



# Nine predictions for affiliate marketing in 2018

With some of the most important online legislation changes in a generation launching this year, and brand safety high on the agenda, 2018 promises to be defined by how the digital industry adapts to these concerns. We consider the impact that these and other issues may have on the affiliate industry over the next twelve months.

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## Introduction

# Nine predictions for affiliate marketing in 2018

It's that time of year again, when prediction pieces abound and digital industry experts are brimming with expectation around what the next twelve months will bring. Before embarking on our own look into the affiliate crystal ball, it's first worth understanding where we stand now, with 2017 receding quickly in the rear-view mirror.

*"One topic, above all others, has come to define the digital industry in 2017 and will shape, more than anything else, the approaching months; brand safety."*

For Awin specifically, last year was characterised by its increasingly global identity. Its US footprint was substantially enlarged in January by welcoming ShareASale into its stable. A new, unified Awin brand, which brought together Affiliate Window and Zanox, subsequently also merged with Affilinet to extend its breadth still further. In conjunction with these valuable additions, strategic partnerships with Australia's Commission Factory and influencer marketing platform Tailify meant that Awin could effectively connect brands with publishers of every variety worldwide.

With these partnerships in place, the network was afforded a truly comprehensive view on the nature of the global affiliate industry and, in turn, this contributed to the publication of the industry's first ever assessment on the state of affiliate marketing worldwide; [The Awin Report](#).

Marrying global network data with external insights, interviews and case studies, The Awin Report provided a definitive overview on an industry that is estimated to be worth some \$13bn. While the report's local market chapters provided a guide to the intricacies of each of Awin's individual territories, these were followed by a series of topic chapters that identified the key trends and themes currently characterising the affiliate industry around the world; the rise of influencers in the channel, the increasing importance of global retail events like Black Friday, the impact of improved smartphone activity on affiliate marketing, along with several other trending issues.

All of those topics remain hotly-contested subjects within the industry this year and will continue to provoke much debate. However, one theme above all others has come to define the digital industry in 2017 and will shape more than anything else the approaching months: brand safety.

Despite being the year online advertising overtook television as the most popular means of advertiser spend, a totemic shift, 2017 will forever be known in digital circles for less savoury matters. Big brands [backed away](#) from Google's video advertising options on YouTube thanks to ads being served up against videos promoting terrorism. Facebook recompensed businesses after [errors in their ad reporting](#), as well as defended itself over accusations of political manipulation from [Russian ads](#) during the US Presidential election. Meanwhile, one of the biggest advertisers in the world [cut their digital ad budget](#) radically after labelling the supply chain 'murky' earlier in the year, and saw no discernible difference in their sales. Overall, it was a bruising experience.

Naturally, the consequence of all this has been a reactionary move to regulate and improve the industry's standards. To bring to heel what has been until now a relatively unfettered story of success and expansion for the dominant online players. Therefore, 2018's predictions necessarily take into account the potential impact of these moves. For affiliate marketing, a microcosm of the wider digital environment, the implications of these changes will bring to bear opportunities and obstacles in equal measure.

# GDPR to hand more power to large media affiliates

The EU's General Data Protection Regulation (GDPR) is the most prominent of all the regulatory changes expected to occur this year. It is designed to replace existing local data protection laws, harmonising them across the continent.

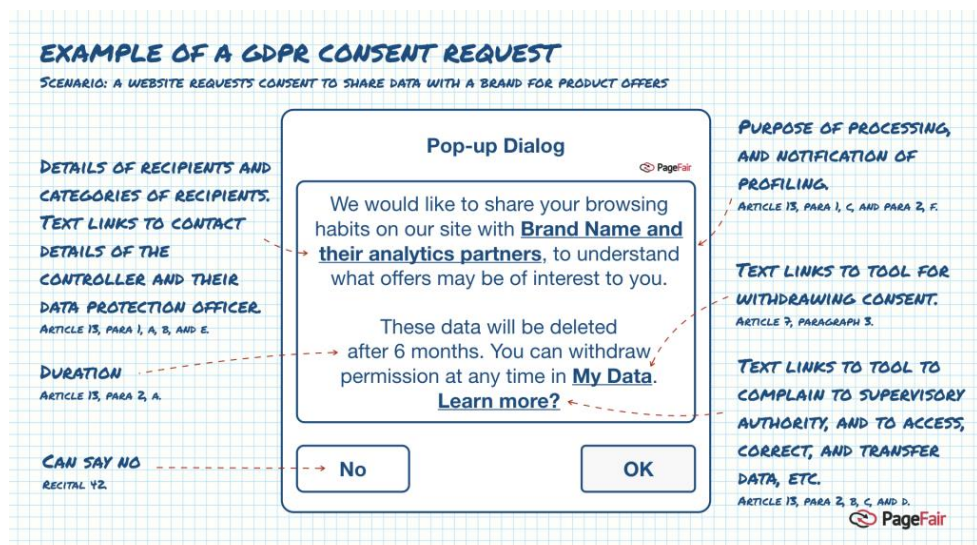
It will redefine data protection laws for the digital age with the intention of empowering consumers to take more control of their personal data. The IAB has a useful background synopsis [here](#).

The online advertising industry has been heatedly debating the potential consequences of the new privacy law for many months now and, with specific details still to be confirmed by the EU, speculation has been rife as to what impact the new law may have.

One aspect which may have an impact in the affiliate channel is how GDPR could alter the dynamic of power between brands, ad tech vendors and the publishers they ostensibly serve. User consent sits at the heart of the regulation's objective and so access to first party user data is at a premium – something that positions publishers, particularly the larger media ones, well. Their ability to develop trust and authority with their audiences, as well as the likelihood that consent will be given as part of a value exchange for access to content, gives them a distinct advantage over third party partners who currently sell inventory on their behalf, or the brands who seek to connect with these prospective customers.

Given the extremely heavy fines that accompany transgressions of the regulation for any partner in the supply chain handling such data, publishers will inevitably be keen to limit potential liability. Factor in too the fact that the regulation calls for explicit consent to be given by the user for why, how and who their data is going to be shared with, and you see the extent of the hurdles that publishers are expected to overcome.

The ad blocking software company [PageFair](#) sketched an example of what such a consent request might look like on a publisher website post-GDPR and, as you can see, the draft emphasises just how much information might be required to achieve the stipulated degree of transparency.



These issues could see publishers significantly trimming down the number of third party ad tech partners they work with in an attempt to streamline the path to consent and avoid punitive penalties. In so doing, the desire to feature as a 'trusted partner' may well lead to a competitive climate that ultimately ends up benefitting publisher's pockets.

What does all this mean for the affiliate channel though? Well, industries that are heavily reliant upon third party data, behavioural retargeting or some programmatic display for instance, will inevitably find it harder to function in this environment. In fact, [we've already witnessed](#) some premature attempts at such companies trying to get around the regulation with consent pop-ups that clearly won't fulfil GDPR's more stringent requirements.

By contrast, the more simple tracking techniques used in affiliate marketing that connect publishers with brands are arguably less at risk to the legislation's purview. Therefore GDPR could be a boon to the affiliate industry in 2018, drawing in more interest from large media publishers that have only recently begun to pay more concerted attention to the channel thanks to the rise in ad blocking habits.

With bigger, traditional media publishers investing more in the channel as they seek to recoup losses from other historic monetisation methods, the balance of power within the affiliate industry could be set to shift more favourably to that of its publishers. Advertisers will be keen to ensure that they can still work with these partners and again, the increased competition could well help drive up commission rates and perhaps even compel a review of the current last-click payment models that are still an industry default; a re-assessment that is desperately needed for affiliates whose influence has gone unrewarded for so long.

There are additional practical considerations for all sides of the industry. Networks will need to decide whether they are data processors or controllers (as this impacts the obligations), affiliates will need to decide what their consent obligations are and how best to obtain these and in turn brands will need to decide how they ensure publishers they work with have achieved this. All of these aspects and more will continue to be discussed and analysed in detail on [Awin's own GDPR & ePrivacy hub](#).

What is likely to happen is the industry will draw on its previous heritage of cross-network and agency collaboration to create consensual approaches. This may entail affiliate marketing being included in cookie consent technology solutions (such as that being developed by the [IAB and EDAA](#)) and will almost certainly see networks provide mutual wording and language that can then be used by the thousands of affiliates who are unclear on what their responsibilities are.

All this will also happen against a backdrop of the revised ePrivacy Directive which will become a Regulation in the near future (probably in the next 12 months). Originally designed to become law alongside the GDPR, this is likely to have a greater impact on digital marketers as it unequivocally requires consent from consumers when tracking activity online.

There is a lot of work to do but affiliate marketers can take heart from the clear value-exchange that exists between publishers and their user bases. This could be the point of difference in the inevitable wider digital fallout from GDPR.

# Data dilemmas

With the advent of GDPR so industry's perception of data will change. What may have previously been considered information with no associated privacy impact, may now fall under the auspices of personal data. This poses a distinct dilemma for any company that has spent the past few years investing in data analytics and business intelligence functions.

We shouldn't underestimate the potential impact for the affiliate channel. One of the undoubted successes of the industry in recent years has been the ability to demonstrate the value of affiliate sales beyond the last click cost-per-acquisition measurement that underpins the business model.

Critical to this has been the capture of additional data points related to the sale and customer both around the transaction and post-sale. For example, being able to demonstrate that a certain affiliate or type of activity drives a higher incidence of target customer, or a promotional tactic increases customer loyalty, helps build a more complete picture of the affiliate channel.

Not only that, but it helps build brand confidence that ongoing investment in affiliate marketing is delivering the right type of customers.

Therefore, it is essential the affiliate channel supports a narrative that data helps to generate a more rounded view of the channel. It is being used to inform decisions and deliver more appropriate content to an affiliate's target audience which ultimately benefits the consumer.

It's important that advertisers are assured data will be used with insights in mind. There is nothing sinister or opaque in data capture, it will not be repackaged and sold on or compromised.

Of course, networks will need to demonstrate to brands that the data is stored securely, can be erased on request and anything that is personally identifiable is offered freely.

In a sense an enhanced and reworked approach to the ePrivacy Directive is required in which affiliate is seen as a distinct marketing channel from those digital streams that seek to take consumer intent data and exchange it for marketing purposes.

Around that time, many data and tracking audits were carried out by brands looking to segment the data usage from least to most invasive. The consensus was that affiliate tracking was considered functional and 'light touch' in terms of its impact. Indeed, some categorised it as essential to store and created opt-in and opt-out solutions.

At a very basic level this is obvious; cashback sites can surely legitimately claim that cookie storage is essential for them to function as a business. The challenge will be assimilating additional network data demands alongside the more prosaic tracking functions that form the nuts and bolts of an affiliate programme.

This is not an exclusively affiliate-based challenge. All digital channels will need to demonstrate that not only is data capture essential to optimise marketing spend, but it is also being tracked in a responsible and consumer-focused way. GDPR may make that harder to achieve but in an age when brands are demanding greater transparency and return on investment-based activity, it is vital for the channel's continued evolution.

# Affiliate channel could benefit from 2018's year of regulation and restitution

If 2017 was the year that the digital ad industry was caught with its hand in the proverbial cookie jar, then this year promises to be one of necessary retribution. A litany of high profile controversies severely tested advertiser and consumer faith in online advertising last year. It's therefore no surprise to see numerous new initiatives and regulations coming to the fore in 2018 as organisations have quickly come to the realisation that that faith needs to be restored in order for the internet to continue functioning as a commercial entity.

As we've already established, the EU's GDPR promises to be the regulation that attracts the most attention this year, and the manner in which it is adopted and enforced will certainly set a precedent for how serious the industry is about cleaning up its act. However, there are a series of other moves being made in response to this crisis of confidence, many of which will have an impact upon the affiliate industry, either directly or indirectly.

The IAB has led the way with a variety of new initiatives. The Coalition for Better Ads has already achieved buy-in from the likes of Google, Facebook and Microsoft and is aimed at improving the quality of ads that users are subjected to.

The latter half of last year saw the [IAB's Tech Lab launch ads.txt](#) as an attempt to battle the fraudulent practices that are siphoning off billions of dollars in online ad revenue from publishers via programmatic ad exchanges. The consequences of not confronting this issue could be dire and already, [over a fifth of UK brands](#) are planning to decrease their programmatic ad spend because of these ongoing anxieties.

The ads.txt initiative also forms part of the IAB's [Gold Standard](#) certification initiative that will recognise those companies that have achieved a specified level of advertising compliance and provide a means of highlighting those organisations with a more ethical approach to online advertising.

Meanwhile, the industry's giants have also been rolling out their own updates that are aimed at restoring consumer faith in their ability to serve as trusted platforms for browsing the internet.

Apple's Intelligent Tracking Platform update to their operating system launched last September and was designed to prevent unnecessary tracking of users across websites by advertisers. The update provoked fury from brands and was instantly [rebuked by many](#) for failing to understand the fundamental economic model of the web.

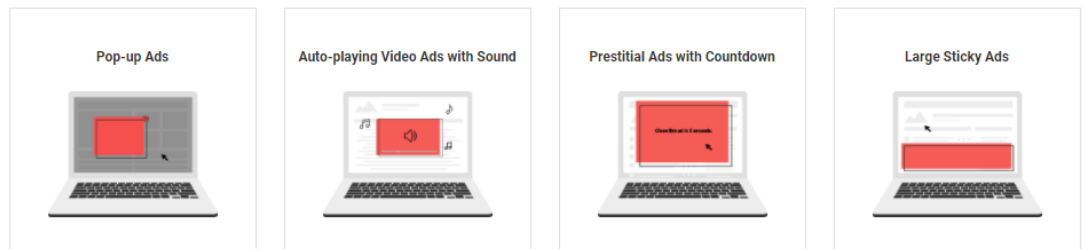
Whilst anxieties persisted within the affiliate channel as to how much this might undermine effective tracking, [Awin's initial analysis](#) revealed that, even in a worst case scenario, the impact upon sales would be minimal thanks to the relatively low-level use of Safari and increased adoption of Awin's Mastertag solution by advertisers which enables tracking through first party cookies.



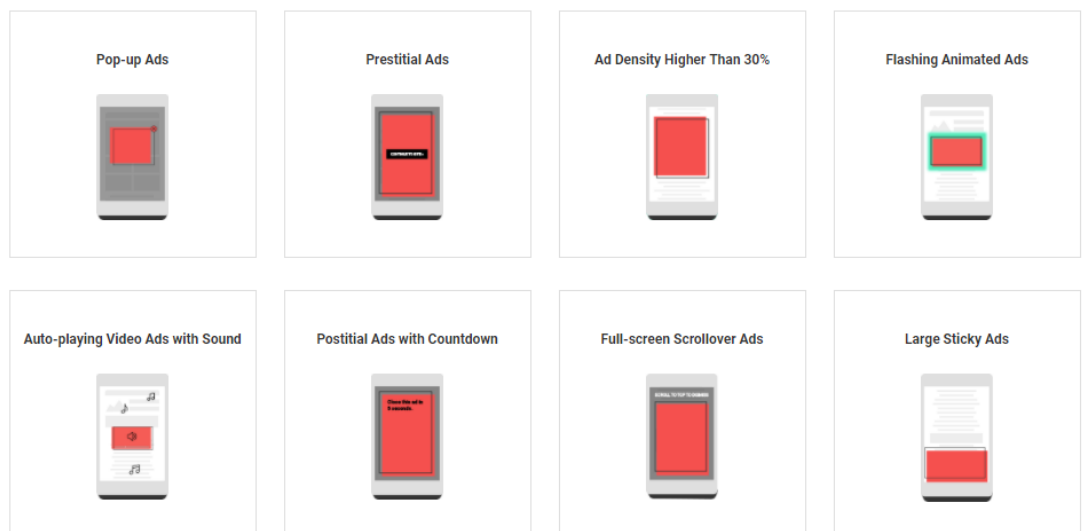
In a similar vein, Google is launching an updated version of Chrome this year where ad blocking will feature as a default setting, with the aim of removing any ads that don't fulfil the criteria stipulated for a 'good' ad by the [Better Ads Standards](#), an initiative devised by the Coalition for Better Ads.

With Chrome's almost 60% share making it far and away the most popular internet browser in the world, the impact of this on adverts that fall foul of the standards could be enormous. Indeed, it's worth considering the specific types of ads that don't meet the necessary criteria:

### Desktop Web Experiences



### Mobile Web Experiences



These are all ad formats that are not generally used by affiliates and, in fact, many network and advertisers' programme terms will tend to ensure that this type of clumsy, intrusive promotional method is not incentivised or rewarded.

Bearing that in mind then, it's entirely possible that the rollout will cause publishers using these ad formats to seek out other monetisation methods that aren't at risk of being blocked. Affiliate marketing offers one such alternative solution and this year could well be one that sees a significant uplift in interest and investment because of that.

While these ad formats are frowned on by networks and indeed some run counter to network terms and conditions, the positive impact on consumer perceptions of digital advertising means the overall quality bar rises and digital marketing (and affiliate marketing by default) improves its reputation.



# Smartphone success will continue to surge with launch of Google's mobile-first index

It's been two years since global [mobile browsing overtook](#) desktop traffic and, to reflect this change in use, Google has been re-focusing its search algorithm to give priority to mobile sites over desktop versions. Historically a website's ranking had been dictated by the signals given off by the desktop version of its site. This is now going to change and, instead, the search engine will assess the quality of the mobile version of a site to inform how both the mobile and desktop versions of the site rank in its index.

Google has been testing this on a small-scale for some time, but the expectation is that this will be properly launched in 2018. Representatives from the company have denied it will radically alter the makeup of search rankings for websites, however, for websites where there are large disparities between the content served on mobile and desktop versions, there is a risk that a poor mobile version will be penalised.

*"Ultimately, with more people accessing the internet via mobile devices, the change is a utilitarian one, providing the majority of people with the best possible results."*

Ultimately, with more people accessing the internet via mobile devices, the change is a utilitarian one, providing the majority of people with the best possible results. And this could have a significant impact in sustaining mobile's continued success in digital advertising and affiliate marketing too.

Like the wider industry, mobile, and particularly smartphone, traffic and sales have grown at an inordinate rate within the affiliate channel. Improved consumer confidence around mobile payment and security systems have combined with bigger handsets and better user experience on websites to such a degree that the number of smartphone sales now being tracked through Awin's affiliates amounts to around one in every three. Indeed, December 2017 was a breakthrough month for the network with countries including the UK, Sweden and Ireland recording more smartphone than desktop sales on around a dozen days in the month.

Although the growth of mobile traffic and sales has already demonstrated a strong trend in recent years, the continued emphasis that Google is putting on mobile experience will necessarily compel the wider industry to up its game.

With mobile web traffic already leading desktop traffic worldwide, 2018 will see desktop's market share further eroded.

# 'Open Banking' could open up a whole new opportunity in financial affiliate marketing

Whilst GDPR has been hoovering up all the digital headlines over the last few months another seismic piece of EU legislation has already been initiated this year. PSD2 is, if anything, even less of an attention-grabbing name than GDPR. But the Second Payment Services Directive is expected to have an enormous impact upon the financial services industry, and one which could open up huge opportunities to affiliates operating in the sector.

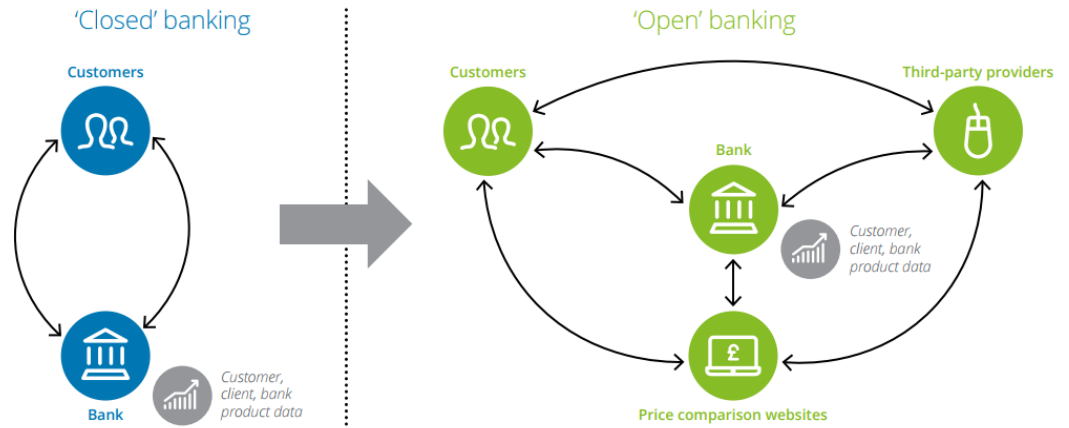
The new legislation requires all banks to share the data they have on their customers with third parties, if those customers want them to. The UK government has readily welcomed the change and, with the CMA's non-profit Open Banking Limited leading the implementation of the directive by creating an API standard for the available data, it has the top-level backing required to make it happen.

*"PSD2 is a huge opportunity for innovative third party businesses like affiliates to displace the consumer-facing role of traditional banks entirely."*

The effects of this change are yet to be realised, but many experts in the financial industries expect it to be revolutionary. As Deloitte's Head of UK Banking, Neil Tomlinson states in a [piece of research](#) on the possible consequences of what's being called 'Open Banking', "Our research shows that the threat to the traditional banking business model is real. But while the threats to incumbent banks are greater than ever, so are the opportunities. In an extreme scenario, some banks could be relegated to the background as infrastructure providers while other entities – FinTechs, tech giants and price-comparison websites, for example – could come to own the customer relationship. As a result, these could potentially become the leading brands in banking – without ever taking customer deposits or lending onto their own balance sheets."

That point on price comparison websites is a pertinent one to the affiliate industry. By being given access to this new stream of standardised data, there is a huge opportunity for innovative third party businesses like affiliates to insert themselves into that customer relationship (as illustrated below), displacing the consumer-facing role of traditional banks entirely.

Figure 4. The 'opening up' of customer transaction data



Source: Deloitte analysis

By acting as the aggregator of a user's financial life, providing advice or assistance on finding the best deals or monitoring spending habits in order to make personalised recommendations, affiliates have an opportunity to definitively change and improve the ways in which we all interact with our money.

In some respects, the directive is a good example of the benefits that can derive from a sizable change in EU legislation, and how it can be used to disrupt a space that has lacked true innovation for some time. Affiliates' inherent ability to take advantage of this kind of opportunity makes this a genuinely exciting period for any such businesses operating in the finance sector.

# Social publishers to fall foul of Facebook's return to its 'personal' roots

The rise of influencers and social affiliates has been one of affiliate marketing's greatest successes in recent years, enabling brands to connect with users in a completely new way. And so Facebook's announcement that they were changing their ranking system for how posts appear in a user's news feed this year, prioritising personal interactions over those with businesses or public personalities, caused some consternation.

[In a post](#) to its users, Facebook's founder Mark Zuckerberg explained that this was a change that was intended to take the social platform back to its original objectives, helping "people stay connected and bring us closer together with the people that matter to us."

*"The ramifications for businesses that have invested heavily in building up their social profile on Facebook to drive traffic and revenue could be significant."*

By contrast, he admitted that in recent years there had been an explosion of 'public content' distributed on Facebook from businesses, brands and media organisations promoting the consumption of passive content that some research has suggested is harmful to our sense of well-being.

Whilst some commentators see the update as a direct response to the speculated influence of malicious ads and sponsored posts during the US Presidential election, it's likely that this is as much an attempt to secure the long-term appeal of the platform to an audience that has reportedly complained about its diminishing emphasis on these more personal interactions.

In the short term, the change has already damaged Facebook's profits, with over 4% wiped off their stock-market value, amounting to a personal loss of \$3.3bn for Zuckerberg himself. However, the ramifications for businesses that have invested heavily in building up their social profile on Facebook will arguably be far worse, including a number of affiliates for whom Facebook is their largest traffic and revenue driver. It remains to be seen if the effects of this change compel such publishers to adapt their social strategies and experiment with other platforms instead.

# Net neutrality repeal could threaten livelihood of affiliates in the US

Whilst this prediction falls specifically within the boundaries of the US for now, the Federal Communications Commission's [decision to repeal the Net Neutrality regulation](#), enshrined in law by President Obama back in 2014, could have far-reaching consequences for internet access around the world and for websites trying to attract that traffic.

In essence, the original legislation sought to ensure that as far as Internet Service Providers were concerned, all traffic should be treated equally. No one website should benefit from being accessed by users faster. So, whether you're a small, part-time blogger or Facebook, a user wanting to access your site will connect with it at an equal speed.

*"Affiliate marketing's low barrier to entry makes it one of the most effective initial monetisation methods for online start-ups and, for this reason, is a hot-bed of creative innovation."*

However, after extensive debates, the FCC has voted to repeal this legislation and, in theory, allow ISPs to charge publishers money for high speed access. The telecoms giants have defended the move claiming that it will allow them to invest more in improving infrastructure and extending better internet access to the wider population. But there's no doubt that the shift inevitably favours the larger companies out there, whose financial power will afford them access to this high speed network and cause smaller websites to lose out.

If that's the case then the internet loses one of its most potent means of innovation; a level playing field. Incumbent players with deep pockets will be able to deliver their content far more quickly to users and, in doing so, prevent competition.

For the affiliate channel, that's a worrying prospect. Affiliate marketing's low barrier to entry makes it one of the most effective initial monetisation methods for online start-ups and, for this reason, the industry is a hot-bed of creative innovation. Last year Awin saw over 60,000 new affiliates sign up to its global platform for the first time.

Many of these would have been digital start-ups launching pioneering products and seeking to connect with brands in every conceivable sector. From augmented reality gaming apps like [Snatch](#), to cross-selling technology platforms powered by AI such as [Increasingly](#), these new businesses are able to succeed despite their small size because the internet is equally accessible. If affiliates like these can no longer reach the traffic they need to successfully monetise their ideas initially, then the affiliate industry loses one of its most fundamental foundations.

# Back-to-basics solutions will represent the future of affiliate marketing

AI, machine-learning, neural networks, automation, the rise of the robots... Last year saw talk of artificial intelligence and its various offshoots reach a new height in digital marketing, and the affiliate industry was far from immune. Conferences, panels, whitepapers and webinars were awash with excitable chatter around how this might revolutionise the industry. And whilst there have been some interesting high-concept speculations around the possibilities that could be afforded by these technologies, the really useful application of them in 2018 will necessarily involve far more pragmatic solutions that focus on the more fundamental basics of affiliate marketing.

But don't let that fool you. Whilst the improvement of such nuts-and-bolts processes in affiliate marketing might not grab the attention of tech news headline writers in quite the manner that Google's next Project X roll-out will, a focus from industry players on these aspects will have a huge impact upon the health of the market.

Take something like the practicalities of the publisher payment process. One of the most notable, and yet unnoticed, outlays that Awin made to its global platform last year was a €35m investment in its [Accelerated Payments](#) facility. This now enables publishers to receive their commissions earlier, without having to wait for advertisers to pay Awin first. In doing so, affiliates can quickly reinvest their profits back into their business and capitalise on their successes far faster than ever before. That's a tangible improvement on the status quo which will help facilitate the industry's continued growth, but a far less attention-grabbing one than anything to do with AI robots.

Looking forward to future improvements from a network perspective, how about the automation of publisher applications? Every week we see 100s of new affiliates signing up to Awin's global network and many of these sites are ready to start working with relevant brands immediately. However, in order to get that partnership up and running, their sites have to be checked manually by either network or advertiser staff to ensure that they fit with the brand's objectives and programme terms and conditions.

But what if we were to automate this process? By establishing a criteria for what a compliant and on-brand affiliate site looks like we could automatically accept that affiliate immediately on to the programme upon application. This could be done by agreeing upon a set of values which, if clearly present, would then give the affiliate the green light to work with the brand and begin promoting them straight away.

Or, how about the automation of the validations process? Last year we surveyed our Client Services team, the team responsible for managing advertisers' accounts, to ask them how much of their time was spent doing the various tasks involved in managing their account. One of the most time-consuming tasks was manually validating the sales on their account. This one activity took up 12% of their time in an average working week, around 4.5 hours.

*"In automating validations we free up 4.5 hours every week for each account manager which can instead be spent on far more valuable tasks like strategy and analysis."*

Although this is something that has been a cornerstone for any managed affiliate programme for years, there's no reason why it can't be automated to a greater extent. If we can agree, on a programme-by-programme basis, what constitutes a normal 'valid' sale, then we can ensure that this kind of sale is automatically approved. It would be relatively simple to set up a series of red flags for each programme that could ensure that any sale that doesn't fit within these stringent parameters is still manually reviewed by the team, thereby ensuring that standards of due diligence are retained.

In doing so we free up 4.5 hours every week for each account manager which can instead be spent on far more valuable tasks like strategy and analysis, a welcome benefit for every advertiser and ultimately, affiliates too.

Focusing on these kinds of initiatives this year may not win any accolades for 'most innovative use of automation tools', but the benefits are real and could contribute to a tangible improvement in the fundamental effectiveness of the affiliate channel as a marketing tool.



# Industry collaboration to play increasingly important role in continued success

If 2017 has taught us anything it's that if self-regulation isn't robust enough, then external forces will compel necessary changes, usually in a manner that is insensitive to the nuances of the industry in question.

Thanks to an effective culture of collaborative self-regulation that has evolved alongside its own growth, the affiliate channel has demonstrated for many years now an ability to anticipate many of the anxieties and issues that now stalk other parts of the digital ad world.

Industry-led codes of conduct have been put in place by regional affiliate bodies around the world in an attempt to ensure that trust and transparency are established and maintained. From Germany's BVDW to the US' Performance Marketing Association and the various IAB affiliate councils elsewhere, such dedicated forums are an essential component to an affiliate industry that aspires to operate ethically and transparently.

Collaboration from across the industry is paramount to ensuring that these kinds of initiative succeed. Only by having enough representative voices and commitment from prominent partners in the channel, whether they be networks, publishers, advertisers, agencies or third parties, can such ventures wield enough power and influence to have industry-wide impact.

The same is equally true of documenting and promoting the success of the affiliate channel as an advertising model. The industry has suffered for many years with an image problem. Compared to other digital channels, affiliate has historically been considered something of an also-ran, a bottom-feeder, focused only on sales where the question of value is always up for debate.

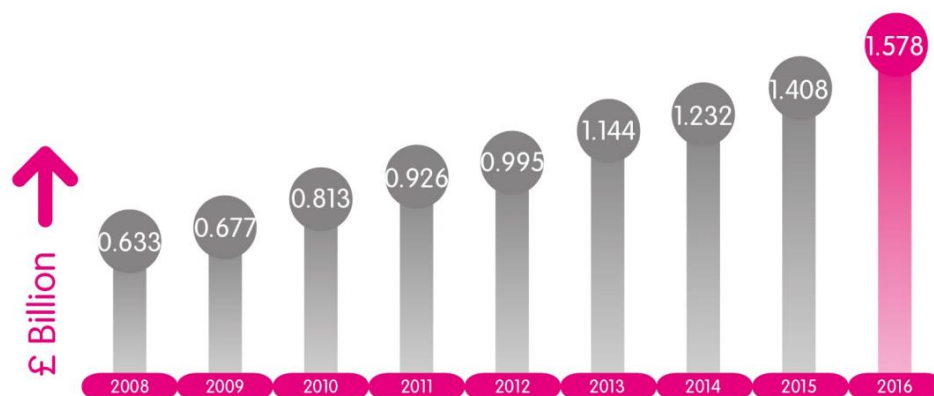
But in more recent years that has changed. As word of success has gotten out, so more heads have been turned, more attentions piqued. In turn, bigger publishers have joined the channel, more advertisers have recognised its value, investment has risen and the industry has grown. Last year we estimated that almost \$13bn was invested in affiliate marketing globally by advertisers around the world.

It is no coincidence that this growth has occurred at the same time that industry reports documenting the success of the channel have been published. It is five years since the UK's IAB published its first Online Performance Marketing study, assessing the specific value of affiliate marketing and lead generation there.

Thanks to collaboration between 23 organisations from across the industry they were able to quantify an industry worth just under a £1bn and generating £9bn in sales for advertisers. Since then the industry has grown in leaps and bounds in the UK, and the OPM study has been integral to documenting that growth and ensuring that the story of its success has been widely shared.



## OPM has shown consistent growth



IAB / PwC Online Performance Marketing Study 2016

But despite that increase in the size of the numbers now touted, the participants involved in the study have declined. Much of the data has had to be modelled because of a lack of commitment from businesses submitting their figures. Subsequent reports increasingly lack the necessary authority that robust reporting imparts.

To consider just how impactful such publications can be, you need look no further than last year's new report in Germany from the BVDW. The publication [grabbed headlines](#) when it was revealed for the first time that affiliate marketing there was driving almost £7bn in sales, accounting for one sixth of the country's online retail spend. That was based on data released from German affiliate networks that amounted to 60% market share in the country.

With that in mind, it appears to be a logical move from the IAB in the UK to re-focus attentions on the Online Performance Marketing study in 2018. The report is expected to be relaunched this year under a new name that emphasises its affiliate focus, 'performance' having long since become common currency in the wider digital industry. And with that relaunch comes a [clarion call](#) to affiliate organisations to participate. To engage with the survey, provide data and ensure that this opportunity to showcase affiliate's potency isn't squandered.

Collaboration is key to this and if the affiliate industry's most in-depth regional report, that quantifies its relative health and power, can again engage enough local players to participate, then its narrative of continued growth should continue through 2018 and beyond.



This whitepaper was brought to you by the Awin Strategy Team.

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