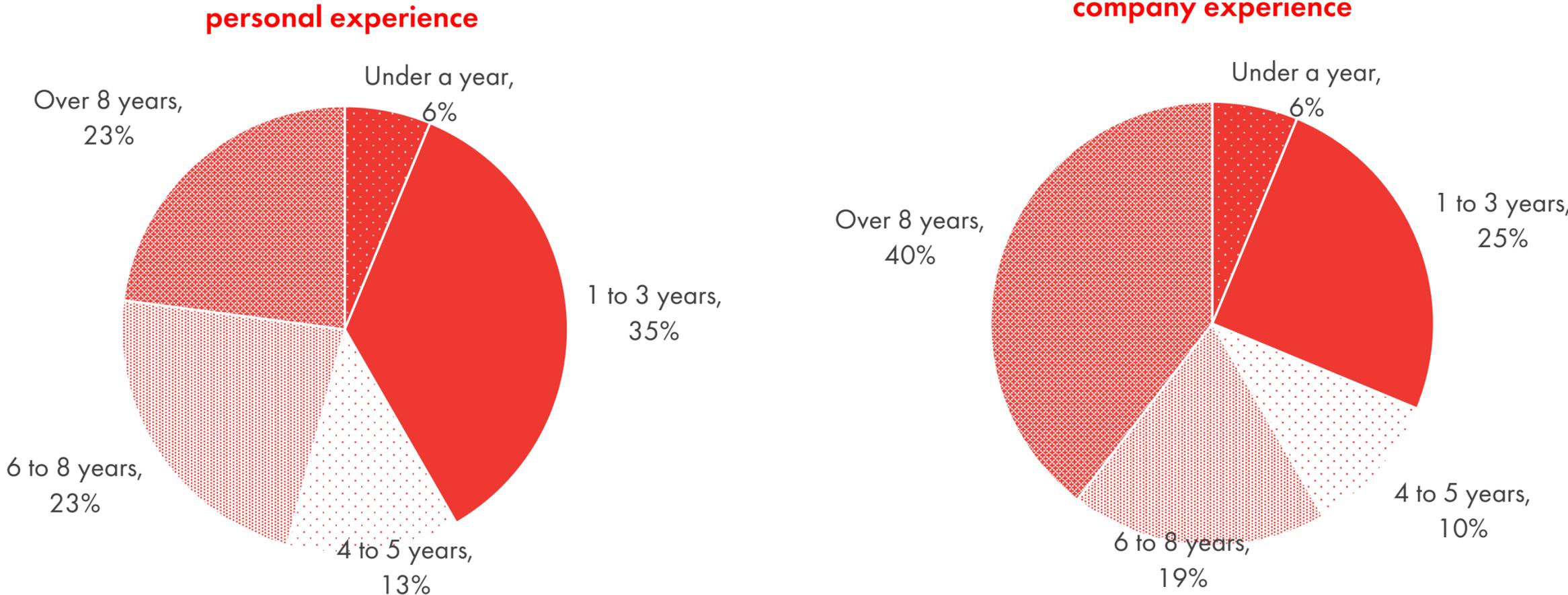
advertiser/agency experience with affiliate and partnership marketing



publisher experience

Over half (54%) of publisher respondents have 5 years or less personal experience with affiliate marketing, this was very similar to the previous survey last year. Publisher companies have more experience with 59% having more than 5 years experience (this is up from 44% in the previous survey).

affiliate/partner/publisher experience with affiliate and partnership marketing

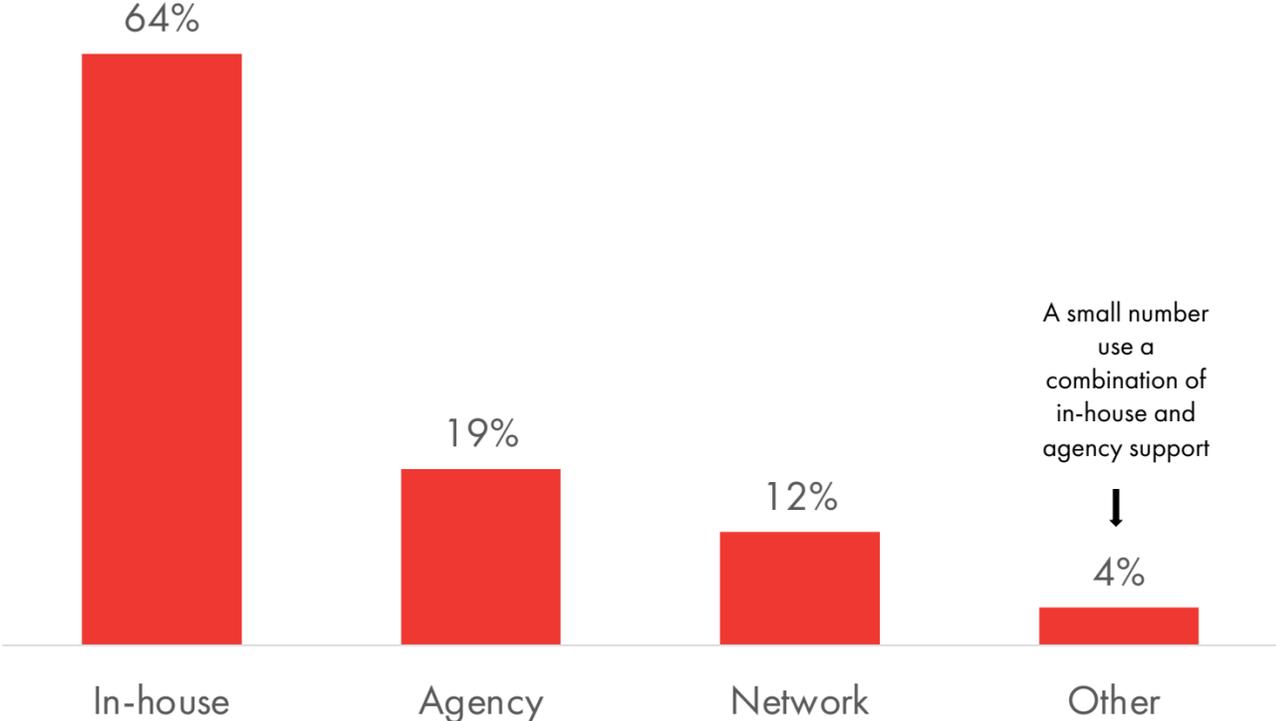


advertiser engagement

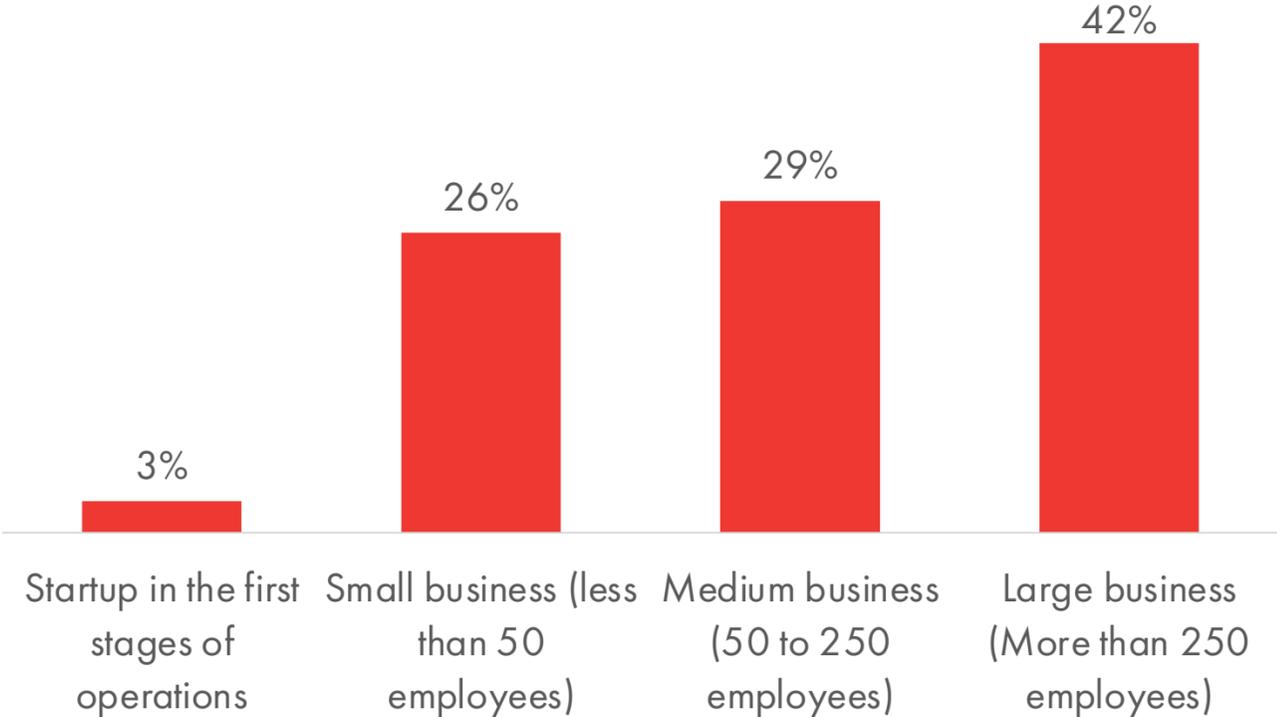
This year's survey sample of advertisers are predominantly managing their affiliate programs in-house, whereas last year half (50%) were using an agency.

Advertisers engaging in affiliate marketing come from a range of company sizes, however 42% come from large businesses (with more than 250 employees), this is similar to last year's survey.

responsibility for managing affiliate program



size of advertiser company

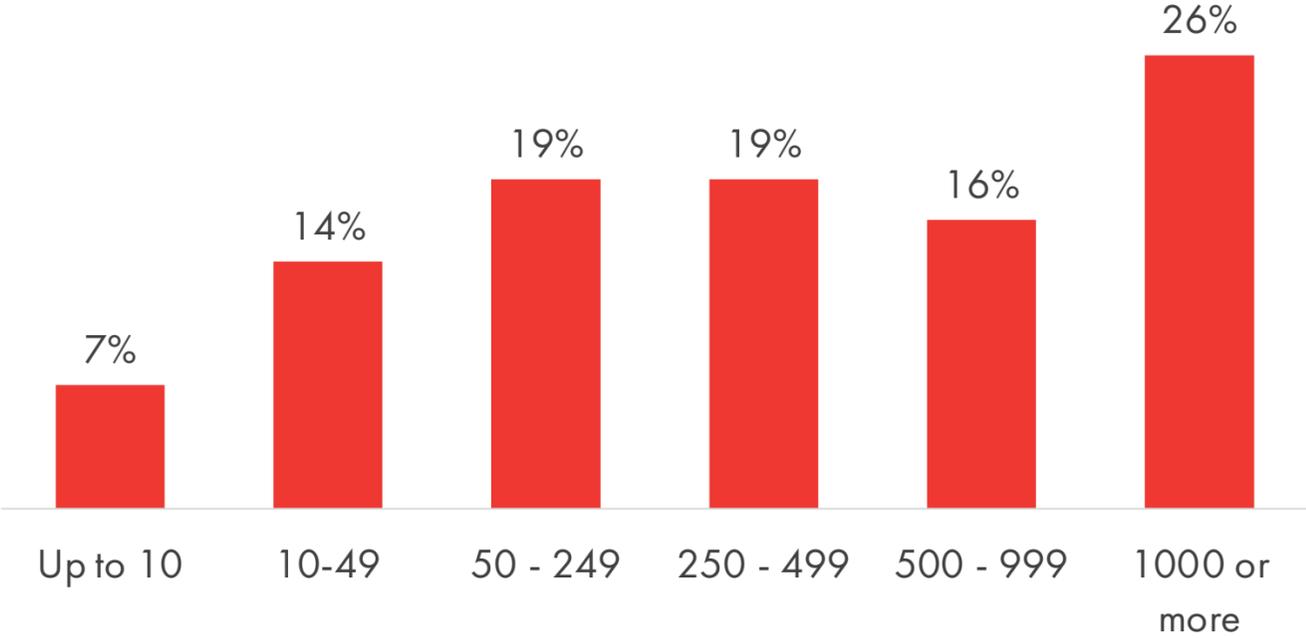


publisher engagement

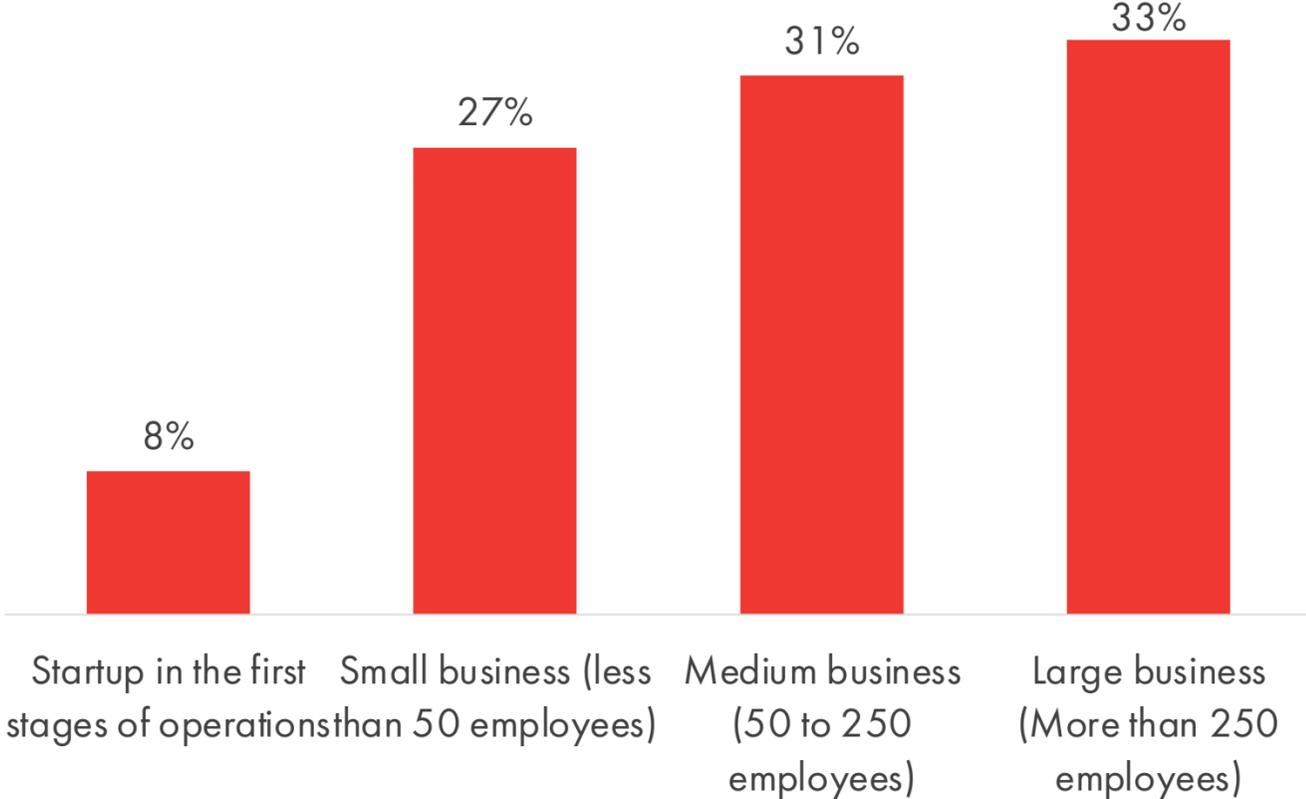
The number of advertising clients that publishers work with on affiliate partnerships varies with 42% having 500 or more advertisers (this is similar to previous survey last year).

Small to large publishers are involved in affiliate marketing, with a third (33%) of publishers having more than 250 employees (this is similar to previous survey last year).

number of advertiser clients with affiliate partnerships



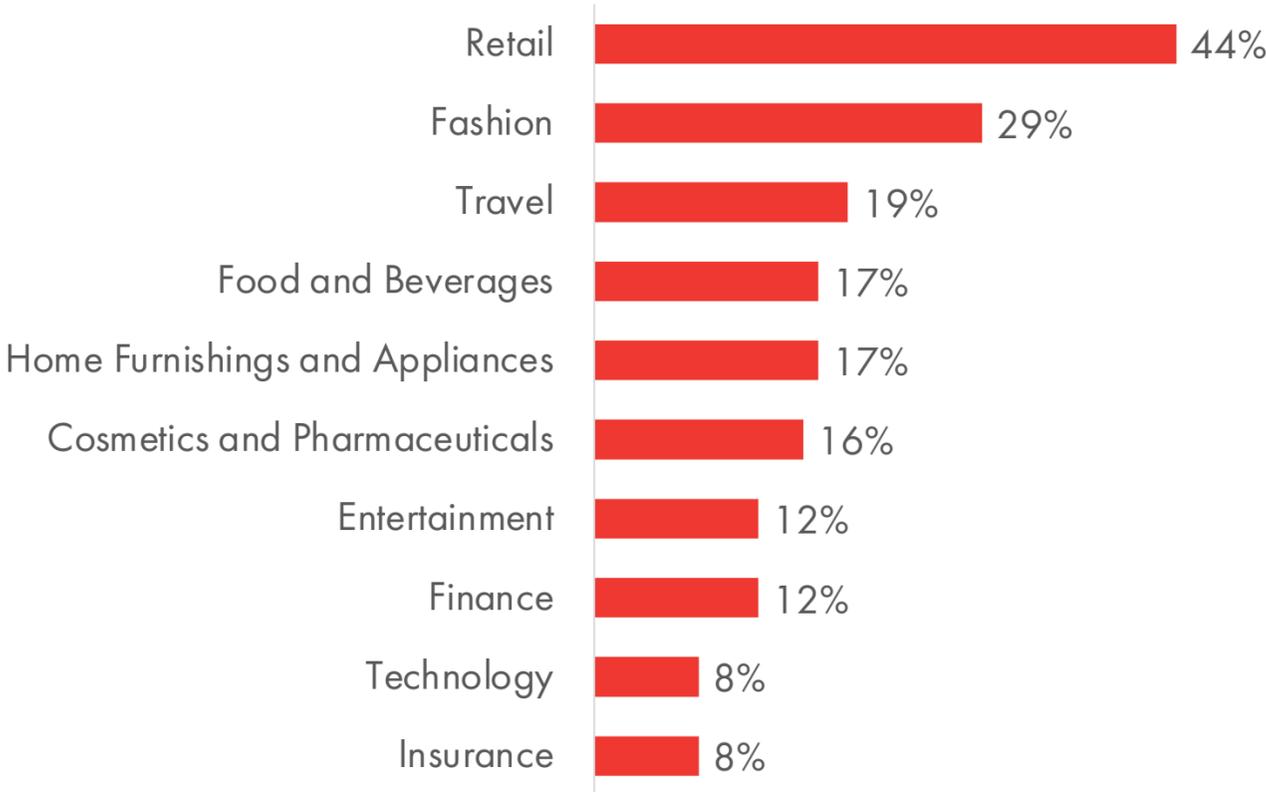
size of publisher company



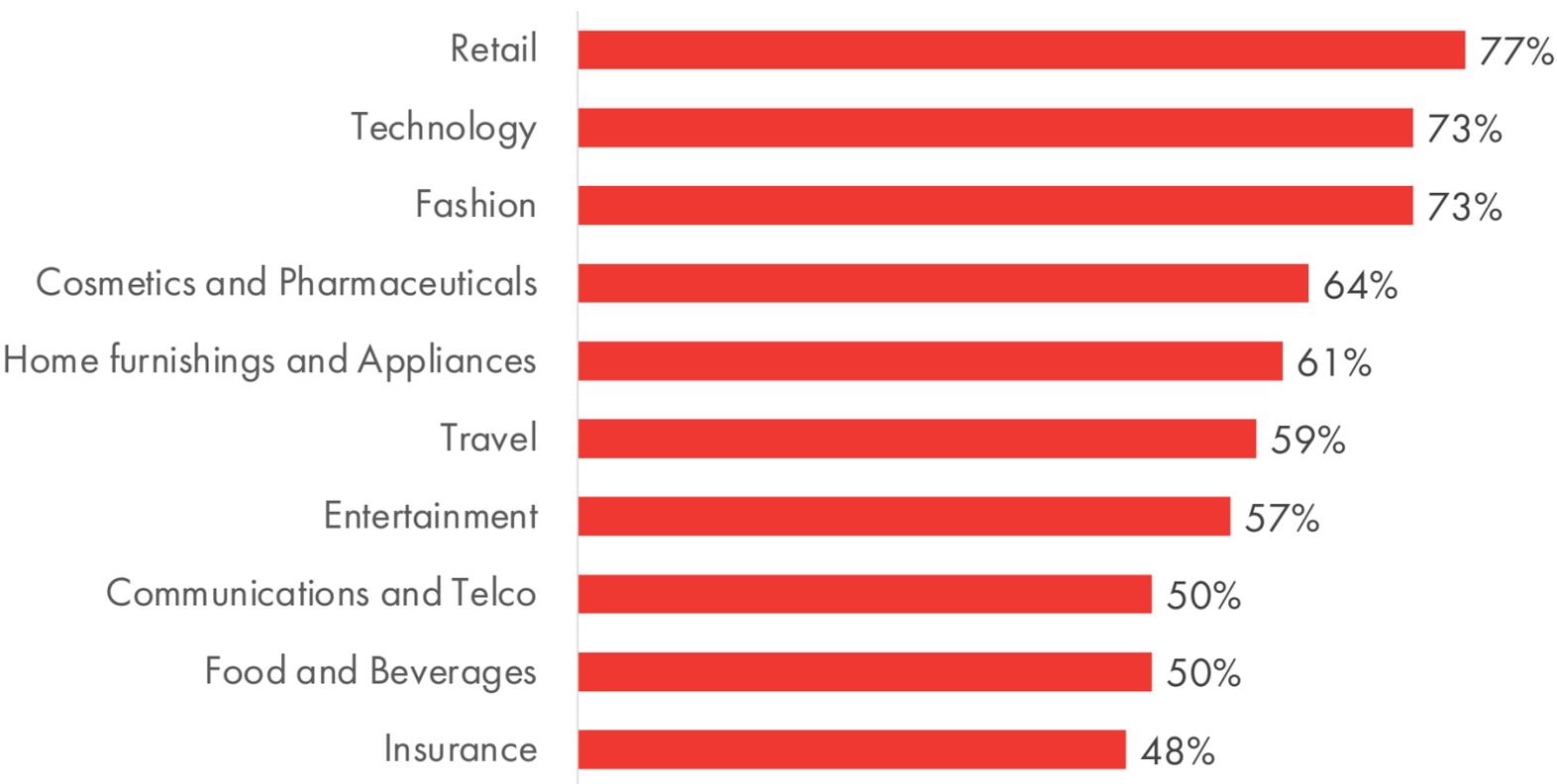
industries of operation for affiliate programs

Affiliate marketers and publishers operate across a range of industries. Retail is the dominant industry of operation for advertisers/agencies and publishers. Retail has been the dominant industry of operation for affiliate and marketing partnerships across all previous waves of this survey (since 2021).

top 10 industries of operation for **advertisers/agencies**



top 10 industries of operation for **publishers**

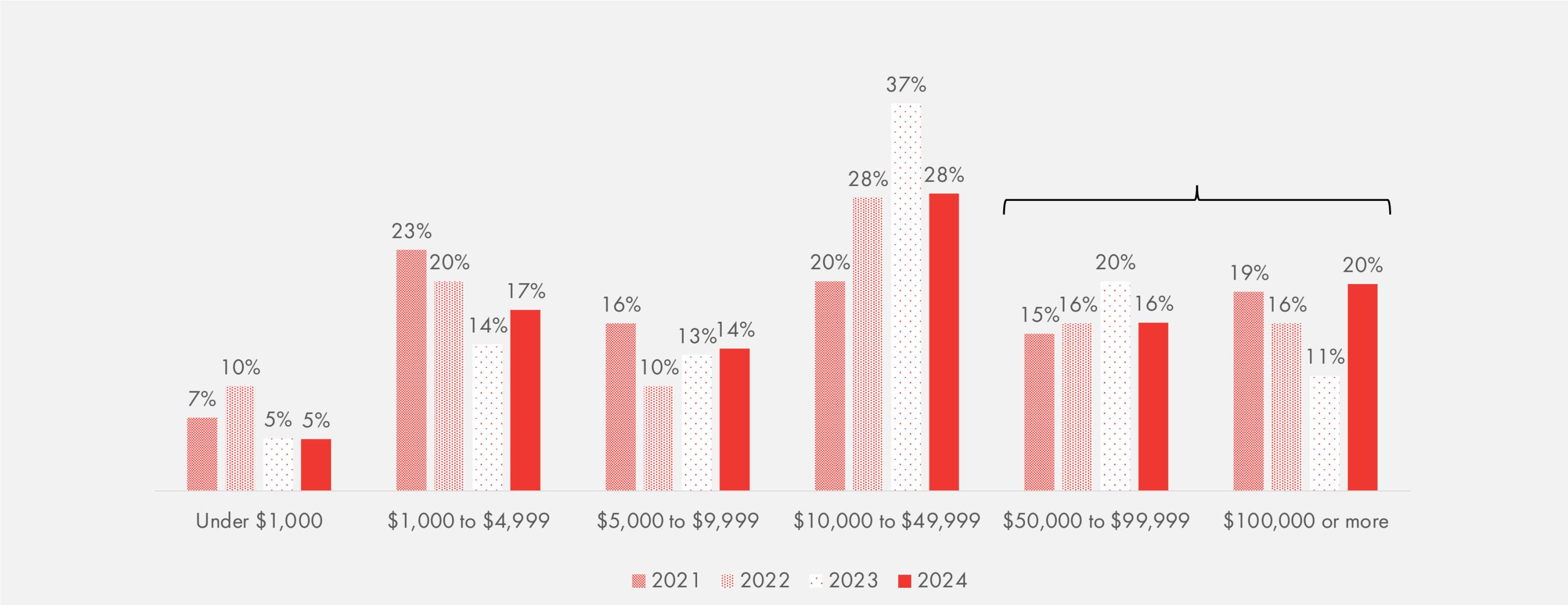


04.

investment and revenue

advertiser average monthly spend

Over a third (36%) of advertisers are now spending \$50,000+ gross on average each month on affiliate and partnership marketing. Spending in top categories of \$50,000+ per month has increased slightly over the last 4 years (up from 31% in 2023).

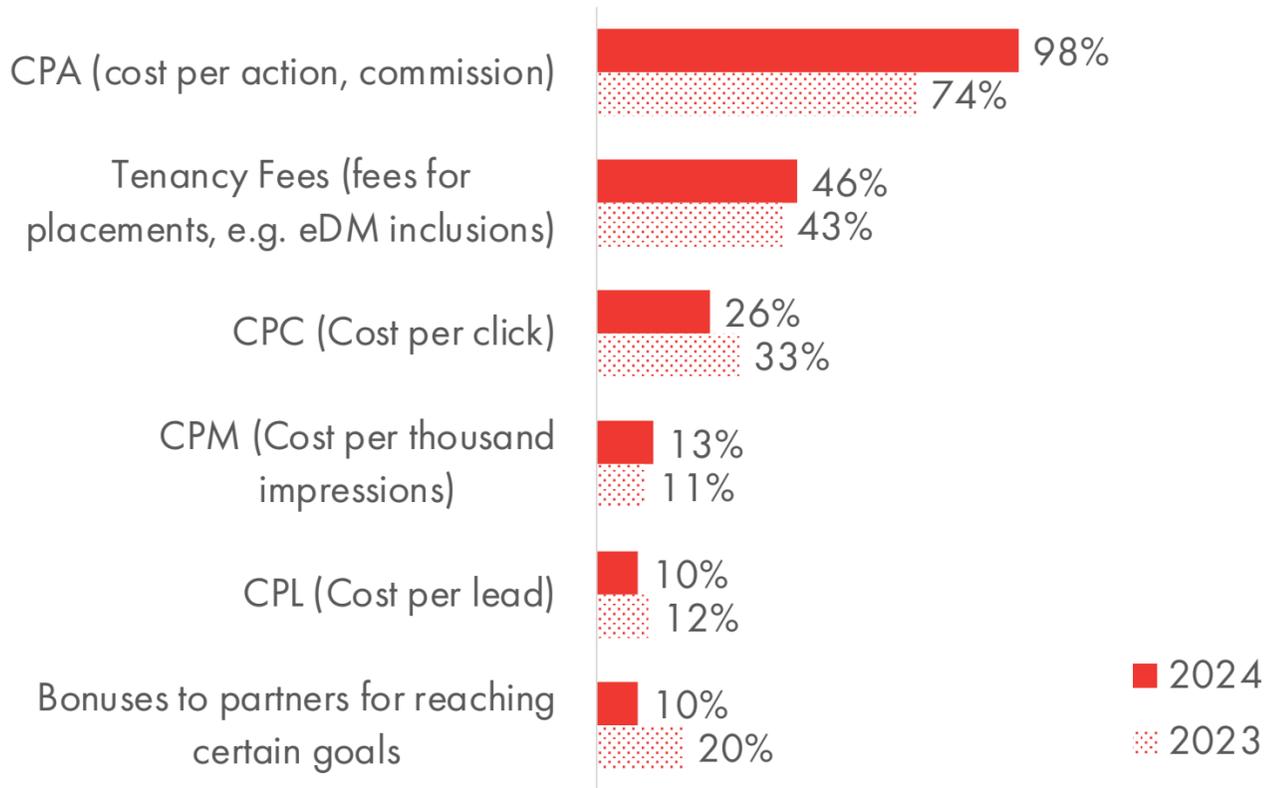


payment models

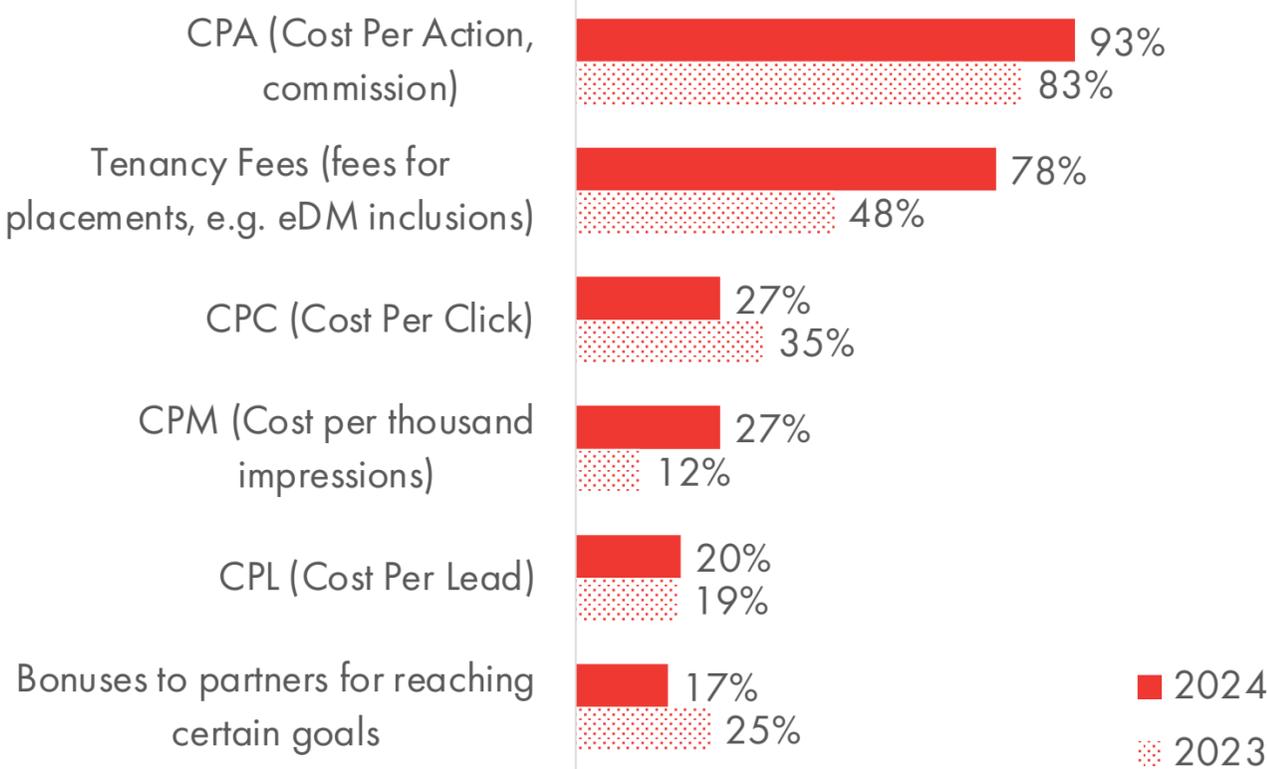
CPA remains the predominant way to reward publishers within affiliate programs and this payment method has increased since last year. It is also common to use a combination of payment models.

Amongst publishers the usage of Tenancy Fees (fees for placements, e.g. eDM inclusions) has increased significantly on last year along with the usage of CPM (Cost per thousand impressions).

advertisers/agencies

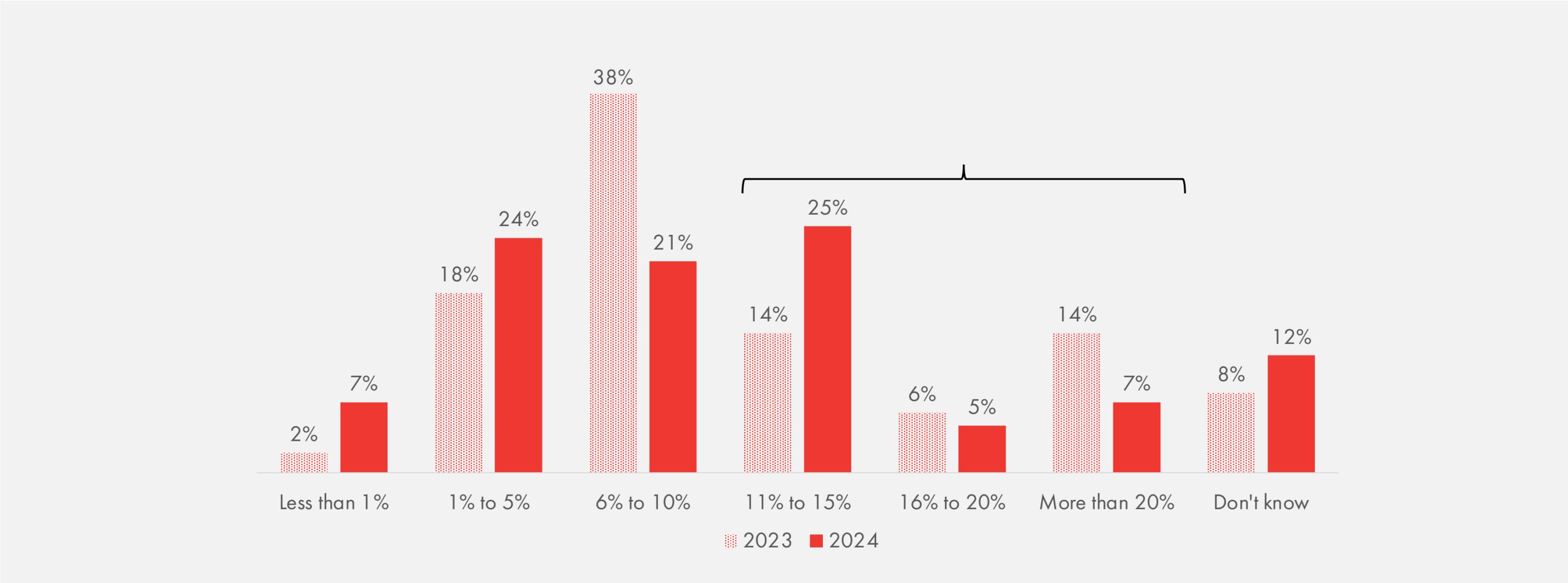


publishers



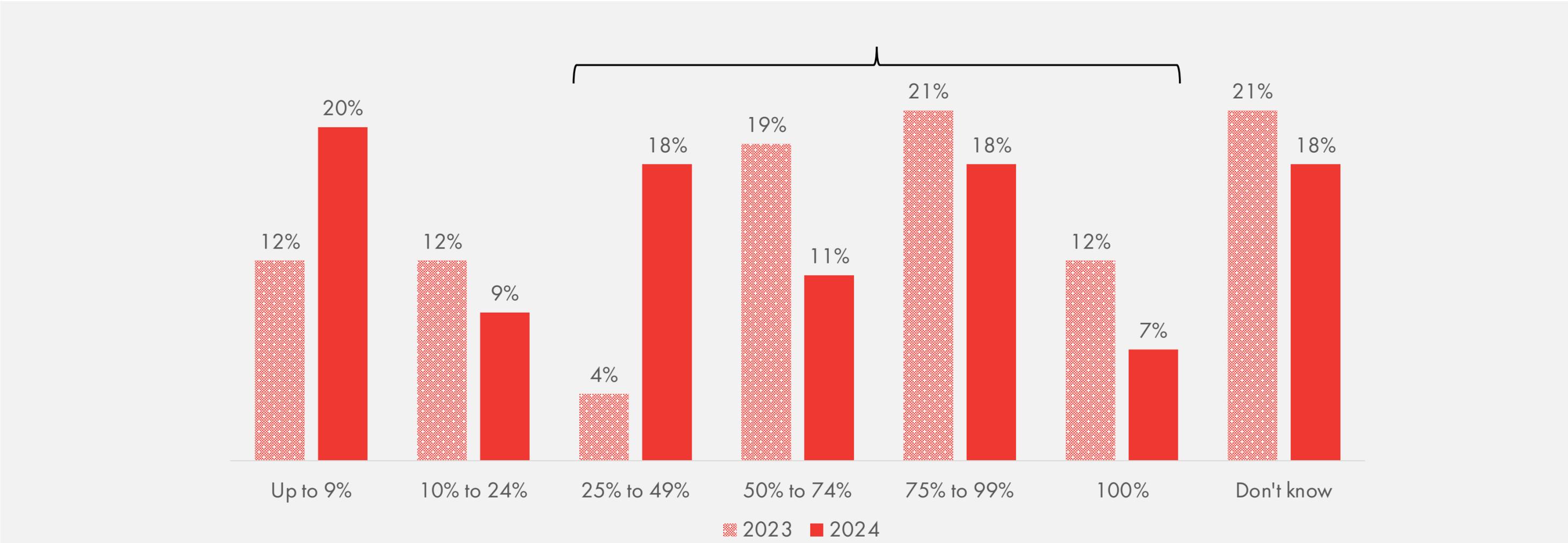
contribution to advertiser online revenue

For over a third (37%) of advertisers surveyed, affiliate and partnership marketing contributes over 10% of the online revenue of their business or clients' businesses on average. This represents a slight increase on 2023 (for 34% affiliate contributed over 10% in 2023).



contribution to publisher online revenue.

For over half (54%) of publishers surveyed, affiliate and partnership marketing contributes 25% or more of the online revenue of their company. In this years survey there is a higher proportion of publishers where affiliate represents 25%-49% of revenue compared to the previous year, but overall, the proportion where it contributes 25% or more remains similar to the previous year (for 56% affiliate contributed over 25% in 2023).

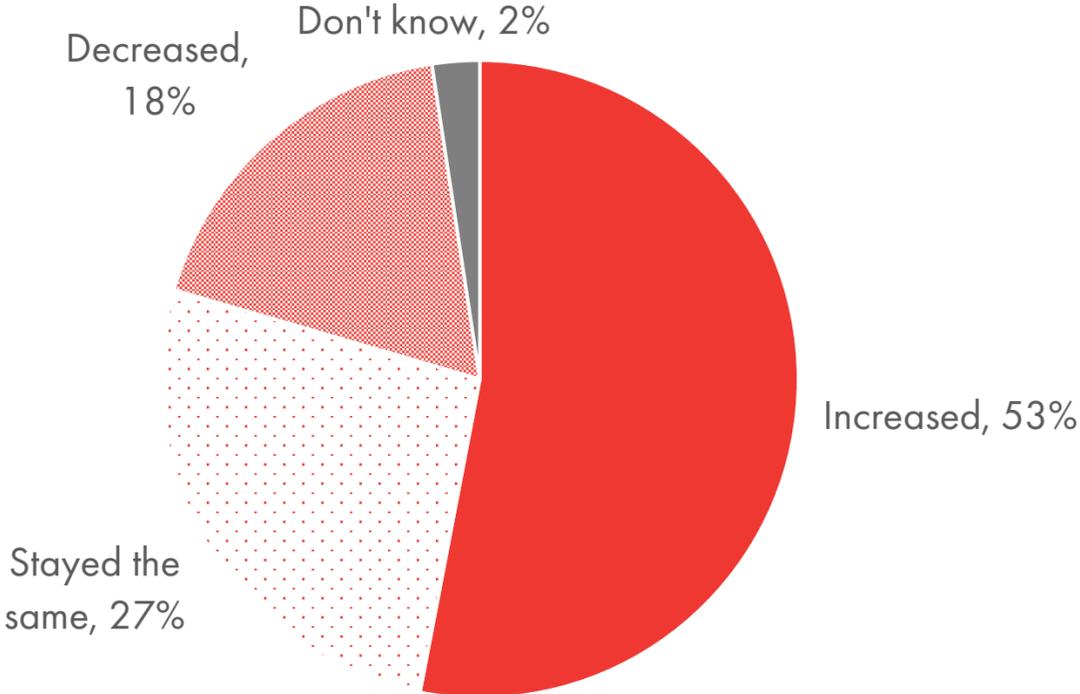


advertiser investment changes

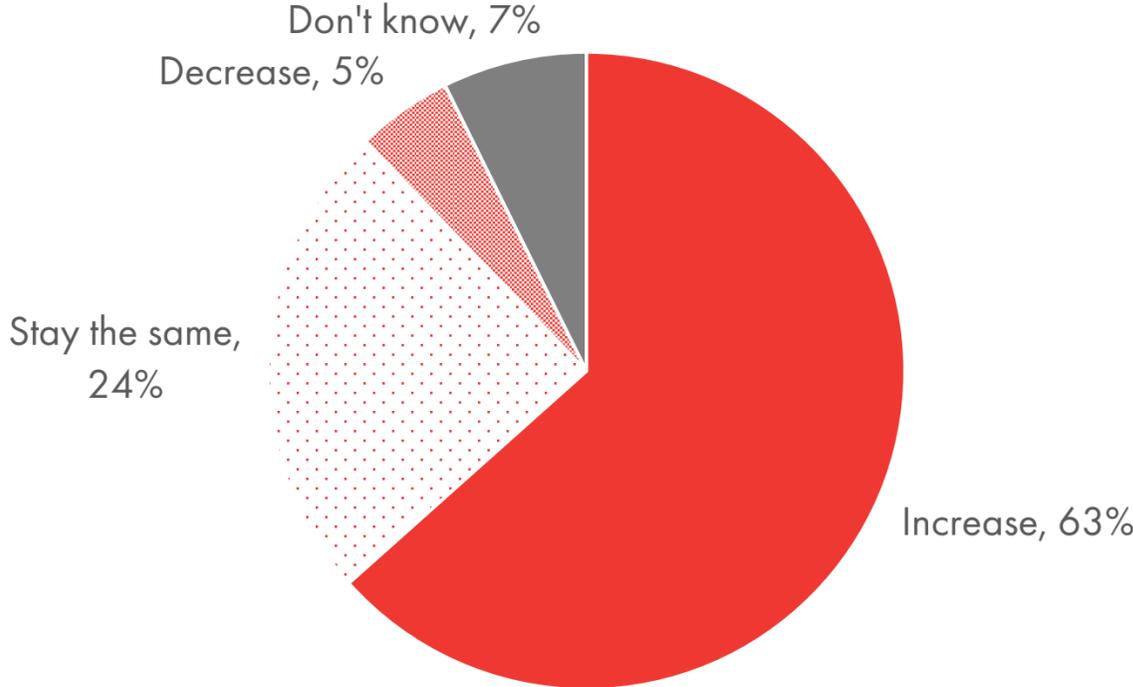
53% of advertisers and agencies have increased their overall spend on affiliate and partnership marketing over the last year. In the survey last year 55% of advertisers and agencies had intended to increase spend.

63% of advertisers and agencies intend to increase affiliate and partnership marketing spend over the next year.

past year changes in investment



anticipated changes in investment next year



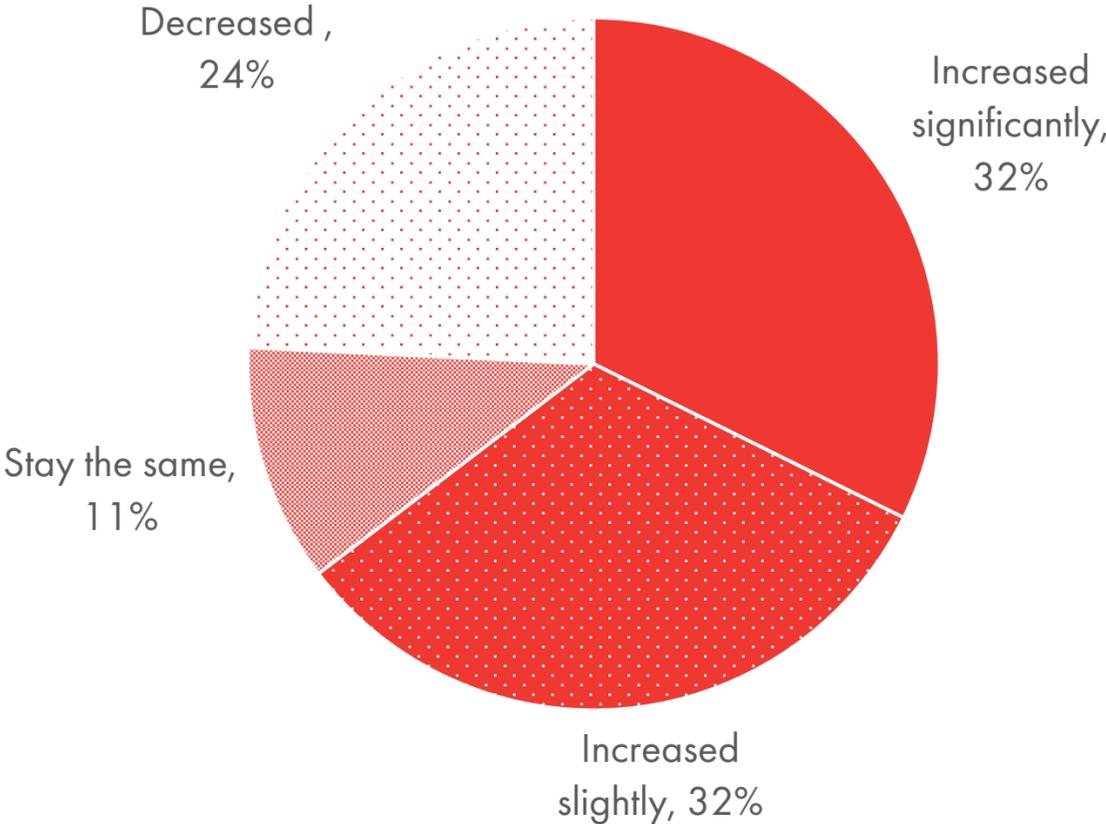
publisher revenue changes

Nearly two-thirds (64%) of publishers have increased revenue from the affiliate and partnership marketing channel over the last year.

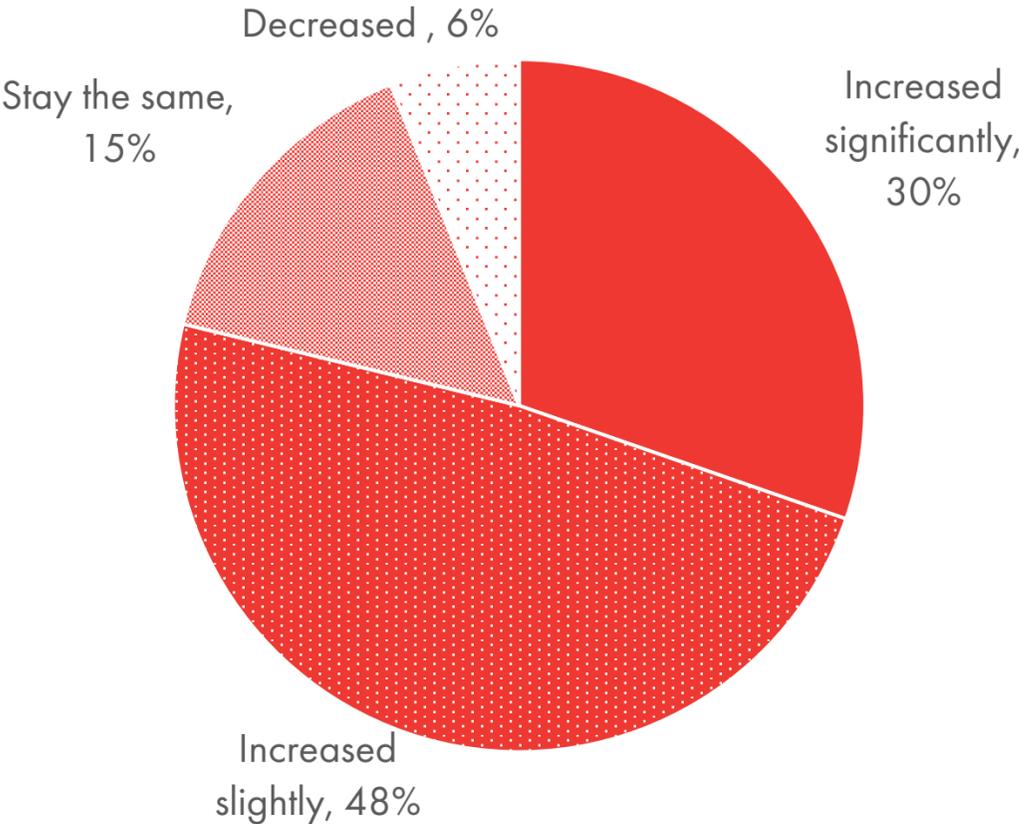
58% of publishers also indicated they had increased the cost of placements and inventory available to affiliate advertisers in the last 12 months.

Nearly 8 in 10 (78%) publishers increased the number of advertisers they work with on affiliate and partnership marketing over the last year.

past year changes in revenue

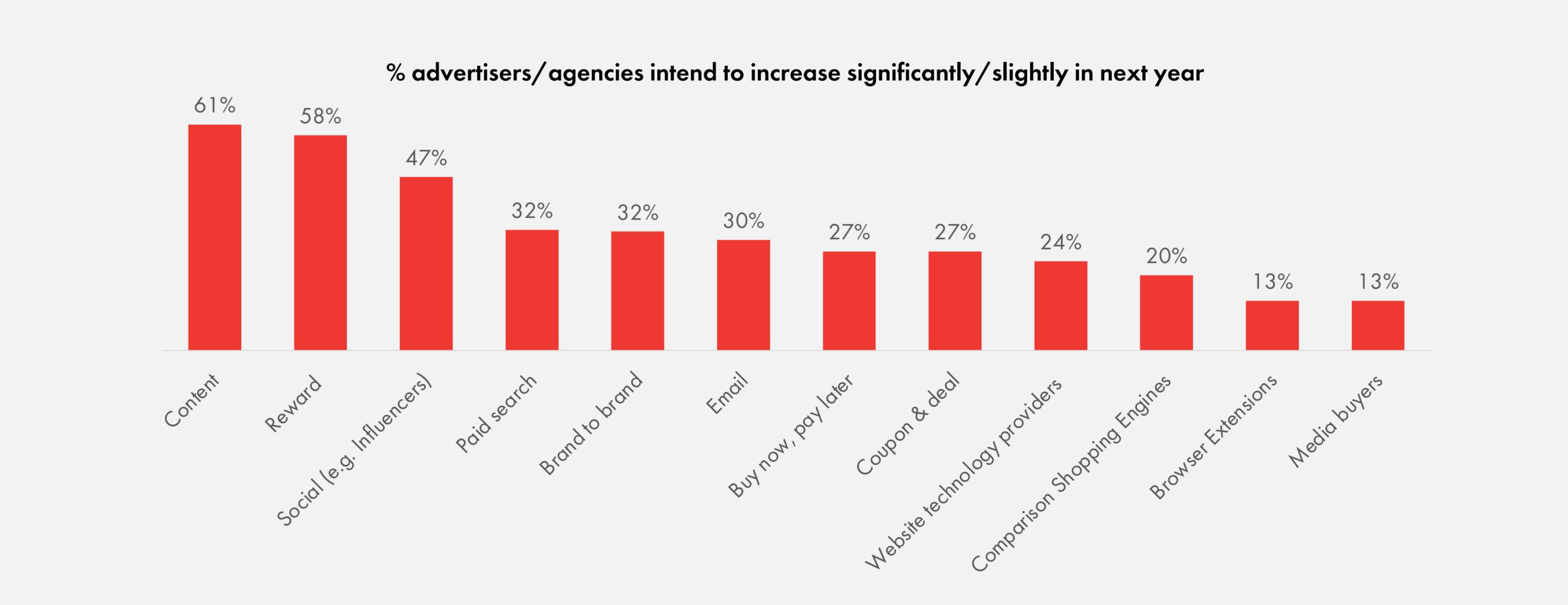


change in the number of advertisers in past year



affiliate marketing model **advertiser** investment plans

Content, Reward (incl. Cashback Websites, and Loyalty/Points Programs) and social (e.g influencers) are the most popular affiliate partner types for planned increased investment over the next year.



05.

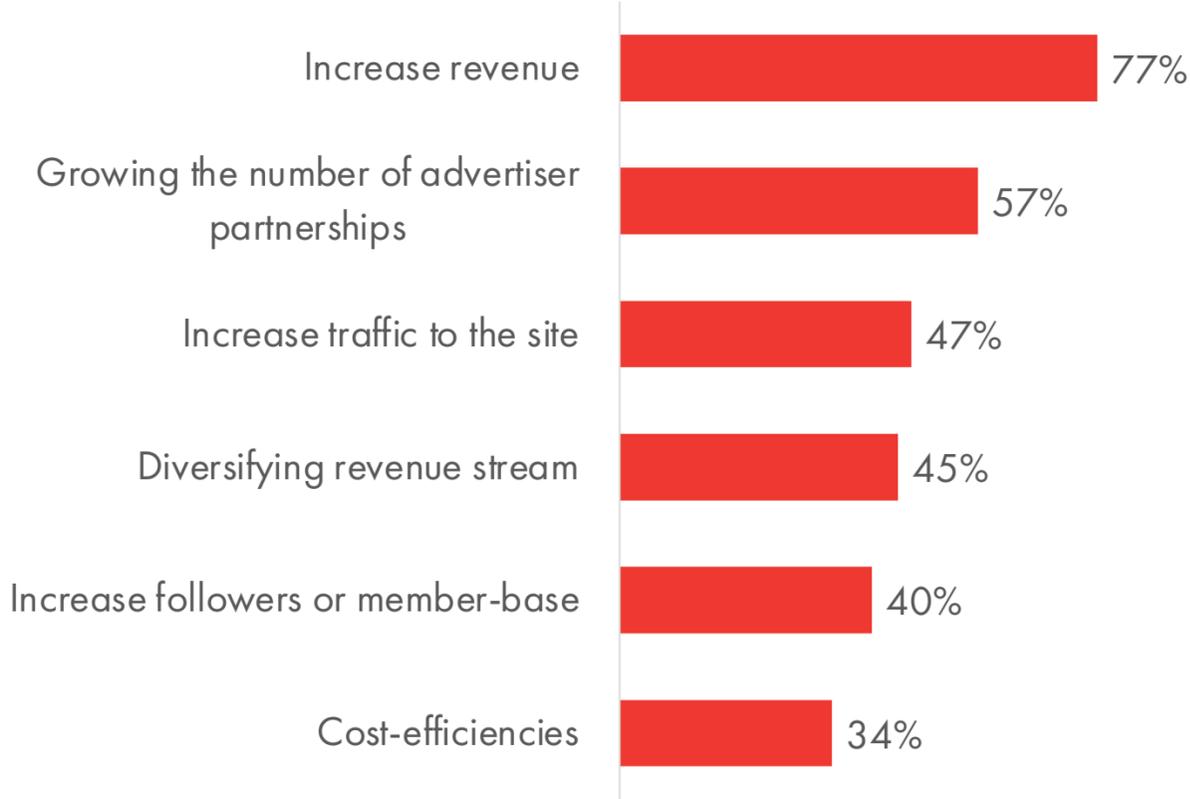
features and value

business objectives for publishers

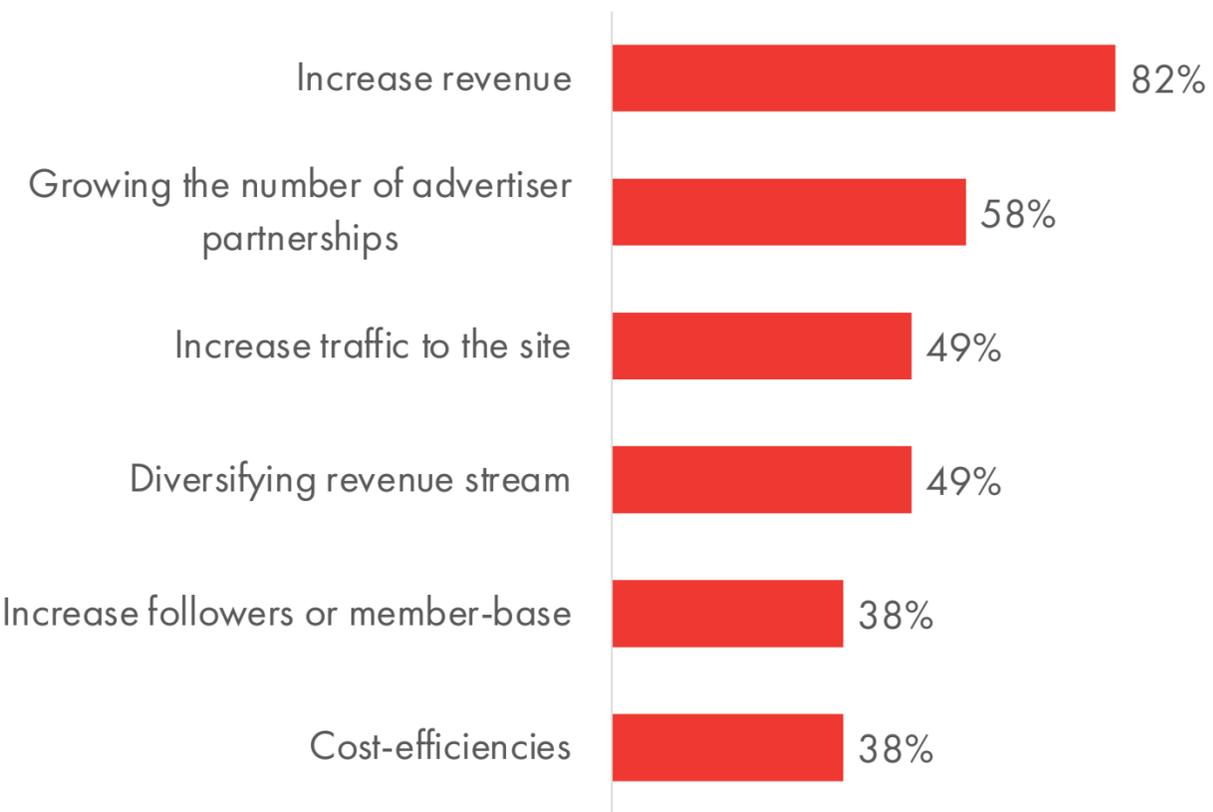
Publishers with affiliate channels have a range of business objectives, with the predominant objective to increase revenue, followed by growing the number of advertiser partnerships. Increasing revenue has grown as the main objective since last survey (from 61% in 2023) when growing partnerships was more important (63% in 2023).

Objectives for publishers in 2024 remain very similar to what they have been over the last year.

main objectives over the last year

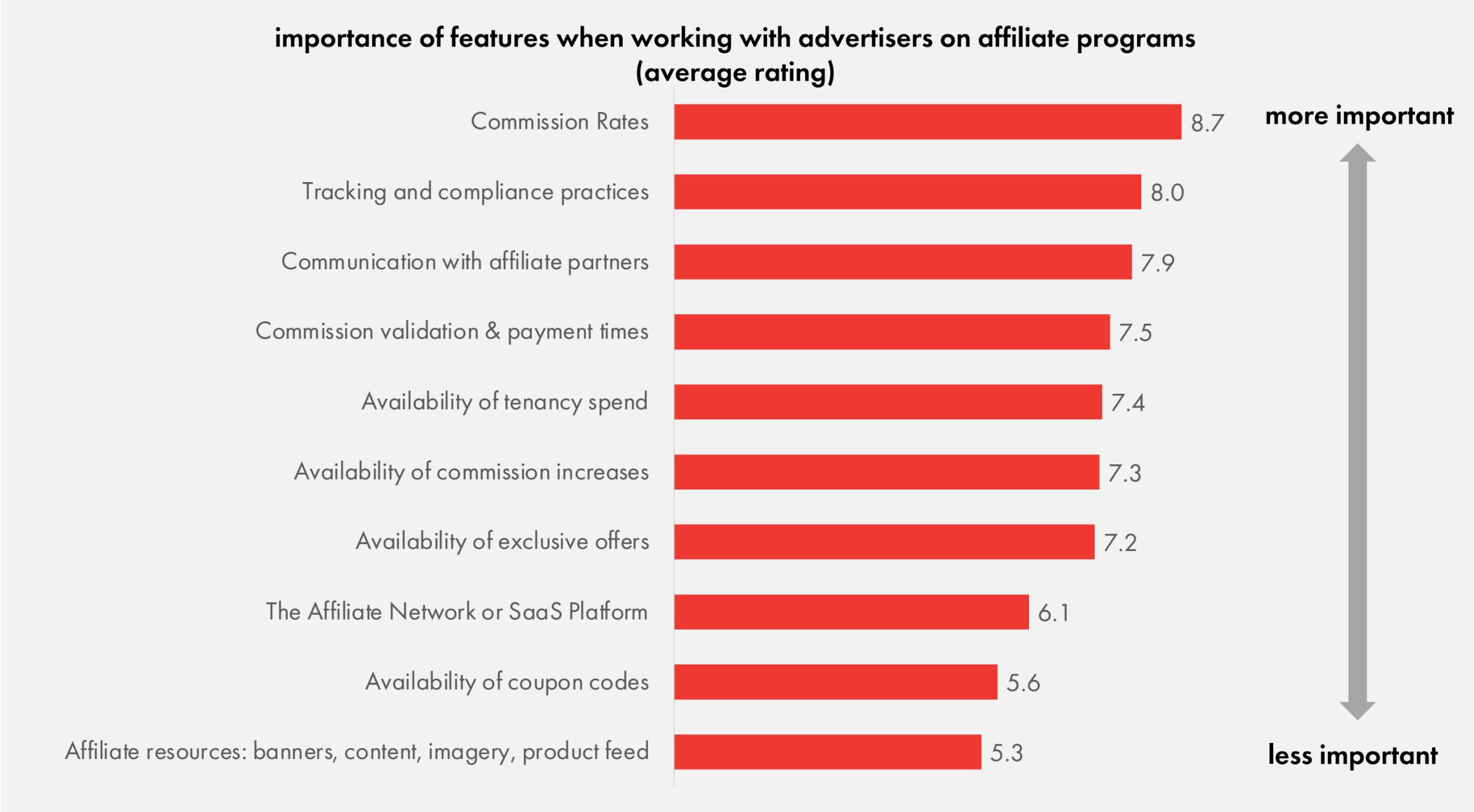


main objectives for this year



important features for publishers.

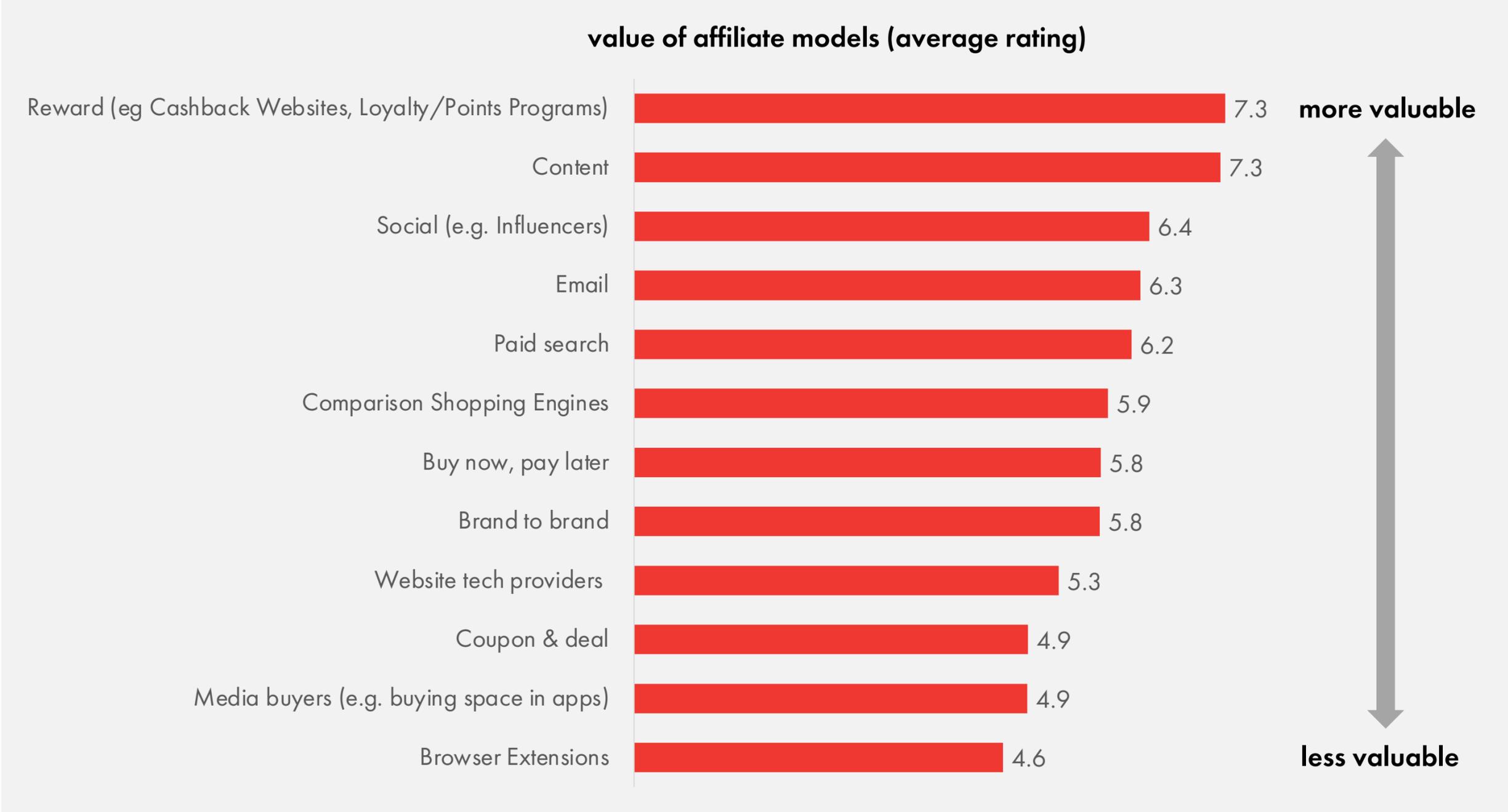
On a scale of 1 to 10, with 10 being most important, commission rates and tracking and compliance practices were on average rated as the most important features by publishers when working with advertisers on affiliate programs.



advertiser value of affiliate models.

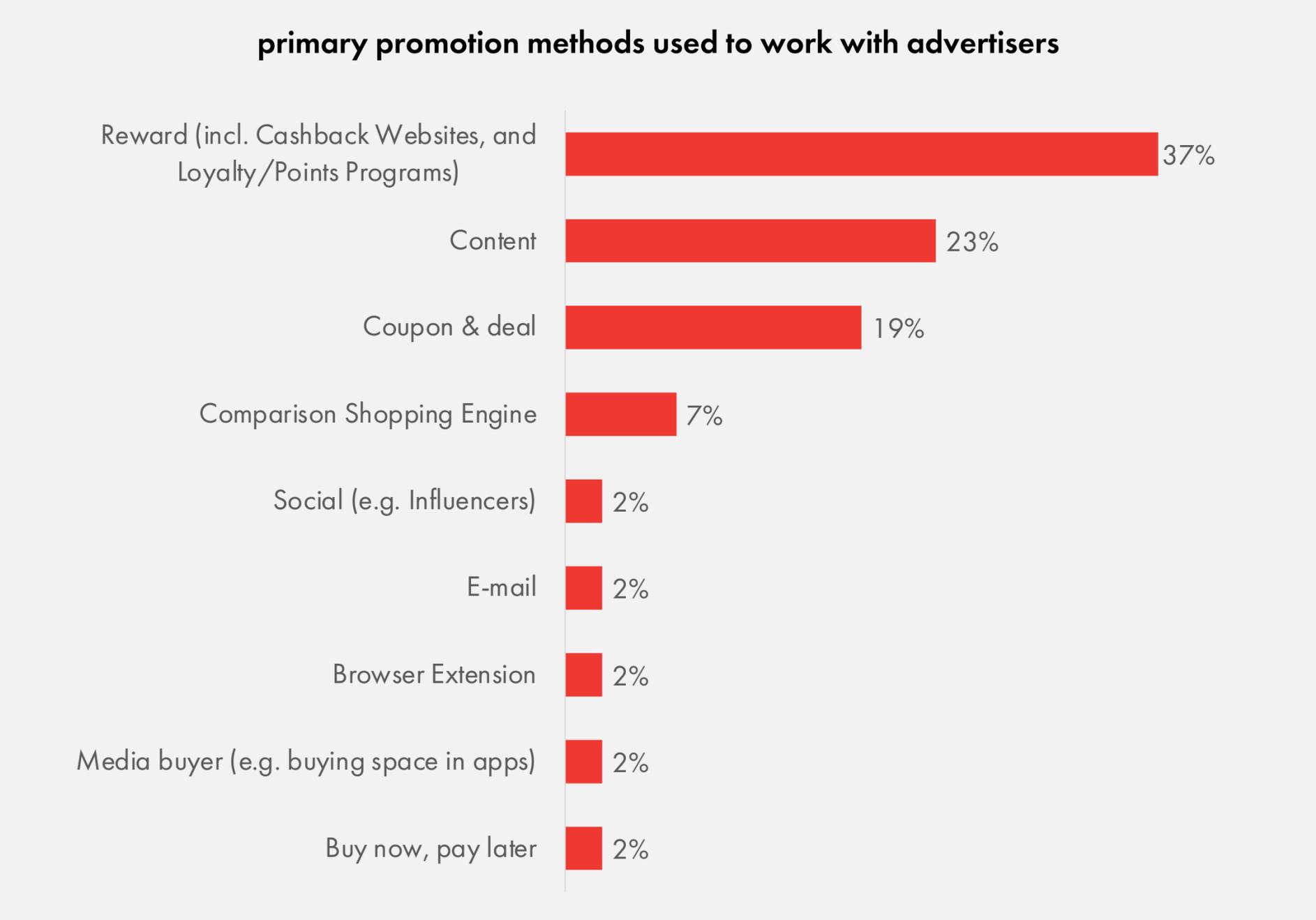
On a scale of 1 to 10, with 10 being most valuable, Reward Models (incl. Cashback Websites, and Loyalty/Points Programs) and Content are rated on average as the most valuable to advertisers.

Rewards, Content and Social are the most popular affiliate partner types for planned investment by advertisers over the next year.



primary promotion methods used by publishers.

Reward and content are the primary methods used by publishers working with advertisers through affiliate and partnership marketing.

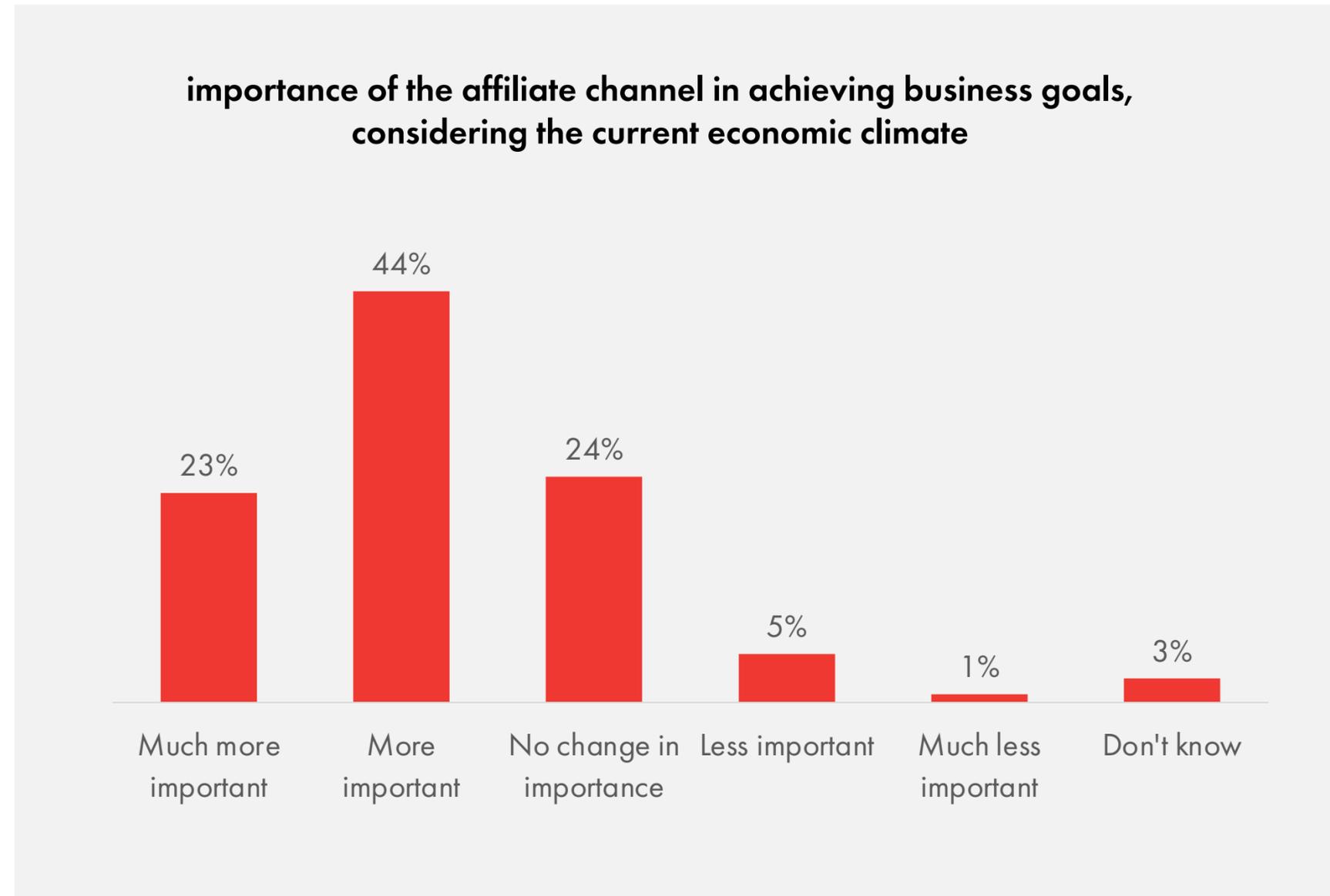


06.

success measurement

importance of affiliate in achieving business goals

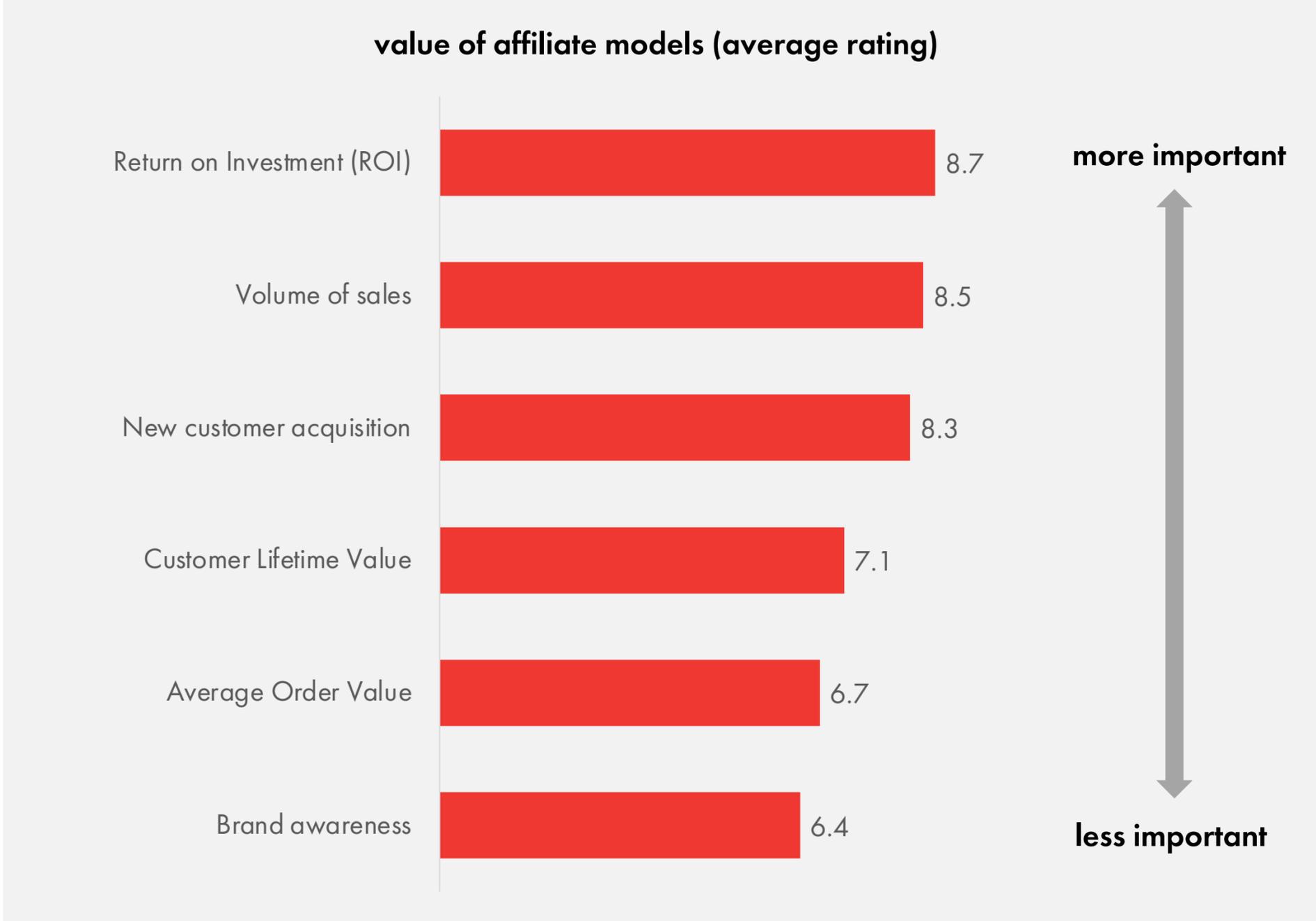
Considering the current economic climate, two-thirds (67%) of respondents across advertisers, agencies and publishers think that the affiliate and partnership marketing channel is more important in helping them achieve their business goals.



advertiser measures of success

On a scale of 1 to 10, with 10 being most important, ROI and volume of sales were on average rated the more important success metrics when advertisers are assessing affiliate marketing.

Compared to the previous survey, volume of sales has increased this year to rank slightly ahead of new customer acquisition.



advertiser satisfaction in delivering ROI.

Nearly 9 in 10 (89%) of advertisers using affiliate marketing are satisfied with the channel in delivering return on investment over the last year. In comparison, amongst affiliate advertisers also using SEM, 80% are satisfied with SEM in delivery return on investment over the last year.

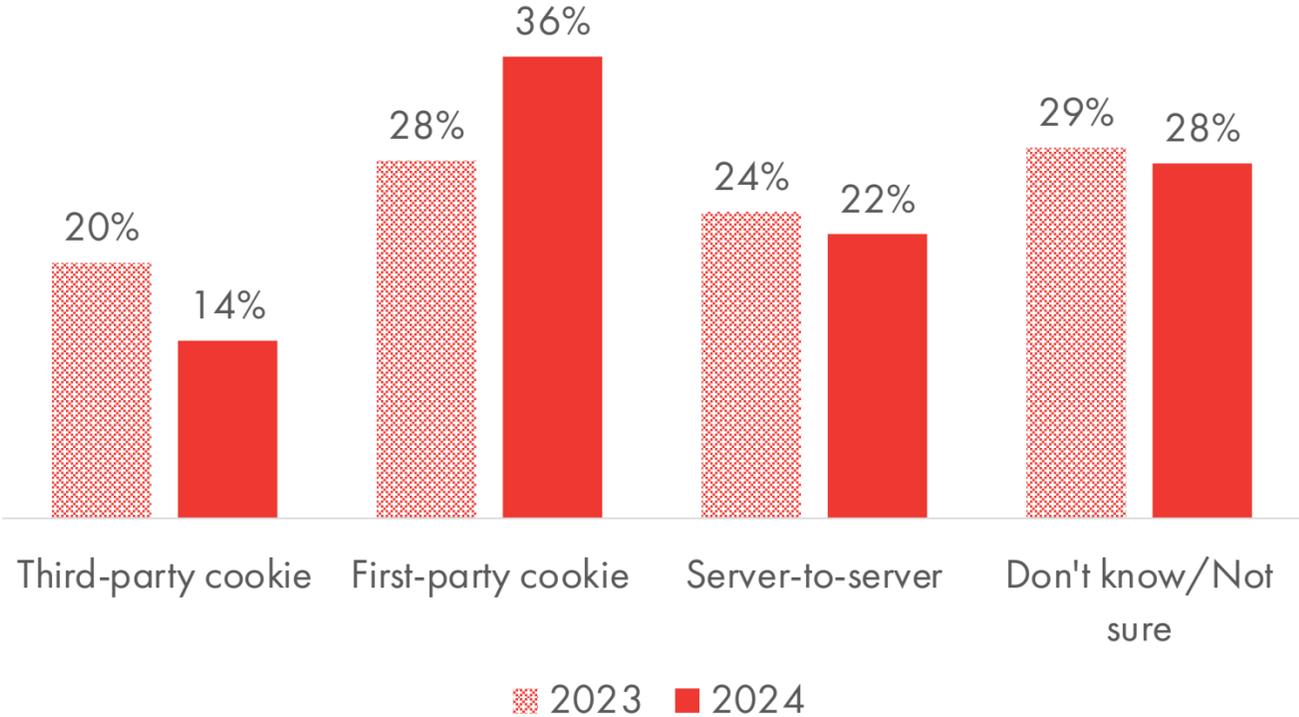


attribution and methods to track used by advertisers.

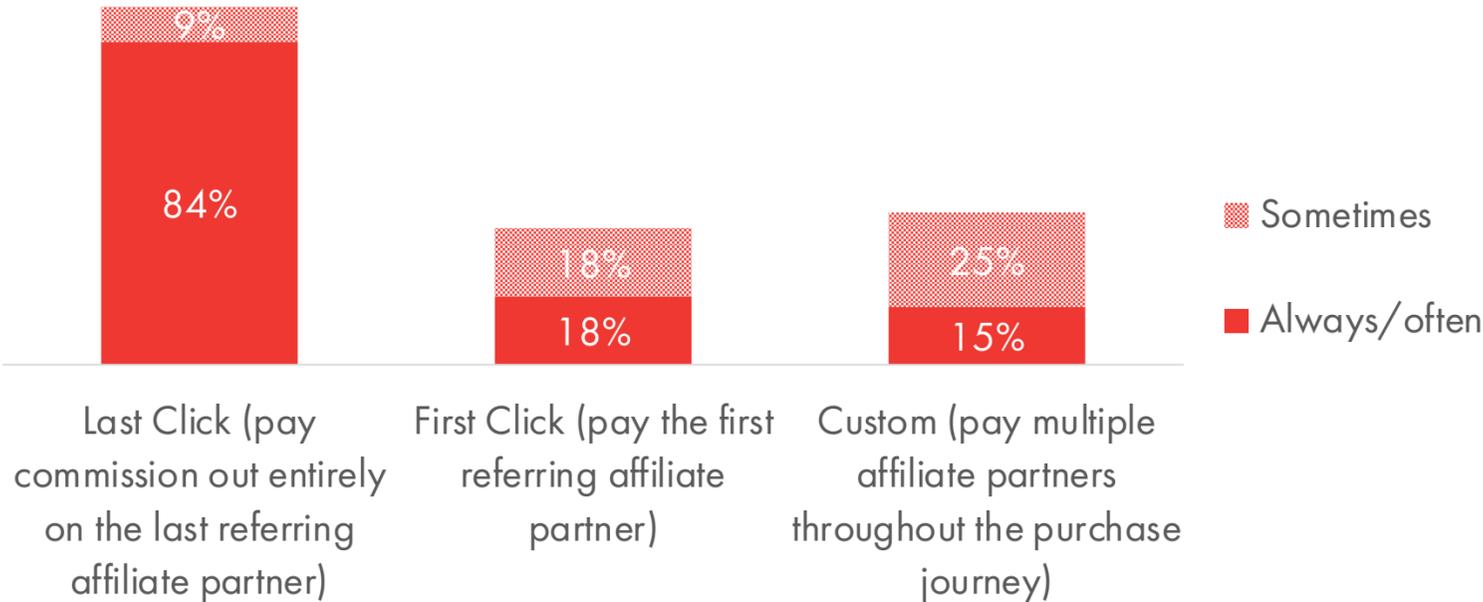
36% of advertisers primarily use a first-party cookie to track affiliate marketing. Use of third-party cookies continues to decline, down to 14% this year (from 20% in 2023). A significant proportion do not understand the way they are tracking and whether it is dependent on third-party cookies.

The most common allocation of commission is the total to the last referring affiliate partner (93% at least sometimes), with around 4 in 10 at least sometimes using either first click or custom attribution methods.

ways to track affiliate marketing



attribution rules used to pay partners



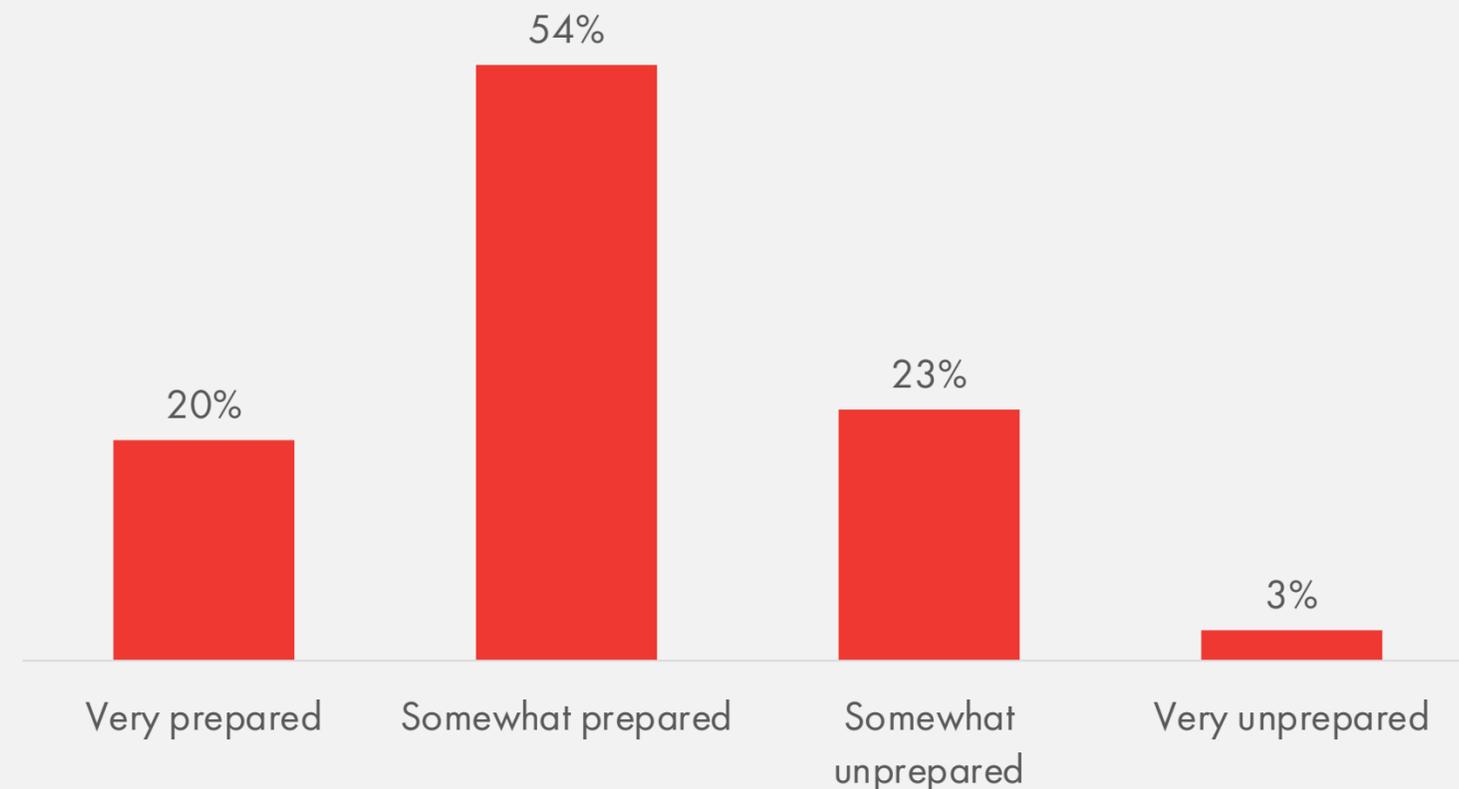
preparedness for reduced data signals and privacy legislation changes.

In recent years, browsers and operating systems have been removing third-party cookies and identifiers as a way to increase user privacy, which continues to reduce the data signals available for ad tracking.

The Australian Government has also proposed amendments to strengthen privacy legislation.

26% of respondents across advertisers, agencies and publishers feel unprepared for these changes.

preparedness for current/impending changes to third-party cookies/identifiers and consumer privacy legislation on ad tracking



07.

promoting a stronger role

promoting a stronger role for affiliate marketing

More information and education on commission strategies and attribution of affiliate sales would be valued by the industry, along with understanding the impact of third-party cookie retirement and reduction in data signals.

Education, transparency and rigour in attribution

- Focus on enhancing transparency, providing better tools for tracking and attribution, fostering genuine relationships between brands and affiliates, and offering fair and competitive compensation structures.
- Establish a universal, transparent tracking system.
- Establish industry-wide standards for tracking and attribution, enhancing trust and reliability.
- Standardize reporting and attribution models for affiliate channels. This builds trust and makes it easier for businesses to measure success and invest in partnerships.
- Implementing transparent and fair compensation structures, along with regular performance reviews can further incentivize affiliates to actively promote the brand.
- Educate marketing teams about the benefits of implementing transparent, data-driven affiliate marketing practices. This will help to integrate affiliate marketing into broader marketing strategies as part of achieving sustainable growth and diversification in marketing efforts.

Prove the effectiveness

- A deeper understanding and appreciation of how to use affiliates to achieve your overarching business goals.
- Highlight the impact to the business bottom line i.e profitability
- Create more awareness around the uplift and contribution to overall channel Sales
- Where does affiliate fit in the media mix? how do i understand incremental sales.

Promote the value of affiliate to consumers

- Highlight the benefit and monthly impact of cashback, loyalty, discount codes on the end-user, given the economic climate and cost of living crisis. Highlight how affiliate marketing help save on groceries, electricity bills, everyday purchases, insurance, food/beverages, and in turn help retailers stay relevant.

Perception of c-suite

- The industry could educate advertisers at a higher level (C-level) to remove any pre-conceived ideas on affiliates & partnership marketing that is holding us back.

Presence at industry events

- To have presence at AdWeek and similar conferences. The channel needs more presence for marketers to learn and get excited about in order for the industry to grow.

learn more about affiliate marketing

IAB Australia Affiliate & Partnership Marketing Essentials Training

The purpose of this training is to provide a thorough exploration of the affiliate landscape and will serve as a useful resource to both those who are new to this form of digital marketing, as well as anyone currently involved in it.

[Enroll for free](#)

