How publishers are monetizing through ecommerce

Article

ecommerce monetization opportunities for publishers are expanding. Publisher revenues from ecommerce now include commissions and fees generated from affiliate or partner marketing content, curated ecommerce marketplaces, and branded merchandise.

Publishers expect that ecommerce will become a greater revenue source in 2021, according to a December 2020 Lotame survey. A majority (62%) of US publishers said they expected
ecommerce to rank among their three biggest revenue sources in Q1 2021—and 36% said it would be their No. 1 source of revenues. Additionally, affiliate advertising ranked among the top three revenue sources for 31% of respondents, with 9% anticipating it to be their top revenue source.

<table>
<thead>
<tr>
<th>Largest Expected Sources of Revenues in Q1 2021</th>
<th>% of respondents, Dec 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecommerce</td>
<td>36%</td>
</tr>
<tr>
<td>Subscriptions &amp; memberships</td>
<td>29%</td>
</tr>
<tr>
<td>Monetizing first-party data in a second-party marketplace</td>
<td>11%</td>
</tr>
<tr>
<td>Affiliate advertising</td>
<td>9%</td>
</tr>
<tr>
<td>Leveraging first-party data to sell inventory</td>
<td>7%</td>
</tr>
<tr>
<td>Using third-party data to expand addressable audiences</td>
<td>7%</td>
</tr>
<tr>
<td>Using identity solutions to stitch together IDs</td>
<td>2%</td>
</tr>
<tr>
<td>Ranked top</td>
<td>62%</td>
</tr>
<tr>
<td>Ranked top 3</td>
<td>58%</td>
</tr>
</tbody>
</table>

Note: n=45

(it’s worth noting that for many publishers, there is meaningful overlap between these two revenue sources. Publishers typically consider affiliate advertising to be a part of their total ecommerce revenues. In that sense, it’s possible that survey respondents may not have strongly distinguished between the two.)

Publishers’ focus on ecommerce content is timely, as brands and agencies face greater pressure to show measurable results from marketing activities, partly due to the pandemic-induced recession.

As more purchases have shifted online during the pandemic, marketers will need to find new ways of reaching customers and prospects in order to drive online conversions. According to a May 2020 survey conducted by Duke University’s Fuqua School of Business, 84.8% of US
CMOs said they'd seen customer openness to new digital offerings increase during the pandemic. But the bar for actual purchase has likely gotten higher—67.2% said they’d observed lower likelihood to buy, and 58.8% said they’d seen customers engage in more digital research before making a purchase.

### What Types of Customer Behaviors Have US CMOs Observed During the Coronavirus Pandemic?

**% of respondents, May 2020**

- Lower in-person marketing engagement (e.g., sales/store visits, trade shows): 97.0%
- Increased openness to new digital offerings introduced during the pandemic: 84.8%
- Increased value placed on digital experiences: 85.8%
- Greater acknowledgment of companies' attempts to "do good": 79.1%
- Lower likelihood to buy: 67.2%
- New customers have been attracted to our products and services: 65.4%
- More reviews/blogging/posting about brands online: 59.5%
- More digital research before purchasing: 58.8%
- unwillingness to pay full price: 43.3%
- Weaker loyalty levels: 24.9%
- Lower likelihood to purchase digitally: 24.0%
- Weaker concerns about privacy: 23.8%

*Note: for their largest revenue market
Source: Duke University's Fuqua School of Business, "The CMO Survey: Special Edition June 2020 - Covid-19 and the State of Marketing" commissioned by American Marketing Association (AMA) and Deckle, June 18, 2020

Publisher commerce content can serve this growing marketer need by driving purchase behavior right as consumers are engaging with the content. Commerce content can shorten the funnel—inspiring, informing, reminding, or persuading consumers to buy a product or service, while being directly tied to a purchase capability. Though the resulting conversions still mostly happen on retailer or brand sites, some publishers are now enabling transactions directly on their properties.
Insider Intelligence subscribers can learn more about how publishers are growing ecommerce monetization through affiliate channels, as well as how their presence in that space is helping to propel evolution in affiliate marketing as commerce and content converge.