

The role of Affiliate Marketing in Digital Space: A Conceptual Approach

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ABSTRACT

Modern day marketing had gone through lots of changes and disruptions. Some of the changes are created lots of positive impact on conventional business model. The usual revenue generation model has been gone through lots of forward and backward integration. Marketers started adapting those changes positively and they are trying their best to respond to those changes. Change has become the only constant of the marketplace. In business world, it has observed that most of the advertisers are trying to employ affiliate network to track their various affiliate campaign. Measurement of affiliate campaign is important to strengthen the revenue generation model and would help to monitor other business related activities. Monitoring of E-commerce platform will become practically impossible without the inclusion of affiliate network. At the same time digital marketers cannot ignore the role of advertisers to track various affiliate campaign as well.

The role of network is to offer specific tracing link to various affiliates so that they can link the text with affiliate's website which could be effectively beneficial for the customer at the same time. Since the time of consumer 2.0, the roles of affiliates are redefined and they are helping customers' click on the websites. It depends on the number of times customers' click on cookie when its dropped on their computer and it is registered by the affiliate network. So, whenever the whole process would be completed from customer end, a confirmation reached at advertiser's page and the tracking of affiliate's network can be completed. Affiliate network plays a crucial role to find the sales recorded in their platform. Affiliate's network is responsible for recording and publishing such data. With the help of a common platform advertiser and affiliates both able to find the sales process and tracking could be done effectively. At the same time, commission will also be tracked during the procedure. Commission structure can be traced well. The performance of the campaign can be evaluated with the help of Price tag, order ID, information about sales, promotion code and product stock keeping units (SKUs). Despite of lots of measures taken in advance still there are different types of complications and various options to improve the overall tracking model. The research paper is basically focusing on the online or e-marketing and the role of Affiliate marketing. As affiliates play a major role in online marketing platform, it is explained in different contexts as well. One thing is quite evident by analyzing the modern marketing platform that the e-channel would be the next trendsetting thing in the field of marketing.

KEYWORDS: Affiliate marketing, E - marketing, Online marketing

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I. INTRODUCTION

There are two specific objectives of this research paper. They are mentioned below:

1. To study the role of online marketing in new business domain.
2. To understand the impact of affiliate marketing at large scale.

II. INTRODUCTION

With the help of various affiliate program a contractual agreement can be made and that would be between the merchant and the affiliate and various points would be mentioned there like – target audience, generating sales lead, selling a product or a service, cross selling or up selling etc. The affiliate started utilizing the online platform to begin their growth at early days and started gaining their popularity through 'linking' to other web sites. Other platform links these affiliates with customer and that could be further linked with point of interest directly. With the help of lots of research work, it has established that the affiliate marketing is the most effective tool to generate online sales as far as cost involvement is concerned. Effectively, it started from mid – 1990's but after that it had gained a good pace in the marketplace and now it is a very popular tool to earn money online.

As an affiliate, everyone should understand the program rules, and recognize that violation of these rules could lead to termination of the contract. A good merchant will spell out all the reasons that one can be removed for such cause. Usually, these reasons have to do with illegal activity or with cheating to improve your statistics. If you are terminated for cause, a good merchant should inform you of the reason for termination. However, this merchant need not pay you anything. If you are in a two-tier program, and you are terminated for cause, the individuals in your second tier should remain in the program, and should maintain all revenues earned. However, one would no way get the compensation for their activities. If the merchant must terminate you without cause, then the merchant must pay you any compensation owed. You have been waiting patiently by your mailbox, and your check has not come. One must go through his/her affiliate contract, and are certain that your merchant has breached the contract. This fact can be hard to establish, as many contracts are sufficiently vague to allow a merchant much latitude and an affiliate

little information. Therefore, you must determine if the contract remains valid. If a merchant has declared bankruptcy or otherwise totally out of competition from the marketplace your contract may be rendered obsolete.

These circumstances notwithstanding, there are still cases where affiliates are owed money, and the merchant is withholding it. It is tested that the more effective networks are well equipped to provide or get cookie – less tracking during the process and the sales can be tracked and can be attributed to the affiliates. It has also observed that some of the browsers are capable enough to block third party cookie automatically and instantly. If the tracking is complex one then it may use unique promotional code or block those codes which are of non – affiliate to record sales. As the consumer behavior has changed significantly in the market place, the shoppers have become tech savvy and they prefer to shop through online platforms. There is a change in adoption process observed. These online shoppers are becoming extremely savvy towards these reward sites. With the help of these people reward sites are climbing high in popularity index in quick time. Online marketers are quite particular towards the usage of all these e-shoppers and their platform usage. The total time spent on these sites also played an important role especially when the marketers try to analyze the web traffic and the behavior of the buyers.

Many such affiliate increases sales by offering many rewards to its members and also through a part of commission that it had earned from an advertiser. The offer should be competitive in that specific market otherwise it would not able to complete its' purpose. With the help of such offers, they able to generate quite a significant amount of sales volume. Affiliate helps in brand building at the same time, and they make sure that the merchant's brand building process should be executed well in the platform. The process provides proper exposure to those brands and at the same time it helps in strong positioning or various aggregator sites. If, reward websites can be utilized properly in the marketplace, it can drive incremental growth thoroughly. At the same time it helps to increase average order vale, higher commission structure, purchase value etc. It is very important to monitor the commission that has paid on cancelled booking or returned purchase that happened on the platform. These types of websites are often focused on a niche interest and feature unique content. A few examples are

product review sites, blogs and online forums. In many cases, content affiliates are responsible to form some parts of an Affiliate's program which helps to form long term strategies and can be rarely denoted as large volume drivers. Whatever they are contributing in value addition or overall sales volume, irrespective of that they are the valued partners. Nevertheless, the uniqueness of the content suggests the credibility of the editor and this thing often generated a positive impact on the search engine optimization process which is the efforts of advertisers.

Content sites can also help reach a new audience. This audience might not necessarily be looking for your brand in particular but could come across it through a feature in a newsletter as the affiliate reaches an audience that is actively looking for the topic around your brand. A great way to engage and optimise activity with content sites is by providing fresh content or an exclusive offer. Recently we have also seen an increase in integrated content pieces as well as affiliates who are using video to monetise a product. There are lots of questions which go there in affiliate's mind whether they are new to the market or old. If the selection of channel is properly done then they can opt for various options according to their strengths.

While one holds proper knowledge regarding the network variables, at the same time they need to understand that would help them to generate Return on Investments (ROI) and that would bring mammoth differences according to the potential of the program. There are several benefits of affiliate marketing that can be discussed but merchants are quite reluctant to pay commission to the publishers which are absolutely based on commission and may create conflict for the long run. This will ultimately increases the risk factor related to ROI as if they fail to convert a set of traffic to a sales call, then there is no gain. They would not get anything on the basis of click or impression that has marked. Henceforth, the transparency of ROI is depending on the ability to track the sales activity. Various networks are extensively practiced by the advertisers those can be preferred by different forms of business outsourcing where individuals are concentrating on doing business alone instead of sharing and with this strategy they try to get larger economies of scale. In addition to that networks offer extended service and technology with that they try to track capabilities and also other management processes like billing management process among hundreds if not

thousands of publishers and anti-fraud and compliance monitoring.

Unless you are clear as to how you want your Affiliate Program to run this is where a network can advise of the most consistently effective strategy to implement. Strategy implementation can be done with the help of various formations. One of those formations could be pilot study on online platform. They can decide on some day's launch strategy where through the network it can outlines specifically what is to be done on weekly basis to engage the publishers and to meet deadlines or achieving the sales objectives. It does depend on whether one is managing the program themselves or already found option to choose a network to manage the overall program. They may design a Service Level Agreement (SLA) and could be the part of the strategy that has already implemented in the marketplace.

III. LITERATURE REVIEW

The modern marketplace – a proper location where customer would shop anywhere, at any time, using multiple devices is a mysterious place creating a range of challenges for marketers. Affiliate Marketing is a growing solution to many of these new obstacles. The Australian Affiliate Industry, still at infancy level is quickly adapting to new and emerging consumer demands. Advertisers and publishers alike are turning to the U.S. and U.K. - markets typically considered more mature - for insights into how to keep up with ever changing consumer demands and technologies. At its most basic level, Affiliate Marketing is a low-risk, cost effective tool for advertisers to trial new strategies and technologies.

On a global front, a recent study organized by Forrester Research revealed that Affiliate Marketing in the U.S. will increase by a compound annual growth rate of 10% each year, growing to over \$6.8 billion by 2020. In Australia, the channel continues to develop. Whereas all of the major retailers in the U.S. and U.K. It has an Affiliate Program, as do the primary finance and telco players in this market, the retail vertical Australia has room to grow, with only 56 out of the top 100 retailers currently using the channel. Thereafter, affiliate marketing has become an absolute source of acquiring customer and any businessman would able to create a network that would help to affiliate with any organization which will ultimately help to get reference from the customer by its site irrespective of any place, at home or office. Possible

affiliates are nothing but the sellers of products and services, web sites connecting a group of customers with joint interests, or professional referral services. Different types of businesses irrespective of any scalability practice affiliate marketing at different marketplaces. The usability measures quite positively in different areas. (Dysart 2002; Fox 2000; Oberndorf 1999) and at the same time it has become exceptionally popular to acquire customer at e – platform and besides that it helps in retention strategies as well (Fox 2000; Helmstetter and Metivier 2000).

Many a times business houses decide to get some kinds of help from other parties in terms of selling their products or services. After taking the decision, during execution they are involved in organizing an affiliate network or program by using which they can initiate affiliate marketing up to a large extent. As it is an important source of multiple things that can ultimately provide necessary tools or some important elements for different individuals those are creative in nature. Creative content could be an essential to proceed further. Finally, they would be able to utilize their skill sets and expertise for their own financial gain in different markets. Affiliate marketing can be practiced independently by an individual, whereas many people are in problem as far as financial gain, incentives are concerned. When someone functions in the field of affiliate marketing, there are plethora of opportunities are there for them provided they are ready and equipped enough to accept the same. An affiliate would be paid on the basis of the performance or differentiating performance measures, so it can be said that the harder someone would work the chances of earning more incentives will increase. In this very case the individual is actually working for some other company on commission basis. There are many different types of affiliate marketing programs. There are those that offer one time commissions off of a sale.

Some of them might offer lifetime commissions, and others may pay just for leads which one can get for them. Other than that, it could be related to a newspaper lead or anything else just trying to get interested individual signing up for certain things to gain more information from the same. The kind of affiliate program someone would choose depends clearly on the person who had shown interest or else the owner of the business. They can decide the percentage, or else any other methods they are ready to pay for a sales call or for any lead

generated. All these activities are based on either commission structure or certain incentives program, so broadly there would be a monetary gain. The people those are showing interest to sign up for the affiliate marketing activities and different types of programs to do sales, can choose different path to do the activity.

Currently the most effective areas where affiliate marketing is doing exceedingly well are some of the upcoming and happening plots like the adult, different types of gambling, retail industries like organized and unorganized and file-sharing services. The other sectors which have lots of potential and are predicted to be grown at faster pace like mobile phone, finance, banking and insurance, investments and travel sectors. Other than all these sectors the other sector like the entertainment (particularly gaming) and Internet-related services (particularly broadband) sectors have shown significant opportunities at various levels. Beside all these opportunities several affiliate solutions providers are expecting to experience increased interest from various business-to-business marketers and advertisers those are involved in practicing affiliate marketing as part of their business mix. It is also applicable for the situation where it can be observed that an advertiser may be looking for marketing of available information, rather than a pure cash sale by selling products or services or any other services. This is a system of revenue sharing between one site (the affiliate merchant) which features an ad or content designed to drive traffic to another site (the advertiser). The affiliate will receive a fee based on the amount of traffic generated.

Affiliate marketing is the use by a Web site that sells products of other Web sites, called affiliates, to help market the products. Amazon.com, actually the book seller, ultimately had created the first large-scale affiliate programme and hundreds of other companies have since followed them to learn about the implementation (Candy, 2010). Affiliate marketing is pretty easy to follow, that is unless you have many different types of programs that one individual is involved in the process. When you start getting so many that you cannot remember the rules, or the guidelines that you have to follow, you might have a problem. The actual rules and regulations of affiliate programs could be differentiated and the differences are similar to different companies. Each organization is involved in formulating their own rules, regulations and

functioning, but at the same time different types of similarities can be seen in different business contexts. That never says that the content is copied from different sources or have cloned their affiliate programs, at the same time it can be said that they have similar types of rules or following the same protocols. Affiliate marketing rules can be so very different. They can range from not mentioning the brand names that they sell anywhere on your website, to not have that particular market in your website URL.

Because they are so different for each program and company that you promote, you are going to have to be sure that one read each one well and make sure that one or other understand it fully. If you all ready have your URL for your website, you may not be able to participate in some of the affiliate programs. This is because you will not meet the requirements for the rules (Collins, 2000). Affiliate marketing is nothing new on the internet. However, it sure is something that many come and go after. When you are looking to start your own website or blog and add some affiliate marketing links to it, there are some things that you should know. Affiliate marketing is not for everyone. It is not for anyone that is looking to make money fast, nor is it for the impatient (Murphy, 1997). You have to have two things in order to be successful with affiliate marketing, and those two things are patience, and determination. When you put those two together, there is no stopping you or what you can do with your affiliate marketing business. Affiliate marketing can be done a few ways; it can be done through email, newsletters, websites, or blogs.

By using any of these things, you can be successful if you are marketing to the right audience. Finding your readership and catching them with good content is what it is all about. To do so, you need to know where they go and what they look for. Marketers can initiate the thing with the message boards and they are recommended to hold some patience. The whole thing would not be generated automatically. Digital marketers need to concentrate on appropriate time and should concentrate on new comer's interest as upcoming shoppers to provide them unique shopping experience. Digital marketers are supposed to add the web page's link to the website that they have created or may blog in their signature line at the message board which would be visited by the customer and at the same time they should make sure that it is relevant to that current market place

otherwise it would not be able to compete for the long run. The relevance of message board would guide a customer choice criteria towards effective buying through online. So, one of the primary targets should be increasing the relevance of the message board. So, the simplification of the message board and website is required to make sure that there is enough web traffic and at the same time perform better and to get desired results (Gray, 1999). After that, the next thing digital marketer should concentrate on from affiliates that preparing effective content for the page and to increase attractiveness. They are supposed to write content based on the product, service or the market place where exactly they are trying to promote the product or any other offerings. They can prepare a list of directories to promote the product for the long run. With the help of those search engines affiliates can link their programs with the potential customer or target audience. They need to make sure that they have included a link in the articles that you are submitting that will lead the readers back to your website.

Doing so will get your site more traffic, and will pay off in the end. However, one definitely doesn't want to submit the same articles that you have on your site to these directories. You will want different variations of the articles to be used in the directories. Affiliate marketing is something that takes work. You cannot just set up your site and let it go. You have to work on it consistently to see a good amount of revenue come from it. However, make sure that you are doing everything that you can to get it seen. Use the best free tools that there are available to you, and pay for the ones that really work.

One will find that the individual can get the most from the resources that are out there and available (Gerstner and James, 1995). At broad level it can be said that Affiliate marketing as a tool helps different people to earn money in different ways in different marketplaces. An affiliate can use several things to practice that like – a website, a blog, newsletter, email, ads etc. The list is basically a never ending list. Nevertheless, the most usable form of affiliate marketing is practiced with the help of website design. It is recommended to the upcoming digital marketers that wherever they want to promote, they should start from the familiar market place and start growing thereafter. This way you can become an expert on the topic, and everyone will know that you are the king of that market. Once that is done, it is time for a URL.

There are many places that you can get your own domain from.

Once it is decided that the customer would purchase from that specific platform, they have to choose the URL properly. The same URL can provide them the best possible search results. On the other hand, the seller wants to market whichever product, they make product or service based URL. At the same time they make sure that the URL is well connected with the offerings and it is communicated well in the market place. Search Engine Optimization (SEO) could be one of the most effective tools to promote the URL or product based any link. Learning SEO which is also known as search engine optimization is a great idea. Using SEO to get your site higher in the search engine rankings with keywords will pay off in the end. You can learn it yourself, or you can pay someone to do this part for you. It is up to you. So, if it is observed that the inclusion of SEO is a costly affair and time consuming as well, in such case hiring SEO expert could have been the best possible solution for everything and implementation of the strategy.

IV. IMPLICATIONS

The basic challenge faced by the digital marketer is the integrity related to Integrated Marketing Communication and it has been the central area of discussion for many years. The other issue is whether it has been implemented there in the market place professionally or not (Clown and Baak, 2013; Kitchen and Burgman, 2010; Blech and Blech, 2013). At the same time it has observed that while marketers are trying to implement any online marketing campaign, they are confused about the implications of online and offline channel members and their roles. So, the role of various promotional channels like press, brochure, catalogue, TV, cell phone, e-mail, internet, social media etc, while lack a comprehensive, harmonizing marketing framework and due to that at times digital marketers failed to penetrate the market with promotional approach. Overall commercialization process has created lots of issues for the online marketer and the platform they are using.

Each item is used in isolation and accomplished as a different task not as a component of an integrated campaign aimed at realization of specified and particular objectives. This deficiency can be compensated for by taking a holistic approach which synchronizes different traditional and internet age modes of marketing

communication as moments of an integrated structure. Lack of face-to-face contact Lack of personal contact is another deficiency of online marketing which has been addressed in online marketing research and literature (Goldsmith and Goldsmith, 2002; Phau and Poon, 2000). Internet transactions involve no embodied, personal interaction and that is why some customers consider electronic modes of providing customer service impersonal and enjoy the experience of shopping in a bricks and mortar, physical store.

They prefer to talk to store personnel in a face to face manner, touch the related product with their hands, and socialize with other customers. Virtual marketplace cannot provide for this function of offline shopping and lacks personal interaction. To be more specific "for the types of products that rely heavily on building personal relationship between buyers and sellers such as the selling of life insurance, and the type of products that requires physical examination, Internet marketing maybe less appropriate" (Kiang and Chi, 2001:159).

Face to face contacts is not important just in the case of special types of products; here culture is also a relevant variable. For example Rotchanakitumnuai & Speece (2003) can be referred who have highlighted the lack of personal contact in online transactions. Among other things, they refer to Asian cultures in which personal relationships are of a prominent value and that this, together with the transaction context, is often plays a crucial role in ensuring the success of financial deals.

Security and Privacy Information privacy is among major topics to be taken into consideration in today's evolving electronic world. It is also observed that the customers' data is available quite easily anywhere and other companies are also able to access those data with prior permission and it could be implemented thereafter many times to promote the product or service. And broadly it can be said that important personal information like username and passwords are also exposed to the hackers (Lantos, 2011). Another related problem is spas and pop-up adds which is measured by many online buyers a proof of privacy (Drozdenco & Drake, 2002). Such security and privacy things are among those challenges which happened quite frequently in the field of online marketing. This is regarded as one of the major challenges faced by the online marketers. So, we can say that the online marketing is not always about promoting and selling the product at the same time they are

involved in solving issues and handling complaint behavior as well. James W. Peltier et al.(2010) point to the role can be played by marketing curriculum and suggest "that students should be exposed to this topic in varied courses and in varying degrees of coverage".

V. CONCLUSION

Inclusion of internet has involved in revolutionizing different aspects of businesses and consumer life as well. It helps to change the overall economy and various marketing practices. Introduction of various digital marketing techniques and methods help marketers to switch their conventional marketing strategies to digital platform based marketing strategies. The study is trying to reveal the opportunities and challenges are there for the digital marketers for long run. The major advantages internet has are its Empowering effect, Elimination of geographic barriers, 24 hours / seven days availability, Cost-effectively, Tractability, and Personalization. However, implementation of Internet in the field of marketing involves special disadvantages such as Problem of integrity, Lack of face to-face contact, Security and Privacy, Lack of trust. Unless these dual characteristic of Internet have not been taken into consideration, it cannot be deployed to its full advantage.

An online marketing framework informed by insights from such a consideration would guarantee its financial objectives. Online marketing, which is also called internet marketing, involves use of interactive, virtual spaces to promote and sale goods and services. The practice of new strategies in online businesses had shown significant amount of restructuring of different economies and applications of marketing tools. Being cost-effective, flexible, and fast and enjoying an on unprecedented global reach, internet marketing has brought about different businesses incredible gains. However, this effective, new method also involves its special disadvantages, e.g. lack of personal contact, security and privacy, etc which should be taken account for. The present study, then, concentrates upon the impacts of internet-fostered interactive spaces on marketing practice.

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