

A Study on Consumer Attitude towards Affiliate Marketing for E-Business

Tamazzer Fahim
Student, MBA
Global Business School Hubli,
Karnataka, India.
tamazer786@gmail.com

Prof. Afreen Nasabi
Assistant Professor
Global Business School Hubli,
Karnataka, India.

ABSTRACT

The rapid development of affiliate marketing, a performance-based internet marketing practice, in the ongoing years, has made a serious market. The purpose of this study was to find approaches to improve the affiliate program. The undertaking distinguishes the fundamental components of an effective offshoot program. In view of the writing, the requirements of members and the various segments of a partner program were depicted. The association between the need and segments filled in as a hypothetical structure to respond to the exploration questions. The venture portrays the Consumer Attitude towards Affiliate. The essential target is to examine the effect of subsidiary showcasing on buyer conduct regarding E-Commerce. Numerous decision and dichotomous inquiries have been intended to gather reasonable reactions from 205 respondents. The information gathered has been broke down through factual instruments, for example, SPSS and MS Excel. In view of the perceptions made in the study, suggestions on the best way to improve the affiliate program are given. Proposals on subjects for additional examination were likewise added to the work.

Keywords

Affiliate Marketing, Ecommerce, Consumer Attitude. Web-Advertising, Advertiser, Publisher, and Consumer.

1. INTRODUCTION

The web innovation has existed for over 40 years now, yet it was the presentation of the World Wide Web (WWW) that caused its quick market penetration. In just four years, the web reached an audience of 50 million clients in the USA. It took the TV for more than 13 years and the phone for more than 75 years to arrive at this number. Taking into account that, the web can be supposed to be the quickest spreading data media in this day and age. The quality of the WWW was the ability to give simple access to data utilizing a system of sites. Obviously, numerous individuals understood the colossal prospects of this media. Organizations considered large to be open doors as web client numbers expanded. A couple of years back the web was chiefly utilized uniquely as a data and introduction stage. These days, it incorporates practically all zones. It isn't the simple access to data that helped the web to turn out to be so well known, but instead the likelihood to utilize it as an overall conveyance channel for a wide range of items and administrations.

1.1 E-Business

Turban et al. [7] The term E-Commerce initially developed in 1995 and ought to be separated from the electronic business.

Web-based business is just a little region of E-business, which comprises of an assortment of extra business zones, for example, client assistance, internet banking, and showcasing. Accordingly, the term electronic business is progressively proper for this content, as it is a more extensive definition. WWW brings numerous chances yet additional dangers to contending organizations. Firms can truly expand their intensity with online innovations, however, at a similar, they should confront newcomers. Along these lines it is fundamental that numerous organizations, particularly customary physical organizations, additionally change their method of working together to the new patterns; else they won't endure.

1.2 Online Advertising Compared To Traditional Marketing

Publicizing on the web became amazingly quick. Actually, internet promotion is viewed as the quickest developing type of direct advertising. There has been a discussion on whether the Internet is to be viewed as customary promoting or is another type of direct showcasing. Turban et al. [7] promoting is characterized as a push to convey data so as to improve deals. Conventional promoting was exceptionally indifferent, in light of the fact that it generally just comprised of one-way mass correspondence. With direct showcasing, advertisers attempted to customize publicizing and to make it progressively viable. Despite the fact that customary direct showcasing approaches worked truly well, they were simply excessively costly and moderate. Turban et al. Regular postal mail battles had a reaction pace of just 1 to 3 percent. In the event that the crusade cost would, at that point be around \$1 per individual, the expense per reacting individual would run from \$33 to \$100. This would just legitimize for costly items, for example, vehicles. Market division helped however didn't take care of the issue. The Internet is presented as intelligent promoting. This is on the grounds that it empowered publicists to cooperate straightforwardly with clients as buyers could now get more data or send messages to pose inquiries. There are significant focal points of publicizing on the web over conventional mass promoting. Customary publicizing media, for example, TV, radio, papers, and magazines are broadly utilized, in any case, the market is continually changing and increasingly 9 individuals are investing more energy in the web and utilizing cell phones.

Advertisers and sponsors are keen on arriving at such potential. Presumably, the greatest advantages that web-based promoting brings to the table are low costs, productivity, and intuitiveness. These and numerous different reasons are the reason a web-based

promotion is developing so quickly. Thinking about the fast development in web-based promoting, E-organizations likewise need to make greater showcasing costs so as to get a preferred position over the contenders. They note that e-trailers spend in normal over \$100 to procure another client. This, in any case, repudiates with what was composed over, that internet showcasing is minimal effort publicizing. In any case, contrasted with other media, online promotions are typically less expensive and, what's more, they can be refreshed whenever with negligible. Then again, when organizations began to investigate what number of clients pulled in by pennant advertisements really transformed into clients, they discovered that for more often than not, the client securing cost was higher than the normal lifetime estimation of their. This caused organizations to rethink their web-based showcasing practice. Different approaches to pick up traffic and clients must be thought of. This was the start of the subsidiary advertising idea.

1.3 Affiliate Marketing

Affiliate advertising is a sort of execution based advancing in which a business compensations at any rate one auxiliary for each visitor or customer brought by the part's own exhibiting tries. It is a type of on-line showcasing strategy wherein a distributor advances a business endeavor through promotion on their site and that prompts business compensates the member with the commission each time a guest, the client creates deals.

Enfroy [6] Affiliate promoting is a well-known strategy to drive deals and produce noteworthy online income. Amazingly gainful to the two brands and offshoot advertisers, the new push towards less customary showcasing strategies has paid off.

Facts:

- 81% of brands and 84% of distributors influence the intensity of subsidiary showcasing, a measurement that will keep on expanding as offshoot promoting going through builds each year in the United States.
- There is a 10.1% expansion in subsidiary advertising spending in the United States every year, implying that by 2020, that number will reach \$6.8 billion.
- In 2018, content showcasing costs were checked to be 62% of customary advertising plans while at the same time producing multiple times the leads of conventional strategies. Actually, 16% of all requests caused online to can be credited to the effect of member promotion.
- In March of 2017, Amazon's subsidiary structure changed, offering paces of 1-10% of item income for makers, giving the chance to subsidiaries to significantly build their automated revenue dependent on the vertical they're selling on.
- The subsidiary promoting of Jason Stone, also called Millionaire Mentor, was liable for as much as \$7 million in-retailer deals just in the long stretches of June and July in 2017 Enfroy[6].

2. REVIEW OF LITERATURE

2.1 Ben Edelman Wesley Brandi Annunciation Day, 2014 [1]

We examine online affiliate marketing programs during which merchants oversee thousands of affiliates they need never met. A few traders employ outside pros to line and authorize arrangements for affiliates, while different shippers ask their common showcasing staff to play out these capacities. For away

from of fitting rules, we find that outside bosses are commonly effective at notwithstanding the fit affiliates, which we disentangle as a benefit of specialization. Be that as it may, in-house staff are progressively effective at recognizing and barring affiliates whose practices are seen as "fringe" (but still in opposition to traders' inclinations), previous the efficiencies of specialization in favor of the higher incentives of a company's staff. We consider the suggestions for promoting online affiliate programs and for web-based advertising all the more for the most part.

2.2 Zia Ul Haq, April 2012[2]

Affiliate marketing has seen fewer studies even being a multibillion-dollar industry and one among the foremost expanding online advertising lead generators for direct marketers. The aim of this survey described during this paper is to judge the attitude of respondents towards affiliate programs or affiliate marketing, used as a source of data, advertisement, and a connecting link between the net marketer and therefore the customer. During this respect, a study was led among 300 Indian web clients to comprehend their disposition towards offshoot projects and along these lines the changed elements that influence the adequacy of these projects.. The findings of this survey show a positive perspective on affiliate marketing. This research also found that the stronger predictor of the patron attitude of affiliate marketing is that the usefulness, in formativeness, incentive, and perceived trust. briefly, the long run of affiliate marketing is to a greater extent suffering from the consumer's perception of affiliate program usefulness and control over it. This study recommends a desire for direct marketers to develop more innovative affiliate links which will elicit a more positive response from the consumers.

2.3 Suresh V, Vetri Selvi M, Maran K, A.R.Shanmuga Priya, May 2018 [3]

Affiliated marketing could be a variety of online marketing techniques where a publisher promotes a business through a poster on their computing machine which ends up in business rewards the affiliate with the commission when a visitor, customer generates sales. Affiliate marketing integrates with 3 parties:- Advertiser, Publisher, and Consumer. Advertisers will be selling any company products like electronics, books, clothing, and air tickets online or can be insurance underwriter selling policies, etc. Publisher means who promotes the advertiser's products or services through its website or blog. The consumer is that the king and really prominent to a part of this cycle who attracts the advertisement then makes an action (click) from publisher's website to advertiser's website and after purchased a product that's called a conversion. this text sees the inner workings of affiliate marketing. It defines the affiliate marketing marketplace including a number of the participants and explores the characteristics of a successful long-term win-win relationship. Affiliate marketing is especially an accustomed mainstream marketing strategy for e-commerce businesses within the future. A mixed-method approach was adopted to analyze the consumers' perspective, via an internet questionnaire. The results of the rating of the product price, quality & time of trend to shop for and promote the merchandise in an exceedingly easy thanks to reaching customers within the online itself.

2.4 Grzegorz Mazurek, 2011 [4]

Affiliate marketing may be a prospective strategy of internet marketing and e-commerce, which essence lies within the shift of responsibility for sales onto a 3rd party, in particular, on customers, who are compensated commission subsequent to

persuading different customers to search for items offered by a support (organization utilizing the e-advancement tools). This text explores the characteristics of affiliate marketing and presents the perspectives of affiliate activities onto the Polish e-market. The results are prepared on the premise of literature review, a quantitative inquiry conducted by means of an electronic questionnaire on e-shops' marketing managers in Poland, and some interviews with experts from affiliate marketing networks.

2.5 K. Venugopal, Saumendra Das, Dr M. Nagaraju , June 2013[5]

Affiliate marketing is a crucial source of the many things which provides the mandatory tools for the creative and hardworking individual to venture out on their own. It can provide ample opportunity to earn money doing what you're good at and also allows someone to use their skills and expertise for his or her own finances. It can get people started in their own business enterprises with nearly no cost or risk to themselves and does more with relevance recent trends in web marketing. To get a handle on increasingly about the idea, we underline on the patterns and chances of association advertising and its utilization in current business through referrals in online promoting. There are innumerable options with the smallest amount possible risks that carry the interested persons to the success and also the technical and manual hazards to be avoided are discussed during this paper.

3. OBJECTIVES OF THE STUDY

1. To study the impact of affiliate marketing on consumer behavior with respect to E-Commerce.
2. To understand the factors that determines the consumer's attitude towards affiliate programs.
3. To analyze the consumers preference through price variation, price comparison and satisfaction through affiliate marketing.

4. RESEARCH METHOD

We conducted a survey through convenient sampling method Secondary data are collected from the different sources like electronic and print medium respectively and articles are mostly from published journal. Primary data are collected from the respondents who are mostly young and shop through E-commerce websites through questionnaire method of sample size 205 during the period of May 2020. Frequency, Component matrix, Chi Square is being used for the data analysis through SPSS.

4.1 Results, Discussion and Managerial Implications

Affiliate marketing is a decent method to acquire a living, yet before you can begin checking your bonus income, there is a great deal of action items. It tends to be closed along these lines that there are various essentialities and advantages of Affiliate Marketing. By 2020 Affiliate marketing is on pace into a 6.8 billion dollar industry in the U.S. alone. Affiliate marketing has gotten progressively increasingly significant in the course of recent years. Starting at 2019, over 63.4% of individuals utilize their telephone to get to the web. Right now, 81% of brands take an interest in member promoting somewhat. It very well may be proposed that further investigation on the various strategies for development and accentuation be given for Affiliate Marketing in the Indian Context. A Google Analytics report shows that 40% of online exchanges are done on cell phones. Likewise, 70% of affiliate hunts lead to an activity or buy inside 60 minutes. It must

be seen that that there is great thought given towards the improvement of the Affiliate Marketing Concept and the Online Promotion Concept among the different respondents.

5. DATA ANALYSIS

Table1: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.767	30

Interpretation: It is found from the Reliability Statistic Cronbach's Alpha value is 0.767. Hence Data is reliable.

Table 1: Gender

	Frequency	Percent
Male	131	64.0
Female	74	36.0
Total	205	100.0

Inference: According to the survey, 64% of the respondents are male, and 36% are female respondents. Therefore Maximum of the respondents are Male.

Table 2: Qualification of the Respondents

	Frequency	Percent
Under Graduate	32	15.6
Graduate.	47	22.9
Post Graduate	121	59.0
Doctorate	2	1.0
Others	3	1.5
Total	205	100.0

Inference: According to the survey 59% of the respondents are post graduate and 23% are only graduate and less than 16% are under graduate. Therefore we have can say that majority of the respondents participated in the survey are highly qualified individuals.

Table 3: Income of the Respondents

	Frequency	Percent
<5000pm	72	35.1
5000-25000pm	65	31.7
25000-50000pm	44	21.5
50000-100000pm	19	9.3
>100000pm	5	2.4
Total	205	100.0

Inference: According to the survey, 35% of the respondents have an earning of above 5000pm and 31% have an income ranging between 5000-25000pm and 34% of the respondents have an income above 25000pm.

Table 4: Do you purchase online

	Frequency	Percent
Yes	199	97.1
No	6	2.9
Total	205	100.0

Inference: According the survey, Majority of the respondents that is 97% respondents purchase online, whereas only 3% of the respondents do not prefer online platform for purchase.

Table 5: Which online store do you use the most?

	Frequency	Percent
Amazon.com	81	39.5
Flipkart.com	88	42.9
Myntra	21	10.2
Snap deal	7	3.4
Ajio.com	4	2.0
Nykka.com	4	2.0
Total	205	100.0

Inference: According to the survey, 43% of the respondent prefers Flipkart to purchase, and 40% of the respondents prefer Amazon to purchase.

Table 7: How much do you regularly spend on online shopping?

	Frequency	Percent
<500pm	32	15.6
500-1000pm	82	35.1
1000-2000pm	48	23.4
2000-5000pm	43	21.0
Total	205	100.0

Inference: According to the survey, 49% of the respondents spend 500-1000pm on online shopping, whereas 25% of the respondents spend 1000-2000pm on online shopping. 22% respondents spend above 2000pm on online purchase.

Table 8: Component Matrix of product/ services do you frequently purchase from online

	Component		
	1	2	3
Mobile and accessories	.364	-.308	.657
Fashion	.433	.549	.251
Electronics	.493	-.250	.527
Home and décor	.759	.210	.025
Beauty and style	.608	.578	.059
Toys and Baby product	.675	.096	.022
Home appliance	.796	.004	-.146
Flights and booking	.575	-.435	-.382
Insurance	.799	-.184	-.153
Books	.662	-.259	-.241
Sports	.651	-.283	.063
Food	.480	.339	-.248

Inference: According to the survey, respondents frequently purchase:

1. Home appliance
2. Fashion and Mobile and accessories.

Table 6: Have You Ever Purchased From A Sponsored Or Affiliate Link

	Frequency	Percent
Yes	87	42.4
No	118	57.6
Total	205	100.0

Inference: According to the survey, 43% of the respondents have purchased from sponsored or affiliate links whereas 57% respondents have not purchased.

Table 10: Do You Trust Affiliate Ads/Sponsored Links

	Frequency	Percent
Yes	116	56.6
No	89	43.4
Total	205	100.0

Inference: According to the survey, 57% do trust affiliate ads. Hence we can say that customers trust affiliate marketing as a reliable source to purchase products.

Table 11: What Are The Major Factor That Attract You Most While Purchasing Online

	Component	
	1	2
1. Price	.670	-.264
2. Availability	.708	-.094
3. Discount	.677	-.388
4. Delivery charge	.659	-.444
5. Payment mode	.728	-.005
6. Ease of Website	.625	.362
7. Trust worthiness of product	.516	.656
8. Review Ratings	.479	.497

Inference: According to the survey, the major factors that attract most while purchasing online are:

1. Payment mode
2. Trust worthiness of product.

Table 7: Do you compare price/ discount offers of products on different online platforms?

	Frequency	Percent
Yes	172	83.9
No	33	16.1
Total	205	100.0

Inference: According to the survey, 84% respondents do compare price on different platform. From this we can state that the customers are price sensitive and prefer to find the lowest deals possible.

Table 8: Are you satisfied with the information displayed on the affiliate ads/posters

	Frequency	Percent
Yes	136	66.3
No	69	33.7
Total	205	100.0

Inference: According to the survey, 66% of the respondents are satisfied with the information displayed on the affiliate ads. Hence we can say that the information displayed in the sponsored ads are reliable and attract the customers.

5.2 Hypothesis Testing

H01: There is no association between Gender and price comparison of products on different website.

Table 9: Gender *Comparison of price different platform

		Comparison_of_price_different_platform		Total
		Yes	No	
Gender	Male	107	24	131
	Female	65	9	74
Total		172	33	205

Table 10: Chi Square Gender * Comparison of price different platform

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.328 ^a	1	.249
Continuity Correction ^b	.911	1	.340
Likelihood Ratio	1.376	1	.241
N of Valid Cases	205		

Inference: From the table above we have: Pearson Chi-Square value 1.328 with 1 degree of freedom and $P=0.249 > 0.05$. Hence Null Hypothesis is accepted. viz, There is no association between Gender and price comparison of products on different website.

H02: There is no association between Income of the respondents and preference of the online store for purchase.

Table 16: Chi Square Income * Which online store do you use the most

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.554 ^a	20	.017
Likelihood Ratio	36.483	20	.013
Linear-by-Linear Association	.421	1	.517
N of Valid Cases	205		

Inference: Inference: From the table above we have: Pearson Chi-Square value 35.554 with 20 degree of freedom and $P=0.017 < 0.05$. Hence Alternative Hypothesis is accepted. viz,

There is an association between Income of the respondents and preference of the online store for purchase.

6. CONCLUSION

This research has huge implications as internet users are extending step by step and the world is moving from a regular towards online business at a quicker pace. India is likewise developing as a center point for e-advertisers and online retailers due to its gigantic web populace of 90 million clients.

With Flipkart emerging as India's leading online retailer, Amazon has also started its commercial operations in India with other leading e-retailers intending to enter the race in future. This huge e-competition will sour the online advertising budgets of the companies and companies will also try to host their affiliate marketing links on some leading websites to generate leads and evade direct competition. Our research gives all direct e-marketers an overview of the factors that have an impact on the consumers' attitude. It gives a good scope for the market and its products and to do business and earn its revenue in the long run. This paper also gives a clear picture of the concept of Affiliate Marketing and why it is important in the current Market Scenario.

REFERENCES

- [1] Brandi, B. E. (March 25, 2014). Information and Incentives in Online Affiliate Marketing . Harvard Business School, Working Paper 14-041
- [2] Haq, Z. U. (2012 April). Affiliate marketing programs: A study of consumer attitude towards affiliate marketing programs among Indian users . International Journal of Research Studies in Management , Volume 1 Number 1, 127-137
- [3] Suresh V, V. S. (Apr-May 2018). A Study on impact of an affiliate marketing in e-business for consumers' perspective. International Journal of Engineering and Technology (IJET), Vol 10 No 2
- [4] Mazurek1, g. (2011). Potential of affiliate marketing . The 7th International Conference Management of Technological Changes – MTC 2011.
- [5] K. Venugopal, S. D. (June 2013). Business Made Easy By Affiliate Marketing . Journal of Business Management & Social Sciences Research (JBM&SSR) , ISSN No: 2319-5614 Volume 2, No.6,
- [6] Enfroy, A. (2020, January). Affiliate Marketing in 2020: What It Is and How You Can Get Started. Retrieved April 2020, from <https://www.bigcommerce.com/blog/affiliate-marketing/>
- [7] Turban et al. (October 2010). Electronic Commerce: A Managerial Perspective. Ting-Peng Liang .