Research report

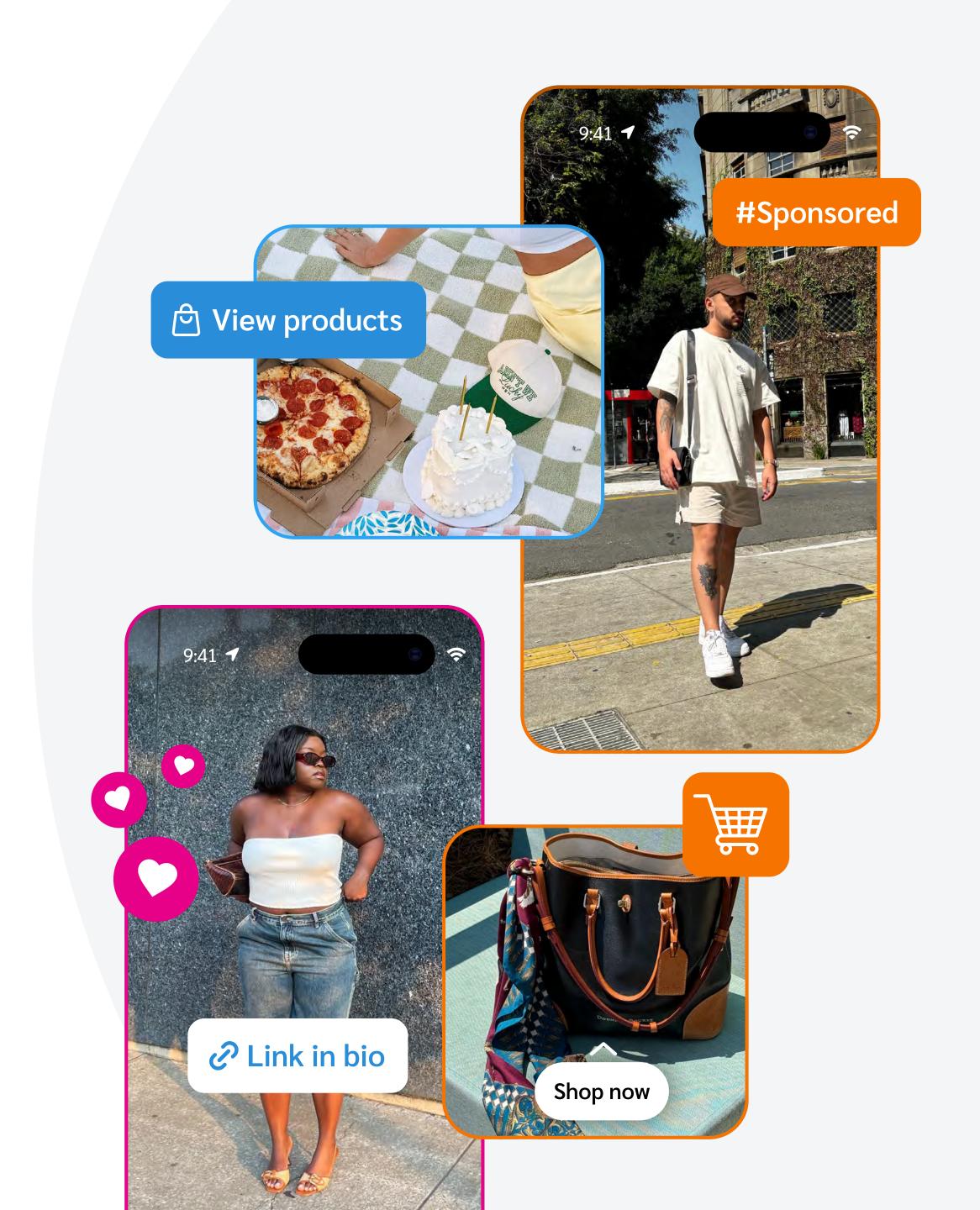
The convergence strategy: Transforming affiliate and influencer channels to accelerate growth

How top brands are using a holistic, full-funnel approach with integrated partnerships



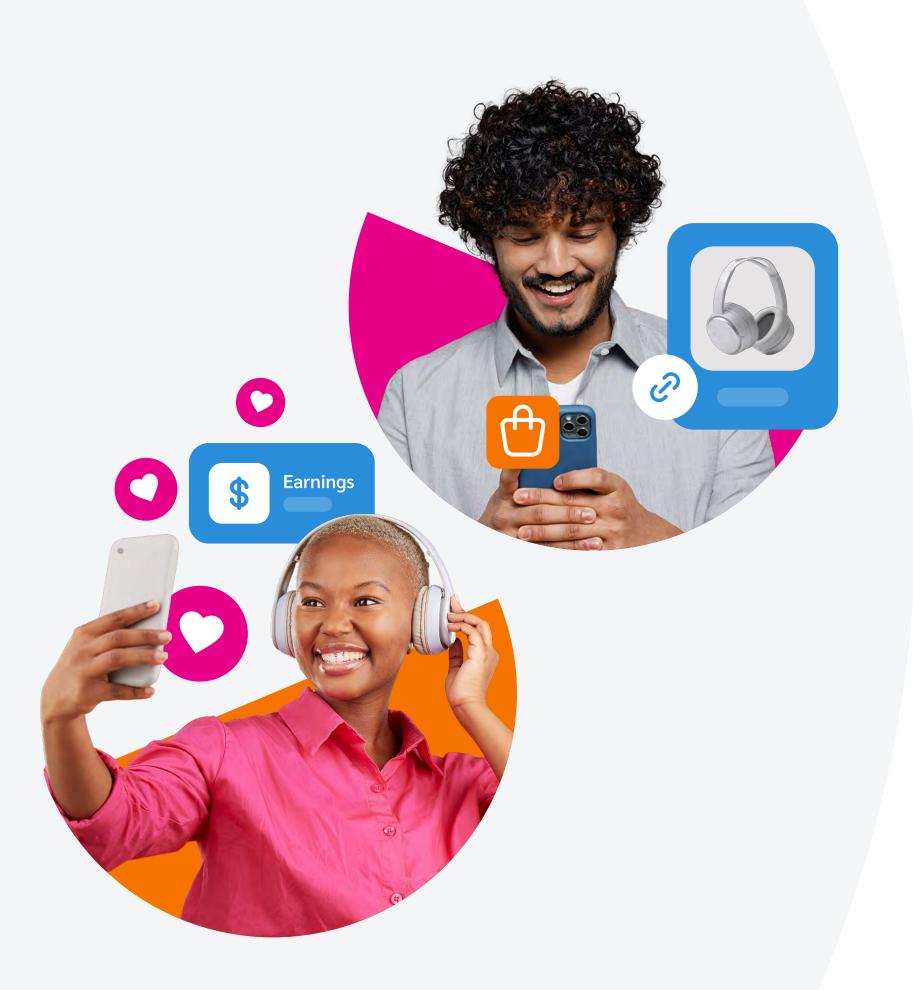






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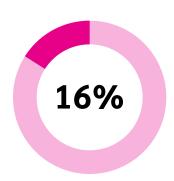


Foreword by impact.com

Partnership marketing is entering its Golden Age.



Influencer marketing has more than tripled in value worldwide since 2019, and more consumers are turning to influencers for inspiration and trusted recommendations.



Affiliate marketing is responsible for 16% of e-commerce sales, and more brands are leading into this channel

Brands turn to partnerships to drive reliable, measurable, and cost-effective growth as paid advertising costs continue to balloon. With only 2% of consumers considering <u>traditional ads</u> as the most credible source to learn about new products, the days of brand-led paid social and pay-per-click dominance are numbered.

Still, with countless brands competing to engage audiences, ever-evolving data privacy restrictions, growing performance expectations, and dwindling budgets, CMOs are pressured to deliver the same growth with fewer resources. The only answer is to diversify marketing efforts—without increasing the workload to manage more channels.

Many brands are already seeing success with either affiliate or influencer marketing programs. However, some recognize the compound effect these channels can have when working together. The secret is integration. By combining affiliate and influencer marketing, brands can create a fullfunnel marketing approach to raise brand awareness, increase conversions, and drive key performance indicators (KPIs) throughout the customer journey.

impact.com is reshaping how brands and influencers approach affiliate and influencer marketing. With innovative technology, brands can improve management across partnership channels and use data-driven insights to make informed decisions. This approach empowers brands to build better partnerships, enhance the customer's journey, and maximize results across marketing teams.



Foreword by Acceleration Partners

The industry has evolved as a full-funnel conversion driver.

In recent years, influencer marketing has surged as brands increasingly rely on influencers to boost revenue, expand reach, and target niche audiences, especially among younger demographics. **Influencer marketing is evolving to maintain growth and adapt to revenue demands.** This evolution is pushing it closer to a channel with similar mechanics and a long track record of performance: affiliate marketing.

Traditionally, affiliate and influencer marketing have operated independently. Through affiliate marketing, brands partner with more revenue-focused online publishers and compensate influencers for content creation. As the digital boom times of the late teens and early 2020s recede, and advertisers are forced to scrutinize their influencer programs' return on investment (ROI) more than ever, **integrating these two strategies is becoming increasingly prevalent.**

This shift allows brands to better measure the effectiveness of their influencer campaigns by focusing on concrete metrics like conversions and sales, rather than relying solely on top-of-funnel metrics such as reach and engagement. At the same time, teams can apply the best practices of each channel to boost results.

Technological advancements play a key role in this convergence, enabling brands to manage affiliates and influencers in an integrated way. This integration gives brands the tools to accurately attribute conversions and revenue to specific influencers, making it easier to justify spending on influencer marketing. Similarly, it allows brands to better understand the role of conversion-focused affiliates in the full funnel.

Looking forward, the further intertwining of affiliate and influencer marketing seems inevitable, as brands seek more outcome-driven strategies. With the support of technology and new management approaches, this **convergence will allow brands to maximize the impact of their marketing efforts, ensuring that influencer and affiliate marketing work together to achieve cost-effective and measurable results.**

We at <u>impact.com</u> and Acceleration Partners are excited to share insights from thought leaders across different brand verticals in this report. Discover the advantages of blending influencer and affiliate strategies, adopting a holistic approach, and advocating for more budget with senior leadership.



Introduction

Over the past decade, affiliate marketing has developed from a secondary channel poorly understood by most marketers into an essential tool in the marketing executive's toolbox. At the beginning of the decade, there was no such thing as influencer marketing; instead, bloggers worked via affiliate programs. As social media platforms grew, bloggers became the influencer industry we know today.

However, even though affiliates and influencers come from a common background and still share the same underlying fundamentals (i.e., brands partnering closely with a third-party that has relevant audiences), they are usually split into silos. They have different teams, budgets, and strategies, and often don't share data or coordinate marketing efforts.

We spoke to forward-thinking marketing leaders who are taking a different approach. They combine affiliate and influencer marketing into a single strategy to engage customers throughout their journey, optimizing budget use and maximizing ROI.

These companies are also rethinking the role of influencers, as senior leadership and finance teams are imposing more performance-based metrics on influencers to prove their value in the marketing funnel. Through this, they recognize the potential of influencers to drive direct sales alongside their brand awareness capabilities.

Methodology

impact.com and Acceleration Partners invited affiliate and influencer marketing leaders in North America and the United Kingdom to discuss how they're managing their influencer and affiliate marketing initiatives. The participating leaders qualified for the focus group and interviews because they manage, oversee, or consult for affiliate and influencer marketing programs. Jonathan Claydon, Chief Strategist of Acceleration Partners, conducted the focus group and interviews in June and July 2024.





Chapter 1:

Partnerships suffer in silos





Chapter 1:

Partnerships suffer in silos

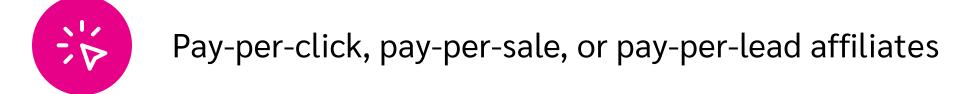
Affiliates and influencers each suffer from a specific typecasting that had some truth in the past but has much less so today.

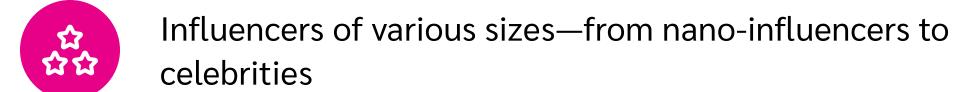
Legacy misconception: Many marketers stereotype affiliates as hyper-focused on conversion and inhabiting the bottom of the marketing funnel. Similarly, marketers often see influencers as solely focusing on awareness and engagement without directly connecting to revenue.

Due to this, brands have built silos around affiliate and influencer marketing, believing that these channels require distinctly different management approaches.

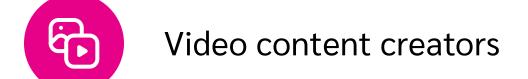
The marketing leaders we spoke with are taking a different approach. They don't see affiliates and influencers in a binary way, inhabiting separate spaces in the marketing funnel. Instead, they view it from a customer journey perspective, including different partnership types and sub-types.

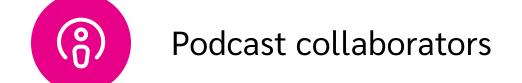
These partnership sub-types can be active anywhere in the marketing funnel, whether they're affiliates or influencers, including:













For example, large content publishers specializing in introducing new brands and products to customers are a significant part of the affiliate channel. These sites often have low conversion rates, but in the context of the customer journey, they are often disproportionately at the beginning of the clickstream for new customers.

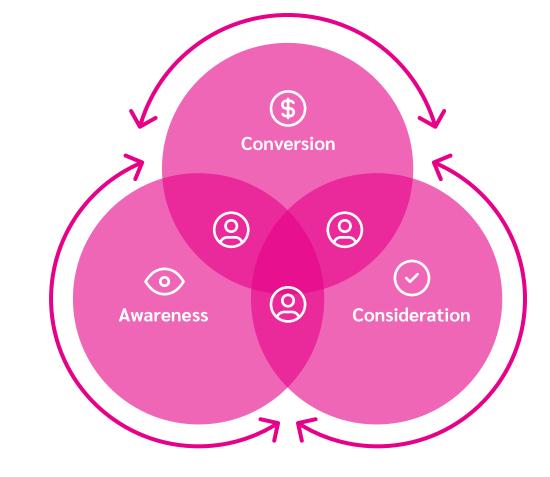


These affiliates are top-of-the-funnel—the space influencers traditionally inhabit—and often ask to be paid upfront, the way influencers usually are, rather than via a revenue share or cost-per-action (CPA) commission.

Similarly, there is a whole <u>universe of influencers</u>, largely nano- and micro-influencers (fewer than 15k and 75k followers, respectively), but also macro-influencers (250k – 1m followers) who orient their content toward conversion and use strong calls to action (CTAs). They are considered more bottom-of-the-funnel and are happy to be paid on a revenue share or CPA, as affiliates usually do.

However, even the above put too many labels on affiliates and influencers for some of the leaders we spoke to. They question why any partner is confined to any funnel segment.

When evaluating success, these marketers look at conversion and engagement metrics for individual partners. For them, a given partner can be at the end of one customer's journey and at the beginning of another's—and their value can be based on both.



Keeping affiliates and influencers in silos poses one of two issues for marketing teams—with significant impact on the customer experience:



Two teams operate in many similar ways and overlap in their customer interactions, driving inefficiency.



Two teams unnecessarily focus on separate parts of the funnel, reducing efficacy and creating unnecessary spending on duplicate efforts.

The result: When these channels operate in silos, it's impossible to see the full customer journey and recognize the true impact these partners have.

As separate channels, affiliates and influencers tend to operate within narrow lanes. Without insight into the campaigns the other team is running, each channel is forced to play small, limiting their impact to one area of the funnel and stifling their business outcomes.

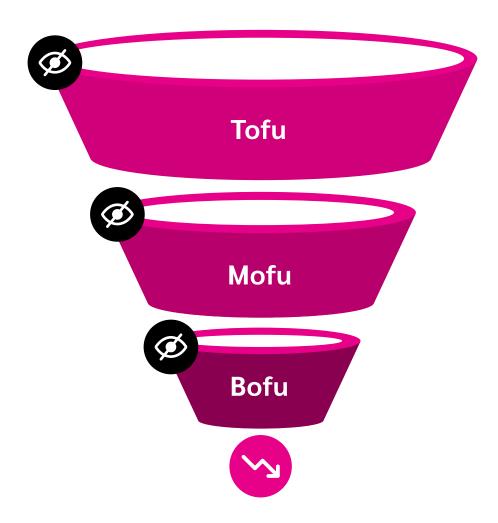


Preliminary findings from an internal study by impact.com's Data Science team support the benefits of knocking down the walls between affiliates and influencers.



Based on the data analyzed from impact.com's platform, when brands partner with affiliates and influencers, they generally generate 46% higher affiliate-based sales out of their total e-commerce sales compared to brands that only work with affiliate partners. For categories like health and beauty, this percentage increases to 178%.

After all, most buyers don't purchase after seeing a product just once. They might watch a product-inuse TikTok video or a longform YouTube review, and look for a discount code before buying.



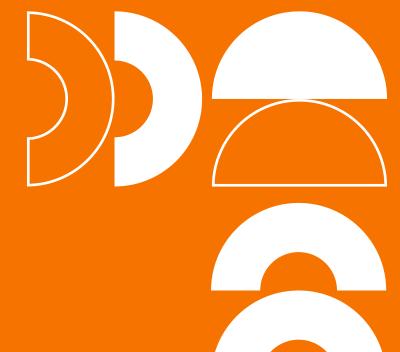
Our internal study shows that partnering with influencers helps brands reach new audiences and boosts traffic through affiliate channels. Influencers are also more likely to act as intermediaries and converters in the buying journey.

Fundamentally, this is why so many marketers, including those we spoke with, plan to break down the silos of affiliates and influencers. There is so much to gain by bringing them together.



Integrating affiliates and influencers breaks down inefficient silos, enabling brands to enhance customer journey insights and boost sales. Combined partnerships generate a higher percentage of sales compared to using affiliates alone.





Chapter 2:

What does it look like to operate these programs holistically?







What does it look like to operate these programs holistically?

Integrating channels into a cohesive team is challenging. It requires a mindset shift at the channel and executive levels, clear budget management and strategic oversight, and strong organizational buy-in to ensure effective teamwork and execution. Our research found that establishing strong working relationships while understanding different team programs can help overcome initial resistance when combining influencer and affiliate programs.



One key element of an integrated program is that while all partners are under one roof, they cannot all be engaged similarly.

As noted previously, many sub-types of partners exist within affiliate and influencer programs. Some affiliates are large corporations, while others are small shops. Some influencers manage their businesses independently, while others have managers and rarely interact directly with brands.

Marketing leaders we spoke with highlighted the following differences in managing the relationship between affiliate and influencer partners:



Traditional affiliates:

Once onboarded to programs, they're generally happy to start working immediately once given an event brief.

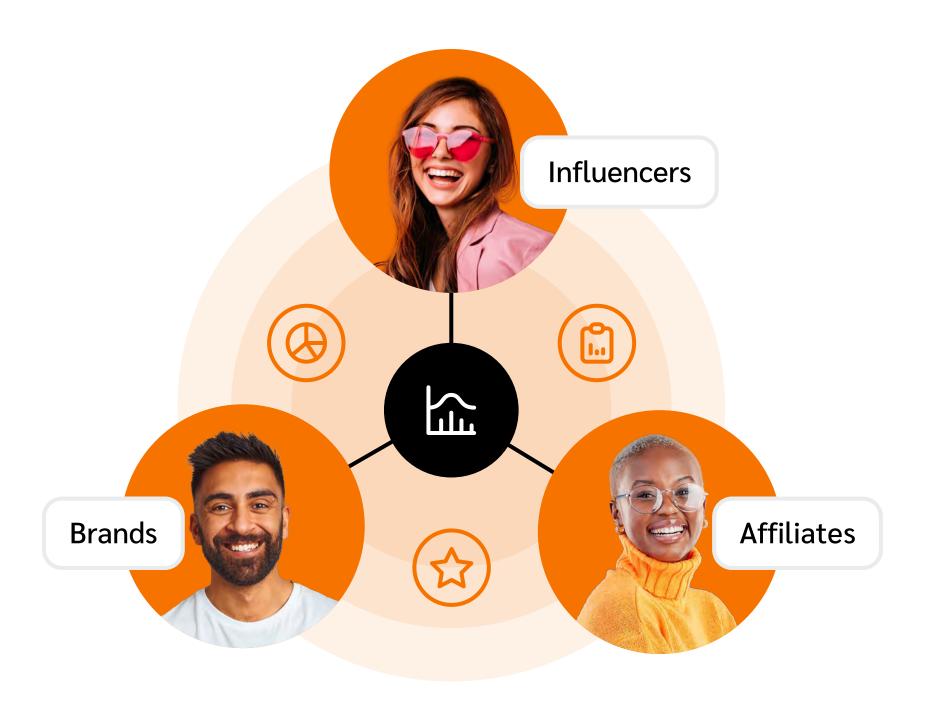
Influencers:



They like adding a unique touch to projects, ensuring they authentically reflect their brand. Working with influencers requires a more personal approach from the brand. For example, brands may attend events and meet influencers in person, as they believe this one-on-one approach leads to more successful partnerships.







Understanding these nuances and incorporating effective engagement strategies into a cohesive program will significantly boost success. Remember, these human relationships deserve proper attention; this care will reflect in the results.

Another part of the integration process is agreeing on how to measure each partner type within a more unified partner ecosystem. Sharing resources is essential to team integration that can deliver higher ROI. While reducing redundancy and streamlining partner management have clear upsides, brands can only realize the true value of an integrated partner program if everyone is on the same page about measuring success.

So, how are the forward-thinking marketing leaders we spoke to measuring success? Across the entire partner program, it usually boils down to the return on ad spend (ROAS), with the target depending on the balance of demand creation to demand conversion in the program, the overall media mix, and other factors.

Still, other metrics are being analyzed together rather than in isolation. For example, influencer program managers often look at engagement, and high engagement is usually cited as a good thing. But what if customers have an issue with a product and engage with a post to say negative things? Or if a post has multiple CTAs, making it unclear where to attribute the engagement?

In those cases, the engagement metric will be misleading. The marketers we spoke to combine engagement metrics with revenue data to prove their partnerships' value and drive investment decision-making.

Adopting a multi-touch perspective that reveals how consumer interactions with influencers or affiliates impact conversions is essential for a successful integrated partner program. This data allows all marketing teams to understand the consumer journey.

However, using multiple disparate systems to measure performance can hinder achieving a comprehensive view of the full-funnel impact, making it difficult to align strategies and demonstrate effectiveness.



The marketing leaders we spoke with cited several issues with current multi-part technology stacks, including:



Reporting and attribution:

The data from internal reporting and attribution tools don't always align with the data from the affiliate network. This discrepancy complicates accurate performance measurement.



Tracking link usage:

Many influencers don't consistently use their affiliate tracking links, resulting in lost visibility and potentially unfair compensation for the value provided.



Platform disconnection:

There's a disconnect between the platforms more often used for brand influencers and those used for more performance-focused influencers. This lack of integration makes having a holistic view of all activities difficult.

Most brands we spoke to still use multiple platforms, agencies, and vendors to manage their affiliate and influencer programs. While their methods for managing affiliate and influencer programs may vary, they all aim to centralize data and use a single platform.

Operating affiliate and influencer programs holistically improves relationship management and aligns measurement strategies. This leads to enhanced ROI by leveraging shared resources and data insights across a unified partner ecosystem.





2.1 Managing technology to combine team efforts



For most of the leaders we interviewed, a unified platform is fundamental to integrating affiliate and influencer teams.

Measuring success and managing creators involves complex data management. Typically, since each team already measures impact using existing tools, transitioning to a holistic approach involves marrying the data across two disparate systems.

During this transition, brands have tried to take a multi-layered approach, creating homegrown systems to aggregate data across multiple programs and create personalized reports. While this approach may have allowed each team to continue using the system they're familiar with, it introduces new logistical challenges when maintaining a shared creator pipeline or measuring creator success.

Marketing leaders know it's important to move toward a unified and cohesive approach that manages influencer and affiliate programs within the same platform and streamlines reporting to demonstrate results across both programs.

Technology should act as a hub for brands, enabling various payments, contracts, and partner discovery.





Our study revealed that brands leverage a unified platform in this way:



Comprehensive reporting:

Viewing all partnership data in one comprehensive report significantly improves time efficiency for small teams, mainly because these processes used to be manual.

Attribution reports for influencer and affiliate programs:

This helps demonstrate the value of these partners, who may not generate high revenue but still contribute to sales in the funnel.



Contracting and payment automation:

This saves time and eliminates manual processes. Instead of operating from multiple sites, brands can recruit and pay their partners from one platform to measure performance, track spending, and ensure timely automated payments.

Contracting templates:

Templates allow brands to tailor contracts based on the influencer's and agent's agreements. This can speed up negotations and save time for all parties involved.



Part This is

Partner marketplace:

This is a great way to discover and recruit partners who have signed up to the platform and are ready to work. Keeping communication within the platform avoids unnecessary back-and-forth over email.



Integrating the right technology within a single platform goes beyond simplifying affiliate and influencer team collaboration. It also helps teams reap the benefits of sharing resources, simplifying partnership management, and streamlining business processes to get more done quickly and with less effort. Ultimately, that can lead to better productivity, better resource management, and higher ROI.





2.2 Compensating creators in a cross-functional environment



Our study found that determining compensation is a common issue when aligning affiliate and influencer teams.

While affiliates are traditionally paid based on performance through a revenue share or CPA commission, brands can pay influencers through gifting, flat rates, flat rates plus commissions, and more. This can make determining the compensation strategy and budget challenging as teams converge.

Here are some questions marketing leaders suggest brands consider when deciding on compensation models:



What are your program goals?



What are the kinds of partners you'll collaborate with? (i.e., influencers driving awareness or conversions)



What campaign types are needed to achieve successful outcomes with your program goals? (i.e., pure awareness or performance-based campaigns)

Maintaining a positive external experience for influencers can be hard when managing different compensation models cross-functionally.

Here are the strategies marketing leaders shared to overcome this challenge:



On a campaign basis:

Compensation methods are handled in various ways, depending on whether it's a predominantly affiliate campaign, an influencer campaign, or a cross-collaboration effort.

Goal-based payments:



As the lines between the teams have started blurring, campaigns are split based on goals. Budgets will either come from the brand or influencer budget, depending on the campaign goal (top-, middle-, or bottom-of-the-funnel goals). Spreadsheets can help track partners, avoid conflicting payment structures, and ensure cohesive content creation.

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Aligning budget to goals:

A combined budget is allocated to specific influencer types based on their role in the customer journey and overall goal, such as awareness vs driving conversions.



Influencer teams often need more budget upfront to deliver brand-led campaigns, while affiliate teams must be prepared to pay out performance-based commissions whenever qualifying actions happen. That means teams looking to adopt a holistic approach must create a system to fairly redistribute funds or shift budgets across teams based on goals. With more insight into end-to-end performance data, teams can start measuring each team's overall influence on strategy performance and determine the compensation model.



As brands begin to integrate their affiliate and influencer teams, formalizing strategies and budgets ahead of time can reduce campaign overlap and help teams get more out of their budgets.

However, brands should leave room for shifts based on unexpected performance. Let's say an influencer encourages repeat purchases and the brand wants to re-engage them, or they work on collaborative campaigns that pull from a shared budget pool.

Paying creators through a single platform makes managing budgets easier. By keeping track of all creator payments on one dashboard, brands can see where their budget is going and assess whether that allocation aligns with each team's strategic impact.

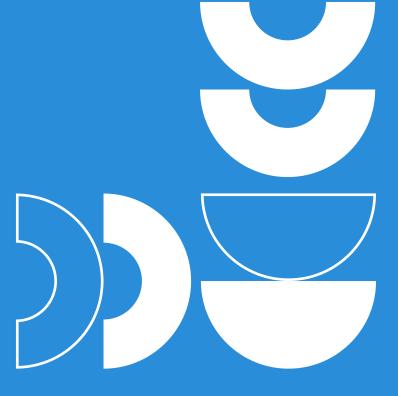
Aligning compensation strategies across affiliate and influencer teams enhances budget management, leading to improved campaign outcomes by ensuring fair and efficient resource distribution and streamlined payment processes through a unified platform.



Chapter 3:

Leveraging UGC to create additional value







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Leveraging UGC to create additional value

One of the primary differences between influencers and affiliates is that successful influencers create authentic user-generated content (UGC), or any form of content created and shared by users or consumers, rather than brands or professionals, that can be reused to expand reach and drive return. For instance, teams can repurpose UGC created by a top-of-the-funnel influencer in midfunnel and bottom-funnel affiliate campaigns.

Repurposing UGC can help brands reach their KPIs saving costs compared to producing original material while enhancing performance.

An integrated partnership program simplifies leveraging UGC across channels since all parties can access and align on content use.

Moreover, a shared partner pool gives teams the right resources to deliver campaigns designed for customers at each funnel stage. As affiliates and influencers become more engaged with the brand, they can cross-train to support both brand and performance goals. Working with partners in this way gives brands newfound access to niche audiences and/or exclusive communities while setting the stage for downstream conversions.

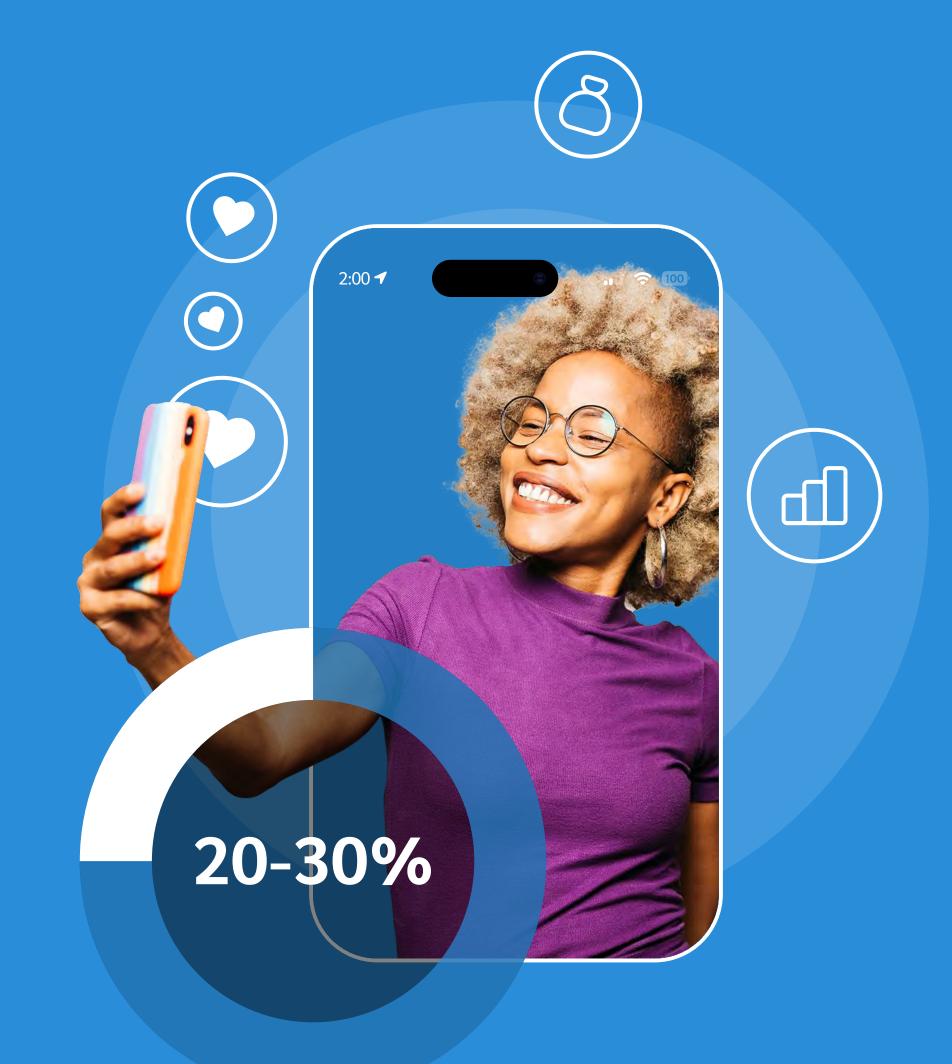




Acceleration Partners' internal data shows brands that leverage authentically created UGC have customer acquisition costs (CAC) 20-30% lower than those who leverage solely brand-generated assets.

Marketers we spoke to reported that UGC and influencer content effectively inspire users to begin their journey with the brand, often outperforming brand-created content.

Additionally, they have an "always on" creative flywheel that produces original content the team can use through paid channels or in other beneficial ways, such as for on-site assets to increase conversion.





Here are the ways marketers we spoke to get the most from UGC:



Leveraging influencers as an extension of a brand's creative team to develop content can be particularly beneficial for smaller teams.

Creating UGC for a repository of content for "always-on" campaigns.



UGC is a cost-effective content creation method compared to relying on internal or external agencies, saving time and money.





Using UGC to grow their influencer and ambassador programs by recruiting customers who create organic UGC and tag the brand on social media. The goal of this approach would be to incorporate social listening tools (i.e., searching for brand-tagged content) to make monitoring more efficient.



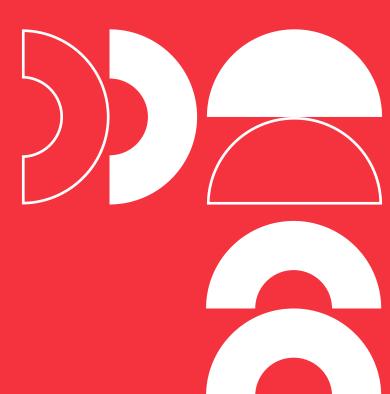
Brands investing more in creators to acquire high-quality UGC consider the quality of the content a KPI. These brands allocate 35-40% of their budget to creators who can deliver high-quality UGC.

Key takeaway

Integrating UGC into marketing campaigns reduces customer acquisition costs, while boosting engagement and conversion rates with authentic, niche-focused content.







Chapter 4:

Advocating for more budget with senior leaders







Advocating for more budget with senior leaders

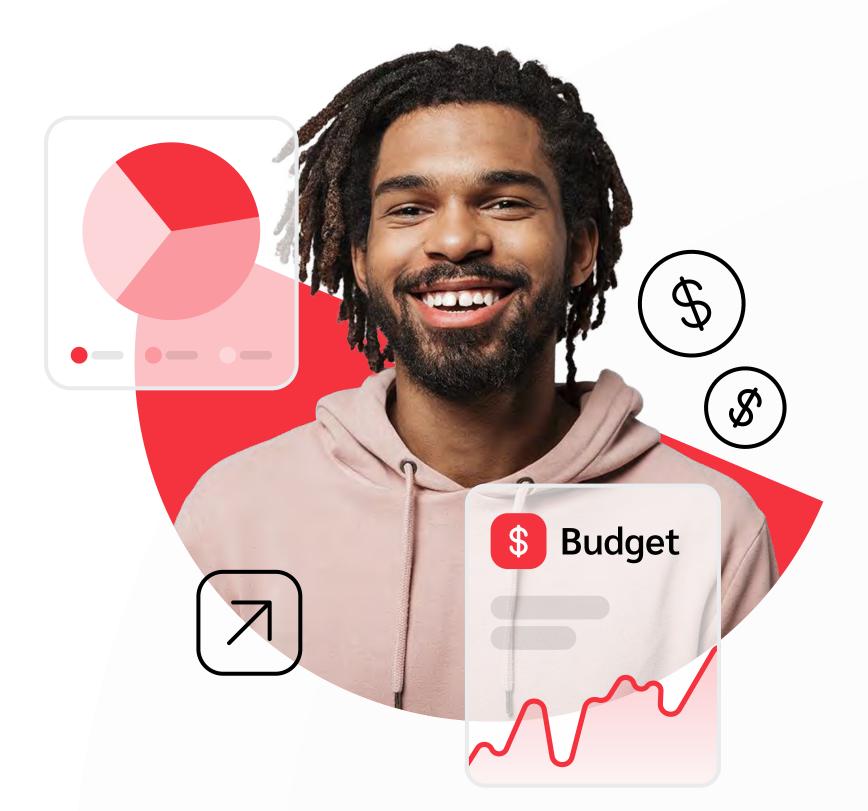
Senior leaders often want to see the financial impact of partnerships. According to the marketing leaders we spoke with, connecting the performance data discussed above with points along the customer journey is the best way to advocate for a larger budget and more investment in these channels.



Showing senior leadership that a cross-functional strategy can deliver more effectively against organizational goals at each stage will help brands gain the buy-in they need to continue building a mature combined influencer and affiliate marketing program.

Testing is a vital use of this budget. Given the number of variables involved with affiliate and influencer programs, brands need to find traction with new tactics and partners before committing significant funds. Within a unified partnership program, brands can see more robust results from these tests, as they can evaluate multiple KPIs with a broader lens for success.

This test-and-learn approach also allows brands to gather insights on new, unconventional, or untested strategies that teams can use to justify more investment in these programs. Brands should continuously find new ways to integrate on-brand partners into every step of the customer journey.





This approach has multiple rewards:



Growing revenue



Meeting customers where they're at in their buyer's journey



Ensuring consistent brand messaging



Creating a cohesive customer experience



By connecting performance data with the customer journey, brands can effectively advocate for larger budgets from senior leaders, using a test-and-learn approach to optimize affiliate and influencer programs, ultimately driving revenue growth and enhancing the customer experience.



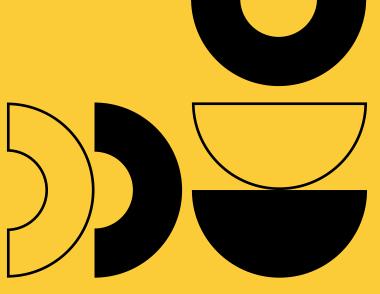
Chapter 5:

5 expert tips to combine your affiliate and influencer marketing strategies









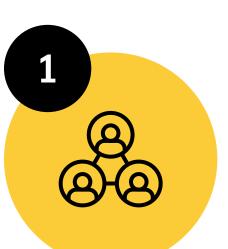
Chapter 5:

5 expert tips to combine your affiliate and influencer marketing strategies

Developing an integrated affiliate and influencer marketing strategy presents an exciting opportunity for organizations with established teams. The right approach opens up significant potential for collaboration and enhanced results.

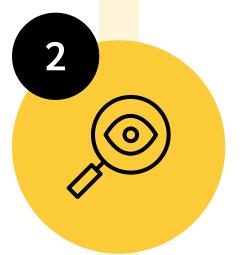


Here are five top tips for brands looking to converge their affiliate and influencer strategies—from the experts we spoke with:



Design a collaborative, integrated strategy that aligns with organizational goals

Define your affiliate and influencer teams' roles, purposes, and contributions. This approach avoids overlapping efforts, enhances the customer journey, and saves resources. Then, encourage stakeholders to team up and share resources, such as offering UGC to your performance team for ads.



Maintain high-level oversight and guidance

Hire a dedicated agency, consultant, or team member to align your marketing channels and drive efficiency. Having these dedicated experts work as an extension of your team will help consolidate your affiliate and influencer data.

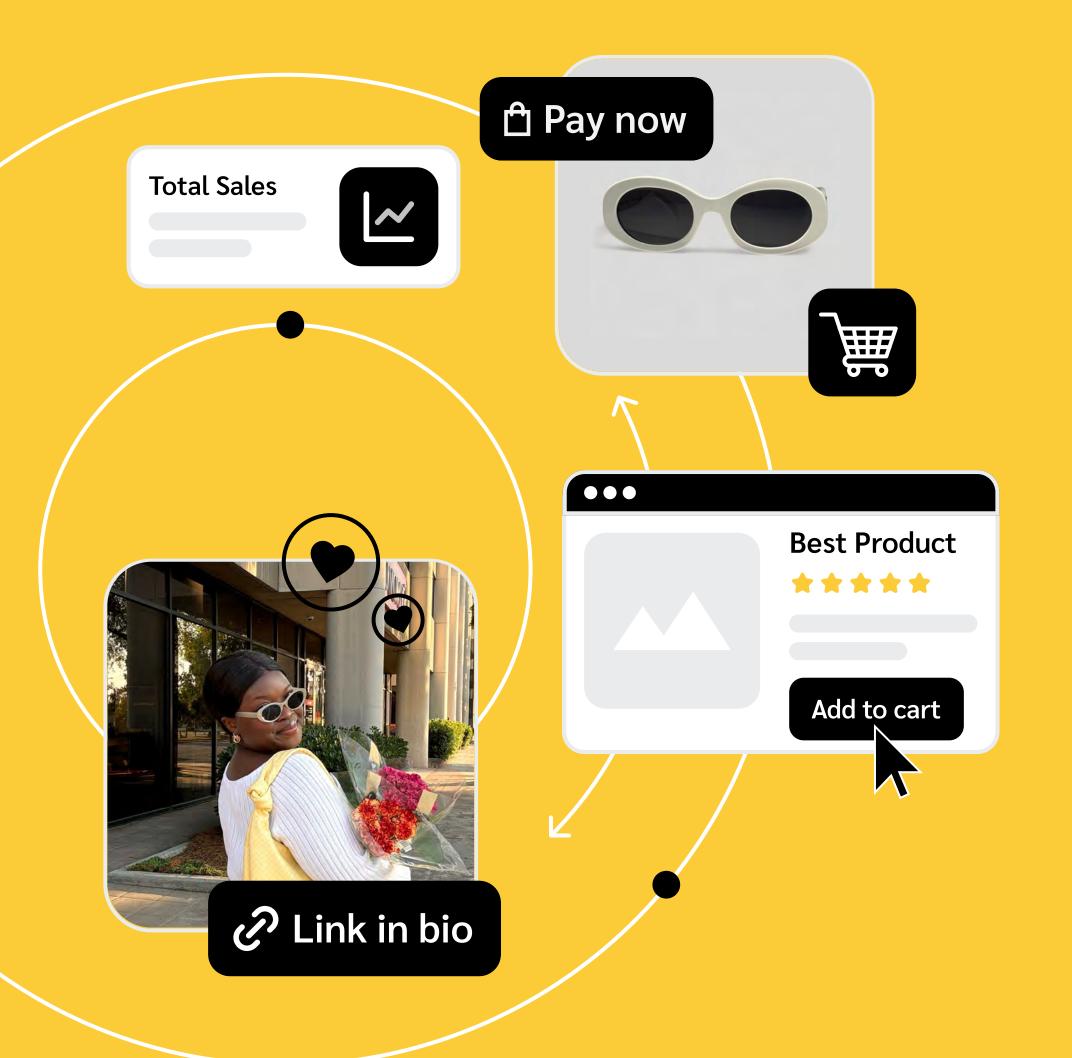


Foster cross-functional understanding

Moving to integrated affiliate and influencer teams can encounter initial resistance. Combat this by learning each team's goals, customer touchpoints and preferred influencers—then craft a strategy to hit your goals on both teams.



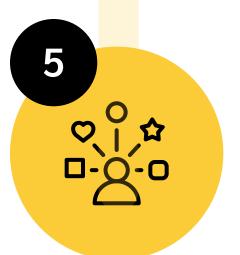






Create a unified partnership ecosystem and remove silos

Develop a unified voice across all customer touchpoints to build brand equity. Consider using integrated program management and a partnership management platform to bond teams by sharing influencer content, measuring performance, and aligning on payment structures.

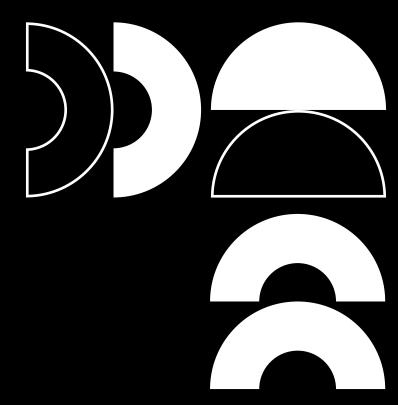


Leverage diverse skill sets and perspectives to create and evaluate success

Draw on your teammates' different backgrounds, including performance, affiliate, and influencer marketing. This approach ensures a comprehensive, balanced strategy and provides insights into your partnership ecosystem's success.







Conclusion:

Embrace the convergence







Conclusion:

Embrace the convergence

Embracing the convergence of affiliate and influencer marketing strategies offers a world of potential, transforming established structures into more dynamic, integrated approaches.



impact.com's internal study revealed that marketers working with a combination of affiliates and influencers generally see a higher percentage of affiliate-based sales in their e-commerce channels.

After speaking to marketers at the forefront of this convergence, it's clear that now is the time to take action.

As companies adopt a holistic mindset, moving beyond traditional silos, they experience enhanced efficiency and growth. With advanced platforms and versatile agencies ready to support this transition, brands are well-equipped to build a robust, unified partnership channel.

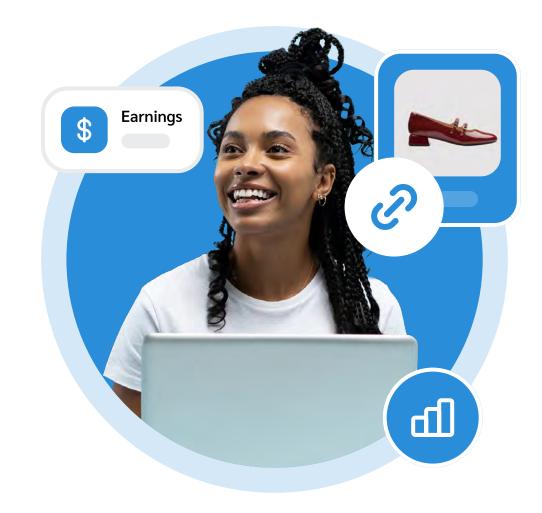








impact.com/creator is the industry's first unified influencer platform built for brands and creators. Search the Marketplace with 123,000 creators and scale your program through diverse partnerships. Gain comprehensive views of every touchpoint in the customer's journey, and compensate creators using flexible and fast payments.



Leading brands understand that bringing affiliates and influencers together under the oversight of a single, trusted partner drives results. **Acceleration Partners** can help create what's next for your brand with customized strategies and best-inclass execution at all stages of the funnel.



Discover what full-funnel partnership management can do for your brand.

Schedule your demo today



Find out what unified management can do for your brand.

Connect with us now



