

# A New Dimension of Internet Marketing - Affiliate Marketing

*Vinita Ramchandani*

Assistant Professor, IPS Academy, IBMR, Indore

## ABSTRACT

India being a big and diverse market place with growing online business has a potential for innovative and effective business models. With increasing youth population, technology related services, internet penetration and digitalization in India, Internet Marketing has become a separate discipline. The paper discusses about the concept of Affiliate Marketing. It tries to explore the process of Affiliate Marketing, its benefits and some of the top affiliate programs in India. The paper is conceptual and descriptive in nature. The paper also throws some light on affiliate summit organized in India. The paper also suggests some new instincts to be introduced in the Affiliate Marketing practices in India.

**Key Words:** *Penetration, Technology, Services, Digitalization, Affiliate marketing*

## INTRODUCTION

Online marketing refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce, in addition to sales leads from Web sites or emails. It is also known as internet marketing. Online marketing includes activities such as email marketing, uploading videos or running campaigns online, social media, blogging and so on. One such method is Affiliate Marketing.

The process of gaining a commission by endorsing the goods of other persons or businesses is called affiliate marketing. When someone discovers a product they like, they can recommend it to others and split the profits from each sale.

## REVIEW OF LITERATURE

A type of commercial transaction is known as electronic commerce, or E-commerce. It facilitates the internet's information flow. It addressed a range of companies, ranging from consumer-focused retail portals to music or auction houses websites, to even business exchanges that facilitate the trade of products and services between various businesses. In the instance at hand, it can be called an significant Internet feature (Jain and Jain, 2023). Organizations are using one

of the best approaches for changing their business demands and adding profit in business such as digital marketing and green marketing segmentation (Jain and Modi, 2023). The research conducted by Olbrich (2016) concluded that Merchants needs to tie up with affiliates that are more active on social networking sites or their blogs or having large number of subscribers. This helps in generating more and better. Moreover, search engines advertising and optimization are also of great use.

According to the research work done by Prabhu and Sathpathy (2015) Numerous internet businesses have brought affiliate marketing to India. India offers the possibility for creative and successful business concepts because it is a large and diverse market with expanding e-commerce. One advantage of affiliate marketing is that it requires less money for marketing and customer acquisition. In the future, affiliate marketing can be advantageous for Indian companies and people. Edelman and Brandi (2014) stated that despite various problems, importance of affiliated marketing cannot be ignored. Affiliate Marketing allows a merchant to more confidently advertise via the Internet's many small publishers. If a publisher is confident in the quality of its site and the likely purchases of its visitors, the publisher might reasonably prefer large payments if users make purchases, rather than far smaller payments for ad views or clicks.

Gregori, Daniele and Altinay (2014) analyzed various trust building factors with regard to Affiliate Marketing in tourism. The factors included company size, search engine results, Website reputation, integrity, knowledge based trust and institutional based trust. The finding concluded that Affiliates need to expose their competence and integrity to consumers. As per the study conducted by Venugopal, Das and Nagaraju (2013) they described Affiliate Marketing as a way to work without the financial risk. They studied that there are many great Affiliate Marketing programs in existence today. Though it seems being successful as an affiliate is easy and requires less effort. But this is not true, to be successful as an Affiliate one needs to work hard and have patience. Instant results are not possible in Affiliate Marketing.

An agreement known as affiliate marketing, or associate marketing, allows advertisers to pay affiliates a commission in exchange for driving traffic or sales to their websites. Advertisements, banners, and links to goods and services from the merchant's website may be posted on an affiliate website (Prabhu, 2015). It is the online act of promoting someone else's goods and services to earn commissions from sales and leads provided (Olbrich, 2016). AM is defined as

“the online act of promoting someone else’s goods and services to earn commissions from sales leads provided” (Hofmann and Novak 2000, p. 44). Thus, an affiliate (or advertiser) signs an agreement with a company (so-called merchant or publisher) to promote the merchant’s products on the affiliate’s website in return for a commission provided by the merchant (Gregori,2014). Affiliate Marketing means that you work on behalf of another company. You are helping to expand a company that already exists (Venugopal, 2013). In simple terms, Affiliate Marketing is a way of making money online whereby a person as a publisher or affiliate is rewarded for helping an advertiser or merchant by promoting their product, service or site.

### **Various Stakeholders in Affiliate Marketing**

This marketing method generally starts with a merchant in search of various affiliate websites. Merchant is the person or organization who produces the product or service.

The affiliates promote the merchant’s products or services to consumers through the Internet with digital advertisements. Furthermore, affiliate websites maintain varying business models, such as blogs or communities to inform about and recommend users different products and services. (Olbrich, 2016)

Merchant pays a commission to the affiliate for promoting his product or service.

Advertisers contractually agree to work with a publisher, and then provide the publisher with links, banner or text ads that the publisher incorporates into their website.

Affiliate signs an agreement with a company (so-called merchant) to promote the merchant’s products on the affiliate’s website in return for a commission. (Gregori, 2014)

The consumer is the one who actually sees the ad and takes an action by clicking the link that takes them to the advertiser’s Website.

### **Factors considered for the growth of Affiliate Marketing**

Affiliate Marketing is at boom in India. According to internet trend 2016 India has over 277 million internet users and the penetration rate is just 22% with huge space for growth.

Affiliate earns an amount for referring a visitor who takes an action – use a product or service. Sometimes advertiser may also give commission when someone just visits the link. Commissions are often a percentage of a sale but can also be a fixed amount per conversion. Conversions is generally tracked using a code or Cookie.

There is zero investment to start out as Affiliate.

Affiliate is not bounded by time. He can work at his pace to produce results. If a person has a wide social circle and is active, there is no limit to how much he can earn using this process.

For advertiser, Affiliate Marketing helps in getting tremendous exposure and Visibility. Traffic is drawn from various sources which help in getting increased sales revenue. Also the traffic drawn are the genuinely interested buyers. If the affiliate program of organization is good enough for affiliates to earn money then there are more affiliates who want to join the program. It has worked miraculously well for thousands of marketers in improving the growth and success of their online businesses.

With increasing number of internet users worldwide and more focus on Digitalization, Internet marketing will be soon considered as a need for organization instead of an option.

### **Process of becoming affiliate marketer**

Affiliate Marketing involves diverting traffic from your website or blog to some other website. For this one should have traffic on his Website or blog which means person is ought to have great content at his website or Blog or more number of viewers or subscribers. Content is the king. One can create evergreen content like inspirational or can go for product reviews or address common problems or questions.

The first step in the process is designing a website or blog. For this choose the niche which basically comprises of the topics that one is passionate about or the topics that have number of affiliate programs and more number of options of making money. If one is following his/her passion then he needs to research enough to know whether there are affiliate programs available for it and whether they are profitable or not. Also make sure there is room for another affiliate marketer. If the topic is very popular like losing weight, there already exists number of marketers.

There are many affiliate programs available in market. Next step is to decide with which merchant to work which involves research on what are the terms and conditions, how much commission will be provided to affiliate, what support services is the merchant providing. Also one should make sure that the products and services he/she is promoting to the audience must be relevant according to the content on website and are of good quality.

After all the research done one can finally proceed to build a website or start a blog or if one already has a blog or website he/she can join the affiliate programs and start making money.

## **AFFILIATE PROGRAMS IN INDIA**

### **1. SHAADI.COM**

According to policy of shaadi.com affiliates are paid a revenue share on subscriptions acquired from their website provided the subscribers become a premium member of their website. All Shaadi.com affiliates earn 75% of the initial subscription price. Those affiliates who generate over 10 subscriptions in a month can receive upto 100% of the initial subscription revenue for all subs that month - not just those over 10. Joining shaadi.com rewards is free of cost. Affiliate needs to fill an online application form which is approved within 24 hours and then affiliate is given further guidance to start.

### **2. FLIPKART.COM**

Flipkart is India's most popular online shopping website. Flipkart affiliate program provides with various affiliate tools which includes Product link and Banners, promotional banners and Widgets, Search tools and API .Affiliate can choose from these according to the content displayed on affiliate website or blog. The commission varies according to the category of product and whether user is new or existing like there is 10% commission on products in Fashion and Lifestyle Categories.. There is no fees for becoming an affiliate of flipkart.

### **3. HOSTGATOR.COM**

Affiliate program by hostgator provides a coupon code or affiliate link to the affiliate to promote it on their website. From these links referrals sign up for hostgator website. Each qualifying Sign up is credited to account of affiliate. Every month affiliate receives payment via bank transfer. The scheme gives affiliates different amount for signups per month. Affiliate can earn maximum upto 3000 for each signup provided number of signups in the month has exceeded 21. There is no fee for being an affiliate of hostgator.

### **4. AMAZON.IN**

Amazon affiliate program provides with various affiliate tools like product link, Banners, site stripes. The commission varies according to the category of product like 12% commission on Clothing or shoes. Also there are specific items on which referral fees in not paid like axis bank gift Vouchers. Amazon also provides affiliates with various reports to understand what motivates the referrals

to buy and what types of products they like. They provide with easy-to-read reports for traffic, revenue, earnings, conversion rates and link types.

### **INDIA AFFILIATE SUMMIT**

Internet and mobile association of India (IAMAI) organized for the first time India Affiliate Summit in 2015. Taking place in India for the first time, the Summit was designed to revolutionize the Affiliate marketplace in India. It was a marketing conference for affiliate networks, affiliates & brands targeting India. The event focused on providing educational sessions on the latest industry issues along with networking opportunities for affiliate marketers.

The significance of affiliate marketing was emphasized, and it was thought to have potential on par with the advertising industry. In order to benefit all parties involved, the conference emphasized the significance of strategic partnerships between the various channels, including publishers, advertisers, and brands. Its expansion in the future was also anticipated to be among the most economical client acquisition channels. Nowadays, affiliate marketing is essential. Affiliate marketing involves promoting products from third parties and receiving payment for each purchase, sale, click, or other revenue made by customers who found the seller through coupons, promo codes, or other incentives on websites, direct mailers, etc. Also covered was how Affiliate Marketing is a simple way to work from home and make a lot of money.

### **RATIONALE OF STUDY**

Internet marketing is at a nascent stage in India. With factors like technological upgradation and more emphasis on Digitalization by Indian Government recently, soon this field would become a picture with greater importance. Only a few studies have been conducted on types of internet Marketing.

### **RESEARCH OBJECTIVE**

To study the concept of Affiliate Marketing.

To Study its process and Benefits in Indian economy.

To study the top Affiliate Marketing programs in India.

### **RESEARCH METHODOLOGY**

The research is conceptual and descriptive in nature based on secondary data. The sources of data are newspapers, journals, websites, and articles.

### **DISCUSSIONS**

Various affiliate programs in India and summit organized on Affiliate Marketing supports the fact that Affiliate Marketing is an important tool for marketers and soon will become an inevitable style of marketing. With increase in number of

internet users and trend of online marketing, the competition in this field will soar up. Traditional marketing concepts will have limited scope. Also, with increase in number of online sites providing same services it will be necessary and difficult to drive the genuine customer to the website.

Affiliate marketing though forms a small part of Internet marketing but is the tool to target the genuine customers in better way. The technique combined with other marketing tools can be used to position a brand and increase brand recognition. Market segmentation and targeting becomes easier with Affiliate Marketing as specific blogs/websites posts the ads of the relevant product/service. The company's website gets more number of genuine visitors and better traffic.

Affiliate Marketing if viewed from the perspective of customers is a great way to know the about the products without even directly searching for them. This helps the genuine buyers to know the established and reliable firms where they can get the products they require from the websites/blogs they visit.

For an Affiliate, Affiliate marketing is a way of making extra handsome income. If the affiliate posts the original content, has great number of followers and views on his blog/website, markets the reliable products, he/she can be assured of his/her success.

## **SUGGESSTIONS**

In present scenario in India there is Affiliate Marketing networks and affiliate marketers/publishers. But on individual level people are unaware of this concept and how can they use it for their benefit. Affiliate Marketing needs to be highlighted more so that websites run by individuals or blogs written by them can be used to promote the product and service. Individuals do not pay attention to the links and advertisements so easily. Merchant may need to use more variety of tools instead of just links to divert the traffic to their website.

They also need to pay attention to the affiliates they tie up with. Original content and more number of followers of blog/website of affiliate will be beneficial for the merchants to drive more and better traffic.

There are various internet marketing models but none of them highlights specific internet marketing tools. There is a need for a marketing model which combines various internet marketing tools and highlights each tool and its concept specifically and also covers the concept of using a mix of these tools.

In present era of globalization and technology, Information flows at a very fast speed. The concerned company needs to address cross cultural issues during the flow of this information.

## CONCLUSION

With growing number of internet users and emphasis of digitalization in present scenario, Internet marketing has become an important part of overall marketing campaign. The traditional marketing model is not sufficient to create a brand recognition and image in present digitalization age. A company needs to design a marketing campaign online in which Affiliate Marketing is of great help. Also, Affiliate Marketing is an easy way for people who wish to make money online through their blogs or websites. Affiliate Marketing bridges the gap between the online websites selling the goods and services and the customers by providing a platform in form of blogs/websites that customers visit.

## REFERENCES

- Edelman, B. and Brandi, W. (2014). Information and Incentives on Online Affiliate Marketing. *Harvard Business School Working Paper 14-041*.
- Gregori, N.; Daniele, R. and Altinay, L. (2014). Affiliate Marketing in Tourism: Determinants of Consumer Trust. *Journal of Travel Research 2014* **53**(2), 196-210. Cited in: [jtr.sagepub.com](http://jtr.sagepub.com).
- Jain, M. and Jain, N. (2023), Consumer's Online Buying Behaviour Towards FMCG Products, *International Bulletin of Management Economic*, Unnayan Volume-XV Issue II 2023
- Jain, S. and Modi, N. (2023), Role of Demographic Variables in Green Market Segmentation, , *International Bulletin of Management Economic*, Unnayan Volume-XV Issue I 2023
- Olbrich, R.; Borman, P. and Holsing, C. (2016). Controlling and Evaluating Affiliates– an Exploratory Research in the Education Sector. *Department of business, administration and economics, Research paper no. 8 from chair of marketing, Hagen 2016*. Cited in: [www.researchgate.net](http://www.researchgate.net).
- Prabhu, S. and Satpathy, T. (2015). Affiliate Marketing's future in India. *Indian Journal of Science and Technology*, Vol 8(S4), 278–282, February 2015.
- Venugopal, K.; Das, S. and Nagaraju, M. (2013). Business Made Easy by Affiliate Marketing. *Journal of Business Management & Social Sciences Research (JBM&SSR)*, Vol 2 (6), 50-56. Cited in: [www.borjournals.com](http://www.borjournals.com).



## WEBLIOGRAPHY

- <https://www.linkedin.com/pulse/research-paper-evolution-affiliate-marketing-india-james>
- <https://www.affilorama.com/blog/first-affiliate-marketing-sale>
- <http://www.indiaaffiliatesummit.in/wp-content/uploads/2016/09/Report.pdf>
- <http://www.varindia.com/pdf/AffiliateMarketin-Paper-TSMG-IAMAI.PDF>
- [http://www.verticalresponse.com/sites/www.verticalresponse.com/files/AffMktg\\_guide.pdf](http://www.verticalresponse.com/sites/www.verticalresponse.com/files/AffMktg_guide.pdf)
- <http://www.iamai.in/media/details/4387>
- <http://www.internetlivestats.com/internet-users/india/>