

How retail media, influencer integration, and tech partnerships amplify affiliate marketing potential

Article

Affiliate marketing is maturing into a multidimensional, full-funnel channel. But not everyone is convinced of its potential, said Alexandra Forsch, president of Awin Americas. For senior decision-makers, affiliate marketing is “considered a very tactical channel and not a strategic one, and as such, it’s not as attractive,” Forsch said on a “**Behind the Numbers**” podcast episode.

Despite its “nagging perceptions,” our analyst Max Willens agrees, saying affiliate marketing has broken free from its last-click limitations, becoming a versatile tool for brand engagement across the entire customer journey. That’s thanks to its convergence with retail media, influencers, and tech partners.

The power of two: The rise of retail media is allowing affiliate marketing to evolve.

- Brand-to-brand partnerships facilitated through affiliate channels are democratizing the space, giving smaller brands opportunities for targeted reach and new income streams.
- “A new [brand] partner can drive value and reach customers in areas where a brand may not [be able to] reach [them], and do it in a way where it is surrounded by user affinity,” Forsch said.

The creator’s role: Consumers turn to influencers and review sites for product discovery, research, and consideration, especially when they are cautious about discretionary spending.

- Instead of a flat fee based on the influencer’s following, Forsch sees a move toward performance-based models.
- With a data-driven approach, “you can actually work with the [influencers] that you see supporting a transaction, and then compensate them on a [cost-per-action] basis,” Forsch said.
- In 2023, 56% of US creators will earn income from affiliate partnerships, according to Mavrck. In 2021, it was 47%.

Tech solutions: Innovation in affiliate marketing has opened greater opportunities to convert shoppers into buyers.

- Tech partners are offering on-site optimization services, personalized product recommendations and couponing, and customer experience enhancements.

- Trial options allow brands to become more comfortable with new tech, easing the adoption curve.

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