PerformanceIN

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Performance Marketing
Guide 2015

Performance IN

Welcome to PerformanceIN's flagship educational resource; the Performance Marketing Guide 2015.

Collating the guidance of industry-leading authorities, the following 150 pages promise a series of masterclasses covering all sectors in the rapidly evolving performance marketing industry. Yet again, this is an area of marketing that thrives on a culture of exchanged knowledge, ideas and skillsets.

This guide will serve as a resource not only for those looking to brush up on existing knowledge, but as a starting point for newcomers in the industry, and those looking to advance into other fields in the coming year.

Finally, I'd like to extend a big thank you to all those who contributed making this fourth annual guide more detailed and insightful than ever.

Chris Johnson

Chris Johnson, Head of Publishing, PerformanceIN
chris@performancein.com | +44(0)117 203 3012

Contents

Presented by

Contact & Advertising

Content Enquiries: content@performancein.com
Advertising Enquiries: advertising@performancein.com

Postal Address: PerformanceIN, 7.17 & 7.18 Deco Building, Paintworks, Bath Road, Bristol, UK BS4 3EA

Display Marketing

Display

Overview

Digital advertising has become a core part of the marketing channel mix for many advertisers. Consumers are spending an increasing amount of time online across a plethora of connected devices, providing ample opportunities for engagement with advertisers. It is forecasted that over 50% of the £15.7 billion spent on advertising in the UK this year will be allocated to digital, outspending all other traditional marketing channels combined.

Out of all the digital advertising channels, online display has seen the fastest growth over the past two years, with mobile contributing considerably to its success. Within the UK alone, online display advertising is forecasted to grow by 20% in 2015, to approximately £2.7 billion - 39% of which will be allocated to mobile display advertising.

Display has come a long way since the 1990s when it first became prominent in the advertising world. Today, online display spans across desktop and mobile websites, mobile apps, and video platforms. Online display ad technologies and techniques are far more sophisticated than anything we've seen in the past two decades, offering more effective advertising opportunities than ever before.

In its ability to build brand awareness and gain direct response results, online display advertising has become an integral part of online marketing as a whole. It offers advertisers a unique full-funnel view of the consumer that no other form of advertising can boast on its own. But as display advertising expands further, so too does its complexity. The following entry will explain how advertisers go about cutting through the confusion to maximise the opportunities on offer.

What is display advertising?

Display advertising, at its core, is the purchasing of **inventory** from **publishers** to deliver an **impression** of the advertisers' **creative banner** to the user**.**

Inventory is the advertising space available for purchase by the advertiser.
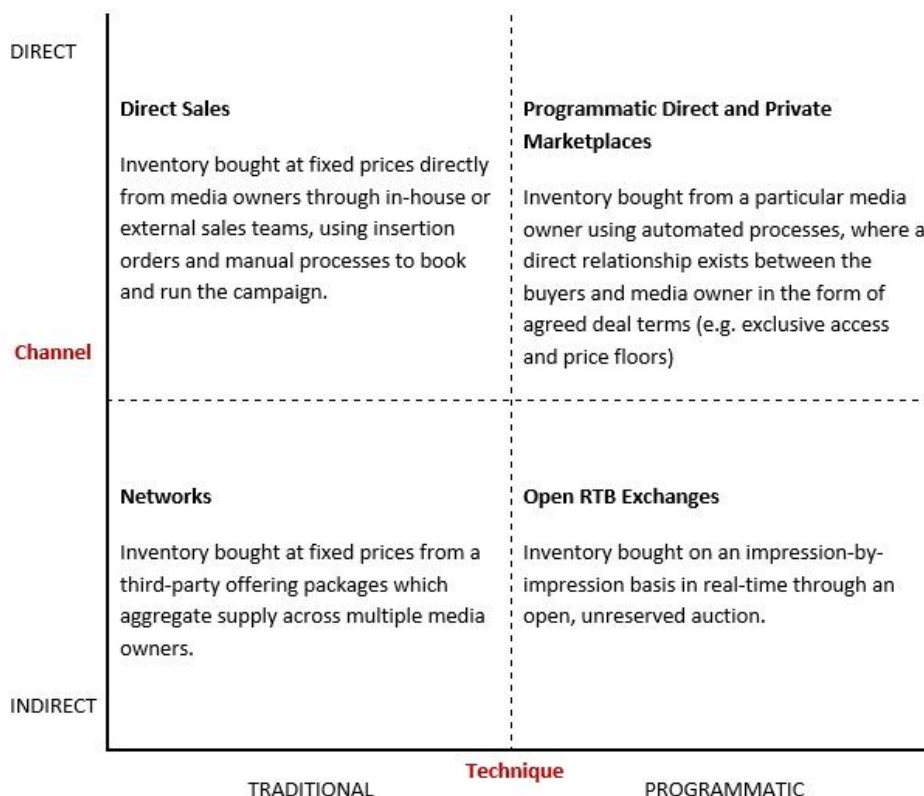
Publishers are the website or mobile application owners who offer the advertising space. **Impression** is a single appearance of the advertisers' creative banner on a website. Display ads are usually purchased in a bundle of a thousand, also known as cost per mille (CPM).

Creative banners, also known as 'creatives', are the advertiser's graphic advertisements. The IAB sets the standard for universal advertisement sizes, which has the multiple purpose unit at 300x250 pixels, the leaderboard at 728x90 pixels and the skyscraper at 160x600 pixels. These three sizes are the most popular across the internet, but there are also a range of engaging rich media ads that incorporate video, audio, animation and interactivity.

Methods to purchase inventory

There are four different purchasing methods for display inventory. There are two buying techniques, traditional or programmatic, and each method can be used to purchase inventory through direct or indirect channels. The chart below explains how these techniques and channels are paired together to purchase inventory.

DIRECT

Direct Sales

Inventory bought at fixed prices directly from media owners through in-house or external sales teams, using insertion orders and manual processes to book and run the campaign.

Programmatic Direct and Private Marketplaces

Inventory bought from a particular media owner using automated processes, where a direct relationship exists between the buyers and media owner in the form of agreed deal terms (e.g. exclusive access and price floors)

Channel

Networks

Inventory bought at fixed prices from a third-party offering packages which aggregate supply across multiple media owners.

Open RTB Exchanges

Inventory bought on an impression-by-impression basis in real-time through an open, unreserved auction.

INDIRECT

Technique

TRADITIONAL   PROGRAMMATIC

IAB UK "The Programmatic Handbook" – September 2014

Where to purchase

Unless purchasing inventory directly from a publisher, the display advertising ecosystem involves numerous business types in the supply and subsequent purchase of advertising inventory.

Agency – Agencies offer a full campaign management service to brands including, planning, creation, buying and tracking.

Trading desk – These are service-based organisations that manage an advertiser's programmatic, bid-based media and audience buying. These will often integrate with demand-side platforms (DSPs) and work as the agency's centre of intelligence.

Ad network – These companies represent multiple publishers' inventory and forge relationships with advertisers and agencies to sell media on those websites. They act as sales rep between both parties and sell aggregated inventory at fixed prices.

Ad exchanges – Like ad networks, ad exchanges allow multiple publishers to sell media on their websites. However, the difference is that ad exchanges auction off their inventory on an impression-by-impression basis.

Supply-side platform (SSP) – These are advertising technology platforms representing publishers and their inventory. SSPs allow publishers to optimise and automate their inventory to be sold to advertisers. They have three primary functions for publishers: (1) unsold inventory can be made available to multiple ad exchanges and ad networks at once; (2) they can easily manage the complex relationships between multiple buyers; (3) they provide tools and reports for use by the publisher.

Demand-side platform (DSP) – These are advertising technology platforms representing the advertisers and their purchasing needs. DSPs use real-time bidding to purchase audiences as well as specific website inventory. DSPs offer the ability to purchase advertisements on multiple ad exchanges and everything becomes centralised including targeting, data, optimisation, reporting and bidding.

Data-management platform (DMP) – These provide marketers and agencies with a centralised view of all their audience data, while helping them manage and analyse data to create a target audience.

Targeting methods

Knowing your audience is a fundamental principle of marketing. That knowledge can then be used to deliver a relevant marketing message to the right person, at the right place, and at the right time. Online display advertising is supported by sophisticated user data and targeting technologies. By pairing multiple targeting methods together, an advertiser can create a granular targeting approach that improves the efficiency and effectiveness of their advertising spend.

Audience targeting can be refined through the following methods:

Demographic targeting - Based on user data such as gender, age, and browser language.
Geographic targeting - Using the computer's IP address to determine a user's location, an advertiser can target by country, city and even postcode.
Keyword and content - Targeting focuses on web pages and applications that contain chosen keywords or content types such as sports, games or travel.
Time targeting - Allows advertisers to show ads at selected dates and times.
Frequency Capping - Dictates how many times a day your ad is seen by an individual user.

As well as the above, behavioural targeting tracks previous user behaviour data including searches made, website pages viewed and advertisements clicked. Using this information, advertisers can then deliver relevant ads to users who have recently shown an interest in products similar to the ones they are selling. Behavioural data can come from first-party or third-party sources. First-party data is information that is owned by the brand. This can be gathered through multiple methods but a primary source is retargeting lists. Third-party data is attached to companies such as eXelate and Bluekai, who gather and sell data insights.

Measuring success

The first step to planning a successful display campaign is to determine clear objectives. An advertiser must then determine which key performance indicators (KPIs) will help them to

measure the success of the campaign. When tracking KPIs, advertisers usually focus on the average cost of achieving an outcome.

The most popular metrics for measuring success include cost per click (CPC), cost per action (CPC) cost per conversion (CPA), cost per view (CPV), cost per download (CPD) and cost per lead (CPL). With clearly measured KPIs and well-defined objectives in place, advertisers can better optimise their online display advertising campaigns more effectively to achieve maximum performance.

Conclusion

For many of us, it appears the more sophisticated display advertising becomes, the more confusing its landscape is. Over the next few years online display advertising is going to continue to grow, but with its growth will duly come a demand for a simplification in the exchange process.

Behavioural Retargeting

Competition in online display advertising is at an all-time high. As online display advertising spend continues to increase, programmatic real-time bidding allows marketers to reach consumers more easily than ever before. The saturation of the online display advertising market means that advertisers need to stay ahead of the competition by creating relevant adverts with personalised messaging. The more targeted and relevant the adverts are to the consumer, the higher the engagement rate and ROI will be.

In the past few years, marketers have watched as digital targeting capabilities have become so sophisticated and granular that adverts can be delivered to relevant target audiences with pinpoint accuracy. With the help of first-party and third-party data, we can now reach the right consumers at the right time, the right place, and with the right messaging.

Upon visiting a website for the first time, it is rare for a consumer to convert to sale immediately. In fact, it is only a modicum who will convert during the first visit. Granular targeting techniques are used by many marketers to increase brand awareness and garner higher engagement from relevant audiences, whereas behavioural retargeting is the most effective way of turning window-shoppers into buyers. Behavioural retargeting works to recapture those who have left a website without converting, increasing advertiser ROI and customer satisfaction.

What is behavioural retargeting?

Behavioural retargeting creates a more personalised approach than traditional retargeting methods. In traditional remarketing, when a consumer abandons a website, they can be identified across the internet and shown adverts that encourage them to return. While this is an effective way to increase conversion rates, behavioural retargeting takes it up a notch by creating a personalised user experience.

First-party data collection is an integral part of behavioural retargeting and can easily be collected with the use of a Java Script code added to the website. The data collected represents the consumer's behaviour whilst on the website, capturing the items they have viewed, products placed inside the shopping cart and, of course, whether they completed

that purchase. Subsequently advertisements can then be tailored specifically to the items or pages they have shown the most interest in.

With today's technology, advertisers no longer have to build individual creatives for each product or page they wish to retarget to consumers. Dynamic creatives use product data feeds to update ad creatives in real time according to the first-party data associated with a user. Not only does this save time and money but it also delivers highly targeted and relevant ads. In fact, dynamic creatives are so smart that they can retarget a consumer, for example, with accessories to a smartphone that they just purchased, or suggest similar products to a dress that they were just viewing.

Due to its positive impact on conversion rate, behavioural retargeting is often a key component to any successful display campaign. This is why it is a primary strategy for performance display campaigns which focus on reaching specific advertiser objectives - usually cost per acquisition goals. The most common use of behavioural retargeting in performance display campaigns is to show consumers items that they have viewed the most or items that have been abandoned in the basket. This ensures increased click-through rates and conversions as the consumer has indicated a higher propensity to purchase.

Why it's important

Highly relevant and personal targeting – By being relevant and targeted, advertisers are able to reach the right consumer at the right place and at the right time. This ultimately lowers acquisition costs, reduces traffic wastage and increases ROI.

Convert lost sales – No advertiser wants to lose a sale. With first-party data tracking, an advertiser is aware of which user has abandoned items in their basket or dropped out part way through the purchasing process. When paired with behavioural retargeting, this data helps to deliver personalised messaging to those consumers that will entice them to come back and finish their purchase.

Cross-selling and up-selling – Probably one of the most beneficial uses for behavioural retargeting, cross-selling and up-selling techniques target users who have already purchased from the website with products that are similar or relevant to previous purchases.

Maintain consumer relationships – Behavioural retargeting allows advertisers to stay front of mind with consumers who have visited their website, even after they have left.

Best practices and strategies

Segment your visitors – Create highly personal adverts by segmenting website visitors into groups with similar attributes. A fashion retailer may want to create a group for users who had shown an interest in women's fashion in order to retarget them during sales and promotions.

Call to action – For higher performance, include a call-to-action and consider adding a promotion. This prompts the consumer to return for an item they are already interested in, while the promotion entices them to purchase it with more urgency.

Consider time to conversion – Depending on the product or service, the time to conversion will differ greatly. By knowing how typical consumers research throughout their conversion path, advertisers can retarget them more effectively.

Don't forget to target – Granular targeting solutions such as contextual and demographic can be layered on top of behavioural retargeting and are worth serious consideration. For instance, keyword and content targeting will help prevent an advertiser from appearing on a website that may harm their brand. There will be some websites that users visit that an advertiser does not want to be associated with.

Don't be afraid to retarget converters – For retailers who offer products that are purchased frequently, retargeting converters is a great way to stay top of mind next time they are looking to purchase. When retargeting converters, understanding the frequency in which items are purchased is crucial to reducing ad spend wastage. For example, a user who has purchased perfume is likely to be in the market again within the next 4-6 months, which would be the prime time to start pushing them behavioural retargeting ads.

Future

The next step for behavioural retargeting is extending its capabilities across multi-device and in-store interactions. Currently, the technology for tracking online marketing campaigns across devices is in its infancy, reliant upon multiple tracking technologies, and shaky at best. In-store tracking is even less reliable.

This year will see a demand for improving this technology and opening up new opportunities for retargeting campaigns. Facebook's DSP, called Atlas, has taken the first steps to making this a reality. Atlas works by attaching a user ID to Facebook users who are logged into the social media platform. If a user viewed a pair of shoes on a retailer's website as they were logged into Facebook on their desktop, that item can be retargeted to them on their mobile across the Atlas network and vice versa, but only if logged into Facebook on their mobile device as well. While Facebook is an extraordinarily large community, it still creates challenges and limitations for advertisers.

As we begin to see the technology behind retargeting across devices become more sophisticated, in-store tracking capabilities will also grow more efficient and accurate. However, advertisers should expect to see in-store to online retargeting in the future. For example, the ability for advertisers to track what a user has viewed in-store and retarget them with that item online if they have left without purchasing.

It is a growing trend for many people to be watching two screens at the same time and advertisers are looking to take advantage of this. Expect behavioural retargeting to not just be limited to your online devices. Technology is being developed that can allow the device to listen to what is going on around it. If your mobile device hears a Mazda commercial on the TV it can then subsequently deliver those Mazda commercials to your phone.

As online display advertising spend increases, technology solutions will become available at an ever increasing rate. This growth is pushing innovation in the industry and things that we never thought were possible two years ago are becoming a part of our everyday digital marketing campaigns.

Programmatic Real-Time Bidding

Delivering the right ad to the right consumer at the right time is what advertisers strive to achieve. Programmatic real-time bidding (RTB) has made that concept a reality for brands by utilising granular data to make faster and smarter decisions.

Over the past few years, programmatic display has continued to increase its share of advertisers' digital spend. In fact, global spend on programmatic display advertising was expected to reach 42% of total display-related advertising spend last year, compared to 33% in 2013. According to Magna Global, in 2015, money pledged to programmatic advertising will reach 48% of total display-related advertising spend on a global basis.

However, even with its rapid success and growth, IAB research suggests that 25% of European marketers are still not aware of programmatic advertising. This is partly owed to programmatic RTB technology still being in its infancy. As programmatic advertising continues to grow in popularity, so too will the technology advance and new innovations occur.

What is programmatic RTB?

While targeting and campaign management technologies have advanced, the principles of programmatic RTB have stayed fundamentally the same at its core. Advertisers are able to target individual consumers on an impression-by-impression basis in real time, utilising relevant consumer data. Each individual display advertising impression is offered, evaluated, bid for, and purchased in a fraction of a second.

Impressions are purchased by advertisers bidding in a real-time auction. Whether or not an advertiser bids, and how much they bid for each individual impression is dependent upon an automated evaluation of the impression's value to the advertiser based on pre-set targeting parameters.

In most cases an impression is evaluated by whether or not the audience viewing that impression matches the parameters the advertiser has set for their target audience. Users can be identified by overlaying first and third-party data, all in real time. For advertisers, this

Presented by net media planet

means bidding only on the impressions that are relevant to them at no more than what they deem an acceptable price.

As a result, programmatic display has revolutionised the way display advertising inventory can be purchased and increased the performance that advertisers can achieve through online display advertising.

The importance of programmatic

Scale of the opportunity - With 37 billion impressions available to bid on each day, advertisers have the opportunity to acquire audiences at scale on a global, national, or local basis.

Flexibility and measurability - Advertisers can dissect and analyse each display advert right down to where it was displayed, for how long, and to whom. This means that campaigns can be quickly reviewed and optimised.

High relevance - Programmatic display delivers advertising in real time, on a one-to-one basis. This enables advertisers to serve highly specific ad messages which are based on the individual consumer's behaviour or profile. This builds a truly customer-centric experience with a focus on building engagement.

Cost efficiencies - By reaching more qualified consumers with highly targeted messaging, advertisers can drive higher levels of new customer acquisition and bring back 'lost' customers.

Strategies and the purchasing funnel

Programmatic display advertising can be used to promote consumers through the full path to conversion. The diagram below illustrates the full-funnel approach.
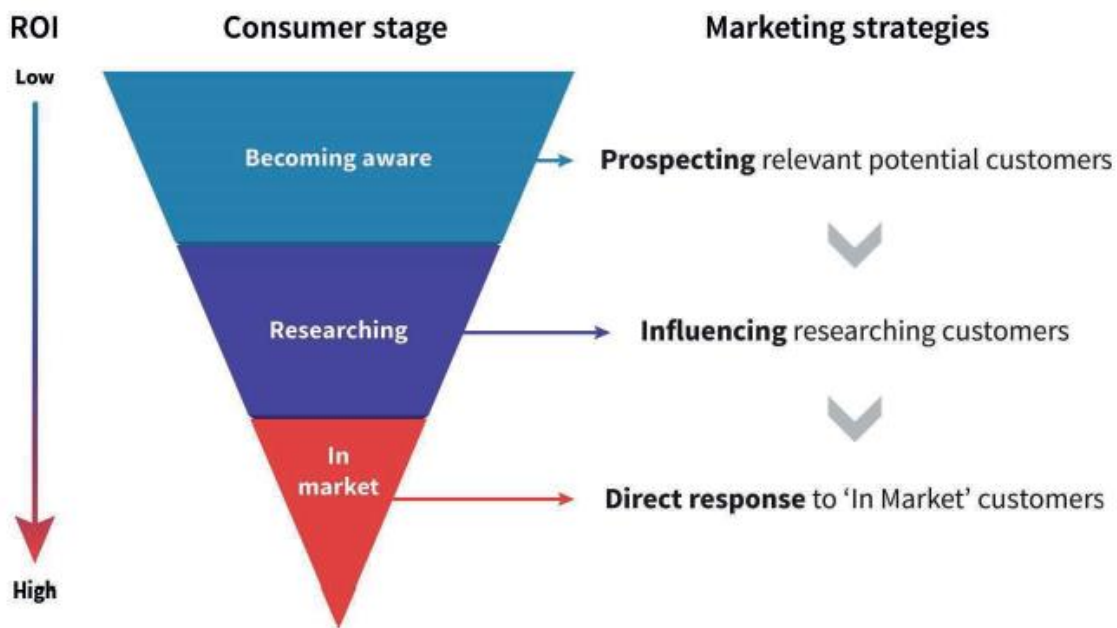
Advertisers can employ specific marketing strategies and tactics depending on which stage the consumer is at in the conversion funnel.

Becoming aware

Advertisers use prospecting to create awareness and drive new customer acquisitions by serving display banners to consumers who have never been to their website before.

The most common prospecting tactic is 'lookalike' targeting, where an advertiser targets new customers who match an existing customer profile.

Third-party customer data can be used by advertisers looking to target specific types of consumers. For instance, consumers who are interested in buying shoes.

Researching

In the researching or consideration phase, advertisers aim to engage and influence their target audience. Advertisers will use a number of tactics including contextual and placement targeting during this process.

Contextual targeting pinpoints audiences who are browsing content on the internet that is relevant to an advertiser's brand or product. This enables advertisers to decide what content they want their ads to appear against. Advertisers can target specific keywords such as 'outdoor clothing'.

Placement targeting enables advertisers to choose the individual websites, or specific sub sections that that they would like their ads to appear on. This enables advertisers to ensure that their ads appear in places where they know their target audience is most likely to engage with the creative.

In market

Also known as the 'purchase' phase, consumers are now considered eligible to be effectively sold to. The goal is primarily achieved through remarketing to users who have visited the advertiser's website before.

Remarketing enables advertisers to target consumers based on their recent on-site engagement. Based on historic engagement, advertisers can then remarket to these consumers with highly specific messages.

For advanced remarketing, advertisers can overlay additional analytics data, such as bounce rates and number of visits to a website, as well as custom data such as device and location to better assess the quality of the consumer and thus improve targeting effectiveness.

Steps to setting up a programmatic display campaign

The hardest part of all advertising campaigns is simply getting started. To give your campaigns the best chance to succeed, here are some of our top tips:

Set clear objectives - Have a clear picture of what you want to achieve from your programmatic display campaign. Define what key metrics to measure and put in place KPIs.

Research your audience - Develop a customer framework to define your target audience and consider the types of consumers who may be interested in your product. Use third-party data sources to understand the internet browsing behaviour of your audience.

Allocate sufficient budget - Ensure you allocate budget to allow the campaigns time to mature through optimisation.

Optimise campaign performance - Have structured testing in place for audience targeting, ad placement, ad creative, budget allocation, amongst other core factors to maximise the budget, reach and ongoing performance across all audience segments.

Attribution - Use multi-touch weighted attribution modelling to improve your decision-making on target audience, budget allocation, and campaign optimisation factors. There are a number of attribution models available, choose the one that best fits your needs.

What the future holds

With programmatic RTB predicted to continue its rapid growth this year, what can we expect going forward into 2015?

Advertisers and brands will turn big data into smart data as they begin to focus more on combining first-party and third-party information to reach consumers with relevant needs and desires. With the wealth of first-party data available to brands, they are looking to have more ownership and control over their data. This will increase the popularity of data-management platforms (DMPs).

With an increase in devices and digital marketing channels, attribution has never been so important to marketers who want to know where their conversions have come from. Technology will continue to advance to help advertisers see and understand the consumer's full path to purchase through integrated paid search and display campaigns. It will be a year of investment by brands who wish to benefit from gaining a better understanding of consumer behaviour. There will be great advancements in reporting technology and advertisers will need to take advantage of this.

It is time for advertisers to update their creatives because the future is all about rich new formats. Dynamic creatives are a relatively new technology, bringing together the best in personalisation and audience segmentation. Not only do dynamic creatives allow advertisers to quickly change messaging which saves time and money, but they are also incredibly effective in turning window shoppers into purchasers. This creative format will alleviate much of the hassle that getting banners designed can cause, and will offer advertisers an easier way to manage retargeting campaigns, causing it to be an extremely valuable asset in the upcoming year.

Another new format to consider is native advertising. While native advertising has been around for years, expect to see it more within the programmatic space. It is a format that pushes content into high relevance and will bring programmatic advertising to the next level.

No marketer enjoys paying for an ad that hasn't been seen. This is why viewability has become a huge issue over the past year. Viewability is a metric that determines the likelihood that an ad will be seen by user. For instance, the lower below the fold the advertisement is placed, the less likely it is to be viewed and the cheaper the ad placement will cost. Recently the IAB even created the first guidelines on display advert viewability. Although as yet they have not had widespread integration, expect to see this become a key metric for many DSPs in 2015.

Mobile Display

Mobile advertising is one of the driving forces behind the rapid growth of online display advertising. Advertisers are beginning to invest a significant amount of their digital advertising spend into mobile because of two main factors.

The first factor is simply the sheer number of smartphone users and the fast rate at which smartphone penetration is growing. According to eMarketer, at the end of 2014 there will be more than 1.64 billion mobile smartphones across the globe, with expectations of surpassing the 2 billion mark in 2016. To put that into perspective, by 2016 there will be more smartphones than PCs in the world.

The second factor is changing consumer behaviour and their increasing engagement with smartphones. During IAB's 2014 conference, Zac Pinkman, managing director (EMEA) at Millennial Media, discussed the ways in which UK smartphone owners use their mobile devices. He highlighted that:

- 69% of UK digital consumers engage on both computers and mobile devices
- 55% of UK smartphone and tablet owners say they use mobile for location-based services
- Four in five smartphone users in the UK use the internet on their mobile phones every day
- On average, people check their mobile phones 150 times a day. That breaks down to once every 6 ½ minutes.
- Average time spent per month online is 29 hours and 14 minutes for desktop and 41 hours and 42 minutes for mobile
- When you combine these two factors together, it is clear why so many marketers are investing in mobile campaigns.

What is programmatic mobile display advertising?

The process of programmatically buying mobile display inventory is very similar to purchasing desktop inventory. Like on desktop, mobile inventory can be purchased through an automated system either directly through private marketplaces, or indirectly through open real-time bidding exchanges. However, that is about where the similarities end. Advertisers

need to take into consideration that consumers use mobile devices differently, at different times and for different reasons. Furthermore, mobile advertising doesn't allow for flash-based creatives and has its own ad formats to suit smartphone and tablet screens across in-web and in-app inventory.

Trying to make sense out of all of mobile's nuances on an impression basis and in real time can be a daunting task for even the most senior of advertisers. To create a successful mobile campaign, advertisers should consider these steps:

1. **Advanced objective planning**
   Have clear objectives of what the campaign should achieve. Design goals to be both measurable and realistic. For instance, traditional tracking methods don't translate into mobile and may require different solutions.

2. **Know your audience**
   As with any programmatic effort, advertisers need to develop a framework of their ideal customer. Consider who the target audience is and how they interact with their mobile devices throughout the phases of buying.

3. **Think about the device**
   Smartphones allow advertisers to engage with consumers like no other medium can, but added complexity comes in the large number of different device formats to work with. Advertisers should plan how to work effectively across a range of device types.

   For instance, smartphones offer great immediacy and quick responses, along with opportunities for branding in the right location, at the right time, and to the right audience. Tablets devices conversely are used more for the slower consumption of content, and are more likely to be used as a second screen in the home, when a TV is concurrently being watched.

   Also consider the size of the screen. With smaller smartphones, and smaller screens, what is the best way to get your advertisement viewed? Perhaps consider using video to create an engaging message that takes advantage of the screen size. Tablets offer a larger screen and can be more compatible with standard desktop banners.

Before investing in mobile, advertisers should have a mobile-optimised and responsive website. The responsive website should consider how the audience uses their devices. For instance, if it is probable that they will purchase from a mobile device, a lead form would be the best option to serve.

4. **Reliable and scalable tech partners**

   Spend time researching your tech partners. It is important to find credible partners who have the capacity and scalability to manage your needs. Do they offer an easy-to-use interface with data integration capabilities? Such items are important to consider as they will affect the success of your campaign.

5. **Conversion tracking and optimisation**

   Tracking, reporting and ongoing optimisation are important for any display campaign, but for mobile the process of tracking and optimising in-app campaigns versus in-web campaigns is completely different.

   As discussed in the planning stage, traditional tracking solutions are not effective on mobile devices. In-app and in-web advertising does not support cookie tracking. In these instances, third-party tracking solutions may be required to report and optimise campaigns towards their performance goals if an advertiser does not have a built-in solution.

The importance of programmatic mobile advertising

- **Multiple data points -** There are far more data points than would be available on desktop, giving advertisers even more data to help them understand consumer behaviour. This also hands the advertisers more granular targeting capabilities.
- **It's omnipresent -** Mobile devices have become part of our everyday lives. For many people, their smartphone is the first thing they look at in the morning; the one thing they carry around with them all day and the last thing they look at before they go to bed. This gives advertisers the unique opportunity to reach consumers on a one-to-one basis in a highly engaging way.
- **Immersive –** Programmatic mobile advertising offers new and engaging formats that get the consumer involved. This is especially true with mobile applications which offer banner and video-based adverts.

What the future holds

While mobile advertising offers marketers so much potential, there is still a long way to go. Marketers are playing catch-up with mobile display as the pace of mobile advertising innovation and adoption has not been able to keep up with the proliferation of devices and users globally.

Programmatic technology has both simplified and complicated this problem. Whilst the programmatic process offers an easy platform to purchase mobile inventory, there are now numerous mobile-specific advertising platforms and a disconnect in tracking users across multiple devices. Simplification may be on the horizon as advertisers push towards achieving single view of the consumer across all devices.

The future of mobile advertising is the ability to deliver a consistent message across mobile web and mobile apps, as well as through all other devices. In order to accomplish this, we first need to unify the view of consumer engagement within the single mobile device. Mobile web browsers and mobile apps still use different user identification and tracking methods.

Once a single view of the consumer exists on an individual mobile device, the next step will be to track cross-device interactions. Companies such as Facebook and Google have an advantage in this area as they are able to track users who are logged into their services via a user ID. They still have a long way to go before these technologies are robust and adopted globally.

It is not just enough to be able to track users across devices and deliver consistent messaging, but the advertiser also has to consider the ad format they will use. Expect to see new mobile ad formats that are rich in design to engage users beyond the current banner options.

Video Marketing

Overview

Mobile advertising may be growing faster than all display formats at the moment, but video is not far behind and, according to PwC, will outpace the expansion of mobile app advertising within the next few years. Recognised as one of the most promising digital advertising formats available, spend pledged to online video advertising is expected to grow by more than 25% every year for the next five years.

Currently, video is the most consumed form of content on the Internet. According to Vital Media, online videos now account for 50% of all mobile traffic. Furthermore, consumers are viewing approximately two billion videos per week on YouTube, making it the second-largest search engine in the world. Interestingly, TV viewership declined 4% in 2014 as consumers flocked to watch television digitally.

The vast amount of consumers viewing online videos is only part of the reason online video advertising has exploded, and we must also recognise the impact this medium has on the consumer. According to eMarketer, 52% of marketing professionals across the globe believe that video is the most influential advertising format in which to achieve the best ROI. Owing to its engaging and informative nature, 96% of consumers find video helpful in making purchasing decisions, according to ReelSEO.

At The Consumer Electronics Show this year, Neal Mohan, Google's head of display and video ad products, spoke about the influential power of online video advertising. He stated that the best way to reach and influence the consumer is through video. According to Neal, it has the power to stir their imaginations and inspire them in ways that no other format can match.

Advertisers may be excited to hear that, for most consumers, whether they are watching organic content or promoted video adverts doesn't actually matter, as long as it is high quality and relevant to them, says Mohan. With the help of performance marketing and programmatic trading, it has never been easier to deliver relevant online video content to the right user, at the right time and in the right place.

Video and performance marketing

For advertisers looking to take advantage of online video advertising, there are two routes that can be taken: (1) Organic video content; and (2) Programmatic paid advertising. Each of these approaches offers its own benefits, but with a coherent integrated marketing strategy, the two can work together in synergy.

Organic video content

Organic online video content can be used across a brand's owned media channels including, websites, blogs and social media, and can even create uplift in search engine optimisation (SEO). The benefit of organic content is that it is free to upload and distribute online. However, without promotion it has limited reach, unless the brand's publisher network is extensive. While it may propel a brand's reach further by increasing their SEO effectiveness, it is still dependent upon the users who seek out the content and those who share it.

When planning an online video strategy, consider the following items to increase the likelihood of success:

- **Make it relevant and make it high quality**. According to Comscore, professionally produced video which has been optimised for e-commerce outperforms user-generated video by 30%.
- **When adding video to a website, consider placing one on the homepage as well as other popular landing pages.** Forrester Research states that by using video, a brand is 53 times more likely to get on page one of Google's search results. When adding it to all landing pages, the success rate increases by 80%.
- **Put product videos on each product page.** This increases the conversion rate as consumers find videos useful in making purchasing decisions.
- **Add embedded links to appropriate landing pages.** This can also increase the conversion rate.
- **Don't overlook using videos throughout blog posts**. According to Moz, this will attract three times more in-linking domains than plain-text posts, increasing the number of people likely to visit the blog and ultimately benefiting SEO.

- **Use social media to promote videos.** This is an effective way to increase the reach through user sharing. In fact, out of the top 50 most-shared pieces of content last year, 48% were video (Moz).

Programmatic & paid video advertising

Whilst all forms of online video advertising require a budget that in many cases is bigger than a budget for standard online display banner ads, they also allow advertisers to extend their reach to those who might not naturally find their content.

Traditional advertising on TV can cost advertisers large sums. Originally, the same process of direct TV advert sales was used when selling online video advertising inventory. Now, programmatic is gaining in popularity and many publishers are using it to sell their available inventory to maximise yield through not just programmatic RTB, but direct and private marketplace sales as well.

Video, like mobile, is seeing extensive growth and success resulting from the industry leaning towards programmatic trading. Programmatic video advertising is similar to any other form of programmatic advertising. Through an automated process, inventory is exchanged according to algorithms that incorporate advertising decisions and audience data. However, there are several things that set video apart.

Firstly, there are several different ad unit formats in which video advertisements can be displayed. The most common formats are pre-roll, mid-roll and post-roll ad spots. These online video ads appear before, during, and after a video stream. Another method includes embedding an online video ad into a standard or rich media banner creative.

Online video advertising has many benefits over traditional television advertising. As Mohan points out, "The beauty of the internet is that advertisers are no longer constrained by the 30-second video format", or traditional television advertising. Advertisers can also engage with users as they move between devices. Many advertisers are now allocating more budget to online video advertising as it offers greater reach and visibility of performance.

Why is video important?

What makes video so effective is its ability to appeal to emotions and engage viewers. It is capable of bridging the gap between the medium and the message that no other online advertising format has been able to do before.

These factors contribute to online video advertisements achieving much higher click-through-rates (CTRs). According to DoubleClick, video ads see a CTR of approximately 1.8% —compared to only 0.6% for mobile ads, 0.2% for display ads, and 0.1% for flash ads. Online video advertisements are also an effective form of brand awareness.

As humans, the combined visual and audio stimuli causes our brain to respond more effectively, ultimately improving message and brand recall. Users also have a tendency to turn their attention to mobile devices during television adverts. This offers advertisers the opportunity to engage with consumers. Audio targeting technology exists that allows advertisers to target consumers on mobile devices based on what can be heard in the background.

For many advertisers, getting an online display advertisement noticed can be difficult. Video ads, unlike any other format, have a viral reach. With the explosive nature of social media, it only takes a few people to start sharing an ad for it to replicate over and over again across the internet.

What does the future hold?

The scarcity of 'premium' video inventory has in the past hindered online video advertising. However, as the programmatic trend continues to spread, expect to see more online premium video inventory becoming available. It is going to be easier to access premium online video inventory as the way users have taken to video tells us there will be an increase of inventory available.

Mohan states that we are moving towards an abundance of premium online video inventory as the previously minimal, concentrated purchasing channels are beginning to fragment across channels and devices. Recently, YouTube launched Google Preferred, which reserves the top 5% of "premium" video inventory (based on views and engagement) for a selection of preferred advertiser and agency partners.

This year we will see an active effort in confronting measurement challenges including viewability. Similar to standard programmatic RTB, online video advertising faces discrepancies about how to measure if an ad has been viewed and how that benefits the conversion rate.

According to Mohan, Google found that a full 56% of video ads are never seen by human beings. In order to combat this statistic, the group announced at the beginning of January that ActiveView metrics wouldn't be available for all video campaigns. Already available on Google's Display Network, ActiveView allows marketers to see how many of their ads have actually been viewed.

Case Study

Autodesk and Net Media Planet

Autodesk, Inc. is an American multinational software corporation that makes software for the architecture, engineering, construction, manufacturing, media, and entertainment industries. Currently, over ten million professionals in 185 countries are using Autodesk products to save time and money, gain a competitive advantage, and change the way ideas are brought to life.

The challenge

Autodesk's main objective was to drive online growth through an increase in traffic and online sales.

The solution

Net Media Planet approached the challenge with the use of paid search and display advertising. The group created and leveraged the synergy between Autodesk's ongoing pay-per-click campaign (PPC) and newly added display campaign.

The process

Net Media Planet's main aim was to use PPC to drive traffic, and utilise remarketing lists for a number of different products. Variations were tested across international markets, including Scandinavia, the Czech Republic and Italy. In September 2013, this approach was fine-tuned by using retargeting lists to deploy highly relevant and specific ad copy, as opposed to generic ad copy. What this meant was that someone searching on a branded term that previously visited the Maya product page of Autodesk would be shown Maya product copy instead of generic ad copy.

In January 2014, a display campaign was added to the ongoing PPC campaign. PPC campaign insights were added to the display campaign set-up structure including remarketing lists, day-parting analysis and buying cycles. These initial attributes helped to accelerate ROI from display advertising, as initial testing was expedited. For example, by

looking at the buying times for a visitor to click on a PPC ad (conversion lag) Net Media Planet could then apply this weighting to the display campaign.

Another example where the application of PPC insights to the display campaign added value was in understanding the number of times a person had clicked onto a PPC ad (touch points). This helped develop an understanding of the time it took for visitors to convert to buyers, in this instance highlighting the fact that visitors clicked on ads several times, indicating a longer buying cycle.

The results

From January 2014 - August 2014, traffic driven from search remarketing campaigns increased by 400%. Display remarketing activity brought lost customers back into the market through search, indicating that when correctly paired with display ads, PPC is more effective. Autodesk saw an increase in overall traffic by 141% and a 300% uplift in sales between January 2014 (when display activity first started) and August 2014.

You can see more results from the campaign in the PerformanceIN case study section.

Case Study

Cotswold Outdoor and Net Media Planet – Driving Brand Awareness, Profitably

Cotswold Outdoor is an award-winning, multi-channel retailer with stores throughout the UK. The group has over four decades of experience in outdoor retail, which includes clothing, products and equipment. Following a highly successful paid search campaign, Cotswold Outdoor asked Net Media Planet to extend the brand's online reach and increase sales, cost-effectively, through online display advertising.

The challenge

To drive brand awareness whilst maintaining positive ROI.

The solution

The approach was to use online display advertising to target consumers with a known interest in purchasing outdoor products.

Strategy

Net Media Planet used its proprietary technology, Mercury, and third-party data to identify niche sites with an audience that matched Cotswold Outdoor's target demographic. This, together with rich demographic data, helped the group inform the media planning and buying strategy.

With a range of dynamic and creative ad formats, it was able to build brand awareness and drive revenues during peak sales periods.

Results

The campaign achieved over 14.9 million impressions and contributed to 12% of all sales revenue in the first three months of launch. This was achieved at very positive ROI, where the return was eight times higher than the investment

Search Marketing

Contributed by

oban
Digital

semrush
competitors research

Search

Overview

Search engine marketing (SEM) is made up of pay per click (PPC) and search engine optimisation (SEO). The aim of these processes is to better engage customers who are looking for information related to your products or service. It is about making your website visible within the online search engine powered spaces to attract new customers.

The online search space is a highly valued area for advertisers to achieve strong visibility in and with Google holding approximately 80% of the market share in the UK, it is a prime selling space for marketing managers to focus on.   The image below indicates how the search space is split into paid search (PPC) and natural search (SEO). The red boxes show paid listings and the blue box shows natural listings.

Search marketing is constantly evolving and search engines continue to develop new innovations and change the way that they classify websites and display the positioning of your site. If you mix this with your competitor's development activity and the influx with new advertisers who continue to enter the search space, you have a situation which is constantly changing and means that your own search strategy needs to evolve to maximise your visibility in the search space.

Paid Search

Overview

Paid search is now one of the most effective digital marketing channels, as it captures browsers in the exact moment when they're actively seeking what you provide. The channel is also inherently linked to performance marketing due to the fact that methods of ad space acquisition, such as pay per click, mean that buyers only pay out when an advert is acted upon.

According to Kenshoo's Search Advertising Trends for Q4 2014, in EMEA, search advertising spend has increased 8% year on year since the same period in 2013.
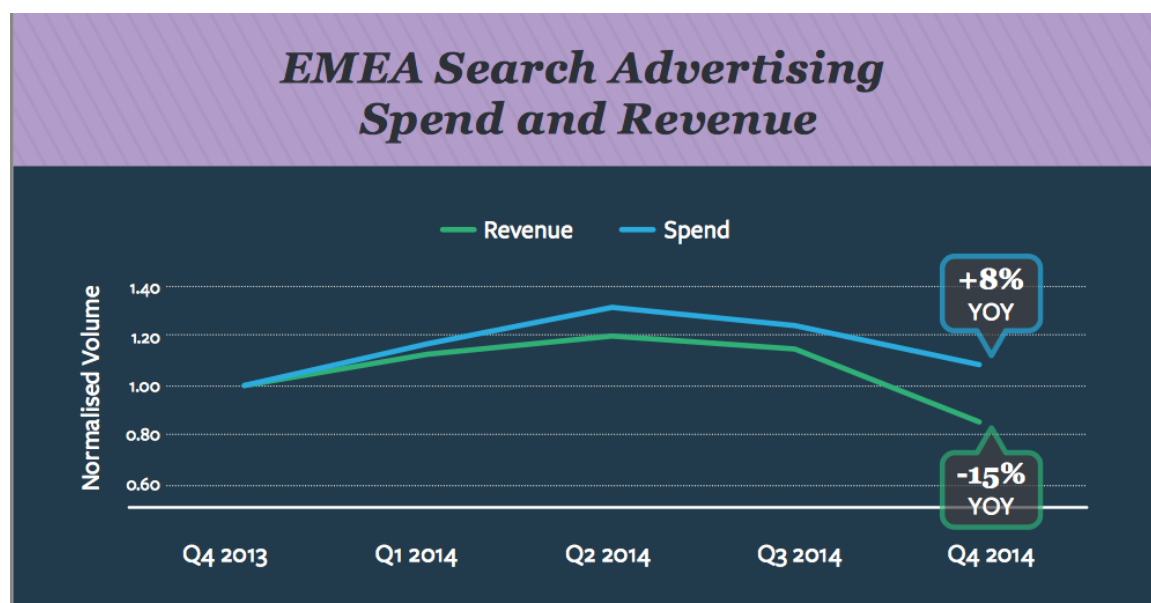
In a typical paid search campaign, metrics like the click-through rate (CTR) or cost-per-click (CPC) are used to determine success for entries on search engine results pages provided by the likes of Google and Bing. As a point of guidance, Kenshoo reports that in EMEA regions, the average CTR is 2.5% and the average CPC is €0.46.

Another attractive feature of paid search when compared to other traditional forms of marketing is its ability to offer cost per lead. This is a pricing model which sees the advertiser pay out when a consumer supplies some of their contact information for the company's

reference. It is one of the most basic examples of online lead generation and forms part of the paid search mix.

Moving from the EMEA market to the UK specifically, 2014 saw a significant amount of growth in searching as a practice. The Google Consumer Barometer shows that 28% of UK consumers only researched their last purchase online - the highest percentage in Europe. The UK also holds the leading position for online purchases of clothing and footwear, as 49% make purchases of these products over the web.

Advantages

There are myriad advantages to investing in paid search advertising, and they are…

1. **Delivering advantageous results.** This channel proves time and time again that it simply works. As of 2012, 64.6 percent of clicks are generated by ads in Google search results.

2. **Providing fast and measurable outcomes.** No other marketing channel provides such easily measurable results and ROI.

3. **Extending your brand awareness.** There have been a number of cases where paid search hasn't generated revenue but still works as a part of an online presence campaign. The level of awareness is also calculated by search engines and helps brands get recognised.

4. **Customisable.** Compared to more traditional marketing channels, paid search offers many more options to tailor ads for specific needs. You can target the right audience by setting the location, time of day, language, browser or even device type.

5. **Unlocking the power of re-marketing.** Re-marketed or re-targeted display ads follow your site visitors on other websites. Research from Criteo recently proved that website visitors who subsequently view re-targeted display ads are 70% more likely to convert than those who don't.

Improving paid search performance

In paid search, everything begins with keyword research. Always remember that bidding on incorrect keywords will throw you off budget. Don't skip using negative keywords as they allow you to filter out search terms that aren't relevant to your business.

Also pay attention to how relevant your ad copy is to each keyword and send users to the correct landing pages. The best approach is to create unique advertising copy for each keyword. If you have a lot of keywords, you can use special tools that allow you to generate ad copy automatically. Among those options, there is the highly recommended Certified Knowledge Mass Adwords Ad Copy Creation Tool.

Paid search advertising text with strong calls to action will pay dividends immediately. SEMrush.com analysed more than 10 billion examples of ad copy to find out the most effective verbs that advertisers use. When writing a call to action, take the following into consideration:

Most popular verbs

SEMRUSH
competitors research
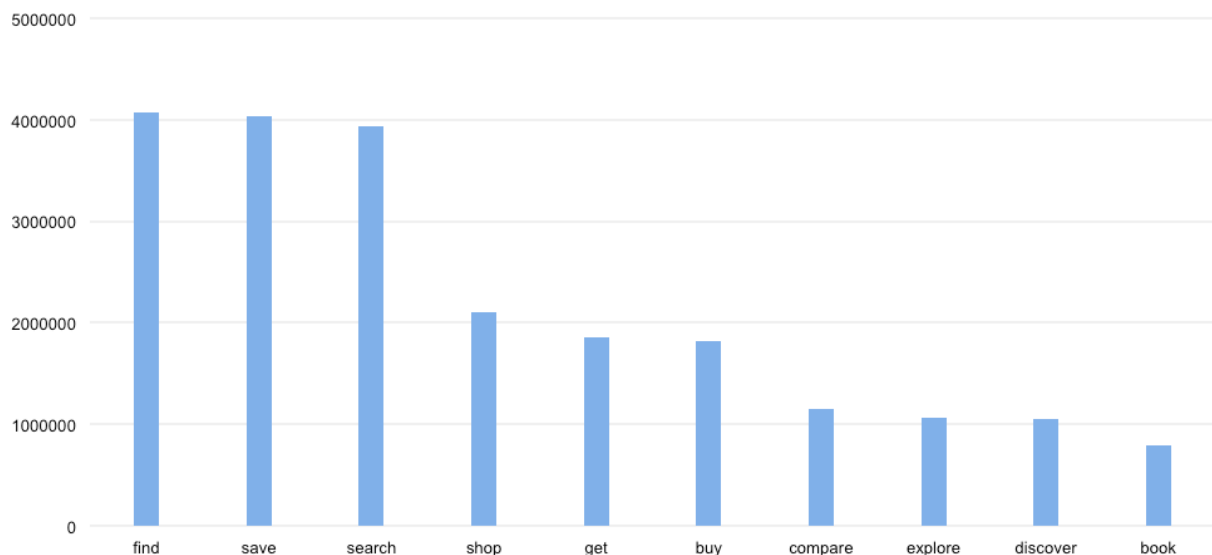
What's interesting is the word "buy" doesn't appear in the first five results. It seems that

when it comes to advertising, companies prefer less a pushy approach and a soft sell, instead of pressuring customers to buy.

Don't miss using AdWords extensions in your Google campaigns, which can capture the attention of searchers and, as a result, increase your CTR. Ad extensions allow you to provide additional information about your business. Google provides a few types of extensions, including site links, location details, reviews and phone numbers.

Finally, optimising your paid search activity involves multiple steps and daily monitoring. The ever-changing environment of search engines requires constant A/B testing, heavy work on your CTRs and quality scores, updates to ad copy, the refreshing of keyword lists on a regular basis and much more. This essentially means that without the help of an expert in the field, it can be tricky to launch a successful paid search campaign from scratch.

SEO

Overview

Search engine optimisation – or SEO - is the process of getting more visits to your website from organic (or non-paid) results in the search engine results page.

SEO can be carried out by considering a number of elements on a website and running a continual process of improvement. These can be seen below:

The SEO process

Technical review - Getting the technical basics right is always the first area to work on. The better your website's structure is, the easier both search engines and visitors will find it to use.

Audience research - Understanding the search requirements for your audience is important. Before you create content to attract new customers you have to understand their intent when online. Researching what keywords and phrases are used to find your site already and the questions people are asking about your products and services will help

shape your online strategy. Don't focus on a short list of "hero" keywords to get rankings from - focus on core themes from your site.

"Rankings" as a measure of success won't help your business. Personalised search now works on individual rankings that can change from person to person. So, monitoring where you see keywords won't necessarily mean that everyone else is seeing the same thing.

When reviewing your audience, take into consideration all aspects of the buying cycle; from the initial research phases to post-purchase questions. This will ensure you capture the intent of your potential customers throughout their journey.

Content review and planning - Review your content, what your audience is interested in (gathered from audience research) and what your competitors are doing. Once this has been completed, create a plan which meets these needs and is in-line with your marketing strategy.

Content promotion - Once you have created content on your site, promotion of this is needed to raise brand awareness and to make a wider audience aware of your site.

Review results - Once content promotion is complete, review the results and from there you can plan the next steps to improve visibility further.

Importance of SEO

SEO drives traffic to your website without paying for every click. In many instances organic traffic accounts for more than half of visits coming through to a website each month. Any company with a website needs to have some focus on driving traffic from organic search to enable more online visits.

SEO is particularly useful in the early stages of the buying cycle as your visibility will help build brand awareness.

Focus on how much traffic and how many conversions you are getting from organic search as these measures will help your business grow.

Landscape

In the UK the main search engine is Google, with a small amount of search traffic going to Yahoo and Bing.

For the majority of industries, your best bet is to focus on Google as the main traffic driver. Most of the techniques which work in Google will also help you in Bing and Yahoo.

Tips and tricks

There are a number of useful tools which can be used to help monitor and improve your website, some of these are free but others have a subscription.

Free tools

Google Webmaster Tools – Shows a window into how your website is performing from Google's perspective. Important to ensure no major issues such as manual actions or malware notifications.

Google Analytics – Allows you to track the success of your SEO activities and to monitor what content is working well for your site.

Paid tools

Screaming Frog – Lets you crawl the site as a search engine would to identify issues such as broken links or missing optimisation.

Moz – Allows you to monitor performance of keywords, monitor and download backlink reports for your site and your competitors while providing recommendations for specific pages.

Introduction to International SEO

When you consider that more than 70% of internet users are now non-English speakers, it's natural enough to turn immediately to translation to attract more international buyers. Yet

your first step in online globalisation will be to recognise that merely translating an English website is not going to be enough.

Beyond language considerations, cultural nuances must also be taken into account to create a local web presence that feels natural to local visitors. Colours used in site design, for example, can play an important role. The colour red implies positive sentiments of luck in China, beauty in Russia, but danger when used in Germany. Similarly, the colour green means 'go' in Britain and the US and is also a symbol of infidelity in China.

Different countries have different audiences, with unique dialects, languages, cultures and belief systems. Above all, global keyword research should reveal the online search habits of a market – the same cannot be said of directly translated keywords.

Search intent – or customer intent – directly affects success in any international online campaign. Before you start any keyword research, ensure you understand the search intent landscape of your target market and its culture. A well-informed international marketing strategy, built from the ground up, is essential for campaign success.

Take Switzerland, for instance. It has four official languages and apart from the native Romansh language, none were "born" in Switzerland (German, French and Italian).

In the case of Indonesia, it has approximately 700 languages spoken at any one time. Variations of a subject, product or item, are also endless and should always be taken into account. For example, while in most of France a sweet roll in chocolate is referred to as 'pain au chocolat', west-southerners prefer to call it 'chocolatine'. This directly affects the flow of regional search traffic, as highlighted below:
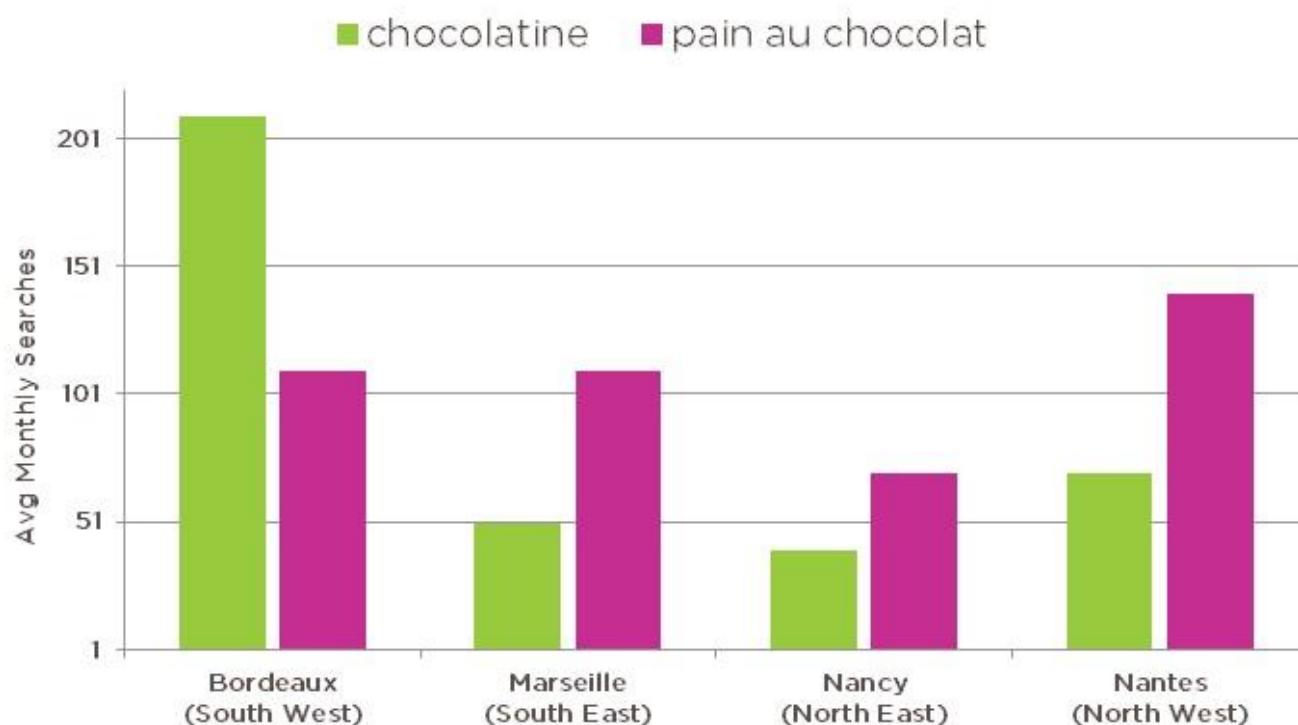
There are countless tools dedicated to the daunting task of keyword research and there's a greater pickup in tools for multilingual keyword research. Albeit a really promising trend, we should never believe tools can replace the work of a native expert in a given market.

So often is the case a client will already have an English-language keyword list that they use and generate through translators into a target market's "language". These translations are then put through various tools until the client finally believes there's a multilingual campaign; but the task is not so straight forward.

Yes it's about language, but it's just as much about culture. We believe global keyword research will only truly be global if we identify and expose the various idiosyncrasies related to a given market.

As Benedict Anderson once said, "a language is an imagined community" and we believe that only native speakers who are still immersed in their own native cultures can really, truly dig out those exquisite jewels of keyword research and search intent. Keyword research should always strive to show us behaviour; and behaviour is a perpetual stage of change – something a list of translated keywords will never be able to do.

Case Study

Chapman Freeborn with Oban Digital

"Up in the air - improving SEO visibility for global aircraft specialists in emerging markets"

The brief

Global aircraft charter specialist Chapman Freeborn offers private jet charter, group air charter and cargo air charter services on a global scale. With more than 30 offices worldwide across six continents, the company has an established presence in most major commercial and aviation hubs, offering an enviable global network in the skies.

Unparalleled access and a specific offering needed a strong multilingual SEO strategy, localised to appeal directly to its target audiences around the world. Our task? To help improve SEO visibility for Chapman Freeborn in its key global markets with a specific focus on Australia, Brazil, China, Germany, Italy, Netherlands, Poland, UAE, UK and the US. All are distinct markets with multi-language differences and diverse online behaviour.

What we did

- Full technical SEO audit and implementation
- Highlighted opportunities for best SEO practice and internal linking for deeper linking content in a full on-site content audit
- On and off site content creation, optimisation and outreach
- Implementation of keyword research and on-page optimisation for target markets UK, US, DE, NL, IT, BR, CN (Google & Baidu), AE and PL
- Research and implementation on a mix of traditional and blogger outreach link acquisition
- Crafted an XML Sitemap to ensure effective index information for Google
- Comprehensive Google+ strategy
- Rich snippets and structured data mark-up

What we achieved

- Organic Traffic was up 26%

- Total Conversions uplift by 21%

- Organic conversions increase by 129%

Content Marketing

Content Marketing

Overview

Content marketing is, and has been for a few years now, one of the buzzwords of the moment. Ever since Oreo tweeted a fairly basic graphic response to the blackout during Super Bowl XLVII (and got a HUGE amount of applause from trade press in the process) - brands have been trying to recreate the same effect.

Every company under the sun wants to be a publisher, and because of this, the internet is cluttered with branded content. Some of it is fantastic, but a large proportion of it is ill-planned, lazy and wholly irrelevant to the brand in question. A quick look at royallydesperate.tumblr.com proves the point – and that's just **one** 'newsworthy' event.

We've thankfully matured to a point beyond this, where the industry itself is now talking about the notion of 'anticipated' content. Really, we've been doing this for years. For global brands with multiple regional teams, stakeholders and sign-off processes, let alone sector-specific regulation, a big percentage of social content (the focus of so many 'content marketing' conversations) isn't reactive at all. It's pre-planned, pre-approved and created weeks in advance.

If you're clever, you can pick up on seasonal trends and 'moments' that will be super-relevant to consumers and appear as if you've just whipped something up on the same day. But the amount of truly responsive content that's based on live events or news stories is very small.

Scenario planning

Anticipated content allows us to do this same thing - plan in advance - but do it in a smarter way. Rather than just relying on basic 2D images, scenario planning allows us to invest in richer multimedia content. It does mean that there's some wastage, but when one of those

moments occurs, you've got something strong, brand-relevant, and engaging to post immediately. We did this at H+K for Adidas around the World Cup last year; plotting out the possible outcomes of games, things players might say or do, and media and consumer response to those things meant that we had a raft of rich content ready to go at the drop of a hat.

Not only are we as an industry getting better at planning ahead, but we're also getting better at measuring outputs. And not just on a post-level basis, where you consider the performance of content based on engagement or reach and then feed that back into a content calendar, but also real business outcomes.

Social networks are making this easier for us, with better paid options that make it more straightforward to track leads, web traffic and downloads, not to mention excellent self-serve dashboards to look at analytics. There are truly smart technology businesses like ShareThrough and Outbrain that allow us to put our content in the right places natively, and the last layer is delivered by end-to-end analytics platforms like Hubspot, which allow us to track the entire journey, and finally start to add robust ROI metrics to the work we do.

Being in charge of 'content' is a strong place to be in these days, as really, it's just a catchall phrase for creating interesting things that tell a brand's story. Content can come to life through any channel; offline, online, social, shopper, email, mobile – you name it. While social is the layer being added on top of everything else, content starts from brand purpose – and that's a much better business to be in.

B2B and B2C

When it comes to the specifics of great content creation, there's really not that much of a difference in B2B to B2C communications. Not from a strategic perspective anyway. The touch points are different, sure, but the approach should be the same.

There's a reason that B2B businesses are now behaving like B2C brands; and that's because what influences us has changed. Influencers are changing for many reasons, but essentially the web gives us access and voice - which means that everyone is an influencer now; from your children to your parents. Because of this, the 'blurred consumer' has multiple interests, spheres of influence and various, overlapping networks. Therefore, you can now

influence a policymaker in the same way you can an 'everyday' consumer. Tactics and channels are changing because of this. And therefore, if you start with the core of what content marketing should do – portray brand purpose – you'll be far better off than if you start with tactics.

LinkedIn's Jason Miller sat down with Engage magazine last month and did a great Q&A on the future of content marketing. The key thing was the differing challenges B2B and B2C marketers are now facing. His point was that marketers have traditionally known how to connect with people on a personal level, while B2B marketers have always been better at building long-term relationships and managing this process. In 2015, that's been turned on its head; B2C needs technology to help them take a longer view – and B2B needs to learn how to humanise and connect better.

What this means is that B2C marketers need to get better acquainted with technology, as aforementioned, to allow them to track fuller and more accurate consumer journeys – to be able to then retarget and prolong relationships. B2B brands, on the other hand, need to loosen up a bit. This doesn't mean **becoming** a B2C brand, but instead just injecting a bit of personality into the way you do things.

How to create a content plan

So how do you create a solid content marketing strategy? Here are seven steps to a solid content marketing plan:

1. **Work out your purpose** - Without this, there's really no point in doing anything. Unless you have a clearly defined purpose, which outlines in a concise sentence why someone would choose to work/buy with or from you, what hope have you got in cutting through the mountain of advertising messages everyone's getting bombarded with daily? This means getting the right people in the room, and to agree; which is often tough, but absolutely vital.

2. **Map your audience** - There's also no point in doing a thing before you know your audience. That means not only looking at current customers, but profiling potential ones, mapping out their behaviours & demographics, then exploring where they spend their time, their preferences, and what they need. This bit of the puzzle is no longer a 'nice to have'. You've got to base your content on this research & insight. Using 'gut feeling' is the magic

sauce that sets apart good marketers from great ones, but you can't rely on that alone any more.

3. **What are you saying?** - By doing stages one and two in parallel, you should be able to work out clearly what you're offering people, and what they want. You then need to work out how you're saying it, and what the creative hook or platform is. This is the umbrella that catches people's attention and gets them excited. It has to be based on a combination of brand, category, human and product truths.

4. **What are you focusing on?** Consider an annual content calendar of seasonal moments, as well as brand news and sector events. What are you going to plan ahead for and focus on? Monocle's Tyler Brule did an interview for January's edition of Contagious, where he says that 'Brands must learn to edit' - this should be your content marketing mantra at all costs. Don't try to do everything; focus on relevant highlights across the year and do them really well, rather than trying to do absolutely everything.

5. **Who are you working with?** Here's a secret that will save you endless amounts of wasted budget and time; nobody really cares about what you have to say about your own brand. Well, you alone anyway. We all know that customer testimonials have always been the most powerful way to show off how great your brand is, but now the whole internet is one big testimonial, and we've moved beyond just collating nice quotes about the great things a business can do. Use the same concept to your advantage, but be smarter about it.

Consider content created for the community, by the community or with your community. Essentially, stuff you create yourself, things you get people to write about you – or the golden egg, co-creation with influencers, where you get people to collaborate on projects, rather than just commissioning them to do stuff for you. This isn't to be confused with YouTube's hygiene, hub and hero model. For/by/with is about who you work with, hygiene/hub/hero is about types of content that do different things.

6. **Remember divisible content, and distribute well** - If you plan ahead properly, an ad shoot can provide an opportunity to create so much more than just a 30-second spot. If you loop in the right people (and multiple agencies, if appropriate) then you'll get varied perspectives and more ideas not only on what to create, but where various iterations of that content can live. Make sure you're making 'hero' content work as hard as possible, and that you're distributing it in the places your potential customers spend their time. Consider paid

support in this, as it's vital to getting things seen. You can create the most beautiful video in the world; but if nobody sees it – you've failed.

7. **Measure like a beast. And get granular** - You need to track performance from an interaction and reach perspective, but also tie it back to end goals. Without that last bit, there's not really much point in doing anything to start with.

Picking up on points 5 and 6. These tactics are, of course, where the differences start to arise. But in terms of creating content that sticks, there are lots of different theories; you'll see a million lists online – all picking up on various attributions. The core of it all though is creating something that makes someone feel something; typically that's a 'laugh, cry or get goosebumps' type of approach, but it also could be content that makes someone think – or be surprised that they've learned something. Largely, if you can tap into an emotion, you've got it nailed.

Native Advertising

Overview

If you haven't already come across native advertising – you soon will. Native advertising is one of the biggest digital marketing trends in recent years and you almost certainly have interacted with it already.

So what are native ads? Native ads are a form of media where the 'adverts' are either part of the content or serve as the content itself, but they are clearly labelled as advertising. The IAB's latest Digital Adspend report has revealed that native advertising is already estimated to account for 21% of all digital display ad spend, and is set to grow phenomenally in 2015.

Why the growth in native advertising?

In a media landscape where consumers are bombarded with new online experiences, their consumption of media spanning across multiple devices, information and distraction are only ever a click away. This is the challenge marketers face in the digital arena of 2015. There is so much competition. In order to succeed, brands must have something worthwhile to offer.

These easy distractions and the advent in social media platforms as natural distribution points are largely responsible for the rise in content marketing. People share content, not ads.

All brands, big and small, are now engaged in creating and distributing content. Web content is the currency with which you interact and promote your business digitally to your customers.

Interruptions to the user experience are seldom rewarded. At best they are ignored and are therefore irrelevant; at worst they can really damage your brand. The brands that succeed online offer valuable information. This could be something like a 'how to guide', but just as equally it could be a fun article or humorous video.

Native's involvement

Native advertising is how you can effectively promote this content to your target audience and customer base, at scale. The results are impressive: native advertising typically delivers 5-20 times better engagement than traditional display banner advertising.

Native advertising offers real value to customers when done correctly rather than bombarding them with ineffective 'click here,' and 'buy this' advertising messages. It is an effective distribution medium for branded content. The content is what drives the interaction between consumer and brand.

But what is perhaps just as exciting to marketers is that native advertising is the perfect model and format for mobile. Traditional display banners and MPUs are ineffective and often crowbarred into small screens. Native ads, however, are typically displayed 'in-feed' as part of the content scroll and how users consume content on mobile, through the feed. And the results show it works.

Forms and best practice

Promoted tweets on Twitter, Facebook's promoted posts, content recommendations on publisher websites; these are all forms of native advertising. It is relevant, content-led advertising, clearly labelled as 'promoted by' or 'sponsored by', delivered into an editorial environment where your target customers are going to see and interact with it. And crucially, not find it irritating. As a summary, the very best native adverts follow these three key principles:

1) Content-led advertising – Fully branded custom content that offers customers real value.
2) The advert/branded content sits seamlessly in the design and layout of the host site – The ad doesn't sit in a banner placement or as an overlay that interrupts the site; it looks like something that is part of the editorial of the host site, but it is clearly labelled as sponsored.
3). The advert is user initiated - The user has to click to view the ad.

Innovation is rewarded online and native ad formats allow for significant creative innovation, while delivering reach and engagement that many other display ad formats cannot achieve. The fact that native advertising works just as well regardless of whether your customer is using a laptop, smartphone or tablet device and the benefits for going native are obvious.

Case Study

B&Q and Adyoulike

The challenge

The challenge involved B&Q's Autumn/Winter Décor. A/W Décor is a product-led brand campaign that focuses on getting people to do up their rooms, encompassing everything from paint to sofas. The challenge was in getting people to engage with content and ads in the environment they are already in without driving them to the B&Q site.

The campaign brief was designed as a pure branding campaign, with sales performance a secondary consideration.

Target audience

Aimed at an ABC1+ demographic interested in home decor and lifestyle.

Action

The Adyoulike Native Story was recommended as the best Adyoulike product for meeting engagement KPIs. Adyoulike created bespoke editorial for both the 'Into the Country' living room and 'Prelude' bedroom A/W collection. Alongside bespoke editorial, written by the Adyoulike content team, Adyoulike also created an image 'hotspot' for both areas. This involved taking a B&Q image asset and adding image links direct to checkout pages for particular B&Q products. All of this was accessible via the Native Story, distributed into native content environments across publishers.

Delivered on a cost per thousand (CPM) metric, the campaign created engagement, delivered in-depth information not possible with standard display and created measurable dwell time and social activity.

Results

Presented by   **Adyoulike**
Native Advertising®

The campaign performed well over its month-long run, with achievements including:

- Headline impressions: 1,926,375
- Avg CTR to Native Story: 0.68%
- Total sponsored page visits: 21,510
- Avg dwell time on Native Story: 9m27s
- Social media shares: 40
- Earned Media Native Story Visits: 8,371 (28.06% earned media visits).
- Direct visits to the B&Q website from story (3.05% CTR) CTR to B&Q Site: 401
- Number of direct sales generated: 132

Campaign KPIs of engagement were met. This is proved by a high article dwell time of 9 minutes 27 seconds, 40 social shares and 28% of all Native Story visits coming from earned media visits. These engagement rates for a brand campaign simply cannot be compared to other media where dwell times, engagements and depth of content cannot be achieved.

Mobile Marketing

Contributed by

affiliatewindow
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Mobile

Market Overview

Affiliate Window reached a milestone on Boxing Day 2014. For the first time in the network's history, sales made via tablets and smartphones exceeded 50% of the total number recorded. From one in 50 clicks at the start of 2011 to one in two, the event marks a psychologically important marker, forcing all of us to assess our mobile efforts.

Mobile poses a set of interesting challenges to performance marketers. Consumers are naturally gravitating to smartphones and tablets and the traffic to retailers' and affiliates' sites follows suit. Beyond the obvious optimisation that needs to be offered in order to ensure the best possible experience, what are the considerations and implications of this shift in purchaser behaviour?

Mobile growth

Before tackling this issue, let's consider the growth in mobile sales since 2011. This graph plots sales across the four years to the end of 2014, with the last quarter of each year showing how important mobile has been in pushing transactions and driving wider adoption:

The growth of tablet and smartphone sales
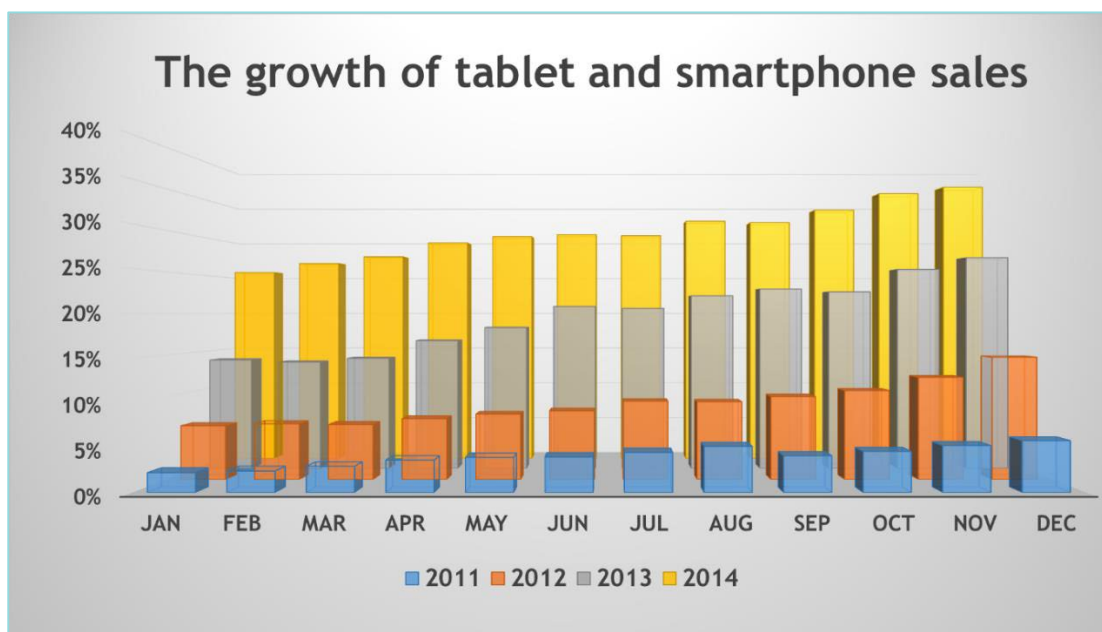
The aggregation of mobile and smartphone sales in 2011 and 2012 for reporting seems logical: both devices were cementing themselves in consumers' consciousness but neither were having a significant material impact on network performance. Combined, they told a more interesting story.

Fast-forward to 2015 and there is a need to distinguish between the platforms. Research consistently shows us that whilst eminently 'mobile' in their portability, tablets often don't stray far from the home - a web browsing replacement, if you like, for traditional laptop traffic. In contrast, smartphones typically travel where we do, without any geographical boundary or border. Besides the obvious screen size difference (which has been blurred with the launch of recent devices), it is fair to say the web is accessed in different ways, at different times, for different reasons and by different people via smartphones.

Can we label smartphones casual web browsing platforms? One indicator of this is click-to-sale conversion. If we take retailers with mobile-optimised commerce platforms then we can broadly compare this to performance on other devices. When we do we see a dichotomy between tablet and smartphone performance; one drives traffic and converts poorly, the other drives sales and converts strongly.

Let's consider Boxing Day 2014 as an example. As previously mentioned, this was the day that tablet and handset traffic exceeded 50% of overall clicks for the very first time.
Plotting sales, traffic and revenue for both platforms, we can see that clicks consistently outperformed both other metrics. With revenue indexing at the lowest rate, this shows that average order values must also be lower than those on desktops and tablets:

Handset clicks, sales and revenue: Boxing Day
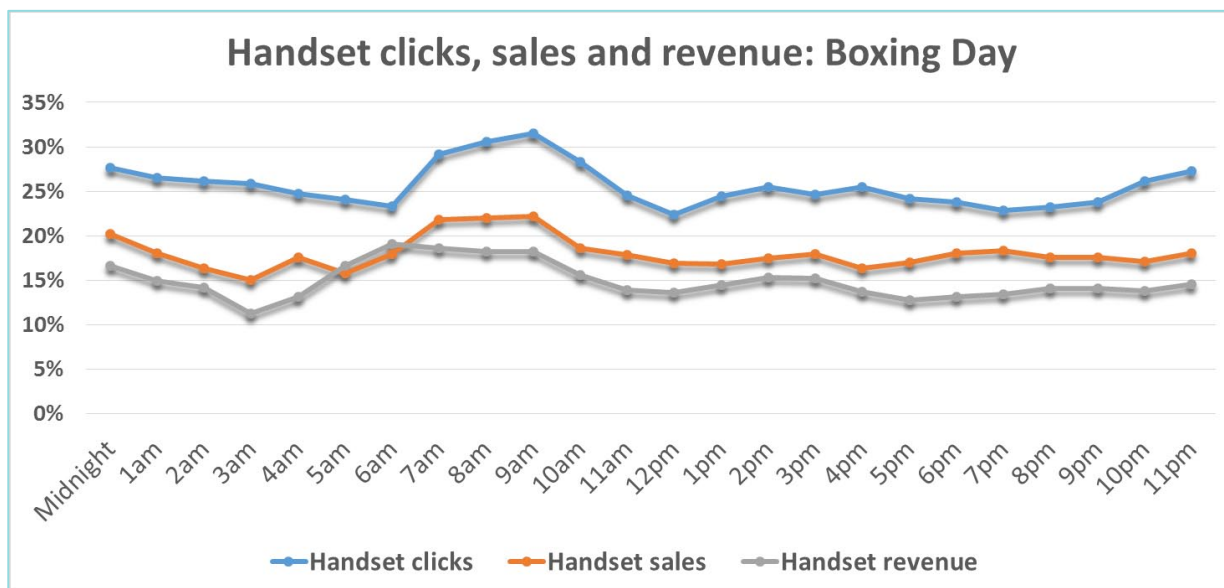
Then compare tablet performance - it's almost the reverse situation:

Tablet clicks, sales and revenue: Boxing Day
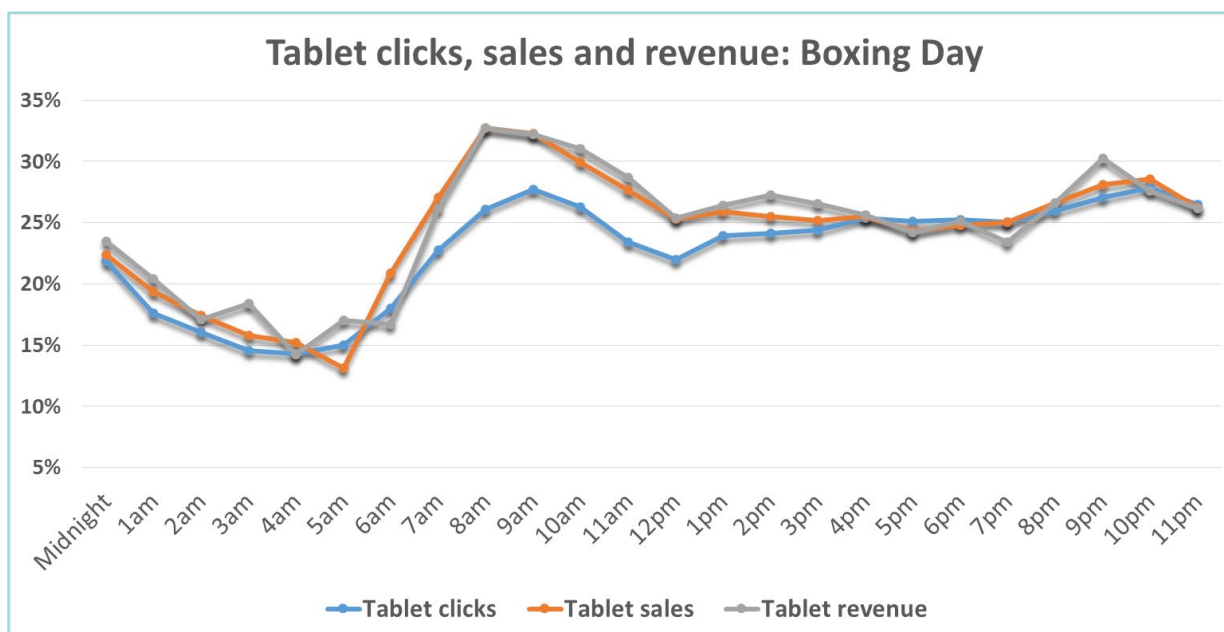
What can we conclude? It's probably inaccurate to say smartphones are driving poorer quality customers, but it is pertinent to ask whether the customers are different, or at least whether they are using smartphones to research, but not necessarily to transact. And when they do, are they buying different products?

Given overall statistics show a disconnect between mobile traffic and conversions, we can safely say that un-optimised, or poorly optimised sites will have an impact. But drilling the data down shows a disparity between those advertisers who succeed on smartphones versus tablets.

Prevalent amongst the tablet champions on Affiliate Window are mid to high-end retailers such as The White Company and Phase Eight. Boden, Laura Ashley and Joules also feature prominently in the top 20 by percentage of sales driven via tablets. These retailers will typically have higher average order values and a demographic that comfortably suits the iPad-dominated tablet consumer we see driving sales on the network.

Smartphones throw up a much more mixed picture. Taking the same criteria (percentage of sales by device), we can see more of a focus on fast fashion merchants, the inference being that these brands appeal to a younger demographic who may have had a smartphone all their adult lives and see less of a leap in transacting via the devices. The lower prices also take away some of the consideration that higher value purchases might, suiting the easy access and impulse nature of smartphones In addition, ticketing, commoditised products and short-term deal sites feature predominantly.

In talking about mobile customers we therefore need to be clear what we mean. This also extends to the types of customers being driven by operating systems. Further divergences are seen between Android and iOS across both tablets and smartphones.

Publisher innovation in the mobile space

Most prominent innovation seen in the publisher smartphone space tends to focus on the already established loyalty, reward, cashback and voucher sites.
Their business models are now widely understood, offering advertisers the ability to tap into their multi-channel traffic, be it offline or online. The in-store piece is still patchy in execution, requiring various processes to join up in order to measure the effectiveness of campaigns. Additionally knowing what products to push and offers to run remains something that is still being tested.

Men's fashion brand Burton ran an online and in-store voucher initiative in late 2013, offering a compelling 25% off. Whilst the campaign had an expected uplift, it was interesting to note that the average order value in-store increased by a bigger percentage than online, possibly hinting at the ability of a physical store to encourage better upsell opportunities.

Whilst this promotion was run by some of the obvious voucher sites with large online audiences, what is noticeable about all the major affiliates is that they actually under-index

on mobile sales. Whilst they bring in the volume, they don't perform as well as publishers whose traffic is more naturally suited to smartphone usage.

If we look at the affiliates who are pulling in large percentages of their overall sales via handsets, we can see email features prominently. This isn't unexpected; most emails are accessed on mobile devices and this communication will be formatted into mobile-friendly versions. Established app gaming ad companies like Tapjoy also appear high up in any list. Interestingly, Hot UK Deals also pulls in sales at double the rate by percentage of the network average. Ticketing companies perform strongly, aided significantly by affiliates like Songkick, who pull in around 40% of their sales via smartphones.

The affiliate picture from a mobile point of view is far more varied than a standard, network/device-wide one, echoing how performance across advertisers depends on a number of variables. For any advertisers who feel they have a natural mobile audience, this should undoubtedly be a focus in 2015.

Mobile commercial models

Given that data indicates smartphones act as an influencer channel, with tablets leaning more towards conversion, where does this leave the traditional last-click CPA model? Can we make a case for arguing that cost per click could be a more suitable mechanism for rewarding smartphone traffic?

At the heart of this discussion is understanding the path to conversion. At present, almost all affiliate programmes are working blindly on how traffic switches between platforms. Non-linear consumer journeys are now the norm; consider a shopper that could start a purchase cycle on their mobile in the morning, qualify their interest on their work desktop only to complete their transaction on a tablet at home in the evening.

Tracking this cross-device path and appreciating that smartphone clicks could be positioned more towards the start of purchase funnel opens up an interesting debate about the role devices play in influencing rather than converting. Early indications from Affiliate Window suggest as many as one in three sales may start on one device and complete on another. Visibility on this and assessing the implications for the affiliate industry has to be a priority in 2015.

This year we will get greater visibility and in doing so will be able to drill down into the role individual affiliates play at different points in the purchase journey. Perhaps we're not too far away from thinking about blended CPC/CPA payment models that acknowledge the contribution of early funnel affiliates.

We have long known that price comparison affiliates are (logically) more likely to be positioned at the start of a sale. Given this is something that particularly impacts the telecoms sector, many of the larger comparison sites in this sector have sought to top-up CPA payments with tenancy deals. Could we see potential mobile payments specifically for handset traffic or influence and what would the overall impact be on maintaining ROI and existing commission levels?

Mobile continues to throw up interesting challenges that data is starting to indicate could see a significant shake up in the affiliate industry. We all still have much to do in acknowledging how smartphone traffic impacts affiliates and advertisers and building effective strategies to maximise its potential, but this year offers us the greatest opportunity so far to do just that.

Mobile Predictions

If 2013 was the year to hitch a ride on the mobile bandwagon, then 2014 was the year that marketers began to understand the full potential of mobile advertising as a whole. Innovation, growth and growing pains all happened simultaneously.

Three important trends shaped the global mobile advertising sector in 2014 and will continue to play an integral role in mobile's evolution in 2015. These trends add complexity to an already intricate mobile ad ecosystem, requiring marketers to find and work with smart marketing partners that can help make mobile advertising simple.

What will 2015 hold for digital advertising's fastest-growing sector? Here's a look back at the ideas and opportunities that shaped mobile advertising in 2014, and what to expect this year.

Native emerges

As consumers continue to embrace technology that makes their personal and professional lives more efficient, advertisers need to adapt to these behaviors and provide more sophisticated mobile ad campaigns. At the end of 2014, eMarketer predicted that 1.75 billion people worldwide would own at least one smartphone. The growth of internet-enabled mobile devices has not only revolutionised digital advertising but it has transformed how, when and where marketers engage, acquire and retain new and existing customers.

One such way of achieving their consumer engagement and acquisition goals is through native advertising. In 2014, native advertising, which is more engaging and less intrusive than banner ads, started to make mobile inroads.

While ad spend on mobile native remains relatively small, overall native ad spend was projected to rise 46.7% to $3.2 billion in 2014, according to eMarketer. Native advertising isn't a new concept, but the exact nature of this ad format and the ability to scale it within the mobile app environment has been a hot topic of discussion.

It's a no brainer for publishers, as native advertising commands higher eCPM rates (on average three times higher than standard banner ads) and leads to a more lucrative in-app advertising solution. Advertisers are willing to place higher bids on an ad unit that mimics the publishers' site, therefore leading to more clicks.

This increase in demand and supply for native advertising has pushed the best in the industry to innovate their platforms and offer a scalable mobile native ad solution.

App discovery remains a challenge

While 2014 was an exciting year for mobile advertising for a number of reasons, it was not without its challenges.

Getting your app discovered and acquiring users in a market of close to three million apps within the two major app stores (Google Play and Apple's App Store) proves to be a constant battle for most app developers. Many of the startups that emerged to help app developers find new users have gone out of business. A more effective user acquisition solution emerged in 2014: in-app advertising.

As ad budgets shift from brand awareness to performance, the ability to identify your target users while they're in-app and do the discovery for them has proven to be powerful.

Despite this important progress, many small and independent app developers struggle to get their app found amid the deluge of new apps.

This year, look for some key innovations and tech solutions to come to market to help solve the industry's persistent app discovery challenge. Also look out for a round of consolidation to take place within the burgeoning app discovery and user acquisition space. This will be a necessary step in order to cut down on the confusion and inefficiencies that are inherent in a marketplace in which literally thousands of relatively small companies offer relatively similar solutions as their competitors. A more efficient, consolidated marketplace of app discovery firms will provide more value to app developers.

Programmatic begins to mature

Innovators in the programmatic ad space have been working towards the Holy Grail: providing a valuable, scalable solution for advertisers to best reach their audience. We are just about there; mobile programmatic ad spend in the US is set to hit $8.4 billion next year, surpassing online advertising spend for the first time, according to eMarketer.

Improvements in the use of first and third-party data will allow marketers to optimize and buy mobile ad inventory at an incredibly efficient rate, proving to advertisers that more dollars should be spent programmatically.

This trend is expected to continue to grow, especially as we see rich ad formats, such as video and native, being bought through an automated process in 2015.

Outlook

Mobile advertising won the hearts and budgets of many marketers in 2014, but what can we expect from the sector in 2015? We anticipate three big trends to shape the mobile ad industry this year:

1. **A significant increase in both demand and supply for engaging mobile ad units, such as mobile native.** Buying native will no longer be a buzzword; we're seeing a huge increase in performance for brands.

2. **Concerns about how to scale premium mobile ad formats will be a thing of the past.** With mobile adoption hitting its peak, the need to effectively reach these users, not just at scale but to provide rich, engaging experiences, has never been more important, and buying native programmatically is the solution.

3. **Performance of mobile ad campaigns will increase.** As mobile advertising continues to evolve and mature in 2015, performance will increase, commanding more dollars from traditional ad budgets. The sophistication and targeting capabilities within mobile are growing. Combined with new innovations in programmatic and RTB, advertisers and app developers can expect to see increased performance across their mobile ad campaigns in 2015.

Mobile advertising in 2015 will be a balance between impressive innovations that solve publishers' app discovery challenges and bring higher performance to advertisers, as well as some continuing growing pains due to the industry's rapid growth.

Contact us today to get started with Matomy's **innovative mobile programmatic and performance advertising solutions**.

Assaf Suprasky is Executive Vice President of Media at Matomy Media Group (LSE:MTMY), a global digital performance-based advertising company. He can be contacted at assaf@matomy.com.

Social Advertising

Social Advertising

Background

Across industries, across regions, and across all demographics, companies are no longer winning consumer love against *category* competitors. Today the battle for consumer loyalty is against companies in *any* category that define excellent service, lightning-fast responses, and bespoke experiences. Increasingly, those quality service definitions are being established digitally--online, on mobile devices, and in apps. Here are a few things to keep in mind:

Customers' expectations have gotten extreme

Established businesses with decades of success are losing market share, revenue, and consumers to trendy startups selling similar merchandise. Two-thirds (and more in some countries) of consumers call support centres as a last resort, despite billions of dollars of investment in calls centres as a frontline for service.

Consumer trust in advertising continues to reach new lows. People increasingly turn to friends and family to guide their purchase decisions and seek validation pre and post-purchase. What this all means is that the state of customer expectations is rapidly changing. And if their expectations are going to be extreme, your response better be thoughtful and intelligent--and quick.

Digital marketing IS marketing

If you have a digital marketing practice that is separate from your marketing mix, you're missing the boat. Consumers want to interact with you and your products as it is convenient for them – in both the online and offline worlds – and are accustomed to great digital experiences from many of your competitor brands. So while many still see digital as the new frontier, it is also the new status quo against which all other expectations are measured.

Embrace your total community

Customers, prospects, and former customers are all part of your total community. You can even include influencers, pundits, and tastemakers into that mix. Don't think too narrowly about who came in your shop or who is in your CRM system. An entire world is out there waiting to love your brand – but you have to open your arms first and give your community a reason to come forward and engage with you.

Help people find answers (and happiness) before you market to them

When a consumer has a problem or question, the last thing he wants is an upsell or another sales pitch for a different product. He wants a solution. Savvy companies have come to realise that the best marketing starts with outstanding service. The more you build a reputation and relationship based on serving customer needs, the more your customers will return to support your business.

Engagement is not the goal for most businesses

Revenue, market share, and margins are really what you are probably after. But remember that engagement is a powerful way to reach those goals. So find ways to share compelling content, anecdotes, and useful information without burdening your consumers with spam and constant email promotions.

Use negative feedback to create positive outcomes

Not everything your consumers say will be easy to hear or even polite. Correct errors, admit mistakes, and incorporate feedback into a better offering. In fact, listen carefully for ideas that may give you a competitive edge. It is your responsibility to ideate and improve from that feedback.

Building a Social Community

In the world of community, brands can't operate on the belief of "if we build it, they will come." A healthy community takes careful planning, constant nurturing, compelling content, and passionate contributors. But in an era when we are all becoming more and more "time poor," a community also needs to offer something extra special or solve a problem better than other options. In fact, the best communities today are a bona fide destination unto themselves: offering more than tips and advice (which are vital) and going beyond with experiences people want to share.

Before you get started, here are a few fundamentals to consider.

Your community must have a purpose

It's important to ask yourself a simple question: "By creating this community, what value will it bring to my members?" This is actually a lot harder than it sounds. There are so many different brands, media channels, social stimuli, and a myriad of other distractions vying for people's attention. You need to be crystal clear on how your community is unique, differentiated, and not just a variation on an already-tried-and-true theme. It's also important to think about what role your community plays in filling a gap between your brand and your customer or, more altruistically, what potential your community has in improving your customers' day-to-day lives (even if it's only in small, but meaningful ways).

Your community must have clear "rules of engagement"

As with anything, you've got to set some ground rules right from the start so your members are clear about why they've joined in the first place, what being involved in the community means for them, and, ultimately, what's expected of them. Then you must move onto the "how." *How* does your community engage? *How* does your community contribute? *How* does your community help one another? *How* does your community problem solve? So, as a starting point, give your community some guardrails so that it has a solid foundation to thrive.

Your community must have an outstanding manager

Just as you wouldn't open your door and let your neighbours throw a raucous block party in the middle of your house, you wouldn't want your social community to feel like an unruly return to the wild, wild west.

That's why it's important to have a smart, savvy, and strong-willed community manager to take the helm. Part problem-solver, part curator, part editorial director, part matchmaker – the community manager is the magician who makes all of your community's moving parts and disparate audiences and members come together seamlessly. Not only are community managers there to ensure that the community's rules of engagement are respected, but they are also there to be your community's biggest advocate. Choose wisely!

Things will change over time – adapt

If you're a communications service provider, you may think you're starting a community to help people figure out your pricing plans and best options. Your community may evolve to talk instead about the latest hardware or apps. If you're a retailer, you may think your community will be most interested in the latest styles you're offering – and when they go on sale.

Your community may choose instead to talk about what they saw on the runways from Fashion Week. Go with the flow and adjust your community accordingly. Yes, you may have a few "must haves" on your list, and you should find ways to use your community to get those communicated. But if the members of your community innovate this experience organically, it's sheer goodness – and actually a great sign of the community's health, wherein they can help set its purpose and direction.

Influencer Marketing

The early era of influencer marketing in the social sphere was all about getting celebrities in the *offline* world to tout a company's product or service *online*. But how many of us really believed that the rich and famous of Hollywood were interested in cleaning supplies, local grocers, or budget-conscious cars? The next era focused on using online "celebrities" to tout the same goods and services. Sure, they weren't famous on the silver screen, but they appealed (for whatever quirky reason) to online audiences. But again--just because they appealed for a wacky cat video or epic fail skateboard trick, doesn't mean they had resonance in other spheres or on other topics.

Perhaps the most noticeable change in influencer marketing today is that shift from "celebrity" to "citizen"– where the people you trust are just everyday Joes, Janes, and jolly good fellows like you (or me). Celebrities still have a powerful hold on us in traditional media and can captivate audiences in amazing ways. But in the intimacy of the online world – where your daily routines and likes and dislikes are available to you and your 500 "friends"– celebrity marketing seems antithetical to the closeness. Celebrities (unless you are one yourself) are somehow removed or distant. That nice man you see in the grocery store on Fridays, however? That friend of a friend who always has awesome party pics? That high school romance you still follow even though you're now 30? Those people resonate personally. Brands who can find them can find you – and move you in ways no film, TV, or pop sensation could.

Today's influencer marketing is much more savvy when it comes to subject authenticity. Brands need influencers who are already known for their passion and expertise around a particular subject. And influencers don't want to dilute their own credibility by hyping things they would never promote in their personal – or unpaid – lives. Kim Kardashian talking about fashion? Absolutely yes. About household cleaners? Definitely not! Your neighbourhood clothes horse and high-street shopping maven on either topic? Maybe- just maybe. Tools like Klout make it easy for brands to find authentic influencers on a variety of topics, in more than 10,000 interest or passion areas, and across traditional demographics. There are no more excuses for the inauthentic.

Additionally, good influencer marketing has moved away from vanity to value. Consumers may like seeing a glamorous model on a billboard, but in the online world – where influencer

marketing has taken off dramatically – people want more than a surface image or fleeting feeling of success by association. They want to get some value from the interaction. That value can be product value: what does this actually do for my life? It can be humour or "break in the day" value: did this give me a chuckle when I needed it? Or it can be advice value: how can I be happier/more fulfilled/have more free time? Brands can find influencers to deliver any of those messages – authentically – and reap the associated goodwill.

Finally, good influencer marketing helps people – influencers or not – share their experiences. When an expert shares an insight or praise, can it be easily syndicated? Can others leverage that content, tweak it, and retweet it, like it, share it, or pin it? Does the earned media from the campaign justify the initial outlays in influencer cultivation and incentives? And can the earned media – organic, raw, unfiltered, and glorious – be used for owned media channels to take the message even further?

Achieving Social ROI

As more customers started flocking online to get information on brands, brands got savvy by using their own social channels to start engaging with customers directly in new and ultimately more efficient ways. Social media marketing was born – a fertile ground for engagement, giving brands direct access to consumer insights like never before. And what started out as brands simply testing the waters on Facebook's original brand pages quickly expanded into multi-channel engagement efforts across the likes of Twitter, Instagram, LinkedIn, and YouTube. And now, today, the pendulum has shifted, and we are seeing more social activity and social interactions with customers taking place directly on our very own branded on-domain communities.

The challenge buzzing about marketers, executives, and even customer service teams is how to effectively measure social marketing ROI. What is it? What measures can be used? How does it impact the bottom line? How can it boost efficiency and reduce costs? Those are all ROI-driven questions that pop up whenever social marketing gets brought into conversation. However, before you can even begin measuring anything, it's absolutely critical to be aligned on goals. Start off by asking, "What is the purpose of this social marketing effort?" Engagement? Awareness? Leads? Sales? If you can succinctly identify a primary objective for your marketing effort, your ability to measure success will be infinitely easier.

Senior executives want proof that what you do in social creates impact beyond just a lift in brand reputation. They want to understand what role social marketing plays in achieving a company's broader goals as well as its implications on revenue. Marketers, in turn, use social tactics to boost brand reputation and, more likely than not, measure success via likes, clicks, and various metrics used today to define engagement. And finally, customer care teams, assessing ROI from a completely different vantage point, are typically interested in understanding how social marketing can reduce service and support costs while simultaneously boosting overall customer satisfaction.

The metrics that help us define social ROI are in a constant state of flux. They continue to be defined and redefined just as quickly as the social marketing ecosystem continues to evolve. What makes sense for some brands may not necessarily make sense for others. If you understand how social marketing can help your brand achieve its specific business goals,

boost engagement, reduce costs, or improve customer satisfaction, then you'll be in a better position to identify what measures of ROI you can use to define long-term success. Achieving social ROI may not always be black and white, but aligning social marketing to the goals of various organisations within your business is always a good place to start.

Agile Commerce

Agile Commerce

Overview

Multichannel marketing has evolved, and a simplistic, online/offline channel-oriented view is no longer sufficient in today's marketplace. Agile commerce serves to offer a new form of marketing, which connects and communicates with a customer across multiple touch points throughout their buying journey.

As company structures evolve and singular channel-orientated marketing becomes less effective, agile commerce is starting to play a much bigger, and pivotal role in performance marketing. New technologies, attitudes and payment models continue to drive the industry forward. From this evolution, brands are now able to harness a wider range of expertise and technology, allowing a more effective route to communicate with their customers.

Agile also enables a brand to become increasingly reactive to changes in customer behavior, the marketplace and competitors. Partnerships with affiliate publishers allow a brand to service increased demand, and meet stretching sales targets externally, without the need to invest in resource and technology in-house.

Catering for people

It's no surprise that putting the customer first when devising an agile strategy minimises risk and ensures marketing plans are relevant for the target audience. Smartphone and tablet usage continues to grow as consumers seek for convenient ways to research products and or purchase on these devices. PwC's Global Entertainment & Media Outlook 2014-2018 projects that by 2018, 73% of the UK population will own a smartphone and 50% will own a tablet device.

Publishers and brands alike have reacted well to this rise in mobile devices, with many choosing to invest in developing both responsive websites as well as native smartphone apps to ensure users have the best possible experience wherever they are.

This provides customers with an optimised brand experience across two major touch points. Likewise, more businesses see the importance of eCRM campaigns rendering on mobile devices as users increasingly check emails on the move.

Vouchercloud, now sees an average of more than 60% of all email campaigns being opened on a mobile device. This has increased from just 40% in 2012 and is expected to rise over the next year.

The task at hand

This development in consumer behaviour with users migrating between devices throughout the day presents an immense challenge for brands and marketers trying to deliver a consistent brand experience throughout a customer's purchase path.

Recent Forrester research has identified that users are becoming increasingly device agnostic. In a study that looked at buying cycles, 51% of participants started their purchase journey on the most convenient and available device in reach rather than seeking out the device that was most suited to the task. With this shift in behaviour now so apparent it seems that it is no longer relevant to target users through a single marketing channel.

The solutions

With a growing focus on agile commerce strategy, new technologies including those with geo-fencing capabilities and near-field communication (NFC) are playing an ever more important role in campaign execution. Targeting a user at the right time, in the right place across multiple touch-points is vital. These touch-points spread across all channels, including in-store, outdoor, call centres, websites, apps, social media, mobile and are executed across a range of multiple devices.

Harnessing new methods of targeting can be extremely powerful for brands, and geo-fenced campaigns are no exception. Vouchercloud has proven the incremental value of using such technology, when integrated into part of a wider campaign to drive footfall in-store and increase traffic online. Geo-fenced pushes were seen to be over 18 times more affective then standard push notifications, and on average drove an additional uplift in new customers of 185%.

Through adopting an agile commerce approach, organisational structures have started to shift and evolve, allowing for a more flexible workflow. Brands which can optimise their people, processes, and technology will be best placed to react to market changes and serve the ever demanding consumer of today. In practice, however, we still see clear divides between online and offline teams, with marketing strategies spanning across varying departments in many businesses.

The end goal

In order to deliver a more flexible consumer-focused experience, teams must merge to adopt a holistic viewpoint of all channels. This will help ensure that new technologies are aligned to other business activity and data is shared across all functions. Allocation of budgets and reporting of revenues remains an issue if businesses cannot change their mindset and understand that conversions do not come from a single channel but are the sum of various brand interactions across different touchpoints.

Affiliate, performance, and agency channels ultimately lend themselves to true agile commerce as they offer merchants the ability to cost effectively tap into methods of creating demand when they need it, under a performance agreement. Marketers should embrace the role of affiliate marketing as an integral mix and understand how this industry can help deliver key KPIs in an accountable and transparent way. As new innovative ways of working and communicating unfold it is likely that brands, which adopt an agile commerce approach, will be best placed to reap the benefits.

Affiliate Marketing

Affiliate

What is Affiliate Marketing?

Affiliate marketing is a medium whereby an online store (also known as a "merchant" or "advertiser") receives leads or sales from third-party websites (also known as "affiliates" or "publishers"). The attraction of performance marketing is that the advertisers only pay for actual sales or pre-defined actions that are agreed from the launch of the programme.

Pre-defined actions could be anything from the following: cost per click (CPC) cost per lead or per registration (CPL) cost per acquisition (CPA) and cost per sale (CPS). Publishers use a range of tactics to promote advertisers. For example, with email marketing, display advertising, banner ads, comparison sites, or even social media.

Publisher types vary and depend on the promotional methods described above. Some typical publisher types include content sites that promote advertisers by including text links within the article and copy, voucher code sites, cashback sites, email database owners and distributers, corporate/employee rewards companies, shopping comparison engines and directories, as well as technology solutions.

Benefits

The benefits offered by affiliate marketing are quite straight forward, as the advertiser only pays for results. From the publisher's perspective, if their expertise lies within driving quality traffic that converts from clicks to sales, they have the potential to scale their revenues too. Remember, the publisher spends their own time, resources, and budget driving traffic to an advertiser's website and they only get rewarded if they deliver the required action (sale, customer, lead, registration etc.).

Advertisers also have full control of their budget, only paying for genuine, validated sales. Furthermore, they do not pay for sales that are returned or cancelled within the agreed validation period.

- Full transparency – Advertisers can see which publishers are promoting them and in many cases where they are being placed on the publisher's site. In the case of email publishers the advertiser will also see the creative.

- Full accountability - Advertising spend can be controlled and the return on investment (ROI) can be measured. This means that advertisers are able to calculate the sales achieved for every pound spent.

Affiliate networks track and report all activity to their clients and this is usually available within their user interface. The type of activity recorded includes impressions, clicks, sales, conversions, order value, basket content and details of the referring publisher websites. They charge fees for setting up programmes, a monthly licencing charge and a commission (also known as a network override), which is usually an agreed percentage of the commission paid to the publisher. The diagram below explains the process from start to finish:

How performance marketing works

Online consumer visits publisher site

Desired action (purchase, lead etc)

Data platform

Performance marketing network

Payment

Publisher website

Merchant website

The performance marketing network tracks all customer journey activity
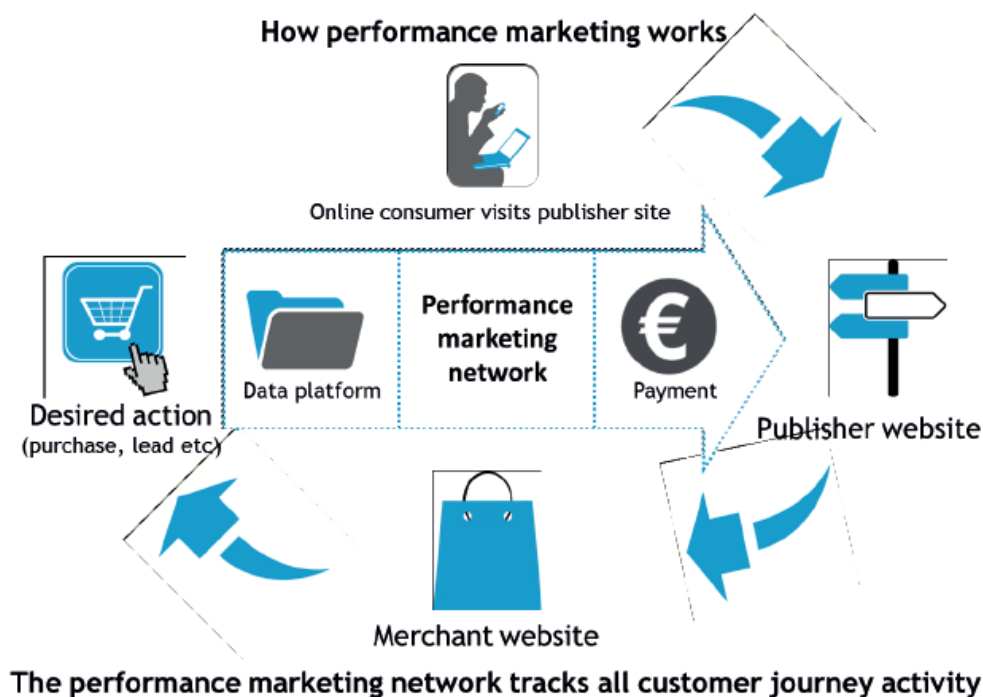
Network - The affiliate network provides a platform for an advertiser to run its affiliate programme. It provides the technical infrastructure that allows the advertiser to work with publishers knowing that there is a tracking, reporting and payment mechanism in place. Networks also serve advertisers and publishers by offering the trust and reassurance of account management staff to assist according to a specified service level. They are able to offer the independent advice to all parties, they facilitate payment and provide compliance tools that ensure publisher quality.

Agency - A performance marketing agency is an extension of the advertiser's existing marketing team and fulfils the role of an outsourced performance marketing manager. The agency ensures the programme has a strategy that is understood by client and publishers and a sustainable commercial base. On a day-to-day level the agency takes care of the practical administration of promotions, voucher codes, creative (banners) and newsletters and reporting back to the client. Agencies also assist with:

- Identifying and recruiting new publishers that fit the advertiser's target customer base. They engage with publishers using a strategic methods of communication.
- Leveraging advertiser awareness of opportunities available within different network(s). For example if there are new publishers/affiliates or technology solutions which could deliver incremental sales, the performance marketing agency should bring these to the attention of the advertiser.
- Reporting and ensuring a communications feedback loop between the advertiser, network and publisher in an effective manner.

Technology solutions - Affiliate marketing has become increasingly complex in its requirements of both advertisers and publishers. A number of different providers and disciplines have emerged to provide solutions for both parties.

Advertiser-facing technology - Advertiser-facing technology requires integration on an advertiser's site. They include solutions for:

Product feeds (Fusepump) - A product feed is a file of an advertiser's products in a defined format. It can be easily distributed by affiliate networks to all publishers and adapted to display products on their site. Most advertisers find the upkeep of feeds too technical or time consuming because they frequently need to be checked to ensure pricing and stock levels are protected.

Basket abandonment (SaleCycle/VE Interactive) - These address cart abandonment issues by re-engaging with a prospect that may have left the advertiser's site part-way through the purchase cycle. If the customer email has been captured before the checkout, they will be emailed on behalf of the advertiser with an inducement to complete their purchase.

Retargeting (Ve Interactive/ Struq /Criteo/Mythings /Admedo) - Retargeting builds on the interaction a user has with an advertiser's website. These companies target advertising at people who have already visited an advertiser's domain. The sophistication of retargeting solutions can vary depending upon the level and length of the initial interaction with the advertiser's site. The frequency of exposure to advertising is capped to avoid wastage and annoyance. Retargeting and pre-targeting companies operate on a CPA or CPC basis.

On-site optimisation (Fanplayr/Yieldify) - These use a set of smart tools designed to increase conversions on existing traffic to an advertiser's website. These tools can be used more specifically to do things like acquiring leads, amplifying promotions, recovering shopping carts and incentivising customers to increase their average order value"

Social Media (Digital Animal, Haveyouseen) – These solutions hand advertisers the possibility of turning likes and shares through social media platforms into sales. They can be a very powerful way of monetising word of mouth.

Publisher-facing technology

Publisher-facing tech requires integration on the publisher's site. They display product links and provide publishers with the ability to integrate a selection of products from an advertiser. They rely on the advertiser supplying a product feed that is processed and made available for publishers. The publisher then designs content units that fit with the overall look and feel of his/her site.

Integrating relevant text links (Skimlinks / Viglink / Kehalim) - Solutions of this nature provide publishers with the ability to monetise their content and blogs by linking phrases, words and brand names into affiliate links. Often aimed at bloggers that are not affiliates, these companies share the commission on any customer transactions generated as a result of the user clicking through to the site from the related link within that article or content.

Video Creative (Coull TV) - This provides publishers with the ability to generate revenue by integrating clickable links within video content.

Types of publishers

Cashback/Loyalty sites – Consumers receive money back on purchases made. Cashback can be in the form of money or in the form of points or another virtual 'currency'. Quidco.com and Nectar are two examples of this type of publisher.

Comparison sites – These enable consumers to compare products and prices online. The price comparison site publisher receives commission when a customer clicks through to the advertiser's site and makes a purchase.

Content sites – Websites of this billing include blogs, where the content is written by a company or individual. However, any site which carries information could be classed as a content site.

Email providers – These publishers specialise in advertising to consumers via email. Email affiliates generally own, or have access to, lists containing thousands of email addresses. Merchants provide email creative promoting specific products and the publisher emails the promotion to their list(s).

Voucher code/Discount sites – Publishers hosting money-off deals grew in popularity during the recession and have continued to capitalise on consumers who increasingly seek vouchers and discounts before making certain types of purchases. Merchants have become a little savvier when using voucher code affiliates to drive sales as they begin to push high-margin items or end-of-range clearance items as a priority.

Mobile publishers - There are a diverse range of mobile publishers that operate within the performance marketing space, from existing publishers who have increased their portfolio with an application to mobile-specific specialists such as "discovery" and "review" applications who work to a cost-per-download metric. They all drive sales via a mobile app to an advertiser's mobile-optimised site or app.

Affiliate Payment Models

When you think of affiliates and what motivates them to succeed, try treating them as you would internal sales staff. Sales people are motivated by commission as well as having the right support and tools to help them succeed. Here we explore the different types of payment models you can use to motivate affiliates to drive your business objectives.

Cost per acquisition (CPA)

The most common payment model in the affiliate channel is cost per acquisition (CPA), where the advertiser pays a fee to the affiliate for a completed sale. What constitutes a completed sale will depend on the advertiser's objectives. For example, in the travel industry it may be when a customer checks-in to their hotel, in fashion retail an order that is received and not returned after 28 days, and in telecoms when the service has been activated. It is important that as an affiliate you understand exactly when and what you are being paid and as an advertiser you are very clear on the terms that need to be met for payment.

Most affiliate programmes adopt the last-click, CPA attribution model. This means that the affiliate will only be paid the CPA if they are the last click before a purchase. If the affiliate is not the last click in the purchase but another channel – such as search – is, then the commission is not paid. Last click is by far the most common and simple payment model to apply, but there are other attribution models that can be adopted with the CPA model.

A CPA can be paid in many ways, some of which are outlined below. It is important to pay a fair commission for the customer or sale that is being driven via the affiliate but also take into account your own margins and cost of that sale:

- A percentage of the sale value – I.e. 10% of the basket value. If a customer purchases £100 worth of goods, you will pay £10 for that sale
- A fixed CPA per sale – I.e. £10 for every sale that is made, regardless of the value
- A tiered commission structure, based on the number of orders – I.e. 0-10 orders at £10 per sale, 11-15 orders at £12 per sale, above 15 orders at £15 per sale

- Differing commission structures per product – I.e. higher-value products may have a higher CPA, or products which have a lower margin may have a lower CPA

As well as considering the cost per sale, you should also consider the cost per customer, i.e. the lifetime value of the sale. If the customer is worth several thousands of pounds to you over the year, then you may consider a higher CPA to motivate your affiliates to drive more sales.

Cost per lead (CPL)

This payment model is most commonly used for lead generation or where it is difficult for the advertiser to validate a sale to activation or purchase. This works in the same way as CPA, but the commission is calculated per lead. You will want to consider the quality of leads and average conversion to sale in order to determine the correct CPL to pay out.

Cost per click (CPC) and cost per mille (CPM)

Although CPA is the most widely used model in affiliate marketing, cost per click (a fee paid for every click) and, to a lesser extent, cost per mille (a fee paid for every thousand views) are recommended when the last-click model is not suited to the particular affiliate you are working with. This may be because their activity generates traffic higher up the purchase funnel or you may have a different measurement objective, such as brand awareness or reach.

Regardless of the payment metric, like the last-click model, CPC and CPM should follow the same principals around fairness and margins. It is also important to be able to track the influence that this activity has on overall sales orders, so where the activity is appearing within the customer journey and if it is helping support customer acquisition.

Tenancy/fixed costs

In order to obtain special placements, additional exposure to support a brand or even a product launch, it is sometimes possible to pay affiliates a fixed cost, up-front fee for an ad placement.

The position, exposure and time frame will vary depending on the affiliate and the package that you are looking for. Often a deal like this should include the consideration of reach and

brand metrics as well as pure sale or CPA. You should always conduct a review to assess the value of the tenancy, looking at views, clicks, click-through rates, conversion rates and sales attribution which can be measured against a benchmark or pre-determined success criteria, otherwise it could prove very costly.

Other considerations

Cashback

Most cashback providers will pass the CPA an advertiser pays them straight onto the customer, so consider this when you are determining what rate of commission to pay. Ask yourself, "is this commission rate attractive enough to help me drive sales through the channel?" but also "is this commission rate driving the right type of behaviour?" Over-paying or incentivising can lead to poor-quality traffic whilst driving unwanted behaviour.

Voucher

When paying commission to voucher code sites, you may want to consider the additional cost of the voucher within your calculations. This could offset some of your CPA payment to the voucher affiliate if an exclusive code is agreed, but it is important to remember that you need to be fair with your commissions, motivate the affiliate to drive sales for you whilst also protecting your margins.

Competitors

The affiliate channel is an extremely competitive environment and many of your competitors are also battling for marketing exposure on affiliate websites. In order to make your programme attractive to affiliates, consider your CPA as an important factor in the affiliate decision of who to promote or give the most exposure to. Affiliates will assess your programme on a number of merits as well as CPA, including rates, service offering and products. This will all be worked back to the earnings per click, and affiliates will drive traffic to the advertiser that gives them the best return for their effort. The CPA you pay can be a big factor in helping gather affiliates' support and increases can be used tactically to gain market share.

Payment terms

Because affiliates are paid on a CPA model, they are investing your advertising spend on your behalf and taking the risk as to whether this converts to a customer or not. This is one of the key elements that makes the channel so attractive to advertisers, as it is relatively risk free and affiliates are experts in driving quality traffic that will convert to sale, because their livelihood depends on it.

This means it is extremely important that you pay affiliates on time and as soon as possible. Longer payment terms affect the affiliate's risk assessment and they will favour you less against competitors and programmes with better payment terms.

So, in summary, when determining what commission model to pay affiliates, consider the following:

- **Fairness** – "Am I paying a fair commission for what I get in return?"
- **Margins** – "What can I afford to pay?"
- **Competitiveness** – "Is the payment model competitive against my key competitors?"
- The **value** of affiliate traffic as well as sales
- **Customer value or quality** – "How can I position the payment model to drive higher customer value/quality?"
- Your **business objective** and how you measure success
- Keep it **simple** – Affiliates need to know when and how they will be paid, so don't over complicate the model

Whilst CPA is and should be the preferred payment metric, the affiliate landscape is changing and you should consider the value of affiliate traffic beyond the last-click, cost-per-acquisition model. The channel is flexible and can be motivated to drive high-quality traffic higher up the funnel, but the payment model needs to encourage this.

So look at CPC, CPM, tenancy and CPA attribution models to help you drive more value from the affiliate channel and ultimately more sales at the end, regardless of which point the customer finishes their journey on.

Affiliate Demographics

This section is brought to you by Rakuten Affiliate Network, the affiliate division of Rakuten Marketing.

Affiliates and affiliate-based technology come in many different forms. If you're looking to enhance your investment in the channel, you might want to take note of the following demographic profiles:

Voucher

Voucher code sites are one of the largest publisher types in the performance marketing industry. They are very popular amongst price-savvy consumers who regularly make well-informed purchasing decisions. The modern shopper will begin their journey by researching the product and purchase it from the site that offers the best possible rate.

One of the largest UK voucher code sites, VoucherCodes.co.uk (part of RetailMeNot, Inc.), boasts 7.7 million members, 3 million app downloads and over 400,000 Facebook fans as of January 2015.

As a brand, working with voucher code sites can be a beneficial promotional tool, encouraging new customers to buy from you and rewarding those already loyal to the company.

Advantages:

- Cost-effective customer acquisition tool
- Improves customer retention
- Increases brand awareness
- Multi-channel marketing tool

Disadvantages:

- Sometimes perceived to devalue brand
- Tenancy fees often charged for premium placements

Cashback and charity sites

Cashback sites work by rewarding their customers with some or all of the affiliate commission accrued per sale. Charity fundraising sites function in a similar way, but allow customers to donate the cashback received from their purchase to a chosen charity.

One of the UK's leading cashback platforms, Quidco has over 4 million members and works with over 4,000 retail partners.

Advantages:

- Cost-effective customer acquisition tool
- Delivers both online and offline results
- Improves conversion rates with existing customers
- Some customer journeys start on a cashback site
- Charity site customers are often willing to pay more for quality products, driving higher average order values

Disadvantages:

- Sometimes perceived to devalue brand
- Can be argued that customers would have bought the product regardless
- Tenancy fees often charged for premium placements

Loyalty

Loyalty publishers reward and encourage loyal buying behaviour by offering exclusive discounts and promotions to dedicated customers. Loyalty points can be built up with each online transaction to redeem on further purchases or are converted into cashback.

Nectar is an example of a large loyalty programme in the UK and offers points to its database of over 19 million customers when shopping for groceries, holidays, clothing and other products.

Advantages:

- Cost-effective customer acquisition tool
- Proven to boost sales growth
- Rewards loyal customers
- Provides insight into customer buying behaviour

Disadvantages:

- Can be alleged to cannibalise sales

Employee benefits

Employee benefits schemes are customisable employee engagement platforms utilised by companies to offer their staff exclusive discounts and promotions.

Reward Gateway (formerly Asperity) works with over 1,000 companies including McDonald's, Groupon and Unilever to inspire employee engagement. They provide over £300 million worth of sales each year for the UK's top retailers.

Advantages:

- Acquire highly valued customers
- Targeted and engaged customers lead to a high conversion rate

Disadvantages:

- Many employee benefits schemes require exclusive brand offers

Mobile

The quantity of publishers expanding into the mobile space is on the rise, with an increasing number of consumers interacting with brands, researching products and completing purchases through their smartphones and tablets.

Mobile publishers can range from app plug-ins to mobile sub-networks, and even applications which work in the offline environment.

Advantages:

- Expands customer base
- Enhances multi-channel marketing
- Drives customers in store
- Provides further insight into consumer behaviour
- Improves consumer research on products

Disadvantages:

- Affiliate tracking must be integrated into mobile sites
- Additional mobile fees can be charged by the publisher
- In-app tracking must be made available by brands

Content

A highly popular publisher model among most retailers, content sites often serve as brand ambassadors.

These publishers come in many forms, including blogs, product-driven/shopping sites, online magazines and newspapers.

Advantages:

- Engaging, high-quality content attracts customers
- Personal recommendations and reviews are a valuable marketing asset
- Helps build brand loyalty and reputation within specific markets

Disadvantages:

- A website's content and personality needs to mirror that of the brand
- Tends to deliver smaller sales volumes than other publisher models (voucher code and cashback sites)
- There are a number of third-party publishers who work with bloggers to enrich and monetise their commerce-related content. Companies like Skimlinks and VigLink convert product links into profitable affiliate links as they are clicked on.

Price Comparison

Price comparison engines compare the values of a range of products from different retailers or service providers, making them ideal tools for the savvy shopper.
These sites allow customers to research the market before deciding to make a purchase, saving them time and money.

MoneySavingExpert is one of the UK's biggest consumer websites, with over 15 million monthly users and a wealth of money-saving tips. Part of the company's success is down to

the marketing of the brand. Founder and editor Martin Lewis is seen by some as the "money-saving expert", so the site's content appears bespoke and trustworthy.

Advantages:

- A large database of loyal customers
- Enhances brand awareness

Disadvantages:

- Can be made more available to brands with a larger budget
- Sometimes requires additional integration on the brand's site

Social

Social shopping is on the rise, parallel to the growth of social networks like Facebook, Twitter and Instagram.

Similar to content publishers, customers who generate product reviews and descriptions via social sites can serve as an extension to the brand experience.

Advantages:

- Helps build brand loyalty and reputation within specific markets
- Increases brand presence on social media
- Converts customers into sellers and brand advocates

Disadvantages:

- Little control of published content
- Risk of negative reviews and comments
- Requires internal source to monitor activity

Paid Search

With the increasing reliance on search engines to research and review products, it is imperative that brands are easy to find online. Paid search marketing (also known as pay-per-click marketing or PPC) is a sure-fire way to drive a higher level of traffic to your site.

With an in-depth understanding of the maturing, cross-channel landscape, paid search companies can help brands to increase their online performance and ROI.

Advantages:

- Builds brand authority across all devices

- Boosts sales and conversion rates

- Control who is seeing your ads to make your budget go further

- Setting up goals and conversions helps you to directly link your PPC budget to returns

- Instant implementation: placements will go live as soon as your campaign is set up

Disadvantages:

- Increasing competition in the search market is driving costs up, and giving larger companies with big budgets the dominant positions

- Organising and strategising these campaigns can be time consuming and require vast expertise

Retargeting

Retargeting is a cookie-based technology that uses Javascript code to track your audience all over the web and target them with adverts. For example, if a shopper bought flights as a Christmas present, a retailer could follow up with hotel offers for that destination.
Not all clicks convert into sales. Banner ads need to be engaging with cutting-edge design to encourage customer interaction.

Rakuten Display (formerly MediaForge) has a unique tracking solution which uses engagement as a metric of conversion. Its design-driven displays aim to guarantee strong shopping experiences that resonate with today's border-less shopper.

Advantages:

- Substantial uplift in return and conversion rates

- Increased customer engagement and re-engagement

- Effective tool in prospecting marketing campaigns

- Both CPA and CPC models available

Disadvantages:

- Some customers find it intrusive
- CPC models can be costly as not all clicks lead to a sale

Datafeed

Datafeed providers help publishers better promote different brands' existing product and voucher feeds, often resulting in improved sales and commissions for all. Publishers can utilise a variety of solutions on these platforms, such as API, Feed Download and ShopBuilder.

Rakuten PopShops for example, provides product feeds, publisher storefronts, ad units and showcases for a database of over 8,000 brands. The platform hosts over 25,000 publishers and 100 million product stock-keeping units.

Advantages:

- Cleans and standardises product feeds
- Normalised unique identifiers across brands
- Only publishers brands approve can monetise their offers
- Brands are given transparency in what domains are promoting their affiliate programmes
- Low-cost marketing solution

Disadvantages:

- Brands have to be active on the relevant affiliate network and feed providing platform

Programme Management

Brands invest in affiliate account management services for various reasons. Lack of time and internal resources are often major contributors, as is the need for expert, professional guidance.

Whatever their motivation, brand managers will rightly expect a strong level of commitment and accountability from the teams they partner with, whether they fall on the agency or network side.

To achieve this, the following should be taken into consideration:

Know the brand

In recent years it has been empowering to watch more and more marketing departments sit up and take note of the affiliate channel. As account managers and directors are finally welcomed into the fold of internal planning and strategy, it is vital that we bring something exciting and relevant to the table. In order to do that, genuine brand awareness is key.

The most successful affiliate programmes will have an account manager at the helm who truly understands the brand they're representing. Recognising the strengths and limitations of the product, while respecting the internal goals and ambitions of the people behind it, is integral to the longevity and success of any given programme, regardless of its size. Only then can the channel truly be championed as an extension of existing marketing activity - a proactive influence instead of a reactive one.

This of course is no easy feat for account managers juggling multiple programmes. To help ease the process, establishing clear goals and KPIs from the off is vital.

- What are the brands unique selling points?
- Who is their target audience?
- What are they trying to achieve through the affiliate channel?
- What message(s) or impression are they trying to convey to their consumers?

Initial feedback will no doubt evolve over time, by which point the account manager should be well placed to support these changes.

Be educated

The advancements in affiliate marketing over the last few years have been, quite simply, staggering. From traditional content, cashback and discount partners to search, display, re-targeting, CR optimisation, social and video, the range and diversity of developments are as exciting as they are overwhelming.

The responsibility of any strong account manager is to join the dots for their client, to create calm amid the apparent storm of digital. They ultimately act as a gatekeeper between the affiliate and the brand. This is quite the responsibility and should not be undertaken lightly.

To stay on top of industry developments, account managers should consistently draw upon:

- Industry hubs
- Trade news sites
- Publisher insights (a publisher will know their product better than anyone)
- Industry events – conferences, exhibitions, social events
- Brand events – internal meetings, trade days

Understanding the brand and the digital opportunities relevant to them will allow an account manager to filter through feasible proposals. There is nothing more frustrating for a busy client than trawling through complicated, drawn-out pitches.

Be relevant, be concise, be educated.

Respect your affiliates

In an industry where time and consideration is often reserved for clients, underestimating the importance of affiliates would be a massive error. If account managers are the gatekeepers to the brand, affiliates are the gatekeepers to the opportunity. Without them, an affiliate programme simply cannot exist.

So, to cap off, here are some simple tips for establishing strong affiliate partnerships:

- Be **accessible**: Where possible, be available for meetings or conference calls.
- Be **responsive**: You can't expect proactivity if you don't demonstrate it back.
- Be **knowledgeable**: Take time to understand the individual offering and what the publisher is trying to achieve.
- Be **honest**: If a business model or proposal isn't right for your client, feed this back to the affiliate as soon as possible. They can either adapt their plan accordingly, or focus on opportunities elsewhere. Either way they will appreciate your transparency.

Case Study

The Body Shop and Tradedoubler

Partnership achievements

Platform neutrality - Customer experience was a main focus for The Body Shop throughout 2013/2014. Becoming a truly multi-channel retailer was key to enable its customers to interact with the brand on any chosen platform. By implementing a multi-channel strategy Tradedoubler and The Body Shop provided customers with an unrestricted shopping experience.

MCommerce - Mobile has become an integral part of The Body Shop program. In December 2014, 15% of all affiliate sales were made on mobile devices. This was achieved through a variety of optimised mobile campaigns.

Driving footfall - Multi-channel vouchercodes have not only resulted in in a new revenue driving source since it's full integration this year, but has also helped secure more exposure online creating a halo effect while cutting tenancy costs. In 2014, in-store accounted for 86% of all sales up from 46% in 2012 when it was first launched.

Geo-targeting – Geo-targeteting was included in the promotional mix to encourage store visits. This included geo targeted email sends, SMS text campaigns, push notifications and incentivised check-ins. One check-in campaign we ran over November and December drove over 9,000 store visits at peak seasonal periods. Those users then went onto share the experience across social media platforms.

Last-delivery dates - In-store activity was integrated into the Christmas promotional planner to take advantage of last-delivery dates.

We encouraged people to shop in store rather than online through optimised codes distributed to our top partners. After last delivery dates for online finished we drove 93% of all sales during this period through in-store.

Testimonials

Liam Downes, e-commerce marketing manager, The Body Shop: "The Body Shop is shifting towards a mobile-first approach and views it as being integral now and more so in the future of retail digitally and on the high street.

"Customer behaviour is already showing the shift towards mobile and TD has rightly seen and focused on this. TD have helped TBS test and learn in this space and we believe help put both parties in an excellent position to progress successfully in the future. A great example of this was the Passbook run in partnership with publishers."

Chi-Lang Ngo, Passforce: "Passbook is a great channel for The Body Shop to reach users on mobile, build brand loyalty, and drive in-store sales. The recent uptake in adoption among consumers proves that Passbook can be a useful extension to The Body Shop's existing mobile strategy. We are impressed with the speed with which TradeDoubler have managed to offer Passbook to its clients."

Naveen Rahela, Account Manager, O2 Priority: "As one of O2 Priority's key strategic partnerships; "The Body Shop" relationship formed and driven through Tradedoubler has been fundamental in meeting key briefs, including a BTL Xmas in-store retail campaign. With the incredible support from Tradedoubler, we have been able to drive a significant amount of revenue with The Body Shop, thus helping to shape O2's in-store monetisation for the Priority platform. The Tradedoubler relationship has also been key for opening up doors to other brands to run in-store activity."

Email Marketing

Email Marketing

Overview

While email marketing may not be a new channel, its ongoing capacity to generate high returns for relatively low outlays is unquestioned.

It's no surprise some of the top performing affiliate marketers are emailers. You have the specialists who have been in the email game for a long time, but in recent times they have been joined by affiliates in other genres. The former pay per clickers, voucher code or cashback specialists have finally cottoned on to the value of building large mailing lists and now have subscriber bases of many hundreds of thousands.

Technicalities of broadcasting

Email marketers will either utilise their own servers or use an email service provider for deployment. If an emailer has a large database, there can be challenges in terms of getting into inboxes and therefore considerable technical expertise is required to gain the highest deliverability. It includes using the optimal HTML, cleansing the data and authenticating the send domain names. It's also worth ensuring you have pre-warmed, high quality broadcast IPs and utilising delivery platforms with excellent reputations with service providers such as Hotmail, Yahoo Mail and Gmail.

Email marketing essentially boils down to three things: Acquisition, Retention and Growth.

Acquisition

It goes without saying you can't send out emails if you don't have any email addresses to broadcast to. Email marketers utilise an array of methods to grow their databases, some more salubrious than others. It's given rise to the plethora of 'Win an iPod' and 'Win an iPad' campaigns, but there are a multitude of methodologies to get people to opt into databases. These can be via websites, but also many emailers utilise other mailing lists to grow their own.

Retention

Once email marketers have people signing up to their databases, the aim of the game is to keep them and that means broadcasting interesting and useful mailings.

Many affiliates have weekly newsletters they send out to their subscribers with the latest offers.

Some affiliates also broadcast solus emails to their members, which are emails dedicated to advertising one company or offer.

Growth

Email marketers want to grow their databases and get the word out about their mailshots to as many people as possible, and they will utilise a variety of means including techniques like 'forward to a friend' links in the email.

Working with email affiliates

Advertisers can enjoy substantial volumes of leads by being featured in broadcasts which can go out to very large numbers of people.

Email publishers who send out newsletters will often feature advertisers if they are offered incentives such as higher commissions or exclusive voucher codes to offer to their readers. Bigger brands are naturally more likely to be promoted.

As these newsletters recommend several advertisers, the only type of creative that is usually required is a small logo of the advertiser in a 120 x 60, 125 x 125 or 88 x 31 pixel size.

Solus emailers are always screaming out for high quality email creative, which very few advertisers provide, and any that have it readily available have a significantly higher chance of being promoted.

Lead generation networks

Specialist email publishers generally focus more on cost per action and cost per lead affiliate programmes as these tend to generate significantly higher revenue per member than cost per sale programmes.

The kind of campaigns that perform well on email marketing are usually quite different to those on PPC, SEO, display, and other online marketing channels. There are a number of networks that specialise in providing email marketing advertisers. The networks are often referred to as CPA or lead generation networks, and most of the leading players with UK campaigns have their roots in the US.

These networks often utilise the DirectTrack tracking platform, an advantage of which is campaigns can be cross-syndicated to other networks utilising DirectTrack of which there are many hundreds.

Unlike traditional affiliate networks, the campaigns on these platforms usually have the tools that email marketers need, which includes email creatives, recommended subject lines, and suppression lists.

Case Study

OMG and Confused.com

The aggregator space in the UK is extremely competitive with Moneysupermarket, Gocompare and Confused.com all investing millions on marketing and advertising campaigns to ensure they remain front of mind, harness site traffic and ultimately maximise their sales volumes.

Working with OMG, Confused.com highlighted that while its marketing activity was succeeding in driving high volumes of traffic to its site, and click traffic was strong, the conversion-to-quote ratio was underperforming. Confused.com needed to gain a detailed understanding of post-click behaviour and plug leakage points in the customer journey.

This was clearly a problem that went beyond the performance channel, but it was the performance channel that offered the solution in the form of email remarketing.

Solution

Email remarketing – or retargeting - works by identifying when a consumer drops out of the purchase journey before sending an email seeking to re-engage and pulling them back to the site to complete the transaction.

Retargeting also provides the opportunity for an advertiser to learn about their consumers' path to purchase through the provision of analytics where key drop-out points occur.

OMG recommended VE as the best-fit partner due to its comprehensive offering. This included analytics reporting capability, proven success in campaign optimisation and its ability to integrate easily with existing tracking solutions.

Implementation required a small piece of Java script to be placed within two points of the purchase journey, one at the email field and one on the quote page, which enabled VE to capture customer details and then de-duplicate quote completions from abandonments. This simple implementation, for what is such an important marketing initiative, was a real benefit.

The commercial model also suited the merchant as there were no set-up charges or minimum monthly fees. VE would simply seek to convert customers via email re-engagement and get paid per quote -the same as every other publisher within Confused.com's affiliate campaign.

Execution

Confused became the first aggregator to launch behavioural retargeting, with VE capturing customers when they entered their email details, sending an email 24 hours following the customer dropping out of the purchase journey.

Great care was taken with the execution of the campaign to ensure consumers were not spammed, helping to optimise engagement and protect brand perception.

Prior to launch, email templates were created by Confused.com with input from VE and OMG — they were designed to be customer service-focused and genuinely helpful. The consumer was informed that Confused.com compared prices from over 130 providers and that 97% of customers saved money. But the friendly, helpful tone was just as important in successfully bringing customers back into the buying cycle.

Optimisation

Within the first month of launch, retargeting delivered over 6,000 clicks, growing to 17,000 clicks in Q4 as a whole. Crucially, though, the retargeting campaign successfully encouraged 6,500 abandoned customers to return and complete their quote over a three-month period.

To ensure that clicks were maximised and conversions optimised following the launch period, Confused.com, OMG and VE set about implementing a plan for continual testing that sought to find the most effective creative, subject line and follow-up approach to ensure a positive outcome.

Cascade functionality was launched to enhance the initial process. The cascade approach took the form of a second email sent to the customer 24 hours after the initial contact, if no action had been taken. If the customer still failed to respond, a final email would then be sent

after 72 hours. This recognised that customers do not always act on emails initially and that consistent engagement can optimise performance further.

Each email was styled differently in order to offer a different appeal to the consumer in a different way, while care was made to ensure that each email creative reflected its role in the staggered approach - initial contact, followed by a reminder, followed by their last chance.

The content of the emails was also improved with a personalised approach which included the customer's name in the creative and subject line.

OMG provided weekly analysis to Confused.com, assessing each element of the cascade send as well as general changes in site abandonment and retrieval performance.

Results

Since launch, retargeting activity has generated over quarter of a million clicks and brought **70,000 abandoned customers back to complete their quote.**

This channel represented **25%** of total quote volumes for Confused.com, with VE adding thousands of incremental quotes per month to the programme.

In addition, conversion from quote-to-sale performance was very strong, with an average of **16% of quotes converting to sale** as opposed to **7% across the campaign overall**. Ultimately, this demonstrated that a retargeted customer was twice as likely to complete a purchase as those coming via standard traffic.

The channel has proved incredibly successful for Confused.com, so much so that it is now an integral part of its digital marketing mix.

Industry Best Practice

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Best Practice and Regulation

Affiliate

While "affiliate" is a relatively mature model, there are many factors which mean that "performance" as a whole continues to evolve, change and face new challenges; new publishers, innovations, technologies, commercial models and, of late, regulatory changes bring opportunities but also challenges.

It is within this context that best practice and standards continue to be an important point of focus for the industry. Indeed, over the last 5+ years, UK affiliate marketing has matured and professionalised to the extent that, in terms of standards, while there is more to be done, it is arguably now the most developed in the world. While this professionalisation of the industry has engrained in individual businesses a commitment to standards, there remains a strong *industry-* level focus primarily driven by the IAB and its AMC (Affiliate Marketing Council).

This section focuses on these industry-level standards and best practices including some of the key factors that explain why they are developed as well as what they aim to achieve.

A model for collaboration

The IAB AMC, established in 2006, provides an organised framework to ensure that industry stakeholders can communicate effectively to raise, discuss and agree outcomes on issues pertaining to standards and best practice. While the AMC embraces and encourages engagement from a relatively large numbers of its industry members, the formative work around standards and best practice is carried out by a sub-committee structure:

- **The AMC Steering Committee** – comprising around 20 diverse elected member delegates tasked with agreeing the main focal areas of the IAB in relation to its affiliate marketing members. As well as broader topics including commercial, PR, skills and training, the Steering Committee plays a consultative role where standards and best practice are concerned. The Steering Committee meets around six to eight times each year.

- **The Legislation and Standards Committee** – comprising around 10 IAB member delegates, typically with a broad interest in standards and best practice or with specific areas of expertise. Meeting around six to eight times each year the committee holds detailed discussions around issues that are impacting the industry and agree upon a unified course of action, whether that involves the need for new best practice standards or a change to existing standards.

In addition to the above structure, there is also a significant amount of fluid, reactive and pre-emptive collaboration among committee members. Email groups administered by the IAB are used to respond to specific incidents or issues as well as to openly discuss macro level issues including changes to regulations that affect the wider industry and where it is felt that a unified approach is beneficial.

While the above structures include competing businesses the IAB has been a facilitator and enabler for open dialogue, joined up thinking and consistency of message that would otherwise be missing. There is wide agreement that this arrangement is conducive to the development and maintenance of the standards that the industry refers to and is, to an extent, built around.

Standards drivers

Affiliate marketing is characterised by its massive volume of diverse publishers and also its propensity for seemingly continuous evolution and entrepreneurial "character". As a model that offers an attractive return on investment option for advertisers, affiliate marketing also permeates a huge breadth of the online acquisition landscape. Traditional channels such as desktop search engine traffic continue to lend themselves to the affiliate model (or vice versa?) and equally newer technologies, devices, purchasing trends and content models are all embraced by affiliate marketers. Whether they are using one or a combination of search engines, mobile phones, social media, voucher sites, retargeting or email (to name but a few) standards need to be in place.

Much of the evolution of the digital landscape has outpaced and so challenged the regulatory context that governs more traditional offline business. The technologies and advertising models that characterise the internet have not always followed a blueprint and, particularly where affiliate marketing is concerned, this "organic" development has been a key driver of self regulation. Indeed, many of the standards and best practices that exist

within the industry have been established under the industry's own collective steam in the absence of meaningful or practical guidance from external regulators.

In the last few years, while industry self regulation has continued to be the main driver of best practice and standards, there has been increasing regulatory activity from national and pan-European institutions. Regulators and government institutions are increasingly seeking to control the direction in which the digital economy evolves with goals of making the internet and its economic models safer and more transparent for consumers and citizens.

While greater regulation of the internet may be inevitable, this external regulation is itself becoming the major driver for more effective and efficient *self* regulation within the industry. The better the industry self regulates, with the needs of the citizen in mind (just as much as its own commercial and advertising models), the less it is likely to be disrupted (or worse) by external regulators. Equally, with better self regulation the industry is better placed to put forward its own case when regulation becomes inevitable.

Key areas

The following outlines some of the key areas that standards and best practice focuses on, which is relevant to affiliate marketing.

Transparency and openness

Perhaps the most significant issue faced by the affiliate industry relating to standards and best practice stems from proposals to change national and European privacy laws.

At the time of writing (Dec 2013), the EU is proposing changes to laws that would require explicit consumer consent for businesses to place cookies on computer/mobile devices. Further information on the EU data protection proposals can be seen here.

While the work of the IAB and the committees seek to guide the regulators down a route that is beneficial for citizens and businesses, the industry has already issued guidance aimed at encouraging high standards and best practice in relation to transparency.

In 2012 (updated in 2013) the IAB published the Consumer Transparency Framework, primarily aimed at affiliates/publishers but also offering advertisers information relating to compliance with the EU Privacy Directive. Importantly, the Framework states:

"While we believe the Framework offers a robust approach to addressing compliance, it does not constitute legal advice and should not be viewed or applied as a definitive blueprint for achieving compliance. Ultimately, everyone must take the measures they believe best fit their own situation in accordance with the rules and the ICO guidance".

While not constituting legal advice, the Framework draws from and closely references the ICO's guidelines on how information might be presented to consumers and how different forms of consent, including "implied consent", might be approached. It also provides practical guidance on how cookies should be audited, classified and communicated to consumers.

The industry fully supports greater consumer privacy and transparency and continues to argue for business-friendly, proportionate measures to achieve this.

While the EU regulatory process and its current focus on Data Protection Reform remains uncertain, the industry continues to promote a responsible approach and encourages all stakeholders to support industry self regulation.

Voucher

The growth of voucher code traffic and its importance to acquisition resulted in the creation of the first IAB AMC Voucher Code of Conduct in 2008. The Code aimed to ensure that voucher/offer information was presented clearly to consumers and that affiliate promotional activity was conducted appropriately with the needs of consumers, advertisers as well as competing affiliates in mind.

The Code has been revised on various occasions in order to address the evolving needs of industry stakeholders and with the aim of encouraging the positive development of the channel.

The current code maintains a clear focus on ensuring consumer transparency, stating that:

Consumers must be provided with information which is true, accurate and not misleading.

And

If a consumer is required or induced to act, the consequences of that action must meet the

reasonable expectations of a consumer.

The code also aims to protect the interests of the advertiser stating that:

Vouchers must only be monetised with the permission of the relevant advertiser or any of that advertiser's respective licensors or licensees.

While the high level of focus on the code is reflective of its commercial significance the latest amends (June 2013) reflect the diverging opinions of advertisers within the space especially regarding UGC (user-generated content). The code states that:

Vouchers must only be published in accordance with the instructions of the relevant advertiser.

Accompanying the Code is a [coordination procedure](#) document, which details complaint handling processes and states that:

On receipt of the Complaint, the Networks will enforce the Code under the terms of their agreements with affiliates, as each of the networks deem appropriate.

All major networks subscribe to the Code and the enforcement procedure. The enforcement procedure also outlines a collective (i.e. networks) response procedure which can be triggered should individual networks fail to address issues satisfactorily. An IAB mail group - vouchercode@iabuk.net – which is distributed to all networks that subscribe to the Code is included in the coordination procedures.

Ethical Merchant/Advertiser Charter

Aimed primarily at advertisers entering into affiliate marketing, the Charter is viewed as "*one of the first documents to visit for those new to the channel or those looking to ensure they are running a best-in-class campaign*".

The fundamental aim of the guide is to ensure that advertisers are encouraged to provide good levels of transparency to affiliates, notably in the following areas:

- **De-duplication**

  What logic the advertiser uses to attribute sales and commission - first or last cookie – and at what stage in the validation and payment cycle attribution is finalised.

- **Affiliate Criteria**

  Advertisers should be clear on what type of affiliates they want to work with and what restrictions/terms apply to each type (email, cashback, ppc, social media etc).

- **Notice Periods**

  Changes to terms and conditions, commission changes or any other material changes should be notified to affiliates with adequate warning.

- **Mobile Contingencies**

  Whether or not mobile traffic will be attributed in the standard way and whether tracking is in place should always be made clear.

The areas covered above and within the Charter are not exhaustive but are intended to communicate to advertisers the need to offer high levels of visibility to enable affiliates to maximise their promotion potential and minimise commercial risks.

The Charter is available to all advertisers, offers a cross networks perspective and can be accessed here.

Behavioural retargeting

The AMC published a best practice guide for behavioural marketing in 2011 at a time when the model was growing in popularity and there was concern regarding its impact on attribution of affiliate sales and commissions.

The guide, which is currently under review to ensure it remains up to date as the industry evolves, provides a helpful overview of how retargeting works and addresses the key distinction between the post-view/post-impression tracking mechanisms typically employed on retargeting campaigns vs the post-click model used on other affiliate campaigns.

Key points are:

Where retargeting campaigns are used by advertisers a, **"cookie hierarchy"** logic should be implemented. The basic premise is that post-impression/view cookies used in retargeting should not take precedence over existing post-click cookies that have resulted from a user

physically clicking through an affiliate link. In terms of attribution, a click is generally considered to be more "important" than a more passive banner impression. Failure to address this can result in retargeting campaigns receiving credit/commission for results that were actually driven by other affiliates.

Post-impression **cookie duration** should also be factored in. The post-impression cookie would be set much for a much shorter period than the post click cookie to reflect the more passive nature of the banner impression vs that of the user's click.

Controlled distribution of post-impression campaigns is essential to ensure that advertisers are provided with value. Post-impression cookies should only be used in conjunction with agreed terms and there should be clear agreements in place around ad/banner distribution.

Commission considerations may be different to post-click campaigns and should always reflect value to the advertiser. The distinction between passive post-impression vs harder post-click derived sales is also a consideration as are the associated media-buying costs for the retargeting affiliate.

Privacy and consumer considerations are vitally important and retargeting should adhere to regulatory or self–regulatory frameworks. See the Information Commissioner's Office website for information relating to privacy regulation and also visit Your Online Choices the industry's collaborative best practice guide and wider resource hub for the retargeting industry. Read the full guide here

Software

It is possible for affiliates to utilise downloadable tools and software as a means of promoting and presenting affiliate links to consumers. These methods may be entirely legitimate and while they represent a relatively insignificant contribution to the overall industry, it is an area that requires monitoring to maintain standards.

The IAB AMC best practice guide states that "*The code of conduct is exclusively aimed at affiliates who are implementing what could be termed 'interruptive' software; that is software that prompts a consumer who may already be engaged in the purchase cycle and, based on that consumer's on site behaviour and navigation, is then presented with an offer, deal, code or reward*."

In essence, the code seeks to ensure that usage is advertiser approved and appropriate, that consumers can easily uninstall software and that associated activity is clearly distinguishable from other forms of affiliate traffic (to ensure transparency around value for advertisers).

The code also states a number of requirements to ensure affiliates distribute the software through ethical means and that they do not confuse consumers, deliberately or otherwise.

The code is reviewed regularly to ensure it reflects the nature and realities of the market and can be **can be read in full here**

Data feeds

Those promoting through affiliate channels and making product inventories available for distribution on affiliate sites should read a collection of documents provided by Fusepump. The guides give clear context to the use of data/product feeds and explain the inherent challenges and pitfalls with achieving high quality, controlled distribution of these, often, very large data sets.

As well as providing technical specification detail Fusepump have also contextualised the information in order to facilitate understanding for all audiences.

Documents can be accessed here:

Understanding product feeds: A best practice guide

Mobile

While mobile will no doubt be gaining additional best practice focus as it takes an increasing share of internet traffic, the current IAB AMC documentation focuses on mobile tracking.

The document points out that affiliates are losing a proportion of their commission because mobile tracking is not always effective or implemented. Naturally, affiliates will not actively promote advertisers where this is the case and there have been examples where for practical reasons, users have been steered away from those advertisers that do not track on mobile, notably on cashback sites, where tracking is essential to the model.

Advertisers and networks, as part of a commitment to best practice, must ensure that tracking is available wherever possible on all devices and should provide transparency to affiliates especially where sales will not be tracked. The IAB AMC guide can be accessed here.

Conducting affiliate audits

As reflected in other standards, Affiliates operate within the context of a regulatory framework that imposes privacy, advertising standards as well as other requirements on businesses. In addition to these global regulations, affiliates are also bound by the terms and conditions of the networks that they subscribe to and the advertising programmes that they promote.

The IAB AMC Best Practice Guide provides an approach to auditing which ensures that the above requirements are fulfilled. Guidance focuses on areas such as:

- Who should carry out audits – networks, advertisers or both
- How the scope of the audit should be determined given the number of active affiliates
- How findings should be addressed including what actions might be included in handling processes
- What should actually be audited – affiliate content, use of advertiser brand, methods of promotion etc.

Further guidance is provided around ensuring that advertiser requirements have been stated clearly and that removal of affiliates from campaigns is carried out effectively. Read the full guide on affiliate auditing

Publisher Standards Charter

The IAB AMC released a Publisher Standards Charter in 2014. The charter supplements all other guides and standards and provides a clear and succinct message to affiliates around the need to uphold high standards as well as a promoting a clear focus on ensuring transparency to consumers. The guide can be found here http://www.iabuk.net/resources/standards-and-guidelines/iab-affliate-marketing-council-publisher-standards-charter .

Online Privacy

Online advertising – the use of data

The data collected using tracking technologies (often involving cookies) has always been an essential ingredient of our industry. Until fairly recently this was rarely questioned and has been a central building block for the £1 billion UK performance advertising industry which accounts for £14 billion worth of sales (IAB Online Performance Marketing study, Jan 2014).

In the last few years a lot has changed; capturing and processing of consumer data now occurs on a far more massive scale within the advertising industry. This has been fuelled and enabled by many things, notably, the technical capacity to do so but primarily commercial drivers including better ROI for advertisers, improved customer experience and campaign management efficiencies.

Whilst not all advertising models use data to the same extent or in the same way it is true to say that there have been significant changes to the way in which consumer data is used within the industry as a whole. New models and methods have emerged; most notable behavioural retargeting and programmatic real time bidding and these have attracted attention and raised questions around privacy.

The legislative threat

Coinciding with - and no doubt influenced by – wider developments in data related advancements we are seeing greater political and legislative scrutiny by national as well as European Union (EU) institutions. Both have the fundamental objective of ensuring consumers have the right levels of protection with regards to data and privacy, not just with regards to advertising but in all areas of life.

In addition the EU sees consistency of data protection rules across the EC area as an important economic enabler and wants to eliminate divergences that exist from one country to the next.

In 2012 the E-Privacy Directive (aka the "cookie laws") addressed consumer privacy issues by introducing new requirements which meant websites had to provide enhanced transparency and, depending on their purpose and potential "intrusiveness", give consumers an opportunity to withdraw their consent for the use of cookies. Ultimately the UK Regulator – the Information Commissioner's Office (ICO) – factored in both consumer privacy issues as well as economic considerations and the Directive was applied proportionately which meant significant damage to the industry was mitigated, whilst some of the goals for consumer transparency were also met.

EC data protection reforms

Presently the EU is processing new proposals – EC Data Protection Reforms - which aim to address similar data and privacy related concerns but, in scope, are far more extensive and potentially more damaging to the advertising industry. As far as online advertising is concerned the IAB has identified three main concerns within the proposals:

1. A broadening of the scope of 'personal data' to include data used for advertising purposes.
2. A requirement for explicit consent to process this data.
3. Potential limitations on the ability to build audience segments ('profiling').

Whilst there are many other considerations, the most immediate and significant threat to the performance industry relates to the second point; this may mean the use of cookies would be prohibited unless explicit consent is obtained from the consumer. Clearly this would pose big challenges.

Influencing the EC data protection proposals

The IAB is the body that represents and galvanises the industry's response to legislative and policy proposals and they are currently working with all online advertising sectors to communicate the industry's concerns and suggest alternative approaches.

The performance marketing sector is well represented with its own IAB Legislation and Standards Committee structure and has a clear, distinct voice regularly inputting to UK and EU institutions. This has included making the industry's case to the ICO, the UK Ministry of

Justice and the European Parliament. Activities are also coordinated at a European level through IAB Europe with targeted initiatives aimed at showcasing our industry and highlighting the economic risks posed by the proposals (see the Digital Innovations Showcase).

Key industry positions

There is an ongoing focus on influencing the EC Data Protection Proposals with the aim of achieving a balanced approach to satisfying consumer privacy concerns as well as economic imperatives. The following key points underpin more detailed and specific objections and suggestions:

- **Proportionality** around the scope of "personal data" – Any rules regarding the collection and use of data must reflect the nature and sensitivity of the data and not treat all personal data the same. For instance, if cookie data for advertising purposes is considered as personal data within the law then rules must reflect that it is far less sensitive and poses less risks than other personal data such as medical records.
- To that end, incorporating the concept of **Pseudonymous data** and recognising that some personal data does not directly identify an individual is critical. Formerly acknowledging that this is a risk neutral sub-set of personal data is important to achieving proportionate outcomes within any new rules.

When will the EC proposals be agreed and adopted?

The process has already been ongoing for several years and there is lengthy legislative procedure requiring the three major EU institutions – The Commission, the Parliament and the Council of Ministers – to negotiate and agree final details. This could take some time perhaps up to two years or more including a two-year implementation phase.

IAB post regular updates regarding the status of the process.

What should you do to prepare?

Clearly some outcomes could pose serious implications and this is why the industry is continuing to make representations in an effort to influence outcomes.

All businesses operating online should monitor developments and ensure senior executives are engaged and kept informed. The IAB will be a key source for this and issues regular updates.

# Technology

Technology

Call-Tracking Technology

Recent research from ResponseTap showed that one in three online shoppers preferred to talk to someone on the phone before buying; this represents £186 million of weekly online spend. Until very recently, performance marketing has mostly been carried out online, which means that advertisers and publishers have both been missing out on potential revenue.

Performance marketing via phone extends performance marketing to those wanting to purchase offline, either because that is their personal preference or because they have questions before they purchase.

Carrying out performance marketing using the phone as a potential sales channel is made possible by call tracking technology. Call tracking enables a business to track which marketing channel or channels triggers a phone call, and whether that call is a lead or a sale.

Within performance marketing this means that if a customer is deciding whether to buy whilst on an affiliate site, but has some questions or would like to buy via phone, this option is made available to them by the provision of a unique telephone number. The result of this call can then be traced back to the relevant publisher, and that publisher can be attributed to the lead or sale by the advertiser.

Phone performance marketing is a cost-per-action form of marketing. In some cases advertisers will pay per call; for every phone enquiry generated as a result of the publisher's website. Other times they will only pay for a lead or a call of a certain length, and other times it will only be when a sale is made.
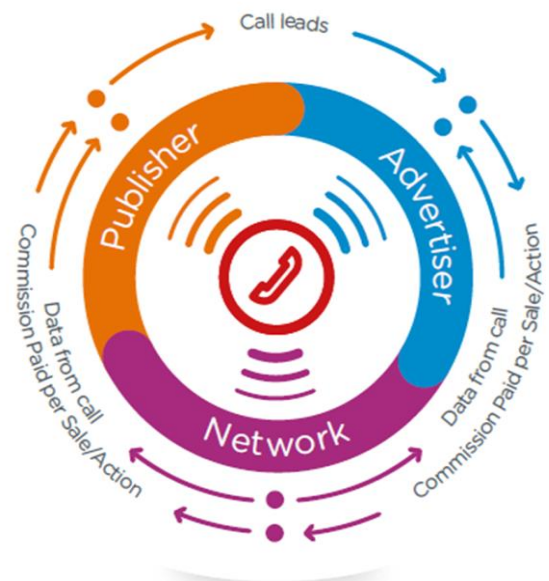
Where does performance marketing fit in?

Networks integrate with a call tracking and analytics solution. This enables a unique telephone number to be allocated to each visitor to a publisher's website when they are online. This means that if this phone number is called, it is possible to see which website visitor has made that call and therefore which publisher drove that conversion. It is possible to track what the visitor is doing online, which means that the phone call can be linked to the visitors online journey, including how they found the website and the keywords they used, as well as which pages they looked at before, during and after they call.

All parties can then access this data, meaning that publishers can be paid for every call, lead or sale that they generate. Advertisers can see which publishers are the most successful at driving leads and sales both online and offline.

Why use it in performance marketing?

For advertisers

Affiliate websites initially took advantage of people's desire to buy online, but with the growth of mobile technology and responsive web design comes an increased predisposition to ask any questions by phone. 0.4% of those browsing on their mobile will then go on to purchase via a mobile browser, but when you include phone sales made from a smartphone this figure jumps to 1.3%; an increase of over 150%. Incorporating the phone into performance marketing enables advertisers to target those that would prefer to buy via phone.

For publishers

Those that wish to buy via phone may choose a product or service based on viewing it on an affiliate website but then search for a number to call and buy this way, at which point the publisher is then not credited for the sale despite their contribution. By including a phone number, a publisher will give someone browsing their site the capability to buy via phone, enabling them to get the credit and commission due for triggering that call, lead or sale.

Overall

Using call tracking in performance marketing gives all parties complete transparency and ensures that the correct commission is being paid to those generating interest and sales, as well as increasing engagement between customers and affiliate websites.

Attribution

This section is brought to you by Rakuten Attribution, the measurement and attribution arm of Rakuten Marketing.

What is attribution?

Attribution is the process of apportioning the value of a conversion across the interactions and touchpoints that were involved in the path to conversion.

Why is attribution important?

You can't manage what you can't measure

Accurate marketing performance measurement is crucial to business success, and attribution is a key part of that measurement. An accurate attribution model will inform the most effective decisions. There are several fundamentals to the success of an attribution model:

- **Consolidated data** – Data from all marketing channels, sales channels and devices must be joined and consolidated in one place.
- **The most complete user journeys possible** – There must be 'links' and 'keys' between the data sources that enable all of the interactions and touchpoints, across all channels and devices, to be joined into a coherent path. Without knowing the true user journey, the results of attribution are compromised and key channels will be undervalued.
- **Analysis of channel interactions** – In-depth analysis of how channels combine, interact and complement each other, in addition to their value, is crucial to informing tactical decisions.
- **Automation** – Once these steps have been achieved, the process of collecting, combining, analysing, attributing and outputting the data needs to be automated. The

insights must be delivered to key stakeholders to ensure they can be used practically to drive decisions.

- There are many benefits to bringing together a complete set of aligned and joined up marketing data. There are also numerous forms of analysis that can be performed on the data to answer lots of questions for different audiences, of which attribution is just one. However, the remainder of this section will focus on attribution and the valuation of marketing activities.

Well-informed optimisation

Sales and leads are rarely driven by a single marketing campaign. Visitors to a site usually visit multiple times, through different channels, before committing to a purchase or registration. Therefore, to effectively optimise all marketing channels, success needs to be measured based on overall contribution to the sale and not just on the site visit where the conversion takes place.

The omnichannel user journey

Accurate weighting of brand-related conversions

Based on the traditional "last-click wins" attribution model, visits associated with the brand will generally be reported as the biggest driver of conversions. When optimising channels this can be misleading, as the model is ignoring the channels and keywords that helped to develop the brand recall.

Separating brand from non-brand visits allows for unique insight when looking at the path to conversion and enables marketers to assess the overall influence that specific brand has on conversions.

Attribution modelling

Attribution models are developed based on insights garnered from analysis of marketing performance data and the attributes of conversions.

There are two main steps to creating an attribution model:

1. **Identifying the touchpoints in the paths to conversion** – This is often more complicated than it seems. Methods need to be utilised to accurately reflect consumer buying and browsing habits and capture paths of varying lengths, rather than simply capturing all touchpoints in a pre-defined cookie length.
2. **Sharing sale value between contributing touchpoints** – Once the contributing touchpoints have been identified, rules can be set to share sale value between them. There are many different ways to do this, such as giving channels different weightings depending on their position in the path to conversion, so they should be bespoke for each business.

There are different methods of creating an attribution model – from a simple rules-based model derived from the most common paths to conversion to one based on in-depth statistical analysis of millions of user journeys. The business's choice will depend on the resource available or the stage they are at.

Data collection

An attribution model can only ever be as accurate as the data it's based on. The most accurate attribution model will reflect how users truly interact with a brand's marketing and sales channels.

Joining user activity across disparate channels and devices is more complicated for some businesses than others, and there is no 'one-size-fits-all' solution, but this can always be done with a little creative thinking.

For the most accurate attribution model, the following should be included:

- **Multiple devices** – Increasingly, consumers are using multiple devices for researching and purchasing. To see the complete user journey, rather than just fragments, user activity must be linked across these different devices.
- **Offline activity** – Online marketing drives offline sales, and vice versa. Again, to uncover the true user journey, this activity should be linked for a holistic view of user activity.
- **Off-site display advertising** – Advertisers spend millions on various types of off-site display advertising and its true influence and can only be determined through inclusion in the attribution model.
- **Mobile apps** – As well as mobile sites, many advertisers are providing native mobile apps to allow consumers to browse and purchase their products.

Underpinning all of this is the level of completeness and accuracy of the data that is collected. Good tracking data is accurate, collected across all channels and includes all landings, actions and pageviews across all converting and non-converting user journeys. The quality of tracking data will have a large impact on the accuracy of the final model and the data it produces.

In an ideal world the attribution model would be 100% accurate, but in practice this is determined by the resource available and the stage of the business. Any inaccuracies in the data must be identified and taken into account when using the model as the basis for decisions.

Correctly segmenting users

The path to conversion can vary depending on numerous factors. These will differ for each business sector and each individual company, but common variants could include new versus existing customers, basket value, geographic location, device, number and types of products purchased, customer demographics and many more. The attribution model should account for these variants wherever they display different trends within the conversion path.

An attribution partner should be able to work with an advertiser to segment path-to-conversion data in order to identify which variants need to be incorporated into the attribution model.

Benefits of attribution modelling

Actionable insights for marketing

The primary benefit of introducing a customised attribution model into a business is to understand which activities are actually contributing towards the ultimate goals and in what combination they are effective. Once this is understood it becomes more straightforward to allocate more resources to the successful activities and to review the activities that are not working.

In addition to looking beyond the last click, it's also beneficial to look beyond the first sale. Aligning data sources (e.g. tracking & CRM) and performing attribution analysis will help marketing teams to attribute lifetime revenue and/or margin generated by a customer, back to the original traffic sources involved in generating the initial sale.

Once an advertiser understands the position of a traffic source within the paths to conversion that have been investigated, tactical actions can be taken based on this insight. A practical example could be moving a media partner that was historically rewarded on a cost-per-sale basis to a cost-per-click or hybrid payment model. The rationale being they are frequently appearing at the beginning of path to conversions, but seldom at the end.

Team cohesion

Marketers should aim to have the attribution model universally accepted across the business, including marketing, analytics, buying and finance teams. It will then be possible to better co-ordinate the delivery of respective projects in order to meet company or group-wide objectives. All departments will be working from the same page.

Future-proofing

In the real world, because of factors like restructuring, competition, regulation, seasonality or expansion, marketing goals and priorities are likely to change. Advertisers that take the time

to develop a fully customisable attribution model will benefit from being able to hone and refresh it as their business evolves.

Affiliate payments

Since early 2013, some merchants have started to use attributed performance data to calculate affiliate commission payments and to share the data with the affiliate networks.

Unlike the 'last-click' model, paying affiliates based on the value attributed to them in the merchants' attribution model accurately reflects their real contribution to each sale. It also allows multiple affiliates to receive credit for a single sale. The model crucially aligns the interests of merchants and affiliates by incentivising affiliates to contribute at all stages of the purchase journey, rather than just competing for the already saturated last click, encouraging both parties to grow together.

What does the future hold for attribution?

Attribution has often been viewed as a scientific undertaking that takes a large amount of time and effort to deliver any value – a 'nice to have' rather than an essential tool. This is no longer true, as advances in the technology and analysis techniques required for attribution mean that projects can now get going and deliver real business value quickly.

The desire for transparency meant that measurement and attribution was a hot topic of 2014, and 2015 will be the year that it hits the mainstream. Looking at the last click is a big compromise, and as low-cost and accessible measurement platforms improve their attribution capabilities, we will see attribution adopted as a crucial tool for omnichannel success.

It won't just be used by the marketers, either. Media owners will have to stop marking their own homework and accept their role in wider ecosystem. Attributed data will be the only way they can prove their real value to brands.

Frictionless Technology

The consumer has never been so significant or powerful. Certainly, in recent years, with the amalgamation of smartphones, social media and competition for space in a noisy market, the everyday shopper now demands unique experiences from brands, merchants and marketers. Consumers want to hop from one channel to another seamlessly, whether it's in-store, online or an app, and they want to buy at their own convenience.

When 90% of transactions take place in-store, retailers have to step up and provide the 'always-on' consumer with what is known as an omni-channel experience. Did you know that 85% of UK shoppers have smartphones? In the recent *SmartFocus Mobile Insights* survey, it was revealed that over 50% of UK shoppers would embrace more in-store technologies, especially those that actively improve in-store shopping.

This is where beacon technology comes in.

What are beacons?

They might be two-inches long, but beacons are one of the biggest and most innovative pieces of technology the consumer-led industries have ever seen, with massive potential for both customer and business. They are powered by Bluetooth Low Energy (BLE) and this is one example of how they work:

Customer downloads store app that detects a Beacon and pushes notifications to the cloud

The customer sighting is pushed to the cloud

User's preference, shopping history, location, proximity to Beacon, and time can trigger events

The app can present custom messages or prices on public displays and a customer's smartphone.

The result is a truly customized experience linking multiple applications, events and devices to achieve maximum value and engagement

A typical process will go as follows:

1. Your customer downloads your app on their smartphone
2. In-store beacons are installed
3. Your customer's smartphone is picked up by the beacon
4. The beacon reads their preferences and shopping history
5. The beacon sends targeted notifications to the smartphone app

The result? A truly customised experience that drives customer engagement

Beacons are already being deployed in shops, at events, in offices and exhibitions, and will help retailers from all industries target their customers with informed notifications and actions. For many businesses, the question is no longer 'if' they should use beacons but 'how'.

Technology is a consumer lifestyle choice

Technology has shaped today's shopping experience and permeated into how consumers go about buying. They want to be immersed in a brand, connect with it, have an opinion on it and then – happily – go about buying from it. Technology provides retailers with many

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different avenues to help customers make their buying decisions, and this is both offline and online. Other types of consumer-focused technology include:

- Barcode scanning
- Online shopping carts
- In-store video
- Mobile point-of-sale devices
- Product customisation tools
- Virtual in-store counters

All these different technologies connect over multiple channels and are designed to enhance the customer journey. Beacon technology bridges the gap between a customer's offline and offline world.

How can retailers use beacons in-store?

When 56% of UK consumers would spend more money in-store if they received notifications about offers and discounts and 39% would spend more if it was easier to find products in-store, it might be time to think about how beacons can benefit your business.

Beacons complete the circle between offline and online behaviour. For retailers, there has never been a better opportunity or way to identify customers and collect data. This brings a host of customer benefits and a real opportunity for you to surprise and gift customers in-store. The trick is to use beacons to provide a service you know your customers will engage with. For example, department store chain John Lewis is using them for 'click-and-connect' services, alerting customers when their pre-ordered products are ready for collection.

How else can they prove useful in-store?

- Pushing relevant discounts and promotions
- Pushing relevant in-store information
- Delivering product information based on web browsing history
- In-store mapping
- Tracking how many customers enter the store

The important take-way here is *relevancy*.

Beacons are part of a wider, contextual picture

It's important to remember that your customer should always remain at the centre of your marketing strategy. Plenty of marketers are often too focused on using beacons as a coupon or promotions gimmick, but their real power lies in much larger initiatives. This is where contextualization comes in.

Although this means beacons are being used to influence shoppers at the point-of-sale, context is king. Avoid techniques that are tempting and look for ways to contextualise offers in real time. That means understanding customer shopping behaviour and pairing it with location-based data to create truly personalised interactions. These context-aware elements will include:

- Location
- Environment
- Time and date
- Real-time retail data
- Social data

If you're going to use beacon technology, your focus should be on improving the customer experience. There's no 'one-size-fits-all' approach.

What kind of challenges do beacons present retailers?

Because beacons engage with smartphones, retailers (and those in other verticals) have to be very aware of their customer's privacy. Imagine getting spammed with messages and notifications every time you walked into a shop – you'd opt out and delete the app.

Don't abuse your customer's privacy by sending context-irrelevant messages or spam. Most importantly, beacons shouldn't be an afterthought but must tie-in with your wider marketing strategy. Remember that to be successful, the app you offer your customers should offer real value – you are relying on them to download it. This is the only way they'll return, engage and (ultimately) purchase.

Card-Linked Offers

Overview

As performance marketing focuses ever more on omni-channel solutions, the need for more sophisticated online-to-offline technology (O2O) becomes more apparent across the affiliate industry.

In this vein, O2O solutions must be measurable for both advertisers and affiliates, while accessible to consumers. An effective O2O solution must streamline the redemption process while closing the loop without compromising the consumers' purchasing experience. Card-linked offers address all the above and are going from strength to strength every year. And as established players like Coupons.com adopt the technology, juggernaut social networks like Twitter and search engines like Microsoft's Bing invest in CLOs send strong indications that we will be seeing more of these solutions in 2015.

What is card-linking?

Card-linking refers to the process of associating a type of reward scheme or an offer to a payment card. These rewards could be anything from an ongoing cashback scheme to a one-off promotion and even store currency.

The process of registering for a card-linked offer is simple. Users can opt-in by securely entering their 16-digit card number online, or on a mobile device, and redemption would be as seamless as making a transaction at the point of sale.

This enables advertisers and publishers to deliver store offers directly to users via their payment cards and enable them to redeem the offer without changing their usual purchase behaviour. Furthermore, users are able to link multiple offers from multiple merchants and publishers to the same card.

Hand-in-hand with mobile

Multi-channel retailers understand the relative impact of their online activity on their offline growth. As marketers are allocating bigger budgets to performance-based solutions, O2O is no different.

Similar to PPC, card-linked solutions offer advertisers and affiliates a measurable and performance-based solution. And as mobile overtakes desktop in terms of usage, more comprehensive multi-channel tracking and attribution strategies will become a necessity. By combining mobile and card-linking technologies, affiliates can address current redemption and attribution challenges presented by omni-channel demands while enhancing mobile's powerful capabilities.

The richness of the data also provides better insight into consumer behaviour across multiple devices. This paves the way for delivering more relevant offers to the consumers, directly to their mobile phones and redeemable on their payment cards.

Security at its core

The idea of tapping into the transaction stream and utilising it as a redemption channel could cause concerns about security implications and the safety of customers' personal information. Card-linked offer providers are held against the same security standards as banks and are required to comply with highest level of PCI DSS standards (Payment Card Industry Data Security standards). Additionally, since card-linked offers operate within the existing payment infrastructure, it means the same payment safeguards apply to it.

Regulatory body

As the adoption of card-linking technologies becomes more mainstream, both in the US and the UK, a regulatory body has formed to ensure safeguarding and ground rules are in place, similar to ones applied to today's online performance marketing players.

Established in 2013, Cardlinx is made up of the major card-linked players as well as publishers like Facebook and Groupon and payment networks like AMEX and MasterCard. Together these organisations have introduced standards and practices of card-linked offers. For example: "Priority of Offer Redemption and Stacking Prevention" (Cobra standard) and "Standard Attribution and Reporting Metrics" (Humming Bird standard) as well as the security measures around fraud reporting and prevention.

What to expect in 2015

In 2015, card-linked offers could see the following:

- **Network adoption:** More networks will adopt card-linking as part of their core offering to address growing multi-channel demands of major advertisers.
- **Mobile integration:** We will see card-linked technology being offered as part of major publishers' applications to enhance redemption and tracking features.

- **SKU:** Richer offers and product-level card-linked offers will be more prominent.
- **Loyalty:** As the loyalty space continues its evolution, card-linking will play a bigger part in eliminating paper and plastic loyalty cards and will streamline the earning process.

Case Study

OFFICE and SmartFocus

How do you measure the value of beacons?

Key stats:

506: Total number of app downloads

386: Total number of app signups

76%: Conversion rate of signups to downloads

Overview

During August 2014, SmartFocus worked alongside popular high-street shoe brand OFFICE to launch its beacon-enabled Summer Treats app.

Challenge

OFFICE wanted to deliver offers and push notifications to customers in-store and run an in-app competition, with the goal of converting app downloads into customers.

Process

SmartFocus's mobile proximity technology sent targeted emails directly to customers in-store who had the Summer Treats iOS app enabled via beacon technology. The app included real-time offers, an in-app competition and the ability to push marketing messages.

Results

Over the course of the month, the Summer Treats app achieved over 80% engagement and the in-store offers proved very popular with customers, resulting in increased sales and revenue. For the first time ever, a beacon-enabled email was sent to users of an app. OFFICE enjoyed an open rate of 71% and a click-through rate of 40%. A true multi-channel success, OFFICE used its mobile app, beacons, in-store promotions and email to engage with   its   customers.

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Data & Analytics

Contributed by

Linkdex
Publisher Discovery

Data and Analytics

Data: Overview

Data has been an emerging trend in the performance marketing space for the last couple of years. In 2012, it gained huge momentum as advertisers and publishers sought to harness its value. They were using it mainly to drive sales, gain insight into customer journeys, increase conversions and tailor their customer experience.

However, there is a big difference between knowing that you have to get to grips with data and actually doing it. A performance marketing programme can generate data across multiple channels and depending on your organisation, not all of it will be relevant.

As individuals we are generating more data than ever before – video, tweets, likes – all of which can impact or have some bearing on marketing programmes. In 2011, 1,800 exabytes of digital data was created. That grew to 2.8 zettabytes in 2012 and by 2015, it has been predicted to double again. The average office worker in the US was estimated to be creating 5,000 megabytes of data a day and the increases in use of video and big data management continue as processing gets faster.

The value of data

Worldwide digital data volume
(Created and stored each year)
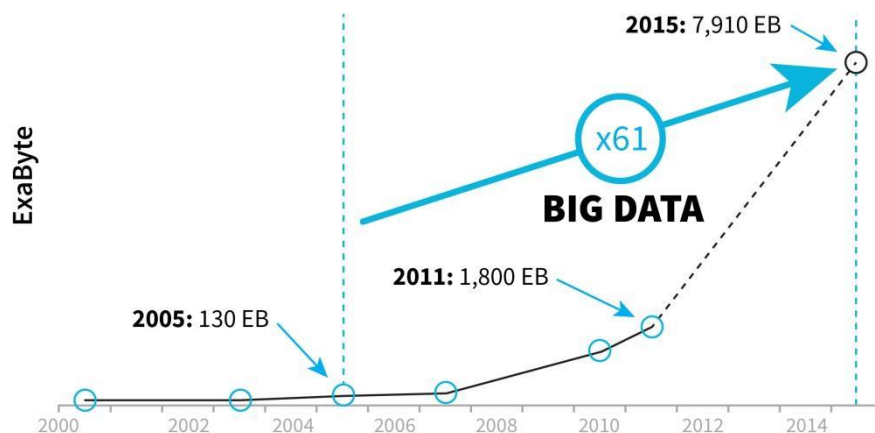
Performance marketing programmes mostly generate traditional views of data. For example, the number of clicks, conversions and order information. As the industry evolves, we're increasingly seeing the data being complemented by more compelling content such as basket insights and product data, which can be across different and more varied digital channels and devices, from desktops through to mobile phones.

The ever-developing social media landscape and the popularity of video in the online world means that social input and visual content are things that performance marketers must also seek to capture in order to better understand the customer purchasing journey. As the industry continues to diversify, advertisers need to give due thought into how this impacts their data strategy.

Unfortunately it isn't as simple as saying a big company will generate more data than a smaller company. Data is a complex ecosystem that needs to be navigated wisely. It is most likely that your business, industry sector and target audience will dictate what data is of most importance, or value, to you. This might sound obvious, but the temptation when you first come to estimate the value of data and how you can harness it is to look at everything.

The 'all you can eat' approach towards data is arguably no longer valid. There is so much data out there that it would be futile to try and capture everything first and then consider what is of value. It is much better to be focused from the very beginning about what you want to achieve and gather the data relevant to your end goal. Furthermore, both local and

international data protection laws have heralded the end of the 'Wild West' of data. They encourage organisations to demonstrate much more responsibility towards the content they capture.

A critical first step when tackling the issue of data is to think about what you want to achieve, what success looks like and what you're looking to optimise. Giving factors due consideration up-front will help you to pre-structure the data and enable you to not only utilise it more efficiently, but also better communicate it. It may sound simple, but it is far from trivial.

Getting the basics right

For example, look at Facebook. Its billions of users generate 3.5 billion messages and over 600 terabytes of data each day, but it remains far from certain how effectively the company is actually leveraging that information to inform its business processes.

Once you have your goals and objectives in place, the next step is to start thinking about what data is most relevant and what you need to track. Depending on what they want to achieve, most advertisers typically want to generate insight into the following:

- Customer touch points
- The customer journey
- Devices/channels
- Which products are selling better than others?
- Factors influencing total basket value or drop-off rates
- Demographics
- ROI
- Acquisition vs. repurchase

The next step on your road to measure the success of your performance marketing efforts is to put in place some key performance indicators. Some factors you might like to consider at this stage include:

- Define the basic goal you want to achieve with the data you are gathering
- Prioritise data based on how effective it will be at helping you realise this objective
- Strip out all unnecessary data to ensure your database remains highly relevant and easy to   scale
- Approach data from the standpoint of how you will interpret it, not from the individual piece   of data perspective
- As data can be pretty ubiquitous, make sure the data being gathered will provide you with a   competitive edge and USP
- Are the KPIs you have defined specific to performance marketing or are they also being used   elsewhere? If yes, by whom and in what context
- Are they KPIs that are common in the industry section in which you work so that you can   benchmark against competitors?

Just from working through this process, three key issues have presented themselves as needing to be addressed. Firstly, data and the need to know the *how*, the *why* and the *what* before you start creating it. Secondly, the need to ensure you are measuring the right data and being clear about the benefits of doing so. Lastly, the need to put in place KPIs. Don't be afraid to consult with the networks about what metrics they measure in order to help you do this. If they only measure two elements of what you want to focus on, what does that mean for your strategy and how do you envisage it developing over the coming months and years?

Once you have the foundations of your strategy in place, you need to start thinking about how to extract value from it. As marketing looks to make itself more relevant to consumers, data by itself isn't enough. To turn data into gold, advertisers must have the right infrastructure in place, one that is geared towards helping them to integrate information. This is especially true as data becomes more fragmented.

Content is no longer just number-based, but includes videos, likes and tweets. If you are looking to analyse structured and unstructured data together, a structured query language

database simply isn't enough. It won't generate the insights you need. You also need to be sure to set up your underlying database infrastructure in a way that allows you to easily pull in new data from external sources and start to enhance your dataset.

You should consider if you need a dedicated business intelligence team or if you have the skills within your department. There has been a lot written about how people who can draw insights from data will see their value in the job market skyrocket over the coming years and it's true. Data is meaningless unless it is interpreted and so while it is important to consider data from a business and logistics perspective, interpretation skills is a key area that shouldn't be overlooked. It's a task that cannot typically be done by a key account or sales manager.

Think about how you visualise your data. It is important to generate knowledge, but the best way of bringing that to life and understanding the impact of those insights on your business is to utilise visuals. They can come in the form of infographics rather than traditional excel graphs and provide genuine context. The key is to present value, not numbers.

Pushing the green button

Once you've started to build the data, it is really key that you continue to link back to the objectives you set out in the first place. It can sometimes be tempting to chop and change the reports, analysis and KPIs if you feel they aren't generating the results you want. Retaining consistency is important and often there may well be external environmental factors impacting the data. Understanding these factors enables you to build a more robust performance marketing programme. The key is to pull the data needed in the right format as discussed above. It's always easy to write new reports or analysis, but hard to change the fundamental structure of your database.

It is important to regularly review the analysis and reports as well as your KPIs. Don't just do it internally, also work with publishers and the network to see what's happening at regular intervals.

Knowing when you have enough data to start drawing conclusions from your analysis can be tricky. Naturally it depends on your business sector and how you measure success. There is not a one size fits all approach. Your network will be able to offer guidance to enable you to capture peaks in activity that might be driven by a particular event such as the Olympics or a

new tax year. It's also possible to record environmental factors such as weather or world events. This overview enables more intelligent and meaningful insights to be drawn from the data through your analysis and KPIs. The longer you capture data for, the more likely you are to pick out trends.
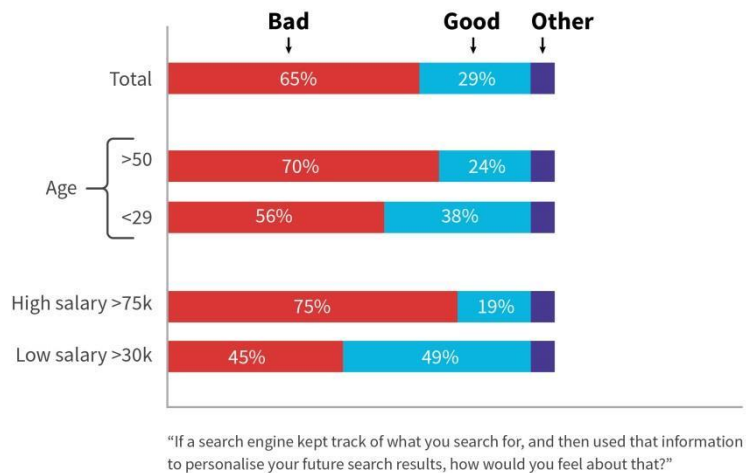

Connect to other players of the value chain
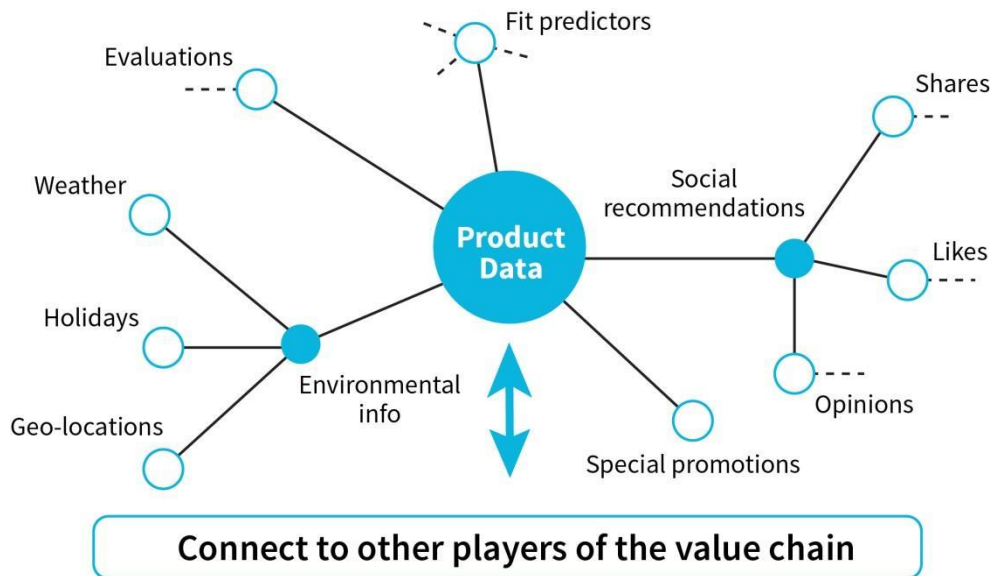
Following the steps outlined above will help you to understand what is impacting conversions and how you can best influence them as well as getting to grips with factors outside of your control. Consistency is key and if you keep chopping and changing your metrics, the picture the data builds will be incoherent and unusable. Again, the key here is to think from the end-result first when developing your business intelligence or customer insights strategy.

Data is increasingly being used to personalise the customer experience, as user experiences with Amazon, Netflix and clothes retailer Land's End can show. However, customers must have given their explicit consent to be targeted at an individual level by logging into a service as they may not welcome such attention. Over-enthusiastic retargeting advert placements are a case that can be seen as a step too far. Instead, advertisers can build up cluster profiles and use the information to target customers at a higher level.

Personalising the consumer experience

Your opinion of personalised search? (U.S.)

	Bad	Good	Other
Total	65%	29%	
Age >50	70%	24%	
Age <29	56%	38%	
High salary >75k	75%	19%	
Low salary >30k	45%	49%	

"If a search engine kept track of what you search for, and then used that information to personalise your future search results, how would you feel about that?"

The value data offers needs to be clearly communicated. Increased company efficiency is certainly not a primary concern for the consumer. The mantra here in the industry, "gather as much as you can and think about what you can do with it later", is dangerous and short-sighted. Rather than personalising communication down to the nth degree, think about how data can make your marketing communications more relevant.

Conclusion

Generating data for the sake of it is a fruitless task. It must be strategic, add value and also be consistent. Performance marketing is a much younger discipline than many other marketing channels and, as such, it is still evolving to create benchmarks and standardisation. Unlike other channels, it is directly measureable, but all too often organisations don't take advantage of this.

The networks can't do it alone. It needs to be a collaborative process between all involved including advertisers, publishers and networks. Publishers are a really important piece of the jigsaw puzzle as they have the biggest and broadest data sets. They can add a lot of value to benchmarking and reporting but they need to see the value for them of doing this. Therefore, it is vital for all concerned that data and its value is the trigger for the industry. All

involved should be working more collaboratively together to drive the real value of data forward.

Analytics

The Importance of Great Analysis

Analytics is arguably the most important part of any project! After all, you can't tell where you should be going if you don't know where you are.

The emphasis of performance marketing revolves around being paid on performance only. It makes for an excellent choice of promotion for advertisers and just as good an option for publishers to engage their visitors with relevant promotions. However, without strong and accurate analysis it is almost impossible for advertisers and affiliates to improve their performance, which is of course the ultimate shared goal.

Everybody knows that there are no guarantees with any projects, which proves the strong need for analysis. Many companies still see data analysis as a secondary process, to be completed occasionally, and find it hard to spend much time keeping tabs on what is going on with their website.

Even businesses that do set up analytics software, often miss out on the importance of keeping track of this data. Over time, the benefits of analysing trends can be easily lost.

Process and Objectives of Web Analytics

Data gathering	Identifying business goals	Understanding your visitors and their intent	Making actions based on factual data

Identification and Organisation of Business Goals

Targets and goals are vital when it comes to web analytics. They are essential for ensuring that your business stays on track and should be regularly reviewed in organisational planning meetings. The most simple and important goals are to decide what your website is, what your products are and what you do in your business to generate profit.

Your overall business goal should be clear, defined and focused in order to get the best results. Can you answer the question "So, what does your website do?" in 20 words?

Deciding on a goal for your website helps the rest of your business work towards an objective with a strong sense of direction. It is then advantageous to set targets within clear time frames to achieve your goal. The web is constantly changing, so most online businesses find that it is a good idea to set short-term achievable targets (around six months). Then set bigger goals that allow room for stretching your team's efforts to achieve things that you may at first see as a long way off.

Goals and Targets Help web Businesses

- Focus and define strategies for development which are clear to everyone in the organisation
- Create a culture of teamwork and encourage employees to be accountable for their actions
- Are the tiebreakers for discussions when people get tied up in new ideas and start to go off track?
- Allow management to decide where money and resources should go
- Aid with the measurement of performance on an individual and overall basis

When goals and targets are used well in conjunction with web analytics you will see big changes in the efficiency of your business and everyone within it.

When used correctly, analytics should aid the definition and creation of goals. You'll be able to make good decisions, monitor the gradual performance of your business and eventually produce results that are in line with your overall objectives.

Identifying KPIs

Many websites will use the same metrics to analyse how well they are doing as a business. Different Key Performance Indicators (KPIs) will appeal to different websites and businesses, but the overall point to remember for any website is:

KPI analysis is most valuable when multiple metrics are segmented, tracked, analysed and viewed in context.

It is common to think there is a "most important KPI", which everyone should put in front of other metrics and obsess over (the one most often used is conversion rate). It's far more important to build an overall picture of how your website or business is performing. Use a variety of metrics that are tailored to your business and objectives.

Focus on one metric and you'll miss a whole world of analytics that could do a lot more to help you reach your goals. Remember that it is often only a minority of visitors who actually have the intent to convert the way you want.

There will be a handful who are in limbo and can sway either way. The majority will be doing other things such as comparing your site to the one they just came from/are going to. Lots will just be trying to work out what the point of your website is and whether it relates to what they are looking for. If you spend all your efforts on improving something like conversion rate, you can easily end up missing out on your biggest market of visitors.

Analysis of KPIs Needs to be:

Detailed but clear

- Actionable
- Targeted/segmented/focused (general KPI analysis doesn't provide actionable data)
- Specific to your business and objectives
- Analysed in context
- Goal orientated

The point of any analysis is to produce accurate results that are actionable. You need to be able to draw something from your results and act on them, otherwise using analytics is futile. You can do this by making sure that the first thing you do is get an accurate knowledge of your business goals and the objectives that you want to achieve through analysis. Identifying these goals will mean that you can focus on the right KPIs and get the information you want from the data you gather.

CONTACT US

To be a part of next year's Performance Marketing Guide please get in touch.

Freddie MacDonald
E: freddie.macdonald@performancein.com
T: +44 117 203 3009

Mark Atherton
E: mark.atherton@performancein.com
T: +44 117 203 3113

Drew Cameron
E: drew.cameron@performancein.com
T: +44 117 203 3013