soreto

Proven Strategies To Thrive In A Challenging Retail Landscape

Discover how Soreto's Referral Technology drove ROI and organic growth in 2024 – and what's next for 2025.

Referral Insights Whitepaper

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Executive Summary

Soreto Referral Technology exists to scale the power of organic social media and customer advocacy to supercharge eCommerce for global Brands. We give our clients the tools to tap into multiple social media channels, turning your happiest customers into authentic advocates, driving Organic Reach and freeing up Marketing teams to focus on what matters most.

In 2024, global consumer confidence remained low due to geopolitical instability, rising interest rates, and the energy crisis, making it another **challenging year for retail**. Middle-income consumers, in particular, reduced spending across all categories amid high prices and borrowing costs. Meanwhile, Marketers faced the dual challenge of staying competitive in a saturated digital market while navigating weakened demand.

As Digital Marketers need to be more and more creative with their budgets and activities, it is no wonder that Referral Marketing has become a must-have in their Marketing arsenal. Not to mention that **social commerce is expected to grow to $6.2 trillion by 2030**, making them Marketing channels

that can't be ignored. Despite the difficult macroeconomic background, 2024 marked another year of strong performance for Soreto's Referral Campaigns. With over 1.3 million Referrals generated, Click Through Rates on shared posts increasing from **35% to 40% YoY**, and Conversions from Click to Sale also seeing an uplift from **14% to 18%**, our platform demonstrated the power of combining trusted word-of-mouth with organic Social Reach. Below, we explore the year's standout metrics, platform insights, and trends shaping Referral Marketing in 2025.

Rachel Woodger
Director of Operations

The Facts

We've Generated Over

1.3m
REFERRALS IN 2024

Shared Social Posts See

40%
CLICK THROUGH RATES

Click To Sale Conversions See

18%
CONVERSION RATES

1. Campaign Performance Metrics

In 2024, Soreto ran 500+ Brand Campaigns, in 36 countries in 16 languages. All the data in this report comes from Soreto's proprietary platform.

Total Referrals Generated

Soreto's Campaigns drove a total of **1,302,590 Enrolments** (please see Glossary of Terms for definitions at the end of this document), each of those Enrolments giving the Brands that they advocated for exposure to their social networks garnering valuable Organic Reach.

On average, social media users have 190 followers meaning our Campaigns gave the possibility to reach a minimum of 247M accounts.

OVERVIEW

Brand Campaigns
500+
No. of Campaigns
Soreto ran in 2024

Countries
36
We run Campaigns
across the globe

Languages
16
Our Campaigns run
in many languages

Enrolments
**1.3m**
Campaigns drove
1m+ Enrolments

Followers
190
Avg. no. of followers
for social users

Reach
247m
No. of potential
accounts reached

Top-Performing Offers

Offers promoting **15% Off** continued to yield the highest Referral growth. Brands such as **Google Store**, **Weekday**, and **Ninja** saw particularly strong performance. Brands with exclusive Referrer rewards drove more engagement, while those Brands with high-frequency discount strategies hindered Enrolments, as consumers saw sharing as less valuable.
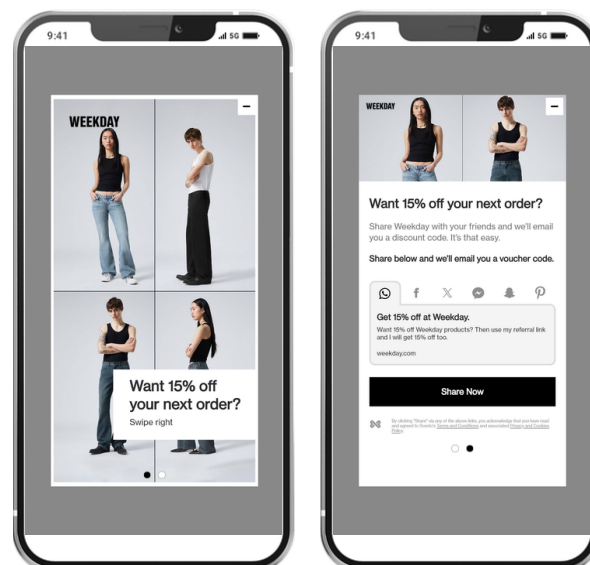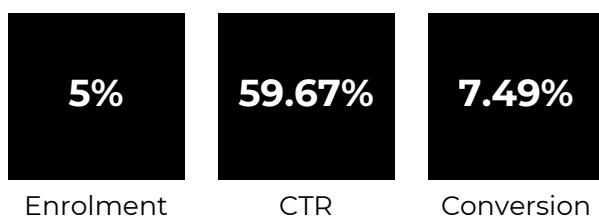
OFFER PERFORMANCE

1. Campaign Performance Metrics

Average Performance Rates

An analysis of key Campaign metrics over the years reveals meaningful insights:

5%	59.67%	7.49%
Enrolment	CTR	Conversion

- **Enrolment Rates** have remained steady at **over 5% since 2022** (while our best Enrolment Rates were **over 30% in 2024**), showing that given the right incentives customers are willing to become Brand advocates.

- **Click-Through Rates** improved, reaching a notable **59.67%** which is an **uplift of 14.53% YoY.** This was achieved through extensive **A/B testing** to improve usability, messaging and engagement.

- **Conversion Rates** also had some stability, landing at **7.49%**, reflective of steady customer purchase intent. Some Brands however saw much higher Conversion rates of **up to 25%.**

9X MORE ROI VS. PAID CHANNELS

Average ROI

On average Soreto Referral Campaigns achieved a staggering **1,868.84% ROI** in 2024, significantly outperforming paid channels like Google Ads **(200% ROI)** by over 9x.

As advertising activity becomes increasingly more expensive, Referral Campaigns can be a much more rewarding avenue for Brands to gain not just valuable Organic Reach but also high-quality new customers.

2. Platform-Specific Insights

Here we delve deeper into what were the most popular sharing channels for customers in 2024 and when those customers were sharing their favourite Brands.

Most Effective Social Channels

WhatsApp and Facebook led in Enrolments and Sales:

Facebook and **WhatsApp** saw the highest volumes in **Enrolments** and **Clicks,** whilst Facebook saw the lion's share of both these metrics, it is WhatsApp that had the best **CTR** and **Conversion Rates**.

For our US clients, **Email** emerged as the channel with the highest Conversion Rate **(16.99%)**, driven by personalized targeting.

Emerging Platforms

New entrants like **Instagram** and **Snapchat**, while still growing, showed potential, with increasing adoption projected for 2025. Both platforms have young demographics with **70 - 75%** of their users being **under the age of 34**. Friends referred through **Instagram** have an **AOV of $65**, while 2 out of 3 snapchat users purchase at least one product a month.

Key Takeaways

Facebook has the highest Enrolments & Clicks

Enrolments

Clicks

WhatsApp boats the best CTR & Conversion Rates

CTR

Conv. Rate

Email is the silent powerhouse in the US

Conv. Rate   16.99%

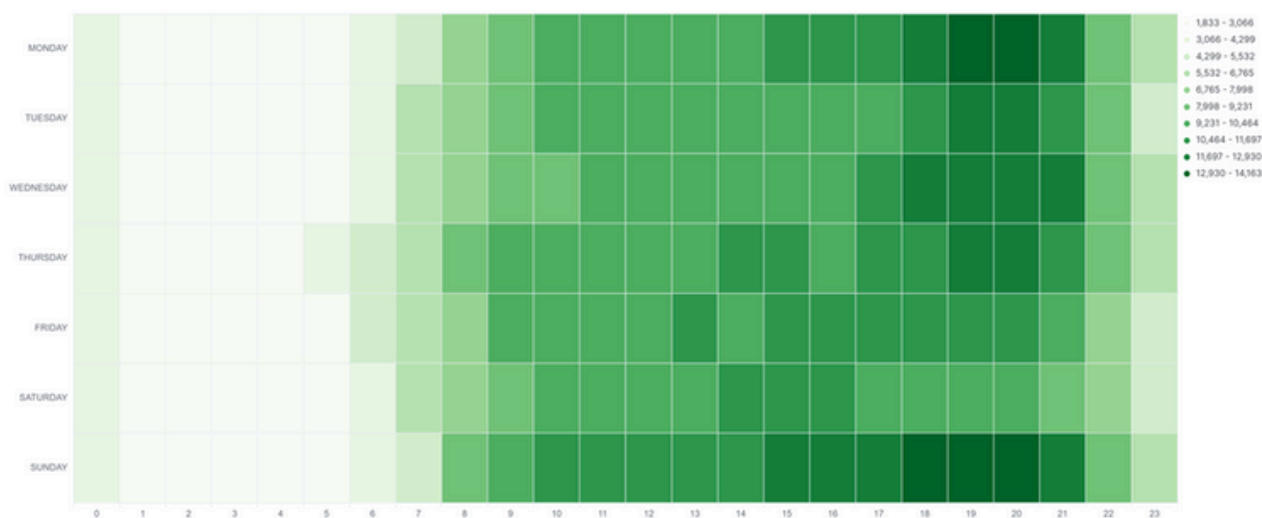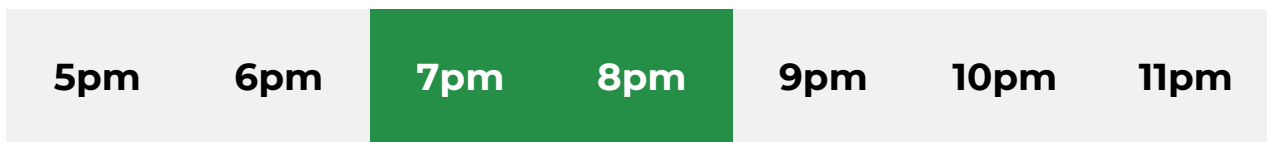**Newer platforms with younger demographics**

Under 34 yo   70 - 75%

2. Platform-Specific Insights

Peak Sharing Times

A heatmap of customer engagement revealed the following trend:

Sunday and Monday evenings (7 PM - 8 PM) were the most popular times for sharing.

5pm	6pm	**7pm**	**8pm**	9pm	10pm	11pm

Therefore, we highly recommend that Brands should optimize their email promotion of their **Refer A Friend (RAF)** placements during these high-activity windows for maximum impact. Promotion of the pre-purchase placement not only allows Brands to specifically target their data segments to re-engage at risk categories, it also grows awareness of the Referral Programme to improve engagement rates post purchase.

We see that Brands that promote their RAF pages holistically across their Marketing channels see the best results.

3. Audience & Reach Metrics

Brands using our Referral solution can leverage the social networks of their happy customers to get trusted reach to their target markets within those social media channels.

Organic Reach & Viral Lift

Based on the number of Enrolments we estimate that roughly **247M social users** could have been reached through posts, tweets, snaps, DMs and pins achieving a significant viral lift for Brands.

Access to these varied social audiences using our Referral Campaign would have **cost 9x times more** for our clients had they used alternative social advertising channels.

Top Geographic Regions

In 2024 we launched Campaigns in 7 new markets in **EMEA** and **LATAM** expanding the total number of countries we operate in to 36.

The **Baltic States, Mexico** and **Hungary** saw the highest Enrolment Rates ranging from **19-39%.**

The **United States, Great Britain,** and **Germany** emerged as the leading regions for Placement Views and Clicks. Smaller markets such as **Hong Kong** saw high Conversion Rates **(27.30%)**, emphasizing localized opportunities.

Key Takeaways

7

New markets we have launched in 2024

36

Countries we operated our Campaigns in 2024

19-39%

Baltic States, Mexico & Hungary saw highest Enrolment Rates

27.30%

Small markets like Hong Kong saw high Conversion Rates

4. Customer Trends

We know that giving customers a wide choice of channels they can share through improves not only engagement but helps to reach the right Friends. Our Campaigns also allow Referrers to share with more than one channel if they so chose to maximize their number of successful referrals.

Referral Behaviour

The average referral frequency i.e. how many times a Referrer shared in the year showed that the majority only shared once **(81.19%)** or twice **(14.57%**). With **0.05%** of all Referrers having shared Brand offers **10 times or more**. This shows that Customers are genuinely sharing the Brands that they love.

A minority of Referrers **(8.07%)** also utilized multiple social channels, boosting Reach and Engagement. Highlighting the importance of giving users choice to select the network they wish to share through.

FREQUENCY OF SHARES PER REFERRER
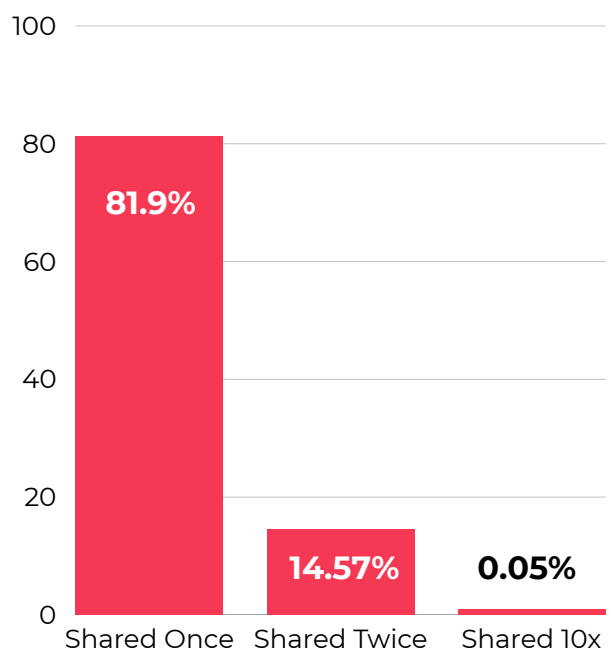
Referrers vs. Friends

Sales were nearly equally split 50/50 between Referrers and Friends. Proving that Referral is both a retention and new customer acquisition tool. Friends had a higher AOV **(£150.34)** compared to Referrers **(£73.48),** underscoring the high-value customers that Referral brings.

FRIENDS BRING HIGHER VALUE

£73.48   Referrer AOV

£150.34   Friend AOV
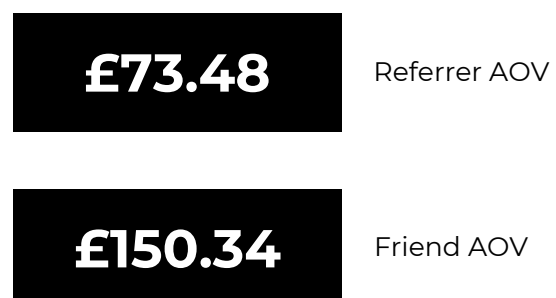
5. Retention & Loyalty Impact

Referral Marketing leverages trust and social validation, this creates more engaged and enthusiastic advocates who are more likely to stay loyal and spend more with your Brand over the long term.

LTV and Retention Rates

If it costs £50 to acquire a new customer and that customer typically spends £73 on each purchase, they buy three times a year and remain loyal to your Brand for an average of 5 years, their **Lifetime Value (LTV) would be £1,045** (£73x3x5-50).

We found that in 2024, Friends or Referred customers **spent on average 50% more on their first purchase** than new customers from other channels so in this example,

the LTV for those **Referred customers is £2,200** (£150x3x5-50). Proving them to be more extremely high-value customers.

Referred customers also displayed higher loyalty compared to other acquisition sources, and **65% go on to become Referrers** themselves.

Our recommendation to Brands is that they should focus on nurturing this segment to further enhance lifetime value.

REFERRED CUSTOMERS DRIVE HIGHER LTV
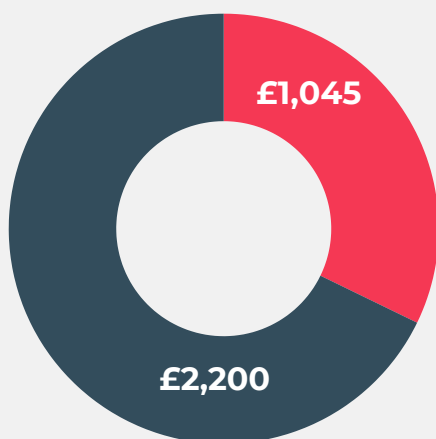
£1,045

£2,200

■ New Customers   ■ Referred Customers

Key Takeaways

50%

Referred customers spend 50% more on their first purchase

£2,200 vs. £1,045

Referred customers exhibit higher Retention Rates & LTV

6. Creative & Content Insights

Clear messaging and creative assets that look native are essential in the creation of a successful Referral Campaign. But how do you know what your customers will respond to? A/B testing is a vital tool for Brands to better understand what messaging resonates with their customers and drives behaviours and loyalty.

A/B Test Findings

We ran hundreds of A/B tests in 2024 for Brands to refine and optimize their Campaigns. Here are some key outtakes from those tests:

Messaging
"Want 15% off?" outperformed "Get 15% off", reflecting the value of aspirational phrasing.

Images
Humans modelling products performed better than images without human elements.

Sharing Options
When the icons were in the social's Brand colours this changed user behaviour and Enrolments/shares were more evenly spread across the channels vs when the icons were greyed out.

Social Share Order
Changing the order of the sharing channels also encouraged Referrers to choose different channels to share through.
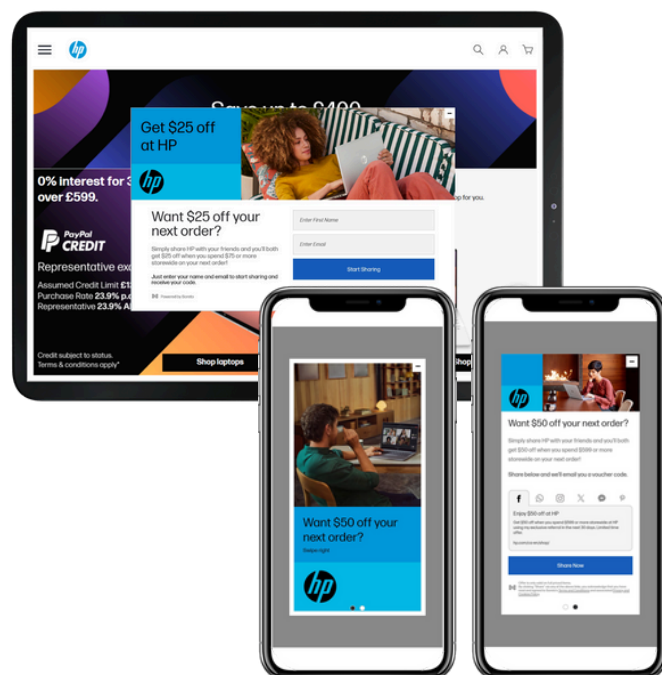
Recommendations

Test Regularly: Adjust Campaigns seasonally to check if it still resonates

Experiment: Explore messaging, visuals, and sharing options

Engage: Keep testing to ensure alignment with audience preferences

7. Seasonal Campaign Highlights

When is the best time of year for a Referral Campaign? Here we look at the monthly figures and pull-out key insights by season.

Best Seasons for Referrals

November and **January** Campaigns yielded the highest Enrolments, CTRs and Conversion Rates for our Brands.

March 2024 saw the **highest Enrolment Rates of 6.23%**, while **April** saw the best **Conversion Rate** of **8.45%** showing that while volume may be lower in time when Brands are not in typical discount periods their customers are more likely to be incentivised to share their favourite Brands.

Referral Campaigns hugely benefit from seasonal uplifts so it is beneficial to use those periods to **A/B test** offers using the extra traffic to gain valuable insight into consumer behaviour. This data can be used to optimize and capitalise on these seasonal periods.

Key Months
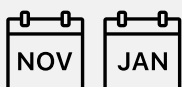
NOV **JAN** — Periods with the highest **Enrolments** & **CTRs**

APR — Best Conversion Rate of **8.45%**

MAR — Highest Enrolment Rate of **6.23%**.

Key Takeaways

Optimize Campaign Timing: Plan around seasonal traffic spikes

A/B Test Offers: Use higher traffic periods to refine consumer insights

Year-Round Strategy: Capitalise on quieter months for better Conversions

8. Benchmark Comparisons

We have already touched on the overall benchmarks for 2024, here we go into more detail by Sector.

Industry Comparisons

Soreto serves Brands across multiple industries including Fashion, Technology, Travel, Health and Beauty and Home and Garden. Let's take a look at the first three sectors in detail:

TECHNOLOGY

Avg Enrolment Rate	Avg CTR	Avg Conversion Rate
8%	60%	4%

Best Enrolment Rate	Best CTR	Best Conversion Rate
30%	82%	28%

FASHION

Avg Enrolment Rate	Avg CTR	Avg Conversion Rate
5%	64%	9%

Best Enrolment Rate	Best CTR	Best Conversion Rate
21%	70%	38%

TRAVEL

Avg Enrolment Rate	Avg CTR	Avg Conversion Rate
6%	38%	3%

Best Enrolment Rate	Best CTR	Best Conversion Rate
26%	90%	17%

This shows that the sector does make a difference, customers are more likely to share a Technology or Travel Brand compared to other markets but high frequency purchase Brands like Fashion see higher Conversion Rates.

Trends & Improvement For 2025

Reduction in Paid Advertising Dependence:

As Brands are shifting towards organic growth and away from Paid Advertising, Soreto can support Brands to reach valuable Social audiences in a much more cost-effective way.

**LEVERAGING ORGANIC GROWTH**

Paid Advertising ROI:

200%

Referral Marketing ROI:

1868.84%

Environment-Friendly Growth:

Referral Marketing can help businesses to be more environmentally friendly. Brands can reduce their carbon footprint and/or waste due to fewer physical Marketing material being needed, as Referrals drive higher CLTVs and brings higher-quality new customers compared with other channels.

CUT COSTS OF TRADITIONAL MAREKETING

£1,045

£2,200

■ New Customers

■ Referred Customers
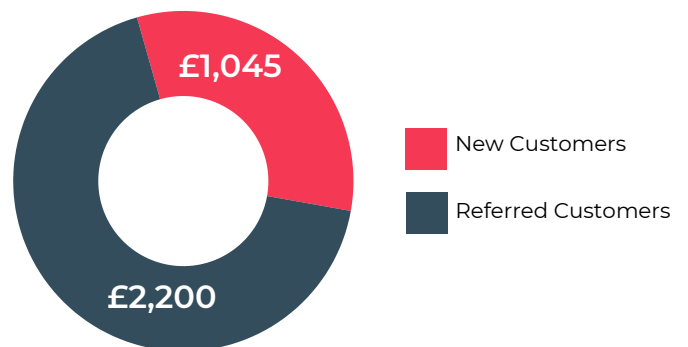
Improvements in Soreto Technology:

In 2025, Soreto will be focusing on bringing more data insights to our Brands through a new metrics dashboard. As well as this we will be incorporating more AI into our platform to support with Campaign building and A/B Testing.

ROADMAP TO SUCCESS

Dashboard

A/B Test

Data

Campaign

AI
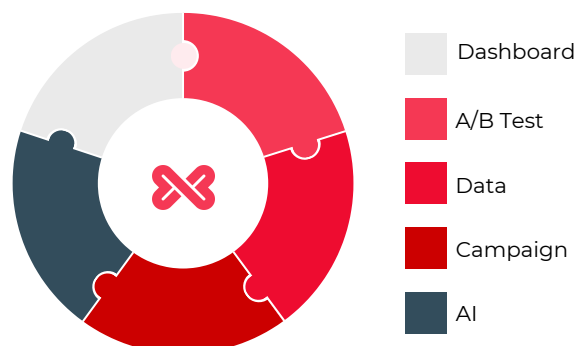
Conclusion & 2025 Outlook

As we head into another year of potential economic instability, it is clear that Referral Marketing is a tool that can support sustainable growth to buck downward retail trends.

As Referral Campaigns continue to drive ROI and engagement, Brands should focus on:

1	Optimizing Campaigns for high-activity periods.

2	Expanding multi-channel sharing options to maximize reach.

3	Leveraging localized strategies in emerging markets.

4	A/B Testing new messaging/creatives to capture customer attention.

5	Focus on fully utilising Referral Data for the benefit of other makreting channels.

These strategies will take your Referral Marketing from strength to strength in 2025. For more information on putting these strategies into place or to start your Referral journey get in touch with the Soreto team.

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Glossary

AOV: Average Order Values

Clicks: The number of clicks on a social post/message/tweet/pin

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Conversion Rates: The number of Orders divided by the number of clicks

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CTR: The number of clicks divided by the number of Enrolments

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Enrolments: The number of happy customers who engaged & shared a Brand

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Enrolment Rate: The number of Enrolments divided by the number of Placement Views

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Offer(s): The reward given to Referrers and Friends by a Brand, this can be a discount code for a % off, a monetary value or a product sample

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Orders: The number of successful sales generated from Referral links

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Placement Views: This is how many times our onsite & offsite placements have been viewed by consumers.

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Join The 100s Of Brands We Work With