2016 MOBILE INTELLIGENCE REPORT

Mobile Performance Benchmarks for Affiliate Marketers

A REPORT BY:

affiliate by CONVERSANT®

In the world of ecommerce, 2015 was a turning point in terms of mobile's place in the affiliate shopping experience.

More than a device on which to research or browse, smartphones and tablets last year triumphed as sales portals -- mobile sales now represents nearly 1 in 3 sales which occur in the CJ Affiliate global network. Near the end of 2016, sales on mobile devices for some categories will likely account for 40% of global affiliate sales.

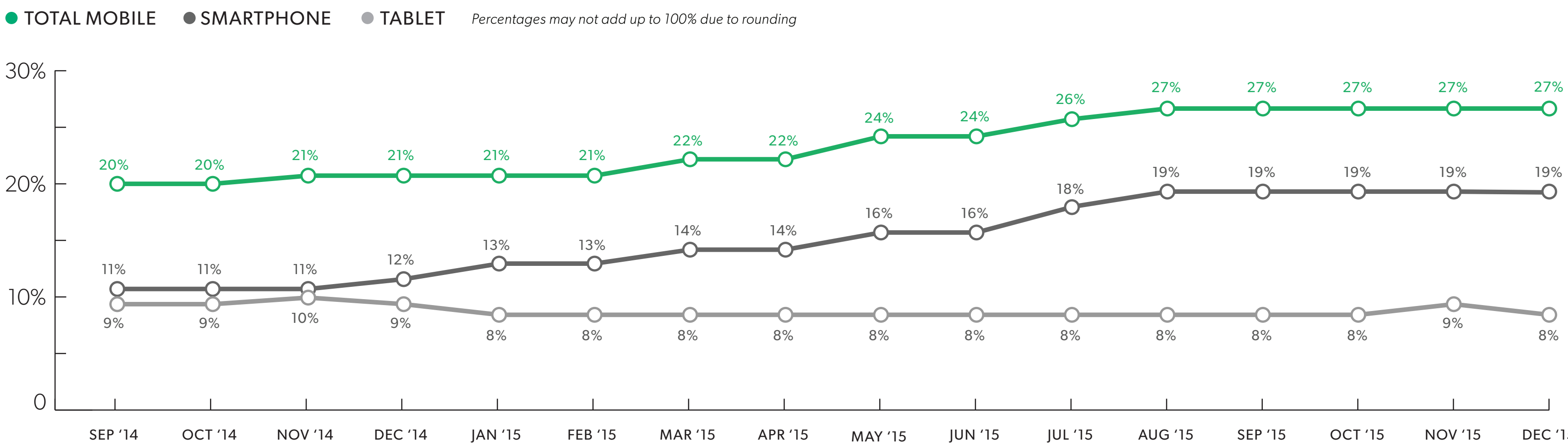
THE MOBILE INTELLIGENCE REPORT FOCUSES ON CJ AFFILIATE'S FOUR LARGEST MARKETS: U.S., UK, GERMANY AND FRANCE.

In this benchmark report, CJ Affiliate examines:

- The distribution of sales by desktop, smartphones and tablets across its global network
- The growing dominance of smartphones over tablets as shopping devices
- Mobile performance and growth by publisher types
- Affiliate mobile growth and category trends in the U.S., UK, Germany and France

MOBILE SHARE OF SALES | 16 MONTH TREND

CJ GLOBAL NETWORK



SECTOR KEY & METHODOLOGY

To create the Mobile Intelligence Report we focused on major categories for the CJ Network and grouped them into four sectors: Retail, Travel, Home Services and Finance. The key here displays the categories and their corresponding report sector.

These benchmarks were factored using transactional data for the CJ Affiliate network and growth values were calculated using 2014 and 2015 data.

RETAIL	HOME SERVICES	FINANCIAL	TRAVEL
ACCESSORIES	BUSINESS	FINANCIAL SERVICES	TRAVEL
ART/PHOTO/MUSIC	CAREERS	INSURANCE	
AUTOMOTIVE	HEALTH & WELLNESS		
BEAUTY	ONLINE SERVICES		
BOOKS & MEDIA	MARKETING		
BUYING & SELLING	EDUCATION		
CLOTHING/APPAREL	LEGAL		
COMPUTERS & ELECTONICS	TELECOMMUNICATIONS		
DEPARTMENT STORES & MALLS	NON-PROFIT		
ENTERTAINMENT			
FAMILY			
FOOD & DRINKS			
GAMES & TOYS			
GIFT & FLOWERS			
HOME & GARDEN			
RECREATION & LEISURE			
SEASONAL			
SPORT & FITNESS			

KEY MOBILE STRATEGIES FOR 2016

"WHAT'S YOUR MOBILE APP STRATEGY?"

The perennial ecommerce marketing question ("What's Your Mobile Strategy?") in 2016 will evolve to focus on how to optimize the immense of amount of time spent in apps – according to comScore, 80% of our time on mobile devices is now spent in apps. **A growing number of mobile apps reach audiences in the millions and ultimately, greater familiarity and trust with apps is going to translate into greater usage overall.** Therein lies the opportunity for affiliate marketers.

Publishers in 2016 need to focus on the features and usability of their apps because, quite simply, shopping in app has the potential to outpace the growth of mobile web shopping. **Apps that take the value propositions of the affiliate channel mobile will be essential to retaining and growing audiences.** In the years ahead, it is likely that success for publishers (and the brands with which they affiliate) will be highly dependent on successful strategies which leverage the popularity of apps and the immense audiences that use them.

DIVERSIFICATION HAS NEVER MATTERED MORE

Similar to the real estate credo, "Location, location, location," there are three things that matter in terms of building an affiliate strategy to maximize mobile sales: diversification, diversification, diversification. **Mobile reach is key to growth in affiliate and the best way to achieve the greatest reach is with a diverse program.**

For retailers and brands, a program that strives to grow sales with publishers across many different promotional methods will effectively tap consumers along different points of the consumer journey, including at critical research moments that increasingly occur on smartphones. Importantly, as our publisher benchmarks reveal, social and content publishers achieve the highest share of mobile sales due to the fact that so much of this content is consumed on smartphones.

For publishers, diversification needs to take the shape of selectively affiliating and optimizing based on how well an advertiser converts on mobile devices. Low conversion rates due to a poor mobile experience means lost sales. Thus, the mobile shopping experience need to become a factor in how affiliates assess new advertiser relationships.

GLOBAL TRENDS THAT MAKE A DIFFERENCE

The mobile benchmarks for the network's four largest markets reveal that shoppers in the U.S., UK, Germany and France interact in varying degrees with smartphones and tablets. Shoppers in the UK, for example, are some of the most committed to shopping on tablets. Affiliate shoppers in Germany meanwhile are purchasing far less frequently on their mobile devices, overall, when compared to other markets.

Understanding the regional market differences in mobile shopping behaviors is critical to managing growth and thus, regional behaviors should inform retailers mobile strategies throughout 2016.

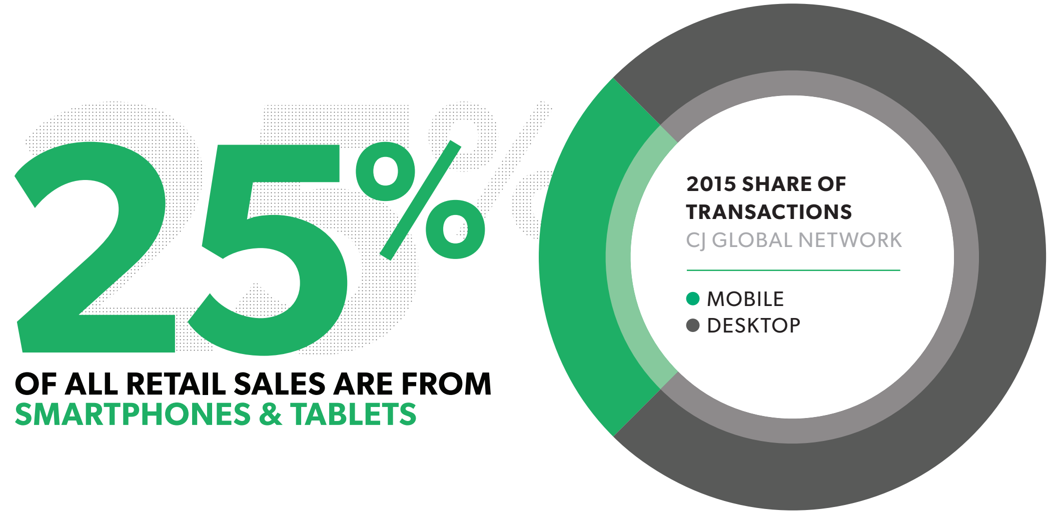
One way to factor in regional mobile behaviors into an affiliate strategy is to consider the dominant mobile device in a region and focus optimizations and budgets there first. Affiliate marketers should also take note of the growth trends of the devices. Ultimately, the complexity of potential strategies depends on a marketer's overall mobile strategy, but the additional data points that reveal device preferences and growth in sales on devices is market-level data that can make a difference.

SHARE

SMARTPHONES AND TABLETS ACCOUNT FOR 25% OF ALL RETAIL SALES.

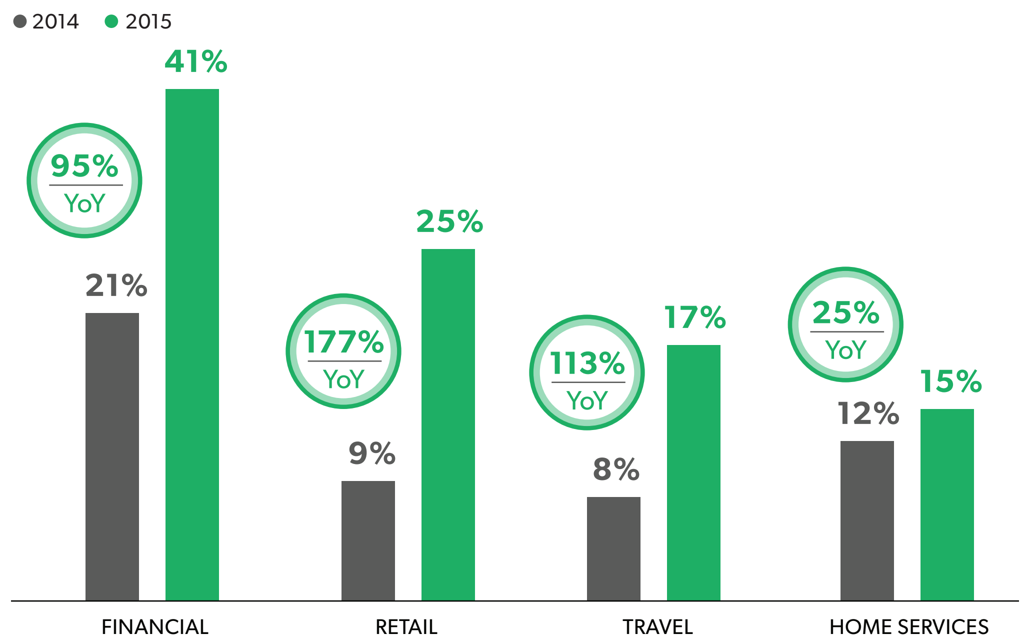
Retail sales had the greatest YoY increase in sales on mobile devices last year, followed by travel bookings.

Transactions on mobile devices nearly doubled in the Finance sector, while sales in the Home Services sector experienced lower growth due to fewer sales in this sector migrating away from desktops.



MOBILE SALES BY SECTOR | 2014 vs. 2015

CJ GLOBAL NETWORK

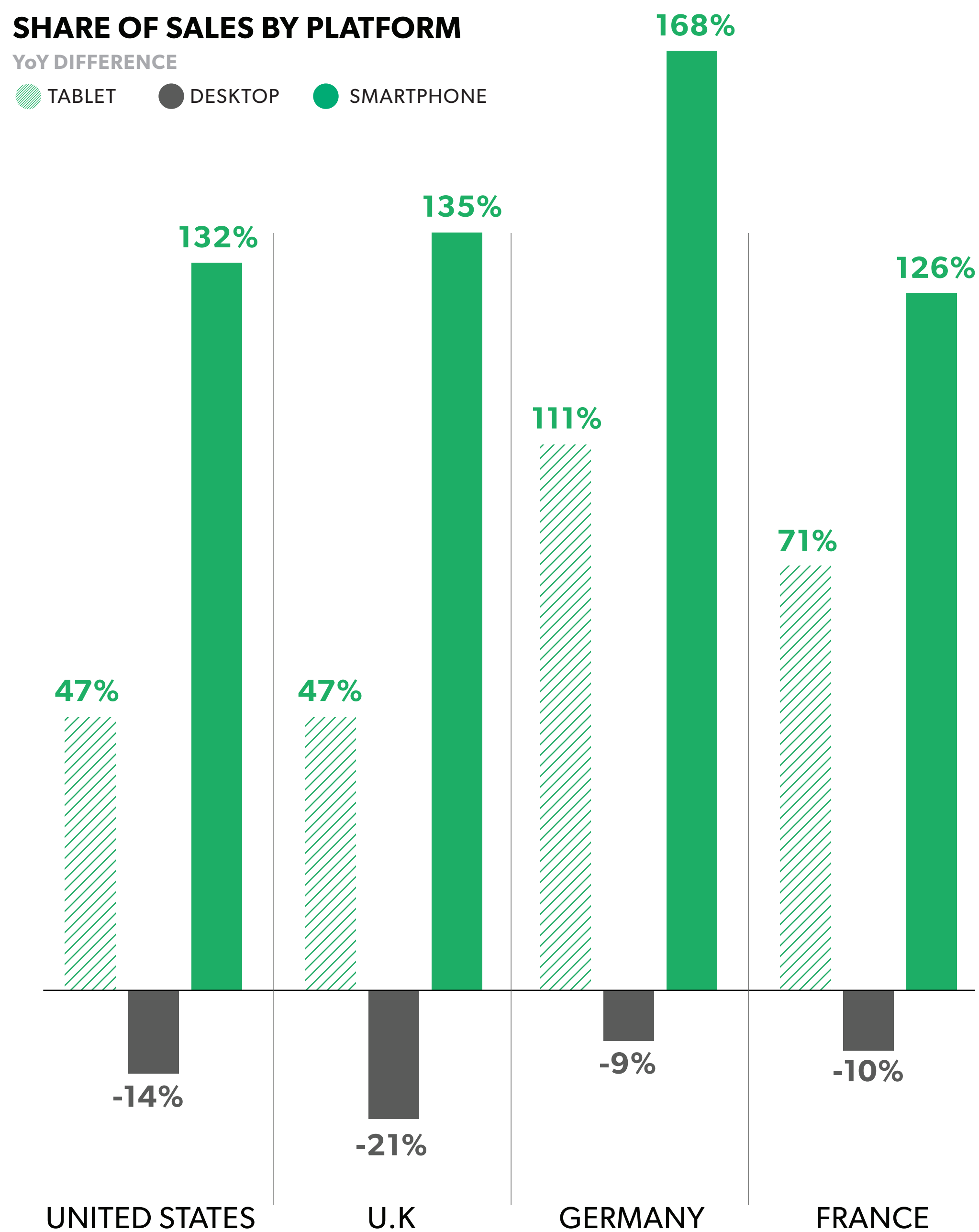


SMARTPHONES ARE LEADING MOBILE GROWTH WHILE DESKTOP SHARE DECLINES.

All global markets experienced triple-digit growth in the share of transactions occurring on smartphones. Tablet growth in the U.S., UK and France averaged 55% growth in share while share in Germany increased 111%.

Overall total sales tracked to desktops declined in 2015, most notably in the UK.

Larger, faster smartphones have supplanted the desktop and tablet as the shopping-device of choice by offering comparable speed and accessibility.



MOBILE SALES ARE GREATEST ON CONTENT AND SOCIAL SITES.

On average, 30% of publishers sales are occurring on mobile devices. Content, social and email publishers achieved the highest rates of sales on smartphones due to their overall greater reach with shoppers on smartphones.

Publishers offering cart abandonment and retargeting services experienced the greatest growth in mobile sales, followed by shopping and ad network publishers.

Sales from incentive shopping sites are evenly distributed between tablets and smartphones, whereas coupon publishers see nearly twice as many sales on smartphones than tablets.

PUBLISHER CLASSIFICATION	YoY DIFFERENCE IN MOBILE SALES
SERVICES & TOOLS	131%
SHOPPING	35%
AD NETWORK	30%
INCENTIVES	30%
SOCIAL	28%
COUPONS	24%
CONTENT	23%
EMAIL	-19%

PUBLISHER SHARE OF SALES BY MOBILE DEVICE

2015 BENCHMARK	TABLET	SMARTPHONE
SOCIAL	11%	28%
EMAIL	10%	20%
SHOPPING	10%	16%
COUPONS	9%	17%
AD NETWORK	7%	16%
INCENTIVES	9%	9%
SOFTWARE	5%	10%
SERVICES & TOOLS	6%	8%

CONTENT CHANNELS	TABLET	SMARTPHONE
BUSINESS	7%	53%
STYLE	9%	28%
HOME	7%	30%
TECH	11%	23%
LIFESTYLE	12%	8%

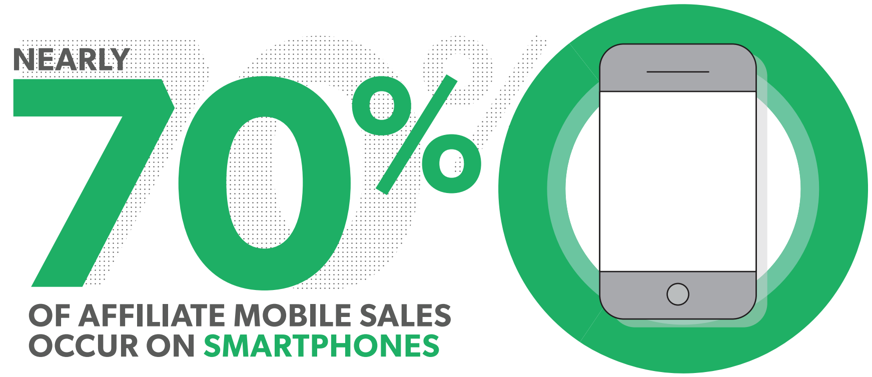
SMARTPHONES vs. TABLETS

NEARLY 70% OF AFFILIATE MOBILE SALES OCCUR ON SMARTPHONES.

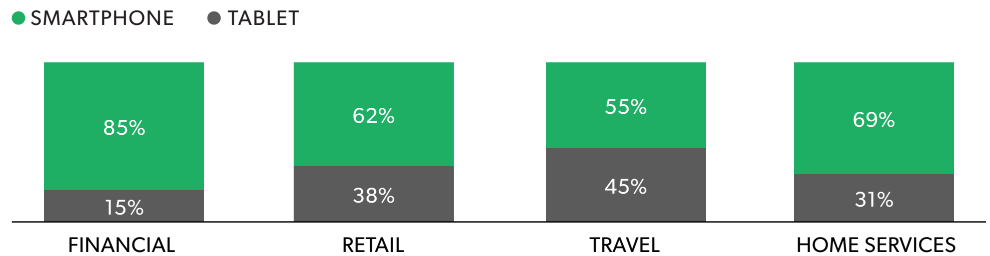
The U.S. market leads with the highest share of sales on smartphones in 2015 and lowest share on tablets.

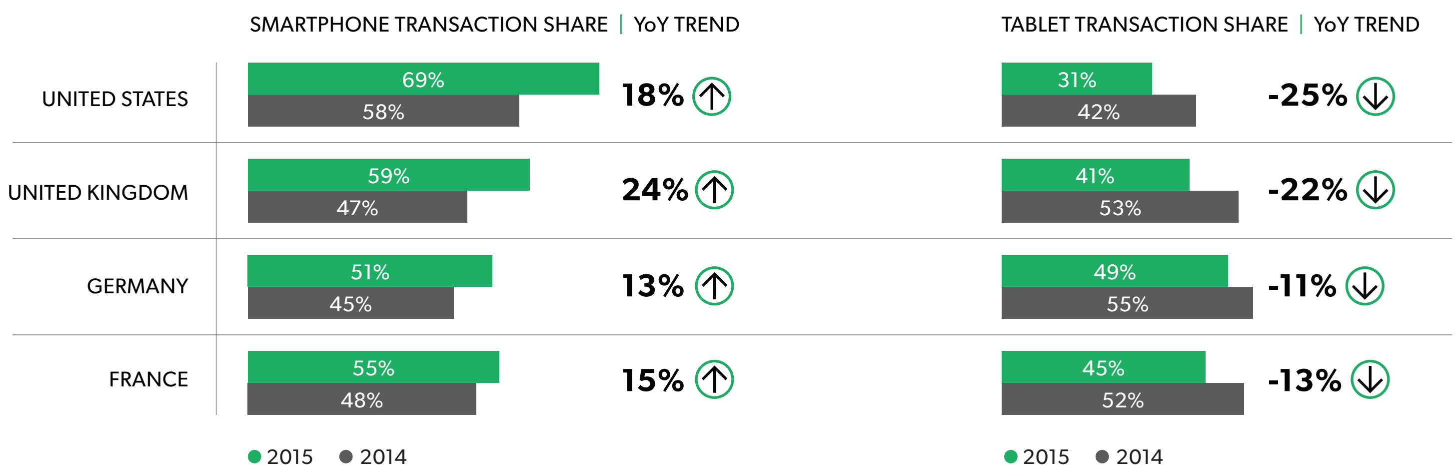
Tablets have been supplanted by smartphones to a lesser degree in Germany and France where tablets account for nearly 50% of sales.

Retail purchases are predominately occurring on smartphones, whereas travel bookings are more equally distributed between smartphones and tablets.



2015 MOBILE TRANSACTIONS SHARE BY SECTOR
CJ GLOBAL NETWORK





MOBILE TRAFFIC INCREASED AT TRIPLE-DIGIT RATES ACROSS THE NETWORK.

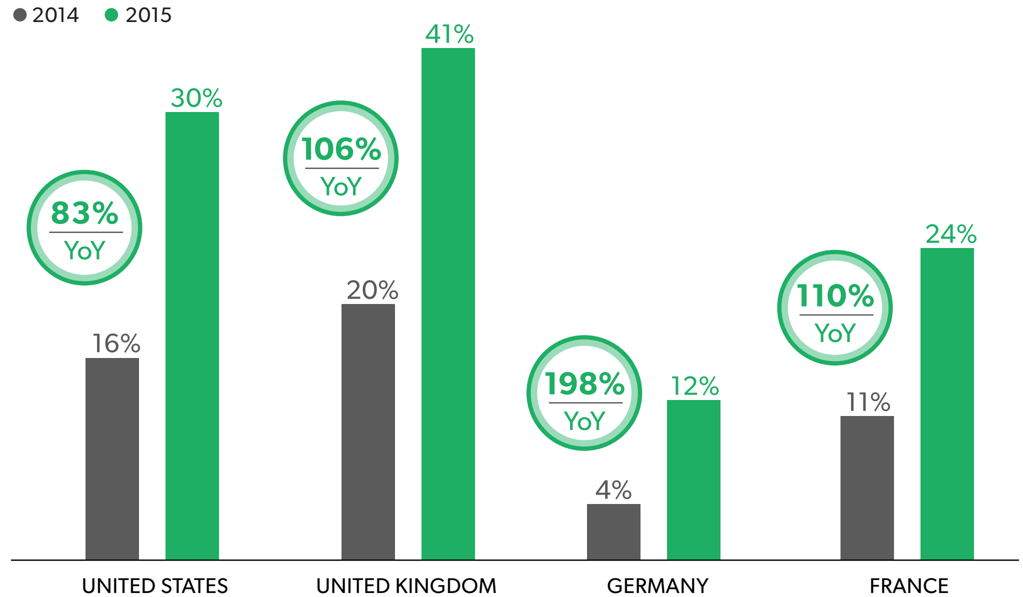
Average growth of affiliate mobile clicks reached 124% YoY, driven by high rates of growth in Germany and France. Mobile growth in these markets has been fueled by retailer efforts to expand their mobile reach within affiliate – coinciding with a increasing rates of mobile commerce on the part of German and French shoppers.

Mobile clicks accounted for 41% of all traffic in the UK market, compared to 30% in the U.S. Paired with overall high conversion rates on tablets and smartphones, affiliate shoppers in the UK rank as the most highly engaged with their mobile devices.

Sales conversion rates on tablets last year were overall higher than smartphones, yet smartphone conversion growth rates signal smartphones will be used more and more for shopping in 2016.

MOBILE TRAFFIC | 2014 vs. 2015

SHARE OF CLICKS & YoY GROWTH



	CONVERSION RATES		YoY GROWTH	
	TABLET	SMARTPHONE	TABLET	SMARTPHONE
UNITED STATES	4.5%	2.8%	**28%**	**57%**
UNITED KINGDOM	7.9%	4.9%	**41%**	**40%**
GERMANY	5.0%	3.7%	**37%**	**114%**
FRANCE	7.7%	6.0%	**-19%**	**-28%**

AVERAGE ORDER VALUES ARE GROWING, BUT DESKTOP VALUES ARE STILL HIGHER – WITH SOME EXCEPTIONS.

Sales of home and sporting goods are higher on tablets than desktops. Beauty product purchases on tablets are close to achieving parity with desktop order values.

Order values on tablets last year were higher than smartphones, but smartphone basket sizes last year grew more overall.

Order values on tablets in the UK exceed desktop values and increased 14% last year.

Smartphone order values increased in all markets except Germany. Growth was greatest in the UK, where smartphone order values increased 30 percent.

SHOES/JEWELRY	
DESKTOP	$179.55
TABLET	$148.35
SMARTPHONE	$131.50

CLOTHING	
DESKTOP	$94.35
TABLET	$88.10
SMARTPHONE	$71.50

BEAUTY	
DESKTOP	$86.30
TABLET	$84.85
SMARTPHONE	$77.20

GIFTS & FLOWERS	
DESKTOP	$86.60
TABLET	$68.75
SMARTPHONE	$60.70

SPORTING GOODS	
DESKTOP	$147.15
TABLET	$196.10
SMARTPHONE	$110.00

HOME GOODS	
DESKTOP	$149.40
TABLET	$161.90
SMARTPHONE	$112.90

	PLATFORM			YoY DIFFERENCE		
2015 AOV	DESKTOP	TABLET	SMARTPHONE	DESKTOP	TABLET	SMARTPHONE
UNITED STATES	$102.70	$100.00	$71.50	4%	13%	10%
UNITED KINGDOM	$165.30	$181.15	$149.30	4%	14%	30%
GERMANY	$87.70	$91.55	$77.55	-17%	-8%	-2%
FRANCE	$121.50	$123.35	$86.90	9%	27%	25%

iPHONES AND iPADS ARE THE POWER TOOLS OF THE AFFILIATE SHOPPER.

Across the global network, the majority of clicks and sales are occurring on iPhones and iPads.

Android devices last year represented nearly 20% of the network's clicks and 26% of the network's sales on smartphones.

In the UK, Germany and France Android smartphones are less of a shopping tool than in the U.S. market, and sales on tablets are predominately completed on iPads.

The high rate of traffic and sales on iOS devices can partly be explained by the fact that iOS devices are more heavily used by affiliate shoppers, particularly in the U.S.

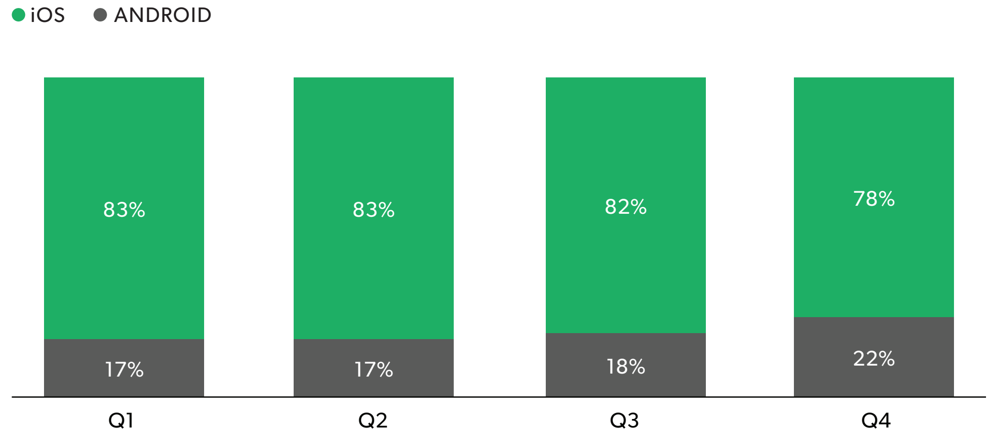
DEVICE USAGE | CJ UNITED STATES AUDIENCE

	iOS	ANDROID
SMARTPHONES	54%	46%
TABLET	91%	9%

Source: comScore Mobile Metrix

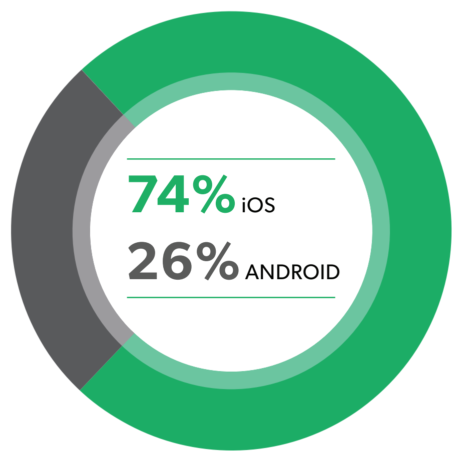
2015 MOBILE TRAFFIC | ANDROID vs. iOS

CJ GLOBAL NETWORK



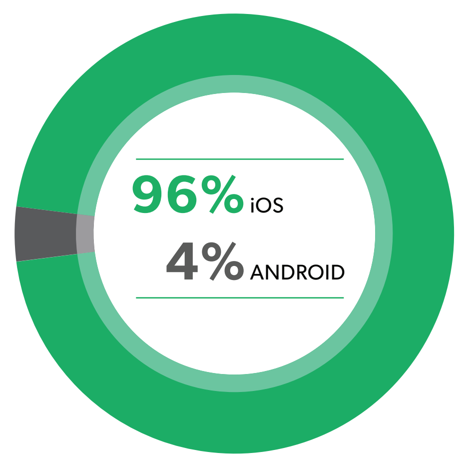
SMARTPHONE SALES | ANDROID VS. iOS

CJ GLOBAL NETWORK



TABLET SALES | ANDROID VS. iOS

CJ GLOBAL NETWORK



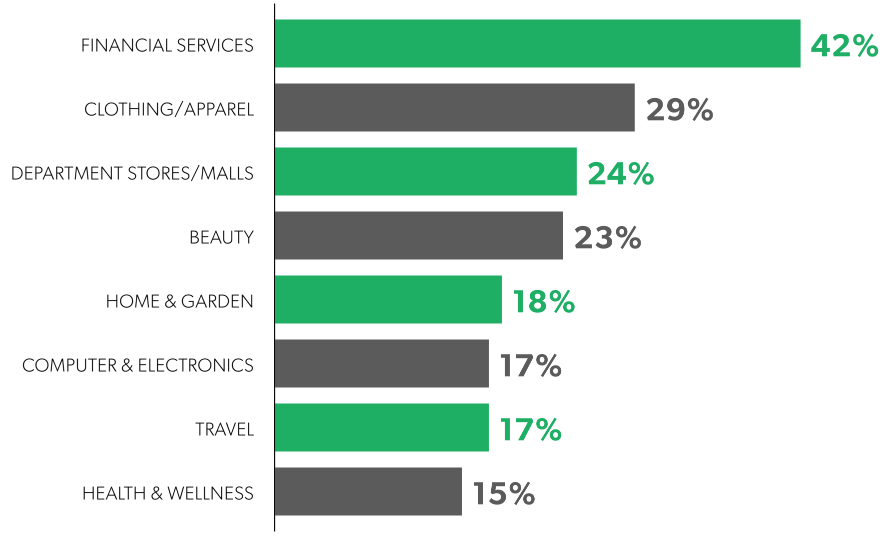
CJ UNITED STATES

Sales on smartphones increased 132% in 2015. Tablet sales increased 47%. These gains came at the expense of desktop transactions, which declined 14 percent.

Platform trends reflect stability in the share of sales occurring on tablets while at the same time smartphone sales increased throughout 2015. By the end of 2015, smartphones accounted for nearly 20% of transactions in the U.S. network.

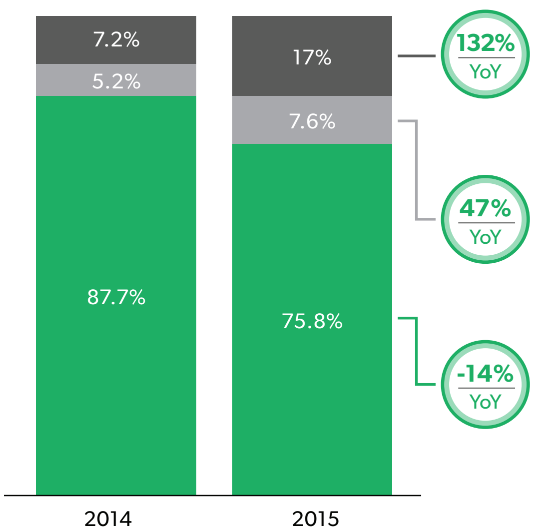
PERCENTAGE OF MOBILE SALES | TOP CATEGORIES

CJ UNITED STATES



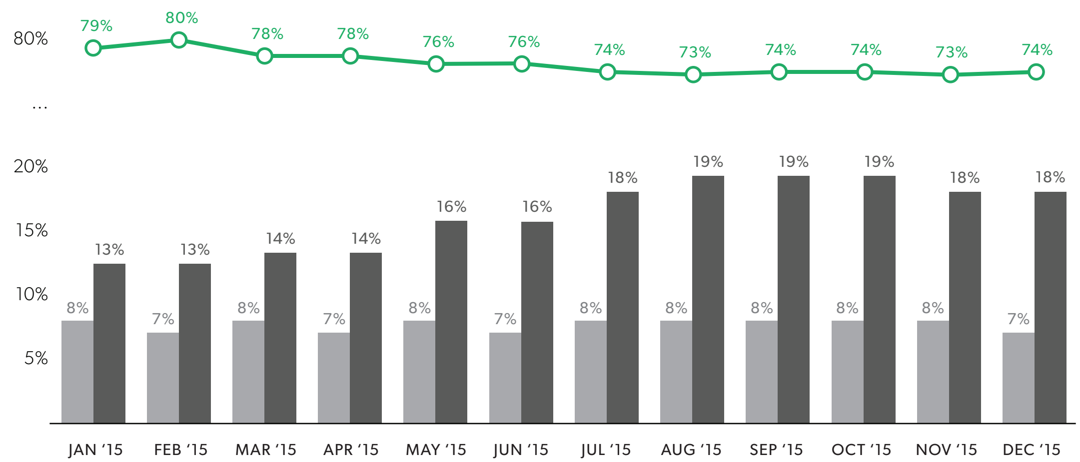
SHARE OF SALES BY PLATFORM | YoY DIFFERENCE

● DESKTOP ● TABLET ● SMARTPHONE



SHARE OF SALES BY PLATFORM | 2015 TREND

● DESKTOP ● TABLET ● SMARTPHONE *Percentages may not add up to 100% due to rounding*



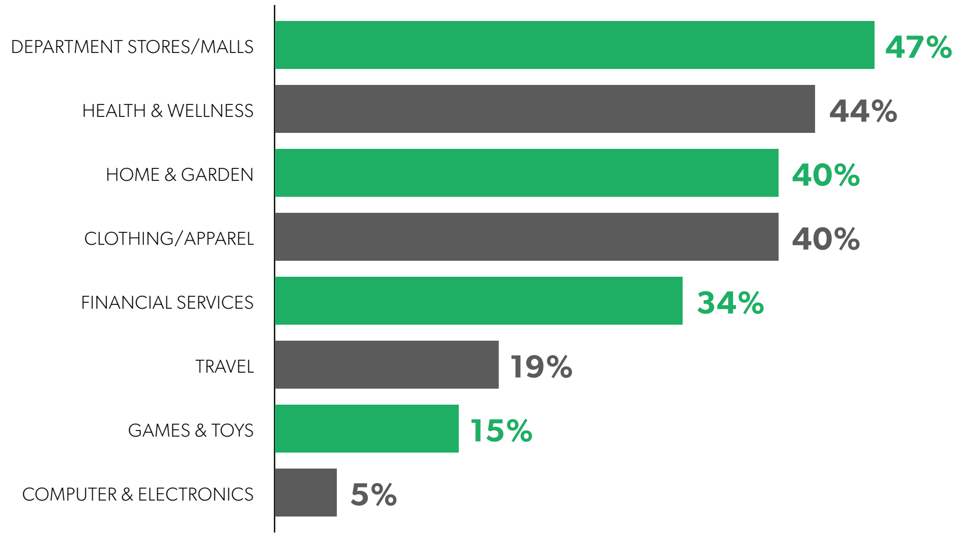
CJ UNITED KINGDOM

Sales on smartphones increased 135% in 2015. Tablet sales increased 47%. The 21% decline in sales on desktops in the UK market was the largest in the markets examined.

With 15% of sales occurring on tablets, the UK last year had the highest share of tablet sales in the network. Gains in smartphones sales will likely reduce that share in 2016.

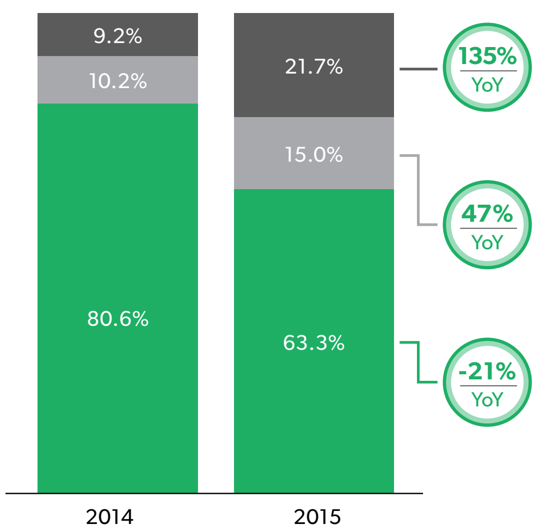
PERCENTAGE OF MOBILE SALES | TOP CATEGORIES

CJ UNITED KINGDOM



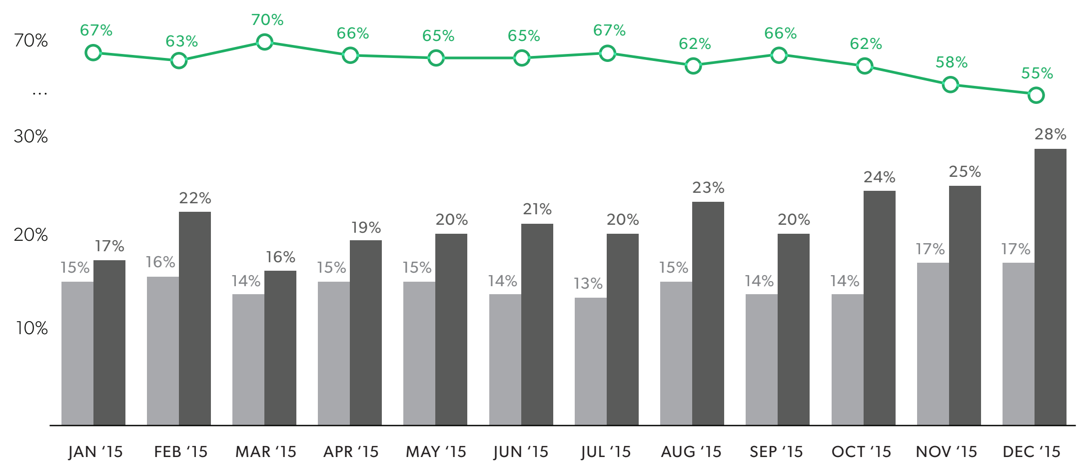
SHARE OF SALES BY PLATFORM | YoY DIFFERENCE

● DESKTOP ● TABLET ● SMARTPHONE



SHARE OF SALES BY PLATFORM | 2015 TREND

● DESKTOP ● TABLET ● SMARTPHONE *Percentages may not add up to 100% due to rounding*



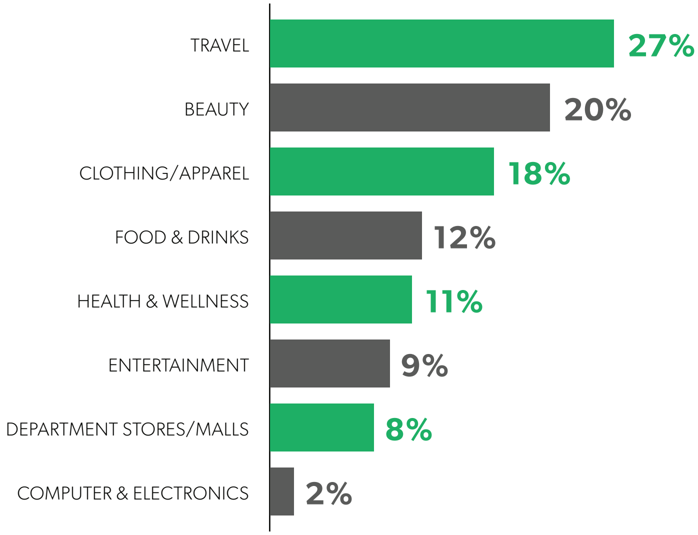
CJ GERMANY

Sales on smartphones increased 168% in 2015. Tablet sales increased 111%.

Platform trends for the German market reflect just how widely device usage can shift during holidays – shopping shifted to tablets and smartphones throughout the summer months when many Europeans are vacationing.

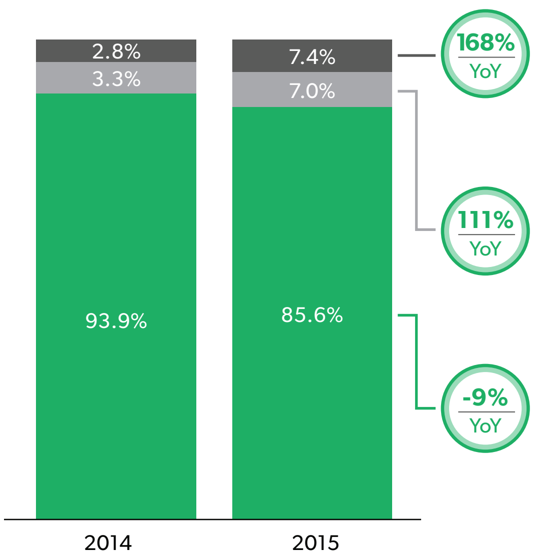
PERCENTAGE OF MOBILE SALES | TOP CATEGORIES

CJ GERMANY



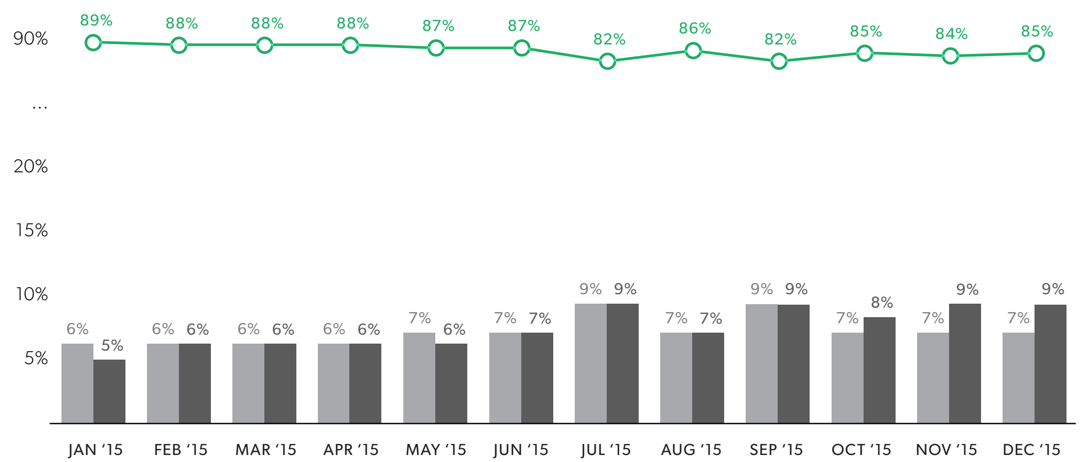
SHARE OF SALES BY PLATFORM | YoY DIFFERENCE

● DESKTOP ● TABLET ● SMARTPHONE



SHARE OF SALES BY PLATFORM | 2015 TREND

● DESKTOP ● TABLET ● SMARTPHONE *Percentages may not add up to 100% due to rounding*



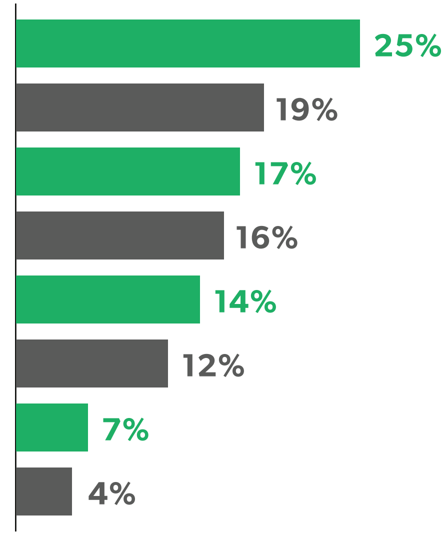
CJ FRANCE

Sales on smartphones increased 126% in 2015. Tablet sales increased 71%.

The distribution of sales across desktop and mobile devices in 2015 experienced wide swings through May and August, with many sales during this time period migrating to smartphones. Mobile sales in the Food & Drinks category was the strongest mobile performing category in CJ France, exceeding Clothing sales by 6 percent.

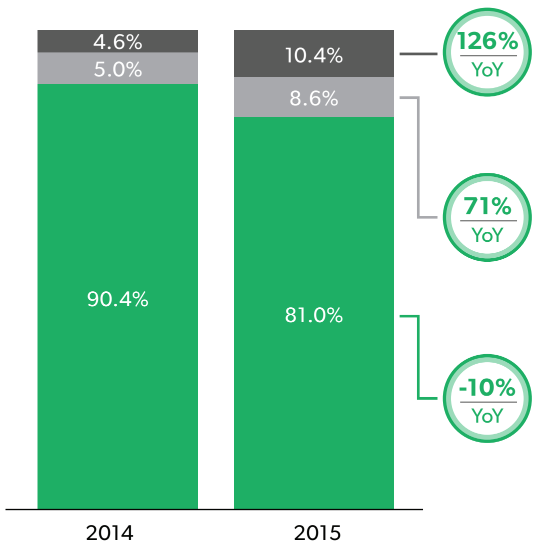
PERCENTAGE OF MOBILE SALES | TOP CATEGORIES

CJ FRANCE



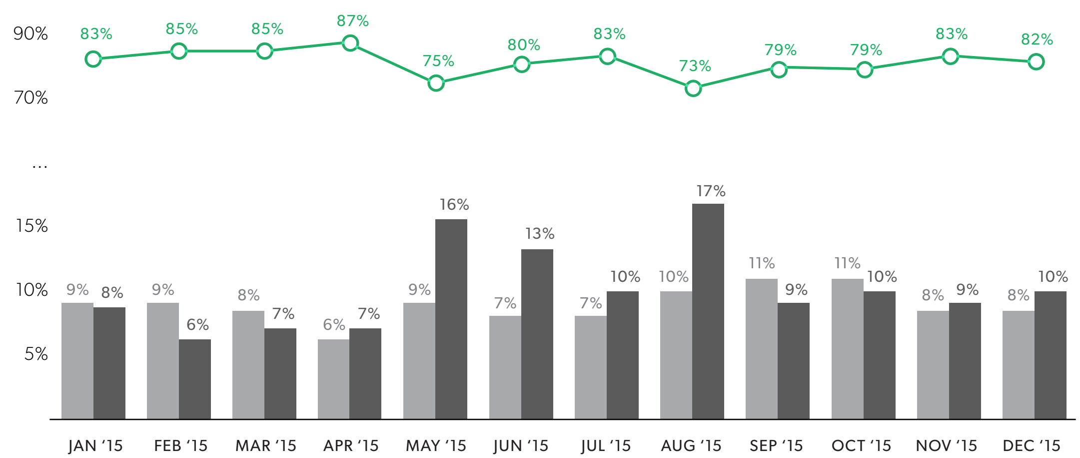
SHARE OF SALES BY PLATFORM | YoY DIFFERENCE

● DESKTOP ● TABLET ● SMARTPHONE



SHARE OF SALES BY PLATFORM | 2015 TREND

● DESKTOP ● TABLET ● SMARTPHONE *Percentages may not add up to 100% due to rounding*



2015 BENCHMARKS

UNITED STATES

MOBILE DISTRIBUTION

RETAIL	
TABLET	38%
SMARTPHONE	62%

FINANCE	
TABLET	15%
SMARTPHONE	85%

TRAVEL	
TABLET	42%
SMARTPHONE	58%

HOME SERVICES	
TABLET	30%
SMARTPHONE	70%

SHARE OF SALES BY PLATFORM

RETAIL	Q1	Q2	Q3	Q4	2015 AVG	AOV	CR
DESKTOP	78%	79%	77%	75%	77%	$100.40	4.4%
TABLET	9%	8%	8%	9%	9%	$102.40	4.7%
SMARTPHONE	13%	13%	15%	16%	14%	$77.75	2.7%
FINANCE							
DESKTOP	73%	58%	48%	46%	56%		
TABLET	5%	6%	7%	7%	6%		
SMARTPHONE	22%	35%	45%	47%	37%		
TRAVEL							
DESKTOP	85%	84%	82%	81%	83%	$257.10	3.7%
TABLET	8%	7%	7%	6%	7%	$240.90	3.1%
SMARTPHONE	7%	9%	11%	13%	10%	$140.05	1.7%
HOME SERVICES							
DESKTOP	89%	90%	81%	87%	87%	$94.55	3.8%
TABLET	4%	4%	5%	4%	4%	$91.80	3.1%
SMARTPHONE	7%	7%	15%	9%	9%	$56.70	2.2%

UNITED KINGDOM

RETAIL	
TABLET	40%
SMARTPHONE	60%

FINANCE	
TABLET	33%
SMARTPHONE	67%

TRAVEL	
TABLET	73%
SMARTPHONE	27%

HOME SERVICES	
TABLET	30%
SMARTPHONE	70%

RETAIL	Q1	Q2	Q3	Q4	2015 AVG	AOV	CR
DESKTOP	66%	62%	62%	56%	62%	$115.75	7.2%
TABLET	15%	15%	14%	17%	15%	$103.15	8.2%
SMARTPHONE	19%	23%	24%	27%	23%	$87.75	4.9%
FINANCE							
DESKTOP	65%	74%	59%	66%	66%		
TABLET	11%	10%	13%	10%	11%		
SMARTPHONE	24%	16%	28%	24%	23%		
TRAVEL							
DESKTOP	82%	85%	86%	83%	84%	$620.00	4.9%
TABLET	15%	11%	10%	11%	11%	$828.25	6.4%
SMARTPHONE	3%	4%	4%	6%	4%	$610.55	3.0%
HOME SERVICES							
DESKTOP	61%	64%	61%	55%	60%	$82.60	11.1%
TABLET	13%	11%	12%	11%	12%	$64.40	7.8%
SMARTPHONE	26%	25%	27%	34%	28%	$39.25	5.5%

2015 BENCHMARKS

GERMANY

MOBILE DISTRIBUTION

RETAIL	
TABLET	43%
SMARTPHONE	57%

TRAVEL	
TABLET	52%
SMARTPHONE	48%

HOME SERVICES	
TABLET	69%
SMARTPHONE	31%

SHARE OF SALES BY PLATFORM

RETAIL	Q1	Q2	Q3	Q4	2015 AVG	AOV	CR
DESKTOP	89%	89%	88%	87%	88%	$85.40	3.5%
TABLET	5%	5%	5%	5%	5%	$88.70	3.9%
SMARTPHONE	6%	6%	7%	8%	7%	$80.10	2.6%

TRAVEL							
DESKTOP	86%	78%	67%	72%	76%	$250.10	5.7%
TABLET	8%	13%	18%	13%	13%	$208.05	13.7%
SMARTPHONE	6%	9%	15%	15%	11%	$188.40	8.8%

HOME SERVICES							
DESKTOP	87%	90%	92%	91%	90%	$50.45	13.0%
TABLET	7%	7%	7%	6%	7%	$38.80	8.0%
SMARTPHONE	5%	3%	1%	3%	3%	$23.70	8.0%

FRANCE

RETAIL	
TABLET	39%
SMARTPHONE	61%

TRAVEL	
TABLET	52%
SMARTPHONE	48%

HOME SERVICES	
TABLET	52%
SMARTPHONE	48%

RETAIL	Q1	Q2	Q3	Q4	2015 AVG	AOV	CR
DESKTOP	79%	78%	80%	81%	79%	$130.55	6.5%
TABLET	9%	8%	8%	8%	8%	$104.85	6.4%
SMARTPHONE	12%	15%	12%	11%	12%	$95.80	5.2%

TRAVEL							
DESKTOP	89%	78%	80%	87%	83%	$299.20	2.9%
TABLET	9%	9%	9%	9%	9%	$366.90	2.9%
SMARTPHONE	2%	13%	12%	4%	8%	$130.85	1.7%

HOME SERVICES							
DESKTOP	85%	87%	73%	72%	79%	$51.25	11.1%
TABLET	8%	6%	15%	15%	11%	$57.00	2.4%
SMARTPHONE	7%	7%	12%	13%	10%	$40.90	2.5%

2016 MOBILE INTELLIGENCE REPORT

Mobile Performance Benchmarks for Affiliate Marketers

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ABOUT CJ AFFILIATE

CJ Affiliate by Conversant facilitates and supports equitable, lucrative relationships between advertisers and publishers. Many of the world's most widely recognized and highly specialized brands run their pay-for-performance programs on CJ's platform.

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