

Affiliate Window Sector Spotlight

The Lingerie Sector

Introduction:

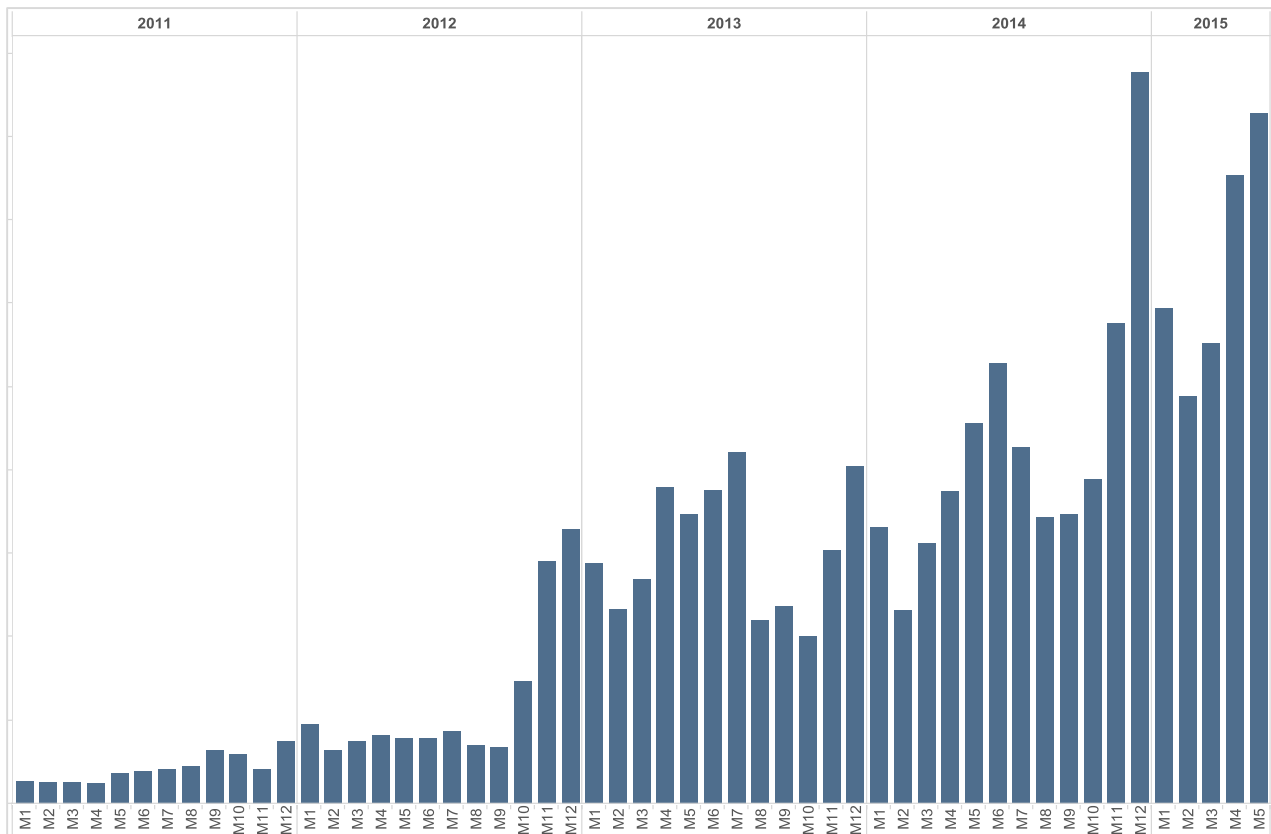
The UK Online Lingerie sector has enjoyed considerable growth over the past few years, with the industry seeing growth of 265%, compared to 116% for the online retailer sector between 2009 and 2014 ([Lingerie Insights](#)). Where typical retailers suffered in sales from post-recessionary customers, the Lingerie sector came out unscathed, with Analysts from [Global Online Lingerie Market](#) now predicting further growth of 18.18% between 2014 and 2019.

Growth in this sector has been aided by several factors including typically low average order values at £36 compared to £58 in clothing generally ([Lingerie Insights](#)), and a rapid adoption of mobile payment options and browsing functionality. Many advertisers in the sector also offer free delivery over certain spends, as well as free returns and click and collect options. Part of the sector's success can be attributed to lingerie boutiques catering to a wider range of customer size requirements than traditional department stores, as well as an overall de-commodification of the sector, through the influence of celebrities and large brands such as Victoria's Secret reinventing the customer experience of lingerie shopping ([Marketing Magazine](#)).

With high levels of competition in the sector, advertisers will need to continuously inject creativity into their online propositions to stay ahead of the curve and optimise social and onsite touch points. Taking a look at our portion of the Affiliate Sector, we've seen excellent growth, particularly with advertisers offering multi-brand & tailored options. Overall growth stands at 89% for 2015 year to date, versus 2014, with mobile traffic (tablet & smartphone) up to 40% of total traffic against 26% last year. So far in 2015 mobile sales have accounted for 32% of all transactions.

Trends over time:

The graph below indicates the monthly revenue trend for Affiliate Window's Lingerie advertisers:



Key Performance Indicators

Average Order Value (AOV)

AOV has remained relatively stable in the sector since 2013, with 2015 up to £49.67 from £44.24 last year, placing the Affiliate Channel higher than the overall online average.

Conversion rate

The average conversion rate in the Lingerie sector grew from 5.26% in 2013 to 7.23% in 2014, with this year's average currently at 6.49%. Looking at last year's trend, we can expect this to rise towards the Christmas peak.

EPC and commissions

Coupled with market growth, the sector is an increasingly lucrative one for affiliates with the average EPC growing from £0.12 in 2013 to £0.19 so far this year. The average commission is now at £2.93, compared to £2.36 in 2013.

Mobile Performance

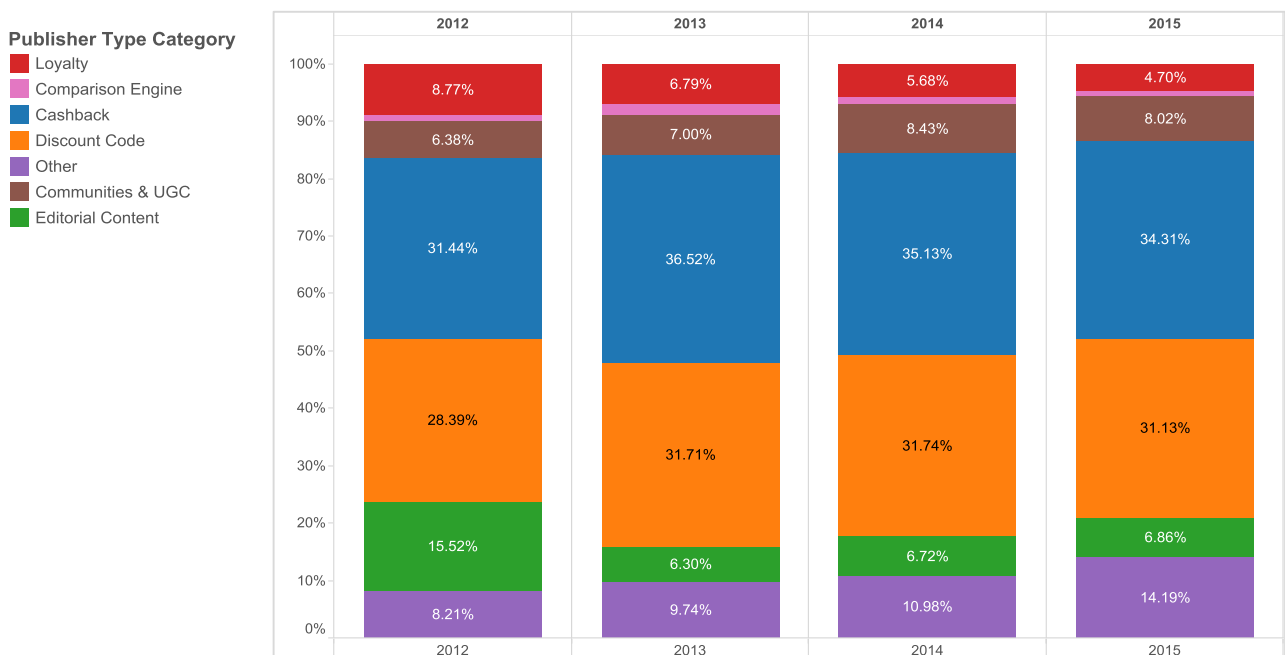
Tablet devices have maintained a continual presence in the sector, with 22.43% of total transactions in 2015, up from 20.25% in 2013, this has been achieved at a conversion rate of 9%. Smartphones have grown faster with 9.6% of transactions in 2015 up from 3.39% (2013) and 7.15% (2014). Conversion rates for smartphones are currently at 2.64% for this year.

Tools for affiliates

Typically most Lingerie programmes will offer affiliates a feed, standard banner creative, voucher codes, and text links.

Affiliate mix

In the chart below, we've broken out the percentage of affiliate's transactions by publisher type. Cashback and voucher code sites have maintained a consistent presence, whilst loyalty affiliates have dropped to 4.7% in 2015. On the other side, communities and UGC have grown to 8.02% this year from 6.38% in 2012. Editorial content sites have averaged a 6.63% share over the past three years.



Finally, we've put together some niche sites to consider for the sector:

Affiliate ID	Relevant URL
136307	http://www.curvykate.com/
178585	http://www.clothes-for-big-breasts.com/
133391	http://www.brabras.uk.com/
101076	http://new-special-lingerie.com/
110830	http://www.estylingerie.com/blog/
151102	http://www.curvywordy.com/
78186	http://www.lingeriehelper.com