



 Ambassador

REFERRAL MARKETING BY THE NUMBERS

**eCommerce**

A deep dive into the results eCommerce customers see  
from referral marketing technology



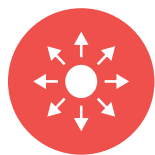
For many eCommerce brands, referral marketing is a no-brainer. Studies have shown that referred shoppers cost less to acquire, buy more, and stay longer. And a survey conducted online by Nielsen's Harris Poll found that 82% of Americans seek recommendations from friends and family when considering a purchase, while 67% say they're more likely to make a purchase when a friend or family member shares it online.



That research is all well and good, but what does it really tell us about the success of referral marketing as a strategy? And what does referral marketing success actually look like?

## The Story Our Data Tells About eCommerce and Referral Marketing

To help answer those questions, we dove into our data. The goal: Evaluate participation and conversion metrics generated by our most successful eCommerce customers, and extract insight that can help other retailers assess and optimize their referral programs. Here's what we found:



**40%**

Average Share Rate  
Among Enrolled  
Ambassadors



**11.5**

Average  
Number of  
Visits per Share



**\$3.62**

Average Revenue  
per Referred Visit

Those numbers might not seem dramatic, but let's perform a quick calculation. If you have 10,000 ambassadors and 40% of them share their link just once, it will generate 46,000 visits to your site. And if each visit is worth \$3.62, that equates to \$166,520 in revenue.

**Key takeaway:** Referral marketing is a numbers game. Add more ambassadors to the top of the referral funnel and you'll proportionately increase shares, visits, and, ultimately, revenue.



**10,000**  
Ambassadors

$$\begin{array}{r} \$46,000 \quad \times \quad \$3.62 \\ \text{Site Visits} \quad \quad \quad \text{Average Revenue per Visit} \\ \hline = \quad \mathbf{\$166,520} \\ \text{Referral Revenue} \end{array}$$

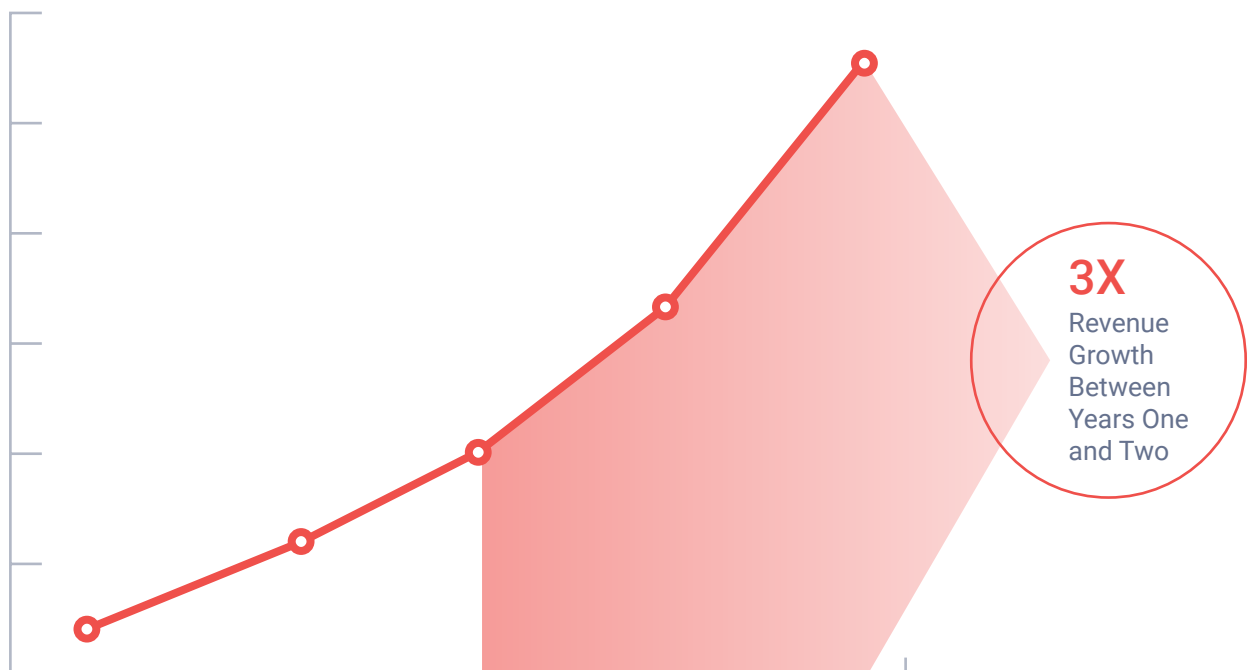
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## The Compound Effect of Time

One common assumption with consumer-facing referral programs is that, over time, results will plateau. The theory is that ambassadors will grow weary of sharing (or they'll run out of people to share with) and activity will flatline. Fortunately, our data paints a very different picture.

In fact, we noticed an interesting trend. While revenue spikes sharply in the first six months after launch, growth continues to rise steadily over the following 18 months – increasing, in fact, at a nearly 3x multiple between years one and two.

Two-Year eCommerce Revenue Growth



**The takeaway:** eCommerce brands that give their referral programs an opportunity to mature, see compounded results well beyond the first year. The reason: Successful referral programs generate a natural network effect. As you acquire more referred customers, an abnormally high proportion of them will convert into new ambassadors. Those ambassadors will then draw in new customers, and the cycle will start all over again.

Want to find out how Ambassador can help your eCommerce business drive revenue growth through referral marketing? [Click here to schedule a demo](#) and see how our product helps you turn customers into revenue generators.

