



pepperjam®

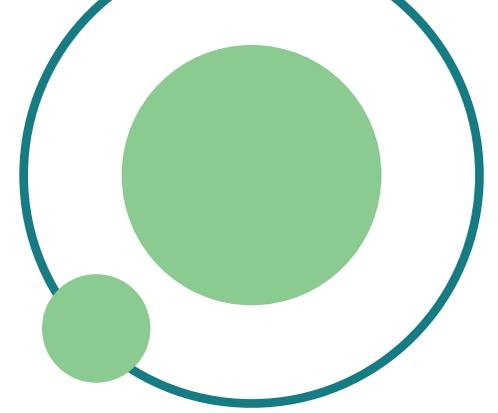
Pepperjam Survey | April 2020

The ramifications of Covid-19 on affiliate marketing spend, strategy, and prominence in the marketing mix

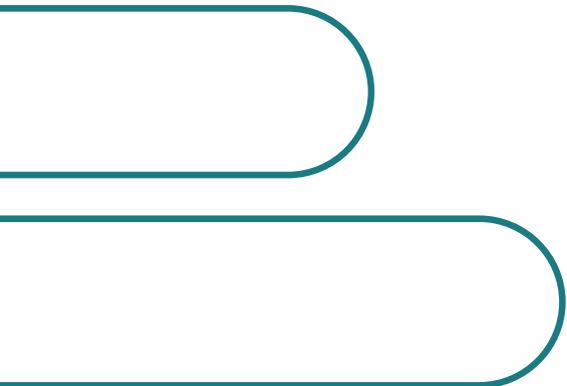


April 2020





In April of 2020, Pepperjam surveyed a diverse population of active Pepperjam clients to capture their perspectives on specific Covid-19 related influence on their affiliate marketing strategies and related spend. The survey results are comprised of the collective input of 55 respondents and are aggregated here in an e-book format to provide actionable insights and strategic guidance to retail marketers seeking additional visibility into relevant data.



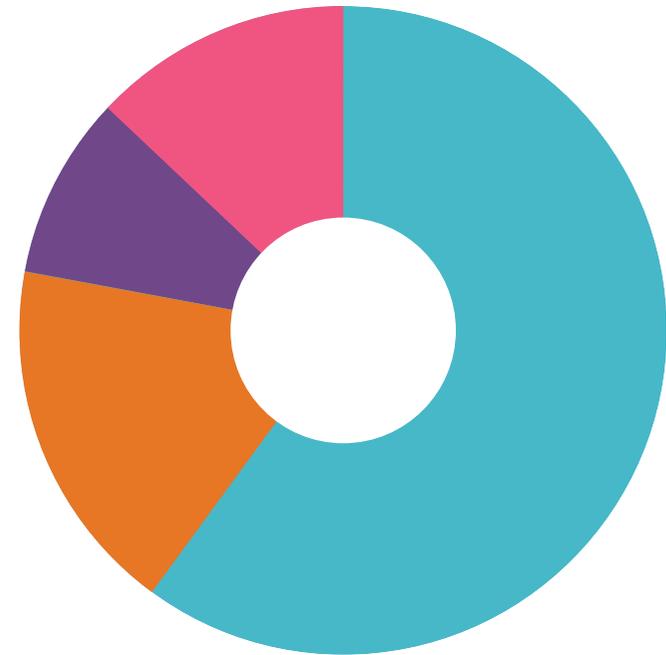


How much has your affiliate spend increased as a % of your overall marketing budget for Q2?

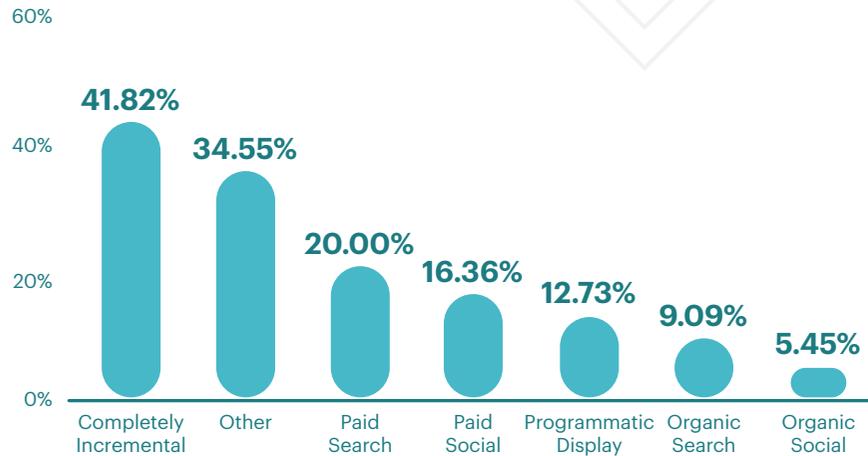
Insight:

Over 21% indicate the % share for affiliate will exceed 15%.

40% of respondents indicate affiliate spend will increase more than 5% as a percentage of overall marketing budgets in Q2.



● 0%-5% ● 5%-10% ● 15%-20% ● 20%+



If you created /allocated additional budget for affiliate for Q2, please indicate the source of the added investment. (Check all that apply)

Insight:

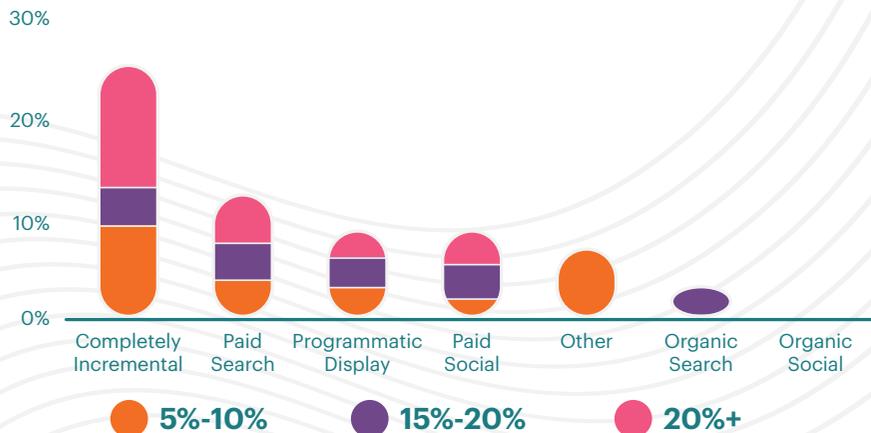
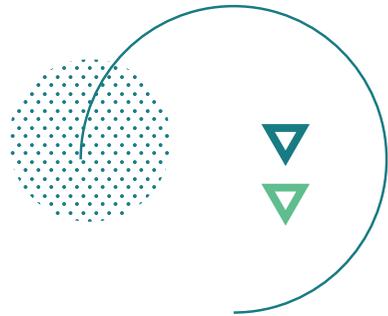
In Q2, additional investments in affiliate marketing will derive from new funding sources, with nearly 42% of respondents indicating additional affiliate budget will be completely incremental and 35% citing additional budget will be sourced from an area other than another primary digital channel.



Q2 Additional affiliate budget source and % increases

Insight:

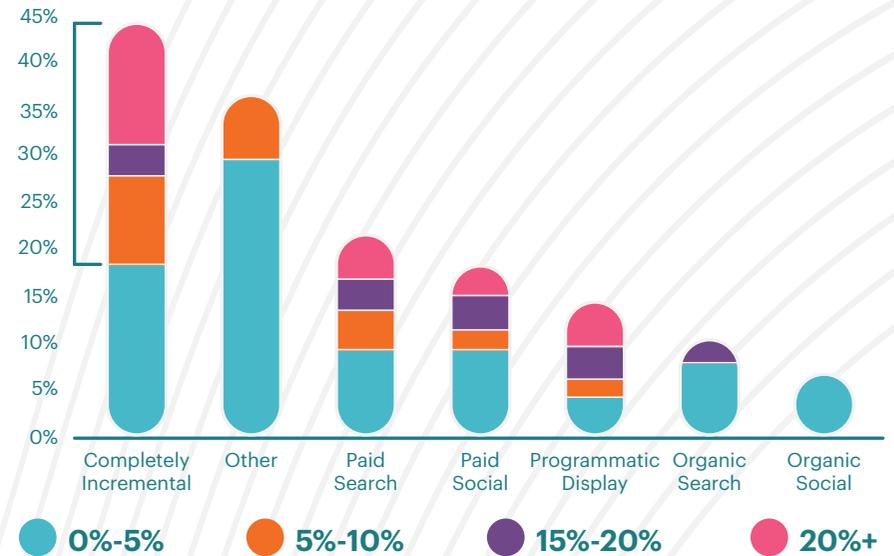
23% of survey respondents indicate affiliate would receive additional budget of 5% or greater and be completely incremental.

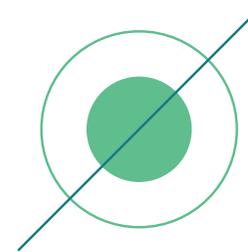


Q2 Additional affiliate budget source and % increases (greater than 5%)

Insight:

Respondents ranked sources of affiliate budget increases for Q2 of 5% or greater as completely incremental, followed by paid search, followed by programmatic display, **suggesting a preference toward pay for outcome channels.**





Do you plan to spend more on affiliate marketing paid placements in Q2 versus Q1?



Insight:

60% of survey respondents indicate they will **spend more or maintain Q1 level** of spending on paid placements.

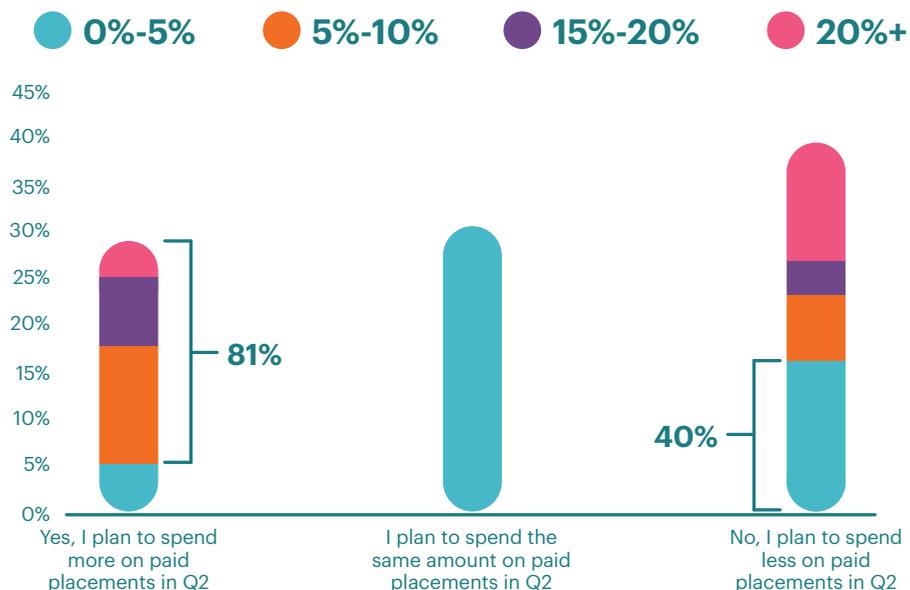


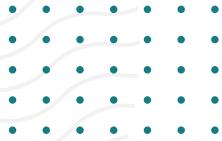
Do you plan to spend more on affiliate marketing paid placements in Q2 versus Q1?

Insight:

Of the 29% of respondents who plan to spend more on paid placements in Q2 over Q1, **81% will increase paid placement investment by greater than 5% in Q2.**

Of the 40% of respondents who will spend less on paid placements in Q2 over Q1, **40% of that audience will reduce paid placement investment between 0-5%, suggesting nominal decreases.**





How are you adjusting your affiliate strategy in Q2? (Composition of publisher types in the program)

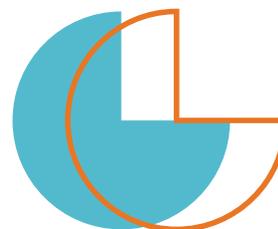
Insight:

Nearly **50%** of respondents plan to diversify their affiliate program by **expanding the types of publishers** they partner with in Q2, suggesting an opportunity for partners to establish a greater number of relationships.

Diversification has never been more important to ensuring business viability. Consider publisher reach and audience demographic over promotion type.

Publisher expansion can also take shape in engaging and **reactivating underperforming publishers** who have failed to drive conversions or clicks.

As paid search budgets tighten, brands will need to remain competitive on the SERP with less funding. Search publishers **present an opportunity** for brands to maintain a competitive presence and occupy more impression share on a CPA basis.





How are you adjusting your affiliate strategy in Q2? (Commission rates)

Insight:

Respondents will largely maintain commission rates in Q2, with **63%** indicating they will **not make any changes**.

Over 18% will increase commissions and just **over 18% will decrease commissions**.

Brands should carefully balance short term commission rate changes vs long term commission strategies that will impact publisher **relationships over the long haul**.

Commission adjustments should be made on category or product basis to **minimize the impact** to overall commission rate changes, unless increases are the plan.

Offset changes to margin by **reducing commission amounts** to discounted orders.



● Increase ● Maintain ● Decrease



● Increase ● Maintain ● Decrease



How are you adjusting your affiliate strategy in Q2? (Promotional cadence)

Insight:

Over 87.28% of respondents will **maintain or increase** the promotional cadence within their affiliate program.

Over 32%, specifically, will **increase the volume** of promotions in their affiliate program in Q2.

This suggests an opportunity for brands to partner with savings publishers to **amplify their reach** to audiences in search of savings or discounts.





Please indicate how your brand will approach promotion strategies in Q2. (Check all that apply)

10

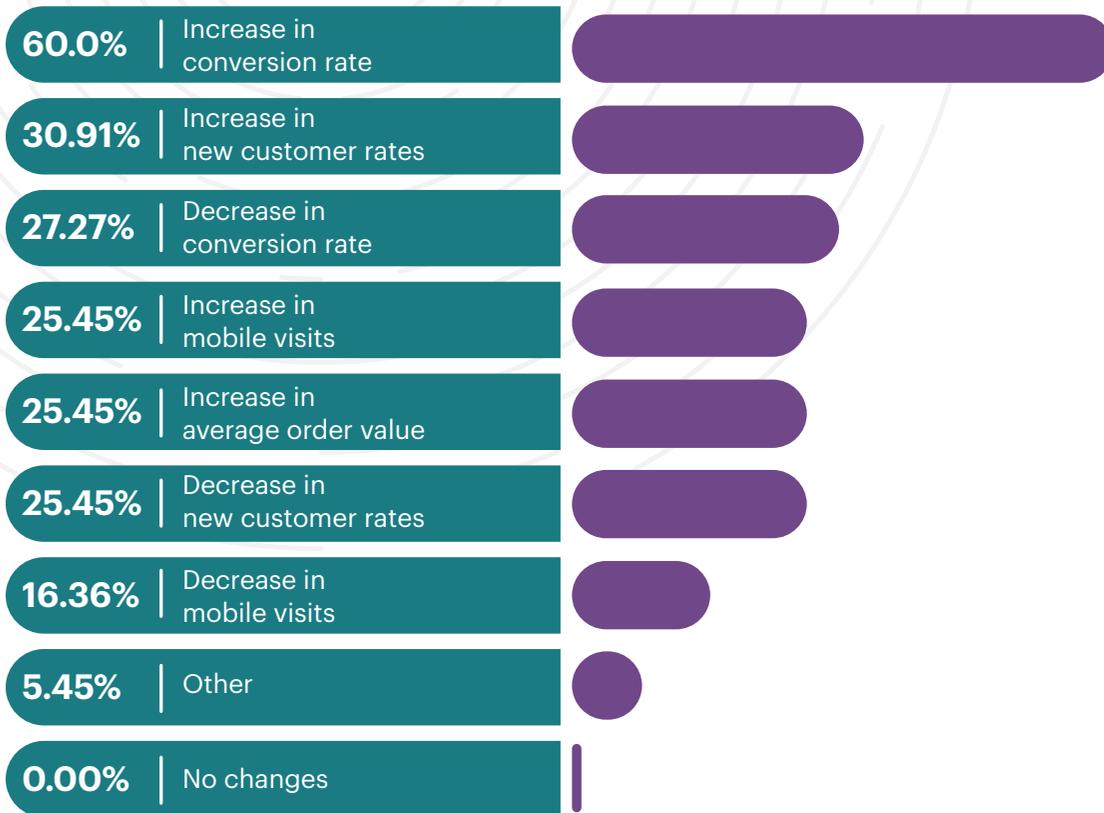
Insight:

Deal publishers present an opportunity for brands to **offload inventory** with best of web pricing on category or product specific deals.

Ensure publishers have **up-to-date shipping** information to remain competitive.

Increases in % off site wide offers or frequency of them may **win the favor of consumers** as we enter a competitive promotional market/time.





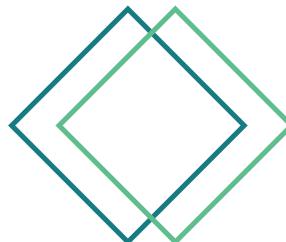
What ecommerce KPI trends have you seen on your site since the Covid-19 outbreak in the USA? (Check all that apply)

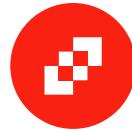
Insight:

60% rank **conversion rate increases** as a KPI trend since covid-19.

With significant increases to new customer rates, brands will need to ensure they continue to win their favor and drive strong CLTV with **optimal customer experiences** and timely, relevant messaging.

CVR will fair better than others, depending on the brand vertical and consumer sentiment.





Rise above the status quo.

For more information,
visit us at pepperjam.com