







# WP5 - Engaging Retailers

# **D5.4 - Periodic Referral Marketing Report I**

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# **About Topten ACT**

**Topten ACT** aims at transforming the European market of energy-using products towards higher energy efficiency.

Topten ACT identifies the top energy-efficient products in 16 European countries, and makes this information available to consumers and large buyers on tailored national websites. The most energy efficient models in different product categories (such as household appliances, lighting, office equipment, consumer electronics, cars) are presented with comprehensive product information based on official labels and standardized declarations. Topten works with manufacturers and thus increases both market offer and consumer demand of high energy efficiency products. Topten is strictly neutral and independent from manufacturers and retailers, its selection criteria are always published online.

Topten ACT is supported by the European Commission's research and innovation programme Horizon 2020, and many national organisations (energy agencies, environmental and consumer organisations, research institutes). The Topten ACT project involves 17 partners in 16 European countries. It is coordinated by ADEME (Agence de l'Environnement et de la Maîtrise de l'Energie).

More information and access to all national websites on the European site: www.topten.eu

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Disclaimer: All information, results, opinions and arguments employed on Topten do not necessarily reflect the official views of the partners and they are not responsible for any use that may be made of the information it contains.

### Topten Act coordinator: ADEME European portal www.topten.eu Project partners and websites

Belgium, BBL Austria, AEA www.topprodukte.at www.topten.be

www.ecotopten.de Norway, Naturvernforbund www.besteprodukter.no

Germany, Oeko-Institut

Spain, WWF www.topten.wwf.es Italy, Eliante

www.eurotopten.it Poland, FEWE www.topten.info.pl

Sweden SSNC www.toptensverige.se Czech Republic, SEVEn www.uspornespotrebice.cz

Lithuania, LNCF top-10.lt Portugal, Quercus www.topten.pt

Switzerland, Bush Energie

www.topten.ch

France, Guide Topten www.guidetopten.fr

Luxembourg, Oeko-Zenter www.oekotopten.lu Romania, Icemenerg

www.topten.info.ro

UK EST

www.top10energyefficiency.org.uk/









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# Reminder – Description of WP5

The national websites are a key element of the Topten ACT structure. Not only do they arm consumers with valuable, up-to-date information; they also give Topten ACT —thanks to the large number of visitors attracted— the capacity to establish constructive working relationships with manufacturers and with retailers.

Retailers are key to Topten ACT's end goal of market transformation, for two main reasons:

- They 'edit' the choice of products available to consumers by deciding what is available in their shops and websites
- They have a direct relation with consumers: at the point of sales and at the very moment of purchase.

Topten ACT partners know from experience that establishing energy efficiency partnerships with retailers is a challenging job. Retailers might have other priorities; they might be looking for impactful, one-off communication activities that promote them generally and not just some of their products; administrative hurdles in large retailers, and lack of staff in small ones, might jeopardise the establishment of such partnerships. Despite these anticipated difficulties, Topten ACT attempts — through the activities developed in this work package — to establish partnerships with retailers to help them choose and promote top energy-efficient products. Topten ACT also implements activities that ensure consumer ACTion (they purchase the top energy-efficient products offered by retailers) regardless of the degree of cooperation of retailers.









# **Reminder: Objectives**

### Task 5.2. Facilitating Consumer ACTion (Task Leader: Bush Energie)

Even when retailers are not interested in collaborating, Topten ACT websites work to facilitate consumer purchases by providing direct links to top energy-efficient products on retailer websites.

The business of directing visitors towards retailers is commonly known as 'affiliate marketing', or 'referral marketing'. While we will use these terms here forth, some specifics for Topten ACT should be borne in mind:

- The objective of Topten ACT is not to increase overall retailer sales, but to support consumers to buy top energy efficient products. Topten ACT websites will thus provide links only to retailer pages presenting Topten-selected energy-efficient products, and not to the retailer websites in general.
- In classic 'affiliate marketing', the publisher (the entity bringing consumers to the retailer) is rewarded for its efforts.

In Topten ACT, because Topten ACT motivation is not merely financial, websites will provide links even in the absence of remuneration from retailers.

Task leader Bush Energie has recently started working on referral marketing for Topten Switzerland, and aims to have between 50'000 and 100'000 clicks per year towards top energy-efficient products on retailer websites by the end of the project. Based on its experience, Bush Energie has prepared a 'Guidelines for Referral Marketing' document (c.f. D5.3) to help other national partners get started with such activities: recommendations for developing links and approaching retailers, expected obstacles, etc.

National partners should also use the support of an expert on referral marketing in their country, to account for their specific national conditions and ensure that their activities have maximum impact. This support allows / will allow them not only to establish links towards top energy-efficient products on retailer websites, but also to count consumer clicks towards retailer websites and quantify the impact of their referral marketing activities. The website visitor survey in Task 6.1 will gather information on consumer behaviour after they have been directed to retailer websites (notably, what fraction of visitors ends-up buying a top energy-efficient product). Ideally, retailers will cooperate in this 'counting and quantifying' process, as their collaboration makes the process smoother (retailers can provide inputs on consumer purchases that will be harder to determine without their support). However, it is not strictly necessary that they do so. This is the strength of the referral marketing activities suggested: they should enable consumer ACTion regardless of the degree of retailer collaboration.

Bush Energie as task leader has gathered in this present Referral Marketing Report the results of referral marketing activities by national partners, including number of retailers referred, number of visits generated to retailer websites, and other relevant information (this report will be updated at the end of the project).









All of the activities in this WP require dedicated attention. National partners plan to approach as many retailers (and/or manufacturers, depending on the structure of national markets) as possible in their country. However, the retailer scene being very different across Europe, it is difficult to provide national targets for partnerships and referrals. Instead, Topten ACT targets a combined 32 partnerships/referrals across Europe.

# **Introducing Affiliate Marketing**

This introduction bases on the deliverable 5.3 "Guidelines for Affiliate Marketing" (October 2015). Online affiliate marketing is a type of marketing where publishers of websites refer customers to merchants like online shops. For referring these customers, a compensation is paid to the publishers. The way the publishers are compensated is either via a Pay Per Sale (PPS) or Pay Per Lead (PPL) model. Pay per Click models are not anymore popular because of the high share of robots (clicks which are not generated by humans).

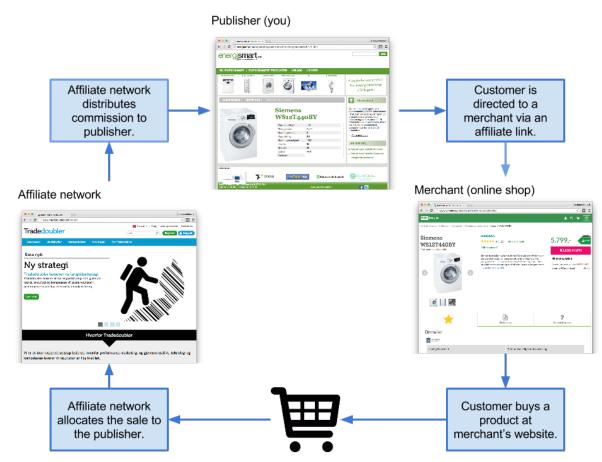


Image 1: Affiliate process









## **Key performance indicators**

To be successful in affiliate marketing, data analyses are a necessity. In this paragraph some important KPI's (Key Performance Indicators) are highlighted in order for the interested Topten websites to optimize the affiliate process along the way.

- The first step in optimizing the affiliate process is to monitor the performance
  of the various merchants on the Topten website. There are many reasons
  some merchants are performing better than the other ones. It might be
  worthwhile to give these merchants better visibility on the Topten website in
  order to improve the user experience and increasing the sales revenues.
- Clicks can be monitored via affiliate networks reporting systems, Google
  Analytics (with the assistance of Google Tag Manager), advanced tools like
  ClickMeter etc.
- Click Through Ratio (CTR): When applying the affiliate business model, the
  most important goal is to refer as much customers as possible to the
  merchants that fits the needs of these customers. The CTR indicates what
  percentage of the page views resulted in a click towards a merchant (the
  higher the better).
- Click Sales Ratio (CSR): When Topten websites manage to send customers towards the merchants it is time to check if these customers are converting into buying customers. This is something that can be evaluated by comparing the CSR of various merchants. The CSR indicates what percentage of the clicks towards the merchants resulted in a sale (the higher the better).
- Earnings Per Click (EPC): With the earnings per click, it is possible to
  calculate step further how much revenue is generated per click to a particular
  merchant. The EPC is calculated by dividing total commission revenues by the
  number of unique clicks toward a merchant: EPC = revenues / unique clicks









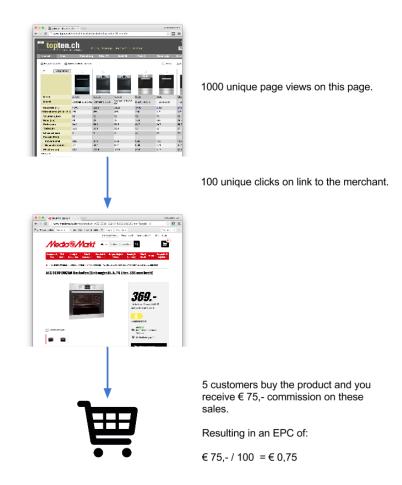


Image 2: Earnings per click

## Data exchange with merchants

The product information regarding shops must be updated daily in order to provide correct deep links to the shops and prices. This is only feasible if the exchange of information between Topten and various shops works automatically. This is done with so-called data feeds.

#### Data feeds and EAN

Data feeds are (XML) files that are published daily (or a couple of times per day) by the shops or the affiliate networks on the internet. The files that are published are separated per merchant. These files contain a long list of all products that are available at the merchant's or affiliate network's website every day.

Beside general product info like the EAN (European Article Numbering), brand and product name also the prices, shipping costs, deep links and delivery times are made available. In order to update product deep links and price information via the data feeds on a daily basis a technical solution like a Product Information Management









(PIM) tool, custom build data feed manager or integration into the website's Content Management System (CMS) has to be put in place.

The new Topten Software that is currently under development will use the PIM tool Akeneo to manage the data feed information and therefore will have this functionality out of the box.

It is necessary that the Topten software managing the data feeds is able to make a connection between the products on Topten and the product information in the shops' data feeds. To make this connection a unique product code is needed and usually the EAN is used.

# Adequate software

In order to implement affiliate marketing in an appropriate way, a new software for Topten is absolutely necessary and key to lead the Topten visitors towards merchants' websites directly to the specific product they are interested in.

The old running software was developed 16 years ago and was continuously updated. However, internet and online shopping have changed dramatically over these years, Topten as an internet-based project has to keep-up with key internet developments. There was actually no choice — a new software was indispensable and started to be developed in parallel to the Topten ACT project.

The new Topten software bases on modern online shop solutions to handle affiliate marketing, data exchange with manufacturers and retailers and is able to manage automatic updating. In a separate project, Topten Switzerland has, after consultation with the interested consortium members, mandated software developers that expected an existing online software (called Akeneo) to be relatively easily adaptable for the needs of Topten. Unfortunately the development caused huge unforeseen problems (especially synchronisation between Akeneo and Drupal) that generated very important over-costs and delays.

The pilot in Switzerland is running since May 2016, even if many crucial optimizations in navigation and layout are still needed and under development. The deep links towards shops is however working very well. The rollout for France and Italy has stated in the summer 2016; Next rollouts start step by step.

This delay in the central development explains why many partners were not and are still not able to work on referral marketing (WP5) since the tool to do it is not ready. The development for the new software is an absolute key priority and we work on it with all possible efforts. However, even in this difficult situation, several Topten ACT partners were able to start experimenting affiliate marketing as the next sections show.









# **Results and Experiences**

Conversion tests in France

# Pilot results (before the implementation of the new software)

Before investing in the relationship with the affiliate networks and merchants we decided to execute a conversion test. The results of this test can be used to optimize the site for the affiliate business model. This conversion test consists out of two elements, 1) optimization of visitor flow and 2) determine visitors' intention.

Topten France saw an optimization potential in visitors leaving the "Recommendations" pages on first interaction. To test the potential we optimized the page "Recommendations lave-linge".

The goal of this optimization was to lower the number of visitors leaving after the first interaction and increase the conversion potential on the washing machines comparison pages. By adding call-to-actions you more or less take your visitors by the hand and guide them through your site.

As a result of lacking call-to-actions 62,1% of the visitors left the site on first interaction. In the best case scenario, they received the information they were looking for and left the page satisfied. But based on search queries like "meilleur lave linge" they probably would like to see for example the top 10 washing machines besides the general information.

Optimized situation: In order to increase the visitor flow from the "Recommandations lave-linge" page we created a funnel with two options: one for the "à hublot" type and one for the "ouverture par le dessus" type. In each of the funnel options we added a call-to-action in the form of a button with the text "Comparer".









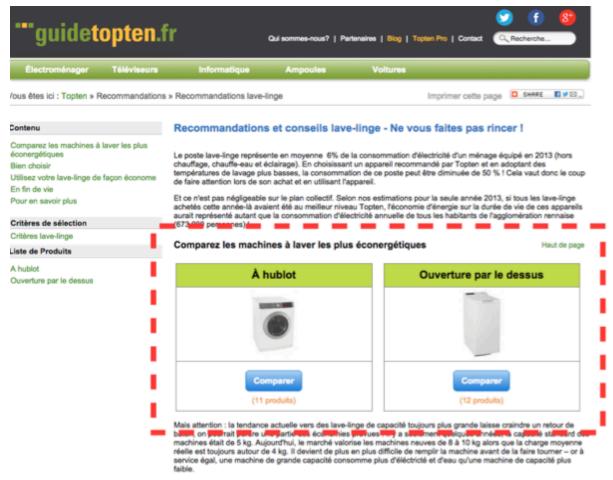


Image 3: Call to Action

Conclusion: The optimized page structure with the added funnel is performing significantly better than the initial structure. When taking into consideration the new affiliate business model a logical step should be to implement this new structure on the other "Recommendations" and "Critères" pages. When implemented on these pages it also means that SEO adjustment could have a bigger impact on the revenues. Besides adding the funnel functionality to the other pages also the funnel itself can be improved even further for example by experimenting with different colours for the call-to-action button.

#### **Determine visitor's intention**

In order to determine the intention of the visitors and to find out what kind of interface could work when implementing an affiliate business model we added a button to the comparison pages of the washing machines types "à hublot" and "ouverture par le dessus". During 6 weeks we tested 4 different button texts in order to have a better understanding of the visitors intentions. We used the CTR (Click Through Ratio) as the KPI (Key Performance Indicator).

In the optimized structure we added a call-to-action in the form of a button in order to make visitors interact with the site.









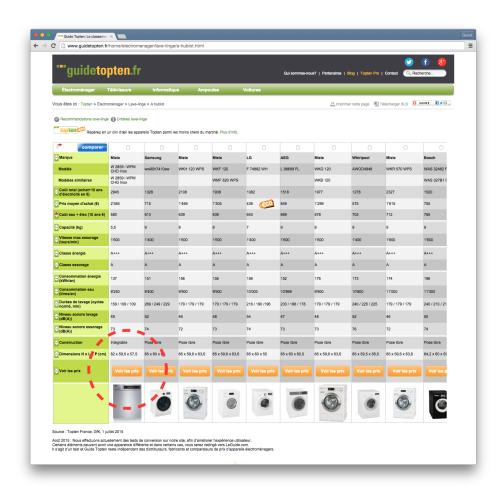


Image 4: Call for Action "Voir les prix" (Topten France, 1 July 2015)

Afterwards, we could test which Call for Action was most attracting.

Button text	Plus d'info	Acheter	Où acheter	Voir les prix	Total
Unique page views	843	576	502	966	2.887
Unique events	257	115	131	555	1.058
CTR	30%	20%	26%	57%	37%

Table: Attraction of several Call for Actions (Data: 10/08/2015 - 20/09/2015) Obviously prices attracted most interest.









#### Implementation in Sweden

Topten Sweden provides the service to easily find shops with best prices. Therefore Topten Sweden shows deep links to <a href="https://www.pricerunner.se">www.pricerunner.se</a>.

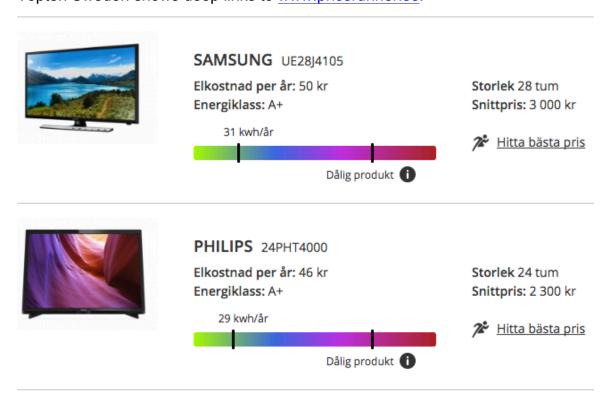


Image 5: Topten Sweden provides deep links "Hitta bästa pris" on Toprunner.se in order to facilitate visitors to find best shops

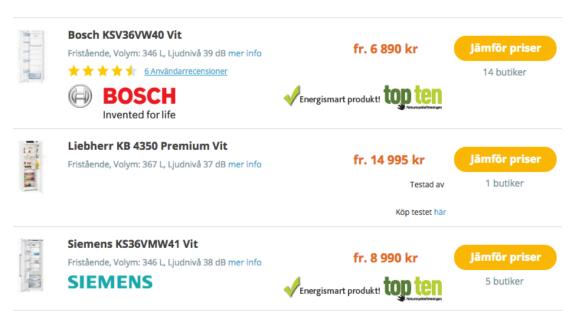


Image 6: Toprunner.se labels Topten products on the overview lists. This creates a high impact for energy efficiency and Topten Sweden









#### Implementation in Austria

Austria is in progress to establish affiliate-marketing collaborations especially with Mediamarkt and Expert.

## Die Grüne Zone und Energiespar-Wochen bei Mediamarkt

Media Markt präsentiert in Kooperation mit topprodukte.at im Markt vor Ort und online besonders umweltschonende und sparesame Geräte.



Quelle: Media Markt Österreich

Media Markt setzt nicht nur auf Technik und Innovation sondern auch auf Energiesparen.

Um umweltbewussten KundInnen einen klaren Überblick und Infos aus erster Hand zu bieten, kooperiert Media Markt mit klimaaktiv und topprodukte.at, der Plattform für energiesparende und qualitativ hochwertige Produkte.

Besonders umweltschonende und sparsame Geräte finden KundInnen im

Markt genauso wie online unter mediamarkt.at/gruenezone. Das Angebot aus dem umweltbewussten Sortiment wird laufend erweitert und mit zusätzlichen Services und Informationen ergänzt.

#### Energiespar-Aktionen

Im Rahmen der Energiespar-Offensive von Media Markt sind ab 6. Oktober Energieberatungs-Termine mit klimaaktiv topprodukte-SpezialistInnen der Österreichischen Energieagentur und ein groß angelegtes Energiespar-Gewinnspiel für die KundInnen, ergänzt um eine Auswahl an Aktionsprodukten bis 18. Oktober geplant.

Energiespar-Beratung durch topprodukte-SpezialistInnen: Erfahren Sie alles Wissenswerte darüber, wie Sie mit besonders umweltschonenden Geräten bis zu 30% des Strombedarfs in Ihrem Haushalt einsparen können.

#### Termine (Media Markt Wien Mitte)

6.10. 11.30 - 13.00 Uhr

15.10. 13.00 - 15.00 Uhr

22.10. 13.00 - 15.00 Uhr

29.10. 13.00 bis 15.00 Uhr

Image 7: Joint energy efficiency activities in stores and online of Mediamarkt and Topprodukte Austria









#### Implementation in Italy

Topten Italy collaborates with <u>www.idealo.it</u> which has established links to eurotopten.it.



Image 8: Price comparison site idealo.it linking to Topten Italia

#### **Implementation in Germany**

Topten Germany collaborates with <a href="www.idealo.it">www.idealo.it</a> which established links to ecotopten.de. In addition Ecotopten gets product prices from Idealo.



Image 9: Price comparison site idealo.de linking to Topten Germany

<u>Kaufpreis</u> = Median ermittelt von idealo, Stand Juni 2016, aktuelle Preise finden Sie hier: http://www.idealo.de/preisvergleich/SubProductCategory/3960.html

Image 10: ecotopten.de references the product prices from median values according to Idealo.









### Implementation in UK

UK realizes direct links e.g. to Marks Electrical and Hughes.



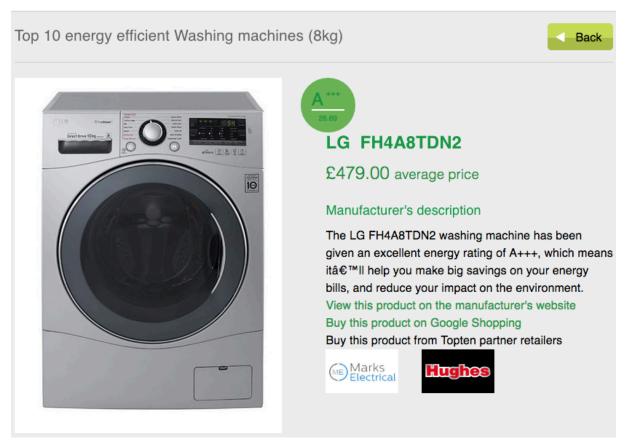


Image 10: Deep links to shops from www.toptenuk.org









#### **Tests in Switzerland**

The images below indicate how affiliate marketing was implemented in Switzerland in the test phase in 2015 (example coffee machines on www.topten.ch).

Main results of the Swiss experience:

- Basically retailers and online shops showed to be ready to collaborate with Topten.
- Some of them were ready to label the products on their web-shops which was a huge contribution to the Topten goals to enhance the sale of energy efficient products and is good for the publicity of Topten. 3 shops show Topten already pretty well in their web shops.
- Topten visitors showed to be rather reluctant to click on the shop logos, as
  they seem to perceive logos as annoying advertising instead of a service to
  get best products. This link has to be optimised (see the French experience)
  and visitors might wish a sorting by price of the offers.
- Based on first negotiations, generating funding from affiliate marketing seems to be challenging for Topten.
- Product updating and data exchange has been done manually. On the long term this huge effort is not possible with sufficient updating rate. Automatic solutions are needed for data exchange with shops.
- To monitor the benefit of the affiliate marketing with the counting of clicks turned out to be really tricky. Around 90% of clicks seem to be robots (not human clicks). Even professional tools like clickmeter show difficulties to track real traffic.
- Concluding, Switzerland decided to make a re-launch of the affiliate marketing when introducing the new software able to handle all these issues in a professional manner.











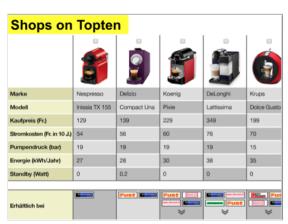








Image 11: Pilot test in Switzerland on affiliate marketing









#### Implementation of affiliate marketing in Switzerland

The following illustrates how affiliate marketing was implemented in Switzerland in the summer 2016. Due to software problems, it was not yet possible to optimize the layout as we would have wished to.

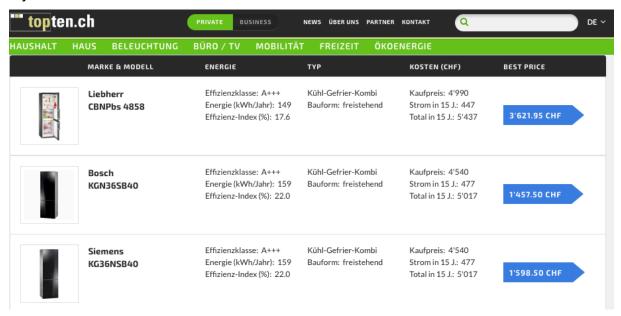


Image 12: Typical list of Topten products. The blue arrow shows the best price.

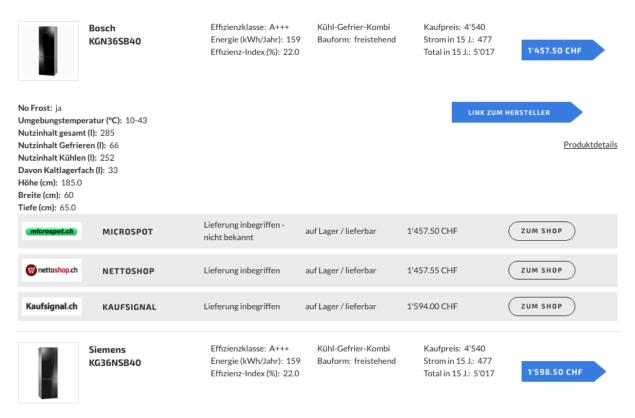


Image 13: Expanded view with shop links, sorted by price









Clicking on a product yields to the expanded view. Here the deep links to the shops are key. Besides this, there are more product information and a link to the manufacturer provided. A click on the button "To the shop" yields directly to the product page of the retailer.

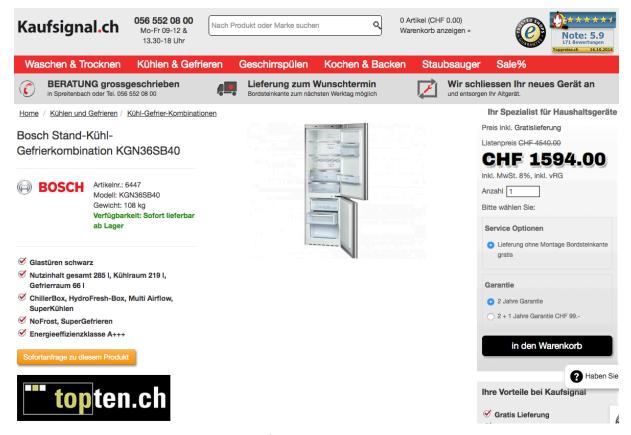


Image 14: Deep link to the product page of a online shop

The click on Topten yielded e.g. on the shop Kaufsignal.ch. With one more click, visitors can order the product (in den Warenkorb). In addition, Kaufsignal.ch labels all corresponding products with Topten. This is a strong tool to motivate consumers to choose Topten products and it contributes to the publicity of Topten.

Kaufsignal.ch included Topten also in the filter options and labels Topten products also on the overall lists.











Image 15: Topten in the filter and on product lists on Kaufsignal.ch

Topten Switzerland is actually negotiating with all retailers so that the Topten label Topten is shown very prominently on the retailers' websites, as Kaufsignal is doing it. The following images show some more examples.

Nettoshop is one of the largest online shops in Switzerland (part of the Coop-Group). Also Nettoshop uses Topten as a filter and shows the Topten logo prominently.

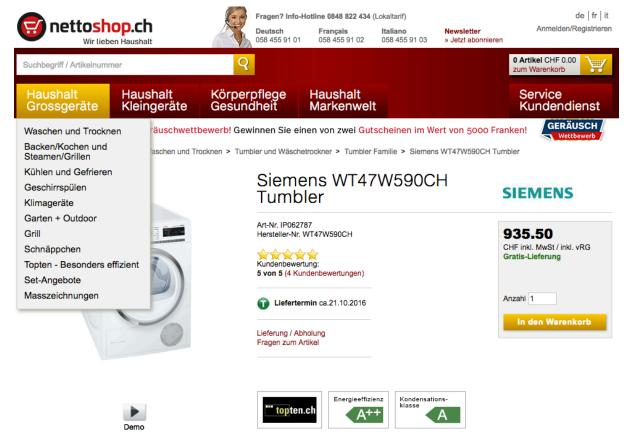


Image 16: Nettoshop with Topten labelling including Topten filter











Image 17: Screenshot from the Migros website labelling a Topten luminaire. Migros and Coop are the two largest retailers of Switzerland

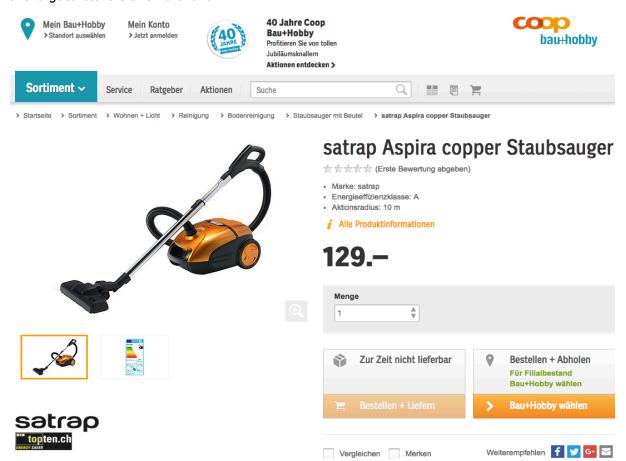


Image 18: Screenshot from the Coop website labelling a vacuum cleaner.









### **Deliverables and milestones**

D5.3 "Guidelines for Affiliate Marketing" has been elaborated and supports all teams in establishing affiliate marketing partnerships with retailers, online shops and price comparison websites.

The milestone "MS5 Retailers" requests at least 16 partnerships/referrals activities which have to been established or should be in progress after 18 months. The milestone has been achieved.

The evaluation of partnerships with retailers shows that, in total 20, partnerships have been established or are in progress. As mentioned before, the new software development is late due to unforeseen problems with the software company, and this has hindered and considerably delayed WP5 activities. Because it already has installed the new software's pilot version, Switzerland could establish many collaborations including both 1) deep links from Topten.ch to the shops as well as 2) Topten-labelling on the websites of the shops. In other countries partnerships are in progress.

Country	AT	СН	DE	IT	SE	UK
Partnerships (established/ in progress)	2	13	1	1	1	2

### References and links

#### **Useful links**

<u>www.clickmeter.com</u>: Monitor, compare and optimize all your marketing links in one place to track the conversion rate

https://en.wikipedia.org/wiki/Affiliate marketing: Short overview on affiliate marketing

#### Topten sites relevant for affiliate marketing

http://www.topprodukte.at/ http://www.ecotopten.de/ http://www.eurotopten.it/

http://www.toptensverige.se

http://www.topten.ch

#### References

Topten ACT, Thierry Lagoda. Engaging Retailers: D5.1 – Periodic Retailer Partnerships Report I. 2016

Topten ACT, Nick van Roekel and Eric Bush. Guidelines for Affiliate Marketing (D5.3). 2015