UNLOCKING INSIGHTS FOR 2025 SUCCESS:

FUELED BY AP'S 2024 YEAR IN REVIEW

Acceleration PARTNERS®

CONSUMER SPENDING IN A SHIFTING ECONOMY

Consumer spending slowed into early 2024, with economists citing lingering inflation, a cooling labor market, and a reduction in disposable income, especially for lower- to middle-earning households. Industry data also signaled a slow start to 2024, with our affiliate network partners reporting year-over-year declines in advertising traffic and revenue.

As the year progressed, economic predictions improved, with experts forecasting increased consumer spending in the second half of the year.

+6%

Despite economic uncertainty, the 2024 holiday shopping season rebounded, with Cyber Week global online sales up 6% year over year, reaching $314.9 billion.

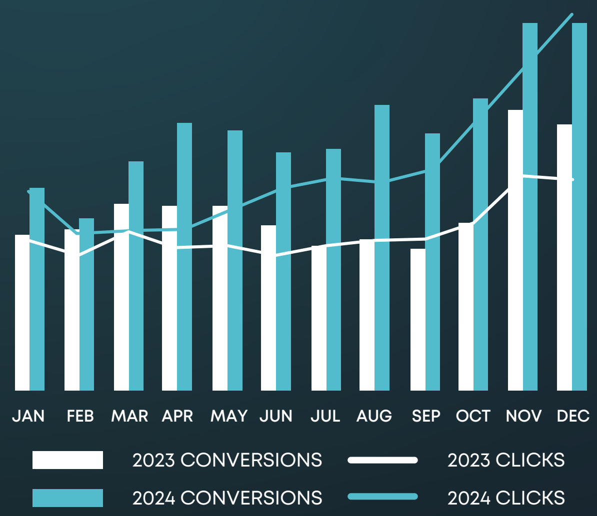
2024 concluded with the global economy maintaining steady growth, yet consumers continued cautious spending amid a complex economic landscape.

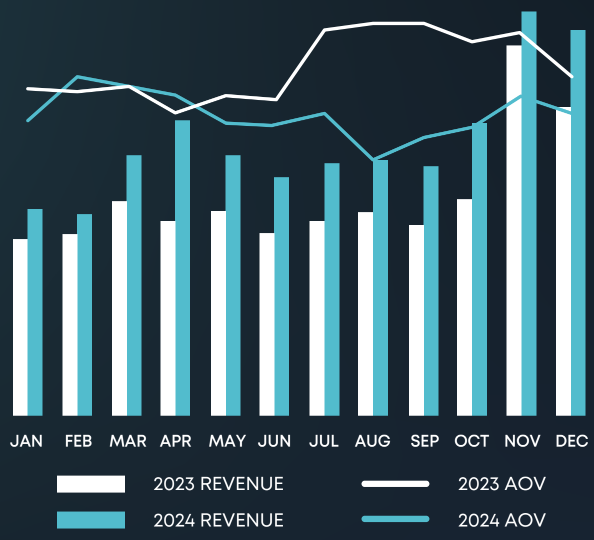
THE IMPACT ON BRANDS

Aligning with general economic trends, AP saw more conservative year-over-year growth in traffic and conversions in Q1, with activity increasing from Q2 onward.

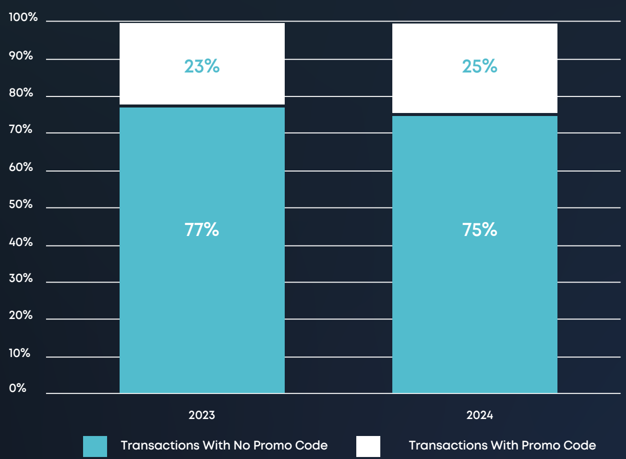
For 2024 overall, AP's global client portfolio saw strong year-over-year growth in traffic (+38%) and conversions/actions (+45%) driven by affiliate partners. Revenue also increased year-over-year, though at a lower rate (+25%).

Year-over-year declines in average order value (AOV) and conversion rates, combined with modest revenue growth, indicate consumers were more selective with their spending. For example, AP's portfolio saw a surge in conversion volume for back-to-school shopping, but AOV remained well below 2023 levels.



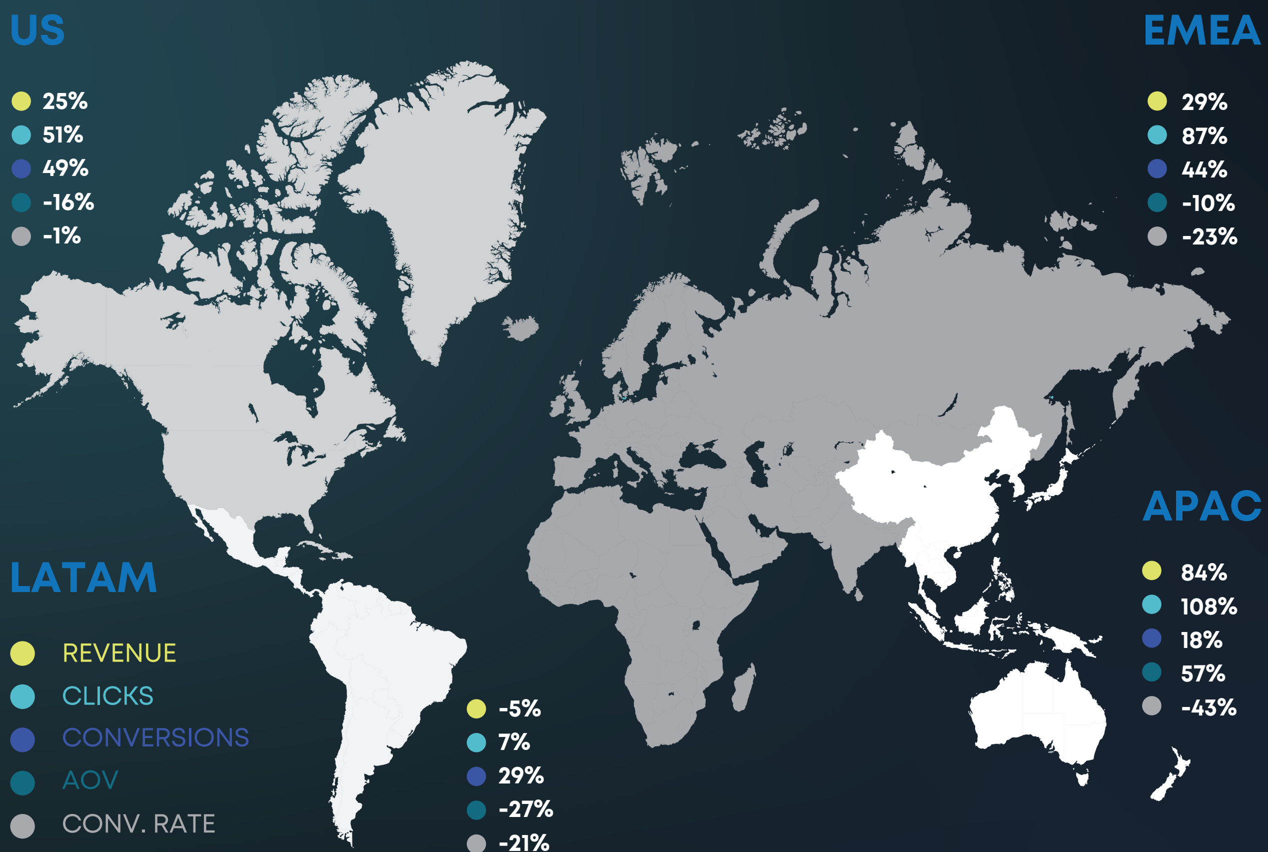


Amid economic uncertainty, consumers leaned heavily on discounted prices and sales events to stretch their budgets, with the use of coupon codes increasing year-over-year.



REGIONAL TRENDS

AP clients saw healthy year-over-year growth in traffic, conversions, and revenue across most regions, illustrating that while budgets were tighter, consumer browsing activity remained strong. However, declining order values and conversion rates highlight shifting behaviors –when to buy and how much to spend-across the global consumer landscape.



CONSUMER SENTIMENT VARIED BY REGION

- US: Consumer sentiment in the US gradually improved in the second half of 2024, as interest rates fell, and the job market showed signs of recovery.
- Europe: EU consumers continued to grapple with stagnated wages and inflation, prioritizing spending on essentials and cutting back on discretionary and luxury goods.
- APAC: Consumers in the APAC region quickly adjusted their shopping habits by switching brands, exploring new digital shopping methods, and choosing private-label options. Over 60% of consumers in the region cite better value as the main reason for changing brands or retailers.
- Global consumer sentiment is expected to remain neutral in 2025. Consumers are focused on spending less on discretionary items to compensate for higher prices on essential goods and seeking out brands and retailers with the best value.

SOCIAL COMMERCE DROVE HIGHER ORDER VALUES IN APAC

At the country level, APAC countries are bucking the trend of decreasing average order values. The Philippines and Indonesia, AP's top two countries in the region, saw a rise in activity driven by AP clients in the digital and mobile sectors. With one of the highest mobile penetration rates globally, it's no surprise that consumers in this region are highly engaged in social commerce and digital payment solutions.

Y/Y CHANGES TOP COUNTRIES	AOV
US	-16%
PHILIPPINES	+2%
INDONESIA	+22%
UK	-5%
GERMANY	-23%
CANADA	-18%
BRAZIL	-46%

CLIENT VERTICAL TRENDS

Shrinking budgets resulted in smaller basket sizes, which AP saw across half of its client verticals, however only four verticals experienced year-over-year declines in conversions: B2B, Clothing & Apparel, Health & Wellness, Travel & Attractions.

Discretionary and big-ticket items took a back seat as consumers remained cautious when shopping for non-essentials, such as travel and fashion.

Traffic and conversion activity for AP's Finance & Insurance vertical were primarily driven by personal banking and cryptocurrency platforms, as consumers explored ways to manage and increase their wealth. This trend is expected to continue for US consumers in 2025, with Fintel forecasting a focus on investment and saving products in the coming year.

Y/Y CHANGE IN >	CLICKS	CONVERSIONS	CONV. RATE	AOV
B2B	+10%	-10%	-18%	+32%
BEAUTY	+15%	+17%	+44%	-7%
CLOTHING & APPAREL	+72%	-25%	-4%	+11%
FINANCE & INSURANCE	+349%	+154%	-23%	-64%
FOOD & BEVERAGE	+7%	+248%	+9%	-40%
HEALTH & WELLNESS	-29%	-25%	+5%	-1%
HOME & GARDEN	-13%	+2%	-17%	-11%
TRAVEL & ATTRACTIONS	+57%	-35%	-59%	+1%

THE PARTNERSHIP LANDSCAPE IS CHANGING

PARTNERSHIPS THAT WON IN 2024

2023 2024

With consumers spending more cautiously in 2023 and 2024, marketers tapped into innovative partnerships that connect with consumers in new ways. The affiliate ecosystem saw technology-focused partners such as Buy Now, Pay Later (BNPL), connected TV (CTV), and card-linked offer (CLO) providers gain traction with advertisers.

“Traditional players such as loyalty, coupon, and cash-back sites have historically dominated the industry, but their position is being eroded by new technologies and changing consumer behavior. The industry's reliance on last-click attribution and the proximity of traditional players to conversions are no longer as advantageous, leading to a shift in focus towards newer players.”

SOURCE - EMARKETER.

To unlock access to new audiences for our clients, AP's account teams led the charge in curating partnerships with these emerging technology providers. BNPL and CLO partners have gained significant traction in the US but are still ramping up in EU markets.

CLO

The number of partnerships between AP clients and CLO providers increased by 26% year-over-year in 2024. Approximately half of these clients ran campaigns with multiple CLO providers, indicating that advertisers were testing different partners to find the best fit and reach multiple audiences. Revenue driven by CLO partners for AP's client portfolio grew an impressive 158% year-over-year, making it one of AP's fastest-growing partner categories.

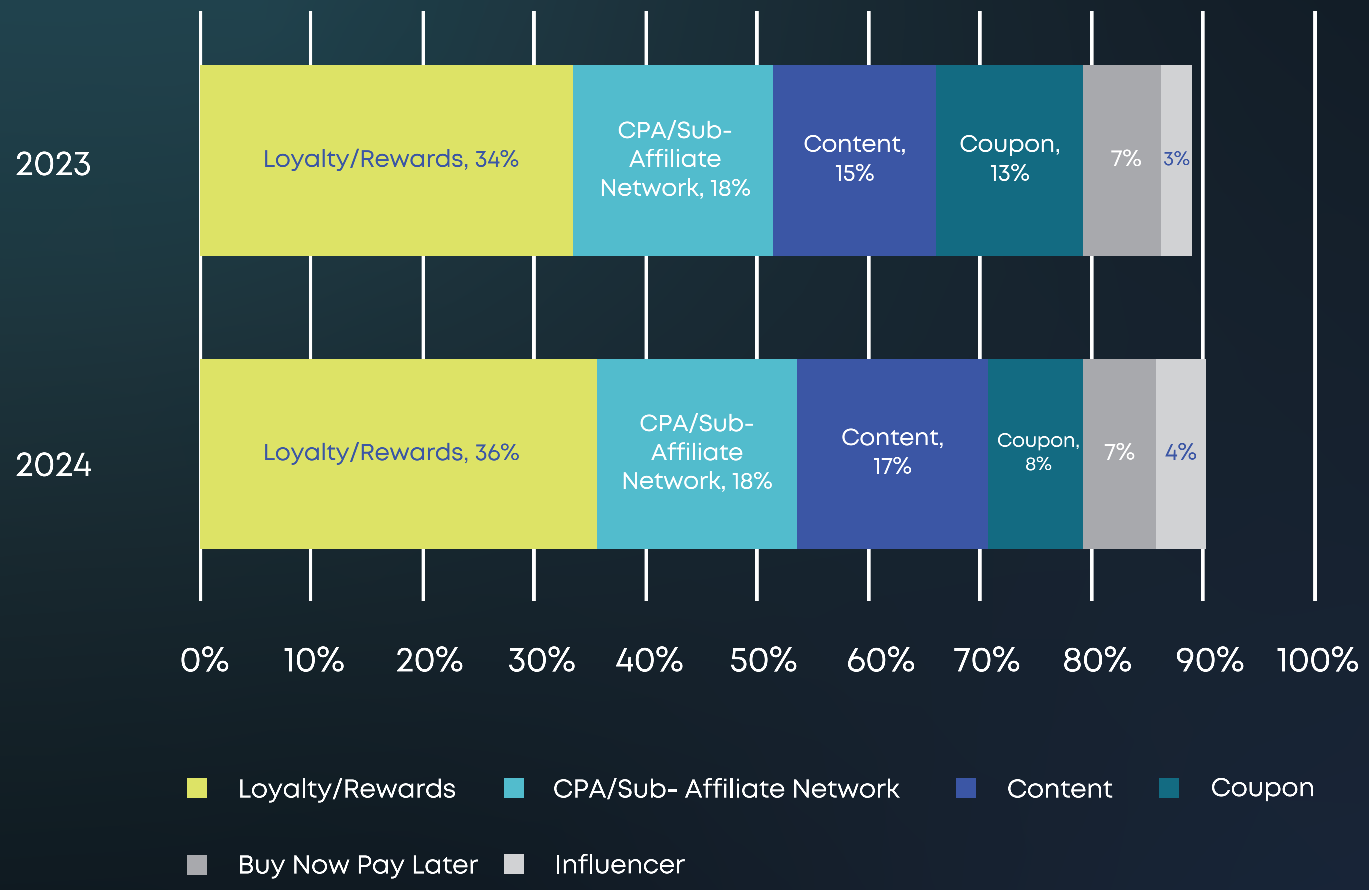
BNPL

Price-savvy consumers are turning to BNPL platforms to help defer costs over time, especially for larger purchases.

Over 75% of AP's managed affiliate programs partnered with at least one BNPL provider in 2024. BNPL partners contributed approximately 11% of overall revenue to AP's client portfolio in 2024, with total revenue up 24% year-over-year from 2023.

When examining total conversions driven for AP's clients, there's a notable shift in the share of conversions across partner types from 2023 to 2024. Loyalty (+2% share gain), Content (+2%), and Influencer (+1%) all saw increases in their share of conversions driven in 2024. BNPL partners held steady at 7%. Coupon partners, on the other hand, saw a loss of 5% in their share of conversions coupled with a 15% year-over-year decrease in revenue.

Google rolled out several Site Reputation Abuse algorithm updates in 2024, which focused on prioritizing helpful content over sites with third-party or low-quality content. These updates had a major impact on affiliate marketing, specifically on coupon and deal sites and mass media sites with coupon-focused sub-domains. Brands may notice changes in traffic driven by these types of partners and should expect a decrease in traffic from sites hosting third-party coupon content.



TECH PARTNERS COME OUT ON TOP

Consumers are changing the way they shop, and the partner marketing industry is evolving in response.

GOOGLE

In January 2025, Google expanded its enforcement of its site reputation abuse policy to European regions, beginning by issuing penalties to EU-based coupon sites. Marketers are already reporting declines in traffic across affiliates in several countries.

Google algorithm updates aside, coupon and deal partners may be losing traction with audiences who, while still focused on price, are increasingly turning to more tech-savvy methods—such as social networks, apps, and digital content—to find discounts and engage with brands. That said, traditional coupon and deal websites continue to be valuable for many brands, particularly in driving conversions during the final stage of the consumer shopping journey.

To remain competitive, brands will need to continue diversifying their partnerships to include not just CLO and BNPL partners but Connected TV (CTV) and Retail Media Networks (RMN). These partnerships can unlock access to new audiences of digitally engaged shoppers who are already connecting with brand-adjacent content.

DATA

Traditional affiliate partners, such as cashback sites, are enhancing their targeting and segmentation capabilities using first-party data. Sites like Rakuten are leveraging their own consumer purchase data to help brands target shoppers based on their past purchase behavior. Brands should incorporate first-party data into their affiliate strategy to get the right products, discounts and content in front of the right consumers.

The European comparison-shopping services (CSS) market is another partner segment that is expanding rapidly, driven by increased e-commerce activity and consumers focused on getting the best price.
These tech-focused partners and affiliates are gaining traction worldwide and becoming essential to any brand's partnership strategy.

CREATORS GAIN TRACTION

As the consumer and affiliate landscapes evolve, creators are becoming a driving force in the global affiliate marketing industry. A creator's ability to offer unique and authentic connections with audiences is reshaping how brands reach consumers.

$1.7M

Investment in influencer marketing has seen a dramatic rise. According to CreatorIQ's Influencer Marketing Trends survey, the average annual spend on creator marketing across organizations surged by 143% from 2021 to 2024. This increase was even more pronounced among enterprise organizations, which reported an average spend of $1.7M on creator marketing in 2024.

Gen Z and millennials are driving the growth of Instagram and TikTok. These cohorts are more likely than any other generation to make purchases through social media and will account for over 70% of US social buyers in 2025. They are also most influenced by video and creator content, which are more prevalent on TikTok and Instagram. This is contributing to the increasing number of shoppers on those platforms, at the expense of Facebook. Gen Z are digital natives, they are mobile-first, heavily reliant on social commerce, and expect brand authenticity. Advertisers hoping to capture this younger generation's attention should partner with creators to drive brand awareness and boost sales.

A successful, full-funnel partnership program strategy is one that leverages both traditional affiliate partnerships and creators. This complementary mix allows a brand to target consumers at various points in their shopping journeys, from initial awareness to product research to final purchase.

Many of AP's top clients are partnering with creators, either through their existing affiliate program on a pay-for-performance basis or through traditional influencer payment arrangements based around a fixed fee.

30%

In 2024, creators drove a 30% year-on-year increase in clicks and a 41% year-on-year increase in views for our clients.

There is tremendous value in brands working with creators of various sizes. Macro-influencers (>10k followers) can drive brand exposure and awareness across large swathes of consumers, while micro-influencers (<10k followers) can help brands tap into smaller niche, but highly engaged audiences in a cost-effective way.

INTERESTED IN LEARNING MORE ABOUT THESE STRATEGIES

and how they could work for your brand? **Please reach out to us at**

ACCELERATION PARTNERS .COM

Acceleration PARTNERS®