



Charting the Course for Proactive Partnership Marketing in 2024

2023 AP Client Recap with 2024 Insights



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Executive Summary

The following report reflects client performance for all Acceleration Partners clients across the globe in 2023. The analysis reveals several notable trends, including:

1. A substantial **14% increase in net revenue** was driven by higher average order values (AOV).
2. Mobile orders have continued their upward trajectory, showcasing a **sustained preference for mobile shopping** among consumers – especially the elusive Gen Z.
3. Cost savings were achieved through reversed revenue, attributed to product returns and fraudulent activity, resulting in **\$34M saved in commissions for AP clients**.
4. The **strategic shift towards first-click attribution** underscored brands' commitment to transparency and accurate measurement of marketing impact.
5. Out-of-the-box partnership trends, such as opportunities with partners like **Connected TV and TikTok**, highlighted a willingness to embrace technological advancement and diversify marketing channels.
6. To help navigate economic uncertainties, there was a focus on post-purchase metrics and adherence to proven strategic partnerships, like **Buy Now, Pay Later (BNPL) affiliates**.
7. Brands that tapped into **nano- and micro-influencers**, along with leveraging personalized influencer strategies, witnessed elevated engagement rates and achieved increased revenue.



Revenue Surges Amidst Click Decline and Mobile Dominance

Despite a dip in clicks and net orders in 2023 compared to 2022, net revenue surged by 14%, propelled by a higher AOV.

Mobile commerce emerged as a powerhouse (constituting 51% of total sales). A proactive stance in addressing product returns and fraudulent activities also saved AP clients \$34 million in commissions.

In 2023, AP clients showed a strong ability to adapt to challenges while focusing on sustaining profitability.

58.6M

ACTIONS

-1% Y/Y

\$5.9B

REVENUE

+14% Y/Y

\$101

AOV

+15% Y/Y

\$24

ROAS

+2% Y/Y

6.7M

NEW
CUSTOMERS

\$21

CUSTOMER
ACQ. COST

50%

AVG. CLICK
ACTIVE RATE

26%

AVG. SALE
ACTIVE RATE



Q4 2023 revealed a surge in Cyber 5 clicks and orders, suggesting that consumers eagerly embraced deep discounts. Black Friday emerged as the standout day (driving 25% of Cyber 5 total revenue), and overshadowed Cyber Monday, likely due to early deals.

Q4 themed “sales” days (like Green Monday and Giving Tuesday) had less impact than expected, with shoppers looking for Black Friday deals.

There was a notable shift in consumer purchasing patterns this year compared to 2022, as November witnessed a substantial increase in sales share, indicating a stronger emphasis on consumers leveraging Cyber 5 deals and strategic offers during that period.

2023 HOLIDAY INCREASES Y/Y

CYBER 5 STATS

+19%
Clicks

+18%
Orders

+5%
Revenue

+2%
ROAS

Q4 STATS

+15%
Clicks

+24%
Orders

+15%
Revenue

Q4 DISTRIBUTION OF SALES



KEY INSIGHTS

Most verticals saw Y/Y growth in revenue **HOWEVER** Shopping's decline seems to be tied to a drop in conversion rate, even though there was a substantial increase in clicks for the Shopping vertical.

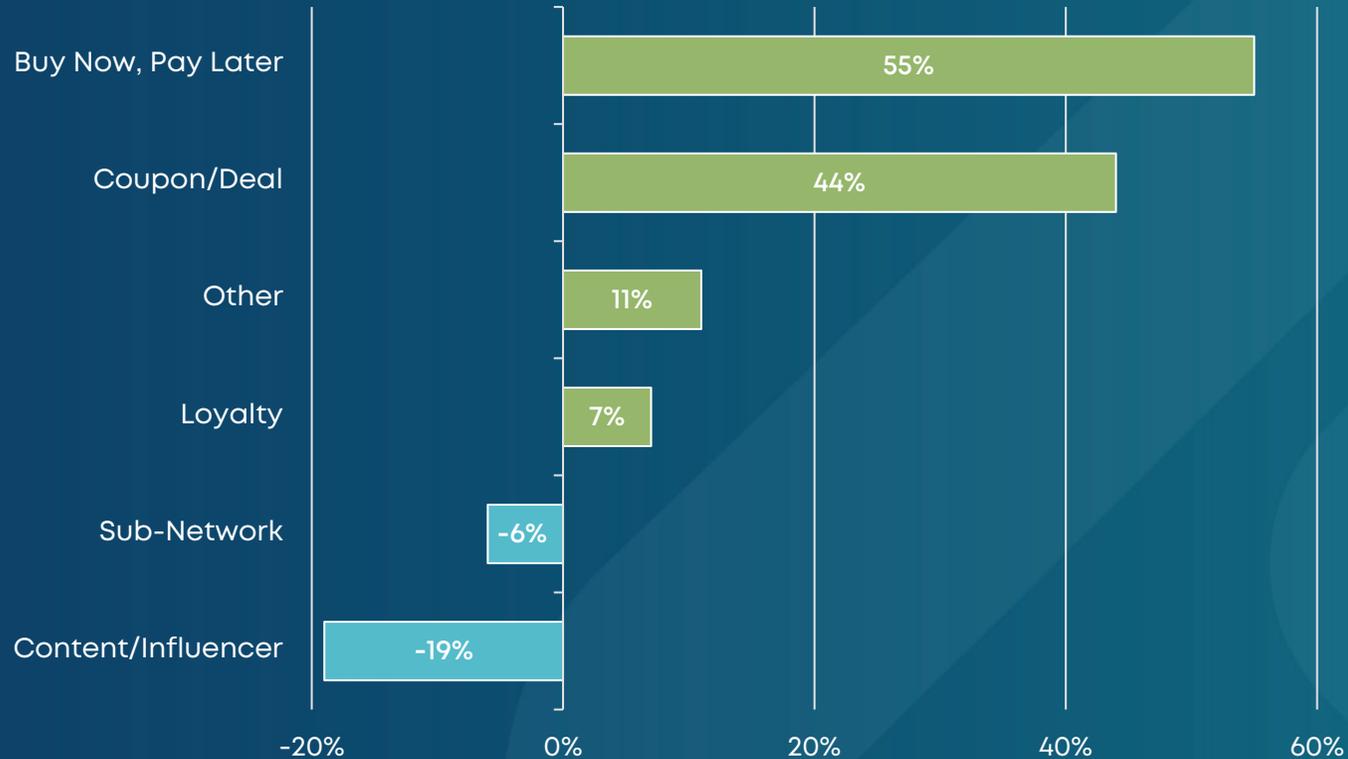
Retail categories such as Accessories, Clothing & Apparel, Computer/Electronics, Health & Beauty, Home & Garden and Sports/Recreation saw increases across primary KPIs.

Food & Beverage vertical is thriving in the affiliate channel, and B2B categories also saw strong growth.

 <p>SHOPPING</p> <p>-3% ORDERS Y/Y</p> <p>-0.3% REVENUE Y/Y</p>	 <p>CLOTHING & ACCESSORIES</p> <p>+14% ORDERS Y/Y</p> <p>+19% REVENUE Y/Y</p>	 <p>SPORTS & RECREATION</p> <p>+38% ORDERS Y/Y</p> <p>+33% REVENUE Y/Y</p>	 <p>HOME & GARDEN</p> <p>+8% ORDERS Y/Y</p> <p>+12% REVENUE Y/Y</p>
 <p>HEALTH & BEAUTY</p> <p>+5% ORDERS Y/Y</p> <p>+52% REVENUE Y/Y</p>	 <p>FOOD & BEVERAGE</p> <p>-44% ORDERS Y/Y</p> <p>+92% REVENUE Y/Y</p>	 <p>TRAVEL & ATTRACTIONS</p> <p>+22% ORDERS Y/Y</p> <p>+20% REVENUE Y/Y</p>	 <p>B2B BUSINESS & MARKETING</p> <p>+58% ORDERS Y/Y</p> <p>+76% REVENUE Y/Y</p>



Y/Y REVENUE GROWTH BY PARTNER TYPE



Y/Y RISERS

- **Buy Now, Pay Later** partner growth increased from 6% to 11% of total AP client revenue.
- 14 of the Top 20 **Coupon/Deal** partners grew Y/Y, with an average revenue growth of 100%.
- Top **Loyalty** partners all saw revenue growth of 5% to 14% Y/Y.
- **Card-Linked Offer (CLO)** partners (sit within the Loyalty category) generated \$9M in 2023 and saw 718% Y/Y growth.
- Standouts in the Other group were:
 - **Affinity partners** (+49% increase Y/Y)
 - **CTV partner** who generated \$10M in new revenue in 2023

Y/Y DECLINERS

- Declines in both **Sub-Network, Content & Affiliate Influencer** can mainly be attributed to a handful of large AP retail clients shifting strategy.



OPPORTUNITY

BNPL as a payment option is expected to continue growing over the next few years.

There is a great opportunity for brands to drive a strong **ROAS** (\$44 average) and low new customer **CAC** (\$18 average) to generate sales with BNPL partners.

TOP VERTICALS

Sports & Recreation
28% of revenue

Clothing & Apparel
20% of revenue

Multi-Product
Retailer
13% of revenue

BNPL Y/Y INCREASES

46%
CLICKS

49%
ORDERS

55%
REVENUE

36%
NEW
CUSTOMERS

15%
NEW CUSTOMER
RATE

57%
COMMISSIONS



For brands focused on driving new customer acquisition, consider testing with **affinity partners** – who now offer a low CAC of \$9. Affinity partners are gated offer portals that provide deals and incentives to specific groups like students, first responders, and more.

Affinity partners have a

42%

New customer rate

Affinity partners represent

3%

Of total revenue for Clothing, Footwear & Jewelry verticals, less than 1% for all others



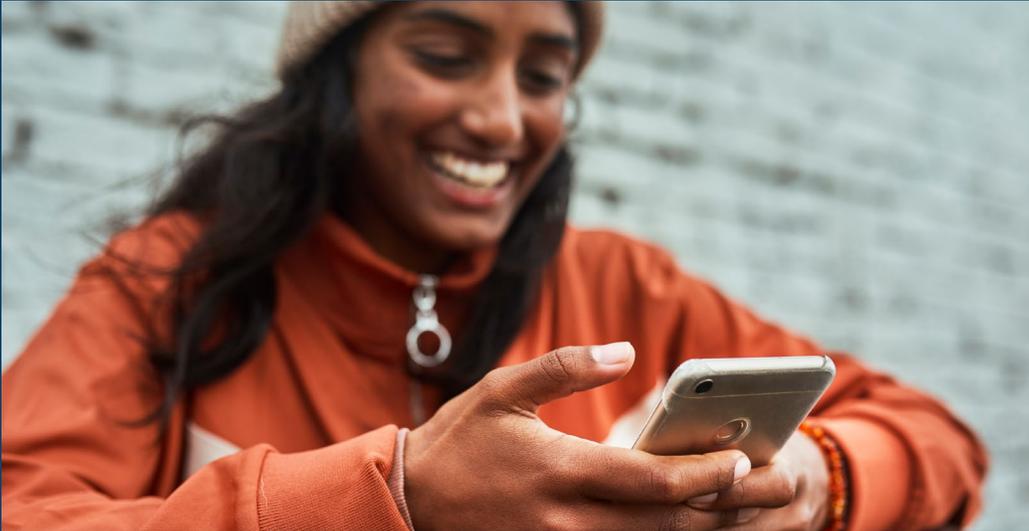


Connected TV (CTV) partnerships will remain crucial in 2024 due to the growing popularity of streaming services, enabling targeted marketing and data-driven insights.

\$10M

In new revenue was generated in 2023 by one CTV partner



STATE OF INFLUENCER MARKETING¹

- Brands are projected to spend **\$7.14 billion on influencer marketing in 2024**
- **68% of social media users follow their favorite brands** to stay up-to-date with their latest products
- In 2023, **one in four marketers worked with influencers** – making it more popular than virtual events, webinars, and social commerce features
- **Nano-influencers** have the highest engagement rates (2.53%)

AP RETAIL CLIENT #1

After launching a paid amplification partnership with affiliate content through their AP creator program, this retailer obtained an increase in allocated budget within the first month. In 2023, they saw:

- 342 new creators joined & activated
- 124 orders generated
- 10% engagement rate
- +\$8K in revenue driven

AP RETAIL CLIENT #2

This retailer effectively transitioned into new recruitment niches, following their brand's internal strategic rebranding. In 2023, their creator program with AP realized:

- 14% increase Y/Y in content posts
- +7K orders generated
- 10% engagement rate on TikTok
- +\$700K in revenue driven

¹According to <https://www.shopify.com/blog/influencer-marketing-statistics>



AP RETAIL CLIENT #3

This AP retail client saw its highest performing month to date in their creator program in December (with 520 new pieces of content pushed live by 117 nano- and micro-influencers, due to a strategic hybrid payout model). In 2023, they saw:

- 57% new creator activation rate
- +6K clicks
- 1.2M impressions
- 14% engagement rate via Facebook

AP RETAIL CLIENT #4

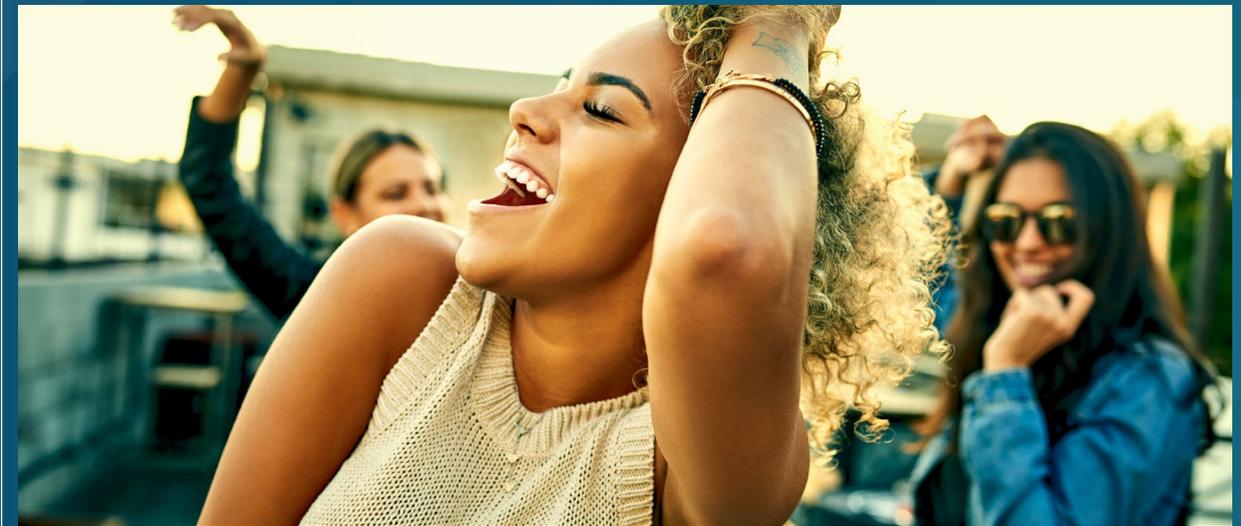
After launching their creator program with AP, this retailer saw positive enthusiasm and a strong desire from creators to cultivate a meaningful relationship with the brand. In 2023, this brand realized:

- 90% activation rate for a 25 days of deals event
- 850 content posts
- 9% engagement rate on Instagram
- +\$22K in revenue driven

AP RETAIL CLIENT #5

After launching a creator program with AP, this retailer started seeing impressive results right away. In 2023, they saw:

- \$1M revenue mark hit after just 41 days of launching
- 45% revenue increase M/M in Dec
- 3.8M impressions (weekly avg.)
- 801% increase in engagements M/M in Dec





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2024 PLANNING: LOOKING FORWARD

Mobile Optimization

Leverage AP expert insights to enhance mobile campaigns.

Focus on improving user experience for increased engagement.

Loyalty Strengthening

Build on 2023 loyalty focus, enhance your retention programs.

Explore innovative strategies (such as testing the incrementality of loyalty partners with toolbars) for increased customer loyalty.

Gen Z Targeting

Tailor marketing to Gen Z using 2023 data-driven insights.

Utilize identified platforms and content preferences to enhance Gen Z engagement.

Adapt to New Customer Trends

Analyze 2023 factors influencing new customer rates.

Be proactive – implement targeted campaigns based on shifting customer rates and personalize offerings to meet preferences.

Influencer Innovation

Build on the continued growth of influencer marketing.

Identify standout influencer types and approaches and optimize with influencers for increased impact.



THANK YOU!

