State of The Nation Report Oct 2024

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About the APMA

The Affiliate and Partnership Marketing Association (APMA) is the only collective voice for the UK affiliate and partner marketing industry. Representing publishers, networks, agencies and advertisers, it informs, educates and advocates for one of the most effective and diverse marketing channels.

The APMA creates standards, promotes best practice and champions the successes of affiliate marketers across the country.

Find out more about our work and membership on our website, www.theapma.co.uk

About our sponsors

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About our researcher

Joshua Atkinson has over 20 years of experience in market research, providing expert advice and tailored research deliverables for clients across a diverse range of sectors such as the UK Government, uSwitch, and MacMillan Cancer Research.

Joshua works collaboratively with clients to ensure research projects are insightful, actionable, and aligned with their specific goals. As an independent consultant he offers high-quality services at competitive rates.

If you're looking for research that drives results feel free to contact him at JAtkinsonconsulting@gmail.com

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Introduction

Welcome to the Affiliate and Partner Marketing Association's first **State of the Nation** report, your ultimate deep dive into of the original performance marketing channel.

Despite being decades old, affiliate marketing sometimes can feel like it's one of the best kept digital secrets. Now we proudly present the most complete view of the UK channel placing it front and centre of marketers' minds where it firmly belongs.

And, as our report will show, we have an impressive story to tell.

We're going to tell you three different stories. First, a trade association has to know how big the industry it represents is. So, for the first time in a decade we've scoped the financial impact of affiliate and partner marketing. Spoiler alert, we've, smashed all previous estimates.

Secondly, we want to understand attitudes; what do brands, agencies and publishers think about affiliate marketing as we head into 2025? And thirdly, we gauge their opinions on some of the major macro factors at play; AI, the impact of Google, cookies and tracking.

This report represents an accumulation of all three, featuring input from nearly 300 affiliate marketing professionals operating in the UK.

Thanks to their responses we can proudly say the affiliate channel touches every corner of the country, tracking 10% of all retail sales in the UK. In 2023 it also outstripped published online marketing spend growth by 50%.

UK brands spend close to £1.7bn on acquiring customers through affiliate activity, and publishers generated almost one million sales across every day of 2023. And with an industry-busting return on investment of £17 for every £1 spent, it's easy to see why.

General affiliate confidence is high, defying both the stagnant state of the UK economy and wavering consumer confidence. Affiliate models remain some of the greatest consumer empowering assets in the country and millions of British shoppers flock to them daily.

In partnering with them, brands have the opportunity to tap into customers at every stage of the shopping journey, building affiliate programmes unique to their individual demands.

Before you immerse yourself in the world of affiliates, the APMA would like to say thank you to our six sponsors, without whom this report wouldn't have been possible. Awin, Moonpull, Partnerize, Rightlander, Tradedoubler and Webgains all offer first-rate affiliate marketing services and have been invaluable partners. You can read more about them in the appendix.

Thanks also to independent consultant Georg Wolf who helped us model some of the financial data which wasn't readily available. and Anthony Clements who provided first-rate feedback and commentary.

Now sit back, relax and welcome to the world of affiliate and partner marketing.

Highlights

Highlights

This highlights page offers a concise overview of key findings from our research report.

Size of the Affiliate Market in 2023

- £1.67bn spent on affiliate marketing

- £21bn tracked in online sales.

- 1m sales tracked daily.

- £40,000 tracked every minute.

- 67,000 active UK publishers.

Growth of the Affilate Market in 2023

- % YoY increase, outpacing digital spending by 50% (source: IAB, 2023)

- Travel surging 160% since 2021.

- Influencers up 42% YoY increase, CSS 39%, content 34%.

Future of Affiliate Marketing

- More than 50% of UK brands intend to increase 2025 spend.

- Tracking, Google's impact on the channel and higher commission rates key areas for collaboration

UK Affiliate Market Health

- Retail: £1 in £10 spent through affiliates (source ONS, 2023).

- UK brands make £17 for every £1 spent.

- UK per capita spend 15% higher than the US (source: eMARKETER).

- SMEs flocking to affiliate: 12,000 UK programmes.

Methodology

Definitions

The state of the nation report represents the first attempt by the industry to capture a comprehensive view of the UK affiliate and partner marketing channel in a decade.

It offers both a qualitative and quantitative view, drawing on feedback from all quarters of the industry.

For the purposes of measuring the size of the industry, we gave considerable thought about what data to ask for and what to omit. We give our rationale in the following section, but chose to keep our focus on what people broadly consider to be mainstream affiliate marketing.

Our definition of the UK Affiliate Marketing Sector is slightly different to some previous attempts at measuring the sector. We define affiliate marketing as the following:

Where a third-party promotes a partner's brand online, generating traffic to the brand's website and to provide sales for that brand. In return, the third-party receives commission and payment for their part in the sale.

We kept our focus on payment on performance, typically a cost per acquisition (CPA).

In this research the third-party is known as the **publisher (or affiliate)**, the brand partner is the **advertiser (or merchant)** and a company that manages affiliate marketing for advertisers is known as an **agency**.

Networks (or platforms) are third-party intermediaries that typically track, record and handle payments. They often broker the relationship between advertisers and publishers and offer technology for agencies to use.

Research Methodology

1. NETWORK FINANCIAL DATA

We asked networks to submit financial data for 2021, 2022 and 2023. This data included:

- Spend from advertisers, number of transactions processed and revenue by industry and affiliate method
- Number of clicks reported by publishers
- Number of active publishers and number of active programmes

This data was provided to us by the ten networks it was requested from, including all the larger networks in the market.

A huge thank you to them all; Adtraction, Affiliate Future, Awin, CJ, FinanceAds, Impact, Optimise, Partnerize, Tradedoubler and Webgains.

The Amazon Associates programme did not provide any data and so their financial data was estimated. (https://affiliate-program.amazon.co.uk/ FYI). We also received a partial data submission from Rakuten Advertising.

2. PUBLISHER SURVEY

We asked affiliate publishers to complete a 6-minute online survey to provide details on their business and their views on the affiliate market now, and in the future.

The survey was distributed through The APMA's subscriber list and member companies' contacts, via emails and on websites and portals. It is therefore a self-selecting survey (also known as a voluntary response survey) and so the findings are not to be considered as representative of the affiliate publisher community.

In order to take part, the publisher must have promoted and sold goods/services through affiliate methods in the last 12 months. After data cleaning, we had 98 responses from publishers.

3. ADVERTISER AND AGENCY SURVEY

We asked advertisers and marketing agencies that utilise affiliate marketing methods to complete a 4-minute online survey to provide details on their business and their views on the affiliate market now, and in the future. We used a similar distribution method to the Publisher Survey and again, is therefore a self-selecting survey and so the findings are not to be considered as representative of the affiliate publisher community.

In order to take part, the advertiser or agencies must have promoted and sold goods/services through affiliate methods within the last 12 months.

After data cleaning, we had 176 responses in total, 58 from agencies and 118 from advertisers.

Modelling of the Financial Data

Where all of the network data was not available, we modelled the missing data to ensure that our estimates represented all the submitting networks. Modelling was conducted using the provided data and averages from the other submitting networks. An example; revenue figures are unavailable for 2023 for a network, but they are able to supply the number of transactions in 2023. We therefore modelled their revenue taking the average sale value from the other networks in 2023 and multiplying it by the number of transactions for that network in 2023.

We made a decision that we would only model networks who did not submit any data if we felt they had at least 5% market share. This resulted in only the need to model one UK affiliate programme not captured by the networks, Amazon Associates.

Our grateful thanks go to Georg Wolf for his support in this modelling. We utilised Amazon's quarterly and annual reports, and used expert insights to create estimations of Amazon's contribution to the UK affiliate market.

The level of modelling varies based on the statistic, so to give an idea of the degree of modelling Table 1 gives some examples. These are representative of the dataset.

Table 1: Proportion of data modelled for specific statistics

Statistic	% modelled data
2023 Overall Investment	10%
2023 Total number of transactions	6%
2023 Overall Revenue produced	13%

1. Affiliate Market Landscape

1.1 UK Affiliate Market Investment

1.1.1 The Affiliate Marketing Industry is Significantly Larger Than Previously Estimated and Growing Rapidly

Figure 1: Size of the UK Affiliate Market in £ bn per year

"IN 2023 UK BRANDS SPENT £1.67BN ON AFFILIATE MARKETING. IT'S SURGING WITH 17% GROWTH TO 2023"

"THIS IS HIGHER THAN REPORTED AT ANY TIME AND ADDS £500M TO THE IAB'S FORECAST"

Data Source: Financial and Modelled Submissions by Networks (N=11)

In **2023**, the affiliate marketing sector is valued at over **£1.67bn**, a 17% increase from the **£1.43bn in 2022** and a 32% rise from **£1.27bn in 2021.**

These growth rates significantly outpace inflation (7.3% in 2023) and comfortably exceed the 11% growth reported for the UK digital advertising market by the IAB in 2023, strong evidence that the UK affiliate market is flourishing.

For this report, investment in the UK affiliate market is defined as any spending by advertisers on UK-based programmes. For example, if a UK programme has customers in France purchasing from the UK site, it is included in the estimate. However, purchases made by UK customers through a French-based programme are not included.

Our market size estimate is likely larger than that of the Internet Advertising Bureau's (IAB) 2023 report because our data covers a wider proportion of networks in the UK market and includes modelling for networks that did not submit data.

As a result, we believe these figures provide a more accurate reflection of the market than the IAB's estimates.

We limited the scope of the market to classic, cost per acquisition (CPA) affiliate marketing but omitted certain sectors that operate reasonably independently.

The gaming and gambling industries generate significant affiliate revenue, but are run through distinct networks and platforms that don't crossover with retail based affiliate marketing. We didn't attempt to capture the spend in these sectors.

However, where the networks we report data for run affiliate activity for companies in these sectors, we have included their data. We also omitted lead generation programmes and other performance marketing that may be paid or worked to an effective CPA (such as CPC activity). Again, where this revenue is captured by the networks surveyed, we have included the data, but this will account for a small percentage of overall spend, sales and revenue.

There are other smaller companies and businesses that we didn't reach out to or attempt to model their data. In capturing and modelling data for all the major players in the UK market, we are confident we have captured the vast majority of revenue flowing through the channel, but the actual figure will be higher if all affiliate marketing activity was captured. Therefore, consider our data to be a conservative assessment.

- **UK brands spent £1.67bn on affiliate marketing In 2023**
- **It's surging, with 17% year-on-year growth to 2023**
- **This is higher than reported at any time and adds £500m to the IAB's 2023 estimate**

1.1.2   The Retail Industry is the Largest Investor in the UK Affiliate Market

"RETAIL CONTINUES TO LEAD AFFILIATE MARKETING INVESTMENT IN THE UK, ACCOUNTING FOR 48% OF TOTAL SPENDING IN 2023, WITH £1 OF EVERY £2 SPENT COMING FROM THE RETAIL SECTOR"

We broadly separated the captured affiliate marketing data into four major Industry groups. Programmes not bucketed In these four have been grouped as 'other'.

Retail continues to lead affiliate marketing investment in the UK, accounting for 48% of total spending in 2023, **so £1 of every £2 spent is coming from the retail sector.**

This proportion has remained stable since 2021. **The telecom/ utilities and services sector follows, contributing 19% of the total investment in 2023, while travel accounts for 13%, "other"** **industries for 12%, and finance/ insurance the remaining 8%.**

This distribution has been relatively consistent from 2021 to 2023, with the exception of the travel sector, which saw a smaller share during the pandemic in 2021, representing just 8% of total investment.

The "other" category includes a variety of sectors such as education and media and B2B, collectively contributing £1 out of every £9 spent on affiliate marketing outside the four major sectors outlined in Figure 2.

Figure 2: Investment in UK affiliate marketing by industry in 2023

Industry	Share
Retail	48%
Travel	13%
Telecom	19%
Finance	8%
Other	12%
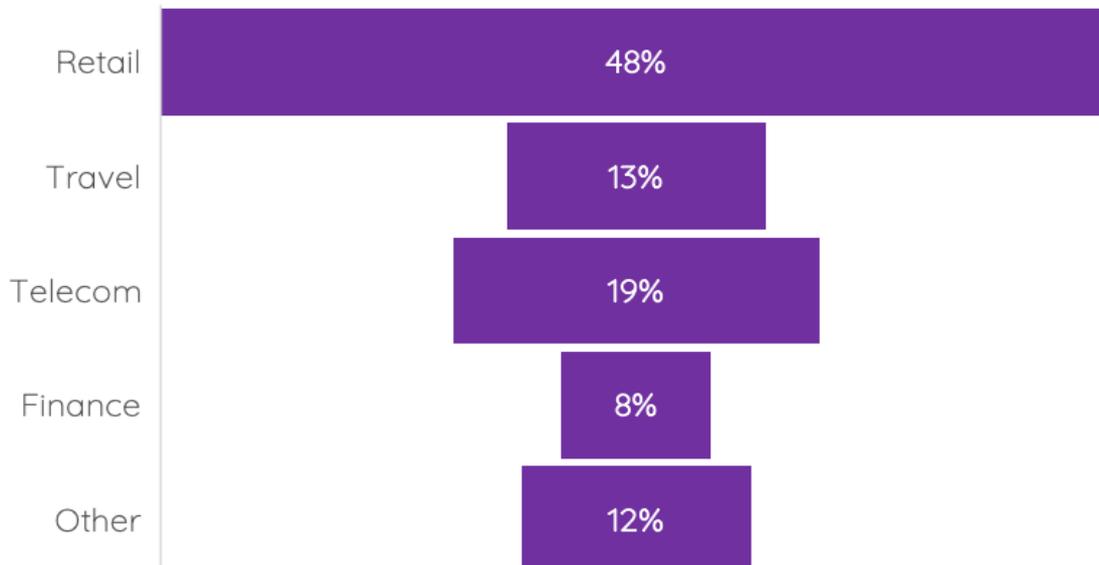
Data Source: Financial Submissions by Networks (N=9)

1.1.3   All Industries are Investing More in Affiliate Marketing in 2023 vs. 2022, with Travel Growing the Fastest

All sectors have grown in levels of investment from 2022 to 2023, and have done so at a rate of 7.3% or more, therefore exceeding inflation over this period.

Retail has seen the lowest rate of growth (index of 1.10) but as it is the largest investing industry, it is has grown the most in actual terms.

Travel has seen the fastest rates of growth in 2023, indexing at 1.37, clear evidence of the industry continuing to bounce back from the pandemic (figure 3 and table 2).

Figure 3: Growth index of investment in the UK affiliate market (23 vs. 22) by industry

| | 1.17 | 1.10 | 1.37 | 1.22 | 1.12 | 1.19 |

Total (modelled)   Retail   Travel   Telecom   Finance   Other
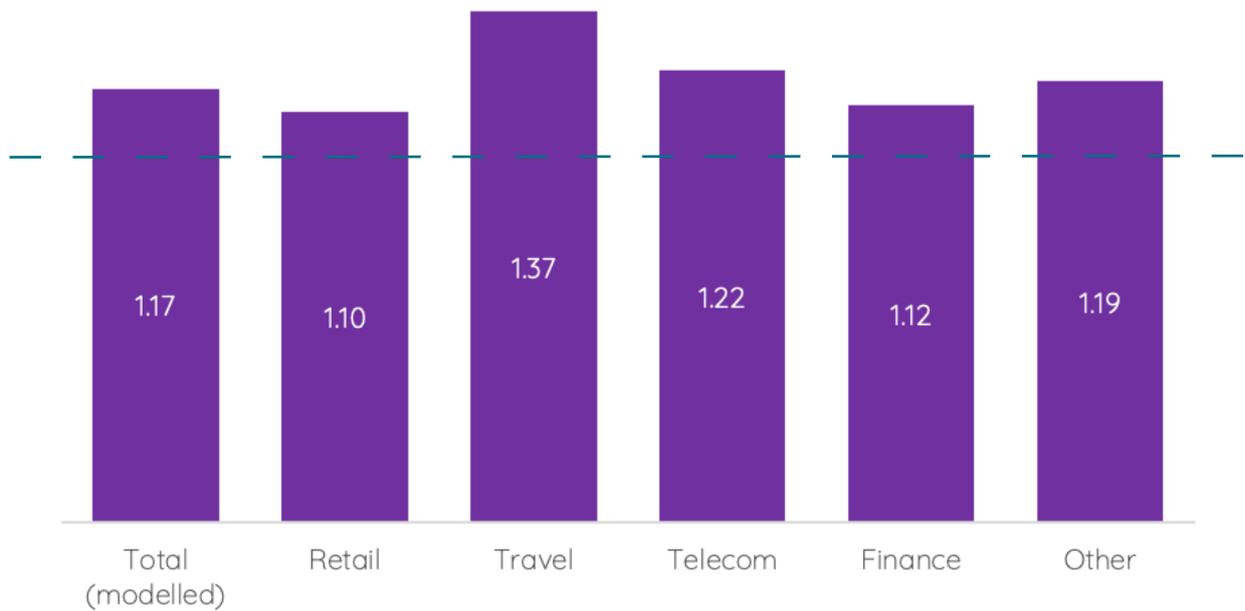
Data Source: Financial Submissions by Networks (n=9)

Table 2: Year-on-year growth in investment (%) in the UK affiliate market by industry

	Growth (in %)	
	22 vs 21	23 vs 22
Total	13%	17%
Retail	18%	10%
Travel	90%	37%
Telecom / Utilities / Services	21%	22%
Finance / Insurance	8%	12%
Other	23%	19%

1.1.4   Content, Cashback And Vouchers are Still Dominant in Terms of Affiliate Methods Drawing the Most Investment

A variety of affiliate methods are used in the implementation of affiliate marketing. In order to understand their popularity, we have broken down investment by the affiliate method being used.

Affiliate categorisation is notoriously difficult because many individual affiliates use multiple ways of driving sales, but for reporting purposes most networks ask publishers to self-categorise using the most appropriate, overriding way of classifying themselves. This tends to be by the method they choose to promote advertisers.

Not all networks use the same terminology, so we have mapped them to our categorisation where needed. 'Content' as a category is particularly broad and is open to

interpretation. It is also a ubiquitous affiliate type that all advertisers typically will be open to working with.

Not every advertiser will work with all the other affiliate types, so reach will be more limited, which therefore impacts their overall industry numbers; their market size shouldn't be a reflection of their potential to bring in revenue and sales on a specific programme.

We also limited the number of categories, but it is worth noting that there are many more niche affiliate categories, which we have bucketed into 'all others' (8%).

Figure 4 below displays which methods have drawn the most investment from advertisers. The top three methods together

make up 61% of all investment **– cashback, loyalty and rewards (25%), content, blogs and editorials (23%) and discounts, coupons and voucher codes (13%).**

Comparison sites, all others and sub-networks each contribute around 10% of the investment.

The lack of one dominant affiliate type is encouraging, as it underpins the growth of new models, the diversification of marketing spend and the variety of opportunities available to brands. It may surprise people to see content, editorial and blogs emerging as the second largest source of investment at almost one in four pounds.

Figure 4: Investment in the UK affiliate market by affiliate method
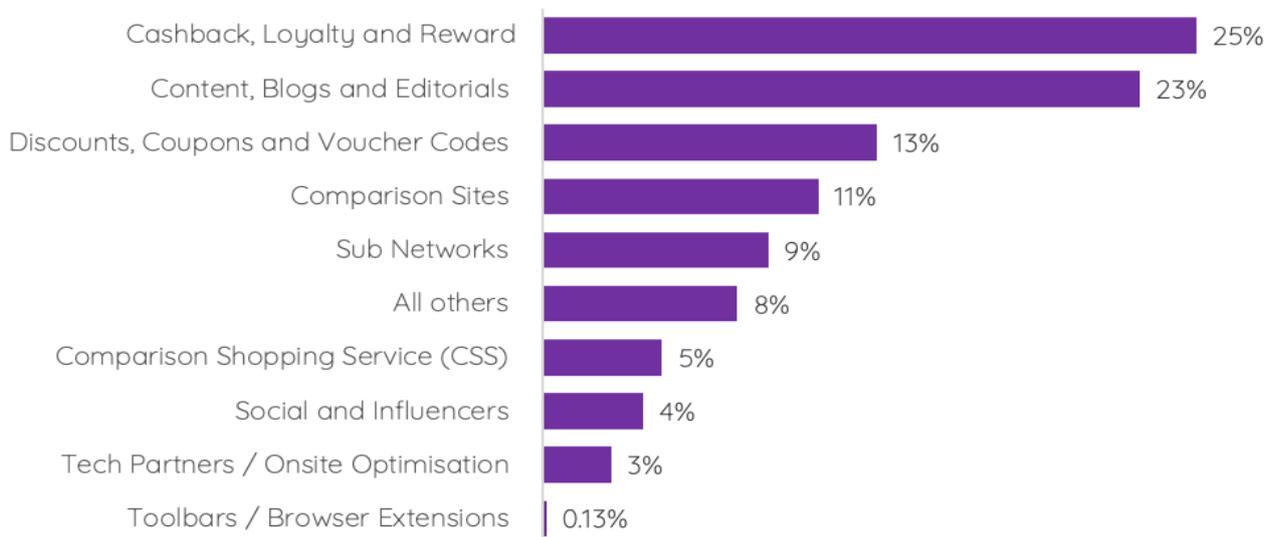
Data Source: Financial Submissions by Networks (n=9)

1.1.5   All Affiliate Methods Have Seen Growth or Have Remained Stable in terms of Investment (2023 vs. 2022); Content, Comparison Shopping Services, and Social Lead the Growth

Between 2022 and 2023, all affiliate marketing methods have either grown or remained relatively static in terms of investment. However, with inflation at 7.3% over that period, in real terms anything below an index of 1.07 is shrinking.

Given the overall sector growth of 17%, affiliate methods with an index above 1.17 have outpaced the sector average.

Social and influencers (index 1.42), comparison shopping services (index 1.39), and content creators, blogs, and editorials (index 1.34) experienced the most significant growth in 2023.

Cashback, loyalty and reward programs (index 1.18) and other methods (index 1.21) also grew faster than the sector average, while cashback methods expanded

"SOCIAL AND INFLUENCERS (INDEX 1.42), COMPARISON SHOPPING SERVICES (INDEX 1.39), AND CONTENT CREATORS, BLOGS, AND EDITORIALS (INDEX 1.34) EXPERIENCED THE MOST SIGNIFICANT GROWTH IN 2023"

at the expected rate.

Meanwhile, comparison sites and toolbars/browser extensions saw slight declines, shrinking by 4% and 3%, respectively. Subnetworks remained static.

We can perhaps draw a parallel between the growth of comparison shopping services (CSS) and the relative decline of comparison sites. We might infer the increased investment in CSS is the cause

of the declining investment in comparison sites, because of the natural crossover in their business models.

In the next section of the report, we examine the number of transactions and observe a higher uplift in affiliate transactions (23%) compared to investment in affiliate spend (17%). This difference is especially pronounced in the use of discounts, coupons, and vouchers.

One potential reason for this is a renewed focus on promoting specific brands that offer lower commissions or have lower Average Order Values. This may be a sign that brands are reapportioning commissions to certain affiliate types, at the expense of others.

Figure 5: Growth of investment by affiliate method 23 vs. 22
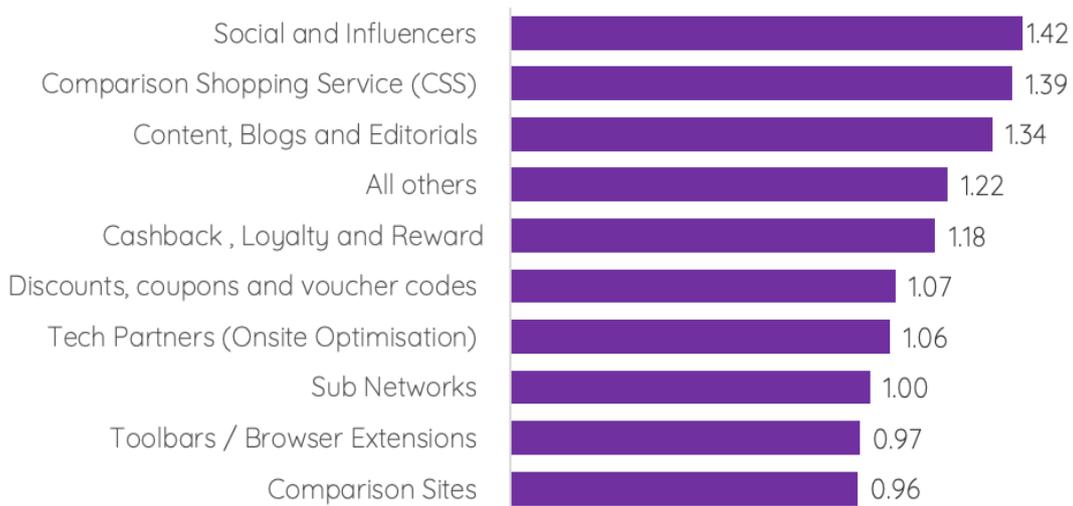
Data Source: Financial and Modelled Submissions by Networks (N=11)

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One potential reason for this is a renewed focus on promoting specific brands that offer lower commissions or have lower Average Order Values (AOV). This may be a sign that brands are reapportioning commissions to certain affiliate types, at the expense of others.

Table 3: Year-on-year growth in investment (%) in the UK affiliate market by affiliate method

	Growth (in %)	
	(22 vs 21)	(23 vs 22)
Social and Influencers	58%	42%
Comparison Shopping Service (CSS)	34%	39%
Content, Blogs and Editorials	34%	34%
All others	19%	22%
Cashback, Loyalty and Reward	30%	18%
Discounts, coupons and voucher codes	11%	7%
Tech Partners / Onsite Optimisation	63%	6%
Sub Networks	9%	0%
Toolbars / Browser Extensions	49%	-3%
Comparison Sites	-4%	-4%

- **The health of the channel is underpinned by the lack of a dominant affiliate method**
- **Loyalty programmes remain extremely popular ways of tapping into consumers, but content is a serious pretender to the throne.**
- **Influencer marketing is making inroads into affiliate marketing and boasts the biggest growth, with CSS partners not far behind.**

1.2 Number of Transactions Processed by the UK Affiliate Market

1.2.1 Affiliate Marketing Processed a Whopping 356 Million Transactions in 2023

Figure 6: Number of transactions created by affiliate marketing per year
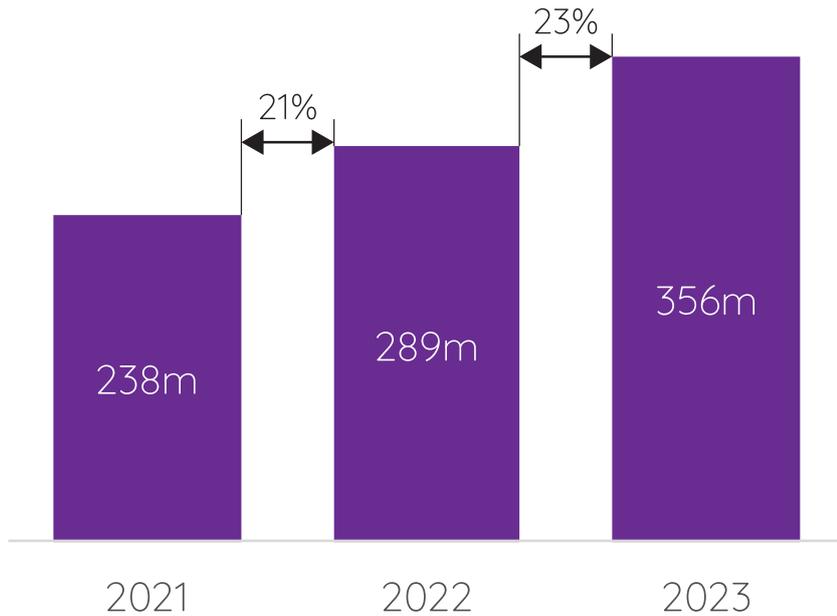
"IN 2023 UK BRANDS SHIFTED 356 MILLION ORDERS VIA AFFILIATE METHODS"

"THE AFFILIATE CHANNEL IS DRIVING CLOSE TO ONE MILLION TRANSACTIONS EVERY DAY, OR 670 SALES EVERY MINUTE OF EVERY HOUR ACROSS 2023"

Data Source: Financial and Modelled Submissions by Networks (N=11)

While increases in marketing spend are impressive, the channel has experienced more accelerated growth in the volume of tracked transactions.

In 2023, **356 million affiliate marketing transactions were recorded, a massive 21% increase from 2022 and an even more impressive 48% rise since 2021.**

That means the affiliate channel is driving close to one million transactions every day, or 670 sales every minute of every hour across 2023.

Notably, the volume of transactions is growing at a faster rate than investment, underscoring the expanding reach and effectiveness of affiliate marketing.

Given the volume of sales is outstripping the value of goods sold, the implication is basket sizes are shrinking which could be a reflection of the recent cost of living crisis, or more generally the complexion of advertisers entering the market. The growth of SMEs launching programmes could also play a part.

1.2.1 Retail and Travel Account for Over 80% of All Transactions in 2023

In 2023, retail contributed 58% of all affiliate marketing transactions, while travel made up 25%, together representing 83% of total transactions.

The telecoms/utilities/services and finance/insurance sectors command a higher share of investment compared to their

transaction value and volume, largely due to the high ticket value of the products which tend to be less frequently purchased.

Additionally, the considered and deeper customer investment in these products is masked by the disproportionately lower transaction volumes.

"RETAIL AND TRAVEL MAKE UP 83% OF ALL TRANSACTIONS IN THE UK AFFILATE MARKET IN 2023"

Figure 7: Proportion of transactions from investing industries in 2023

Finance / Insurance 2%

Other 12%

Telecom / utilities / services 3%

Travel 25%

Retail 58%
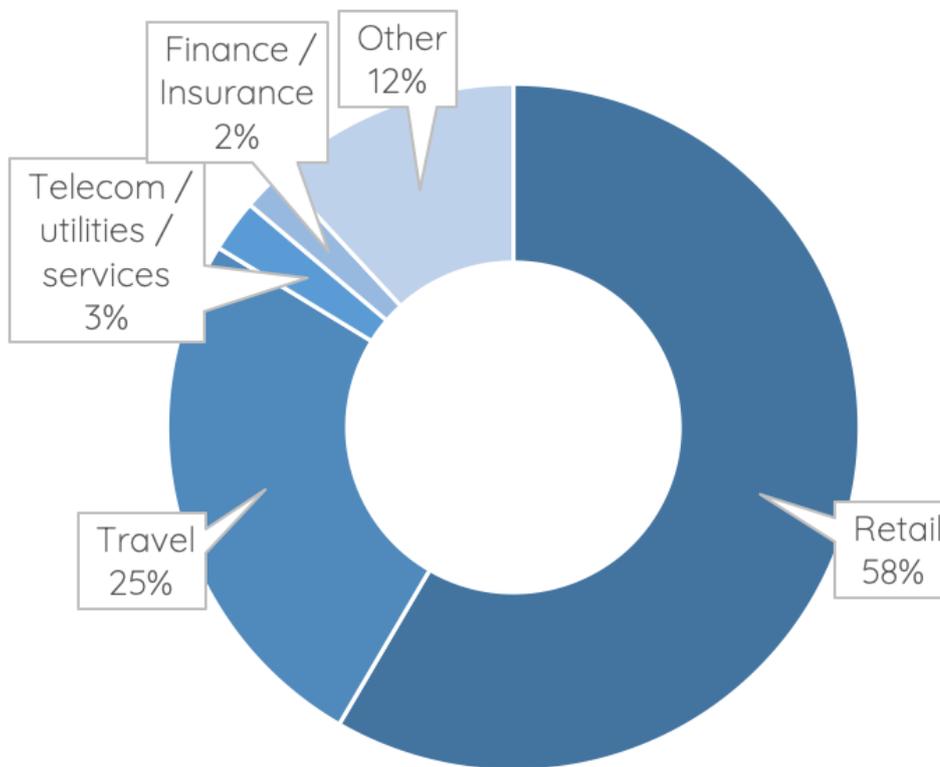
Data Source: Financial Submissions by Networks (n=9)

1.2.3 Number of Transactions Has Grown in All Sectors Except Finance/Insurance

As shown in Figure 8, the number of transactions has increased across all investing industries except Finance/Insurance in 2023.

Other (index 1.57) and travel (index 1.51) have witnessed remarkable growth into 2023.

For Finance/Insurance, although transaction volumes have declined, overall spending has risen.

Figure 8: Growth in transactions 2023 vs 2022 by industry
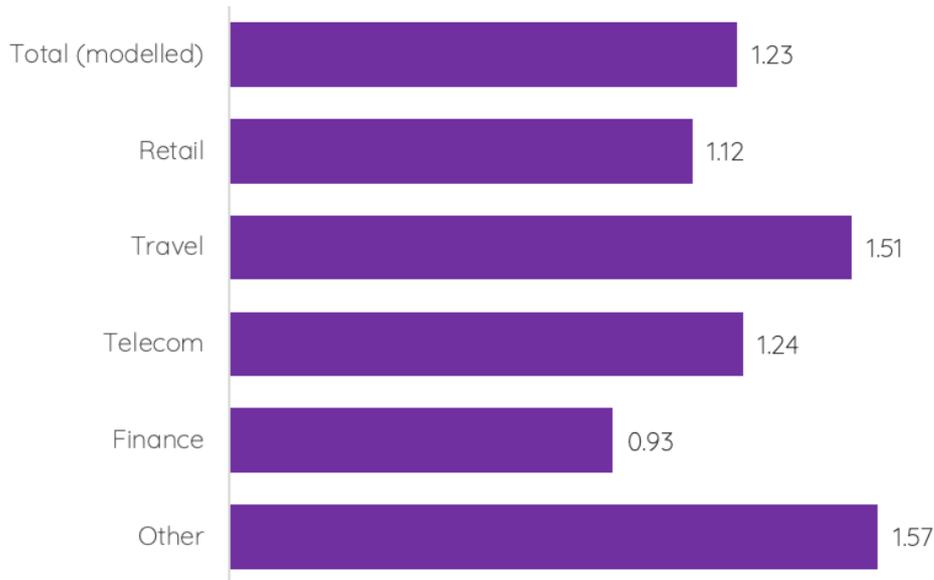
Data Source: Financial Submissions by Networks (n=9)

Table 4: Year-on-year growth in transactions in the UK affiliate market by industry

	Growth (in %)	
	22 vs 21	23 vs 22
Total	21%	23%
Retail	3%	12%
Travel	237%	51%
Telecom / Utilities / Services	12%	24%
Finance / Insurance	-27%	-7%
Other	23%	57%

1.2.4   Average Order Value for an Affiliate Market Sale in 2023 is £82

The Average Order Value for affiliate marketing across industries can be estimated by dividing total revenue by the total number of transactions. In 2023, the average transaction value for the channel is £82, as shown in Table 5.

We omitted AOVs for the telco and finance sectors as the revenue tracked at point of purchase does not typically reflect the value of the product, so have instead focused on travel, retail and other where the contents of the basket directly translate into recorded revenue.

Our network data also included some outliers, due to some process changes over the last three years. These outliers have been removed for this analysis – therefore the findings will not align with the data presented earlier.

Why does AOV matter? It is common for commissions to be tied to the basket, e.g. 5% of a basket is paid to the publisher. Commissions therefore will rise or fall based on what people are spending.

Additionally advertisers will strategically tweak commissions based on their criteria of the 'value' being offered by different affiliates. High AOVs may be one of these.

Table 5: Average Order Value in 2023

	Average Order Value
Total	£82
Retail	£65
Travel	£250
Other	£48

- **Number of transactions are growing faster than investment or revenue, suggesting an increase in lower priced products being sold via affiliate marketing methods**
- **Travel has bounced back very successfully since the 2021 pandemic, with more than a 50% increase in number of transactions 23 vs. 22**
- **Average Order Value for affiliate marketing is estimated at £82**

1.3 Revenue Generated by the UK Affiliate Market

1.3.1 Affiliate Marketing Revenue In 2023 Tops £20bn for First Time.

Figure 9: Revenue (£) generated via affiliate marketing per year
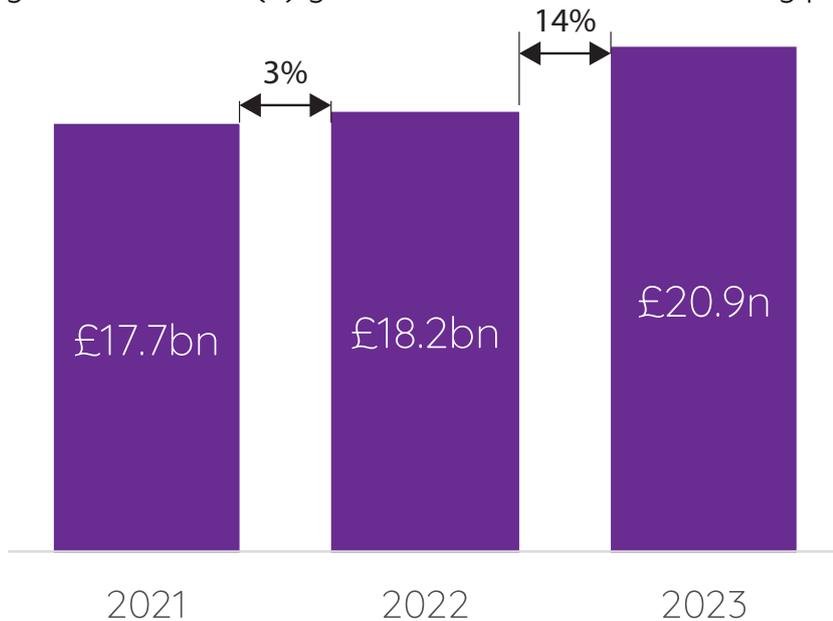
14%

3%

£17.7bn   £18.2bn   £20.9n

2021   2022   2023

"IN 2023, AFFILIATE MARKETING GENERATED £20.9BN IN REVENUE FOR ADVERTISERS, A SIGNIFICANT INCREASE (14%) FROM 2022"

"IN 2023, AFFILIATE CHANNEL IS DRIVING ONE IN TEN POUNDS SPENT ONLINE"

The affiliate channel has always been a retail powerhouse, turning UK shoppers into a brand's next customer. This is especially true around Black Friday and peak trading when consumers are hungry for the best deals and promotions; a perfect fit for various affiliate models.

We wanted to understand how integral affiliate marketing has become to the retail landscape and asked our networks to provide advertiser revenue where it was available.

Revenue here is defined as the total value of goods sold through affiliate marketing channels. For example, if a publisher directs a consumer to an advertiser's website and the consumer purchases goods worth £300, the revenue for that transaction is

recorded as £300.

This data isn't always available, so we have modelled some information but omitted some categories; assume our figures are slightly lower than the actual figure. We have typically focused on the retail and travel sectors.

Revenue generated through affiliate marketing grew impressively between 2021 and 2023, although at a slightly slower pace compared to investment and number of transactions.

In 2023, affiliate marketing generated £20.9bn in revenue for advertisers, a significant increase (14%) from £18.2bn in 2022. There is no doubt that inflation has had a part in driving revenue, but the surge between 2022 and 2023 far outpaces UK

inflation figures, indicating there is channel growth beyond the economic factors at play.

Using the available data on the size of the UK e-commerce market and extrapolating the retail data (£10.4bn), we feel confident the affiliate channel is driving one in ten pounds spent online (using Statista data which estimates total UK e-commerce in 2023 at £107.1bn).

Hitting the magic 10% of all retail value shows it's a channel that cannot be ignored. It is also worth noting that not all retailers run affiliate programmes, so for many they track more than 10% of their online sales through the channel. An often-cited statistic is that a well-run affiliate programme might account for 15% of a retailer's revenue.

1.3.2 Return on Investment for Affiliate Marketing Continues to Impress

As a transparently measurable channel, managing margins is particularly easy within the affiliate channel. And one of the shortcuts to gauge marketing effectiveness is return on investment; how much bang for your buck will you get?

By combining spend and revenue data, we can estimate the return on investment (ROI or return on advertising spend, ROAS) from affiliate marketing both overall and by industry.

ROI, calculated as the revenue generated from affiliate marketing divided by its cost, indicates how much revenue an advertiser earns for every £1 spent. Our data confirms that ROI for affiliate marketing remains exceptionally high and consistent with previous studies.

This strong ROI is likely a key factor driving the affiliate marketing sector's year-on-year growth. As a comparison, a 5:1 ratio is often considered typical in marketing, while a 10:1 ROI is seen as exceptional. Some specific examples are Google Ads[1] (8:1 ROI) and Meta Ads[2] (9:1 ROI).

Figure 10 illustrates the ROI by industry. Across the entire affiliate marketing sector, we estimate an ROI of 17:1, meaning that for every £1 invested, £17 is generated in revenue. Travel leads with the highest ROI at 23:1, followed by retail at 17:1 each, and 'other' industries at 5:1.

Please note that finance/insurance and telecoms, utilities, and services and some outliers are excluded from this calculation due to the difficulty in determining revenue per sale, as customers typically sign long-term contracts with varying durations and measuring the immediate return is not straightforward. That said, these brands will inevitably have a clear idea of the lifetime value of a customer and will work that back to decide a commission that is within their margins.

Figure 10: Return of £1 of Affiliate Marketing Advertising Investment / ROI by advertising industry

Data Source: Financial Submissions by Networks (n=9)

[1]https://economicimpact.google/methodology/
[2]https://www.wordstream.com/blog/facebook-ads-benchmarks-2024
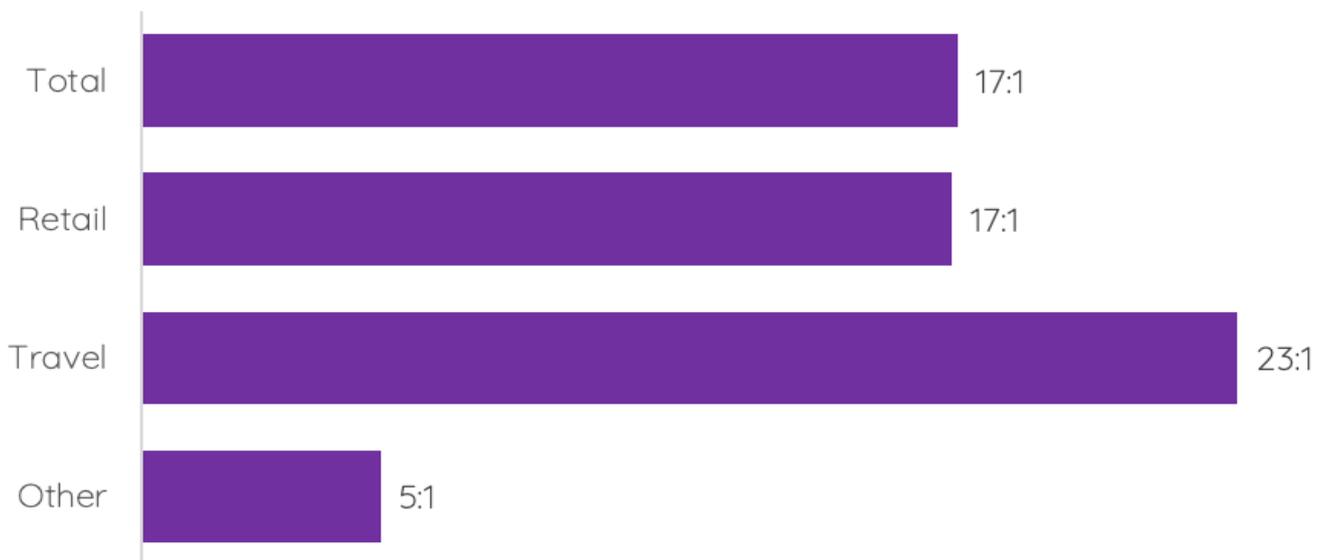
1.3.3 The Number of Clicks Shows Affiliate Reach Beyond the Sale

As a channel premised on performance, the role that clicks and impressions play in driving brand awareness in affiliate marketing is often overlooked.

While affiliate conversion rates, on average, remain exceptionally high, the vast majority of clicks and impressions do not lead to a conversion, but they still offer advertisers valuable exposure. It is a bonus of the affiliate channel: traffic for free.

In 2023 brands benefitted from 18.6bn clicks, or to put it another way, 2.1m for every hour of every day across the year. This is the total we captured from just six networks, so the actual figure will be significantly higher.

Some brands rely on click data to offer cost-per-click commercial deals with their publishers. While in the minority, deeper relationships can be forged through hybrid payment models, possibly a click-payment blended with a CPA.

"IN 2023 BRANDS BENEFITTED FROM 18.6BN CLICKS, OR TO PUT IT ANOTHER WAY, 2.1M FOR EVERY HOUR OF EVERY DAY ACROSS THE YEAR."

We asked advertisers and agencies what percentage of their affiliate programme was pure cost per acquisition and the results make for interesting reading:

Cost per Order (CPO) and Cost per Acquisition (CPA) are unsurprisingly the most popular payment methods employed by advertisers and agencies (as was the case in our 2022 research). Our survey results show that half (50%) of advertisers and 4 in 10 (38%) of agencies pay more than 90% of their affiliate spend via CPO/CPA.

However, the survey results clearly show that there is a variety of different commercial deals in place. This could be on a click or lead basis. Tenancy and campaign payments are also popular, certainly with larger affiliates who put together media plans incorporating a range of payment models.

Figure 11: Proportion of affiliate market spend through Cost Per Order / Cost Per Acquisition
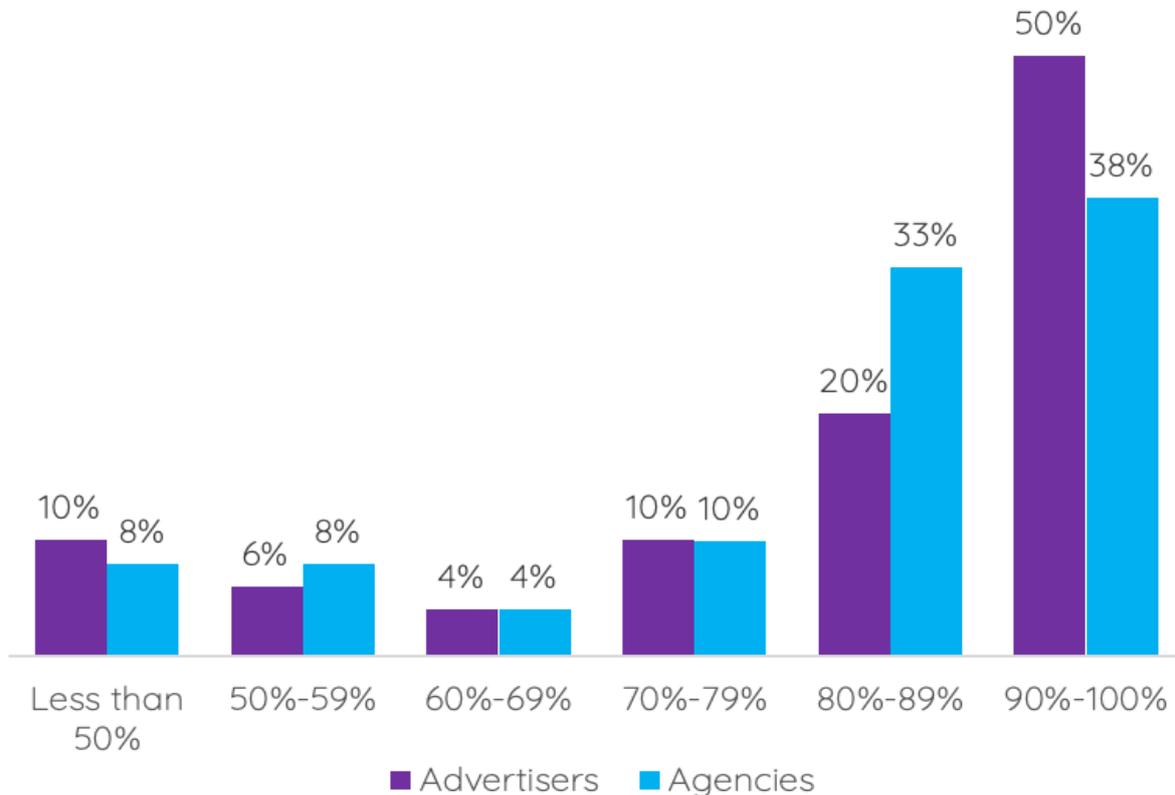
Question: What proportion of your affiliate marketing spend is through Cost per order (CPO) / Cost per acquisition (CPA)? (n= 103 advertisers, n=52 agencies)

1.3.4 The Affiliate Market is a Competitive Landscape with a Growing Number of Advertisers and Publishers

Affiliate marketing is witnessing an explosion in the number of new publishers looking to monetise their content. In 2023, we estimate there are 67,000 publishers driving clicks and/or sales.

The last time this question was asked was in 2014 and the number sat at just 12,000. While a fully accurate number is difficult to pin down because affiliates work across multiple platforms, so double accounting is a problem, we have used both modelled and submitted data for our estimate.

Given the prevalence of the Amazon Associates programme, this figure could be significantly

"IN 2023, WE ESTIMATE THERE ARE 67,000 PUBLISHERS DRIVING CLICKS AND/OR SALES AND 12,000 AFFILIATE PROGRAMMES."

higher, but we chose to focus on actuals submitted by the networks we spoke to as a foundation for our estimate.

In a similar vein, we asked networks to tell us the volume of advertisers running affiliate programmes through their platforms.

In 2014 there were around 4,000

affiliate programmes. We now believe there to be more than 12,000. Consider that between the number of affiliates and the volume of programmes, there are thousands of unique connections being created daily; partnerships that are focused on engaging consumers and turning them into customers.

In 2021 it was estimated that there were 580,000 e-commerce-enabled websites in the UK. The opportunity for affiliate growth is both hugely untapped and incredibly exciting for businesses who are able to offer scalable, low-cost and efficient services to SMEs.

Figure 12: Estimated number of active publishers and advertisers programmes
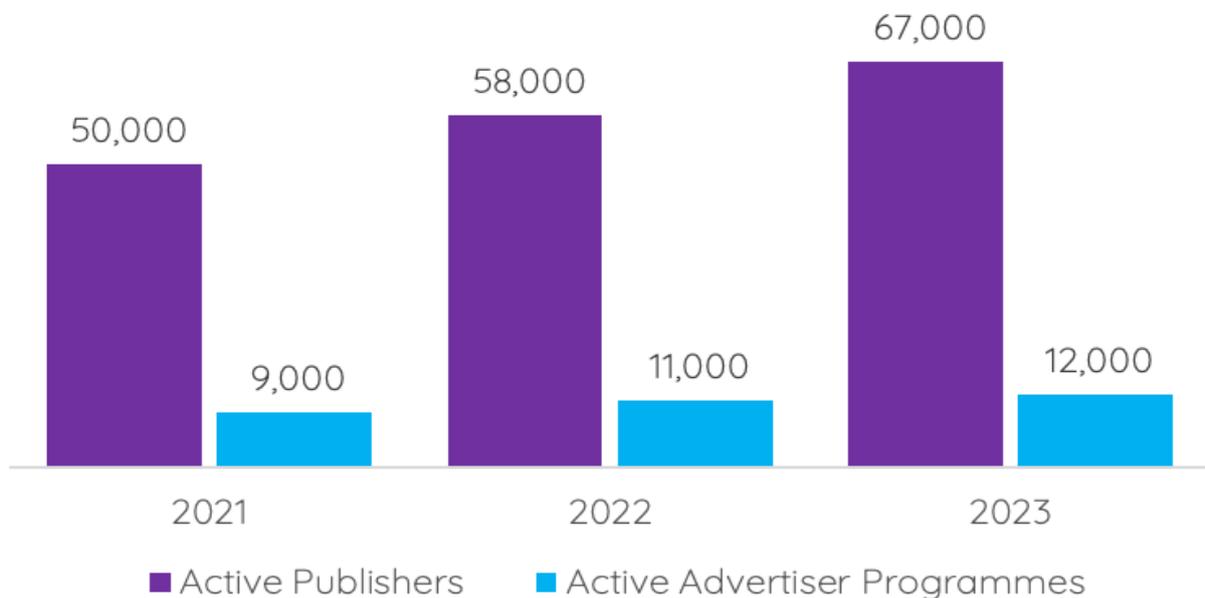
Data Source: Financial Submissions by Networks (n=9)

- **Affiliate marketing revenue in 2023 tops £20bn for first time.**
- **Affiliate marketing ROIs continue to be impressive at £17 revenue for every £1 investment (17:1)**
- **The number of advertisers and publishers grows every year with our current estimates at 67,000 publishers and 12,000 advertiser programmes**

2. Affiliate Market Commercials and Attitudes

2.1 Health of the UK Affiliate Publishers' Businesses

Up to this point, we have only reported data from the network's financial survey. We will now present insights from publishers, advertisers, and agencies, gathered through our online surveys (see methodology section for details).

In this chapter, we explore commercial data on business growth, affiliate methods employed by publishers and those utilised by advertisers and agencies. and attitudinal data about from those working in the affiliate market.

2.1.1 Publishers' Affiliate Businesses Have Grown in Average Commission and Employment Over the Last 12 Months

To assess the health of publishers' affiliate businesses, we asked about the size of their companies in terms of revenue and employment, and whether these have grown or declined over the past 12 months.

Data on the number of employees and average monthly commissions for publishers can be found in the appendix..

As we've seen, the affiliate marketing industry has experienced growth in investment, number of sales, and revenue. Given this is being driven by affiliates, it is encouraging to hear they are self-reporting growth as well. Figure 13 below shows that in the past year more than half (51%) reported growth in their monthly commissions, and one-third (33%) reported an increase in employees.

This trend is not universal, however, with 28% of publishers reporting a decline in average commissions and 14% reporting a reduction in staff. Despite these exceptions, the overall growth in publisher revenue and employment indicates a healthy growing sector.

Generally speaking, when we asked about publisher fortunes, twice as many are positively disposed compared to those citing downturns.

While growth is notable, it is lower than reported in APMA's 2023 Publisher Report[3], which indicated that 66% of publishers experienced business expansion.

Figure 13: Publishers change in commission and employees in the last 12 months

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[3]https://theapma.co.uk/exclusive-insights-from-the-industrys-first-publisher-survey/

2.1.2 More Clients, Increased Traffic, and Better Commission Rates Drive Publisher Growth

While we know that publishers' businesses are expanding, what do they believe is fuelling this growth? Figures 14 highlights publishers' views on the key factors.

Changes in online traffic and commission rates are naturally significant drivers of average commission fluctuations, so it's no surprise that these were cited as key reasons for both increases and decreases in earnings.

However, some of the other factors are more intriguing. For publishers experiencing growth in

average monthly commissions, improvements within their own businesses - such as gaining new clients (71%), strengthening brand relationships (62%), and dedicating more resources to affiliate marketing (38%) - were frequently cited.

Additionally, factors such as improved click-to-conversion rates (29%), Google Search changes (14%) and higher basket values (10%) contributed to their improved bottom lines.

"DRIVERS FOR IMPROVED AVERAGE COMMISSIONS ARE NEW CLIENTS (71%), STRENGTHENING BRAND RELATIONSHIPS (62%), AND DEDICATING MORE RESOURCES TO AFFILIATE MARKETING (38%)."

Figure 14: What reasons are there for your increases in average commission....

Reason	%
New clients	71%
Better brand relationships	62%
Increased traffic	60%
Increased commission rate(s)	48%
Putting more time/resources into affiliate marketing	38%
Seen a rise in click to conversion rate	29%
Google search engine changes	14%
Increase in average basket value	10%
Better tracking	5%
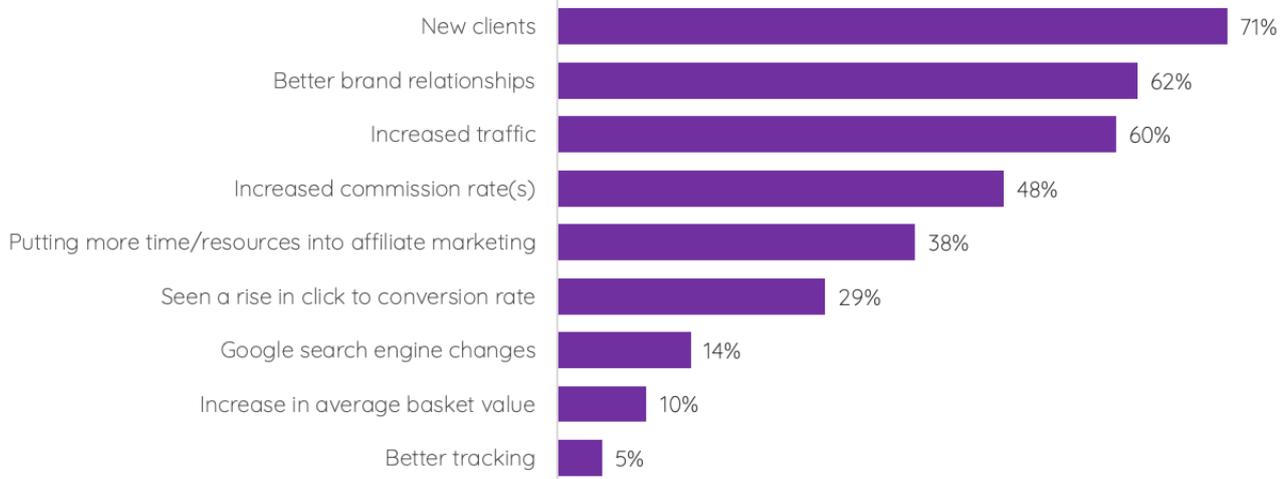
Question: Which of the following, if any, are the reason(s) for this increase in average UK monthly commission? (n=42 publishers)

2.1.3 Decreases in traffic, Google Search Engine Changes, Lower Commissions and Poor Tracking are causing Publishers' Contraction

Publishers who reported a reduction in their average monthly commissions generally cited fewer reasons for the decline.

The top four factors were decreased traffic (52%), changes in Google's search engine algorithms (52%), lower commission rates (39%), and poorer tracking (39%). Additionally, higher costs (30%), a drop-in click-to-conversion rates (26%), and loss of clients (26%) were also contributing factors.

There are combinations of factors at play here. The industry should pay close attention to the collective impact of them on the efficacy of running affiliate campaigns. Payments in the channel can also be precarious, and many fear an inflection point where these factors start to have a negative impact on their ability to continue to invest.

Google continues to loom large over the Industry. For half of the affiliates reporting a decline in revenues to cite it as a reason for their waning fortunes, shows how important it is to reduce reliance on the company.

Previously we have not asked specific questions about Google, but in light of a series of decisions and algorithm changes directly impacting the affiliate channel, it is a trend that every affiliate marketer should be monitoring.

Similarly, affiliate marketing tracking has been undermined by adblocking, legacy systems and cookie banners. It remains a topic the APMA has committed to tackling in 2024 and beyond.

Figure 15: What reasons are there for your decreases in average commission....
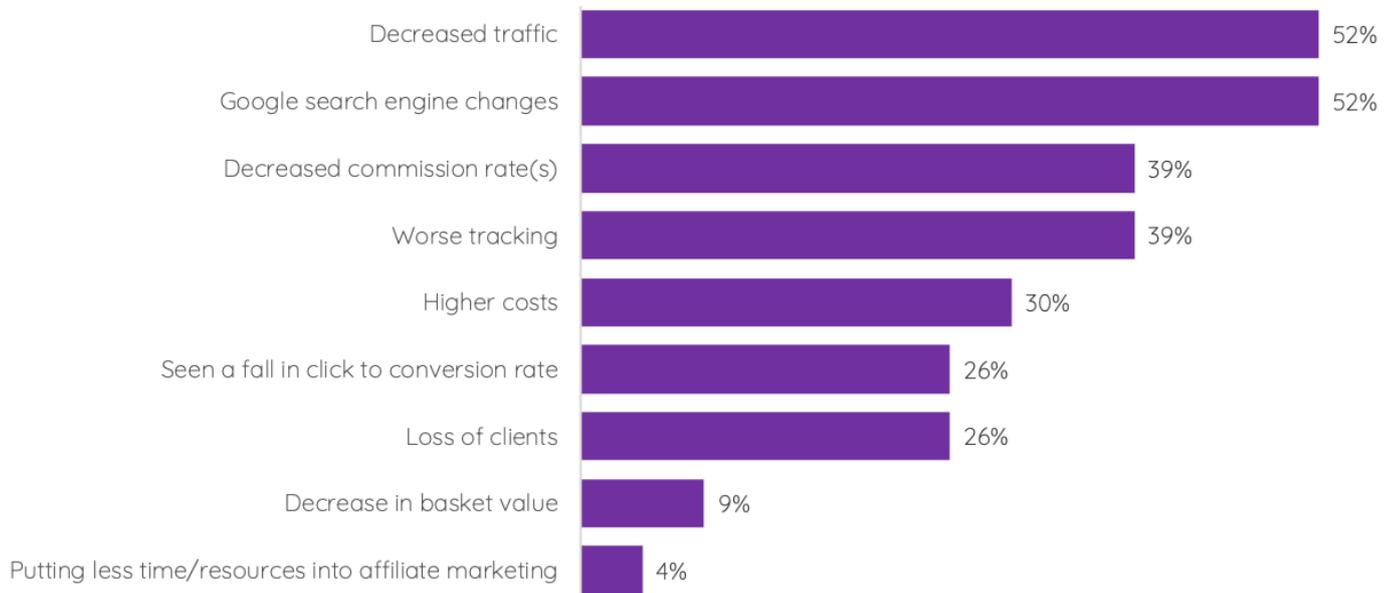
Question: Which of the following, if any, are the reason(s) for this decrease in average UK monthly commission? (n=23 publishers)

2.1.4 Publishers Are Increasingly Confident Amid Sector Growth in Investment, Transactions, and Revenue

We are a channel that is buoyed by high levels of confidence.

As the UK economy struggles for general growth and consumer confidence remains precarious, the affiliate industry has a much more positive attitude.

To gauge publisher sentiment over the past year, we asked whether they agreed or disagreed with the statement: *"I am much more*

optimistic about affiliate marketing as a monetisation strategy today than I was 12 months ago."

With widespread growth in the affiliate marketing sector, we expect publishers to be more positive, and overall they are. On average, publishers report feeling more optimistic about affiliate marketing as a monetisation strategy compared to 12 months ago (see Figure 16). Nearly half

(47%) agreed with the statement, while 27% disagreed.

This optimism is strongly correlated with whether publishers experienced growth during the past year, and no significant association was found with business size or employee count, indicating that this positive outlook is shared across publishers of all sizes.

Figure 16: Publishers views on the statement: I am much more optimistic about affiliate marketing as a monetisation strategy today than I was 12 months ago
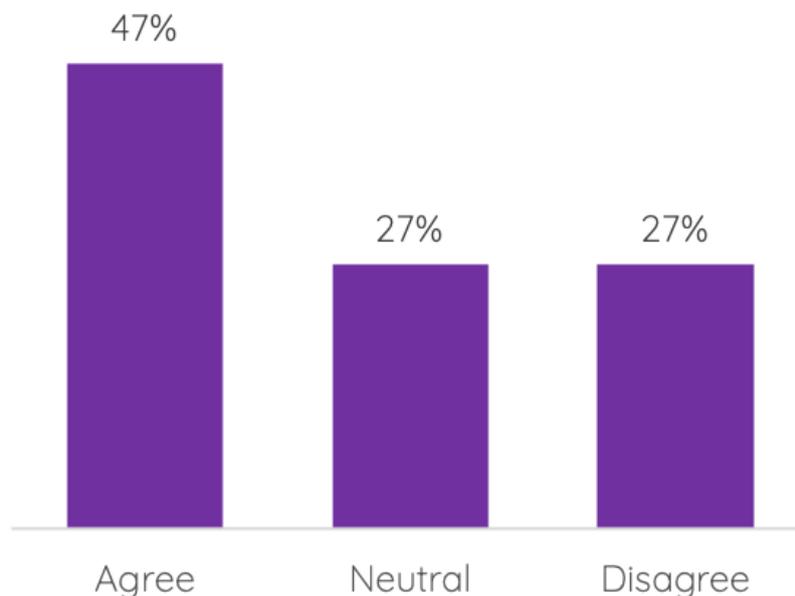
Question: To what extent do you agree or disagree with: I am much more optimistic about affiliate marketing as a monetisation strategy today than I was 12 months ago (n=98 publishers)

- **On average publisher businesses are growing in commissions and employees**
- **This tends to be driven by new clients, better brand relationships, increased traffic and increased commission rates**
- **Affiliate marketers should heed the threats posed by Google, tracking and commission erosion.**

2.2 Affiliate Methods

2.2.1 The 'Traditional' Publisher Affiliate Methods Remain Dominant

For reporting purposes, affiliates need to be classified within a category that broadly reflects how they drive traffic and sales. However affiliates typically use multiple methods to promote advertisers.

We wanted to understand all the drivers they use to engage users and in our survey publishers reported using an average of 4.25 out of 16 available options (listed in Figure 17) to direct consumers to advertisers' websites.

Email/newsletters emerged as the most popular method, with 53% of publishers employing this approach.

However, it was uncommon for publishers to rely solely on this method; it is more frequently used in conjunction with several others. This likely explains why it is the most utilised method yet it is unlikely for publishers to identify it as their primary affiliate method (see Figure 21 later in the report).

The next most used methods are SEO (50%), Facebook (43%), and Instagram (41%). Similar to email/newsletters, these methods are predominantly used alongside other strategies.

Among social media platforms, Facebook is the most widely used (43%), followed closely by Instagram (41%), TikTok (28%), 'other social media' (17%), and YouTube (15%). **If we aggregate the social media platforms into a single 'Social Media' category, their overall usage would match that of email/newsletters, with**

Figure 17: Affiliate methods used by publishers

Method	%
Emails / Newsletters	54%
SEO	51%
Facebook	43%
Instagram	41%
Pay per click (PPC)	32%
Display	32%
Mobile App	31%
Blogs	28%
Tik Tok	28%
Other social media	17%
YouTube	15%
Others	14%
Price Comparison Sites	13%
Com. Shopping Services.	9%
Other social media	8%
TV	3%
Card linked offers	3%
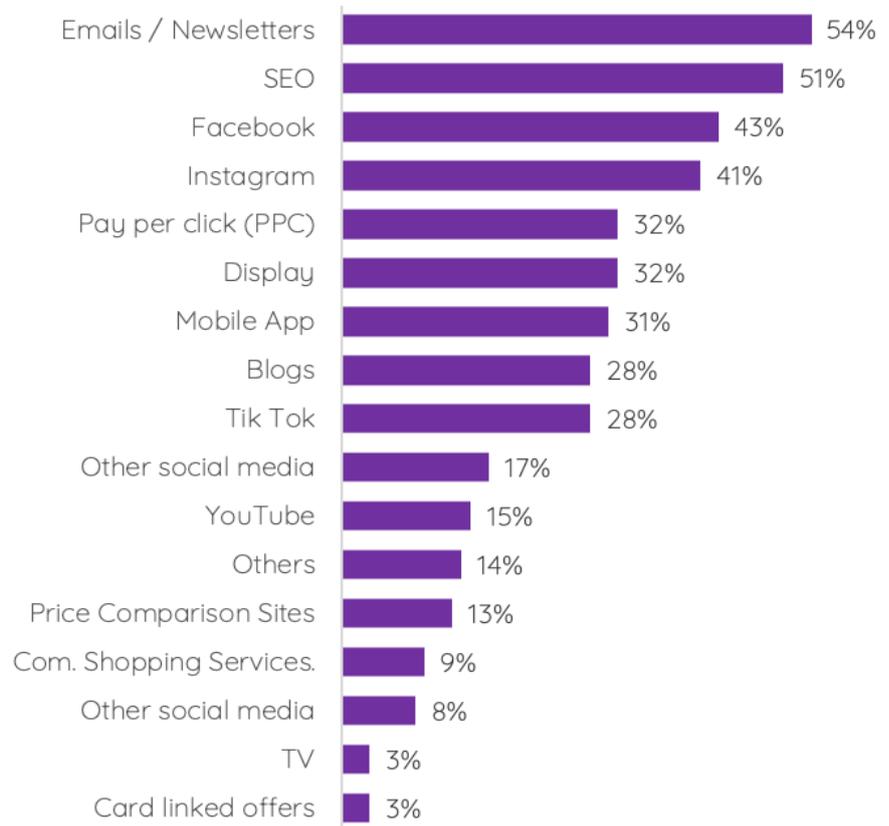
Question: Which of the following methods and activities, if any, does your affiliate business use to promote advertisers? (n=98 publishers)

52% of publishers employing at least one social media platform.

This is always an interesting question to ask because it demonstrates how multi-channel affiliates have become, something that is often disguised by straightforward affiliate classification.

While affiliate classification is the 'who', our question layers with the 'how' and paints a much richer

picture of how affiliates use many levers to drive sales for the brands they promote.

We would also encourage brands to build a more granular picture of their traffic and sales sources for their individual affiliates, so they have a much clearer idea of the interactions consumers have across an affiliate's promotional activity.

2.2.2 Agencies Utilise More Affiliate Methods Than Advertisers

We posed a similar question to advertisers and agencies to understand how much they engage with the variety of affiliate methods.

On average, agencies engage with more affiliate methods. Given many specialist affiliate agencies responded to our survey, it Is logical that, as affiliate experts, they are exploring affiliate activity more intensively.

The most commonly used methods by both advertisers and agencies align with our earlier findings where cashback, voucher/coupon/discount, loyalty programs, and bloggers/editorials received the most investment. However, there is some variation in the ranking of these methods between advertisers and agencies; for instance, sub networks and technology partners rank higher among agencies than advertisers.

Some affiliate models also require deeper integrations with a focus on strategic one-to-one (rather than one-to-many) relationships. This is often true for technology, CSS and PPC partners, which is reflected In their lower market penetration.

Their high agency engagement, however, suggests agencies are actively fulfilling their roles as strategic partners.

### Figure 18: Affiliate methods used by advertisers

Method	%
Cashback	89%
Discounts, Coupons and Voucher Codes	77%
Loyalty and Reward	71%
Blogger/Editorial	60%
Comparison Sites	54%
Sub Network	50%
Influencer	49%
Email campaigns	35%
Comparison Shopping Service (CSS)	35%
Pay per click / PPC	26%
Card linked offers	24%
Toolbars / Browser Extension	19%
Tech Partner / Onsite Optimisation	17%
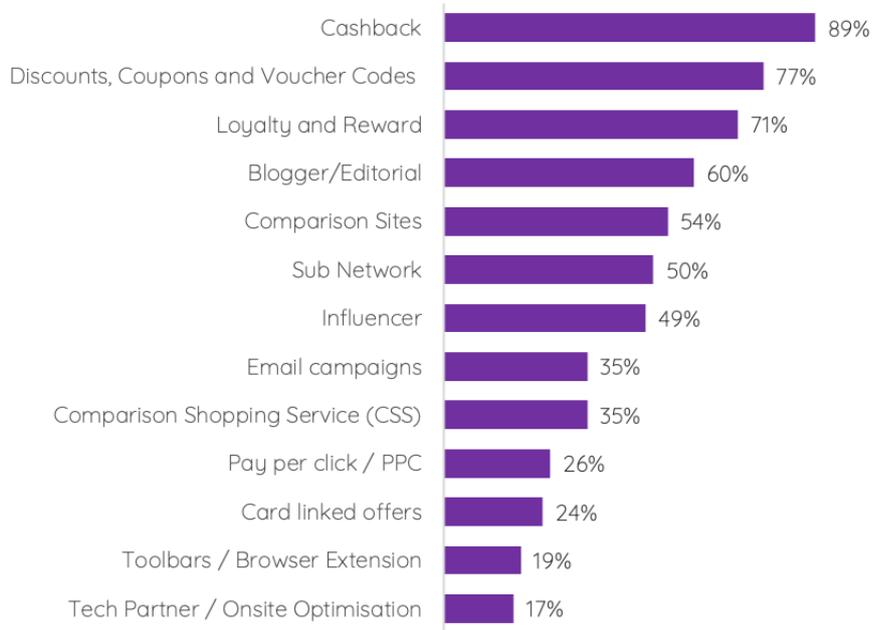
Figure 19: Affiliate methods used by agencies

Method	%
Cashback	89%
Discounts, Coupons and Voucher Codes	88%
Sub Network	79%
Blogger/Editorial	77%
Loyalty and Reward	75%
Influencer	73%
Comparison Sites	66%
Comparison Shopping Service (CSS)	59%
Tech Partner / Onsite Optimisation	55%
Card linked offers	54%
Email campaigns	50%
Pay per click / PPC	50%
Toolbars / Browser Extension	39%
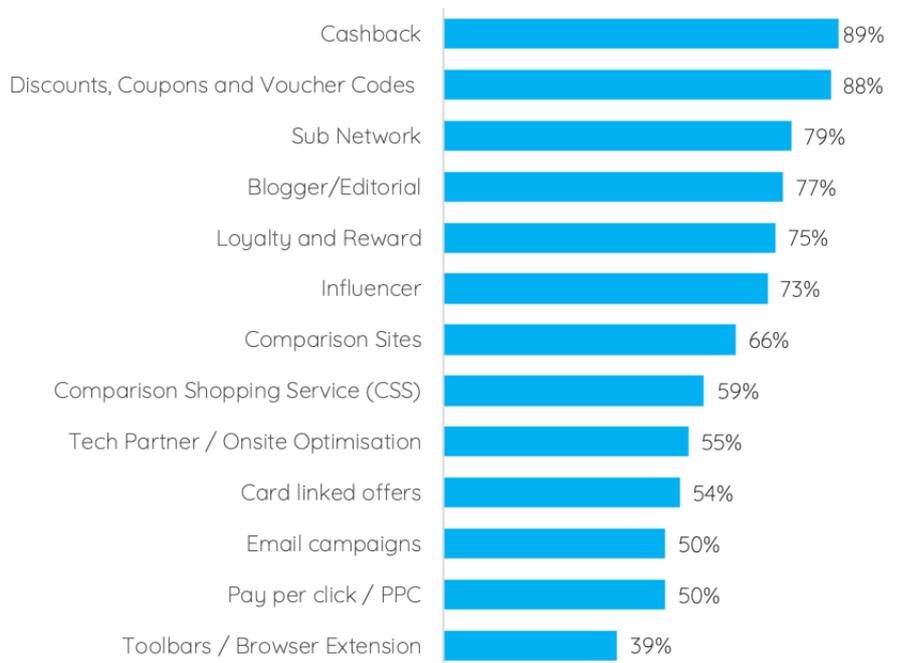
Question: Which of the following methods, if any, do you use in your affiliate marketing? (n=113 advertisers, n=56 agencies)

2.2.3 Approximately Half of the Industry Believes Publishers Do Not Receive Fair Commissions

While much of this report has focused on positive stories of growth and reach, there is a consensus that average commissions have declined over the years. We wanted to understand attitudes and perceptions about commissions.

Numerous factors influence the commissions advertisers pay to affiliate publishers, including sales volume, confidence in messaging quality, and overall reputation. However, do publishers, advertisers, and agencies feel that publishers receive fair compensation for their contributions?

We asked them to agree or disagree with the statement: *In general, do advertisers pay a fair commission for products sold via affiliate marketing?*

The responses present a mixed picture, reflecting the flow of money within the industry. While 77% of advertisers and 66% of agencies believe commissions are fair, only 37% of publishers agreed.

Instead, more than half of publishers (56%) disagreed that commission rates are fair, along with 18% of advertisers and 33% of agencies.

This disparity in perceptions is not new; similar sentiments were reported in APMA's advertiser research in 2022[5] and publisher research in 2023, indicating an ongoing challenge that remains unresolved.

This question asks us to consider the different lenses through which the channel is viewed. While affiliate marketing compensates

for sales, it generally does not reward the hard yards affiliates put in to create content, pay for ads, build tech or invest in advertiser relationships.

Perhaps, when answering these question, affiliates are considering everything in the round that it takes to drive a sale rather than a brand potentially focused on the outcome of their efforts.

As In any walk of life, stronger bonds can be formed by taking a moment to reflect on how the other side of the partnership operates. It would be fascinating to speak to the affiliates of brands who run best in class programmes, to see whether the disparity is as pronounced.

Figure 20: Publishers and advertisers views on whether, in general, advertisers pay a fair commission for products sold via affiliate marketing
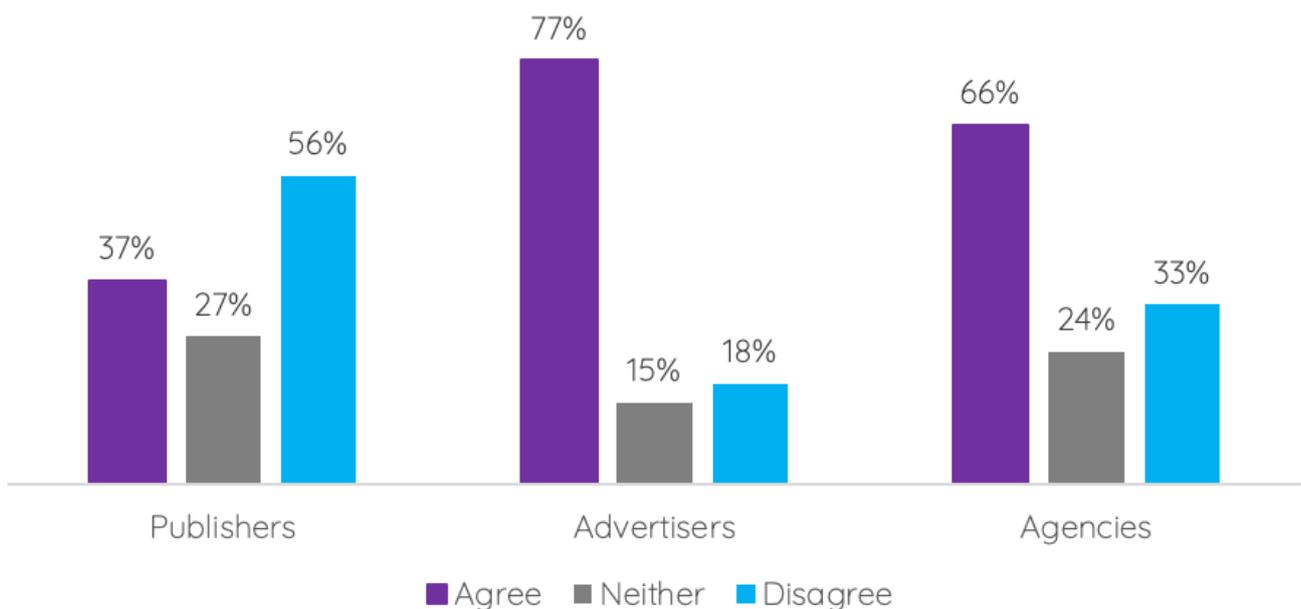
Question: In general, affiliates are paid fair commissions for sales they generate? (publishers n=98, advertisers n=114, agencies n=58)

5 www.apcuk.info/advertiser-agency-survey-2022

2.3 Publishers' Ways of Working

In 2022, we asked advertisers about their publisher preferences. In 2024, we reversed this approach by seeking insights from publishers regarding their businesses, perspectives on the sector, and the key challenges they face.

2.3.1 Half of Publishers Identify as Bloggers/Editorials or Voucher/Coupon/Discount Providers or Influencers

To better understand how publishers perceive themselves concerning the affiliate methods they offer, we asked them, *"If you had to classify your business by any of the following affiliate methods, which one would you choose?"*

Figure 21 below presents their results, also see figure 18 in section 2.2 which outlines all the affiliate methods employed by our publishers.

The most common classifications were bloggers/editorials (25%) and voucher/coupons/discounts

(19%). Despite their importance and size, there are very few cashback sites, reflected in the data below.

Only 1% see themselves as email affiliates, though 52% of our responding publishers use this method.

Figure 21: Publishers definitions of their businesses if forced to select one affiliate method
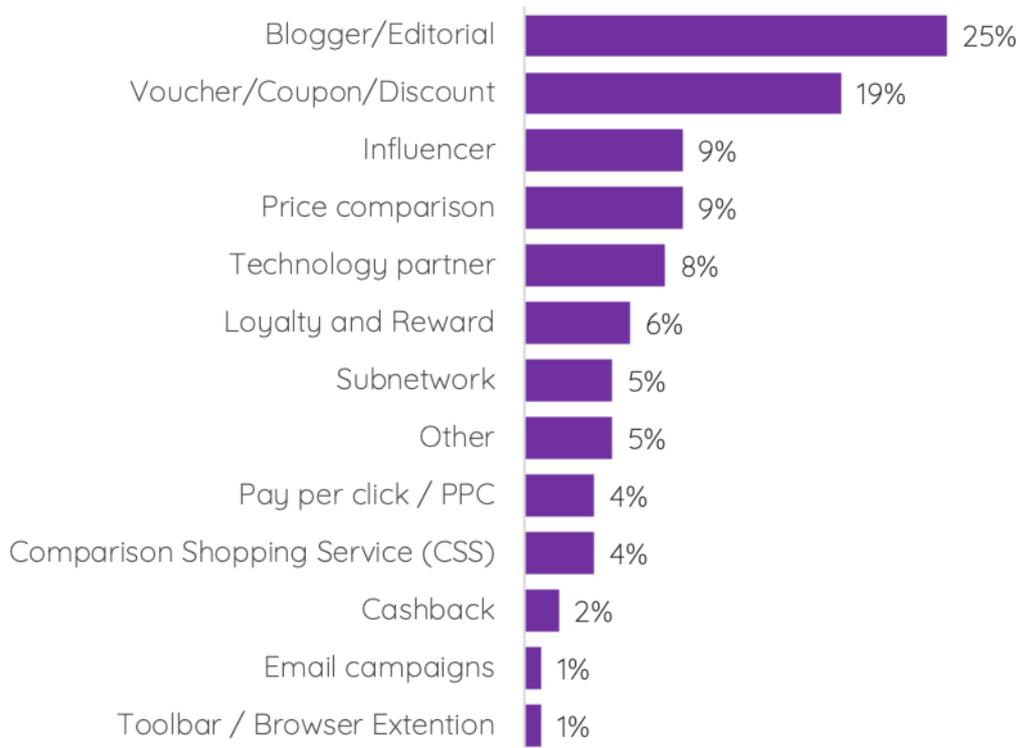
Question: If you had to classify your affiliate business by any of the following, which one would you choose? (publishers n=96)

2.3.2 The Vast Majority of Publishers Work with Retail and at Least One Other Industry

When it comes to the industries that publishers promote, the average publisher works across 2.4 sectors, based on the categories outlined in Figure 22 below.

Nearly all publishers (89%) partner with the retail industry, making it the most popular sector, followed by travel at 63% and telecom/utilities/services at 53%. While financial services rank last, approximately 40% of publishers still engage in advertising for this sector.

Retail programmes constitute by far the greatest proportion of affiliate programmes so this should come as no surprise.

So overall, publishers typically work with retail alongside one or two additional industries.

"9 IN EVERY 10 UK AFFILIATE MARKET PUBLISHERS PROMOTE RETAIL GOODS FOR ADVERTSIERS."

Figure 22: What industries do affiliate marketing publishers advertise for
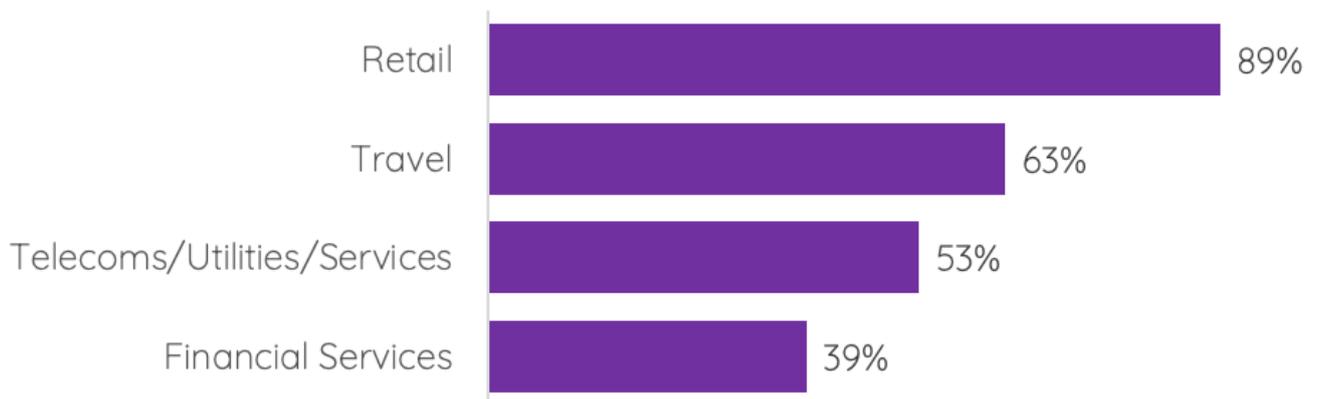
Question: What advertiser vertical(s) do you promote through your affiliate activity? (n=96)

2.3.3 Signing up to Multiple Networks Provides Publishers with the Greatest Opportunity

We wanted to understand how many platforms publishers have to navigate. Given each operate differently, using different terminology and processes, this can present a logistical challenge.

On average, each publisher in our survey was signed up to eight networks (of the 16 we listed). Figure 23 shows the breakdown.

Aggregating data from across multiple platforms has become a business in its own right, especially in a world where affiliates want to know which assets and programmes offer them the greatest return.

Future surveys could explore how publishers navigate the administration of their affiliate businesses and which solutions help them to work more effectively.

"PUBLISHERS SIGN UP TO AN AVERAGE OF 8 NETWORKS, THOUGH 4 IN 10 SIGN-UP TO OVER 10"

Figure 23: How many networks have publishers signed up to

Up to 5 networks 24%

More than 10 networks 40%

6-10 networks 36%
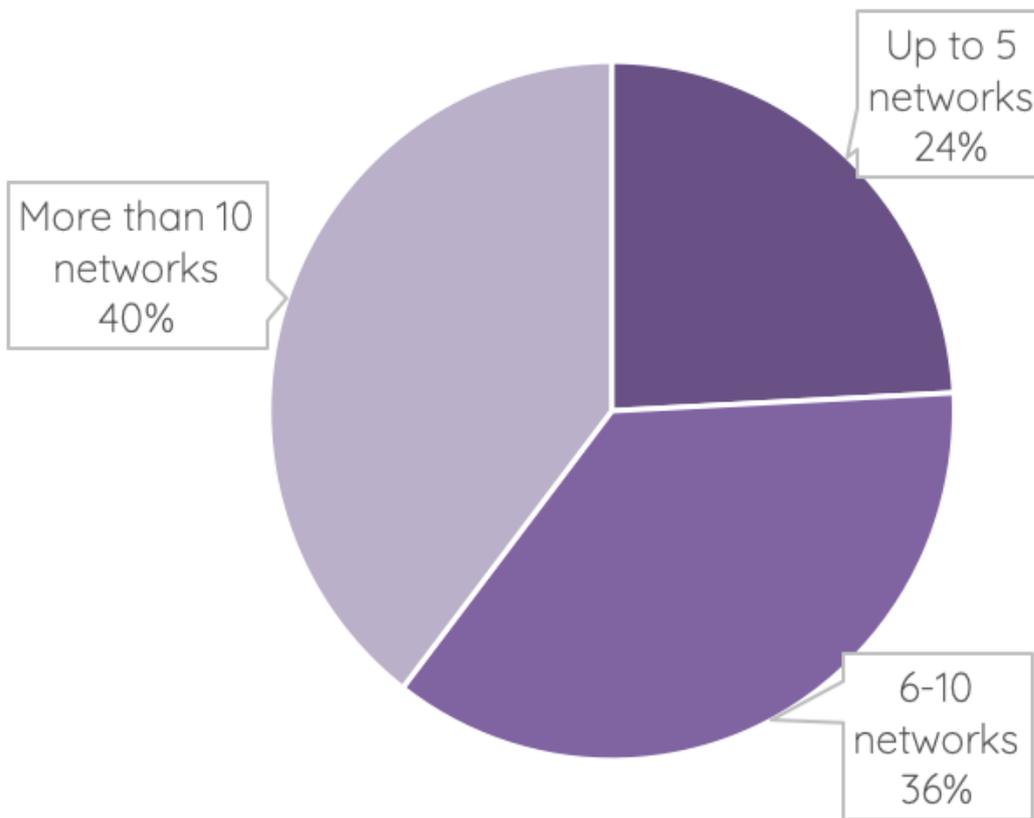
Question: Is your business signed up to any of the following networks and platforms? (n=96)

2.4 Publishers' Drivers and Challenges

2.4.1 Improving Commission is the Key to Motivating Publishers

To understand what gets publishers out of bed in the morning, we surveyed them on the most important factors influencing their promotion choices, as shown in Figure 24. The primary considerations for publishers revolve around their bottom line, with commission rates, brand awareness, and conversion rates identified as the most critical factors.

While slightly less emphasised other factors such as relationship quality, tracking setup, payment times, and network selection are also deemed important, so ignore these at your peril.

Commission rates were reported as the top priority by 85% of publishers, indicating a strong desire to be fairly compensated for their efforts. We are a performance-based channel after all.

Both well-known brands and conversion rates were cited as important by 60% of respondents, likely because higher quality in these areas correlates with increased income from promotions.

Although the next four factors listed in Figure 24 rank below the top three, they remain significant

for approximately half of the responding publishers. Relationship quality (56%), tracking setup (43%), payment times (41%), and network selection (40%) are all considered key elements.

These findings align with previous research, which identified commission rates, reputable brands, high conversion rates, strong relationships, and fair terms and conditions as essential factors for publishers.

Figure 24: What are the most important factors for publishers when deciding who to promote
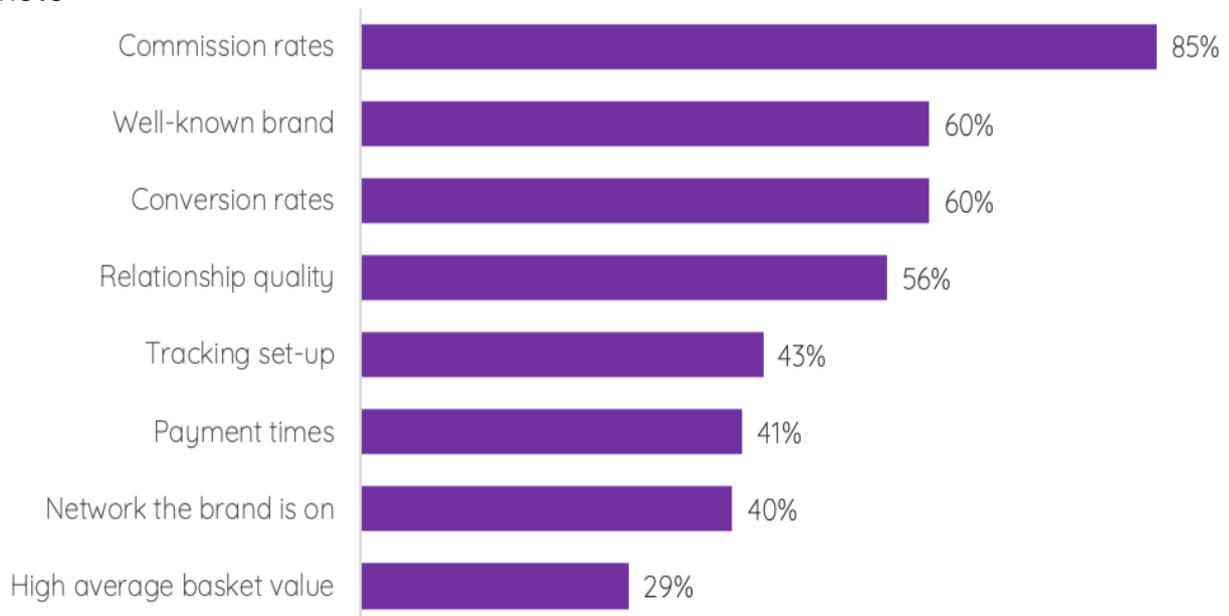
2.4.2 Publishers Want to be Understood and to be Remunerated for all of Their Sales

We all face challenges in our professional lives. To better understand the specific obstacles publishers encounter, we presented them with a list of potential challenges (see Figure 25 below) and asked them to select their top three. The number was limited intentionally, as we anticipated that publishers might face most of these challenges to some degree, but we wanted to highlight the most pressing ones.

The key challenges identified by publishers are unreliable tracking (48%), generating sufficient traffic (42%), lack of advertiser understanding of the affiliate market (42%), and declining commission rates (43%).

Advertiser engagement (33%) is the next most significant issue, followed by low payment rates (25%) and network engagement (20%).

Interestingly, only a small proportion of publishers reported that the work was too time-consuming or overly complex, suggesting a solid understanding of their business and the ability to navigate multiple platforms. This also alludes to the entrepreneurial spirit of the channel which draws driven people to it. It remains a desirable choice for both full time and part time marketers.

A lack of understanding from advertisers is a noteworthy new finding, as it was included in the survey for the first time this year. Its prevalence as a significant challenge (alongside tracking and traffic) is somewhat surprising, especially in a sector that attracts increasing funds and growing interest from smaller brands.

Nonetheless, this indicates there is still work to be done in educating advertisers on the nuances (and possibly benefits) of affiliate marketing. Networks, agencies and brands all have a role to play, ensuring they invest time in building solid relationships with their affiliates.

Many networks and agencies offer frequent 'discovery' sessions for affiliates to pitch their businesses. These should be encouraged.

Figure 25: What are publishers main challenges to increasing commissions
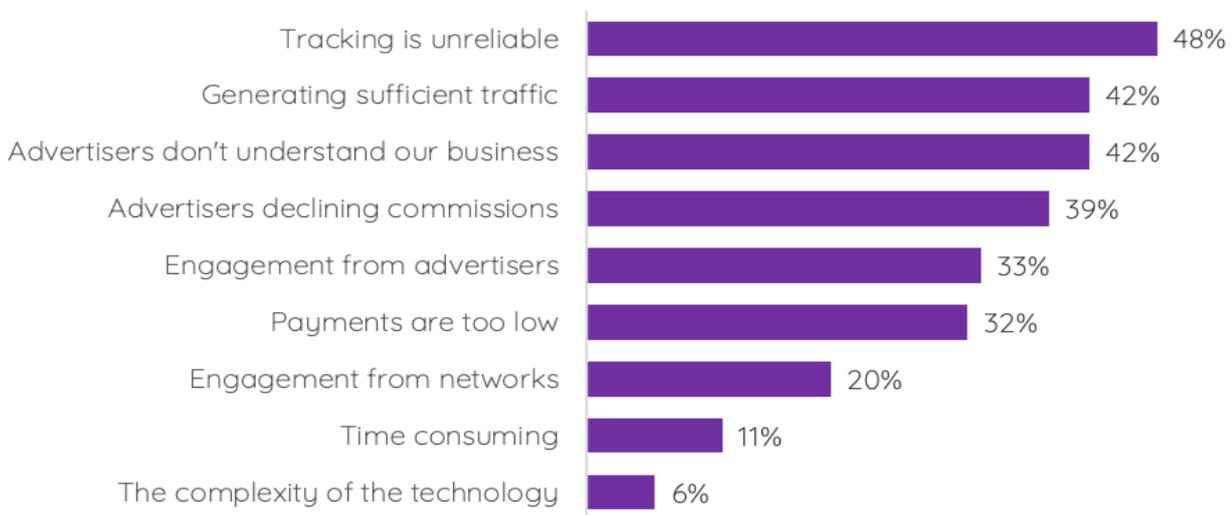
Question: Which of the following, if any, are the main challenges your business experiences when conducting affiliate marketing? (n=88 publishers)

2.5 A Look To The Future

We've painted a generally rosy picture of the channel, but let's turn to our crystal ball and consider what's coming down the road. In this chapter, we present our research findings on how publishers, advertisers, and agencies view the future of affiliate marketing. We explore their plans, their level of optimism, key concerns and the changes they would like to see.

## 2.5.1 The Future of Affiliate Marketing (Next 12 Months) Looks Bright

Remarkably, of the 119 advertisers who completed our survey, only four (3%) reported that they plan to reduce the proportion of their marketing spend allocated to affiliate marketing in the next 12 months. Very positively 57% reported they plan to increase their affiliate marketing spend.

This evidence for advertiser commitment to future spending is supported by Awin's research on affiliate investment completed in 2024[5] . This included European and US markets, but it also found that marketers planned on extending affiliate marketing activities by growing their spend. They stated this was due to their desire to grow overall ROIs and diversify ad spend.

We also examined whether this commitment to increased spending varied by the size of the advertiser. Interestingly, we found little difference, meaning that larger advertisers in the affiliate market are just as likely to increase their spending as smaller ones.

Figure 26: Advertisers expectation on whether the proportion of their marketing spend on affiliate marketing will be higher or lower in the next 12 months
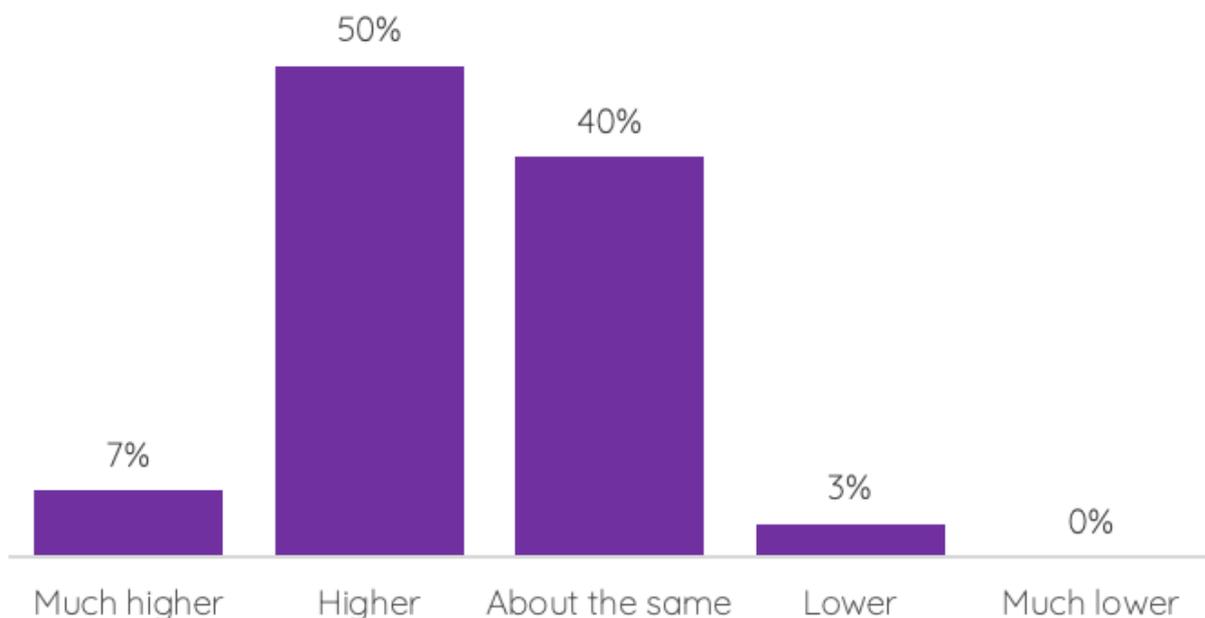
Question: Do you expect your business to spend a higher or lower proportion of your marketing budget on affiliate/partner marketing over the next 12 months, compared to the last 12? (n=119 advertisers)

## 2.5.2 Publishers Want and Expect to Grow in the Next 12 Months

Given the growth seen in 2023 and the finding that a significant proportion of advertisers plan to increase their investment in affiliate marketing, it's no surprise that the majority (73%) of publishers believe there are opportunities to expand their businesses over the next 12 months, with one in three (32%) strongly agreeing.

The balance between increased spend and return is a delicate one.

With 57% of advertisers planning to increase affiliate spend in 2025 and 85% of publishers stating higher commissions are the key for continued publisher success (Section 3.4), the two sides of the affiliate ecosystem appear broadly aligned. But with the data

in Section 1.11 suggesting revenue (14%) has risen at a slower rate than spend (17%) the channel needs to have its traditionally ROI-conscious eyes peeled for the common digital media trap of spend growth which drives a diminishing return.

Figure 27: Do publishers agree or disagree that "There is a great deal of opportunity to grow my business in the next 12 months"
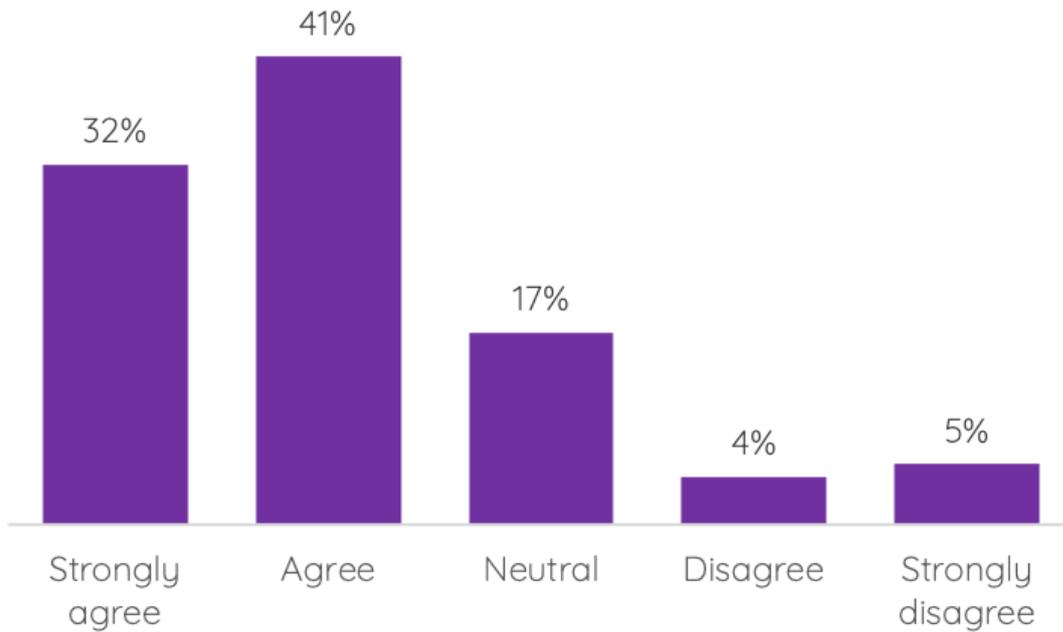

Question: To what extent do you agree or disagree with the following statements - there is a great deal of opportunity to grow my business in the next 12 months (n=94 publishers)

2.6 Main Macro Factors Impacting The Channel

2.6.1 Consent Management and Google's Search and Analytics Changes are Causes for Concern

Figure 28: Proportion of publishers, advertisers and agencies that are concerned about……
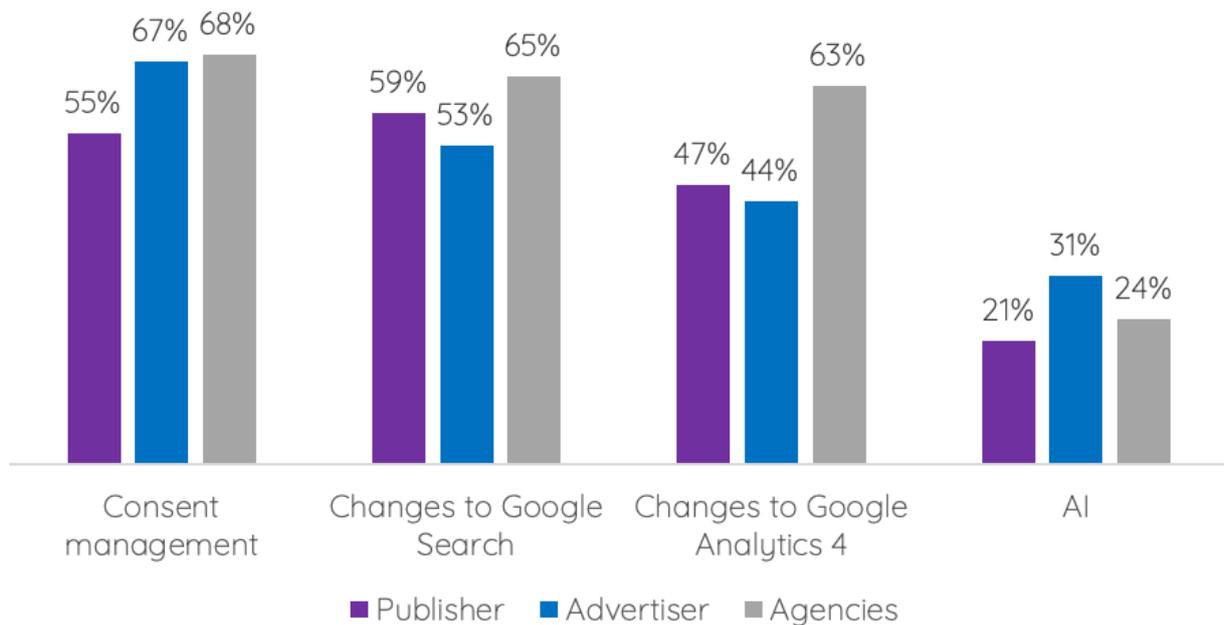
Question: In general, to what extent are you concerned or unconcerned about the following... (n=80 publishers, n=92 advertisers, n=37 agencies)

The outlook for the next 12 months appears positive, with increased spending anticipated from advertisers, and publishers expressing optimism about business growth. However, the industry is constantly evolving, and new technologies or process changes often bring challenges that concern professionals in any sector.

So far we've considered factors that the industry is largely in control of. But what does the

data show when we asked our respondents about macro factors impacting the channel?

To explore the primary concerns of our respondents, we assessed their levels of worry across four key areas impacting the affiliate industry: Consent Management[6], Google Search Engine changes[7], Google Analytics changes[8], and Artificial Intelligence. We also included an open-ended question, allowing respondents to share any additional threats or concerns.

There was consensus among publishers, advertisers, and agencies on the most pressing issues. Consent management emerged as the top concern, particularly for advertisers and agencies. This is understandable given the significant impact that consent management tools can have on tracking, which directly influences conversion rates and publishers' bottom lines. A recent change offers some hope and we delve deeper in this section. Changes to the Google Search

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Engine ranked as the second most pressing concern according to our respondents. This is not surprising, as traffic is the lifeblood of affiliate marketing. Our research shows that 54% (see Section 3.1.1) of all traffic for publishers comes from Google search tools. Any modifications to how Google operates can, and already have, significantly impacted the entire affiliate network.

Changes to Google Analytics 4, while slightly less concerning than consent management and search engine changes, still represent a significant worry for many respondents. We explore these concerns in more detail in the tracking section of this report.

AI ranked as the least concerning of the four areas. As discussed in Section 3, this may be due to publishers, advertisers, and agencies feeling more prepared for the adoption of new AI technologies or being

more positively deposed to the opportunities it offers for them to build new revenue streams.

It is interesting that consent management was cited as such a significant issue by advertisers and agencies. In section 3.2 publishers cited unreliable tracking as their biggest single issue affecting revenues. Since the Information Commissioner's Office (ICO) mandated one-click opt-out for all but strictly necessary cookies at the start of 2024[11], consent management platforms 'consenting-out' affiliate tracking has become one of the biggest causes of tracking failures across the industry. Unlike other tracking challenges, such as third-party cookies, there is limited scope to apply technical fixes to issues like consent, where a user's privacy must remain as sacrosanct as a publisher's earnings.

However, there is one recent exemption. In October 2024 the

ICO stated that 'reward' cookies, if they meet two criteria, can apply a strictly necessary exemption to their cookies.

In May 2024, Google's newly updated 'Site reputation abuse' rules[12] decimated the search engine rankings of some of the industry's largest discount publishers. This came hot on the heels of Google's Helpful Content Updates beginning in September 2023[13] being cited as factors in the decreasing exposure of independent content and review sites in the Search Engine Results Pages (SERPs). The industry is still waiting for the impact of the Core update announced in August 2024 to bring back some of this lost credit for independent content.

9 https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2024/01/ico-warns-organisations-to-proactively-make-advertising-cookies-compliant
10 https://developers.google.com/search/blog/2024/03/core-update-spam-policies#site-reputation
11 https://searchengineland.com/whats-new-with-the-google-helpful-content-update-431994
12 https://searchengineland.com/google-august-2024-core-update-rolling-out-now-445221

2.6.2 Publishers are Eager for Cross-Industry Collaboration

The affiliate industry often walks a precarious tightrope, navigating a whole series of potentially competing interests from publishers and advertisers of all shapes and sizes.

Recognising where we need to overcome those barriers and focus our energies to benefit everyone is an important exercise in improving things for everyone.

Publishers were asked about the areas they would like the industry to collaborate on to improve things for them.

Tracking (58%), the impact of Google's changes (48%), and improving commission rates (47%) are the most popular options for industry collaboration. Cookie consent (27%) and faster pay-outs (25%) are also areas of notable interest. These findings align

with our data on the sector's key challenges (see Section 2.6) and the detailed analysis of tracking issues (see Section 3.1).

Fixing the fundamentals that allow publishers to make money remains a priority.

Figure 29: Which areas for cross-industry collaboration
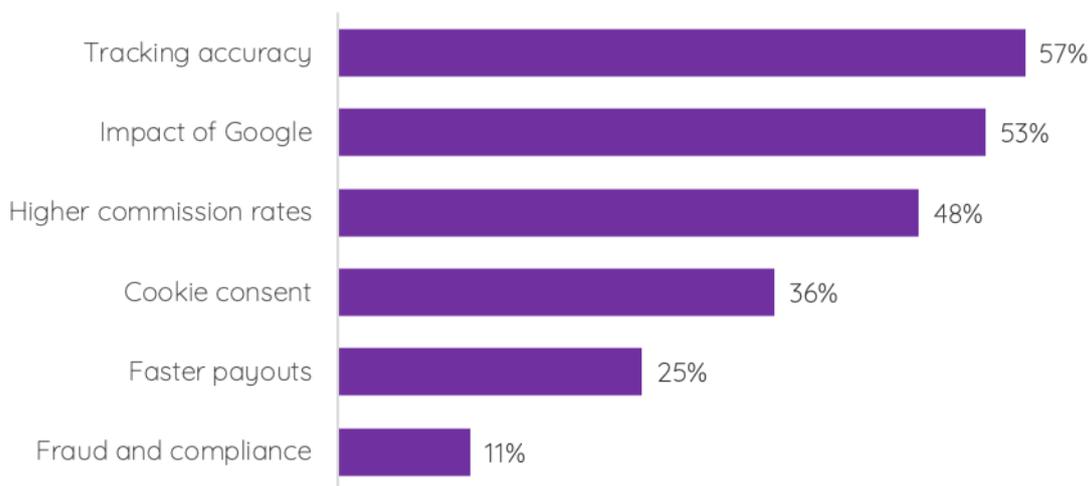
Question: Which areas of the industry would you like to see made a focus of cross-industry collaboration in the near future? (n=94 publishers)

2.6.3 There are lots of ideas on how affiliate marketing can be improved

We asked publishers, advertisers, and agencies to share their insights on one change that could improve affiliate marketing or make it easier to earn more affiliate commissions. This was an open-ended question and we received a wide range of responses. The most common suggestions are summarised below.

Industry wish lists: top improvements:

Publishers	Advertisers
1. Tracking reliability	1. Improving industry's Reputation
2. Transparency & Communication	2. Incrementality & Attribution
3. Full awareness of an affiliate's contribution	3. Transparency & Communications
4. Higher commission rates	4. Tracking Improvements
	5. Subnetworks

Let's take a deeper dive.

How publishers would like to see the affiliate market improve?

1. **Tracking Reliability:** This was the most frequently mentioned issue, which is unsurprising given its importance. Publishers feel they are driving success for businesses by promoting and selling products, but are not being fairly compensated due to inaccurate tracking. Many publishers called for improved tracking accuracy and better validation practices. Some expressed concerns that networks do not take reports of poor tracking seriously, while others suggested that best practices should be defined and standardised through certifications to ensure confidence in tracking systems.
2. **Transparency and Communication:** Closely related to tracking reliability, many publishers want improved communication and greater transparency from advertisers and networks regarding tracking and full-funnel attribution.
3. **Advertiser Awareness of Affiliate Marketing's Benefits:** Publishers would like advertisers to recognise the broader impact of affiliate marketing beyond tracked sales. They play a significant role in the customer journey, even outside of the final sale, and feel that commission rates should better reflect this contribution.
4. **Commission Rates:** Several publishers mentioned the need for higher commission rates, not only for direct sales but also for their overall impact on the customer journey. Additionally, some requested longer lead times before commission rates are changed, to allow for better planning.

How advertisers and agencies would like to see the affiliate market improve:

1. **Improving Affiliate Marketing's Reputation:** Some advertisers expressed the desire for the affiliate channel to shed its reputation as complex or low-cost, often associated with low-quality customers. A few suggested changing the channel's name, standardising its terminology, and promoting successful campaigns to demonstrate its incremental impact across the sales funnel.
2. **Incrementality and Attribution Across the Full Sales Funnel:** Advertisers seek a standardised way to assess incrementality and ensure publishers are compensated appropriately for their contributions throughout the entire sales funnel.

3. **Transparency and Better Communication:** Many advertisers expressed a need for greater transparency from networks and publishers, particularly in the data shared. They want better access to publishers to gain insights into content and traffic sources, as well as improve their ability to detect and address fraud.
4. **Tracking Improvements:** Advertisers also emphasised the need for more transparent tracking systems, which would improve fraud detection and allow for more accurate compensation to publishers.
5. **Subnetworks:** Advertisers suggested that subnetworks require more transparency and visibility, with stronger penalties for poor-quality content.

These findings are supported by Awin's 2024[13] research with marketers across the UK, Europe, and the US, that reported improved tracking and greater transparency would increase marketers' spending in affiliate marketing.

Further, Gen3's[14] June 2023 research aligns with these conclusions, highlighting that affiliate marketing significantly impacts all stages of the sales funnel, and marketers recognise this. The research also emphasises the concept of incrementality in affiliate marketing is well understood, and there is a growing need to standardise ways to measure and access it.

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[13] https://resources.awin.com/forrester/en-forrester-affiliate-investment-2024/
[14] https://gen3marketing.com/news/nation-report-on-the-affiliate-marketing-industry/

3. Deep-Dives

3.1 Tracking

So far, we've focused on examining our industry from an insider's perspective. What happens when we consider external factors? How do they collide and impact affiliate marketing?

Increasingly macro factors are playing out and how well the industry handles these will play a role in its future success.

If you can't track it, you can't measure it. And when your channel's payment model is also its measurement metrics that's pretty fundamental. So let us begin with tracking, as we have already seen in this researcher, this is a significant concern for all stakeholders in affiliate marketing.

This section focuses on data collected from two online surveys on tracking, affiliate cookie classifications in consent management platforms, and the use of Artificial Intelligence (AI) in affiliate marketing.

3.1.1 Google Tools Dominate Affiliate Search and Analytics

Google plays a major role in the affiliate marketing ecosystem, and recent changes from Google have created challenges for both advertisers and publishers. But how dependent is the affiliate market on Google for driving and measuring traffic? And how widespread are the effects of these changes?

To explore this, we first asked publishers what proportion of their traffic comes from Google products (we believe this includes organic search). **While not all respondents knew, we estimate that 54% of publishers' traffic is generated via Google products.**

Notably, 29% of publishers reported that 80% or more of their traffic comes from Google, indicating a heavy reliance on Google's ecosystem for many, and with it the risk of Google's updates negatively impacting an affiliate's traffic.

Figure 30: Percentage of traffic received from Google owned products?
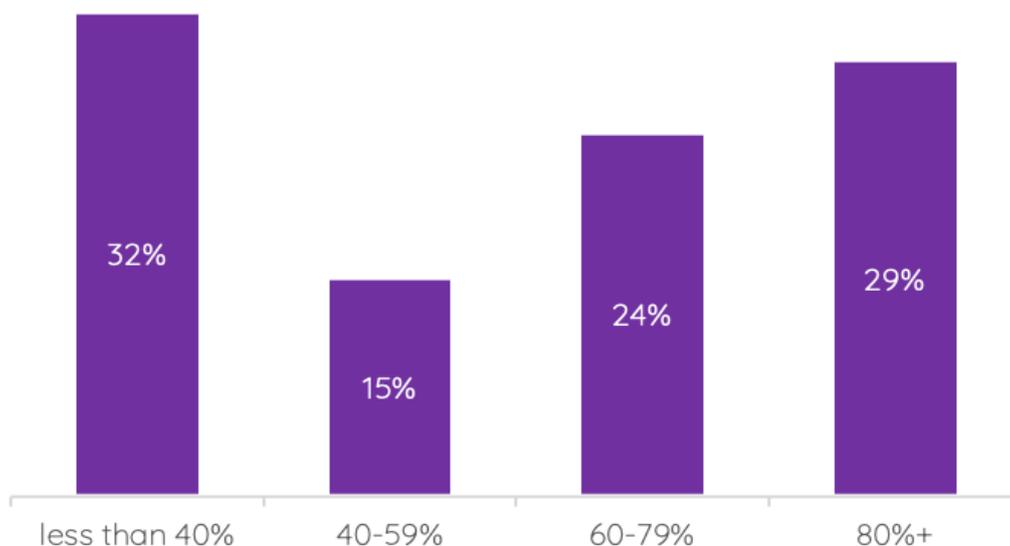
Question: What percentage of traffic does your business receive from Google owned products? (n=62 publishers)

We also asked advertisers and agencies about the tools they use in their measurement processes, with a particular focus on their reliance on Google Analytics 4 (GA4).

The results indicate a significant dependency on GA4. It is used by around half of advertisers (55%) and agencies (44%) in their measurement processes. 31% of **advertisers and 19% of agencies reported using GA4 as their sole traffic measurement tool.**

Regarding other platforms, 27% of advertisers also use in-house solutions, while 23% rely on third-party platforms. Agencies, on the other hand, are more likely to adopt third-party platforms (50%), though only 15% utilise in-house solutions.

Some respondents rely exclusively on the data provided by their networks—41% of agencies compared to 22% of advertisers.

Figure 31: Measurement platforms used by advertisers and agencies
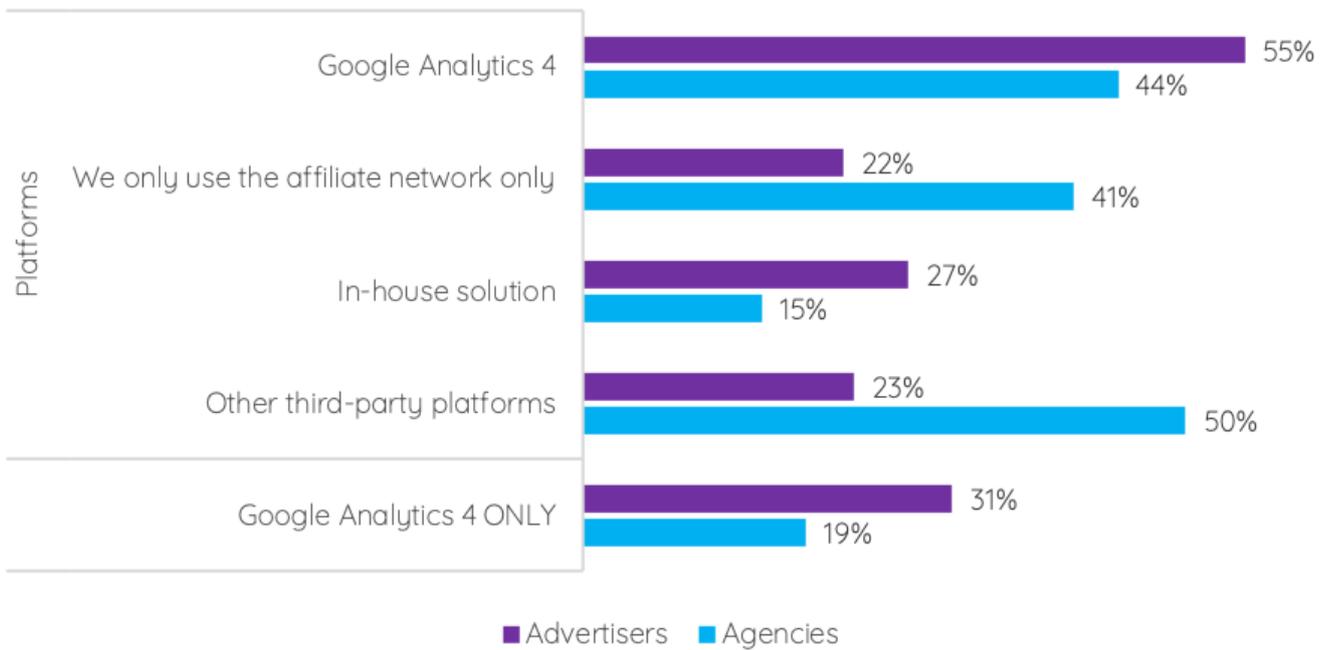
Question: What platform(s), if any, do you use to track and/or attribute sales in your affiliate marketing channel? (n=111 advertisers, n=54 agencies)

3.1.2 Google Analytics 4 Changes have been Disruptive to Users

We now have a clearer picture of the prevalence of GA4 in traffic measurement within the affiliate marketing space. The next logical question is: What impact have the GA4 changes had in 2024 on advertisers and agencies?

For those seeking a deeper understanding of GA4, we recommend reviewing The APMA's guide, available on our website[17]. In brief, GA4 has shifted from a session-based tracking model to an event-based approach.

To assess the impact of this change on affiliate marketing measurement, we followed up with all advertisers and agencies using GA4, asking how their metrics have evolved.

As expected, not all respondents were able to provide insights; 27% reported that they either didn't know or that the changes were not applicable to them. These respondents were excluded from figure 32, resulting in smaller sample sizes for this analysis. Therefore, the findings should be interpreted with some caution.

Among the remaining respondents, most reported changes—both positive and negative—in their metrics (sessions), conversion rates, and revenue. Unfortunately, the negative impacts outweighed the positive, especially for agencies.

As shown in figure 32, nearly half of the advertisers using GA4 to measure affiliate activities have experienced decreases in sessions, conversion rates, and revenue credited to the affiliate market due to the GA4 transition. These negative effects were even more pronounced among agencies, with the majority reporting declines across all key metrics.

Overall, this shift has had a significant impact on the bottom lines of these businesses. While the majority have experienced losses, a small portion—around 20% of advertisers and 10% of agencies—have benefited from the changes, seeing increases in their tracking metrics and, consequently, in revenue.

Figure 32: The impact of GA4 changes on advertisers and agencies tracking data
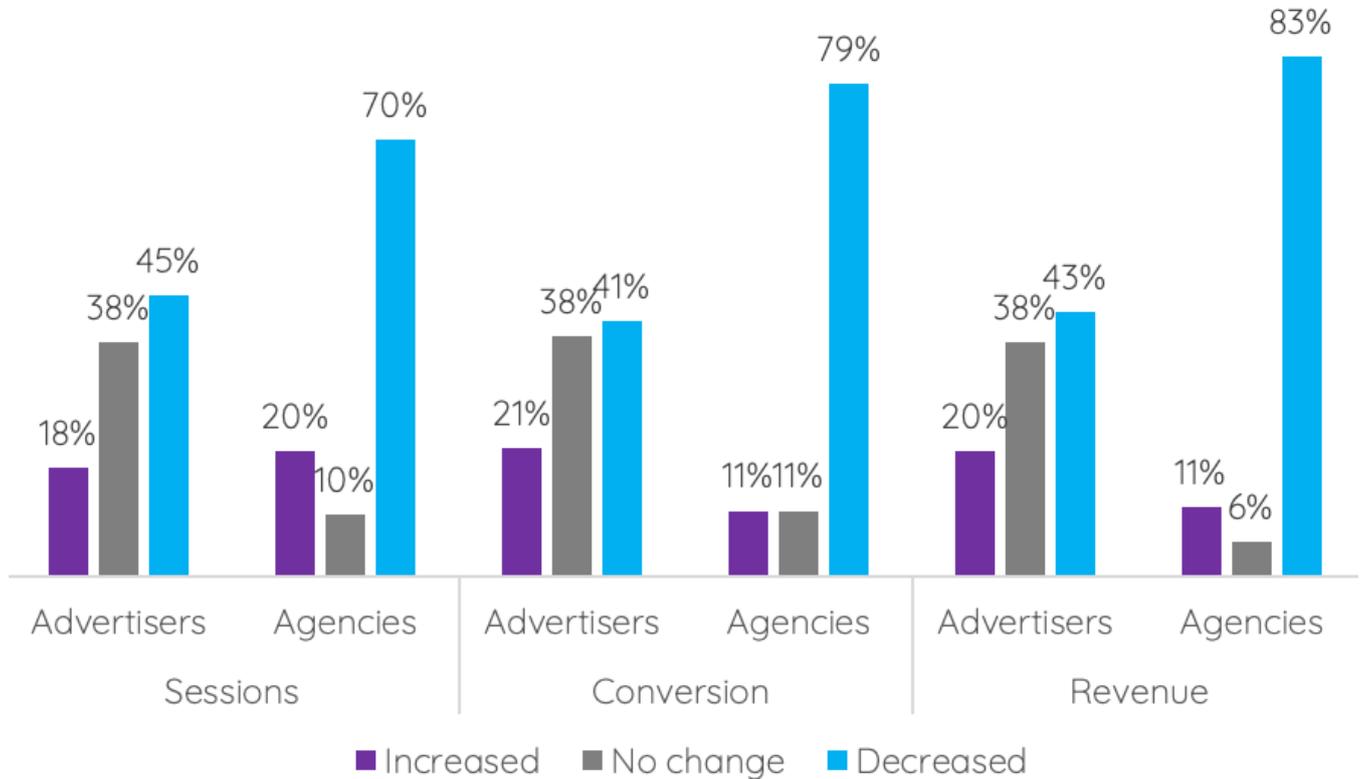
[17]https://theapma.co.uk/ga4-guide-download-apma-explains/

Much has been said about the reliability of affiliate tracking, but it is important to decouple GA4 from this discussion.

Google Analytics is a measurement tool. However, as we saw at the start of this chapter, it is a measurement tool used by a huge number of affiliate advertisers to measure the channel's contribution alongside other digital media.

Affiliate marketing ultimately competes with other digital channels for spend, and less trust in GA4's ability to accurately measure Affiliate's effectiveness could impact the budget available to the channel. 57% of advertisers surveyed want to increase their Affiliate spend in 2025, and it is important they can trust the tools they use to measure the channel's overall contribution.

It is worth noting that, regardless of what data GA4 algorithmically apportions to affiliate interactions and sales, networks will typically contractually oblige advertisers and agencies to pay on their reporting and invoicing data.

3.1.3 Faith in GA4's Accuracy has been Eroded

Figure 33: Confidence in tracking statistics since GA4
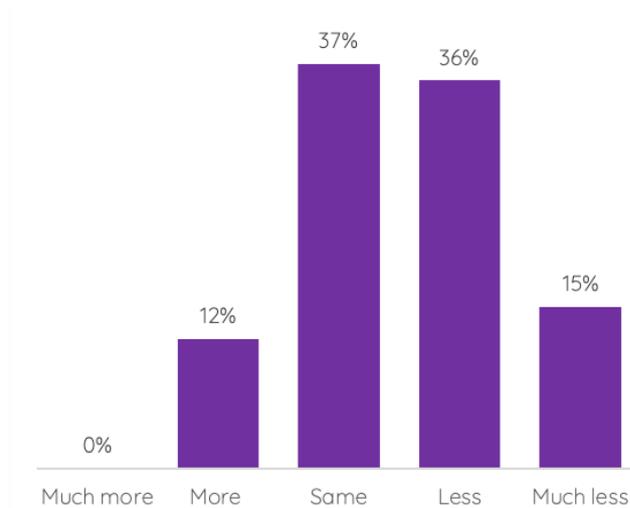
Question: Since the Google Analytics 4 (GA4) changes, do you have more or less confidence in the accuracy of your tracking data? (n=62 advertisers who use GA4, excluding those who don't know)

Google Analytics has long been perceived as something of a black box, requiring users to trust that its reports are accurate. However, recent changes introduced with GA4 have shaken the confidence that affiliate marketers once had in its statistics.

Figure 33 illustrates this decline in confidence among advertisers and agencies using GA4. **Only 1 in 8 respondents (13%) report improved confidence in the data,** despite Google implementing changes aimed at enhancing accuracy.

In contrast, nearly 6 in 10 (57%) now express reduced confidence in their measurement data. It would be valuable to explore further why users feel this way - whether it is solely due to a reduction in their reported metrics, or if other factors contribute to their dissatisfaction.

We reiterate that GA4's interpretation of affiliate data does not mean tracking has become unreliable; it is an alternative view of 'contribution', not a position on affiliate tracking accuracy. Brands must consult with their agencies and networks should they have any confusion about how to view their different data sources.

While we understand how advertisers and agencies feel about the changes to GA4, let's assess awareness and understanding of these changes among publishers.

Figure 34 illustrates publishers' awareness and self-reported understanding of GA4.

The data shows that the vast majority of publishers (91%) are aware of the change. However, only 60% of publishers reported that they understand it, leaving 40% indicating a lack of comprehension. This suggests that there may be a need for improved communication and education regarding GA4 among publishers.

GA4 overall remains a confusing topic for many and, without careful negotiation of its data, can lead to a negative interpretation of affiliate data.

Figure 34: Publishers' awareness and understanding of the Google Analytics 4 changes
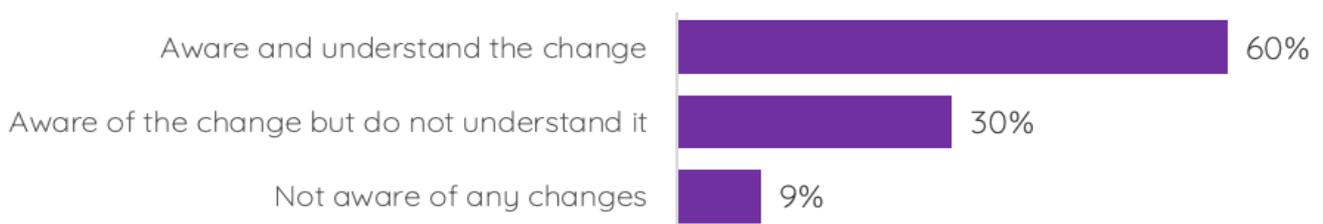
Question: Are you aware of the changes implemented in Google Analytics 4 (GA4)? (n=86 publishers)

3.1.4 Tech Resources and Business Priorities are the Main Barrier to Improved Tracking

If there is one area of affiliate marketing that is guaranteed to confuse, it's tracking. Aside from GA4's *interpretation* of the sales and traffic, there are multiple tracking solutions on the market, often working concurrently.

Aspiring to a tracking gold standard remains a challenge. The topic is multi-faceted and complex. It can also be dense, the industry lacking a common language when discussing it.

We wanted to understand where the pain points exist in achieving tracking excellence.

In framing this question, we took a strategic approach: instead of asking respondents whether their tracking was up-to-date, we assumed it was not. This allowed respondents to either confirm that their tracking was current or to indicate that they were unaware of any tracking issues.

24% of respondents reported their tracking was already up-to-date, while 19% stated they were unaware of any problems with their tracking.

Notably, several in this latter group also mentioned other barriers to

improving their tracking processes.

Encouragingly, cost was not seen as a significant obstacle for most businesses, with only 8% citing expense as a barrier to implementing new tracking processes. The primary challenges identified were a lack of technical resources (33%) and the issue not being considered a business priority (32%)..

Figure 35: Barriers to upgrading advertisers and agencies tracking processes
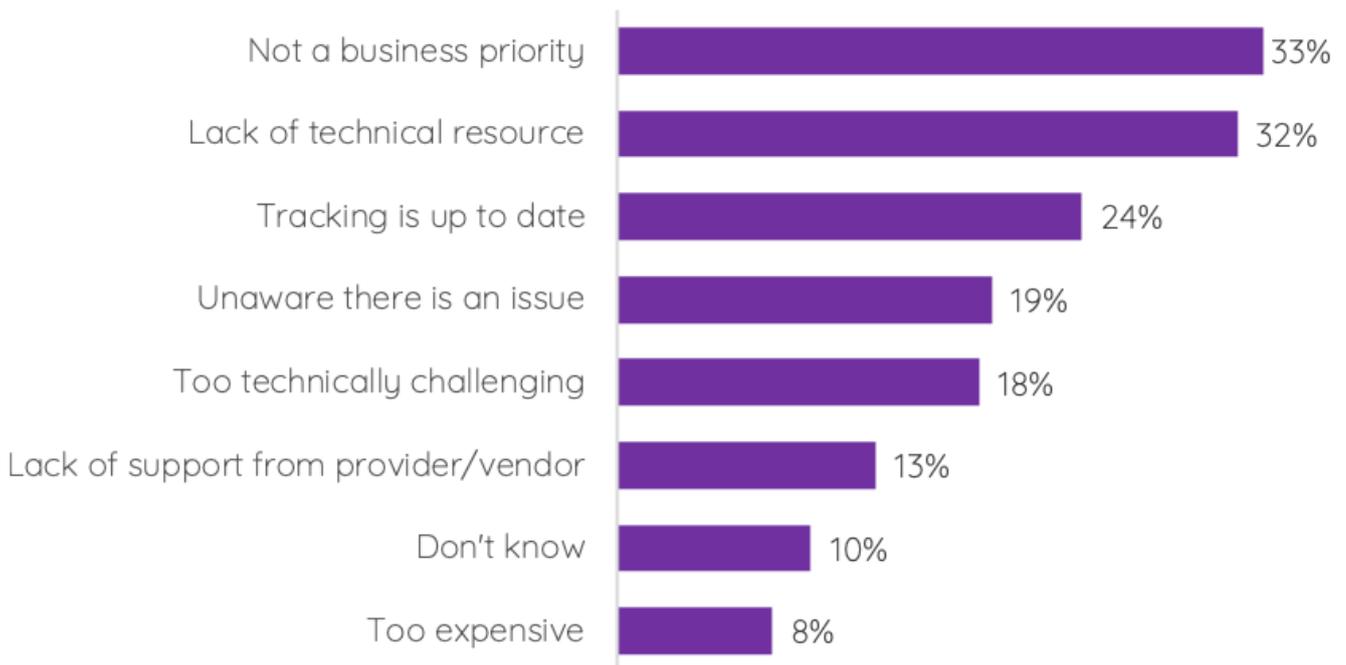
Question: Which of the following, if any, are barriers to upgrading your tracking processes? (n=152 advertisers and agencies)

3.1.5 Many Feel Tracking is Not Representative

To understand whether publishers, advertisers, and agencies feel tracking accurately reflects their sales contributions, we asked them whether they believe affiliate tracking fully, over, or under-represents these contributions.

We need to accept there will be some bias in the responses. Given the importance of bottom lines for businesses and the desire to be compensated for all generated sales, we expect publishers and agencies to lean toward under-representation, while advertisers might feel tracking is more accurate or even inflated.

With this in mind, the results reveal some surprising insights. **Three in ten (30%) advertisers and more than half (53%) of agencies feel that tracking under-represents the sales contributions of affiliate marketing**. Publishers express even stronger views, with nearly eight in ten (78%) stating that tracking under-represents affiliate sales.

Conversely, only 4% of publishers believe that tracking over-represents their contributions. This contrasts with around one in four (23%) advertisers and one in eight (13%) agencies who feel that tracking over-represents affiliate sales.

Given the ongoing challenges in affiliate tracking - some of which are explored in this report - these findings are not unexpected. However, further research should be conducted with these groups to uncover the specific reasons behind their perceptions. Is it an issue of accuracy, incrementality, or another factor? How much do confusing, opaque or over-zealous validation processes also play a part? Often affiliate sales will be tracked only to be declined for a variety of reasons; commissions dangled in front of a publisher, only to then be snatched away.

When publishers talk about tracking being representative of their promotional methods, this could speak to the accuracy of sales tracked, but also the number of sales they are paid for. Advertiser validation processes are a topic that was not surveyed here, but based on the responses should be followed up on to see where improvements can be made in the tracking/validation ecosystem. The APMA is producing a 'Payments Project' guide to provide transparency on networks and platforms' payment terms, due for release in early 2025.

This is a new question in our market research, and we plan to track these perceptions annually in hopes of observing improvements over time.

Figure 36: Does tracking fully represent affiliate sales
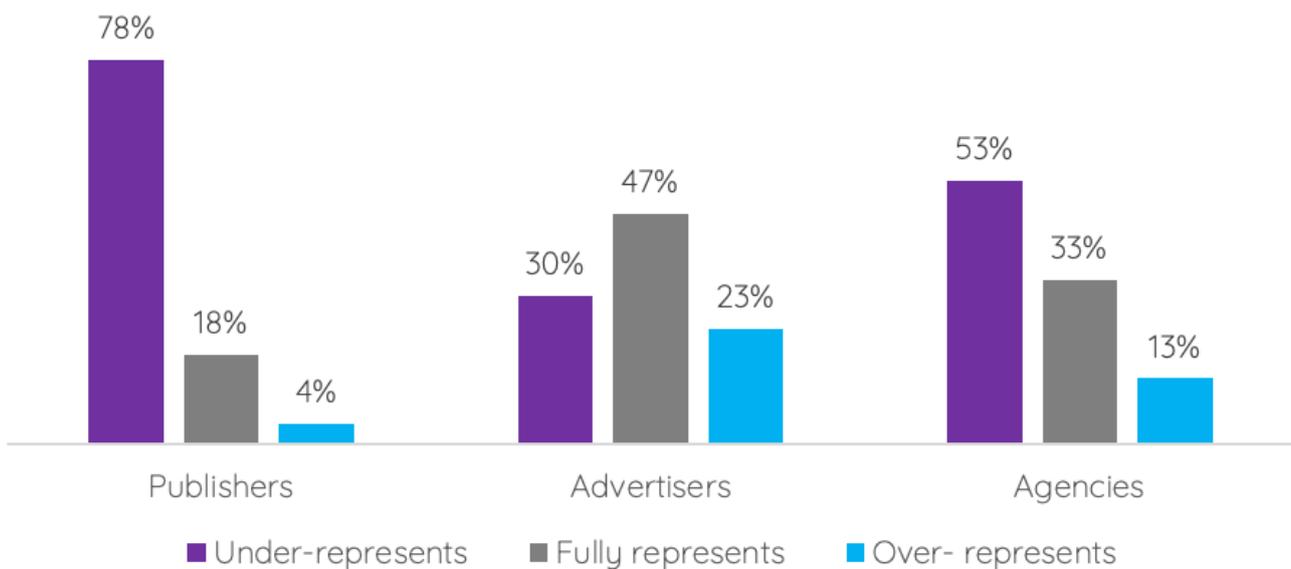
Question: Which of these statements best describes your feelings about affiliate /partnership tracking?

3.1.6 Tracking on Mobile E-commerce: Patchy at Best

One way that tracking may under-represent sales contributions is through e-commerce mobile app tracking. With an increasing share of internet traffic now coming from mobile devices both globally and in the UK, many advertisers have developed e-commerce apps for mobile users. Therefore, we wanted to explore whether these apps are included in tracking systems, or if sales through mobile e-commerce are going untracked. Furthermore, if some apps are untracked, what proportion of sales does this represent?

**According to our findings, 38% of advertisers reported having a mobile e-commerce app. Among** **these, nearly half indicated that their apps do not have affiliate tracking processes in place (excluding the 30% who were unsure).**

App commerce and the extent to which it is a focus of affiliate marketing is often led by the advertiser.

Normally advertisers choose, via a technology like deferred deep-linking, whether they want to launch app download or in-app purchasing journeys for mobile traffic. The vast majority of advertisers choose to send their users to a mobile browser rather than directly into their app if it is installed by the user. Others fail to set up these journeys correctly, so mobile web browsers become the default home for all mobile traffic. This issue muddies the water as to the extent of the opportunity for app commerce.

In this regard, publishers perhaps need more of a say in the extent to which app commerce should be a focus for their users and traffic.

Figure 37: Does your business have an e-commerce mobile app and does it have tracking?
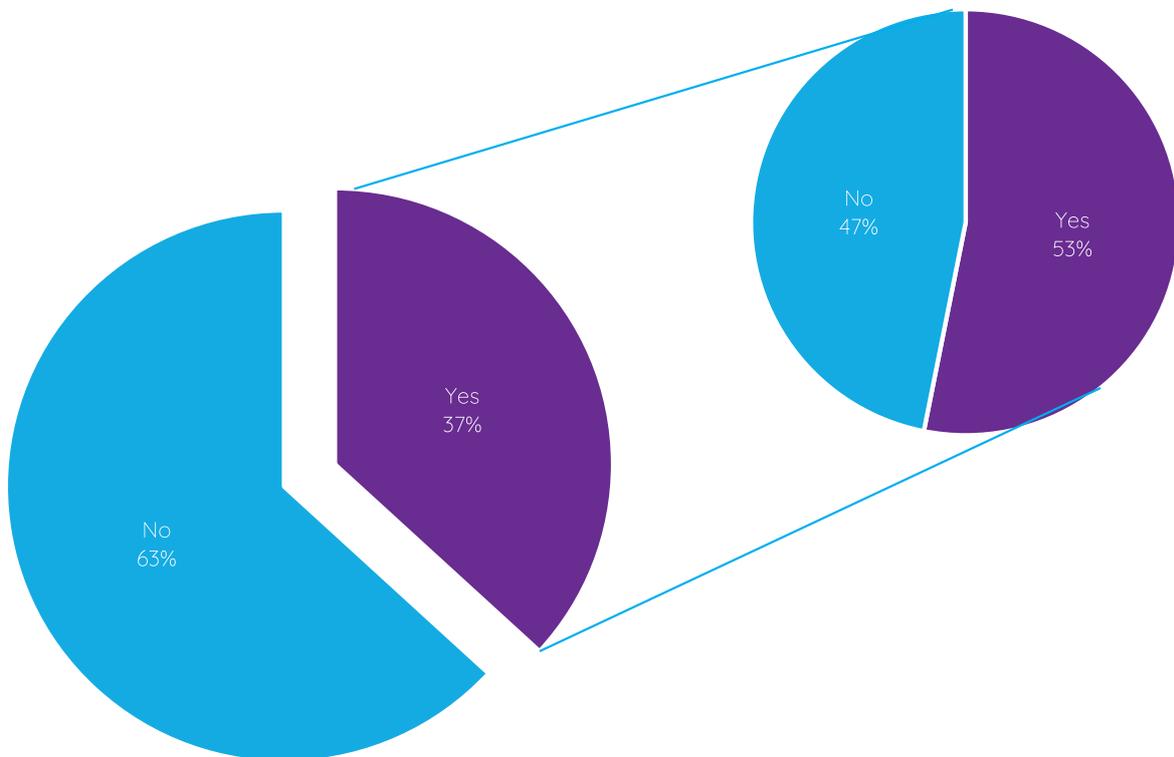
Question: Does your mobile app have tracking set up to record affiliate sales? (n=114 advertisers)

3.1.7 Tracking Cookies: Third-Party Still Common

One reason sales tracking may be underperforming is the type of cookies being used for tracking. Historically, third-party cookies were the default choice. However, due to increasing restrictions from browsers and Consent Management Platforms (CMPs), these cookies are being phased out, necessitating new approaches to ensure tracking accuracy.

Affiliate marketing has long been forward-thinking regarding

tracking, with robust first-party solutions commonplace.

To understand the types of tracking cookies in use, we asked advertisers and agencies two questions. First, which types of cookies do you use for tracking?

Respondents could select multiple options, acknowledging that different types may be used for different sales or even multiple types for a single transaction.

Secondly, we asked which type of cookie is primarily used to track the majority of their sales.

The evidence in Figure 38, suggests that advertisers and agencies continue to use a variety of cookie types.

Among advertisers, third-party cookies remain the most acknowledged (44%), followed by server-to-server cookies (41%) and first-party cookies (30%).

Figure 38: Which cookie types do you use in your affiliate marketing and which track the most sales?
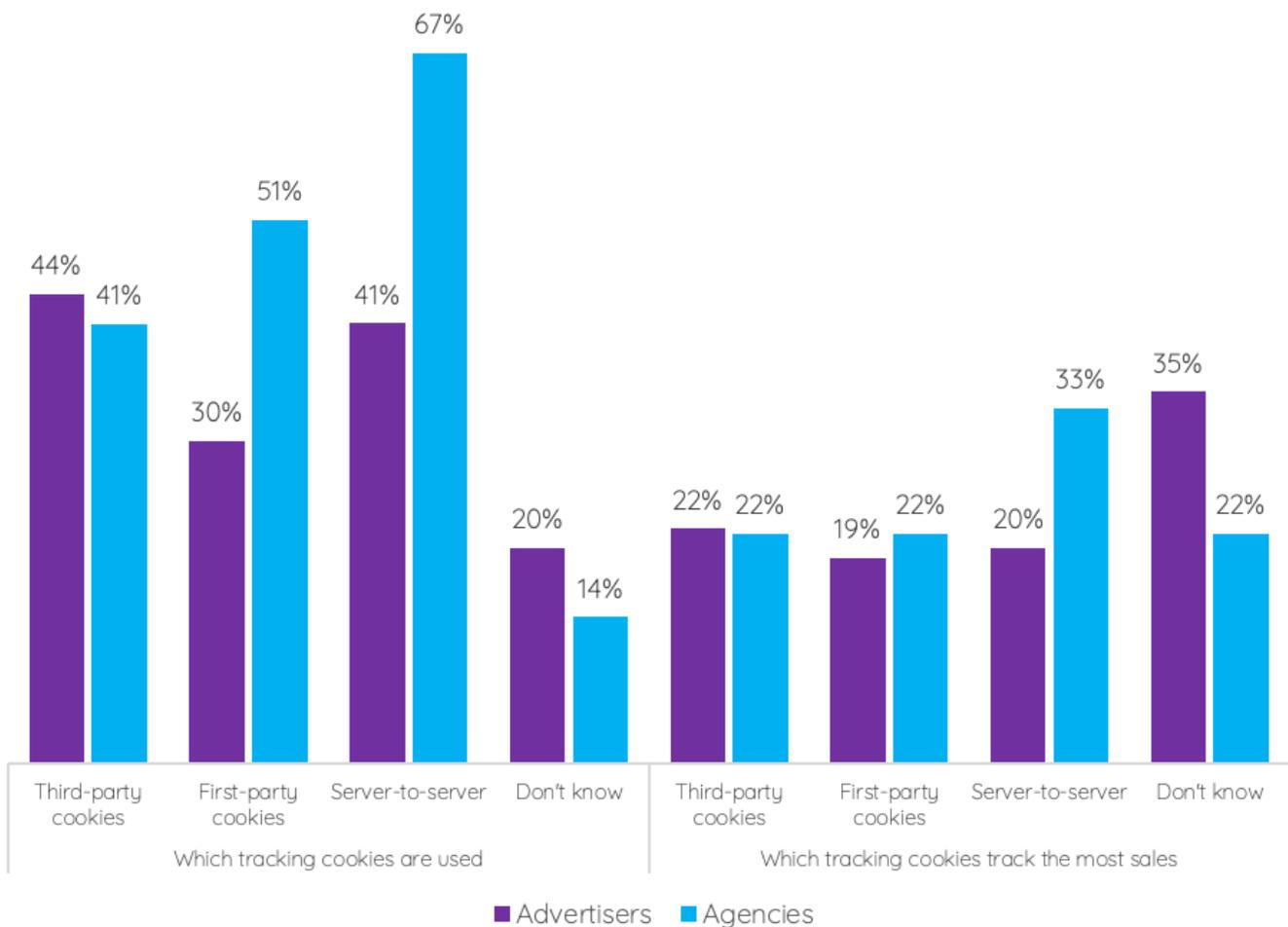
Question: Which of the following describes the current tracking method for recording conversions and sales from your / your clients affiliate links? And which tracking method tracks the highest percentage of your / your clients sales? (n=109 advertisers, n=51 agencies)

Agencies, however, have shifted more significantly towards server-to-server cookies (67%) and first-party cookies (51%), although many still rely on third-party cookies (41%).

However, it is The APMA's view that it is likely that the use of third-party cookies is over-stated. We feel that it is probably the case that cookie definitions are not very well communicated to advertisers, and that the switch to first-party cookies has progressed further than this data suggests. We recommend this data is viewed with caution and that further research is needed.

All cookie types remain prevalent in tracking, but which are responsible for tracking the greatest portion of spend? The data reveals a similarly diverse picture. For agencies, server-to-server cookies are the most commonly used, with third-party and first-party cookies tied. Among advertisers, third-party cookies are just slightly more common, but usage is nearly equal across third-party, first-party, and server-to-server cookies. Notably, many respondents were uncertain about which type tracks the majority of their sales.

3.2 Cookie Classification Legal Requirements

Robust tracking is the lifeblood of affiliate marketing. But even with the most failsafe solutions in place, external factors play a part in deciding whether a sale tracks.

This chapter explores cookie classifications in consent management platforms and examines the level of understanding regarding legal requirements for cookies.

3.2.1 Few Report Uncertainty on Legal Requirements for Cookie Classifications

Currently, websites are required to categorise cookies as either necessary (those required for essential site functionality) or non-essential (which includes tracking, analytics, and marketing cookies). For non-essential cookies, explicit user consent is required. Users must be clearly informed about the types of cookies being used, their purpose, and the recipients of any data collected. Consent must be obtained prior to placing non-essential cookies, and users should be provided with an easy option to reject them.

Before October 2024 and in line with ICO rules, affiliate marketing tracking cookies were categorised as non-essential, given their marketing purpose. As this report is being published, the ICO is updating its guidance, stating that reward site (including cashback and loyalty platforms) cookies - assuming they meet certain criteria - can be classified as strictly necessary.

For a channel premised on tracking sales for payments, this will help mitigate potential losses.

The APMA has published an article highlighting the change.[17]

For all other affiliate types, the challenge of ensuring affiliate sales are not impacted by CMPs remains.

It is encouraging to note the majority of our respondents (80-85%) reported feeling either very clear or somewhat clear on the legal requirements. Only a small minority expressed being completely unclear or unaware of the regulations (see Figure 39).

Figure 39: Publishers, advertisers and agencies self-reported understanding of cookie legal requirements
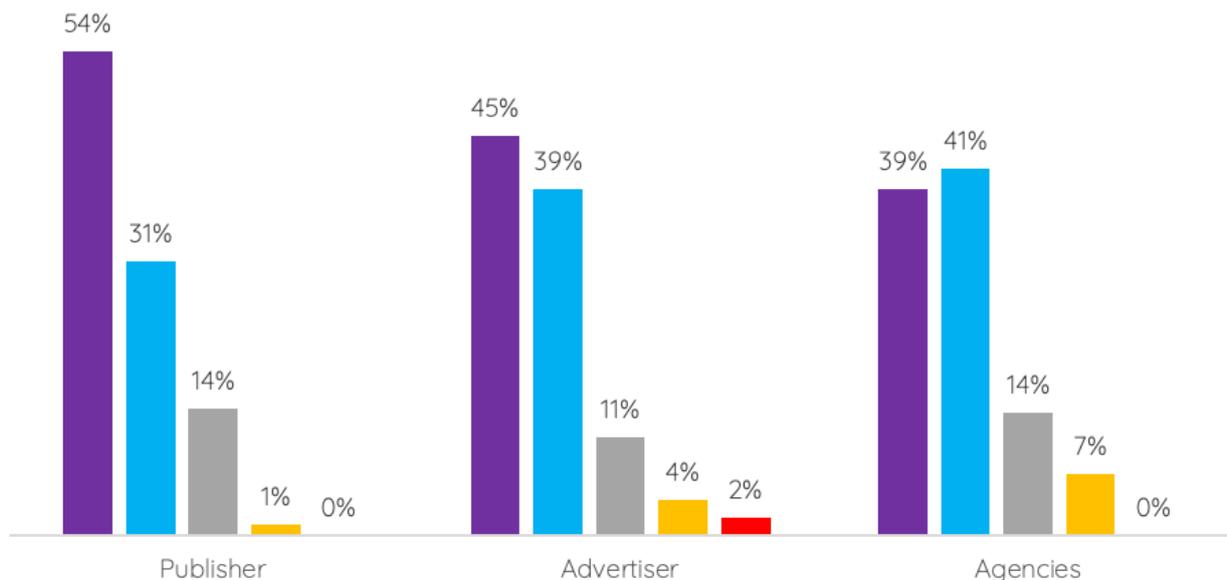
Question: Specifically, for affiliate marketing. Do you feel the businesses you represent are clear on the legal requirements for affiliate cookie consent in your website, consent management platform (cookie banner)? (n=85 publishers, n=101 advertisers, n=44 agencies)

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[17] https://theapma.co.uk/ico-exempts-affiliate-rewards-sites-from-cookie-consent/

3.2.2 Most Affiliate Cookies are Classified as Essential

As highlighted earlier, advertisers and agencies generally understand the legal requirements for cookie classifications. However, how are they classifying their affiliate marketing cookies in their Consent Management Platforms (CMPs)?

Notably, 23% (nearly 1 in 4) of respondents admitted they are unsure how affiliate cookies are classified. Given that many survey participants hold non-technical roles, this lack of awareness may be less concerning than it initially appears.

Almost 32% (about 1 in 3) of respondents reported classifying their affiliate marketing cookies as necessary or essential. This may be true, but it may also be true that affiliate cookies do not have any consent signals enabled. That means that affiliate sales will continue to track regardless of their classification.

If you're uncertain about how your business handles cookies, we recommend reading the APMA guide on the topic[18].

Figure 40: How are affiliate businesses cookies classified in general by advertisers
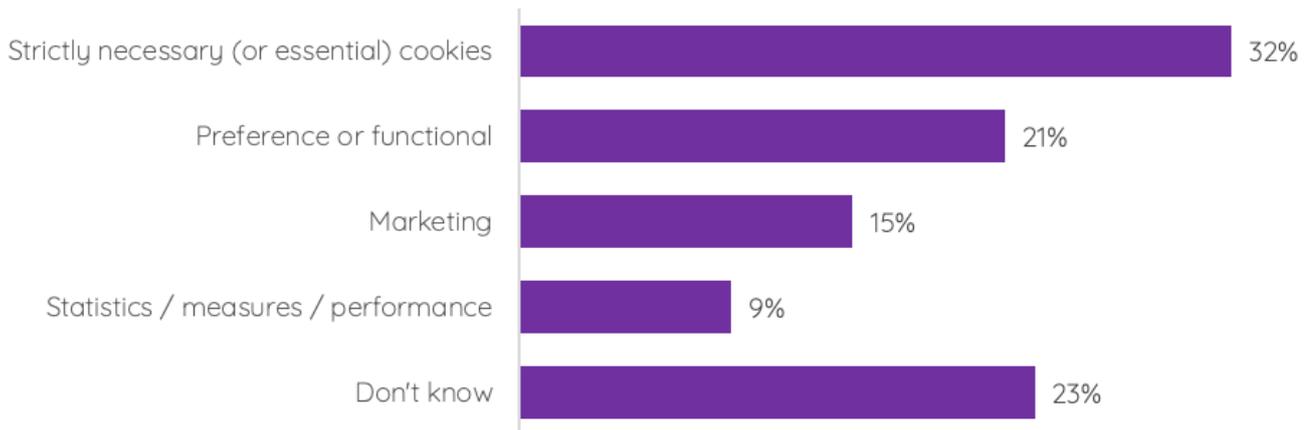
Question: In general, how are cookies classified in your / your client's Consent Management Platform (CMP) for affiliate marketing? (n=149 advertisers and agencies)

[18]https://theapma.co.uk/wp-content/uploads/2024/03/Cookie-Consent-and-Affiliate-Partner-Marketing-March-24-FINAL.pdf

3.3 AI in Affiliate Marketing

Artificial intelligence (AI) is a hot topic across industries, and affiliate marketing is no exception. Our research aimed to explore respondents' perspectives on AI and its implementation within the sector.

3.3.1 AI's Growing Importance in Affiliate Marketing

We first gauged how important respondents believe AI will be to the future of affiliate marketing.

A majority - between 60% and 70% of publishers, advertisers, and agencies - agreed that AI

will play a significant role in the future . Only 5% to 6% of respondents disagreed.

In response to this belief, approximately 40% of respondents indicated their businesses are dedicating substantial time and resources toward incorporating AI into their affiliate marketing processes (see Figure 41).

Figure 41: Importance and resource commitment to AI

- AI is very important to the future of affiliate marketing
- My business is investing significant resources (time and/or money) into AI
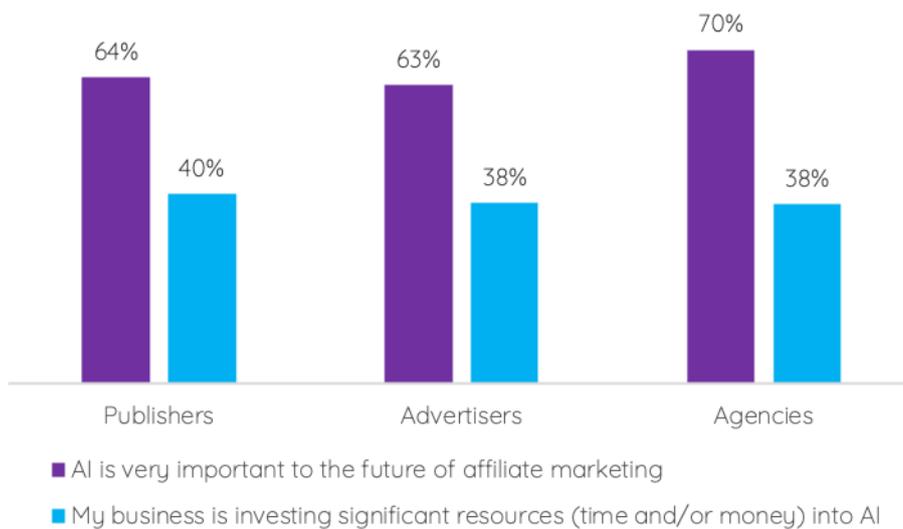
Question: Do you agree or disagree with the following statements? (n=85 publishers, n=101 advertisers, n=44 agencies)

3.3.2 Awareness of AI Affiliate Marketing Tools is High, especially for Publishers and Agencies

So, AI is expected to shape the future of affiliate marketing, but how soon? To address this, we asked about respondents' awareness of existing AI tools in the affiliate marketing space.

Among publishers and agencies, awareness was relatively high, with 68% of publishers and 75% of agencies reporting familiarity with one or more AI tools.

Advertisers were less familiar, with only 41% aware of AI options for affiliate marketing.

Figure 42: Awareness of AI tools for Affiliate Marketing
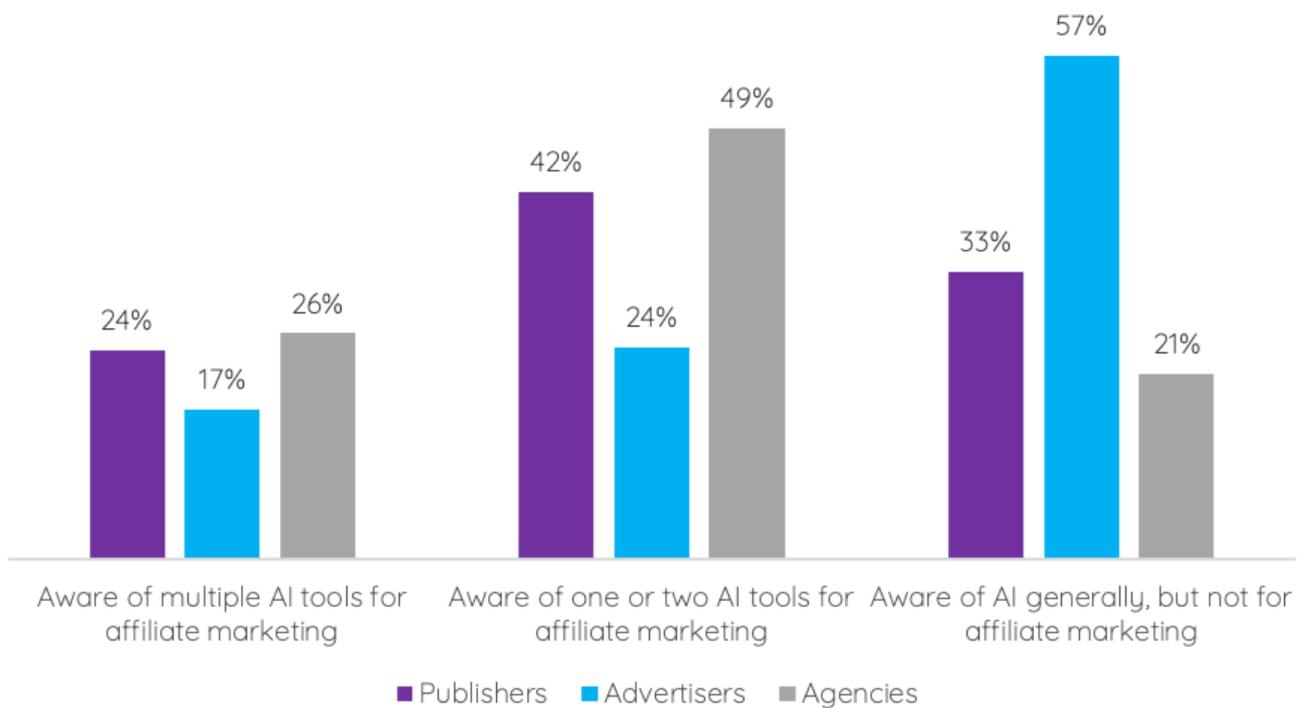
Question: Which of the following statements most represents you in regards to Artificial Intelligence (AI) and its use in affiliate marketing? (n=82 publishers, n=86 advertisers, n=40 agencies)

### 3.3.3 AI is Already Being Implemented, to an Extent

Many in the sector recognise AI's importance and are aware of available tools. But how far along is the industry in adopting AI?

Figure 43 outlines how respondents described their companies' current AI implementations. AI tools appear to be gaining traction,

particularly among publishers and agencies, with 40% already using AI and another 40% preparing or planning to do so. Advertisers, while slower to implement AI, show similar levels of planning for future adoption.

A notable finding is that only a small percentage of respondents have no plans to use AI—16% for publishers and around 23% to 27% for advertisers and agencies. For companies not yet exploring AI, it may be time to reconsider its potential value.

Figure 43: Publishers, Agencies and Publishers use or plans to use AI
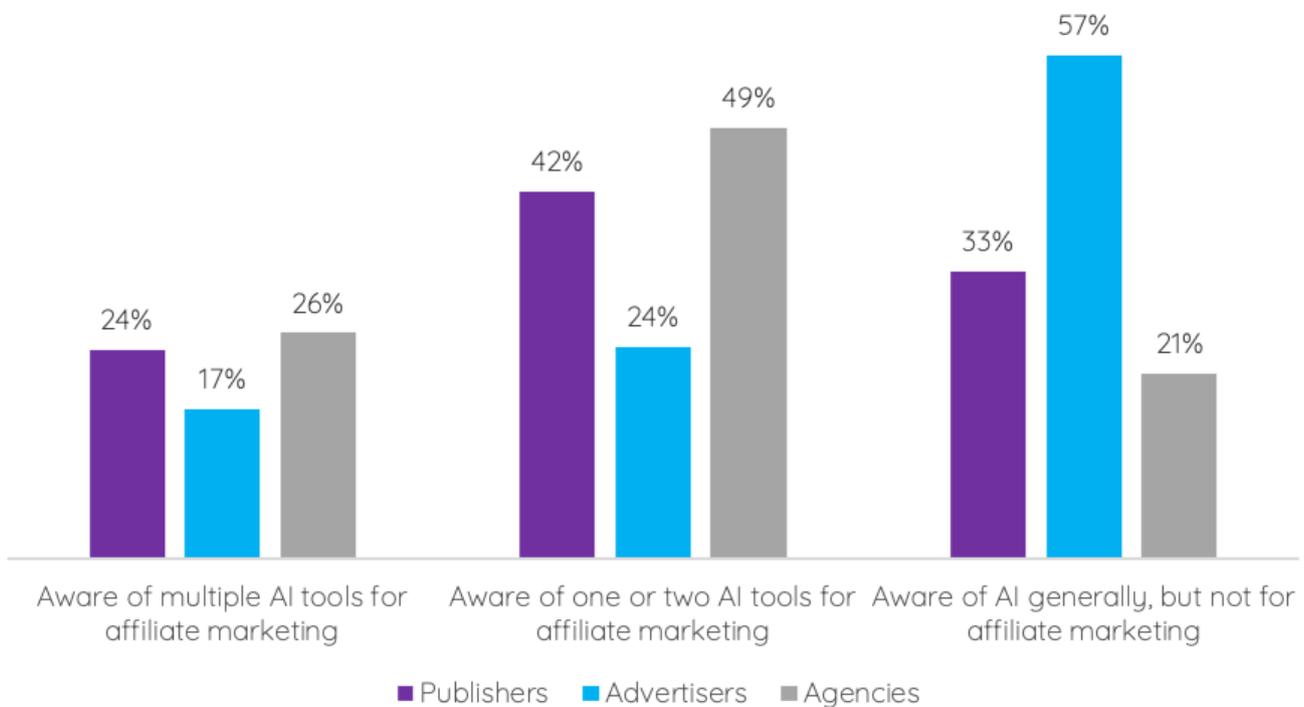
Question: Which of the following statements best describes your business in terms of AI? (n=82 publishers, n=86 advertisers, n=40 agencies)

3.3.4 AI is Delivering Results

As AI is increasingly adopted, the question arises: Is it delivering tangible benefits? For some, the answer is yes. Nearly half (45%) of publishers report experiencing positive outcomes from AI adoption, while about 30% of advertisers and agencies also note benefits. However, most respondents felt that there is still room for growth and optimisation in this space, particularly among publishers.

Figure 44: Have affiliate businesses done enough to take advantage of AI and have any positive benefits yet been experienced

■ My business has done enough to take advantage of AI in our affiliate marketing
■ My business is already seeing positive impacts from utilising AI
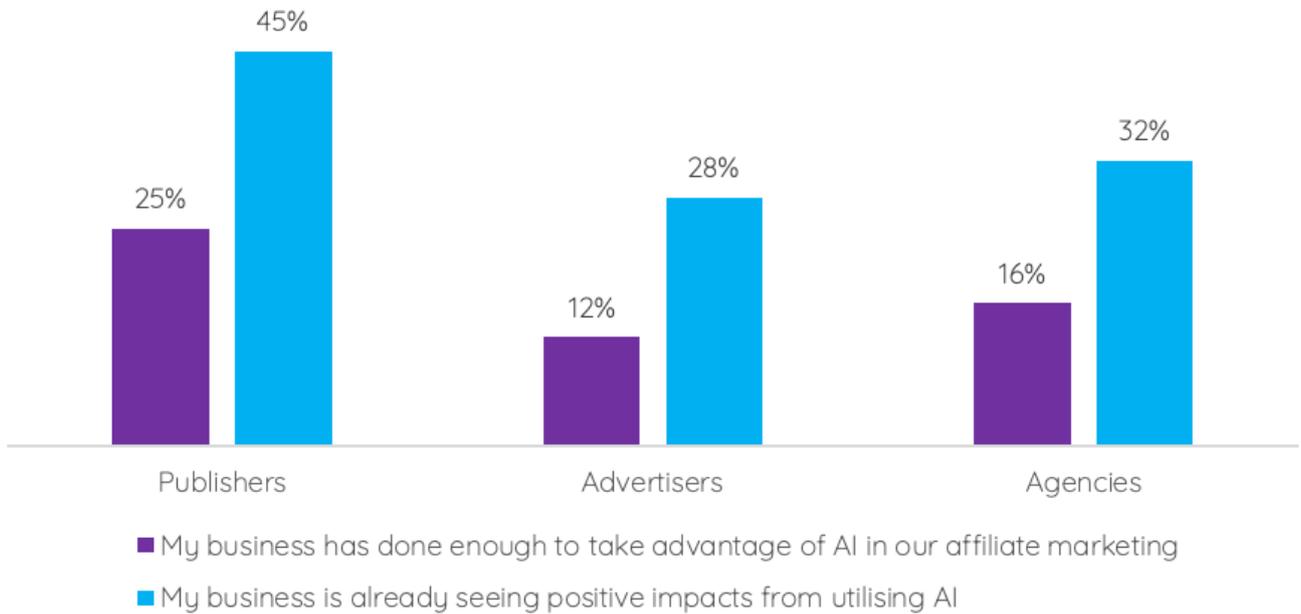
Question: Do you agree or disagree with the following statements? (n=82 publishers, n=86 advertisers, n=40 agencies)

Conclusion

Putting All the Pieces Together

The Affiliate and Partner Marketing Association's inaugural report provides snapshot analysis of the UK's affiliate marketing landscape, revealing impressive growth and a positive outlook for the industry.

The numbers show an industry punching above its weight, ready to embrace new technology while offering brands a dynamic wealth of opportunities to find their next customer in an increasingly challenging market.

We've always been the scrappy underdog. We're the innovators, where start-ups come to build the next big thing. New technology? You'll find it here first. Test and learn? That's what the channel is all about. Struggling to get a new solution developed within your company? An affiliate can probably help. Want to benefit from partnering with some of the biggest retail commerce publishers? Get involved. And what's more, it's all delivered on a cast-iron performance commercial model.

All of those factors have built a mature industry that is now integral to the digital landscape.

We hope advertisers will digest some of the findings and look at the channel with renewed vigour and a desire to better understand how publishers can help shape their future acquisition plans. And where possible, make improvements.

For those who've yet to take the plunge, maybe this report

> **"WE HOPE ADVERTISERS WILL DIGEST SOME OF THE FINDINGS AND LOOK AT THE CHANNEL WITH RENEWED VIGOUR AND A DESIRE TO BETTER UNDERSTAND HOW PUBLISHERS CAN HELP SHAPE THEIR FUTURE ACQUISITION PLANS. "**

will push them to explore how affiliate marketing can mould to their e-commerce plans and help deliver growth.

There are thousands of affiliate marketing partners out there, plugging away, day in, day out delivering fantastically helpful content and shopping solutions that British consumers love.

Whether it's a product review, discount, cashback or social post, you will find affiliate content everywhere. And behind many of those links are brilliantly executed marketing plans, laser focused on delivering quality customers.

The channel is not without its challenges. Tracking, Google and cookies throw up new barriers daily. But we are a resilient industry with strong collegiate instincts, collaborating for the greater good to ensure we can deliver sales for our brands regardless of the obstacles in our way.

We hope you will share our findings and visit the APMA website frequently. Please bookmark us and sign up for our newsletters so you can stay updated on future developments and new research insights. Or better still, come on board as an APMA member and join more than 50 affiliate businesses shaping the future of ecommerce's most dynamic marketing channel.

Case Studies

Case studiues from our sponsors

www.rightlander.com

Boosting Compliance and Visibility: Rightlander's 'Trackback' Solution for Global Affiliate Monitoring

Rightlander partners with over 300 brands across the finance, trading, gaming and retail sectors. Our proprietary technology helps online brands monitor their global content to ensure compliance with industry and brand guidelines, safeguarding brand integrity while also searching for opportunities for brands to maximise marketing impact.

The Challenge
A client in the video games market with a global partner programme faced regulatory scrutiny over the actions of some publishers and needed to identify their traffic sources. With high visibility among minors, the client was particularly concerned as several of their publishers were promoting content subject to age restrictions in various countries. This raised challenges related to geographic regulations and age-appropriate content. The client sought needed to know who was promoting their brand and wanted ongoing content monitoring.

How did you fix it?
Understanding the client's needs, Rightlander integrated INTEL's latest feature, "Trackback" with the client website. This tool provides advertisers with traffic sources data and demographics. Trackback is embedded into the advertiser's landing pages.

Trackback's capabilities include:
• Traffic Source Recording: The tool records the specific traffic sources, offering a clear view
• of which channels drive visitors to the site.
• Click Tracking: Trackback captures the number of clicks per channel
• Location Capture: The tool also records the geographic location of incoming traffic, providing insights into localised behavioural patterns.

The Results
The client initially estimated the presence of approximately 500 active affiliate codes spread across 140 websites and social media channels. However, our analysis revealed over 1,000 active codes across more than 500 websites, including social media and video platforms. We also identified 61 websites that were potentially breaching regulatory compliance guidelines.

Get in touch
Help to protect your brand reputation and unlock additional ROI with Rightlander's Trackback solution.

Case studiues from our sponsors

www.traderdoubler.co.uk

Server-to-Server Tracking: Myth vs. Reality

Introduction
Reliable tracking is fundamental. It needs to evolve while accurately and fairly attributing contribution. One of the most popular recent methods is Server-to-Server (S2S) tracking. Many believe S2S is a foolproof solution, but S2S still largely depends on first-party cookies and is not 100% reliable if cookies are unavailable. Let's explore.

The Challenge
Many marketers and advertisers assume that as S2S occurs server-side, the user's browser is irrelevant and cookies don't matter. In reality, when a user clicks on an affiliate link, a first-party cookie is often dropped on their browser. That contains data like the unique click identifier. An Identifier is still crucial for tying together the user's journey from the initial click to the conversion even when S2S is set-up.

What did Tradedoubler do?

We assessed all the scenarios that can disrupt S2S tracking:
*   Browsers like Safari and Firefox can block cookies or restrict their lifespan (sometimes less than 24 hours), making it harder for S2S tracking to function.
*   Data loss from users clearing cookies or browsing in private mode, meaning S2S post-back is ineffective.
*   S2S may sidestep ad blockers but some privacy tools interfere with cookies, preventing tracking.

Tradedoubler launched **Tracking Library** which handles the storage of click identifiers for our advertisers out of the box, and various fallbacks in the case of ad blockers and browser privacy settings interfering. This can work with S2S to maximise attributing sales to the individual affiliates.

We launched a systemic approach which has five components:
1. **Auditing:** A review of every client's technical tracking setup.
2. **Identifying the Haves and Have Nots:** Who is up to date? Who needs help?
3. **Engaging stakeholders:** to oversee progress and assign responsibilities.
4. **Regular Updates:** on project plans focused on tracking improvements and upgrades.
5. **Milestones:** Mid-2025 target for all clients upgraded; 75% of clients by the end of 2024.

The Results
Tracking Library clients typically see an 19% uplift from fallback solutions that we wouldn't potentially see with just S2S in place. Because certain browsers can block more than others, in the Nordics and UK where Apple usage is higher, for example, that uplift can be as much as 24%.

Case studiues from our sponsors

www.moonpullpartners.com

Tracking insights lead to 60% revenue boost

Introduction
As the APMA State of the Nation reports, tracking is a big deal. Moonpull reports on an advertiser's tracking status and can solve tracking issues for specific programmes or links. Moonpull's auditing of thousands of links generates data illustrating tracking status across the industry.

The Challenge
Tracking is fallible and is subject to factors that can cause it to fail. Consent banners, adblockers and browser settings are compounded by poor or compromised technical implementations.
Moonpull analysed data from more than 1,000 advertisers and ten networks and overall we found:

- 50% of affiliate promotions require user consent for accurate tracking
- 30% of sales are tracked by third-party cookies.
- 10% of sales have first-party issues (other than user consent)
- 20% of sales fail over to third-party tracking because declined consent prevents first-party tracking.

What did Moonpull do?
Partnering with fellow APMA member, Broadband Genie, we identified a specific issue with one of Genie's major telecoms advertisers. In highlighting the issue, we advised on a fix that led to a 60% program uplift.

The Results
The tracking fix saw sales surge by 38%, and just as importantly, the programme became more profitable for Genie. The publisher increased their spending, reinvesting their earnings into promoting the advertiser, adding 22% more sales.

Moonpull is working with affiliate networks, individual publishers, agencies and advertisers on a mission to fix tracking, ensuring the affiliate channel's full contribution is recognised.

Moonpull's clients benefit from a proprietary reporting suite that offers a tracking 'health check', giving peace of mind that they can quickly spot issues and speedily act to fix them. This not only provides a competitive advantage, but clients also benefit from knowing their affiliates are being fully compensated, strengthening the partnership.

Appendix: Respondent Profiles

Advertiser and Agencies Survey Respondents' Profiles

This section presents the business profiles of our survey respondents. First advertisers and agencies.

Advertiser and Agency Respondents' Job Roles

Our advertiser and agency respondents had a range of job titles, most were in an affiliate marketing or marketing role (n=81), followed by digital / account managers (n=33) and founders/owners/CEOs (n=19).

Table 6: Advertiser and agencies respondents job roles

Job type	Number
Affiliate / marketing role	81
Digital / Account Manager Roles	33
Founder / Owner / CEO	19
Other	18
Partnerships role	12
Business role	7
E-commerce Role	6

Question: What is your job title? (n=176 advertisers and agencies)

Advertiser and Agency Businesses

Of the 176 responses to our advertiser/agency survey, 118 of the responses are from advertisers / retailers / merchants / brands (just called 'advertisers' in this report) and 58 agencies.

Figure 45: Advertiser or Agency

An advertiser / retailer / merchant / brand — 118

An agency offering affiliate / partner marketing services — 58
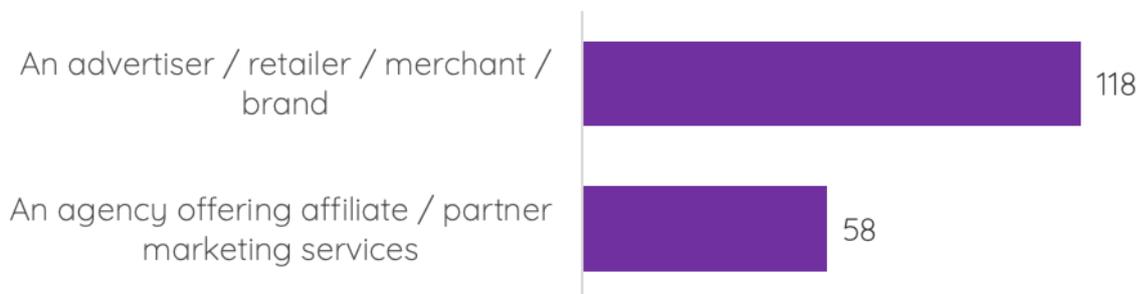
Question: Is the business you work for a…….? (n=176)

Size of Advertiser and Agencies

Advertisers tended to be larger than agencies, with the majority (59%) having more than 250 employees. In contrast, 1 in 3 agencies are micro-businesses (less than 10 employees (Figure 46).

## Figure 46: Size of business (by employee numbers)
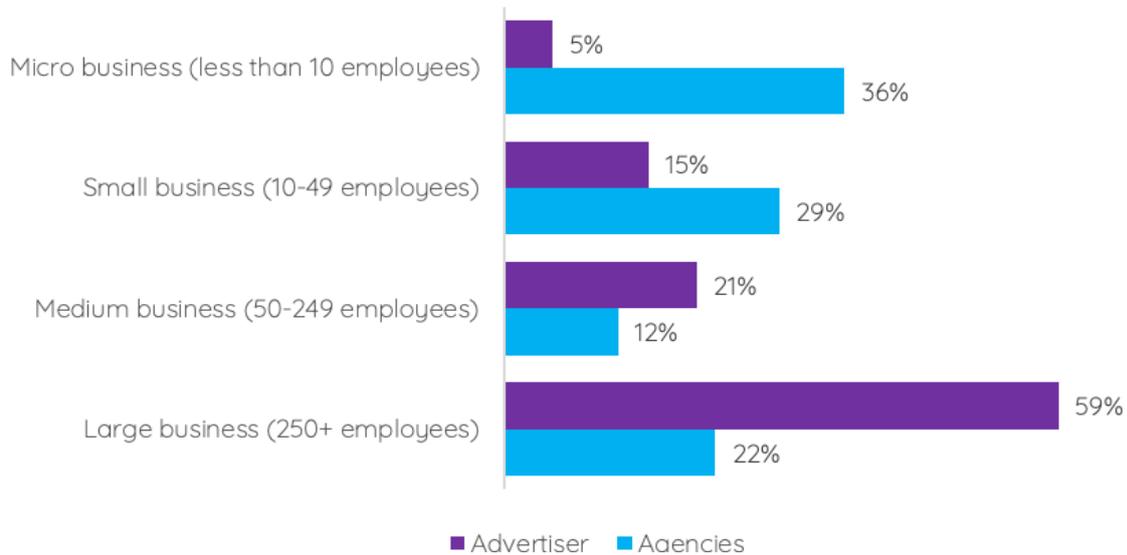
Question: Which of the following best describes your business? (n=118 advertisers, n=58 agencies)

Advertiser and Agency Affiliate spend

Spend on affiliate marketing varied significantly, though the majority of respondents reported spending between £5,001 and £50,000 a month. **Around 10% were spending more than £1 million a month.**

Figure 47: Average monthly spend on affiliate marketing
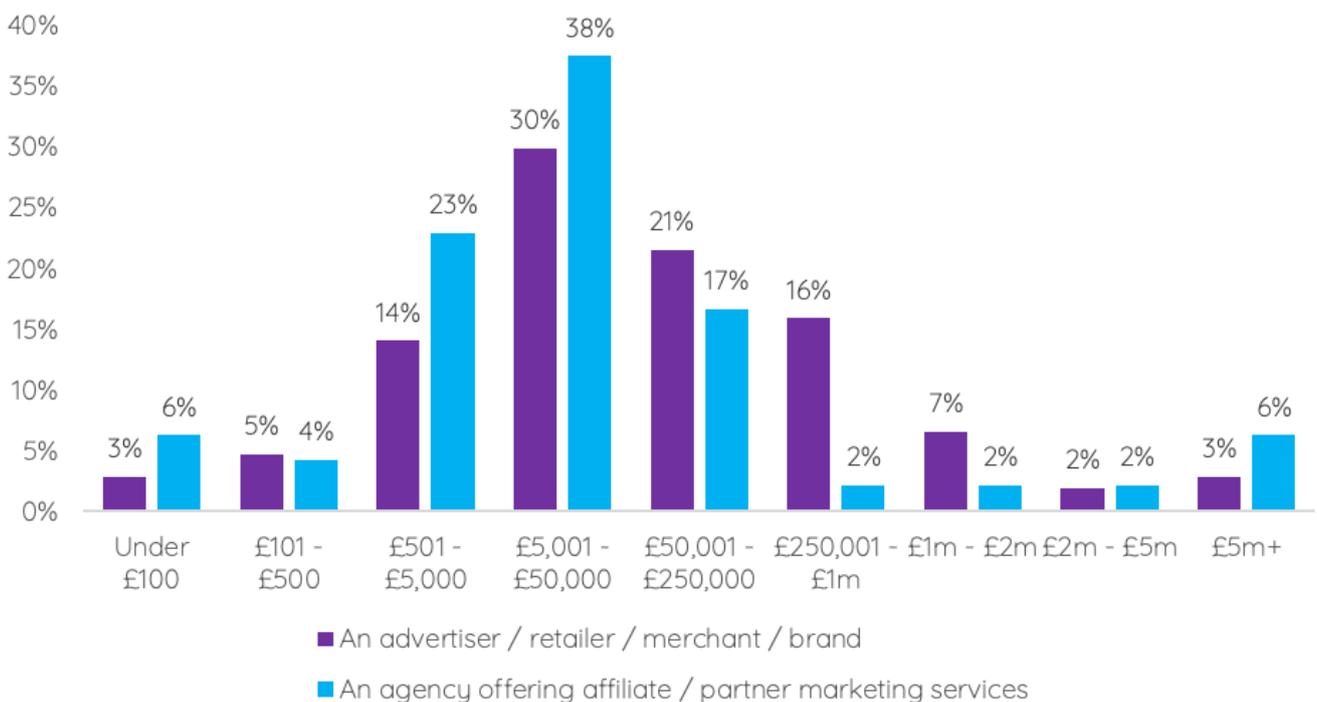
Question: On average, how much does your business spend on affiliate or partner marketing each month? (n=118 advertisers, n=58 agencies)

Publisher Survey Respondents' Profile

Publisher Survey Respondents' Job Roles

Our publisher respondents' most prevalent job title was 'owner/founder/CEO/MD' (n=19), most other job titles were partnership, affiliate or commercial roles.

Table 7: Publishers respondents job roles

Job type	Number
Owner / founder / CEO / MD	19
Partnership roles	16
Affiliate Roles	15
Commercial roles	13
Content	9
Chief Officer Roles	8
Other	7
Directors	6
Business Role	5

Question: What is your job title? (n=98 publishers)

Publisher Survey Respondents' Number of Employees

Of the 176 responses to our advertiser/agency survey, 118 of the responses are from advertisers / retailers / merchants / brands (just called 'advertisers' in this report) and 58 agencies.

Figure 48: Publishers' number of employees
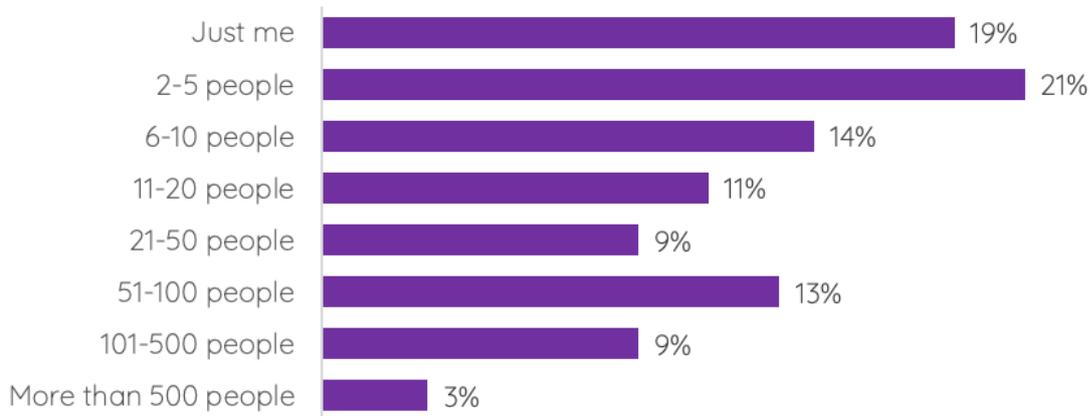
Question: How many people work in your affiliate business in the UK? (n=98 publishers)

Publisher Survey Respondents' Affiliate Income

Figure 49 presents the monthly income publishers are making from their affiliate marketing. 38% make less than £5000 a month. 22% are taking in more than £500,000 a month.

Figure 49: Average monthly commission from affiliate marketing
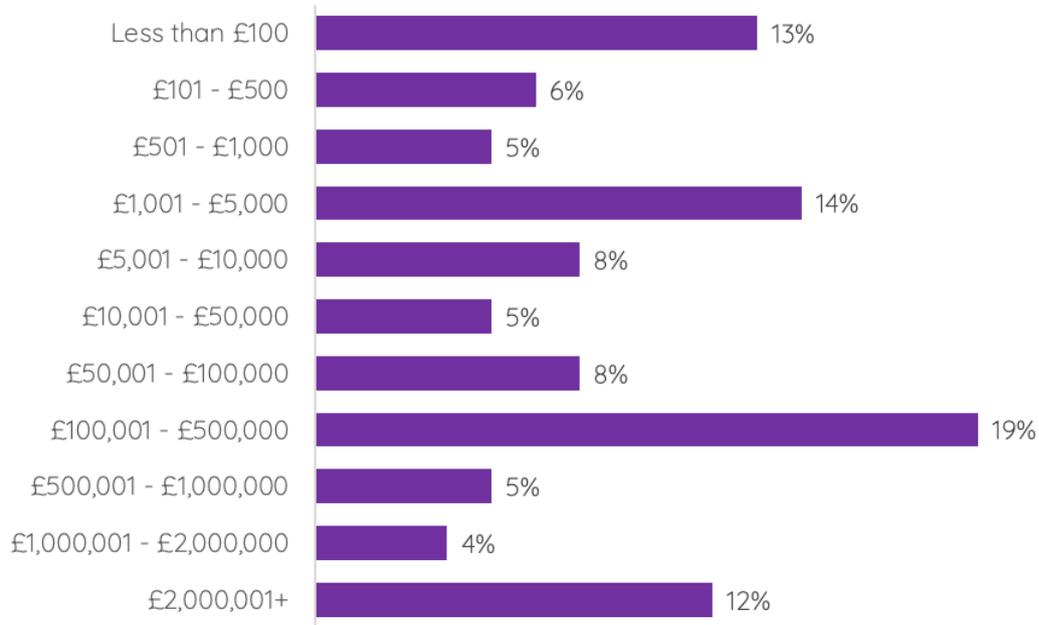
Question: In an average month, how much commission from affiliate marketing does your business earn in the UK? (n=98 publishers)

THANK YOU!

THE APMA

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