Chapter 6
Affiliate Marketing for Entrepreneurs: The Mechanics of Driving Traffic to Enhance Business Performance

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ABSTRACT

Selling and marketing of both the products and services have undergone sea changes, in the last decade or so, with greater focus on internet marketing. Expanding coverage of internet allows spreading of products without involving huge additional investments in distribution system. The internet technology has existed for more than 40 years now, yet it was the introduction of the World Wide Web (WWW) that caused its fast market penetration (Chaffey, 2003). In only four years, the internet reached an audience of 50 million users in the USA. It took the television over 13 years and the telephone over 75 years to reach this number (Angeli & Kundler, 2008). Considering that, the internet can said to be the fastest spreading information media in today’s world. The strength of the WWW was the power to provide easy access to information using a network of web sites (Chaffey, 2003). Of course, many people realized the huge possibilities of this media. Companies saw big marketing opportunities as internet user numbers increased (Zeff, 1999). The chapter will try to seek the performance and effectiveness of current techniques of internet marketing and at the same time to identify the potential of new and emerging techniques for further strengthening the internet marketing with special emphasis on Affiliate Marketing.

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INTRODUCTION

Internet marketing utilizes the power of electronic commerce to sell and market products. Electronic commerce refers to any market on the internet. Electronic commerce supports selling, buying, trading of products or services over the internet. Internet marketing forms a subset of electronic commerce. With the outburst of internet growth, internet marketing has started becoming very popular. It is said that Internet marketing first began in the beginning of 1990 with just text-based websites which offered product information. With growth in internet, it is not just selling products alone, but in addition to this, information about products, advertising space, software programs, auctions, stock trading and matchmaking. A few companies have revolutionized the way, internet can be used for marketing, such as Google.com, Yahoo.com, Amazon.com, Alibaba.com and Youtube.com.

Internet marketing has brought forth so many strategies such as affiliate marketing which consists of pay per click, pay per view, pay per call, pay per click advertising. Affiliate marketing also includes banner advertisements. In addition to this e-mail marketing, viral marketing, interactive advertising, blog or article based marketing are also popular.

There are newer marketing techniques being invented all the time. It is important to know how the trend would be. Companies are inventing new techniques to find better ways to make revenue and establish their brand on the internet.

Internet marketing serves three business models. They are the B2B model, B2C model and P2P model. The B2B model deals with complex business to business transactions and internet advertising helps bring revenue to both. B2C model involves direct interaction between the business and customer. P2P model involves distributed computing which exploits individual exchange of goods and services. P2P model was mostly useful for distribution of video and data. But due to copyright problems P2P models have had troubles.

DIFFERENT TECHNIQUES IN INTERNET MARKETING

Different techniques are used in internet marketing. They are as follows affiliate marketing, viral marketing, email marketing.

Affiliate Marketing

An affiliate marketing scheme is also known as associate marketing scheme. This establishes a relationship in which a merchant pays the affiliate for links that are generated from the affiliate site to the merchant site. A simple example for this
Gender and Age Differences in Internet Use among Czech Internet Users: Consequences for Online Advertisement Targeting