

MagentoLive

UK | 2014

Affiliates: The Newest Ally in The Quest for Omnichannel Presence



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Network

Agenda

- About eBay Enterprise Affiliate Network
- Busting Affiliate Misconceptions
- Our View: What's Next in Affiliate Marketing & How to Solve for It
- Open Discussion

eBay Enterprise Affiliate Network

ebay
enterprise[™]

MARKETING SOLUTIONS
AFFILIATE NETWORK

Technology Foundation

- Advanced Product Feed
- Store Builder
- Advertiser & Publisher API's
- Ad Serving
- Customized Commissions
- Relationship Management
- Communication Tools
- Reporting Tools with 1000's of Data Points
- Scalable Tracking Levels

eBay Enterprise Affiliate Network

15+

YEARS AFFILIATE
EXPERIENCE

200,000+

PUBLISHER SITES

65+

IR 500 BRANDS

5 YEARS

AVERAGE TENURE OF
EMPLOYEES

7

NEW PRODUCTS TO MARKET IN
PAST 12 MONTHS

85MM

TRANSACTIONS
PROCESSED IN 2013

4000+

PROGRAMS LAUNCHED
IN 4 YEARS

150

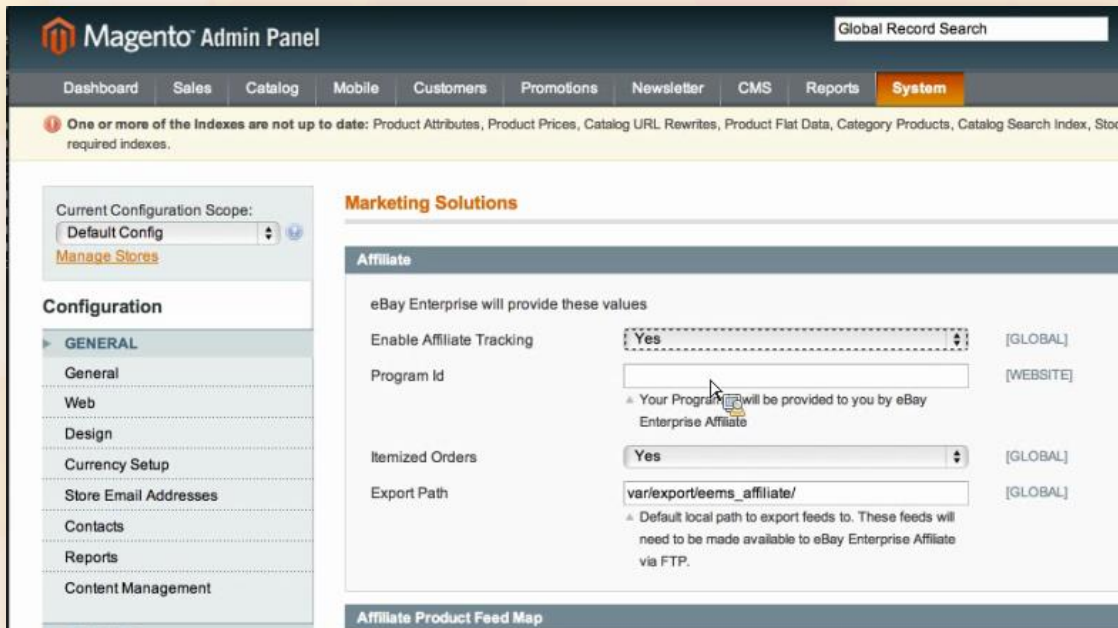
PROGRAMS MIGRATED
IN 2 YEARS

12:1

AVERAGE ROI
NETWORK WIDE

In Partnership with Magento

Launching an affiliate marketing program has never been easier. With the eBay Enterprise Affiliate Extension, you can start driving traffic and revenue right now.



The extension empowers merchants with:

- Automated integration and on-boarding
- Easy-to-use tracking integration
- Ability to track and record affiliate sales and conversions
- Flexible configuration
- Product feed export automated nightly in eBay Enterprise Affiliate format
- Correction feed automated nightly in eBay Enterprise Affiliate format

THE OMNI-CHANNEL CONSUMER

The changing rules of commerce



91% of consumers have their mobile phone within reach 24/7*

The Journey is Multi-Device

79%

of purchases made
on a traditional
device



40%

of consumers
switched between
device types to
browse for the same
item



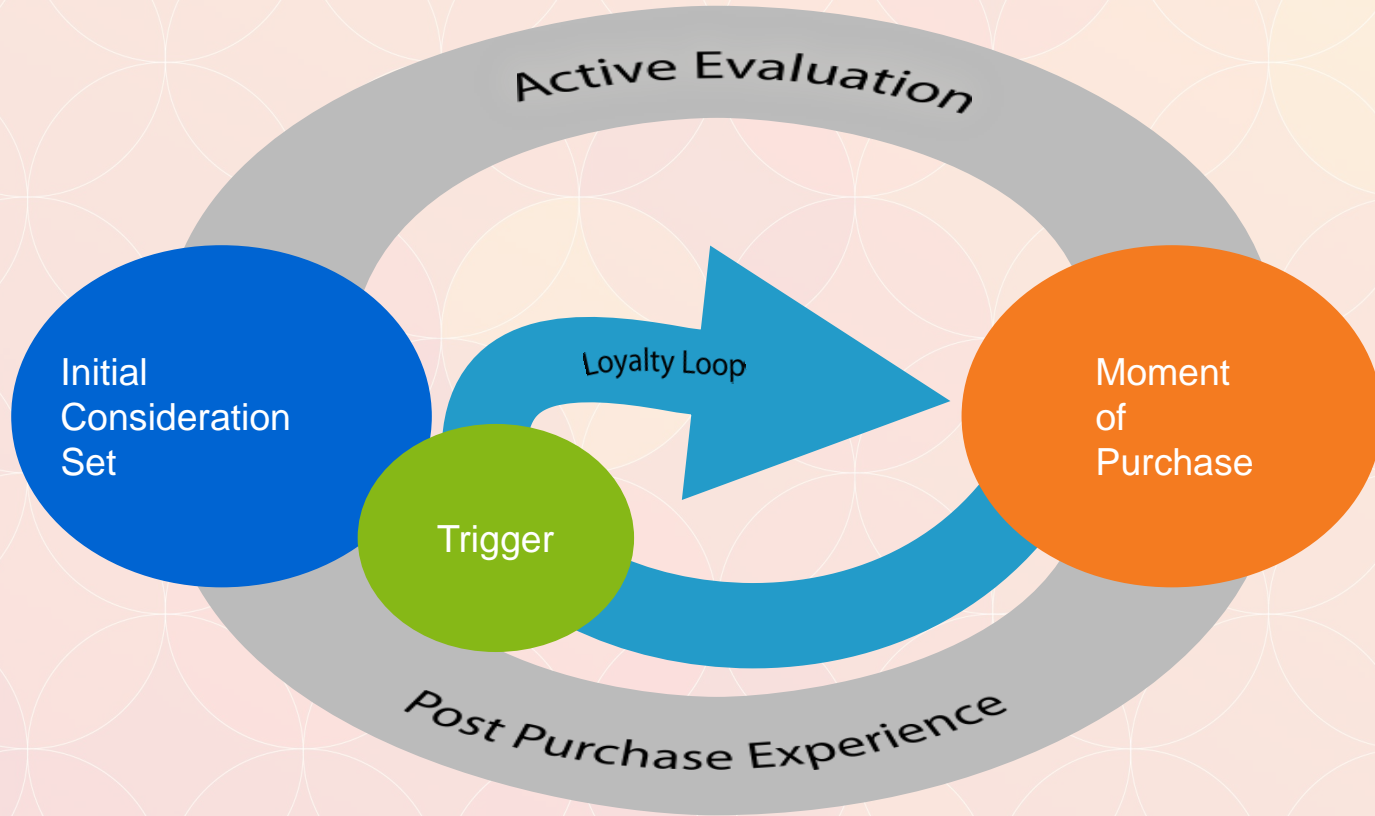
53%

of consumers used
their smartphone in
the home to browse



Source: "Multi-device Ownership: Implications For Retailers and Consumers." eBay Enterprise. November, 2013.

Consumers Expect More from Retailers



Multiple Channels Generate More Value



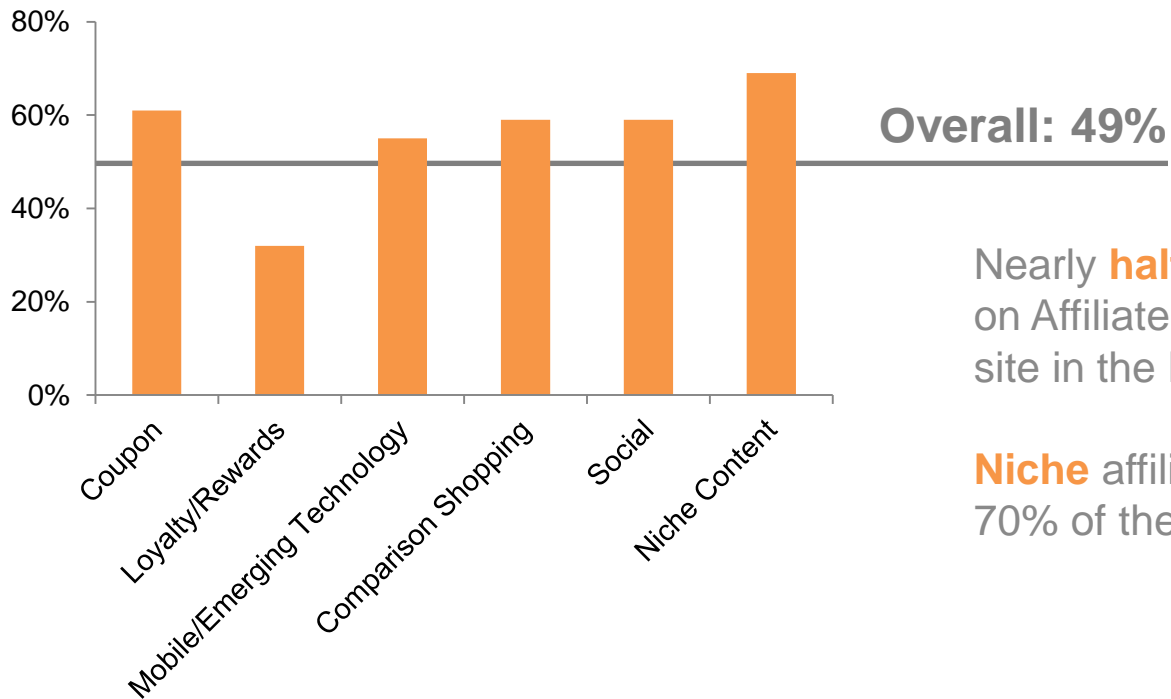
AFFILIATE MISCONCEPTIONS

Affiliate Misconceptions

- No incrementality
- Affiliate sales have lower AOV's.
- Why pay for sales I would have gotten anyway?
- Affiliates hijack sales from other channels
- Affiliate Traffic is lower quality

Affiliates Drive New Customers

New Customer Rate by Publisher Type

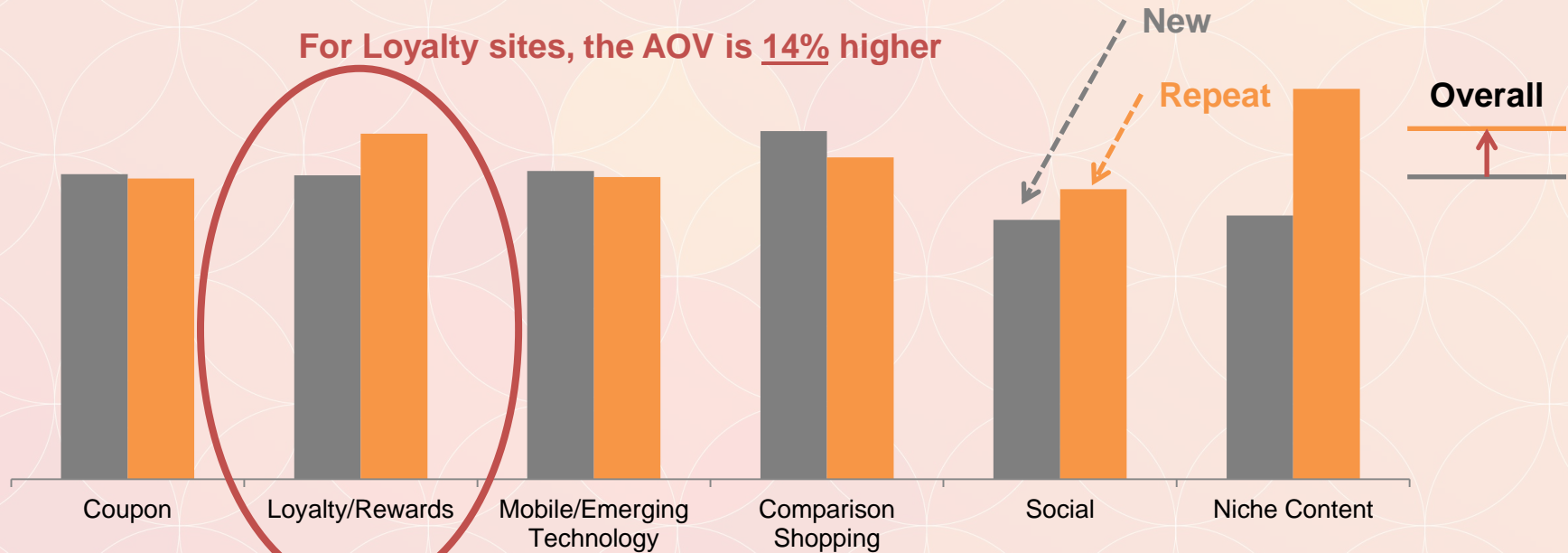


Nearly **half** of all customers who closed on Affiliate are **New** (no purchase on site in the last 24 months).

Niche affiliates converting were **New** 70% of the time.

Customers That Repeat Are Valuable

Across all affiliates, **AOV for a repeat customer was 7% higher** than that of someone New



Affiliate AOV is Higher

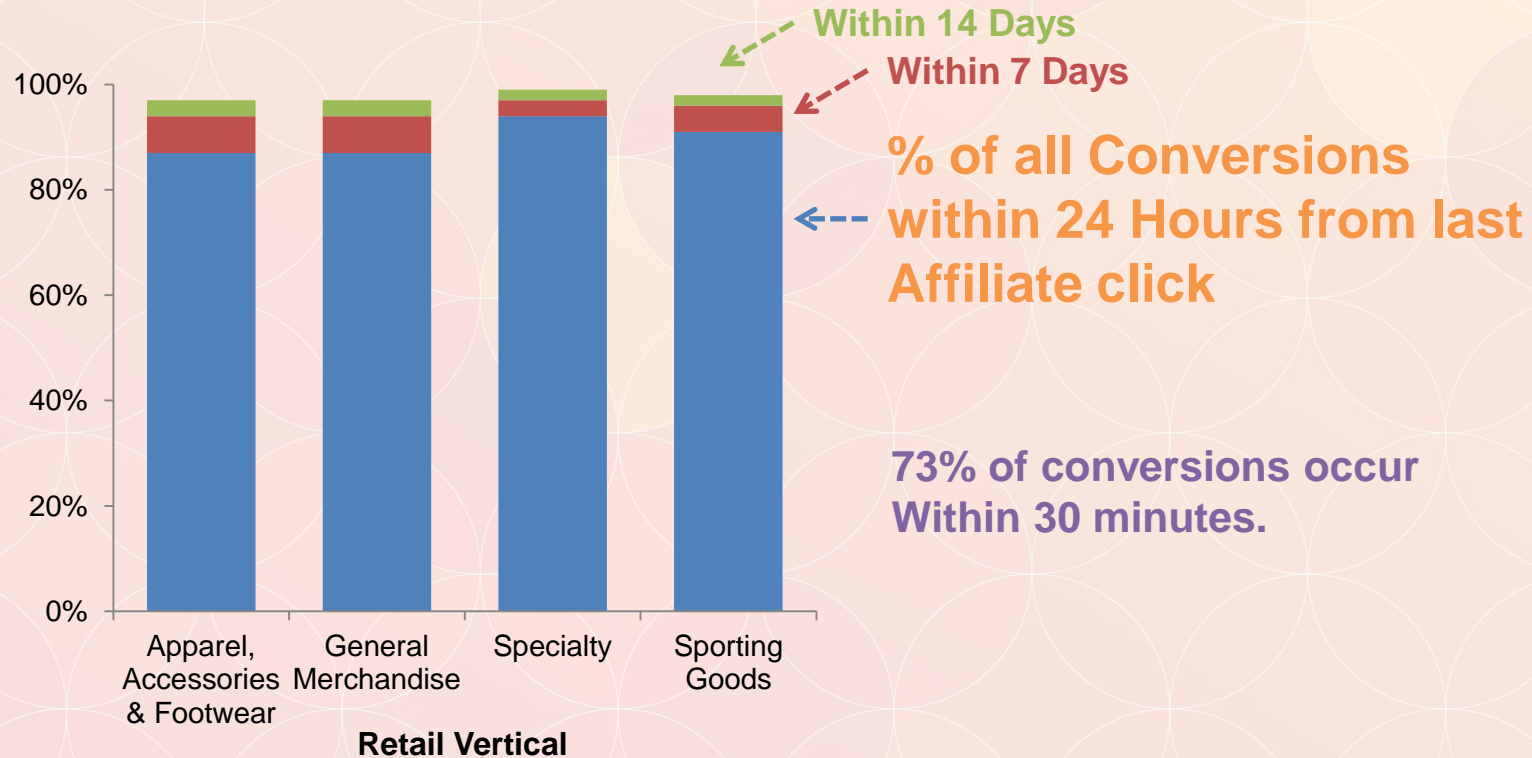
- When affiliates introduce the path, AOV jumps to **\$114** (*up from \$94 site average*)
- This number is similar on average when they serve as an influencer, but increases significantly when more than one affiliate is seen.

| | Orders | Revenue | AOV |
|---|--------------|---------------------|---------------|
| Where Affiliates Introduced | 7,296 | \$ 828,636 | \$ 114 |
| Where Affiliates Influenced | 21,113 | \$ 2,382,292 | \$ 113 |
| <i>where affiliates influenced (1 time)</i> | <i>9,730</i> | <i>\$ 1,046,547</i> | <i>\$ 108</i> |
| <i>where affiliates influenced (2 times)</i> | <i>4,729</i> | <i>\$ 532,350</i> | <i>\$ 113</i> |
| <i>where affiliates influenced (3+ times)</i> | <i>6,654</i> | <i>\$ 803,395</i> | <i>\$ 121</i> |



AOV
increases
with
Frequency of
Influences

Affiliates Convert Fast



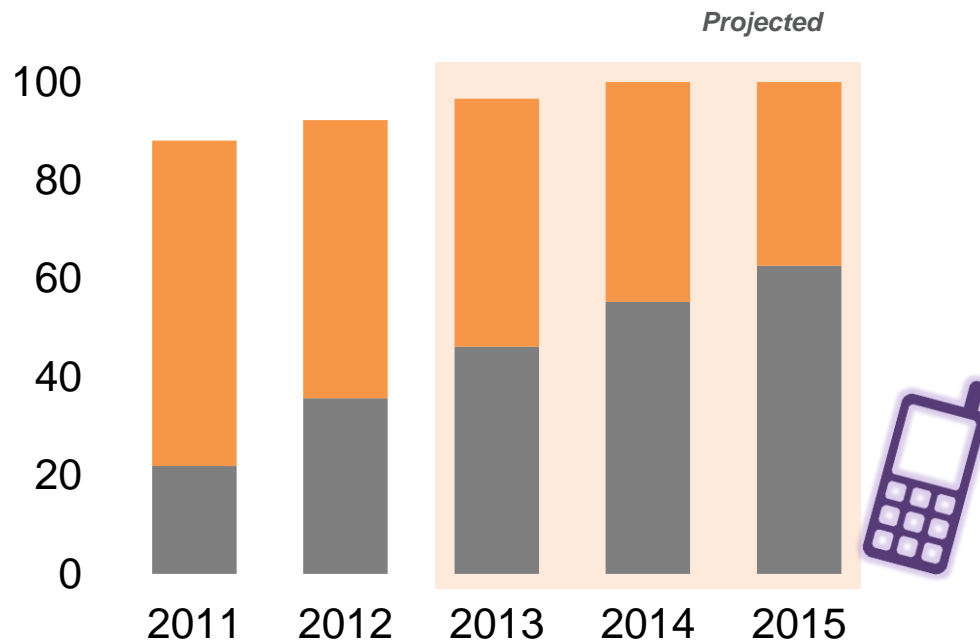
WHAT'S NEXT IN AFFILIATE

What's Next in Affiliate Marketing

- A Shift Towards Mobile
- The Rise of Content
- Dynamic Commissioning Rules
- Social Commerce via Peer to Peer Sharing

Nearly 100MM Use Coupons

Adult Digital Coupon Users (Millions)



The number of users couponing with **mobile** devices will increase 20% in 2014. (After even bigger growth in 2013.)

Source: eMarketer, "Digital Coupons, Mobile Give Cheapskates Staying Power" April 2013.

App Install & In-App Purchase Tracking

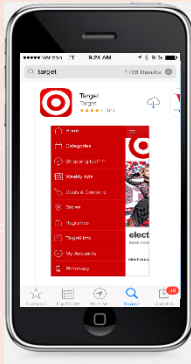
Commission publishers on App Installs and In-App purchases

Commission Event #1

Commission Event #2



Shop via
Publisher App
for Target



If Retailer App not
installed, directed to
iOS/Android store
to download



Consumer makes
in App Purchase



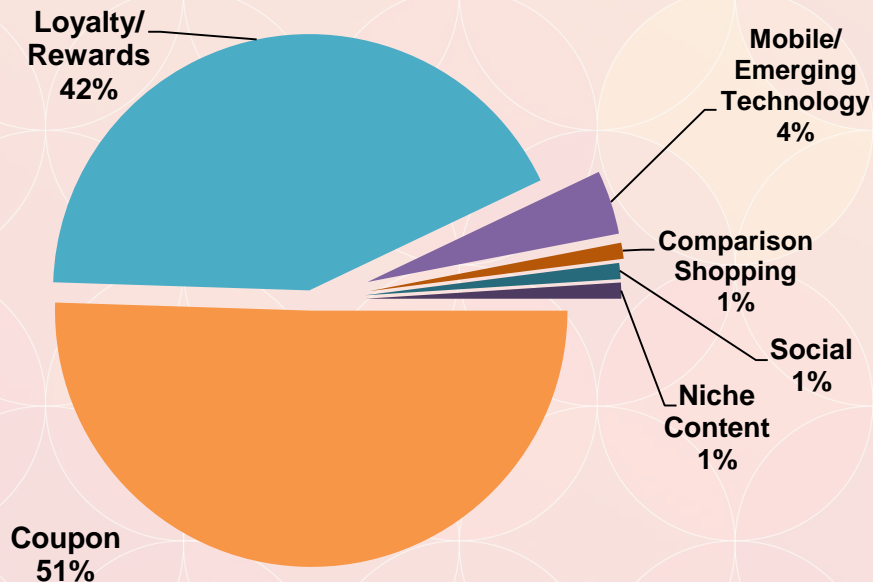
Available on the
App Store

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Coupon & Loyalty Drive Demand

Demand Contribution, Q3 2013



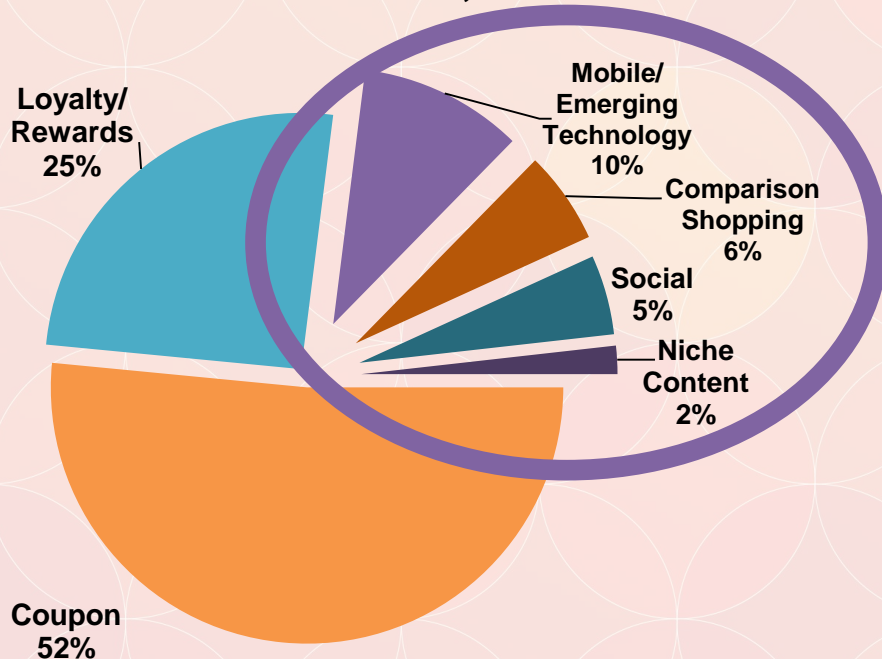
Affiliate marketing spend is projected to reach \$4.4bn by 2016.*

For retail e-commerce affiliate programs, Loyalty/Rewards and Coupon sites remain the majority of the business.

Affiliates who capture 7% of that spend are growing faster than market.

But Others Influence Traffic

Traffic Contribution, Q3 2013



Loyalty sites pull more than their weight in demand with less traffic because of high conversion rates

The smaller categories which currently drive 7% of demand are driving **24%** of traffic, and may have the most room to mature and grow.

Social Commerce on the Rise

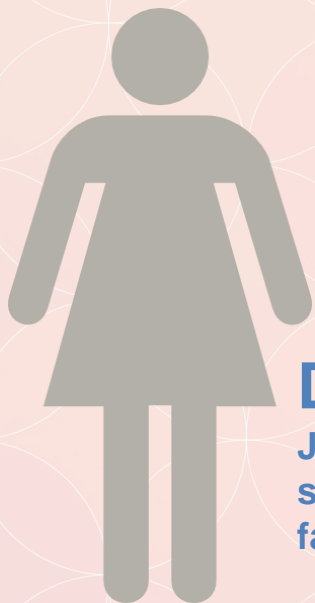
Social commerce brings social media, content and curation into the online buying experience

By 2015, companies will generate **50% of web sales** via social presence and mobile applications

**\$30
Billion**

2015 projected market potential
for social commerce brands

Multi-Action Commissioning



Dana

Just found a new store via her favorite affiliate

Compensation Today

\$100 Purchase
x 5% Commission

\$5 Payout



Compensation Tomorrow

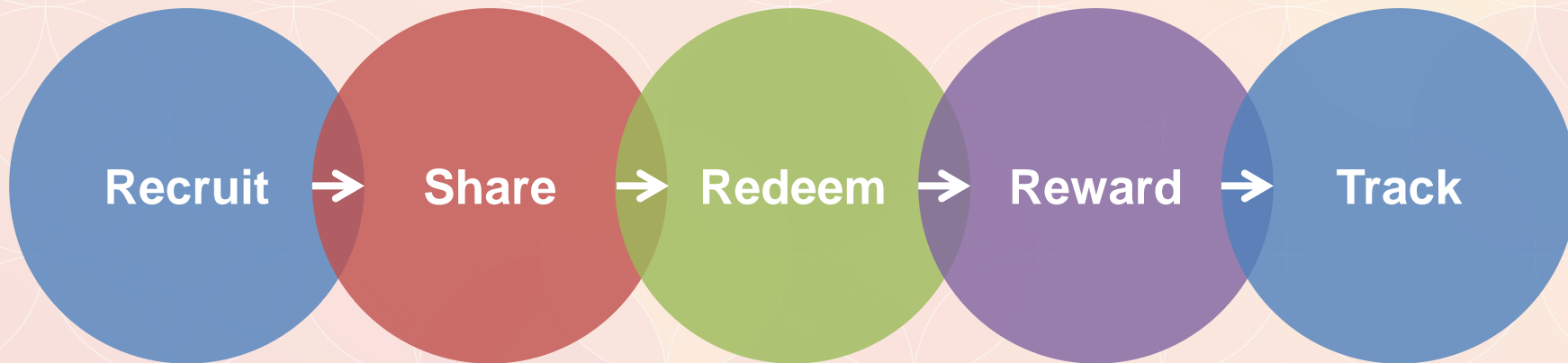
\$100 Purchase
x 4% Commission

\$4 Payout Subtotal

+ \$1 Per New Customer
+ \$1 Per Mobile Purchase

\$6 Payout

Turn Friends into Affiliates



Invite your existing advocates to spread news in exchange for rewards

Your advocates share offers/ products with their friends and family via Social, E-mail

Friends and family can redeem offers when they buy products online or in-store via web code, printable coupon or mobile bar code

Your Advocates earn rewards from every "friends & family" sale made

Track advocate's activity and gain valuable insights into your program's social landscape

Thank You

Contact: michaejones@ebay.com

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