

# Reinventing and Styling Digital Marketing through Affiliate Marketing

Pooja Gupta<sup>1</sup> & Rajni Aggarwal<sup>2</sup>

<sup>1</sup>Assistant Professor, Department of Computer Science, Aggarwal College, Ballabgarh.

<sup>2</sup>Assistant Professor, Department Commerce, Aggarwal College, Ballabgarh.

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**ABSTRACT:** Every brand or product needs marketing or advertising before or after launching into the market of that particular area. S, affiliate marketing is a major source to get the customer knows about the product specifications and prices. Now a day, affiliate marketing is one of the fastest, cheapest and effective ways to promote brands or product. Millions of people are accessing the Internet every day, so there's a great chance for an advertiser to introduce his brands, products and services to a wider area or market and hence can increase their sales revenue. Affiliate marketing offers a great opportunity to earn big. In affiliate marketing, both parties (Advertiser and Publisher) are benefitted since as the merchant earns when his product item get sold and the affiliates earns a commission for that purchase. There are various networks that are used for affiliate marketing. Despite an easy technology, it has to face a lot of challenges while it is being implemented.

**Key Words:** Affiliate, Qualified Sale, ESP, USP, PPC

## 1. Introduction:

Affiliate Marketing is a new way of digital marketing. It is a new promotional model that establishes a connection between the advertiser and the publisher or affiliate using various affiliate networks. They are interested in investing their money and time to promote the products or brand of any merchant. This is totally performance based. The affiliate will be paid only when the advertiser confirms specified customer action or we can say that the payment will be based on "Qualified Sale ". It helps the advertiser to create a great pool of customers as well as customer potential products.

## 2. Objectives:

The main objective of this paper is to make familiar the young generation with the digital marketing termed as Affiliate Marketing. In this paper, the whole working process of affiliate marketing is provided to sell products and services. This will also help to generate self-employment.

## 3. Research Methodology:

For achieving the objectives of the research secondary based information are adopted. Prior studies related to this topic and various websites are visited for this research.

## 4. Affiliate Marketing:

Affiliate Marketing is a popular idea of marketing in which a digital publisher or website earns the commission by promoting an online retailer's product. It is a revenue sharing venture between two businesses. One Business reward money to another business for promoting our products and placing the ads on their websites. Customers visit the affiliate website and find the product or business. Both the publisher or affiliates and the retailer will get the benefit. The publisher or website will be benefitted by being paid for hosting the ads on the website and the retailer will be benefitted by getting a new range of customers. Some of the traffic will be moved to Affiliates website.

Affiliate Marketing or programme is good for businesses those who are having very few customers and want to get new customers.

## 5. Technical Working of Affiliate Marketing:



Figure 1 Technical Working of Affiliate Marketing

Various Networks can be employed by advertisers to administer the tracking of the affiliate campaign of their own. The affiliates will get the tracking links through an affiliate network which are just behind text links and banners on the affiliates' websites. Whenever a customer clicks on that link, the click is get registered by the Affiliate Network and a cookie is dropped onto the computer. As soon as the customer finishes a purchase, the affiliate Network's tracking tag is fired. The role of the Tag is to check the relevant cookie, and the sale will be recorded by the affiliate Network if the customer is from Affiliate Network's Publisher. Now both the affiliate and the advertiser should be able to know that the sale has tracked. Now the commission can be rewarded.

Now a day, the more advanced network are providing cookie less tracking. This is beneficial in the case when some of the browsers automatically block the third party cookie and if the user has deleted or blocked the affiliate cookie, the sale can still be attributed to affiliates.

In short, we can say that:

- 5.1 First of all, the customer will visit the publisher website.
- 5.2 On the publisher website, the customer sees various advertising banners/links. Now the customer will click through an affiliate tracking link. (At that time, the customer didn't know that he had used an affiliate Network.)
- 5.3 Affiliate Network tracks this click. Then a cookie is placed on the customer's device to identify them as he is referred by an affiliate network.
- 5.4 The customer finishes an online purchase.
- 5.5 The advertiser fires the Affiliate Network's tracking tag which reports the sale to the affiliate network as there is a cookie present.
- 5.6 The advertiser pays an agreed commission for the sale to the affiliate network after the affiliate network reports about the sale to the advertiser.
- 5.7 At last, the Affiliate Network pays the commission to the publisher as a reward.

## 6. Affiliate Networks:

Affiliate network's major task is to connect advertisers and publishers who can drive traffic to the Affiliate website. However, they provide tracking, reporting and handle all affiliate payments.

Some of the popular affiliate networks are:

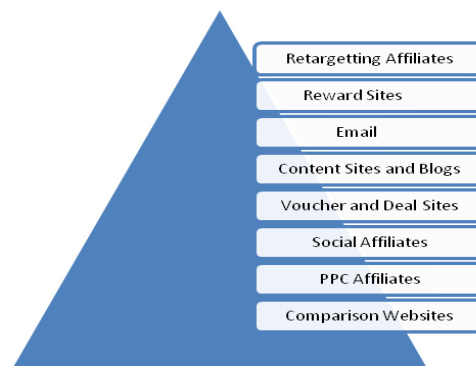
**LinkShare** -Affiliate programs over the Internet are being offered by an affiliate program network, which acts as a link between the merchants and individual affiliates. The most popular is LinkShare. It was founded in 1996.LinkShare maintains and manages affiliate marketing programs for a great number of merchants with various kinds of businesses, products and services. It also has over 6,000 affiliate site members in its network. It gains the profit from the set-up fees, monthly account maintenance fees and commissions.

**Share A Sale** - ShareASale is another great network known for industry friendly policies and a value conscious cost of entry. Affiliates use ShareASale to promote and earn the commission for referring products. Affiliates use their own website, blogs, social media, PPC campaigns, SEO campaigns, RSS and email, as well as a number of other sources. With a free data feed, they are great for retailers of all sizes.

**Commission Junction** - CJ Affiliates or Commission junction is a premium priced online advertising company owned by Alliance Data operating in the affiliate marketing. Since 1998 they have attracted a majority of the larger brands and has had high quality B2C and B2B affiliates.

**Buy.at** - A great option if you are looking to take your program global and appreciate the great service.

## 7. Types of Affiliate:



**Figure 2 Types of Affiliates**

**Reward Sites:** These sites are a good source to increase brand exposure especially for those who have very limited customers. They drive sales by paying commissions to their members as a reward which they earn from an ad, but some strategy must be there so that they can avoid paying commissions in case of cancelled or returned purchases.

**Email:** An Email affiliate writes sales and marketing Emails to its own database of customers on behalf of a brand just like its own brand promotion. We have to use the hyperlinks provided to us to our call to action so that sales can be properly tracked. Hence, the better Email marketing campaigns generate more sales.

**Retargeting Affiliates:** This is done through Tags. It is used for those customers who have not completed their purchase or about to leave a website. Retargeting affiliates try to convince them to stay on the website, explore about the product and place the order. They make it easy for them to go back to the website and purchase the product.

**Voucher and Deal sites:** these sites are helpful in increasing the sales turnover by offering their customers special online vouchers (discount code) on some specific purchases. These vouchers can be redeemed on their future purchases. These types of offers must be provided for a limited period of time to get prompt action by the customers.

**Content Sites and Blogs:** This type of sites featured with particular interest and unique content of the product. The product review sites, on line forums and Blogs are some examples which are valued partners and contribute to overall sales. These content sites provide a new pool of customers. Fresh content or an exclusive offer are great ways to engage and optimise activity with content sites.

**PPC (pay per click) Affiliate:** It is a competitive field of search which generates revenue to marketers for every action taken by visitors of the website. This differs from other types of affiliate marketing in which marketers are paid a commission on sales that they generate. This type of sites generates income to digital publisher for lead generation, click-through, impression ads, and their follow-throughs, and many more. In other words, we can say that a digital publisher will be paid every time whenever any customer visits an affiliate website.

**Social affiliates:** This type of affiliate works via highly targeted posts on social networks or sponsored tweets, which can help to drive awareness and assist in generating need. It is important to keep the creative relevant, with a strong call to action.

**Comparison websites:** These sites help customers to compare products available on various sites at one place or site e.g. Insurance plan, phone plan, etc. These websites help in improving sales volume because of their comparing nature. They rank the product not only basis of product quality, but also on basis of EPC (earning per click).

## 8. Best Practices for Advertisers:

For an advertiser it is necessary to motivate its affiliates on time to time basis. The basic goal of both the advertiser and the affiliates should be to increase the sale of the product and hence generate more revenue. Therefore, if the advertiser wants to run effective an affiliate campaign, he must provide the basic tools to promote their brands and the product and inspire the affiliates.

While structuring and running an affiliate campaign, some points must be considered:

**8.1 Commission:** This is the key component of any affiliate campaign which is the driving force in inspiring affiliates to promote the brands. Generally, the advertiser sets the commission, so it can be low, but advertisers have to think carefully while setting the commission rate that if the publisher promotes competitors' products in spite of their products then it may affect their sales and profit. The advertiser should be tactical for setting the commission rate and should try to offer higher rewards based on their business model. Even every lower rate item should be commissionable.

**8.2 Always on:** An affiliate marketing campaign will be effective when it will be in the market. An advertiser should ask its affiliate to write the content of his store or brands or any product. He must assure the publisher that after framing the content they will be rewarded for their effort. The advertiser, whatever he is paying for affiliate marketing, he will get multiples of that amount. So it should be turned on.

**8.3 Track and analyse everything:** Visibility is very necessary for affiliates and for this an accurate tracking is required. The advertiser should do it in the proper way. He must provide an accurate data about which product is currently sold out and in demand so that the digital publisher or the affiliates can tailor its content accordingly. He must generate which 'promo code' is working effectively, review which creative is working effectively or which has not work till now, find out affiliates who are generating more sale for them and the reason behind it, but for all these, the advertiser must be assured that the tracking is accurate and never removed or broken.

**8.4 Communicate:** The advertiser should communicate with the affiliates on the timely basis to best promote their brands or product. The affiliate must get the unique selling propositions (USPs i.e. what you have that your competitors don't ) and key messages. They should update the publisher about the new product launches, but not to irritate them by sending more and more mails in a day so that they will sign off.

**8.5 Validate Fairly:** Most of the affiliate networks will ask the advertiser to validate the sales what they have tracked at the end of each month. It enables the advertiser to stop paying for any fraud sale or on an incomplete or cancelled sale. It is also very necessary to validate the sale in a timely manner so that the affiliates can be paid. However, if the affiliates see higher rejection rate, they may switch over to some other advertiser's product. So, it also affects the affiliate's motivation.

**8.6 Beyond sales:** The advertiser should think how he can use his affiliates beyond purely generating sales. Building a newsletter database by affiliates is common. He can also use affiliates tactically to increase average basket value, to encourage customers to download his app or shop via his mobile. Again create a strategy for each goal he wishes to achieve and track performance. Offering an attractive reward to affiliates for encouraging certain customer actions will help with success.

**8.7 Avoid frauds and affiliate malpractice:** Very rarely an affiliate tries to generate a fraud sale or members of cash back and some loyalty sites will try to exploit the loophole. This can be avoided by setting hard or tight program rules and vigilant monitoring and avoid paying for this type of sale. Never try to pay for large sale.

**8.8 Responsiveness:** Affiliate Marketing is a joint effort of affiliates, Affiliate Network and Advertiser. So all the partners should be in active mode, or we can say attentive to work efficiently. Business will have to pay a lot if the parameters are only on paper, but not implemented properly. In that case, don't expect a good outcome or results.

**8.8 Evolve:** It should be a regular practice to continuously learn and analyse for what our affiliates are doing for us and try to generate new mechanism to increase sales.

## 9. Challenges for Affiliate Marketing:

Today, in the digital era, Affiliate Marketing remuneration is totally based on confirmed sales. So, the publisher always keeps his eye on each and every move and gets ready for the next strong call to action.

Here are some key challenges which every partner face whether they are publisher or affiliate network or advertiser.

**9.1 Updated Content:** The content over the affiliate websites must be updated on a regular basis. Key concerns are new product launches, collections, reviews or brand ambassador. If an affiliate receives regular updated data, he will be in a better position to publish accurately and up to date information of the brand.

**9.2 Understand the power of good visuals:** Imagery plays a vital role while advertising any brand or product. Visuals or imagery provided by the advertisers should be of good quality. It reduces the publisher's effort to attempt the source themselves if the imagery provided by the advertiser is of good quality. Secondly, the advertiser can have a good hold over the presentation of the brand on the publisher's website and thus eliminating the chances of publishing bad quality or outdated product or brand, but the imagery should be sent in a timely fashion, otherwise the product will lose its gloss and worthiness.

**9.3 Think about the bloggers:** Now a day, blogs are becoming a trustful source to get the product information. In a study, it has been proved that the most of the blog reader relies on the information provided on the blog. It's almost impossible for a retailer to have the capacity or resource to manage multiple blog partners so these days, blogger sub network are becoming popular day by day.

**9.4 Remuneration Strategy:** Remuneration should be on 'per click' basis or guaranteed (a flat fee model).It will keep engaging the content partner and motivate them to promote the product.

## 10. Conclusion:

Affiliate Marketing is not only the best practice for the merchant, but it is also suitable for a publisher or affiliates. By using this concept, both the parties can earn a good amount, but the presentation over the affiliate sites must be attractive to get the concern of the customer. There are also some challenges for the merchant while setting the commission rate and their paying policy. Also, the affiliate should remember the key points for what they will be paid off.

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