

Affiliates Marketing and Its Futuristic Trends

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Abstract- Affiliate marketing has become one of the best option for marketers where essence basically lies in shifting the responsibility of sales on to a third party which are later on rewarded with commission after promoting and convincing the other customers to buy the items offered by a sponsor. Moreover, internet marketing and e-commerce together make the affiliate marketing a cost effective tool through which sponsors may earn huge profits. But on the other side, affiliate marketing is associated with several risks and vulnerabilities such as a haphazard system may lead to huge financial losses through fraudulent actions. Also, involvement of middlemen serving the both parties (sellers and buyers) may impose certain challenges to the affiliate marketing. Electronic commerce website of an advertiser, affiliate website and an affiliate marketing platform make the fundamental units of affiliate marketing network. Therefore, affiliate marketing is emerging as main tactic in online marketing. A tremendous growth has been seen in affiliate marketing in past couple of decades and it holds a huge potential for strategizing online marketing, offering a unique platform for the affiliates from where they may find their preferred affiliate program to join. This paper mainly summarises the upcoming trends in affiliate marketing on global scale. Futuristic scope dominantly focuses on transformations in the aforesaid sector with the endorsement of recent technologies in accordance with customer behaviour patterns. Besides, a special attention is given to the main domains existing in developing countries like India especially toward- e commerce websites, online shopping sites and tourism as one of the key ingredient. The trend of affiliate marketing in growing economies is significantly impacting the revenue generation. Companies are giving prime importance to make affiliate marketing easier so as to reach up to bigger population and far away locations through critically analysing and deciding the ways to attract more customers to their websites.

Keywords- Affiliate Marketing, Cost Per Impression (CPI), Cost Per Click (CPC), Cash Per Play (CPP), and Cost Per Acquisition (CPA), Search Engine Optimisation (SEO)

I. INTRODUCTION

In affiliate marketing, compensation method depends upon the effect of advertising & marketing the product and payment model of the campaign ^[1]. Affiliates/ sponsors make the efforts to encourage clients in such a way that predefined

activities on their website boost significantly, offering great benefit to the participants. Coming onto its technical considerations, a network of affiliates reach to the e-commerce site of an advertiser in affiliate marketing, over an affiliate marketing platform where affiliates are those third party entities, who have independent websites displaying information about different subjects and interests ^[2]. But just like other economic activities on the website marketing industry, rapid boom in affiliate industry has also gained the attention of fraudsters in 2013, as 28 million dollar fraud has occurred with an eBay affiliate ^[3]. Presently, affiliate marketing is not limited up to the media only; instead it has become a subject of academic research in order to recognize the inducements in the ecosystem and the extent of associate fraud. Such activities may be reduced with careful management of affiliates and tracking the transactions along with keeping the affiliates and advertisers updated to improve their effective performance, generated revenues and commission earned on affiliate website. Furthermore, trust issue evolves as a challenge which can be abridged through performance monitoring. This may be effectively performed through different tracking processes such as click tracking and conversion tracking. Here, affiliate should be aware that tracking failures are not the counterfeit activities as it can not cause any losses. An affiliate marketing network benefits the sponsor, affiliate and customer with involved corporations. Currently, internet accessibility is not limited to any age or gender as it has become an integral part of the modern society. Therefore, e-marketing helps in enabling easy customisation within affordable range. Marketers may also determine the messages which are more tempting to the target audience through variety of methods such as cost per impression, cost per click, cash per play and cost per acquisition ^[4]. Additionally, affiliate marketing reduces the gap between sponsor expectancies and web owners, providing a vast range of sources for product promotion through internet. But customers are becoming more familiar with e-commerce, as a result, customers should also be aware of recent technological advancements, transaction/ finance and legality related domains. Similarly, merchants should try to create less complicated websites maintaining customer privacy and security of involved online transactions so that more consumers reach and stick to their websites. Consequently, success of an affiliate marketing company generally lies in creating a trustworthy relationship between sponsors, affiliates and patrons.

Affiliate marketing in India

Affiliate marketing, generally known as Associate Marketing is asymmetric arrangement, in which advertiser pay some commissions to the affiliate for maturing sales or traffic on their business portal. Affiliate websites apart from affiliations may have revenue from ad banners, links to the other product and services from another merchant's website. Affiliate marketing is a relationship generally between three parties ^[5]:

1. Merchant or Advertiser
2. Affiliate or Associate
3. Customers or Buyers

Advertisers or Merchants are the organizations, which sell product and services online, through a licensed web portal compliant with cyber and other laws & regulation of the land, including the privacy and security of user and financial data. Products could be consumer based or business-based, ranging from daily needs to a full business portfolio.

Affiliates generally known as Publishers could be a person or group of persons or social community or maybe the company. They are mainly responsible for promoting the product or services of any website on the social media or some other acceptable channel in the community who publish the links of the product and services provided by the seller website. Affiliates have to register successfully before getting the link of the product and services to post them on other social media and websites.

Customer is the third most vital entity in the affiliate marketing and also the final destination which receives the product or services either directly from the website or through the affiliate links. The product or services purchased by any customer is tracked through back-end links in order to generate commission for affiliates (in case the purchases have been matured through the link of any registered affiliate).

Affiliate Marketing Trends in India

Many Indian organisations offer affiliate marketing and affiliate marketing trends are rising in the country as well. India being a big and a diverse multicultural marketplace, with the huge potential in online ventures, have grown tremendously with innovative and effective business models. Numerous factors such as lower customer acquisition cost and marketing expenses are further fuelling the growth of online business ventures in India. There is array of upcoming trends associated with affiliate marketing such as posting the links/ advertisements/ banners of the product and services over the

blogs or even the product review over the YouTube. Posting search links over social media platforms such as Facebook, Twitter, Instagram, You Tube with a huge amount of population generally known as subscribers acts like icing on cake because it helps in accelerating the product promotion process ^[5]. The trend of affiliate marketing in India has extended too, as many of the people are making the enormous revenue either in part time or full time, through blogs and other networking platforms. The countries with the highest population like China and India are prone to frauds and other online breaches. Finally, they have set up the protocols for getting AdSense license. The trend of all affiliate marketing programs can generally be seen with the following domains in India ^[5]:

1. Online job portals
2. Matrimonial based online portals
3. Tour, travel and transport websites
4. Shopping websites
5. Web Services based websites and other assorted domains.
6. Other product based multi-level networking sites like Amway and Modicare

Upcoming Global Trends in Affiliate Marketing

Affiliate marketing today is the most preferable option for many of the marketers and content creators. The major reason behind this fact is the tremendous success that is achieved being middlemen which favour both the parties. Affiliate marketing bring the global independent platform for marketers or bound to dominate the most important trends in affiliate marketing industry in near future ^{[7] [8] [9]}:

1. Attempt for Better Coverage
Lots of efforts have been taken in the direction to make the affiliate programs simpler. Simplifying the procedure for registration, the online approvals and generating the affiliate links for product and services require lots of efforts which seem to be a complicated procedure for many of the users.
Companies are working over the utility tools that can provide the real time data which may help in forecasting the demand and subsequently improving the performance.
2. Affiliate Marketing as a Big Potential Opportunity
Many online product and services advertisements and merchants are providing affiliate marketing opportunities to generate maximum revenue out of the trend. The affiliate marketing requires rigorous efforts in posting advertisement banners and affiliate links over the social media, keeping in mind the intended target consumer base in a multi culture and diverse geographical arena, which is rewarded with a huge income in return.

3. Multi and Cross Device Platform Tracking

As technology is changing every moment, there are instances like the customers click the affiliate link on one device and purchase the same later on, through some other device. Attempts are made to improve the tracking of such purchases through enabling & utilising multi-platform and cross device tracking. By this, companies have become capable for the full use of remarketing technology to setup the advertisements to the customers, who click the link of the product but do not make the final purchase for what so ever reason.

4. Affiliate Marketing and Search Engine Optimization (SEO)

Search Engine Optimisation is also playing an important role in affiliate marketing and marketers have evaluated its real worth making it an important tool for extra proficiency. Search Engine Optimisation increases the referral traffic through affiliate links; those are provided in various platforms by affiliates.

Likewise, the quality of links will be much higher and so will be the contribution, where search engines are optimised. Apart from this, other matter that plays an important role in structure conversion rates are also closely monitored, analysing the trust level of the visitors on the website for longer retention and repurchase offers for preferred customers.

5. Emphasis on Ethical and Legal Considerations (including cyber laws)

An affiliate marketing company's business model should be in line with imposed governmental rules and regulations. Various online businesses are already under the watch of regulatory organisations and hence, financial security and privacy concerns will remain in priority list.

Though there are enough protocols and regulations in place for bloggers and affiliate marketers, but they often disregard the rules. As internet and the procedure for its usage are regularised more and more, the marketers and affiliates will be forced to adapt or have to face the convictions.

6. Implementing Extra Mile to SEO Techniques:

Along with the importance of SEO, it is very important to implement the latest SEO techniques also. This is required for the heavy traffic, which will further increase the influence and will help in getting the real worth of the smart work done. The focus will be more on the image and video related content, integrated as a crucial part in influencing the users by impacting the first impression on them. Other

than this, live streaming on social media such as YouTube in product reviews by the youtubers will help to provide better communication with affiliate marketers. Additionally, the mobile optimisation is also very demanding topic to increase the responsiveness of the customer using apps or other interfaces provided by the merchants.

II. CONCLUSION

Affiliate marketing may get greatly benefited on planning a well organised marketing model for enterprises because future success mainly depends upon the capability of firms to determine variety of factors to be considered for long term profits. The development should be made after understanding the potential of upcoming trends in the industry. Although, retailers/ merchants may choose the affiliate programs on their own or they may participate in other large affiliate network with other sponsors. Simultaneously, fraudulent activities should be immediately identified and eradicated to minimise the risk. In developing countries like India, online jobs, matrimony services on different sites, increased online shopping trends are expected to dominate the affiliate market in upcoming years. On the other hand, worldwide trends point towards the development, that may become part of the affiliate marketing benefiting the merchants, consumers and sponsors, providing an improved reporting system, ability to resolve issues related to device platform and optimisation of search engines to accelerate the referral traffic on affiliate marketing platforms. Whereas, cyber law, legality, financial, advertising integration, impersonal dealing while offering services, security and privacy related concerns need to be addressed carefully ^[10]. Above all, the implementation of latest techniques such as SEO may further help in obtaining the real worth of intelligent work.

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