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ROLE OF AFFILIATE MARKETING IN ATTRACTING YOUNG AGE ONLINE CUSTOMERS: AN EMPIRICAL STUDY*

BY

DR. CHETANA M R⁺

*Associate Professor, Department of Commerce and Management
Seshadripuram Academy of Business Studies, K. S. Town, Bangalore-560060
chetanamr80@gmail.com*

ABSTRACT

Affiliate marketing is said to be a multibillion dollar industry even then very few studies are seen on it. It is leading the generators for the direct marketers as affiliate marketing is expanding as one of the most expanding online advertising source. Lead generations are choosing affiliate marketing as the promotional tool for their digital promotion. Advertising websites offer revenues to their affiliates according to the website traffic and leads and sales associated to it in an online affiliate program. In the tactic of online marketing like affiliate marketing online firm get a partnership with online content provider who is responsible to bring in the traffic to the website of the firm and in return content provider gets a commission on the converted sales. The purpose of the study is to measure the Effect of Affiliate Marketing on Young Age Online Customers and to find out the significant difference in the level of trust in different aged customers for Affiliate marketing. A sample of 279 young age online customers has been considered through a standard questionnaire designed on five-point interval scale. Mean and t-test have been applied to derive the result of the survey. It was observed from the analysis that the affiliate marketing is working effectively on the customers as they that I can trust on the advertisement shown on website or mobile applications and there is a significant difference in the level of trust in different aged customers for Affiliate marketing.

KEYWORDS

Affiliate Marketing, Young customers, online customers, Website.

1. Introduction

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⁺ Correspondence Author

Affiliate marketing is coming up in the e-commerce market as a strategy which is potentially more durable as compared to the online marketing activities that already exist in the market. It is the representation of the open market where the marketers of the digital world that are innovative enough to generate the revenues for themselves as a free agent salesperson for so many online brands. The one who are advertising are getting the advantage of the marketing cost that is predicted by them as a cut of the sales. Affiliate marketing can get its success only if advertiser shares or constructs a relation of win-win with the affiliate. Since there are so many advertisers that are launching so many affiliate marketing programmers and number of affiliates is taking part in this, the affiliate marketing is becoming the basic mainstream strategy of marketing for the online business in the time ahead.

There are so many fundamental changes are taking place in the field of internet advertising. Digitalization of media is leading now a day because of the rapid advancement of the technologies and this give rise to the competition of fierce marketing promotion among the commercial ventures. Since the internet advertising is offering rich possibility to target their global consumer directly and among the available options that are available it is gaining the prominences with the rate of high growth of the penetration of the online media. Affiliate marketing is emerging as the most preferable choice as a tool for the leading generation to promote their digital affiliate programs which was initiated in 1996 by the Amazon who started paying the websites to refer the customers to their websites and join their site.

The affiliates get the offers of revenues by the affiliate advertising websites which had online affiliate programs that are based on the traffic of the website which is provided and which is associated with the leads and sales. If it is decided by any company to connect with any other website's affiliated program, then a coded link has to host on the website which will direct the visitors to the main website and in the association of the visitor which in turn becomes a customer of the websites and makes a purchase from the main website with the help of that affiliated link then the websites that is hosting will get a cut or the percentage of that particular sale. Commission based affiliate program

is the most common type of affiliate program which offers a chance to the website who can make a percentage of sale which is the result of a referral.

Affiliate marketing is a technique of marketing which is done on the digital platform where the affiliate or the publisher is promoting the business with the help of the advertisement which is coming on the website and the affiliate will get a reward commission on it if the visitor or the customer makes a purchase out of it and generated the sale out of that advertisement.

Marketing based on the performance and association is also referred to as affiliate marketing. The association of the three parties which consists the core of affiliate marketing will be the one who advertises on the website, the publisher and the customer. The companies that are dealing with electronics, books, apparels, online tickets or selling the policies for the insurance can all be an advertiser. The product and services of the advertiser is promoted by the publisher on their website or with the help of their blogs. The customer is the last one who completes the cycle by playing the very important role which is to see the advertisement on these digital platforms and then click on those links which takes them to the parent website via publisher's website and if the customer makes the decision to buy the product then it is said to be a conversion.

Affiliate marketing is also known as associate marketing is a channel or an arrangement which is set so that an affiliate can generate the sales or traffic can be generated on the website and for which the advertiser pays the commission. Posts for the advertisements, banners and links of the goods or the services are posted by the affiliate on their websites from the website of the merchant. It is very important for the advertiser's attribute that it should willingly pay to the website of the partner when there is a conversion sale occurs. Merchants can open a program for the affiliates so that they can register themselves there for an affiliate program or an associate program. Affiliate can get all the necessary technical support by the merchants such as codes and links for the goods and services of the merchant through this portal. A company or even a person can be an affiliate or a publisher who is promoting the merchant's goods and the services of the on their personal website or through their own blogs by posting the advertisement or providing the links. It is required to register themselves to an affiliate program of the advertiser by the affiliate.

In addition to the posts and the advertisements sometimes in the affiliated or the associated marketing techniques which are conservative can be used like reviews about the products and the services are published on the websites and posted on the blogs. The tremendous change in the digital world had forced and encouraged the marketers to focus on their strategies of communication in a different way. Since it is very easy to target and even reach to their perspective customers the marketers are attracting towards these internet based marketing strategy to promote their goods and services. Entrepreneurs and the individuals both are feeling the influence the power of the social media in promoting the products and the services and even in reaching to the consumers. Majority of companies all over the world are using the internet as the media of the company, as the media for the information and the media for the communication with their customers and with the other companies also.

Since now it is becoming a trend to search the product and the services on the internet it is very important for the producers and the advertisers to promote their products, goods and services to avail all over the digital platform in order to reach to their consumers and expand their business. This is the reason why affiliate marketing is increasing day by day because it is helping the companies to reach their customer with all the means and generate the revenue with much more speed. In affiliate marketing the merchant pay to the affiliate only if the advertisement posted by him on his website is converted in to a sale means affiliate will get a reward commission on it if the visitor or the customer makes a purchase out of it and generated the sale out of that advertisement. This new method of marketing is completely performance based in which the commission is paid to the affiliates on converting the business which comes from the customer and this all because of their own marketing efforts. Affiliate marketing can get its success only if advertiser shares or constructs a relation of win- win with the affiliate.

2. Literature Review

Haq (2012) found that the attitude of the customer for the associate marketing is affected by so many variables. Majority of the respondents had positively agreed to the fact that perceived usefulness, trust, informativeness and incentive is the crucial

variables that affect the attitude of the customer for the programmers of the online affiliate marketing. Among these the perceived usefulness is the most significant factor which affects the attitude of the customer for the programs of affiliate marketing. These affiliated links are only used by the customer if they get something extra or if these links had a higher level of trust. Kaur (2017) studied that the digital marketing is used to reach the new customer with the help of internet technologies. Digital marketing has changed the mode of business to reach to the customers. Digital marketing is different from the traditional marketing since it can tract the data of the customer and plan their campaigning accordingly. There are some important points which is necessary for the success of any digital marketing process such as the quality of the website does matter, SEO, marketing through email, social media presence also plays a great role, content and the website should be mobile friendly. Prabhu & Satapathy (2015) studied that the affiliate marketing is a kind of customer acquisition programs which is very innovative and it is expected that this will grow with a very high growth level. It is important for the companies to look something else other than their existing models of their business and go for the models which is more effective and which is based on the network of the affiliates. Due to these new models small business and individuals are also earning. Jurisova (2013) studied that the affiliate marketing is a partnership in the business where there is an agent known as affiliate which makes efforts to attract the consumers with the help of their website or through their blog by promoting the products and the goods and in return he will get the percentage of the sale which is converted. Mariussen, Daniele & Bowie (2010) revealed that there are so many challenges of the network of the affiliate marketing itself because there are so many parties that are involved who had their own different objectives. It can be said that the affiliate marketing is an extra platform from where a consumer can shop instead of saying it a new tactic and it is possible to face a difficulty in order to place a brand or brand reacted to it. Duffy (2005) found that the affiliate marketing can achieve its success only by constructing the win-win relation betwixt the affiliate and the one who promotes the products and the services of the affiliate. Since the majority of advertisers these days are launching new programs of the affiliate marketing and number of affiliates is participating in these programs in the market place, the process of affiliate marketing is becoming the

principle strategy of marketing in the main stream for the business of e-commerce in the time a head. Suresh V et al. (2018) studied the complete cycle of the affiliate marketing. They had defined the market place of affiliate marketing along with the associates which are connected to each other in this process of marketing and they had also explored the features that are responsible for the win-win relation in the future. In the time ahead the method of affiliate marketing is completely used as the main stream strategy of marketing for the business done on the digital platform. The analysis of the perspective of the consumer was done with the help of the online survey method using the questionnaire and an approach of mixed method. The after math of the rating of the price of the product, quality of the goods and the trending time to purchase and its promotion are the easiest ways to reach to the consumer on the digital platform. Mazurek &Kucia (2011) found that there are variety of factors that is responsible for the success and developmental perspective for the strategies of the affiliate marketing. There is an empirical study done on the market of Polish which shows that there is a significant gap betwixt the expectations of the sponsor for the results which is expected from the campaigning done on the digital platform and the offers which are possible from the digital market. The space for the promotion is offered by different companies and by the individual also on their sites and they are trying hard to crack the deal which is based on the performance related models but with less effort like model flat fee or FF model or cost per mille model CPM and at the same time the sponsors are trying to crack deal which is based on the commission. The CPA and CPS models are broadly used in e-campaigning since the role of the network of the affiliate is increasing and the competition is also growing among the owners of the space for the advertisement and at the same time the concept of affiliate marketing is also expanding day by day. Natarina&Bangun (2019) studied the basic concept of marketing the Pegipegi products and goods with the help of blogs and marketing of the products with the help of advertisement posted on the Google and the social networking sites like face book, they had also tried to understand the cycle and the role of the tools of the affiliate marketing which makes the marketer a success which is the affiliate of the Pegipegi. Ryan and Jones (2009) had stated in their book that the affiliate marketing is a kind of marketing

process which is completely based on the web. In this practice of marketing affiliate member earns the rewards given them by the business people for every click of the customer which comes due to the promotional efforts done by the affiliate members. In simple words it can be said that the affiliate marketing is a practice in order raise the level of traffic from one website to another so as to earn the reward and generate online revenue.

3. Objective of the Study

- To find the Effect of Affiliate Marketing on Young Age Online Customers.
- To measure the Effect of Affiliate Marketing on Young Age Online Customers.
- To find the significant difference in the level of trust in different aged customers for Affiliate marketing

4. Research Methodology

The current study is empirical in nature. The study was conducted through the survey method in which a sample of 279 young age online customers has been considered. A standard questionnaire was distributed to measure the Effect of Affiliate Marketing on Young Age Online Customers and to find out the significant difference in the level of trust in different aged customers for Affiliate marketing. The sampling method was random sampling. Mean, t test and chi square was used to get appropriate results.

5. Findings of the Study

Table 1demographic background of the respondents

Variables	No. of respondents	%age
Gender		
Male	151	54.1%
Female	128	45.9%
Total	279	100%
Age groups		
18- 22 years	63	22.6%
23 – 27 years	67	24%
28 - 33 years	71	25.4%
34-38 years	78	28%

Total	279	100%
Qualification		
Secondary	43	15.4%
Senior secondary	51	18.3%
Graduates	63	22.6%
Post graduates	67	24%
Others	55	19.7%
Total	279	100%
Profession		
Student	69	24.7%
Business	67	24%
Service	71	25.4%
Professional	72	25.8%
Total	279	100%
Monthly income		
Below Rs.5, 000	56	20%
Rs.10,001 to Rs. 15,000	67	24%
Rs.15,001 to Rs. 20,000	69	24.7%
Above Rs.20,000	87	31.2%
Total	279	100%
Online customers		
Mobile apps	91	32.6%
websites	79	28.3%
Both mobile apps & websites	109	39.1%
Total	279	100%

Table1 demonstrates the demographic background of the respondents that have the questions regarding their gender, age, qualification, profession, monthly income and online customers. In the total number of 279 respondents, 54.1% are males and 45.9%

are females. 22.6% of them from age group of 18- 22 years, 24% are of 23-27 years, 28.4% are of 28 - 33 years and 28% are 34-38 years. Among them 15.4% are Secondary, 18.3% are senior secondary, 22.6% are graduates, 24% are post graduates and the rest 19.7% are having other degrees as their qualification in which 24.7% are students, 24% are in business, 25.4% are doing service and the rest 25.8% are professionals by profession. 20% of them are earning Below Rs.5, 000 per month, 24% earns Rs.10, 001 to Rs. 15,000, 24.7% are earning Rs.15, 001 to Rs. 20,000 and the rest 31.2% are earning Above Rs. 20,000 every month. 32.6% are in general use mobile apps, 28.3% of them use websites for their shopping and the rest 39.1% uses both mobile apps and websites for their shopping.

Table 2 Effect of Affiliate Marketing on Young Age Online Customers

Sl. No.	Experiences	Mean Value	t Value	Sig
1.	I can trust on the advertisement shown on website or mobile applications.	4.51	30.532	0.000
2.	Advertisements seeks my attention	4.23	34.668	0.000
3.	I had an positive attitude towards these advertisements	4.13	19.489	0.000
4.	These advertisement increases the price of the goods.	4.49	26.507	0.000
5.	Advertisements help in making my buying decisions	3.97	13.579	0.000
6.	My intelligence is insulted by these online advertisements	2.89	-1.861	0.031
7.	Advertisements reduces my searching efforts	4.29	25.662	0.000
8.	Advertisements are popped as per my search history	3.79	15.345	0.000
9.	I am attracted towards these advertisements	4.19	7.479	0.000
10.	Advertisements sometimes leads to unwanted expenses	4.05	4.796	0.000

Table 2 shows the Effect of Affiliate Marketing on Young Age Online Customers. It is seen that affiliate marketing has a great effect on the young age online customers as they say that "I can trust on the advertisement shown on website or mobile applications" with the mean value of 4.51, "Advertisements seeks my attention" mean value 4.23,

they agree that "I had an positive attitude towards these advertisements" with the mean value of 4.13, some of them says that "These advertisement increases the price of the goods" with the mean value 4.49, many of them agree on the point that "Advertisements help in making my buying decisions" with the mean value of 3.97, affiliate marketing is a great help for some of them as they that "Advertisements reduces my searching efforts" with the mean value of 4.29, "Advertisements are popped as per my search history" mean value 3.79, "I am attracted towards these advertisements" mean value 4.19 and many of them agree to the point that "Advertisements sometimes leads to unwanted expenses" with the mean value 4.05 and at the same there are customers who says that "My intelligence is insulted by these online advertisements" with the mean value 2.89 where affiliate marketing is not working effectively on the young age online customers.

6. Conclusion

Affiliate or associate marketing is a strategy which is very common in the digital world to drive the sales in order to generate the revenue. It is very advantageous and beneficial to the brands and the affiliate marketers both. It is different from the marketing which was in tradition from a long time and it is really working great. This new method of marketing is completely performance based in which the commission is paid to the affiliates on converting the business which comes from the customer and this all because of their own marketing efforts.

The purpose of the study is to measure the Effect of Affiliate Marketing on Young Age Online Customers and to find out the significant difference in the level of trust in different aged customers for Affiliate marketing. A sample of 279 young age online customers has been considered through a standard questionnaire designed on five-point interval scale. Mean and t-test have been applied to derive the result of the survey.

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