A DETAILED STUDY ON AFFILIATE MARKETING ITS BUSINESS MODEL AND TECHNOLOGIES FOR IMPROVEMENT

1Siddhartha Gupta, 2Roushan Kumar Ravi, 3Ishita Gulati, 4Isha
1Student, 2Student, 3Student, 4Assistant Professor
1Lovely Professional University, Phagwara, Punjab, India, 2Lovely Professional University, Phagwara, Punjab, India, 3Lovely Professional University, Phagwara, Punjab, India, 4Lovely Professional University, Phagwara, Punjab, India.

Abstract: Affiliate Marketing the billion-dollar industry with 12 billion usd market cap has created a competitive market for the other industries. For such a huge competition, companies and startups need to improve their strategies and programs for growth and stable position in the industry. The most important thing that is driving the whole industry is the world wide web (www) it’s the internet technology which is helping the companies, owners to deliver their product in the most efficient way to the public, we can compare it to a technology that can spread the product very fast and attract huge number of customers. The purpose of this research paper is to analyze different aspects of affiliate marketing like better business model, improvement in technical aspects and the study of public behavior towards the new product for the advancement and growth of affiliate marketing.

Keyword - Affiliate Marketing, e-commerce, consumer behaviour, Online Marketing.

I. INTRODUCTION

Affiliate Marketing is basically a business model that helps the merchant to connect with the professional marketers who are ready to give their best efforts to maximize the sale of the product developed by the merchant. After the launch of internet affiliate marketing has a huge development because the internet helps merchants to connect with these online platforms and showcase their product.

There are four elements that are running the backbone of this industry

1. Merchant
2. Network
3. Publisher
4. Customer or general public
Fig 1: Basic Working Model Behind Affiliate Marketing

The above figure is pictorial representation of the business model of affiliate marketing which depicts the four elements that are part of backbone of this industry.

Merchant can be the seller, the creator of product or the brand itself. Merchant don’t have to be involve intensively in the selling of the product. He is responsible for the commissions for each product sold through referrals and the commission is directly related to the price or value of the product. Network is considered as intermediate between the merchant and affiliate. It provides more security to the affiliate marketing as both merchant and affiliate need to follow certain rules and regulations. Network can be any website or social media platform when a customer buys product or services from the advertiser’s website, in which case the sale is considered to be produced with the help of membership. After that the advertiser must pay a partnership commission as determined in agreement.

Publisher can be described as the promotor of the product. This is the part Where actual marketing happens. An affiliate can promote multiple brands. The most important part of affiliate system that is public or consumers and it is most important element because if consumer rejects to buy a product, then whole marketing will be resulted into failure.

II. LITERATURE REVIEW

Dr. Ritesh Dwivedi [1] has examined the impact of consumer behaviour on one of the affiliate marketing platform m-commerce. He found that monitoring consumer behaviour on internet and their search history helps a lot in SEO(search engine optimization). the research paper also gives us clear analysis that 76% of total consumers are between age of 18-25 years. which can help a lot in deciding which product is best for high reward purpose. He also concluded that the affiliate marketing has had a positive impact with respect to consumer behaviour.

Sandeep Prabhu and Tanmay Satpathy [2] has analysed the business model of affiliate marketing and how it fits into the different affiliate programs by online retailing companies like flipkart, amazon, makemytrip. He also concluded how this customer acquisition affiliate marketing programs are responsible for growth of not only small businesses and individuals but also responsible for bright future and proportional growth of affiliate marketing industry.

Stefan Schwarz [3] had concluded that start-ups companies should join third party affiliate programs rather than programming their own affiliate program so as to boost up their growth in the initial years of opening and third-party affiliate program will also provide latest technologies and tools so that new companies and start-ups runs smoothly in initial phase of development.

In paper [4], Suresh V, Vetri Selvi and Maran K has done detailed analysis using one way analysis of variance (ANOVA) to understand whether the consumer preferences are different through price discount/comparison/offers in online marketing he divided the consumers into three groups and as a result of analysis he found that there is no significance differences of price, quality and time of delivery to the age of consumer. This research paper concludes that consumer is very prominent part of this affiliate marketing cycle who gets attracted to the advertisement and responsible for clicking the adds that is further converted to affiliate income through conversion rates.
III. TECHNIQUES TO BE IMPLEMENTED FOR IMPROVEMENT OF AFFILIATE MARKETING

We already know that affiliate marketing is most popular and multi-billionaire industry. But it still needs some improvement and further development for its proportional growth. The below figure is representing the Affiliate Marketing Umbrella which consist of some techniques.

![Affiliate Marketing Umbrella](image1)

**Fig 2: Affiliate Marketing Umbrella**

In the early days of online marketing, being an ambassador was much easier because the Internet was so limited. But now it's different because the huge amount of traffic is already present so companies should focus on improving some of the technical aspects and we analysed some of the aspects to be implemented that are listed below.

3.1. Applying their own Search Engine Optimization

After reviewing many websites and platforms we came to the point that still many platforms are not using their own SEO. Search Engine Optimization is basically a technology that helps the database to store the highly searched keywords for different product, Google is using Search Engine Optimization, Amazon and Flipkart have their own SEO. If small platform focuses more on SEO, then it can impact the traffic to their website based on previous search.

So, it is the responsibly of CEO to implement SEO techniques especially in case of small start-ups and companies at initial phase of development, it is the must thing to be included in their development roadmap.

![Search Engine Optimization](image2)

**Fig 3: Search Engine Optimization**

3.2. Implementation of paid per click programs

In order to bring more and more traffic to the platform paid per click program should be implemented. In which the owner of product pays the revenue according to the click rate on the particular advertisement.
The huge number of click rate will directly indicate good growth of the company. In simple terms, individual pay per click (PPC for short) is a way to use search engines to drive targeted traffic often on a particular landing page.

3.3. Use of Virtual Webinars to Promote the products and decrease communication gap with consumers.

We researched a lot on interaction with consumer and consumer behaviour in [1]. Webinars are a great chance to educate your audience about an individual product in an interactive and user-friendly way. But due to the Co-vid pandemic the marketing of the product and platforms that is being done through webinars is completely stopped. And it is important for the companies to directly showcase their premium brands through the webinars to the general public or consumers. As an example, we can take a case of very sophisticated but highly useful product. And sometimes consumer don’t feel to buy such products which are too complex to be handled. This is the case where these seminars will help them to understand the complex products and buy them without any stress.

IV. CONCLUSION

In this research paper we had studied about the affiliate marketing business model, consumer attitude towards the affiliate marketing companies and their products, and we found some of the techniques that small companies and start-ups are not using yet. Implementation of Automated programs should be very beneficial to stay long in this industry. And we also brought some light on virtual webinars which can immensely boost the sale of the product. At last, I want to conclude that there is still a need of innovative business model which will create opportunities for small business. affiliate marketing will be growing extensively in upcoming years and it has a bright future.

V. REFERENCES


Google Scholar


Google Scholar
