

## Hotel Chocolat revels in luxury service with Commission Junction

### The Client

Established in 1994, Hotel Chocolat was launched with one goal in mind – “to make a better type of chocolate available to UK consumers bored by the mediocrity of that available in supermarkets and on the high street”. Now, Hotel Chocolat is a leading international chocolate retailer online, via catalogue and on the high street in the UK (with 27 stores).

As a result it was awarded Emerging Retailer of the Year by the influential Retail Week magazine in 2007, and has been selected as one of the UK’s prestigious CoolBrands. In September 2007 they hit U.S. shores with the launch of its American website operating out of Boston, MA.

Hotel Chocolat’s peak sales periods are very seasonal and predominately around gifting periods. Due to key holiday dates in 2008 all falling so close together, their biggest sales events (Christmas, Valentine’s Day, Mother’s Day and Easter) all occurred within a four month period.

### Hotel Chocolat’s Objectives

- To increase brand awareness
- To generate income
- Finding new customers and retaining existing ones
- Ensure an effective return on marketing investment
- To support store based activity
- To launch [www.hotelchocolat.com](http://www.hotelchocolat.com) into the US
- To take advantage of key seasonal periods with creative campaigns

### The Solution

- Due to Hotel Chocolat’s strong relationships with their top publishers, Commission Junction was able to focus on introducing new affiliates to Hotel Chocolat’s program and using its network of contacts in the US market to grow the business overseas.

### Incentive structure

Hotel Chocolat also provides incentives such as:

- Bronze, silver and gold tiers to provide affiliates higher commission in reward for good sales volumes
- Increased commissions for peak periods to guarantee good PR for the programme, which in turn ensures an active affiliate base and rewards affiliates for their resource rather than cutting commission at a peak trading time



**“We chose to work with Commission Junction because of their extensive experience in the retail space both here in the UK and internationally. We were confident that Commission Junction with their expert advice and proactive approach were the right network to help us achieve our ambitious goals.”**

**Matthew Keys, Commercial Development Executive - Online, Hotel Chocolat**

### Communication with Affiliates

- Hotel Chocolat provides a whole range of information and creatives to different parts of their audience, taking care to constantly communicate any updated information depending on company changes
- They have a blog specifically for their affiliates, plus they provide product training and invite some affiliates to in-store events
- The team at Hotel Chocolat are active on the affiliate forums and are well known in the industry, as well as always being very open and available to be contacted by affiliates

### Providing great content and tools

- The strategy for the launch of their Hotel Chocolat US site was led in part by affiliate marketing. Together with Commission Junction's Cross cookie correlation technology, this enabled Hotel Chocolat to track success more easily
- Commission Junction's technical team have worked to create and provide Hotel Chocolat's product feed and catalogue to the program's affiliates
- Commission Junction work closely with Hotel Chocolat and their affiliates to present opportunities and bespoke creative executions to certain publishers
- Hotel Chocolat has been committed to providing new media tools to their affiliates - including audio and video podcasts about their chocolate plantations for example - for publishers to use with the aim of helping user engagement which in turn enables increased conversion

### Commission Junction's approach

As the world's leading affiliate marketing network, Commission Junction has worked exclusively with Hotel Chocolat since late 2006 to deliver a highly successful marketing programme with the following objectives:

- To increase the Hotel Chocolat brand awareness in the marketplace
- Improve perception of the Hotel Chocolat affiliate program
- Maintain a program with a range of publisher business models to achieve a stable program
- Recruit new affiliates, especially content sites
- Utilise affiliate marketing to help increase penetration in the US market



**“We’ve put in a lot of hard work into our affiliate marketing program, but this couldn’t have been achieved naturally without the publishers and the team at Commission Junction. Our dedicated account management team have ensured that they are constantly thinking about how their work can continue to play a significant part of our overall marketing strategy. This was particularly evident during these four busy trading months for the company alongside the launch of our American business to which affiliate marketing has played an integral part of the launch plan especially benefiting from Commission Junction’s cross cookie correlation technology.”**

**Matthew Keys, Commercial Development Executive - Online, Hotel Chocolat**

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## Results

### Results of the programme so far:

- Affiliate marketing made up 20% of all online sales in 2007, vs. 12% in 2006 – peaking at 29% during one particular month
  - Affiliate marketing made up 16% of all mail order sales in 2007, vs. 11% in 2006
  - Transactions made via affiliate marketing have seen an increase in average basket value of 34% vs. 2006 – due to increased supportive copy and on brand loyalty sites aimed at our target audience
  - Q1 2008 saw an increase in sales of 56% more than in Q1 2007 due to an effective affiliate communicate strategy and effective phased affiliate marketing calendar
  - A 59% increase in earning publishers from the same period last year due to proactive retention and reactivation incentives for affiliates whilst maintaining high training levels
  - Nectar has been a site that has converted well for Hotel Chocolat – so well in fact that they generated a 319% increase in sales year on year (this is partly because they have continued to promote the brand by placing adverts for Hotel Chocolat high up on their page at key promotional periods eg. Mother's Day)
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