

Digital thinker

A fresh approach to affiliate marketing has revived the attitudes – and sales – of luxury brands. Natalie Hughes, the Founding Director of social media agency The Fashion Digital, discusses digital trailblazers, the power of influence and the importance of online adaptability.

The Luxury Evolution of Affiliate Marketing

Digital and luxury have long enjoyed a tumultuous relationship, the former's transient tendencies clashing with the latter's preoccupation with legacy. But the virtual world's lucrative lure has triggered a spectacular reconciliation, thanks in part to affiliate marketing's facelift.

Back in the early 2000s, affiliate marketing – the performance-based method of increasing conversion by paying commission on online sales – was distinctly unsexy. A tick box in a marketing strategy, it was the remit of technology companies and voucher sites rather than luxury retailers

and glossy magazines. Now, over a decade later, affiliate upstarts have transformed its reputation, in turn onboarding luxury behemoths such as Gucci and Harrods, as well as major publications including Vogue.

What caused such a seismic shift? Simone Parchment, Head of Affiliate Partnerships at luxury retailer MATCHESFASHION.COM, attributes the affiliate revolution to RewardStyle, a fashion-centric sub-network that emerged four years ago. 'It wasn't until 2012 when we started to see the shift, because that was when RewardStyle launched', she says. 'The game changer was the platform that was built; it was so simple to use and visually appealing.' The brainchild of blogger Amber Venz and her engineer then-boyfriend Baxter Box, RewardStyle eschewed traditionally clunky affiliate



interfaces for a more stylish offering, galvanising fashion bloggers to monetise their platforms and partnering with luxury online e-tailers from 3.1 Phillip Lim to Net-a-Porter. Last year, the Dallas-based company – which has opened offices in San Francisco, New York, Shanghai and London – drove more than \$1 billion in sales for retail partners.

It's simple: in the world of luxury e-tail, affiliate marketing converts – and it pays to evolve. ShopStyle is a prime example; launched in 2007 as a fashion search engine, it has since transformed into a fashion marketplace, straddling the roles of publisher and retailer by editing products from the likes of Christopher Kane,

Fendi and 1,500 other global brands who pay per click or acquisition. The results speak for themselves; 'ShopStyle receives 1 million monthly unique visitors worldwide', says Genevieve Kunst, Managing Director of the European division of POPSUGAR Inc, ShopStyle's parent company. 'In 2015 it drove \$1 billion sales for our retailers.'

Multi-brand marketplaces such as ShopStyle may have bypassed a costly inventory by directing shoppers to a partner's site, but the question remains: can the disconnect break the sales funnel? E-commerce platform Lyst seems to think so, which is why they painstakingly developed a universal cart – the first of its kind for fashion – allowing customers to pay for items from multiple merchants in one on-site transaction.

'The affiliate model forced customers to fill out details and checkout separately which creates a friction-filled experience, which is not ideal for a customer', explains Jenny Cossons, Lyst's Head of Partnerships. 'That's the problem we have solved with our Universal Cart.' It was no mean feat, requiring complex technology and world-class engineers. 'Out of a team of 150 people, 75 are data scientists and engineers', Cossons reveals. 'To focus on millions of data points changing every hour from over 12,000 designers requires a lot of work and effort!' Lyst's luxury retailers are on board, with the company securing 400 Universal Cart partners including Neiman Marcus, Valentino, Lanvin and Proenza Schouler, and planning a foray beyond fashion: 'The beauty of this business model is that it can work across a variety of sectors', Cossons continues. 'So watch this space!' Meanwhile, RewardStyle has expanded its verticals to include homeware.

Adaptability is key and content is king, but combined, they're an affiliate force to be reckoned with. POPSUGAR Inc's trio of companies – ShopStyle, ShopStyle Collective and POPSUGAR – blends three types of marketing respectively: affiliate, influencer and content. King explains the synchronicity: 'Through those platforms, we

can develop powerful marketing campaigns for exciting brands with creative content that drives sales to our retailers.' A rival to RewardStyle, ShopStyle Collective was launched as a community of 16,000 global influencers whose social network is monetised, and whose content is integrated into the entire ShopStyle network. Arguably, it's this holistic, content-centric approach that distinguishes the new, luxury-focused affiliate model from its mass-market predecessor.

At the heart of the affiliate shake-up is the digital influencer. The nowness of digital shopping demands a more precise edit, and who better to deliver this than a blogger ambassador? Certainly, ShopStyle isn't the only platform forging tailor-made partnerships with its publishers. Last year, RewardStyle launched RewardStyle Media, gathering an exclusive group of top-tier digital style bloggers and publishers to facilitate personalised collaborations with brands. MATCHESFASHION.COM – incidentally, one of RewardStyle's affiliated retailers – is taking a similarly 360 approach with its Shop With initiative. Launched in September last year, the concept allows affiliated bloggers to edit and style the site's products, in turn creating collateral for the publisher's site or blog, which can ultimately be monetised via affiliate links. Evidently, luxury affiliate marketing prizes well-chosen influencers and their individual edit. 'The idea behind [Shop With] was giving our customer



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another way to shop', Parchment explains. 'They're buying into someone else's style.'

Digital omnipresence cannot be ignored, especially when it comes to social media. RewardStyle has added a new tool – and extra touchpoint for affiliates – in the form of LIKEtoKNOW.it, the first ever social shopping solution for Instagram. When registered users like a blogger's product-integrated Instagram post, they receive an email containing monetised links.

For the luxury sector, this is just the tipping point. An ever-morphing digital landscape

will necessitate that platforms, retailers and publishers continue to evolve and develop, while other luxury verticals – still relatively unrepresented within the affiliate sphere – will need to establish their place. It may have taken over a decade but at last, affiliate marketing is in vogue. ●

Natalie Hughes is a social media strategist, digital content creator, journalist and speaker. She is Founding Director at The Fashion Digital, specialising in social media and content for luxury brands including Sophie Hulme and Rupert Sanderson, and has shaped the social media identities of Christian Louboutin and Net-a-Porter in her decade-long career. Natalie also lectures on social media for Central Saint Martins and writes for the likes of *Matchesfashion.com*, *Glamour*, *Vice* and *Emirates Woman*.