RISE ABOVE THE Q4 ECONOMIC WAVES

H1 INSIGHTS TO FUEL HOLIDAY SHOPPING SUCCESS

Acceleration PARTNERS®

HOW YOUR BRAND CAN NAVIGATE THE CHANGING ECONOMY

WITH PRICES CONTINUING TO RISE AROUND THE WORLD, SHOPPERS ARE GETTING MORE SELECTIVE ABOUT WHERE AND HOW THEY SPEND.

Economists and researchers expect global ripple effects from increased United States tariffs, as declining U.S. exports prompt global retailers to seek alternative markets. The International Monetary Fund projects global economic growth to slow to 3 percent this year, down from 3.3 percent in 2024, with the tariffs cited as one factor contributing to the slowdown. Consumers have reported pulling back on all categories expect groceries, and Yale's Budget Lab estimates that the 2025 tariffs could cost the average American household $2,400 this year, with clothing and textiles bearing the brunt of the impact.

This environment brings challenges for the fourth quarter of 2025, but also plenty of opportunity for brands that dial in on clear value, flexibility and trust. Based on data analysis, market experience and trends from our clients, here's what the Acceleration Partners experts think will be the biggest predictors of success in Q4 2025.

KEY SIGNALS FROM AMAZON PRIME DAY

While we can't predict the future, shopper response to Amazon Prime Day can be a significant early indicator of what's to come in Q4. The global shopping giant held an expanded Prime Day in 2025, increasing from two days to four days.

INSIGHTS FROM AP'S AMAZON PRIME DAY 2025 ANALYSIS REVEALED KEY TRENDS:

- New AI-powered features such as Alexa+, Rufus, and AI Shopping Guides significantly enhanced the shopping experience.
- Across our portfolio, loyalty, buy now pay later (BNPL) and affinity partners influenced consumer purchases during the shopping period.
- Although the event was widely reported as a success, Amazon's sales during the first two days were down 35 percent compared to the year before. Prime Day performance could signal a softer Q4 holiday season, as consumers remain cautious amid rising prices.

> “A massive change in promotion for the biggest retailer on the planet, to only gain about 10 percent year-over-year in sales indicates how sensitive consumers are this year compared to last. This could be an early indicator: for retail clients to see year-over-year growth, promotions need to be deeper, and timeframes need to be longer.”
>
> The AP perspective

THE HOLIDAY SHOPPING OUTLOOK

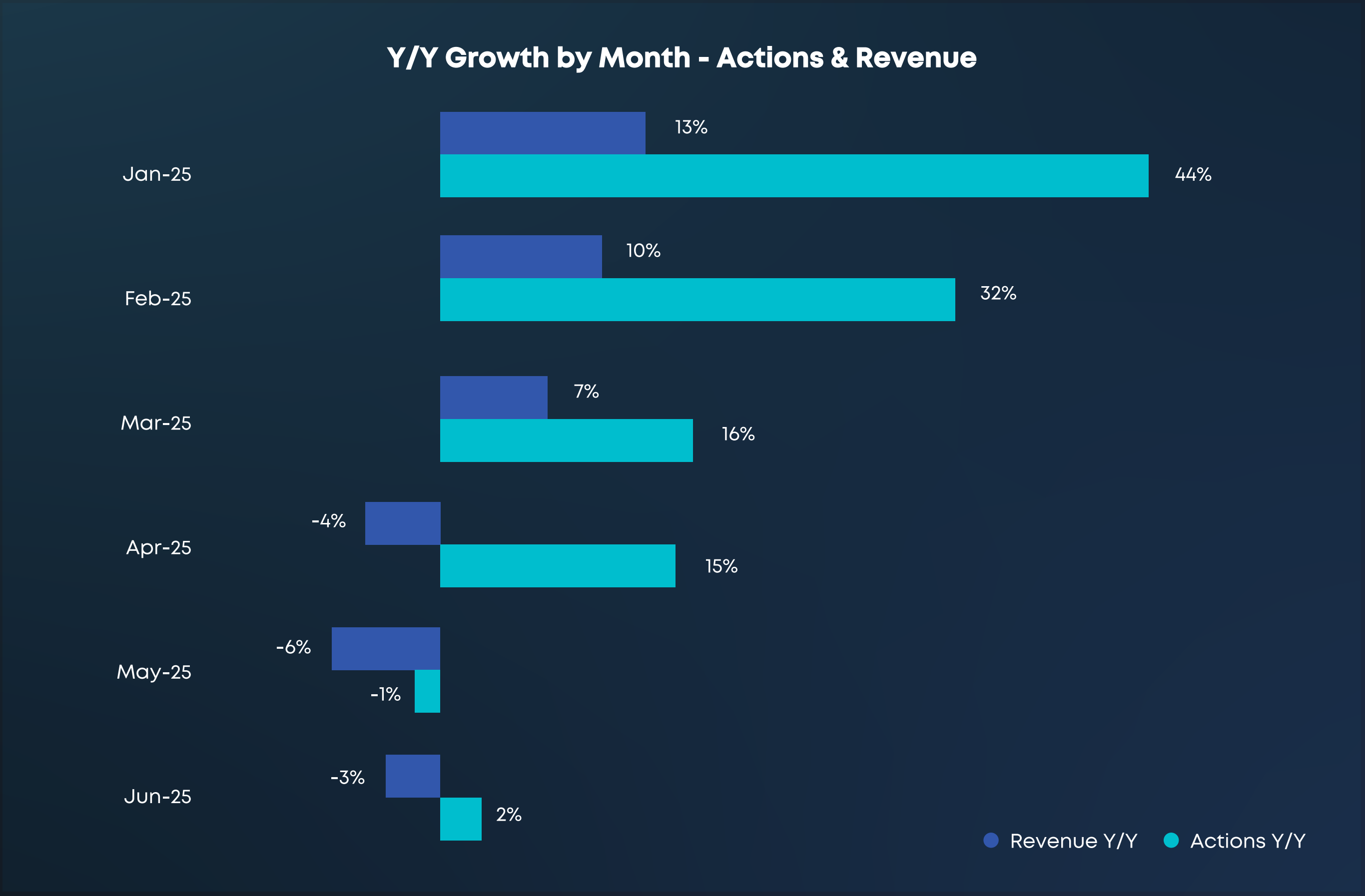
According to eMarketer's Holiday Shopping 2025 report, U.S. retail growth is expected to slow significantly during the season, rising just 1.2 percent year-over-year — the lowest since 2009 — due to tariffs and economic uncertainty. A few other insights to keep in mind:

- In-store sales will be flat, while ecommerce will grow modestly at 4.2 percent, largely driven by mobile.
- Consumers will prioritize smaller-ticket items and discounts, especially on toys, apparel, and electronics.
- Younger shoppers will increasingly rely on social media and AI tools for discovery, making it crucial for marketers to optimize for mobile, social, and emerging AI shopping platforms in response to tighter budgets and shifting behavior.

Amid this anticipated slow growth, partnerships have emerged as the optimal channel to navigate economic shifts and drive success throughout the Q4 holiday shopping season.

REAL-WORLD INSIGHTS FROM AP CLIENTS

Our portfolio performance analysis echoes the research data about inflation and economic uncertainty: AP clients are experiencing a slow year-over-year revenue growth of 2.1 percent, despite a notable 20 percent increase in conversions. Consequently, average order value has declined significantly. These numbers mean that consumers are still purchasing, perhaps even at a higher rate in some categories, but they're not spending as much per transaction as they were in 2024.



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OTHER TRENDS TO NOTE:

- Computers and electronics, accessories and beauty have experienced the largest year-over-year increase in revenue. Performance in these verticals is actually outperforming eMarketer's initial projections, showing tariffs haven't yet impacted AP's clients in these categories.
- North America outperforms other regions with year-over-year improvements across all key performance indicators — except average order value, which has declined across all regions, reinforcing the global impact of tariffs.

HOW ARE CONSUMERS FEELING ACROSS THE GLOBE IN 2025?

- **United States:** Consumer sentiment has experienced significant volatility, shifting from initial optimism to notable declines due to concerns about inflation, trade wars and the looming threat of recession.
- **Europe:** In contrast to pessimism in the U.S., consumer optimism has seen a slight increase compared to the beginning of the year, with variations among different countries.
- **Asia-Pacific:** We're seeing mixed signals in APAC. Some regions are experiencing declines attributed to fears of recession and rising prices. Others are showing resilience and growth potential, particularly in India, highlighting a complex economic landscape.

FINDING THE RIGHT REGIONAL STRATEGY

AP has experts on the ground in each market, making it possible to tailor recommendations based on regional sentiment and nuances. Here's how brands can navigate the economic currents, no matter what market they decide to target.

US

- 6.2%
- 3.9%
- 12.2%
- -5%
- 8%

EMEA

- 3.7%
- -7.4%
- 32.5%
- -22%
- 43%

LATAM

- -43.1%
- 26.2%
- 355.0%
- -87%
- 260%

APAC

- 84%
- 108%
- 18%
- 57%
- -43%

REVENUE · CONVERSIONS · CONV. RATE · CLICKS · AOV

NORTH AMERICA: FOCUS ON HIGH-VALUE PRODUCT PROMOTIONS

Given North America's strong performance across most KPIs, affiliate marketers should focus on promoting high-value products in this region. That means highlighting products with higher profit margins, using targeted campaigns to emphasize the value and unique features of these products, and offering exclusive discounts or bundle deals to incentivize larger purchases.

GLOBAL: IMPLEMENT AOV IMPROVEMENT INITIATIVES

Since AOV is declining across all regions, it's crucial to implement strategies aimed at improving this metric. Brands should introduce upsell and cross-sell strategies during the checkout process, create promotional campaigns that encourage customers to add higher-value items to their carts and offer volume discounts or incentives for purchasing multiple items.

GLOBAL: LEVERAGE REGIONAL STRENGTHS FOR WORLDWIDE CAMPAIGNS

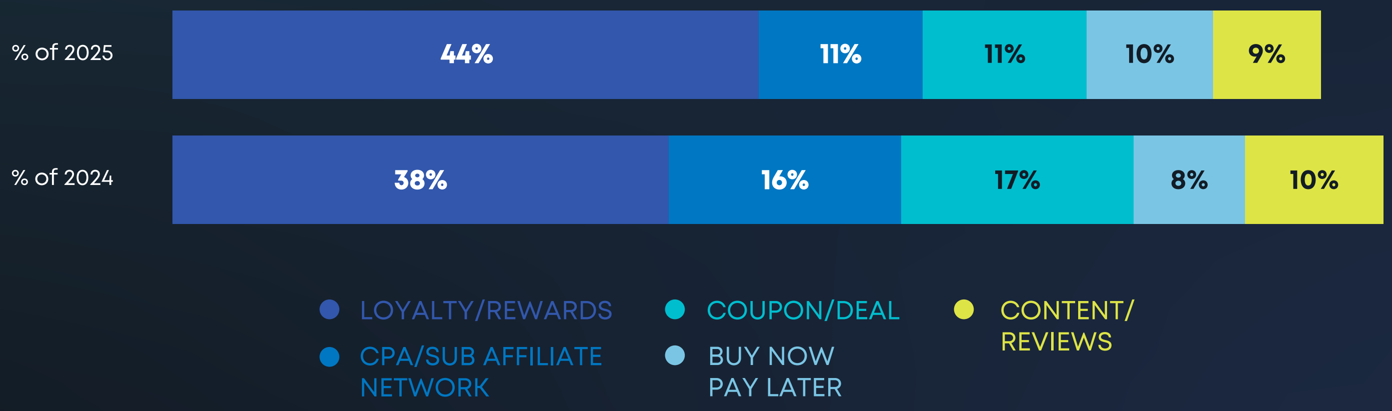
Brands should leverage strong performances in North America as a model for other regions. Identify what works well in North America through data analysis, then adapt these successful strategies for global campaigns. Be sure to tailor messaging and offers to local preferences while maintaining the core successful elements.

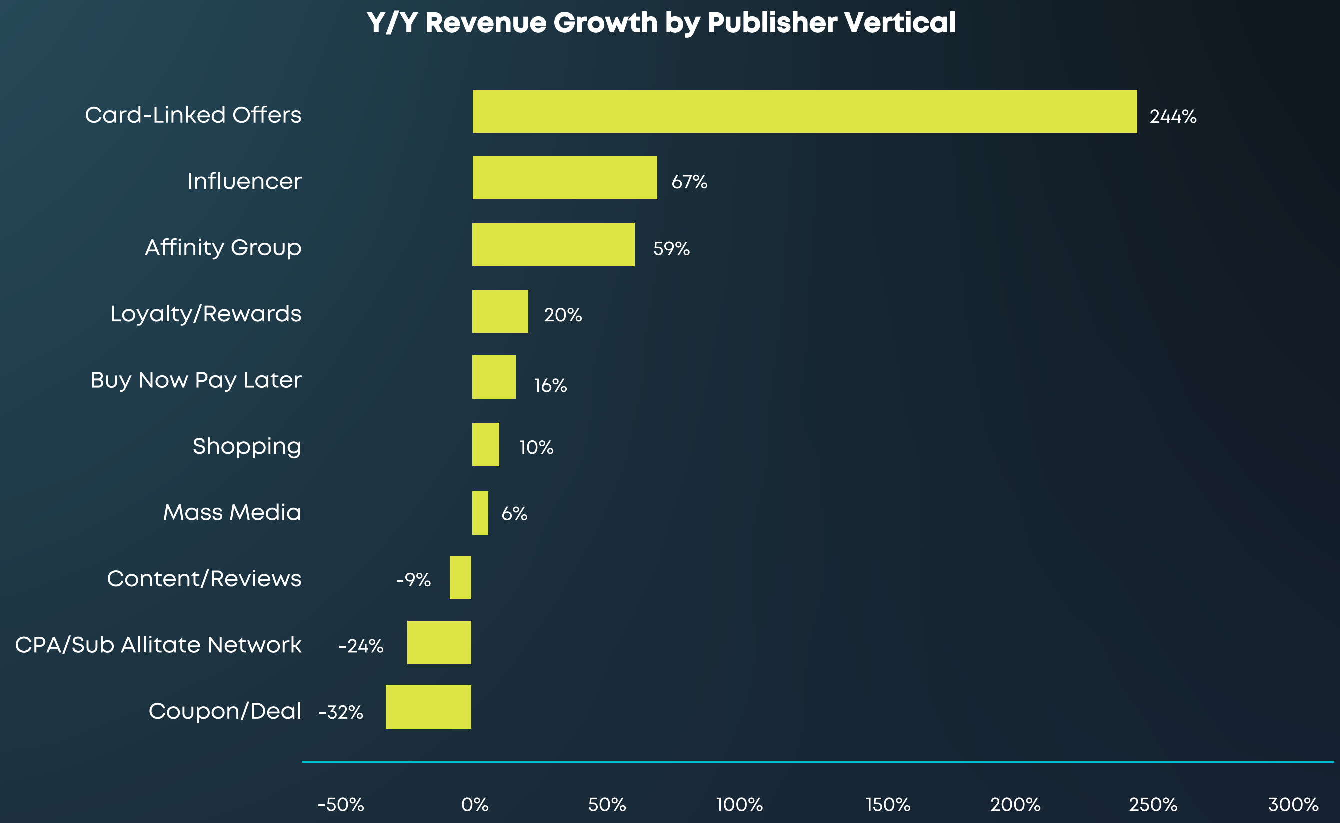
REDEFINING THE PARTNERSHIP ECOSYSTEM

The affiliate landscape is undergoing a notable shift, moving beyond traditional coupon and deal sites toward more technology-driven and value-focused partnerships. While discount partners still play a role, especially in today's price-sensitive environment, brands are increasingly investing in next-generation partners such as card-linked offer (CLO) and BNPL partners. These partners have gained significant traction in the U.S. but are still ramping up in European markets.

Reaching consumers and finding success in our changing economic climate rests on a fundamental truth: expanding beyond traditional partners is necessary to drive sustained growth. To unlock access to new audiences for our clients, AP's account teams led the charge in curating partnerships with these emerging providers.

Y/Y Revenue Concentration Top Publisher Verticals





Brands new to BNPL, CLO or other new partnerships should consider testing before the holiday shopping season in Q4. But, we've seen overall how these winning partners can help clients capture market share amid fierce competition.

THE WINNING PARTNERSHIPS

LOYALTY

Loyalty websites continue to lead all publisher verticals, driving the highest share of revenue and conversions. Their performance highlights how effectively loyalty partners reach value-conscious consumers who are actively seeking added benefits with their purchases, such as cash back, points, or other rewards.

BNPL

Affordability remains a critical concern for households, so consumers are increasingly using alternative payment methods for larger purchases. BNPL services have seen a 16 percent revenue increase despite flat orders, indicating that consumers are spending more when these options are available. In comparison, other leading verticals have experienced an average revenue decrease of 11 percent. Many retailers are integrating BNPL options into their strategies to meet consumer demand for flexible financing.

CLO

About 34 percent of AP's clients are leveraging CLO partners so far this year. Both BNPL and CLO partner offerings are embedded directly into the shopper journey, providing a seamless experience and personalized offers that reduce friction and incentivize conversion.

THE INFLUENCER SHIFT

$32.6B

Creator marketing has become a powerful tool for brands looking to build authentic connections with consumers. According to PRNews, influencer marketing has grown into a $32.6 billion industry. This growth is driven by smarter strategies, deeper partnerships, and widespread adoption of AI technology.

Within influencer marketing, brands are shifting their focus from vanity metrics to ROI-driven approaches to favor micro and mid-tier creators due to their strong engagement-to-cost ratio. By collaborating with trusted voices in niche communities, brands can boost awareness, drive measurable results and foster long-term loyalty.

In 2025 so far, AP has fostered more than 4,000 creator partnerships with our clients, totaling more than 48,000 social posts that drove 2 billion impressions and 85 million engagements. AP brands working with influencers on a performance-based commission model saw a 132 percent year-over-year increase in traffic and a 66 percent year-over-year increase in conversions in the first half of the year.

As influencer marketing continues to evolve, the future will emphasize AI-powered pricing, performance-based incentives, and a heightened focus on authenticity and measurable outcomes.

CLIENT SUCCESS STORY

Saje Natural Wellness, a Canada-based provider of essential oils and natural skin care products, wanted to grow the brand in its home country and expand across the United States. The company was already using Acceleration Partners to manage its affiliate marketing strategy, and Saje leadership asked the agency in February 2023 to help scale up through the influencer channel.

The goals were to drive meaningful traffic and revenue while increasing awareness and sales in the U.S. The expansion elevated brand awareness and had a powerful halo effect on Saje's existing affiliate program. In the 12 months following the launch, the affiliate channel saw a 36 percent increase in clicks and a 31 percent boost in revenue, demonstrating the significant impact of integrating influencers into its broader marketing strategy.

+36%
Clicks

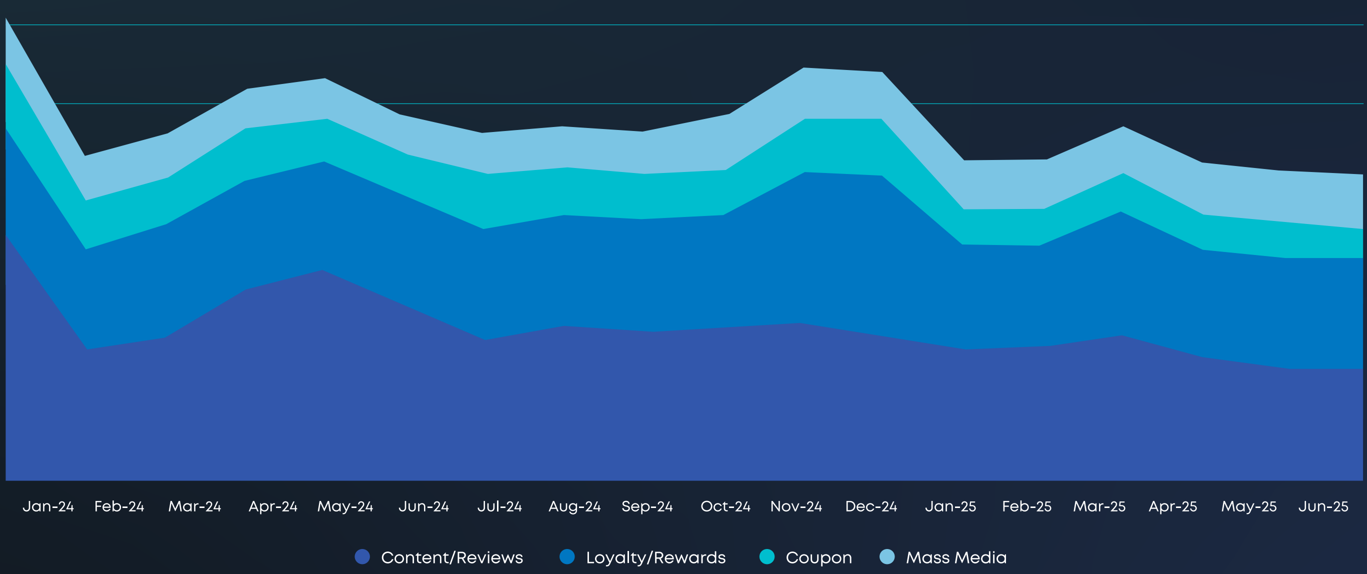
+35%
Revenue

THE AI FACTOR

Emerging AI technologies are rapidly reshaping the affiliate and influencer marketing landscape, changing how content is created, optimized and discovered across platforms. For example, OpenAI has introduced product recommendations into ChatGPT, which supplies users with relevant products when the tool identifies shopping interest or intent. And Google's AI Overviews have impacted organic website visits for both brands and publishers, especially for news and product review sites. Consumers no longer need to click website links within search results to get the information they need, causing organic website referrals to plummet. Many affiliate partners are seeing significant drops in organic traffic because these AI search summaries don't drive clicks, impacting their ability to monetize and stay invested in brands.

Across AP's portfolio, traffic has seen a general decline over the last 18 months among Content, Coupon, Loyalty/Rewards, and Mass Media partners —those most likely to be impacted by emerging AI search trends. Content and Coupon partners saw 30 percent and 33 percent year-over-year declines in traffic, respectively, between January and June 2025. In addition to AI-driven search summaries, ongoing Google algorithm updates can also affect publisher rankings and visibility. Both factors play a role in the traffic declines we're seeing, and Acceleration Partners continuously monitors these shifts to help ensure clients and partners can adapt strategies accordingly.

AP Portfolio - Monthly Traffic (Clicks)



AI offers powerful opportunities for brands to streamline partnership operations, optimize performance, and scale storytelling. The software is a tool, not a strategy, so it's most effective when paired with human creativity and trusted relationships. In our new click-free world, brands and marketers need to stay agile and creative when it comes to audience acquisition.

USING AI TO YOUR ADVANTAGE

- **Improve content formatting.** Collaborate with affiliate partners to optimize content formats (Q&A, lists, comparisons) to increase AI visibility (AEO/GEO), rather than relying solely on keywords.

- **Refine product data.** Prepare your product feed for AI environments, including rich metadata like price, availability, category, images, descriptions, reviews, shipping info. Structured data improves the chances your products are included in AI-generated shopping answers.

- **Implement tracking.** Add unique tracking codes to product links shared with publishers or early AI integrations (e.g., links embedded in a ChatGPT-generated list). These codes can help with monitoring traffic sources and basic partner attribution, even if affiliate tracking technology is still evolving.

- **Stay informed.** Keep abreast of emerging technologies and early-access testing. Subscribe to product updates from OpenAI, Google, Perplexity and others. Monitor affiliate platforms, competitors, and partners in the affiliate space to see how others are adapting.

HOW TO WIN THIS Q4

- [ ] **START EARLY**

With the holiday shopping season starting earlier, launch your campaigns and promotions in October to capture early shopper attention. Keep campaigns running through Thanksgiving and Cyber Five to maximize sales.

- [ ] **DIVERSIFY**

Diversifying partner types is essential to building a well-optimized affiliate program. While coupon and deal partners can drive volume, they often have low incrementality. Balance with content, loyalty, and tech-forward partners who can influence consumer decision-making, not just capture the sale.

- [ ] **BE BUDGET-CONSCIOUS**

With tighter consumer budgets expected, position your products and offers as affordable indulgences. Methods could include offering product bundles or flexible payment plans like BNPL.

- [ ] **LEVERAGE AI**

Since consumers are increasingly using AI for shopping inspiration and assistance, consider integrating AI tools. This integration could include AI-powered product recommendations, chatbots for customer support, or AI-generated content for promotions.

- [ ] **TARGET MOBILE SHOPPING**

Consumers will rely heavily on mobile and app-based shopping in Q4. Engaging with partners who specialize in mobile deals, holiday alerts and price tracking can help you reach shoppers in the moments they're ready to convert.

- [ ] **LEVERAGE INFLUENCERS**

Use influencer partners to generate authentic, evergreen content that can be repurposed across your owned and paid channels. Micro and mid-tier creators often offer strong engagement at a lower cost and may be open to hybrid compensation models (e.g., low flat fee + affiliate commission). These placements often support both upper- and lower-funnel performance.

- [ ] **GET CREATIVE**

Equip your partners with messaging that highlights cost savings, product longevity, bundles, or exclusive offers — especially if you can't heavily discount.

- [ ] **STAY AGILE**

Stay close to campaign data and publisher performance throughout the season. React quickly to what's working, whether that means shifting budget toward a standout creator or optimizing offers through your top affiliates.

INTERESTED IN LEARNING MORE ABOUT HOW YOU CAN STAND OUT THIS HOLIDAY SEASON?

Please reach out to us at

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