



A STUDY OF TECHNICAL OPPORTUNITIES AND CHALLENGES IN AFFILIATE MARKETING

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Abstract

Internet marketing has procured the significance with high growth rate of online media penetration at global level because it offers richer possibilities to directly target global consumers and among the online available options. To communicate effectively in today's business world necessitate a lot of traditional includes modern or online process the more successful they become. Traditionally, organizations spends to a great extent of money promoting their business thereby reducing the rate of profit they keep on the long run as sales result in such effort are usually not much. The internet has increased also the prominence of affiliated marketing. Affiliated marketing is an advertising model and which company compensates third party publishers to generate traffic or leads to the company product and service. Therefore, affiliated marketing is a perspective strategy of internet marketing and ecommerce which lies in the shift of responsibility for sale onto a third party in particular, on client who are rewarded commission after convincing other clients to purchase products offered by sponsor. In this article, an emphasis was laid on affiliate marketing and how it issued to enhance profitability on online retail stores and also confer about the various opportunities and impacts in affiliated marketing.

Keywords: *Affiliated Marketing, Profitability, Online Source, Money, and E-Commerce.*

Introduction of Affiliate Marketing

Affiliate marketing is a modern and leading technological marketing technique that stimulates and encourages the volume of sales to the consumer through interest stipendiary. Besides, the development of technology in online marketing platforms covers a wide range of sales, which promotes benefits to both the consumer and the seller along with the affiliate marketer and improves the growth of the economy by enlarging production and consumption. Furthermore, affiliate marketing aids in reaching a large audience in a short period. It works as an integrated process between the consumer and the seller. Affiliate Market has become a buzzword of business over a few years with increased awareness about the use of computer and communication technology to simplify business procedures and increase efficiency.

Combining a range of processes such as electronic data in changed (EDI), ELECTRONIC MAIL (EMAIL), WORLDWIDE WEB (WWW), and internet applications affiliate marketing Provides ways to exchange information between simply put applied marketing is the Movement of business on to the World Wide Web. Conversely, affiliate marketing has evolved from business-to-business (B2B) to business-to-consumer (B2C). An Affiliate Market program is a way to earn money by encouraging products from web shops, without The need to sprint a web shop of your own. This means you don't have to provide and direct Your stock, ship products, or deal with customer service. As an affiliate marketer, you commonly advertise products by linking to them.

Definition of Affiliate Marketing

“Marketing is the activity, set of institutions, and processes for creating, communicating, Delivering, and exchanging offerings that have value for customers, clients, partners, and Society at large. “- Official definition from the American Marketing Association.



Objectives of Affiliate Marketing

- The principal bias of affiliate marketing is to generate a higher return on investment for the seller and manufacturer.
- Cost reductions like advertising, transportation, and retail dealer commissions are eliminated, which adversely impacts the profitability growth rate and is a preeminent consideration of affiliate marketing.
- The primary impulse of affiliate marketing is to gain progress in brand reputation, brand visibility of a product, and seller identity.
- The fundamental aspiration of affiliate marketing is to achieve traffic goals and enlarge productivity.
- The underlying principle of affiliate marketing is to diversify consumer intention and broaden target audience.
- Affiliate marketing aids in meeting a profit margin and acquiring more consumers from existing markets.
- The inaugural purpose of affiliate marketing is to connect a globalized market through websites and social media and spread it across the world.
- Ambitious affiliate marketers, often self-employed individuals, regularly set goals and objectives to help them success
- The income which is benefited to the affiliate marketer shall be treated as a secondary
- Source of income

Growth of Affiliate Marketing

NASSCOM Survey

According to NASSCOM survey, the total volume of affiliate marketing's transaction in India was about 1,95,000 core by 2005. Out of this volume, about 3000 cores are contribute by retail internet or business to consumer transaction(B2C) and about 1,92,000 crores by business to business transaction (B2B) . However given situation In India, this amount seems impressive in the background of almost non-existing Regulatory framework to support Affiliate Marketing.

Internet and Association of INDIA (IAMAI)

According to the Internet and Mobile Association of India (IAMAI), the affiliate marketing business in India is expected to exceed 66168.07 million by 2025. The affiliate marketing sector in India is projected to reach \$835 million by 2025, up from \$96 million in 2016. The affiliate marketing industry has been growing at a rate of 10% since 2015. In 2023, the industry grew by 10.1%. The affiliate marketing Industry in India is expected to grow at a CAGR of 16.3% between 2021 and 2025.

Opportunities of Affiliate Marketing

- Affiliate marketing promotes a new profitability sales channel to the organization which enhances the revenue generating rate.
- Affiliate provides the 24/7 market availability to the consumer which benefits to both seller and affiliate marketer.
- Affiliate marketing helps a global reach of product and the brand through the online retailing of product and service.
- Affiliate marketing driven a effective performances by analytics of data. Which helps in cost reduction to the management
- Affiliate marketing enhances sales which lead hands to stock clearance.



- Affiliate marketing assist to gain a new audience through the influencer.
- Affiliate marketing supports to overcome from competitive market along with Demand and supply.
- Affiliate marketing is an excellent medium of passive income
- An affiliate shall have to be concerned with customer satisfaction and customer support.
- In affiliate marketing, you can work from anywhere without having the hassle of going to an office.
- Affiliate marketing provides the benefit of performance-based rewards.
- The income which is benefited to the associate marketer shall be treated as a secondary source of income.
- Affiliate marketing provides the customer control interaction which enhance the control and flow of information that the online world put into customer's hand.
- Affiliate marketing provide a power 'Best of both the world ' which benefits the traditional business side-by-side with the internet tools.
- Technology based customer interface [screen-to-customer] has the potential to both Increase of sales and decrease of cost.

Strategies for Affiliate Marketing

Off course, this leveraging approach only works for firms that already have websites the dominate a particular market. As the Web matures, it will be increasingly difficult for new enter entrance to identify unsaved market segments an attain dominance. A tool that many new low budget website are using to generate revenue in affiliate marketing .In Affiliate Marketing one firm's website includes descriptions ,reviews, rating or other information about a product that is linked to another firm site that offers the item for sale. For every visitor who follows a link from the affiliate's sites to the seller's site the applause it received a commission. The affiliate's site also obtained the benefit of selling's sites brand in exchange of for the referral.

One of the more in interesting marketing statics made possible by the web is cause marketing, which are affiliate marketing programs that benefit the charitable organization. When visitors click a link on the affiliate's Web page, a donation is made by sponsoring company. The page that loads after the visitors click the donation link carries advertising for these sponsoring companies. Many companies have found that click through rates on these ads are much higher than the typical banner and click-through rates. A leading retail Web florist, pro flowers.com, has had excellent results advertising on The Hunger Site page. When the visitors clicks the button on this page ,a group of sponsoring advertisers donates food to hungry person and a page appears in the visitor's browser with ads for the sponsor

How Does Affiliate Marketing Work

Three parties involved in affiliate marketing:

Product Creators and Seller: The sellers can be individual entrepreneurs' business establishments. The products can be services or goods. Sellers do not require to be involved directly in marketing.

Affiliate: Affiliates can also be an organization or an individual promoting the products of the sellers. They persuade the customers and convince them to purchase the products or services. If the consumer ends up purchasing, then the affiliate receives a commission. Affiliates have a particular brand or preferred niche that helps in targeting an audience and also attracts a new base simultaneously.



Consumers: For the system to work, consumers play the most important role. It is important For the consumers to understand that upon purchasing the product or service, the affiliate will receive a part of the commission. The Federal Trade Commission clearly mentions that affiliate marketers have to disclose their affiliate marketing strategies for the consumers to understand how much weight should be given to endorsement.

How Do Affiliate Marketers Get Paid?

The affiliate marketers get paid depending on the following types of ways.

PAY PER SALE: The affiliate marketer receives a percentage of the sale. The affiliate sells the product and directly receives the commission on the sale. If the customer does not buy after visiting the page, the affiliate receives nothing.

PAY PER LEAD: In this pay structure, affiliates receive compensation upon conversion of leads. Here, the affiliate must pursue the consumer to visit the website of the merchant and complete a required task like filling out a form, subscribing to a newsletter, signing for a trial product or downloading files.

PAY PER CLICK: Pay per click is a popular affiliate marketing strategy. Here, the affiliate has to increase traffic to the merchant's website. Pay per click has two concepts.

COST PER ACQUISITION: In this business model, affiliates receive payment every time the retailer acquires a lead.

PAY PER INSTALL: In this pay structure, affiliates receive payment every time a consumer reaches the merchant's website and installs software or an app.

TIPS To Make More Money on Affiliate Marketing

- Launch your affiliate site with existing content.
- Diversify your affiliate partners.
- Own the relationship with your audience.
- Become affiliates for audience-recommended products.
- Know the ins and outs of the products you're recommending.
- Disclose affiliate links.
- Share discount codes.
- Become a creator on Instagram.
- Write product reviews and tutorials.
- Try comparative formats.
- Post product roundups.
- Consider search intent.
- Keep an eye on trending topics.
- Link to localized landing pages.
- Run ads around peak shopping times.
- Report on affiliate link conversions.



Challenges in Affiliate Marketing

- Several firms have a trouble in Recruiting and training the employees with new technological design and business process skills needed to create effective affiliate marketing.
- The major difficulty in affiliate marketing is integrating the traditional software design in of commerce to enable that affiliate marketing retailing in e-commerce
- The legal environment in which Affiliate Marketing is conducted is full of unclear and conflicting laws. In many cases, government regulators have not kept up with the trend in technologies.
- In affiliate marketing does not ensure the returns on investment to the seller.
- Besides of every online promoting links there should be unique contents and essence which will devise by the digital creators .So, this would become a challenging stuff to regenerate other logger's link to be proceed.

Conclusion

Affiliate marketing has proven to be a lucrative way to build profits for both publishers and brands. After understanding the definition and the structure of an affiliate program as well as prominent trends this year, we hope that you can implement your own program successfully.