

## AFFILIATE MARKETING STRATEGIES IN INCREASING ONLINE SALES

**Erislan** Universitas Sahid, Jakarta, Indonesia dr.erislan@gmail.com

# ABSTRACT

Currently, online sales are experiencing rapid development. This can be seen from several internet sites that offer various goods or products presented to buyers. It is not easy to offer goods online, because conventional sales require various strategies. Therefore, sales that are carried out online must also have a strong strategy from conventional sales. Marketing strategy is very important to do in offering goods or services done online. This research uses a type of analytical descriptive research that aims to understand a phenomenon that will be experienced in the research subject, namely how much influence the Affiliator has in marketing the sellers' products through online sites. The results of this study show that Affiliate Marketing marketing strategies, sales, and consumer behavior have a positive and significant effect on consumer behavior. To increase online sales, marketing strategies are needed including 1) Quality of sales products, 2) Price Influence, 3) The Role of Brand Image, 4) Communication with Customers. 5) Return Guarantee.

Keywords : Marketing Strategy; Affiliate; Marketing; Online Sales

### INTRODUCTION

Currently, online sales are experiencing rapid development. This can be seen from several internet sites that offer various goods or products presented to buyers. It is not easy to offer goods online, because conventional sales require various strategies (Ramadhayanti, 2021).

The buying and selling system carried out online has been widely carried out in the community, especially in the field of trade with *the e-commerce* system. The practical and efficient nature makes many people switch to trading from conventional trading systems to online systems (Ramadhayanti, 2021). The rise of the development of insight and technology today brings very significant changes to the sales process. None other than that, the sales process is facilitated by the existence of a digitization system, which is precisely based online (Fauza Husna, 2023). The online-based sales require sellers to carry out the latest strategies and innovations to attract buyers to buy the goods traded.

The most appropriate marketing business is affiliate marketing used to promote websites, products and will provide commissions so as to improve the economy of the community (Warsiati et al., 2021). Of the many marketing businesses the most popular is affiliate marketing, marketing is a concept that is most commonly used to promote websites, products and services and affiliates will give commissions after visitors or customers who come because of their efforts (Warsiati et al., 2021).

A simple example is when affiliates succeed in selling products, goods or services, they automatically get a commission from these sales. In this business, there is a cooperation that exists between two parties unbound, namely with profits or in the form of commissions. Where every order generated will get a commission of up to 7%. By participating in affiliate marketing programs in *e-commerce* such as lazada, shopee, tokopedia etc. this can certainly increase online-based sales with digital marketing strategies.

Affiliate marketing is a digital marketing method where a person earns a commission or income when they make sales transactions for the products they promote through affiliate links or affiliate links and share on various platforms (Karina et al., 2023). Affiliate marketing is basically one of the social media marketing strategies where brand owners will give a certain commission to those who promote and successfully sell their products (Windi, 2023). Affiliate marketing is a collaboration to get profit for both parties in an agreement through advertising products or services (Ashari & Indayani, 2023). Commission can be obtained by the affiliator if the review made can influence consumer purchase decisions and can increase traffic to the website or *marketplace* and lead to purchases.

Therefore, sales carried out online must also have a strong strategy from conventional sales. One strategy that can be done by sellers is to market the products sold by utilizing the services of Affiliates along with Affiliate Marketing techniques. The involvement of affiliates in the buying and selling process turns out to have a considerable influence on the ongoing online-based buying and selling process.

#### **RESEARCH METHOD**

This study uses a type of analytical descriptive research that aims to understand a phenomenon that will be experienced in the research subject, namely how much influence the affiliator has in marketing the sellers' products through online sites. The subject of the study can include behavior, perception, motivation, and even action in the study.

Analysis of the data obtained using descriptive qualitative analysis and displayed in the form of conclusion points (Sugiyono, 2019). Qualitative data analysis techniques in this study include three steps, namely:

1. Data reduction.

Data reduction is a process of selecting, centralizing, attention, abstracting and transforming rough data from the field. Where this process serves to sharpen, classify, direct, remove something unnecessary, and organize, so that interpretation can later be drawn. In this case, it is useful so that later the data used is really data that can be accounted for. In this study, the steps that will be taken to reduce data are by providing coding / coding for research data and information.

2. Data Presentation

The presentation of data is a set of organized information that will later provide a possibility to draw conclusions and take action. In this study, data can be presented in the form of interview excerpts that are in accordance with certain themes and raised in the research. At this stage of presenting data, it is intended later to provide an ease of reading and also draw conclusions.

3. Drawing Conclusions or Verification

The conclusions will also be verified during the research process. Various meanings that arise from data must always be tested for correctness and suitability so that later the validity of the data is guaranteed. At this stage the researcher will make a formulation related to the principle logically, then will conduct a repeated study of all existing data, groupings of data that have been formed, and propositions that have been formulated. Then the next step taken is to report the results of the research in full (Dawam & Ruski, 2022).

## **RESULT AND DISCUSSION** Marketing Strategy

Every e-commerce uses clever marketing strategies to increase people's shopping interest on its platform, such as holding affiliate programs that are trending in the present. This strategy also aims to bring traffic to *e-commerce* pages which leads to an increase generated by the company from every incoming sale. Digital marketing facilitates sales promotion, such as the use of social media that is widely used by marketers, as well as online businesses.

In doing digital marketing, companies are required to carry out various strategies that aim to invite potential consumers and generate interest in the products marketed. In this case, ingenuity is needed in an effort to gain consumer attention through promotional activities to achieve the ultimate goal, namely purchase decisions (Kerin & Musadad, 2022).

Purchasing decisions become something that must be passed by each consumer in choosing various alternative options regarding the products needed or desired by these consumers (Wardhana et al., 2020). Information that has been obtained by consumers can be used as a benchmark in deciding which product will later be the final decision. The success of a company in making influence on consumers in making purchasing decisions is supported by the company's efforts to increase promotion, one of which is by utilizing social media in promoting.

In today's era of much-competitive marketing, the ability to submit more competitive products is essential as a marketing strategy. Through the use of high levels of technology and expertise, manufacturers can produce quality products, but in order to have a competitive advantage among competitors, it requires additional initiatives by marketers (Safitri & Sujito, 2012). Marketing communication strategy creates an interaction between the company and potential customers who are marketing targets. In this case, the company wants clear and realistic goals for a marketing communication strategy, namely the success of introducing and selling products to consumers, and satisfying customers who have long subscribed (Govoni, 2012).

In traditional marketing, the main essence in a marketing is the product. Transactions are still based on the needs of life alone and what we need only. In this situation communication is not really necessary for marketing, except to simply offer a product and consumers will make a choice to accept or reject the product. Although currently the market is still in a simple form, communication is needed to ensure that the message intended by the seller (communicator) reaches potential customers (*communicants*).

Based on the above, according to the author, several strategies for using digital marketing in increasing online sales include:

1. Product Quality sales.

The quality of the product of an item offered must be in accordance with the platform offered, meaning that the seller maintains the quality of the product according to what is offered with what consumers receive. Products must be strictly maintained in quality for consumer satisfaction.

2. Price Effect

Price is the nominal amount that will be spent by consumers to get a product and service that has been marketed. In pricing has an oriented goal to get profit. Although there are other business price competitors, the company is consistent in pricing products without breaking the market balance. Another factor that makes consideration in determining prices is the characteristics of consumers who tend not to hesitate with the price installed because they already have confidence in product quality and also guarantee purchase services.

In determining prices, of course, careful analysis is needed so that prices can be used as advantages of the products produced by the company. According to Kotler, price is a sum of money charged on a product. Price plays an important role for companies in winning new elements of marketing that are flexible meaning they can change quickly (Kotler. P. a, 2009). It can be interpreted that prices are the result of demand and supply activities that occur in the market, for each price that has been set by the company the results will be different from the demand generated.

3. The Role of Brand Image

Brand image is an assumption that customers have about a brand that is depicted through brand associations that exist in customer memory, while customer association itself is everything related to memory of a particular brand. Brand image is one of the important attributes of a product, by giving a brand to a product will be more easily recognized by consumers and provide an opportunity to develop a good relationship with consumers, expected to increase sales volume and increase greater market share.

4. Communication with Customers

Marketing communication is carried out as a start in an effort to introduce products to consumers and is expected to be able to get a lot of benefits from the sales efforts carried out (Govoni, 2012). Communication is not only based on the way of speaking that can be accepted by consumers but also gestures and body language also determine whether consumers will buy products or not. Ethics or manners are important when delivering a communication in marketing. Those basic things must be considered and done by merchants or sellers if their marketing goals are to succeed.

5. Return Guarantee

Return service from consumers because the goods are not in accordance with what is offered, then the seller can immediately respond and refund or replace with a good product according to the order.

### **Affiliate Marketing**

Affiliate marketing is a collaborative activity between organizations and companies to gain benefits for both parties through agreements in product advertising activities. Basically, affiliate marketing is connecting traffic that has been described so that it makes it easier for customers to step up to a certain sales website (Susanto, 2022). Affiliate marketing is one of the marketing strategies that is a mainstay for e-commerce in increasing GMV (Gross Merchandise Value) which is a benchmark in e-commerce growth (Restyajani et al., 2023). Affiliate Marketing is an effective and efficient solution in the promotion step because it can save offline promotion costs, wide marketing reach and knows no time (Safitri & Sujito, 2012).

This affiliate program has several advantages, for example, capital is relatively cheaper because they do not need to make products, do not need to think about where to sell, so the costs that come out are not much. Meanwhile, the risk of loss is much smaller. There are many costs that we can minimize, so that the risk of loss can be minimized (Karina et al., 2023). While for buyers, affiliates are useful so that buyers better understand the product, for example when an affiliate reviews a product or item using a video, buyers or users can find out more details about the product of the goods that the buyer wants. From the content created by the affiliate, so that buyers can determine whether the product is worth buying or not.

Broadly speaking, the way affiliate marketing works is almost the same as brokers or intermediaries in the offline world , namely how affiliates bring as many visitors as possible to merchant websites that sell products or services (Safitri & Sujito, 2012). When website visitors make purchases of merchant products or services, the affiliate will get a commission from the merchant. Website owners or merchants will know that these visitors come based on affiliate references which because before marketing merchant products, affiliates will be given a special link or commonly known as affiliate links or web replicas. This affiliate link will notify the system on the merchant's website when there is a sale and who the affiliate has successfully referred.

In general, how affiliate marketing works is illustrated in the following Figure:

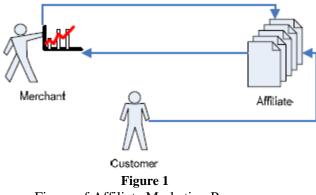


Figure of Affiliate Marketing Process

Actually, the form of affiliate links is not much different from merchant website links. The only difference lies in the additional affiliate code behind the website address. An example is www. Product AffiliateMerchant.com/?id= AffiliateID. This affiliate link is then spread by affiliates to market products or services sold by merchants.

Affiliate marketing can be used as an online marketing strategy that is run by two parties and is useful for mutual benefit. This strategy can be done through collaboration between companies and influencers such as YouTubers, vloggers or bloggers (Afrizal et.all, 2022). Affiliate marketing is a type of marketing in which an affiliate promotes a product or service of a company, and receives a commission if any consumer makes a purchase through their affiliate link.

Online customer reviews are one of the factors that can lead to purchasing decisions. Online customer reviews as product evaluations from consumers can be positive or negative, depending on the experience they share. According to Syakira &; Karina Moeliono, online customer review can be said to be an experience that consumers provide about the services obtained (Amelia et al., 2021). The experience that has been felt by others about a product becomes a source of influence on the purchasing decisions of other potential customers, with the positive things known about a product, it will result in greater consumer sincerity in making purchases. Not infrequently companies will get negative reviews from consumers on a product they buy, this is important for companies to respond to evaluate whether the information or opinions conveyed in the reviews are false or not (Clare. et.all, 2018).

In marketing programs using *affiliate marketing* and online customer reviews both provide information about a product that can help consumers in making purchase decisions. Referring to previous research conducted by which stated that product promotion through TikTok social media (*affliate marketing*) and product reviews had a positive and significant influence on purchasing decisions (Anugrah et al., 2023).

The results of the marketing strategy carried out can make consumers buy the product. However, with the development of technology, information, and communication today that facilitates our activities in various fields, consumers can buy these products through electronic commerce sites (*e-commerce*). Where they do not have to go to stores that sell products directly to buy them, but they can buy them online or remotely at home using *e-commerce*.

### **Online Sales**

Purchase decisions often occur when consumers see promotions made by affiliates and make purchases of the product. Purchasing decisions can also occur when consumers see good reviews from other consumers who have experience in purchasing products. These studies show that affiliate marketing and online customer reviews both influence purchasing decisions.

According to the research of Herosian et al (2019) there are several factors that influence the increase in people's purchasing power, namely the use of digital marketing which has the most dominant influence in increasing people's purchasing power because the use of digital marketing does not have to have understanding and knowledge alone but requires the ability to manage and utilize online shopping application services well in order to have attractiveness to products and product choices so that the use of digital marketing can maximum (Agustin & Suranto, 2023). With this digital marketing, customers are easier to get information about products to be purchased through social media.

| No. | Data Name | Value |
|-----|-----------|-------|
| 1   | 2021      | 48    |
| 2   | 2022      | 58    |
| 3   | 2023      | 62    |
| 4   | 2025      | 82    |
| 5   | 2030      | 160   |

Table 1 Projected Gross Transaction Value / GMV of E-Commerce in Indonesia (2021-2030)

Source: (Muhamad, 2023)

According to Google, Temasek, and Bain &Company's projections in the e-Conomy SEA 2023 report, the gross merchandise value (GMV) of e-commerce in Indonesia this year will reach US\$62 billion. This figure grew 7% *year-on-year (yoy)*, slowing compared to 2022 where the growth rate reached 20% (yoy) (Ahdiat, 2024).

The 5 E-Commerce with the Most Visitors in Indonesia (January-December 2023) are:

| No. | Data Name | Value         |
|-----|-----------|---------------|
| 1   | Shopee    | 2.349.900.000 |
| 2   | Tokopedia | 1.254.700.000 |
| 3   | Lazada    | 762.400.000   |
| 1   | Blibli    | 337.400.000   |
| 5   | Bukalapak | 168.200.000   |

Table 2 5 E-Commerce with the Most Visitors in Indonesia (January-December 2023)

Source: (Ahdiat, 2024)

Based on SimilarWeb data, Shopee is the e-commerce marketplace category that has received the most site visits in Indonesia throughout 2023. During January-December 2023, cumulatively the Shopee site achieved around 2.3 billion visits, far outpacing its competitors. In the same period, the Tokopedia site received around 1.2 billion visits, and the Lazada site 762.4 million visits. While the BliBli site received 337.4 million visits, and the Bukalapak site 168.2 million visits, in addition to winning in terms of quantity, the Shopee site also achieved the highest visit growth rate. During January-December 2023, the number of visits to the Shopee site was recorded to increase by 41.39% (year-to-date / ytd). On the other hand, visits to the Tokopedia site fell 21.08% (ytd), Lazada fell 46.72% (ytd), and Bukalapak fell 56.5% (ytd) (Ahdiat, 2024).

Based on this, online sales continue to experience a significant increase, this is evidenced by the number of visitors on *e-commerce* sites and the number of transactions made. *Affiliate marketing* has a number of advantages to be run by those of us who are just starting or just want to jump into online business. Here are some of the policies of the online affiliate marketing income program: Relatively faster. Faster in the sense that it can be started right now. You don't have to bother making products first, you just have to market products from others. Capital is relatively cheaper.

With *affiliate marketing*, there are costs that you don't need to spend, such as you don't have to create a product offering website, don't have to think about customer management costs or other costs. The risk of loss is much smaller. There are many costs that we can minimize, so that the risk of loss can be minimized.

### CONCLUSION

Based on the results of the study, it was found that marketing and Affiliate Marketing have an influence on online sales volume. To increase online sales, marketing strategies are needed, including: 1. Product quality sales, product quality of an item offered must be in accordance with the platform offered, 2. Price influence, price can determine the price of sales, in determining the price of products without breaking the market balance. 3. The Role of Brand Image, Brand image is one of the important attributes of a product, by giving a brand to a product will be more easily recognized by consumers and provide opportunities to develop good relationships with consumers, 4. Communication with Customers. Marketing communication is carried out as a start in an effort to introduce products to consumers and is expected to be able to get a lot of profits from the sales efforts run. 5. Return Guarantee. Return service from consumers because the goods are not in accordance with what is offered, then the seller can immediately respond and refund or replace with a good product according to the order.

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