

With smartphones bringing the full functionality of the web to mobile, retailers and affiliate marketers are beginning to consider the channel as a viable way to boost their sales



A good deal

» Affiliate marketing has long been established as one of the most effective ways of driving sales online, with anticipated sales reaching £4.6bn last year, according to eConsultancy. Coupled with the proliferation of smartphones and the fact that 62% of their users have made a purchase via mobile within the last six months, according to Adobe, many signs seem to point to mobile affiliate marketing as the next big growth area.

It's a notion backed up by research from affiliate network Affiliate Window, which showed that affiliate traffic on its network from mobile devices more than doubled between November 2010 and February 2011, growing from 1.3% of total sales to 2.8% (see data, p34).

"It's a good opportunity because it's the future," says Yoni Sidi, head of UK marketing at bookmaker William Hill, which has been investing in mobile affiliate marketing for the last 18 months. But he admits there's still a learning curve. "The main difference between mobile and web affiliate activity is the age of the market, which makes the way we buy our traffic very different," he says. "We can't be as creative with our banners on mobile so we're

"A lot of advertisers don't have mobile sites, and until that changes we won't see much growth"

Nicky Iapino, R.O.Eye

restricted with our calls to action. We're still trying to get to grips with the traffic, so we're trying lots of different deals with a wide range of affiliates and media agencies." That said, results so far are encouraging. "We've found that the conversion and retention rates aren't too different from online and the potential is huge," Sidi adds.

In-store offers

One of the drivers of mobile affiliate activity has been the popularity of voucher sites in lean times. "There was a boom in cashback sites and voucher-code sites a couple of years ago, and the rise of smartphones makes it natural that this activity moves onto mobile," says David Vince, senior account manager at affiliate network Webgains.

Saj Bhojani, digital marketing manager at Halfords, which works with Affiliate Window, says the increase in mobile affiliates, such as Vouchercloud and VouChaCha, was one of the distinct opportunities the retailer identified in the mobile affiliate space. It has doubled its sales through online affiliates in the last 12 months and, having fine-tuned that channel, has now turned its attention to mobile affiliate marketing. "We ran a trial with VouChaCha in which we uploaded our offers to its app," says Bhojani. "They were proximity based, so if someone used the app within two or three miles of a Halfords store, our offer would appear."

Matt Swan, client strategist at Affiliate Window, says the network is currently seeing a lot of sales come through voucher code apps, and suggests the location-based services they offer is one of the big attractions. Doug Scott, MD of DiscountVouchers.co.uk, says location-based deals are one of the advantages that mobile



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quick facts

- 62% of smartphone users have made a purchase via mobile within the last six months
- Mobile traffic on Affiliate Window's network grew from 1.3% of total sales to 2.8% between November 2010 and February 2011
- Voucher sites, particularly those leveraging location-based technology, have helped to fuel mobile affiliate growth
- Only one in five of the UK's top 100 retailers have mobile sites
- Brands are slow to implement mobile affiliate tracking due to caution around third-party cookies and lack of an established industry platform

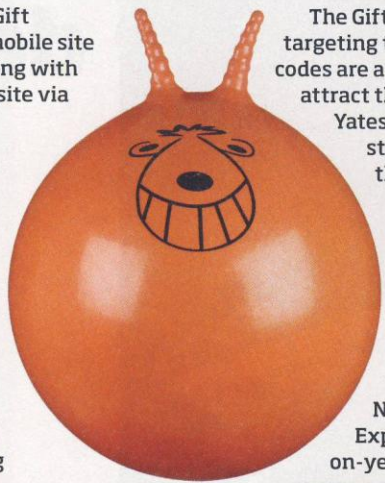
“A lot of people developed apps but then they don’t take you to a mobile site, so how do you get the customer to convert?”

Saj Bhojani, Halfords

case study The Gift Experience gives mobile revenue a bounce

Online gift company The Gift Experience launched its mobile site last year and began working with Webgains to promote the site via affiliate marketing.

It put QR codes at the centre of its activity, placing them on affiliate and other third-party sites (in print and online). People scanning the code with their mobile were taken directly to the Gift Experience mobile site, with some codes automatically applying a discount to their shopping basket. “It works with all smartphones. All you need is a barcode reader, which is free to download,” says the site’s online media manager Steve Yates.



The Gift Experience is chiefly targeting the younger market. “QR codes are a bit gimmicky, so they attract that sort of market,” says Yates. “It makes a change from standard affiliate marketing through voucher sites, banners or display. We’re doing something a bit different that will get people thinking even if they have no intention of buying a gift.”

Since the mobile site launched in early November 2010, The Gift Experience has seen a year-on-year increase in mobile revenue of 1,211%, while the affiliate promotion has seen a monthly increase in traffic to its mobile site of 23.7% and an increase in revenue of 15.5%.

launched a basic mobile site in 2007 and followed up with a more sophisticated version in December 2010, allowing people to book appointments. “In January last year about 4% of our traffic was coming via mobile devices; now it’s 17%,” says Chris Smith, online marketing manager at Autoglass. It began working with performance marketing agency Found in October 2010. The agency has built mobile landing pages for Autoglass, complementing the brand’s campaign by acting as a brand protection partner – for example, picking up mobile search clicks which could otherwise be leaked to competitors. “It’s bidding on the long-tail keywords as well so we’re picking up traffic. It’s helping us get in front of a larger audience,” says Smith.

Found’s pages sit two places below Autoglass’s official ads to avoid cannibalising traffic, and the agency’s proprietary in-house software automatically spots whenever its pages are out of position. “This way we’re always sitting below the official ads and acting as a buffer to absorb leakage to competitors,” says Tina Judic, MD of Found. Smith adds that conversions are good.

Track and trace

The complexity of the search journey creates a particular challenge for mobile affiliate marketing. “Some networks are good at implementing tracking on mobile, some less so,” says Judic. “People might search for something at work and convert at home, and you can’t correlate who won that customer or whether it was a direct visit.”

Neil Sampson, head of new business at digital marketing specialist DC Storm, which provides mobile affiliate tracking technology, says there’s a lack of understanding about multi-channel marketing in general. “If the buying cycle begins on a mobile device and ends in store or through a PC, there needs to be a way to measure that and of joining one channel to another. That way advertisers can pay their mobile affiliates on a CPA rate rather than on a more risky CPC or cost-per-search model.”

Swan says Affiliate Window is encouraging merchants to implement mobile tracking technology, but it’s a slow process due in part to concerns about use of third-party cookies. (These can be read by other domains, but Affiliate Window uses first-party cookies in its tracking.)

Halfords built mobile tracking into its site as part of the fundamental setup, but Bhojani agrees the general inertia to implement this has been down to a misplaced caution around how it would work. “No one had done it before. The networks hadn’t, Affiliate Window hadn’t. Ours was a first,” he says. “We’re the first client of Affiliate Window that has implemented mobile affiliate tagging, but the technology works in the same way as it does on the desktop. The nervousness was a lack of understanding.”

Once confidence in tracking has grown, R.O.Eye’s Iapino predicts huge growth in the mobile affiliate space. She says the agency has two clients currently investing in mobile, and estimates it’s about 10% of these companies’ overall affiliate activity. “I can see it being the majority by this time next year, that’s how rapid the growth is.” ●

SCOTT “If you link GPS with vouchers, then you can walk someone around a shopping trip”



affiliate marketing has over its online counterpart. “If you link GPS with vouchers, then you can walk someone around a shopping trip, taking them from John Lewis to M&S by the power of discounts,” he says.

Sites of interest

While Halfords is working with affiliate apps, it has also invested in developing its own mobile site to convert mobile traffic into sales. Just before Christmas the retailer upgraded its site, allowing customers to check out using a credit card. “We’re really pleased we created a mobile site rather than an app, because it enables us to offer customers a great experience across any hardware they choose to visit on,” says Bhojani. “We’re seeing significant growth in traffic and sales through the mobile channel, with it accounting for 10% of all traffic to our sites.”

But Halfords is in a minority. A survey by One Iota of the UK’s top 100 retailers in January found that only one in five has a mobile-optimised version of its website, with many brands relying on affiliate apps or branded apps for their mobile presence. “A lot of people developed apps but then they don’t take you to a mobile site, so how do you get the customer to convert?” asks Bhojani. “If you haven’t built a mobile site the user experience will be really poor.”

Nicky Iapino, MD of affiliate management agency R.O.Eye, says, “A lot of advertisers don’t have mobile sites, and until that changes we won’t see much growth. There are affiliates with mobile apps but most of their offers are driven online or in-store. There’s a way to go.”

Autoglass is one company that’s thinking ahead. It