



# PARTNERSHIPS:

## THE RETAIL IMPERATIVE TO REACH MODERN CONSUMERS

A Power Retail Consumer Research Report, Commissioned by impact.com



# INTRODUCTION

The evolution of the retail industry naturally means that consumers have evolved as well. The purchase journey is no longer a linear one. Brands and retailers looking to stand out need to ensure they understand exactly how buying behaviour has shifted. Where does discovery occur now? How do shoppers search for products? Which forms of marketing and advertising do they trust?

Power Retail and impact.com surveyed more than 1,000 online shoppers to answer these very questions, giving brands and retailers real-time consumer insights to understand exactly how the landscape is changing and strategise accordingly.

It would come as no surprise that traditional advertising such as print media is becoming less effective with consumers. This means that brands and retailers need to get more creative. The partnerships channel (including affiliates, influencers, content publishers or even other businesses) is fast becoming a way to speak directly to shoppers. But not all digital modes of marketing are created equal and understanding how shoppers are engaging online is crucial.

This report takes a deep dive into discoverability, advertising, recommendations, influencers, content creators and more, to understand which channels are effective, trusted by shoppers and get results.

## METHODOLOGY:

Data for this report was sourced in May 2022 from 1041 randomly selected Australian online shoppers.



## SHOPPER FREQUENCY

Consumers are shopping online more now than ever before. Almost half (48%) of all survey respondents are shopping online at least once a week, with 8% of those actually shopping every day.

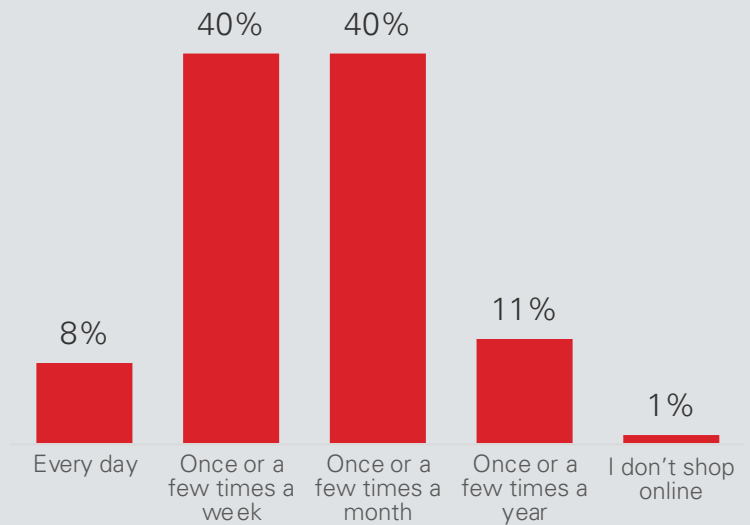
39% say that they shop once or a few times a month, which is a similar percentage to those who shop once or a few times per week (40%).

Essentially, it's clear that online shopping has become a regular part of consumer behaviour.

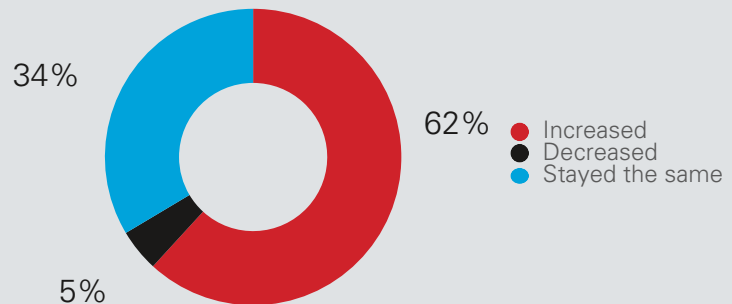
In the last 12 months, the vast majority of consumers have increased how often they purchase online.

This shows that while the pandemic initially pushed people online, the long-term impact is that shoppers are continuing to purchase online more frequently, even once lockdowns and restrictions have ended.

### How frequently do you shop online?



### In the past 12 months, has your frequency of online shopping:

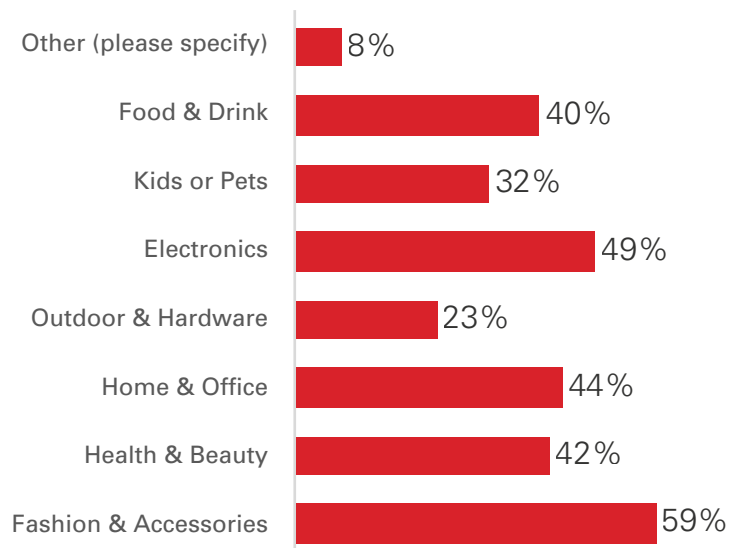


So, which categories are shoppers purchasing more frequently online?

The majority (59%) say they are purchasing Fashion products online now more often. Electronics comes in second place at 49%. We know that Fashion and Electronics are the top two categories for online shopping generally (meaning shoppers have been comfortable purchasing fashion and electronics for some time), and this shows that there has been a boost.

It does seem that the pandemic has increased purchase behaviour for categories such as Home & Office (44% purchasing more frequently here), Health & Beauty (42%) and Food & Drink (40%) which makes sense given more time spent at home in the last two years. Shoppers who may have originally shopped online in these categories due to need are now doing so simply because they want to.

### If your online shopping has increased, which category of products do you now purchase online more frequently?



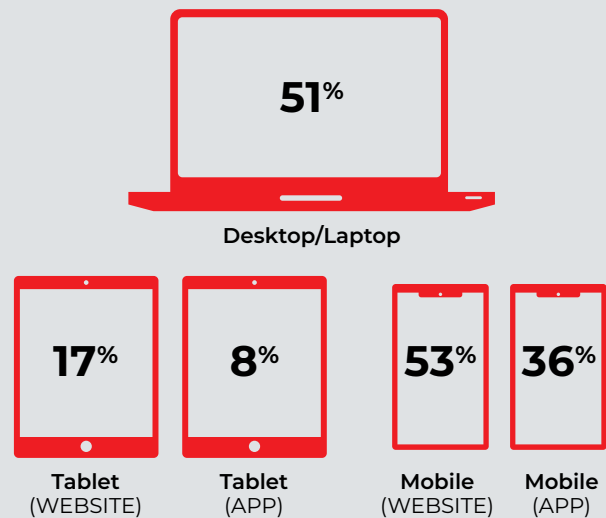
## DEVICE PREFERENCE

Mobile-friendly websites should be a huge part of every retailer's strategy. The majority (53%) say they usually use their phones when shopping online via a website. It wasn't that long ago (relatively speaking) that Mobile commerce came onto the scene, and yet now it is clearly the norm when it comes to shopping online.

Desktop or laptop shopping is still high, at 51%. While mobile app usage is strong (36%) consumers do seem more likely to shop via a mobile website.

Tablets such as iPads are far less likely to be used when shopping online whether it's via a website (17%) or app (8%).

What device do you usually use when shopping online?



## DISCOVERABILITY

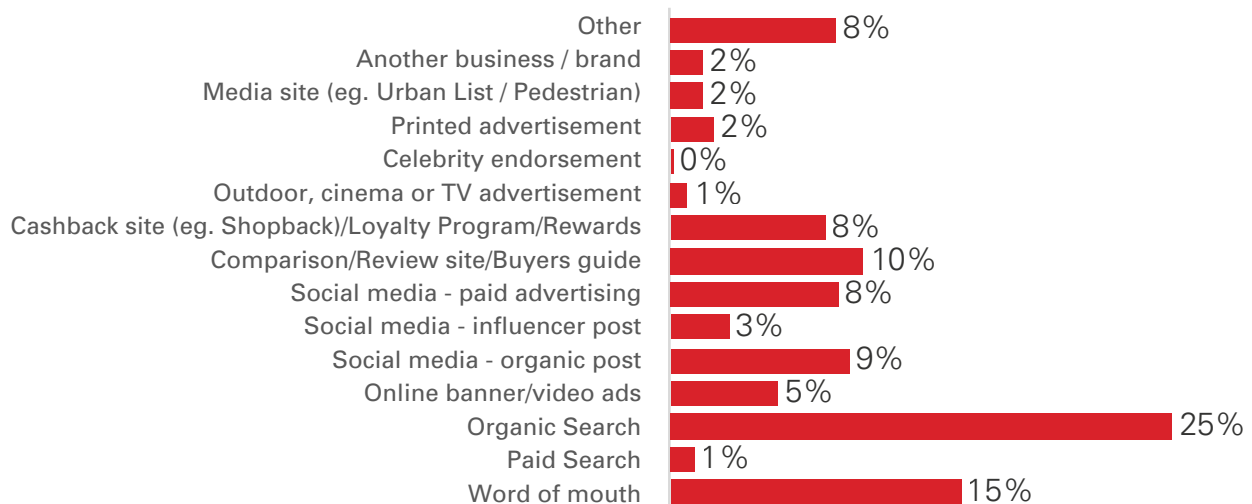
How do retailers and brands find cut through?

Organic search is still the most effective. A quarter of respondents said the last item they purchased from a brand or retailer they had not purchased from before was found via organic search. It's worth noting however that while paid search was only 1%, a proportion of respondents may not recognise paid search results, and may instead assume that it was the first result shown in their Google search, for example.

In the next top spot? Word of mouth at 15%. When it comes to customer acquisition, giving your current customers an amazing UX is extremely effective. They'll tell their friends, family and work colleagues about you.

Review sites, social media (both organic and paid) and cashback sites account for 8% - 10% of last purchases made from a new brand or retailer. Notably, five of the top six channels for discoverability are not paid advertising, showing how much trust matters in building brands.

Thinking about the last item you purchased from a brand or retailer you have not purchased from before, how did you hear about that item?



## DISCOVERABILITY

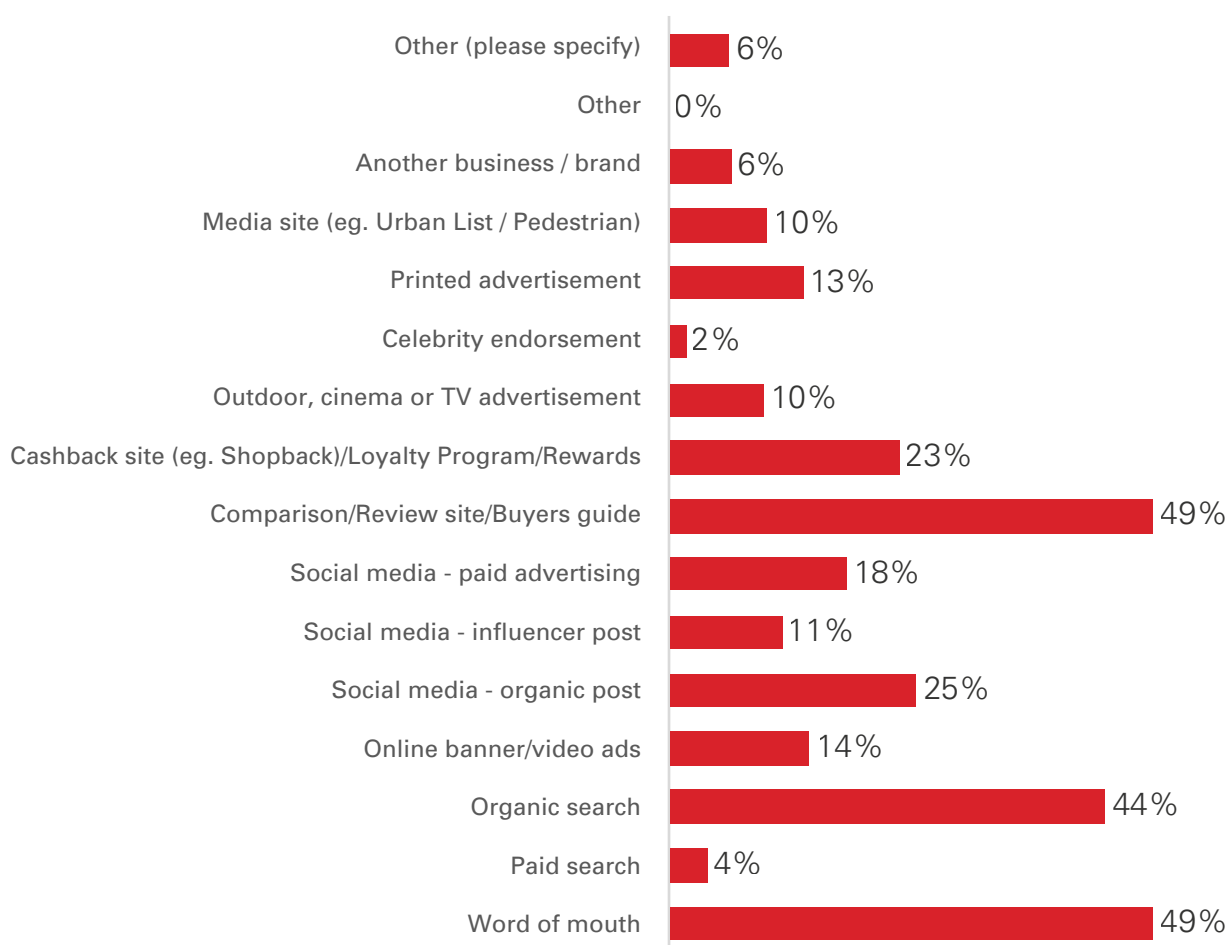
When we asked respondents which channels they use for general research or inspiration, we see a similar pattern. Word of mouth is number one (48%) with almost half of all consumers saying this is how they discover brands. An equal number (48%) say that comparison and review sites provide inspiration when shopping online. Essentially, give your customers every reason to talk about you behind your back!

Again, we see the strength of organic search here when customers are online looking to research their purchases.

A quarter (25%) of online shoppers also say social media (organic posts) are a way they engage with brands and retailers when it comes to discoverability, with a similar percentage (23%) saying cashback sites and loyalty programs serve a similar purpose.

Once again, note that the top five channels are not paid advertising. These are also far ahead of traditional media like TV advertising (9%) and even paid search (4%).

Which of the following do you use for research / inspiration / discovering brands when shopping online (Tick all that apply):

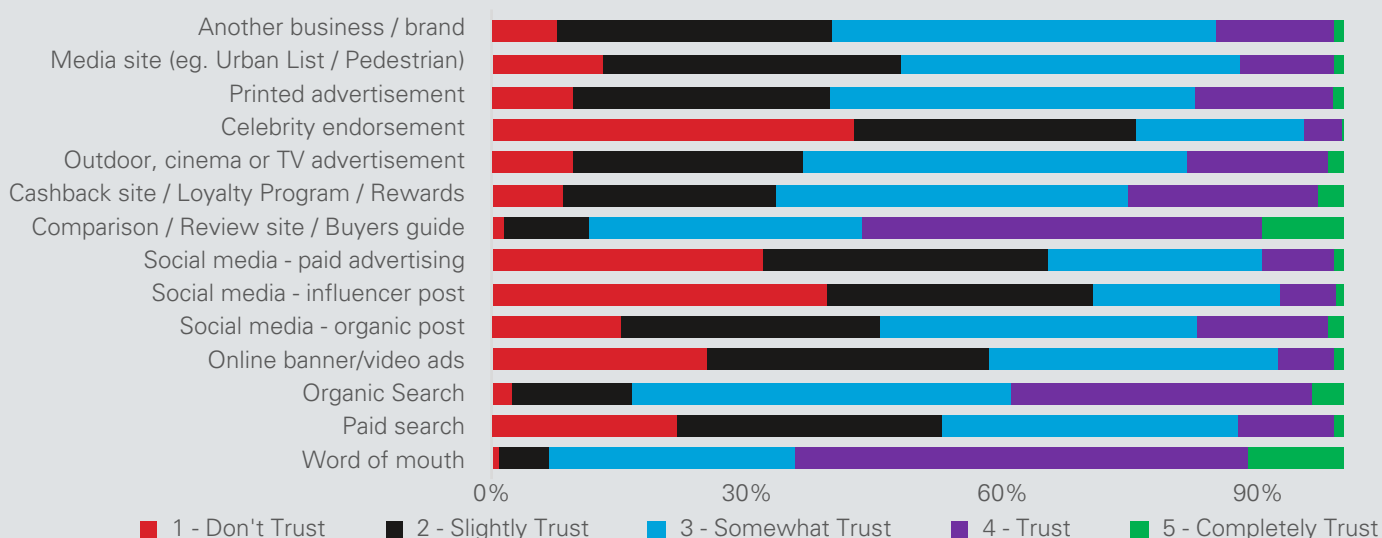


## DISCOVERABILITY

When it comes to methods of product discovery, things like banner ads, paid search and social media advertising are ranked as less trustworthy and therefore less likely to guide purchase decisions.

Comparison review sites, cashback and another business / brand are seen as more trustworthy and more likely to guide purchase decisions.

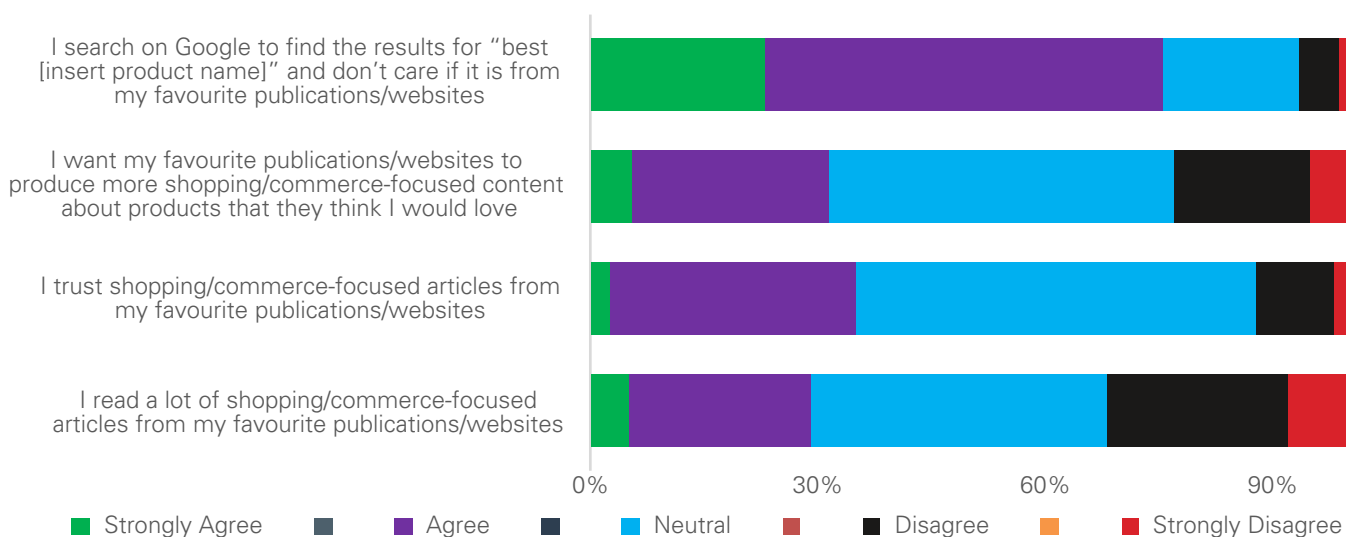
On a scale of 1-5, how much trust would you put into the following methods of product discovery in guiding your purchasing decisions:



31% of survey respondents agree or strongly agree that they would like their favourite publications or websites to produce more shopping-focused content about products they might love.

More than a third (34%) agree or strongly agree that they trust these kinds of articles.

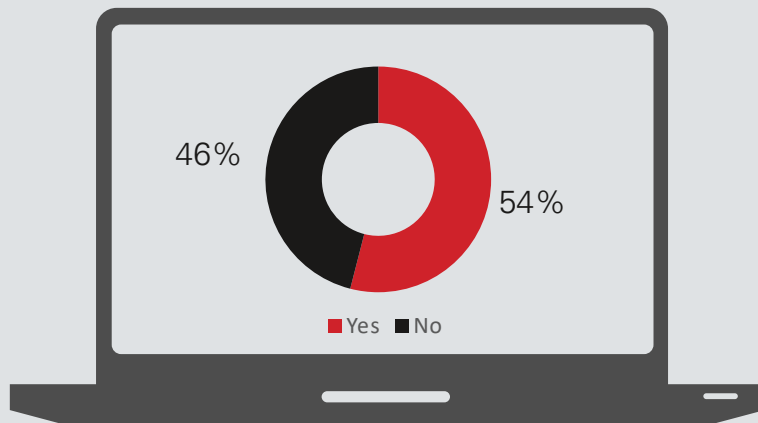
How much do you agree or disagree with the following statements



## ADVERTISING

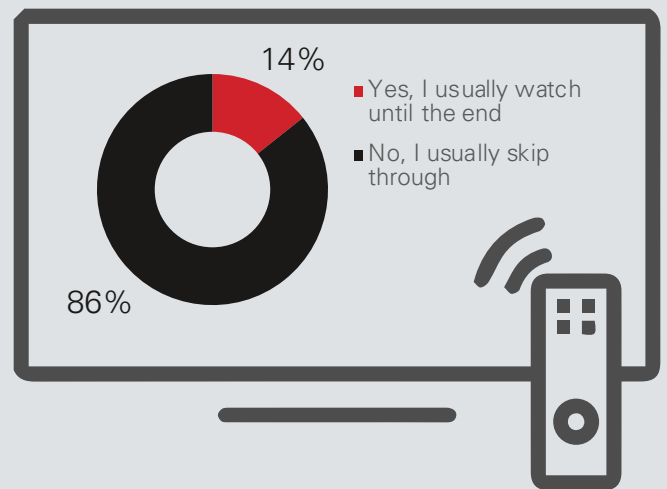
Do banner ads work? Yes, but not by an overwhelming margin. Just 54% say that they have clicked on a banner ad and then purchased a product. This is perhaps surprising, given some of the data to come in this survey.

Have you ever clicked on a banner ad on a website and then purchased the advertised product?



What is not surprising is that online shoppers don't watch video ads, with an overwhelming majority (86%) saying they skip through. When given the option to skip, consumers aren't going to sit and watch online ads. Their fingers are poised and ready to skip.

Do you usually watch complete video ads?

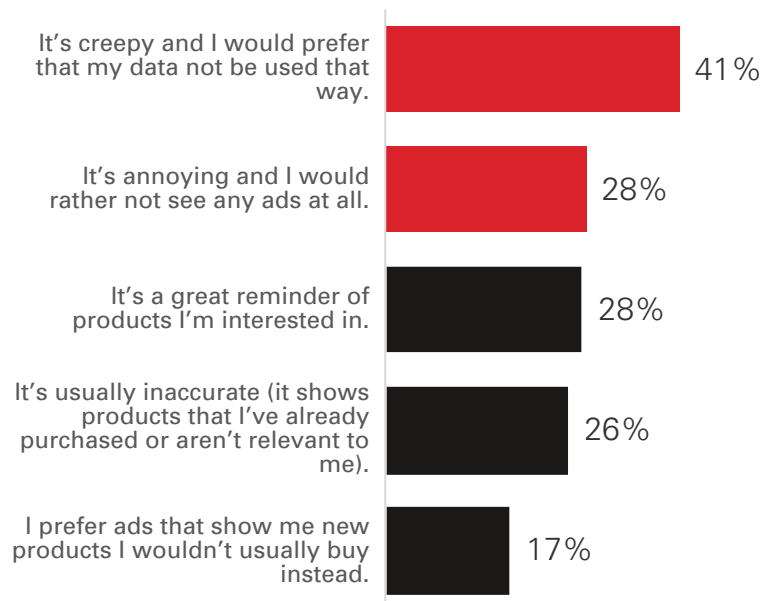


The majority has spoken: personalised advertising is creepy (41%) and annoying (28%) and those consumers say they would rather their data not be used in that way and / or that they would rather not see any ads at all.

Over a quarter (26%) also say that those 'personalised' ads are actually inaccurate.

Only 27% say that personalised ads are a great reminder of products they are interested in. When an almost identical proportion say personalised ads are annoying (28%) it's probably time to reevaluate!

### How do you feel about online advertisements that personalise content based on your previous browsing behaviour?



## ADVERTISING

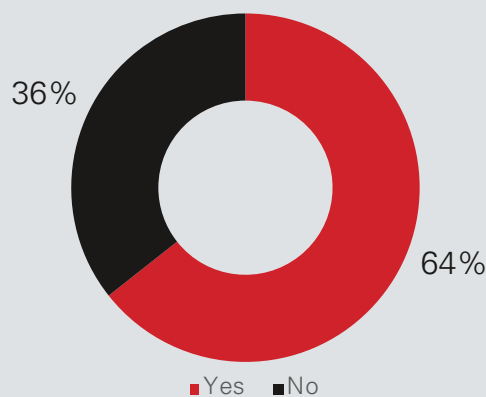
It's clear that advertising strategies can easily backfire. A massive 64% say that they have actually been discouraged from making a purchasing online by advertising. Given we know the annoying / creepy factor is strong based on the results above, it's no surprise advertising can be off-putting for shoppers.

Do you use pop-up advertising? Does your strategy actually get in the way of purchase behaviour by disrupting a seamless shopping experience?

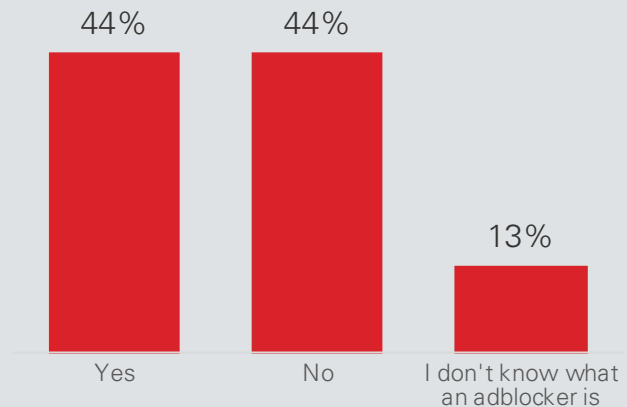
If your advertising strategy borders on intrusive rather than helpful, it's time to reconsider, because it's clearly impacting conversions.

Interestingly, a large percentage of consumers actually use ad blockers (44%). That an almost identical percentage use an adblocker as those who do not (43%) shows just how common they are. If ads are a large part of your strategy, this is your wake up call.

### Has online advertising ever discouraged you from making a purchase online?



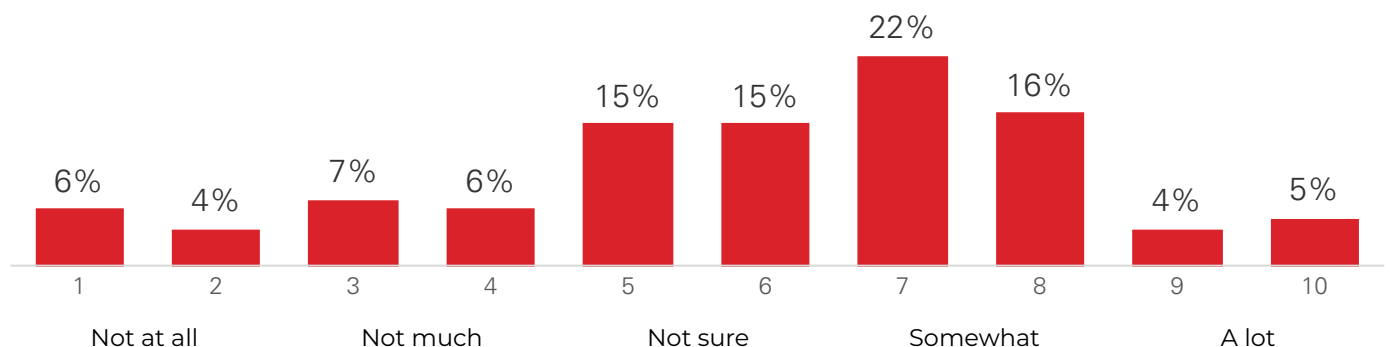
### Do you use an adblocker?



Only 9% of survey respondents say that advertisements influence purchase decisions a lot. This is in comparison to the 23% who say that their purchasing decisions are not impacted at all or not much, 38% who say they are influenced "somewhat," and the 30% who aren't sure / are neutral in terms of the impact of advertising. Advertising still has some power, but not as much as it's held in the past.

It should also be noted that this accounts for respondents who are aware that advertising impacts purchase behaviour. In many cases, advertising does work on a more subliminal level or may have a longer term impact on purchasing decisions that shoppers may not be immediately aware of.

### On a scale of 1-10, how much do you feel advertisements generally influence your purchasing decisions?





## INFLUENCERS

In the last month, the majority (~58%) say they have made a purchase that can be directly attributed to an influencer.

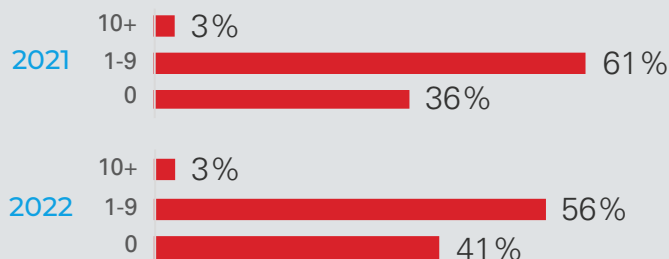
Almost a third of respondents (30%) have made 3 or more purchases because of an influencer in this period. 28% of those surveyed said they made one to two purchases that can be attributed to an influencer.

This purchase behaviour shows the effectiveness of influencer partnerships for brands looking to branch out from advertising.

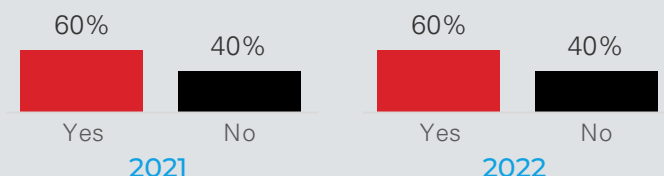
A number which has remained completely unchanged year-on-year is that 60% of those surveyed want influencers to help them find a bargain.

We know that shoppers look to influencers or content creators for recommendations and advice, and another element of this is specifically bargain shopping related.

### How many of your purchases made in the last month can be directly attributed to influencers?



### Do you want influencers to help you find a bargain?

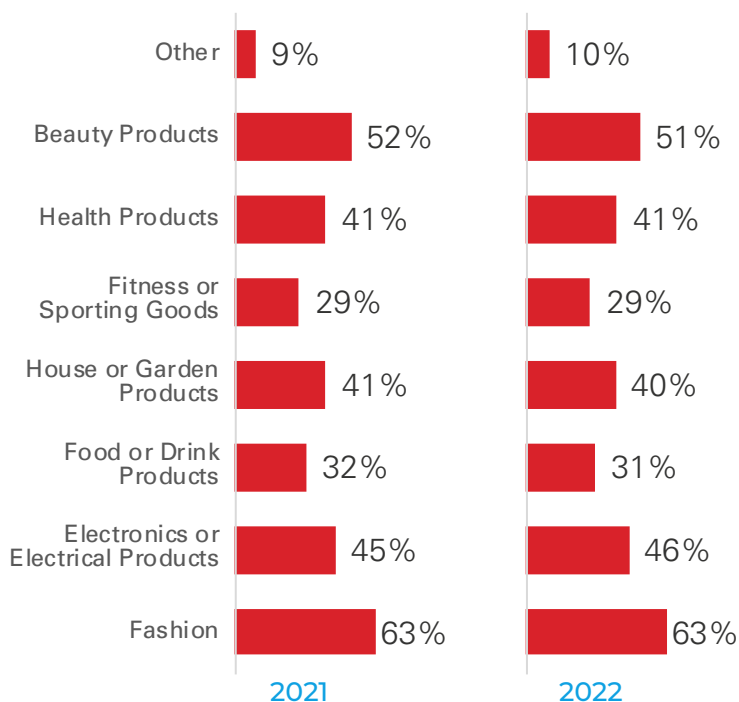


The most popular category for influencers is Fashion (63%). This isn't a surprise, given the visual nature of social media platforms and the potential of trends, like fashion hauls, to engage shoppers.

Similarly, beauty products are popular, with 52% saying this is the category they like to learn about from influencers. Content like makeup tutorials lends itself perfectly to influencer content.

The general trends for what shoppers want to see from influencers have remained steady. The only exception is Fitness & Sporting Goods and Food & Drinks Products, which switched positions, now 29% and 32% respectively.

### What product categories do you like influencers sharing information on?



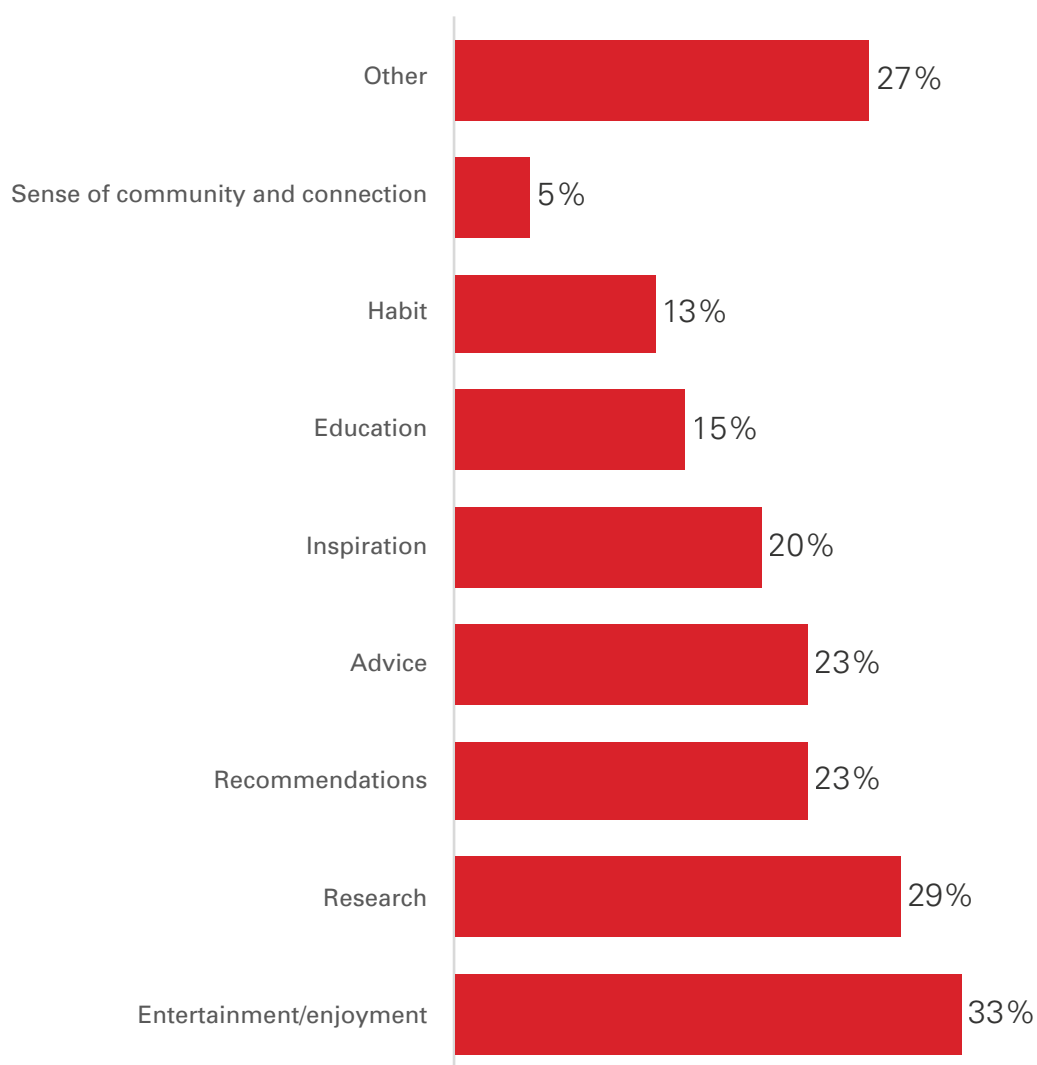
Source: Power Retail Switched On Trajectory Report #44

## CONTENT CREATORS

A third of all shoppers surveyed said they look to content creators such as bloggers, podcasters, influencers and YouTubers purely for enjoyment or entertainment. The next most popular reason for engaging with content is for research purposes (29%), with recommendations (23%) and advice (23%) also ranking highly. This means that shoppers are actively choosing to head to influencers because they trust what they have to say and actively engage with content creators for research and recommendations.

Again, this is something that brands and retailers should be aware of. Of course it's vital to ensure that the influencer / content creator audience and your target market match up so that there is an authentic recommendation here. To protect the level of trust between influencer and their audience, brands must identify products that interest the influencer's particular audience.

### Why do you look at content from creators (such as influencers, podcaster, YouTubers, Blogger etc)?



## BRAND RECOMMENDATIONS

While 40% are indifferent to brands recommending another brand, the next most popular position (20%) is that consumers appreciate the recommendation, with 17% saying this is how they discover brands.

In fact, 48% answered in the affirmative, far more than the 13% who felt negatively towards brands recommending other brands.

Whether it's a collaboration or a natural recommendation (for example a clothes brand recommending an accessories brand), there is value here for shoppers.

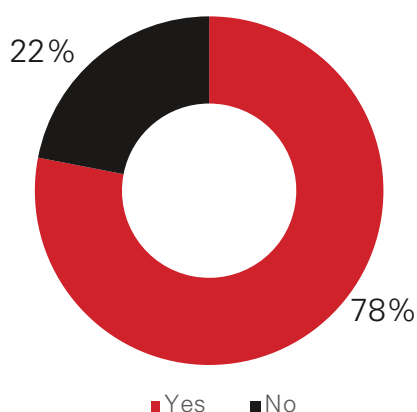
Do you like seeing one brand recommending another brand (eg. a clothes brand recommending an accessories brand)?



## COMPARISON SITES

Comparison and review sites have proven quite popular with consumers. A massive 78% say that have made a purchase because the product was recommended on a review site. Again, this speaks to how trust is more powerful than paid advertising. For consumers, comparison sites almost fit into that 'word of mouth' category.

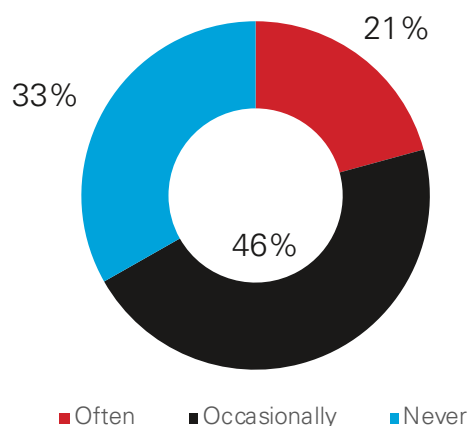
Have you ever bought something because it was recommended by a product review/ comparison site?



## CASHBACK & LOYALTY PROGRAMS

Cashback or loyalty websites also seem quite popular, with 67% using them occasionally or often. A third of survey respondents say that they have never used a cashback-type website to make a purchase.

How regularly do you use cashback/ loyalty websites eg. Shopback?



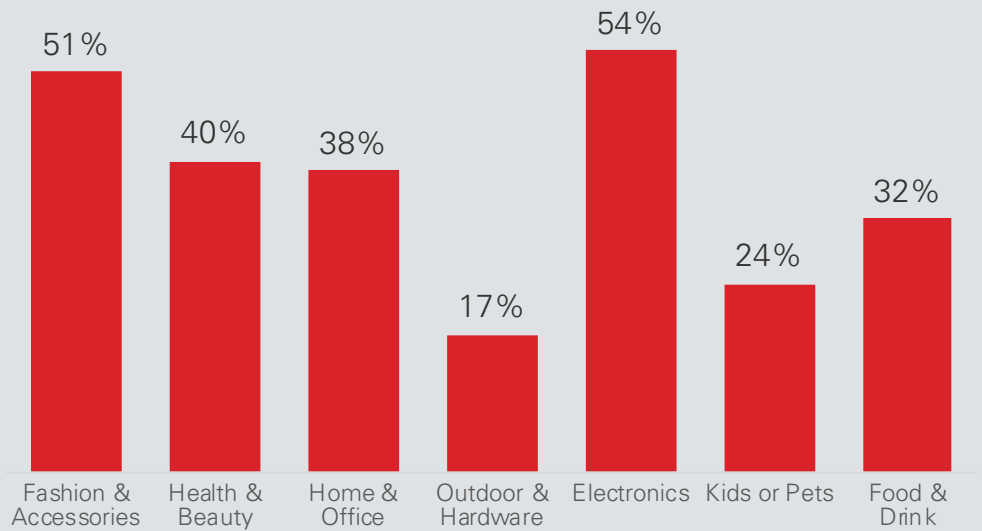
## CASHBACK & LOYALTY PROGRAMS

Given that two-thirds of respondents use these sites, which categories are most popular when using cashback or loyalty websites?

Electronics and Fashion dominates (54% and 51% respectively) which is not a surprise given they are generally the most popular categories for online shopping.

However, Health & Beauty as well as Home & Office rank quite highly here as well.

What category of items do you usually purchase via cashback/loyalty websites?



## RESEARCH

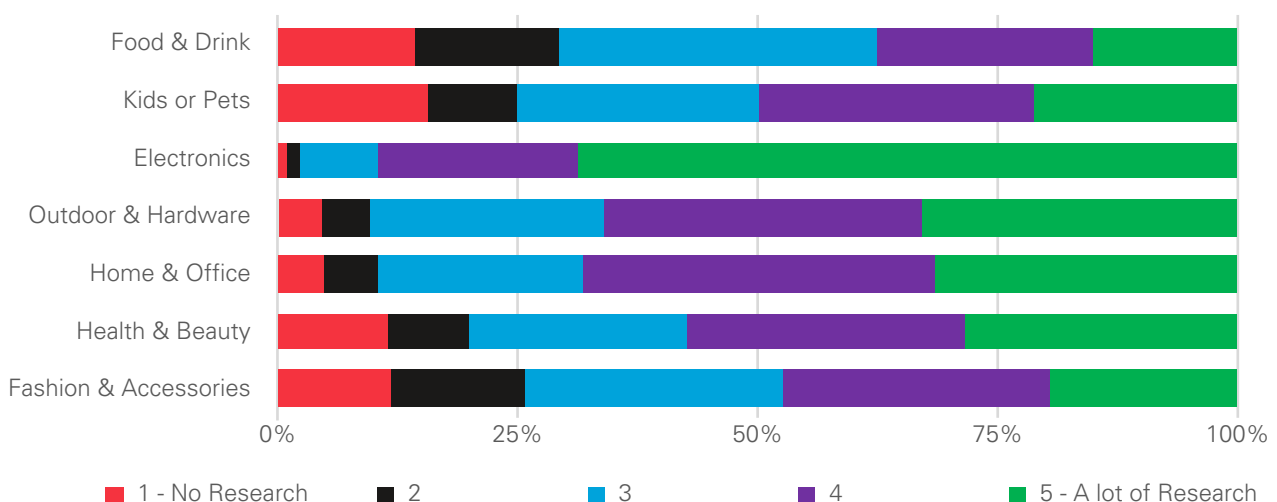
Which categories do consumers research prior to purchase?

Electronics is the category that most shoppers say they research heavily (90% saying they research some to a lot).

Health & Beauty, Home & Office and Outdoor & Hardware also rank highly when it comes to research, which makes sense given consumers want to understand whether a BBQ is right for them, whether a couch will fit in that corner, or whether that shampoo works on their hair type.

This is where elements like product reviews and comparison sites are vital.

On a scale of 1 to 5, how much research do you do before purchasing products from the following categories?



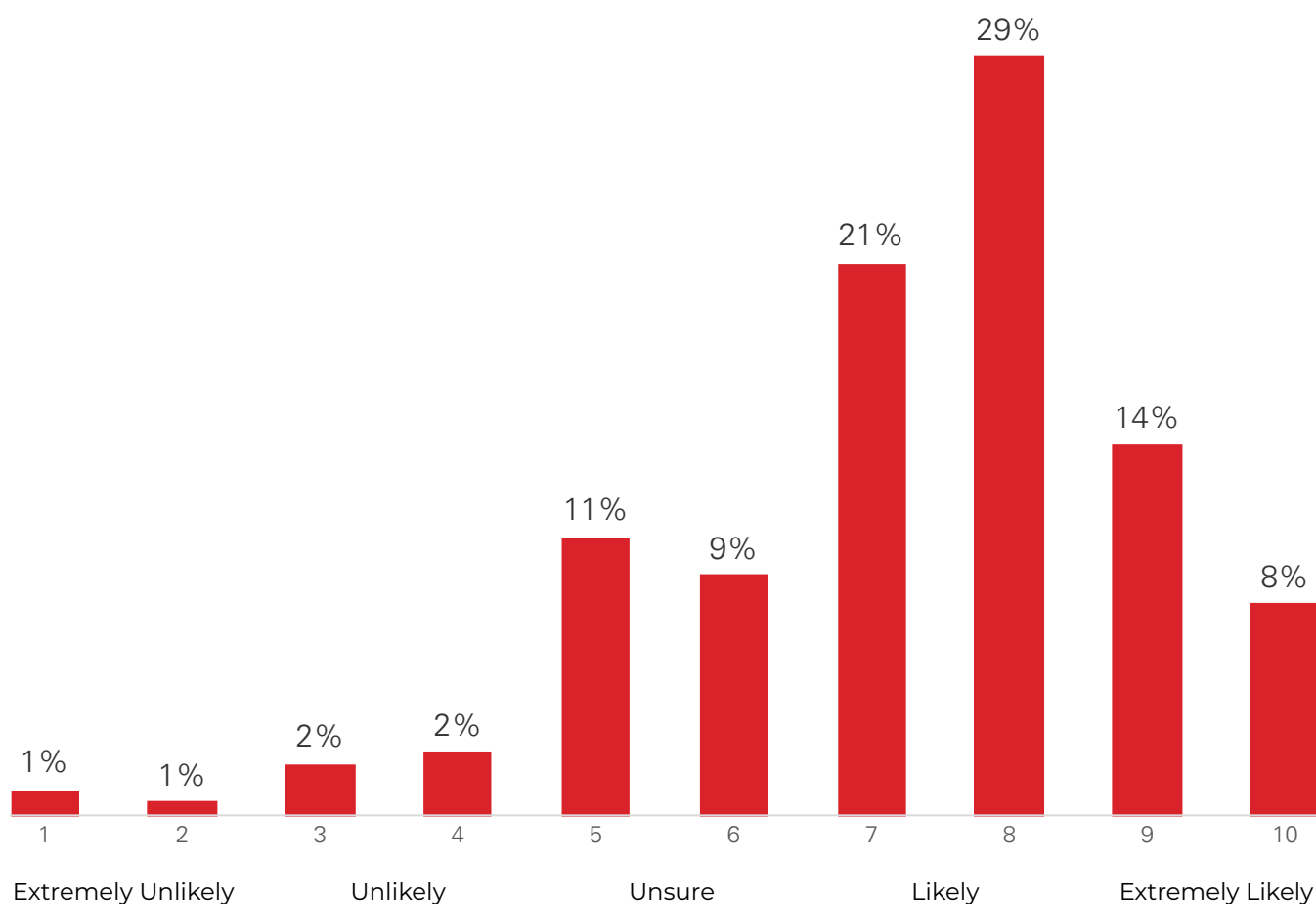
## RECOMMENDATIONS

Almost three quarters of respondents (73%) said they would be likely or extremely likely to buy a product or service that was recommended to them by a person, business or media source that they trusted. Only the tiny minority say they wouldn't be influenced in this way (6%) or are not sure (20%).

We know the power of word-of-mouth and can see this extends to other channels such as businesses or media sources. The key here is trustworthiness, and having a product recommended versus being 'sold to'.

Consumers want real and tangible recommendations and reviews, and are likely to purchase when they get the information they need, whether the source of that information is a business, person or media source.

On a scale of 1-10, how likely are you to buy a product or service that was recommended by a person, business or media source that you trusted?





# KEY TAKEAWAYS:

While there are many takeaways for brands and retailers, one thing that stands out is that the old modes of reaching consumers will no longer cut it. Shoppers are heading online (and staying online) like never before, which is both an opportunity and a challenge for retailers, because the competition has never been higher.

- Almost half (48%) of all survey respondents are shopping online at least once a week.
- Almost half of all shoppers (48%) say they head to comparison / review sites for research / inspiration / discovering brands when shopping online.
- 86% say they skip through video ads.
- Personalised ad content is largely seen as “creepy” or “annoying.”
- A massive 64% say that they have actually been discouraged from making a purchase online by advertising.
- In the last month, the majority (~58%) say they have made a purchase that can be directly attributed to an influencer.
- A massive 78% say that have made a purchase because it was recommended on a product review site.

Partnerships are creating unique opportunities for brands and retailers to reach shoppers. The case studies below show exactly how e-commerce leaders Booktopia and LVLV innovated, optimised and achieved real, tangible results.

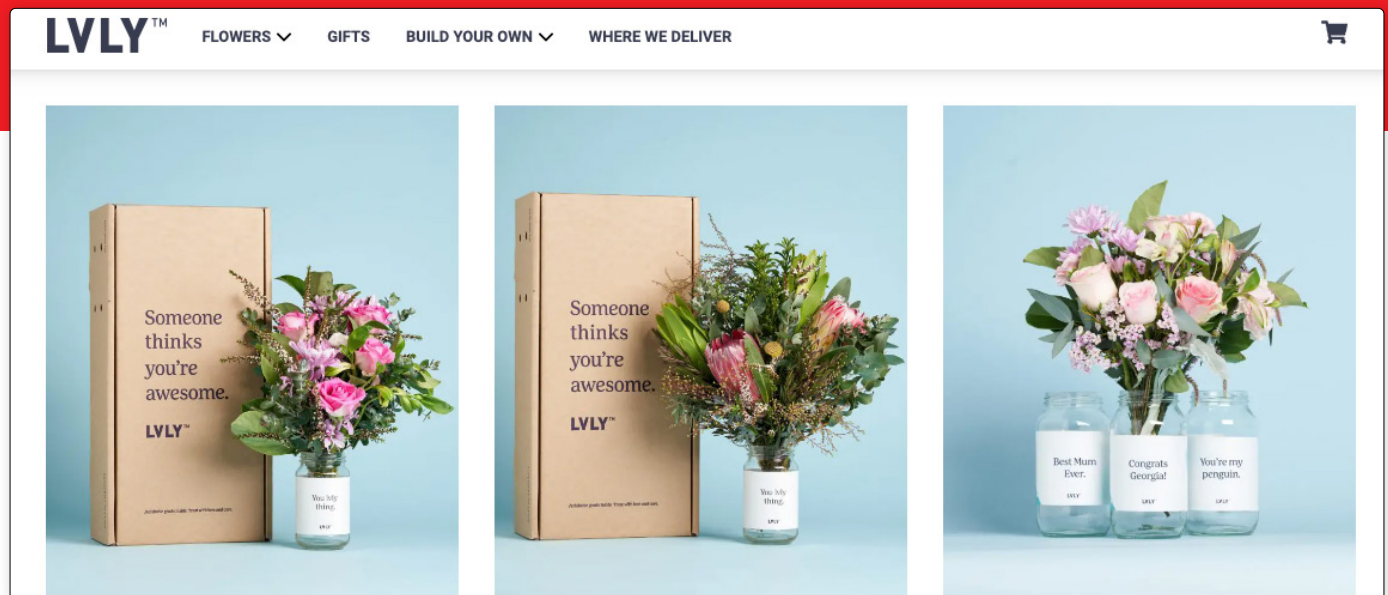
## CASE STUDY:

# LVLY X IMPACT.COM

### THE SITUATION:

As a newcomer to the established Australian floral category, LVLY needed to set itself apart. Product innovation and an incredible same-day delivery, seven-days-a-week offering helped the company make a big splash. But LVLY wanted to reach more customers in more locations to achieve its growth goals. Enter partnerships. LVLY understood that a partnership was essential to increased repeat purchase rates and customer loyalty throughout both seasonal peaks and always-on campaigns. The team also wanted to

maintain a diverse partnerships portfolio, with a mix of partners that could maximise reach and engage customers at more touchpoints along the purchase journey. Knowing there is no one-size-fits-all approach to partnerships, LVLY needed a way to individually work with and use each partner's unique talents to optimise growth opportunities, reach a broader audience, and expand revenue. That either required a massive hiring spree or some great tools.



### THE SOLUTION:

The biggest challenge for the LVLY team was to track links, clicks, and conversions at scale in a centralised, efficient way. Tasks were much easier to manage once LVLY deployed impact.com, giving the team more time to pursue its affiliate marketing strategy. Before using the impact.com platform, the team had no structured way to manage publishers, customise reports, or optimise conversions. Managing it all felt overwhelming. The team found the impact.com dashboard simple to use and could easily track growth by comparing performance against previous years. The impact.com platform also made it easy to manage a diverse array of partnership types, with options to customise and individualise contracts and terms. LVLY could now pursue diverse partners, optimise each relationship, and automate many time-consuming tasks. LVLY's favourite impact.com feature? The impact.com team, which introduced LVLY to new publishers, helped foster new relationships, and provided advice and guidance.

### THE RESULTS:

From 2020 to 2021, LVLY:



Increased the number of partners in its program by **80 percent**



Grew partnerships revenue from \$1.25 to **\$2.85 million**



Achieved more than **1,000 percent average yearly partnerships** channel return on investment

## CASE STUDY:

# BOOKTOPIA X IMPACT.COM

### THE SITUATION:

Affiliate partnerships were already a high-performing customer acquisition channel for leading Australian bookseller Booktopia when the team decided to experiment with more innovative partnership types. Booktopia's overall partnership strategy is to enable more meaningful connections with new and existing customers, so a more diversified partner portfolio would give the brand the opportunity to connect with book-loving communities at scale.

Booktopia had built an established network of partners after their successful first year on the impact.com platform which freed up the team's time to work on creative new partner relationships and incentives. The brand is now focusing on recruiting more influencers and ambassadors to develop highly engaging content that will help build greater advocacy for Booktopia and reach a wider cross-section of consumers.

The screenshot displays the Booktopia website interface. At the top, a green navigation bar includes links for 'Help Centre', 'Track My Order', a phone number '1300 187 187', and a 'Like 131K' button. The main header features the Booktopia logo, a search bar with the placeholder 'SEARCH TITLE, AUTHOR OR ISBN', and a 'BOOKS' dropdown menu. Below the header, a horizontal menu lists various categories: FICTION, NON-FICTION, CHILDREN, AUSTRALIAN STORIES, EDUCATION, TEXTBOOK FINDER, ACADEMIC, BARGAINS, and GIFT CERTIFICATES. The main content area is divided into several sections: a large banner for 'SAVE ON UNI TEXTBOOKS' with a 'SHOP NOW' button; a 'TOP 100' section with a 'Save 25%' offer; a 'BOOK OF THE MONTH JULY' section featuring 'GIRL, FORGOTTEN' by Karin Slaughter; a row of book covers including 'GIRL, FORGOTTEN', 'PIG', 'HOT DOG', 'Queen Menopause', 'BLADE BREAKER', and 'STYLE'; a 'Trending In Books' section with covers for '537 DAYS OF WINTER', 'WOLF GIRL', 'THE BLOOD TRAITOR', 'DERVLA MCHERNAN', and 'SOCCEROOS'; and a 'Bestselling Books' section listing 'The Family Meal Solution', 'The Complete Summer I Turned Pretty Trilogy', 'Dirt Town', and 'Girl, Forgotten'.

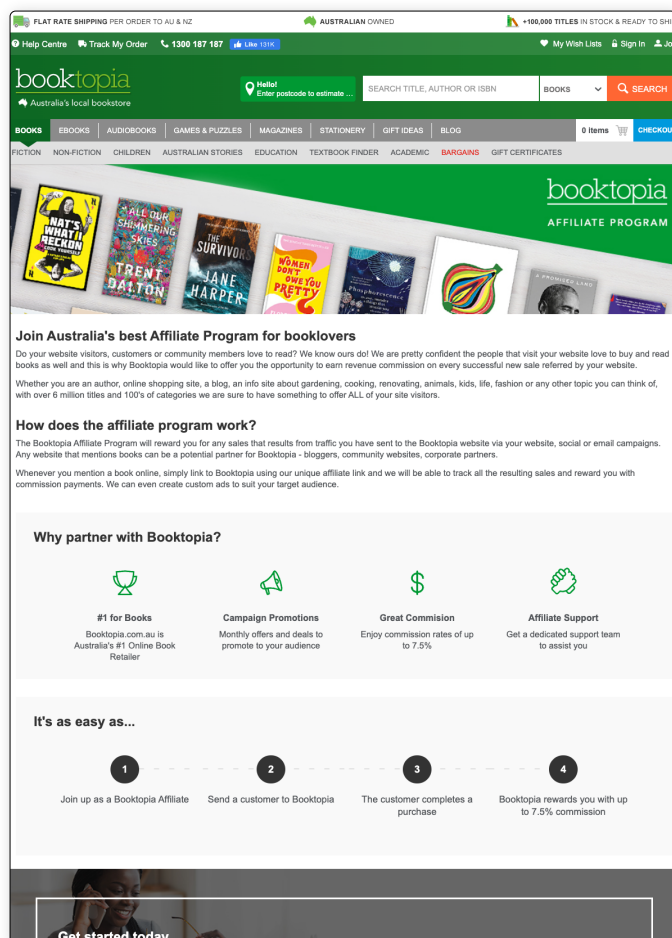


## CASE STUDY:

### THE SOLUTION:

With the automation and flexibility of impact.com technology, the Booktopia team was able to devote their time to nurturing new partners, ideas, and relationships instead of to low-value tasks. The platform enabled them to put in place some exciting new programs that propelled new partnerships revenue. With the ability to focus on innovation, Booktopia was able to:

- Create one-to-one partnerships at scale with influencers, celebrities, book clubs, and passionate book lovers. For example, in just one year, the affiliate team partnered with 15 high-profile podcast influencers and added them to the program to monetise content about books and authors.
- Deepen relationships with authors. Booktopia created its hugely successful Author Royalty Club to incentivise authors to use their social media reach to drive sales on Booktopia. Using impact.com, Booktopia tracked author performance and paid them an agreed-upon commission.
- Easily customise the way partners are contracted and rewarded based on their contribution to the purchase funnel. Booktopia restructured commissions to pay partners according to whether they were the sole contributor to a sale, a participant, or just involved at the closing stage. They also leveraged impact.com to improve the performance of their top-20 affiliates — adjusting commission rates based on exposure, customer status, and promotional activity.
- Expand commerce content activity. Booktopia used a mix of QR codes, links, and promo codes to seamlessly track, optimise, and reward new content partners, growing commerce content revenue by 79% YoY.



### THE RESULTS:

By expanding their partnerships mix and optimising their payout schema, Booktopia achieved a +38% increase in revenue YoY, clicks have gone up by +90%, and transactions increased by +46%.

Furthermore:



Influencer and ambassador activity grew **80%**



**187 new authors** joined the program



ROAS increased **by +16%**



Cost per acquisition **decreased 30%** due to optimised commission structures based on partner contributions



**CONTACT DETAILS:**

E: [grow@impact.com](mailto:grow@impact.com)

W: [impact.com](https://www.impact.com)