

A study on consumer perception of affiliate marketing in E- commerce

Dr.P.Kanagaraj¹ , Yazhini S²

(Department of Commerce BA, Dr. N.G.P Arts and Science College, Coimbatore

Email: Kanagaraj.p@drngpasc.ac.in)¹

(B.Com. BA., Dr. N.G.P. Arts and Science College, Coimbatore

² Email: yazhiniyazhini356@gmail.com)

Abstract

Affiliate marketing has become an important e-commerce strategy, influencing consumer decisions through influence endorsements, reviews, and recommendations. Through particular focus on trust, purchasing behaviors, and how well affiliate marketing influences consumer decisions, this study investigates consumers observe affiliate marketing. According to the results, affiliate content quality, openness, and credibility have a big influence on consumer engagement and confidence. In order to promote favorable consumer perceptions of affiliate marketing, ethical behavior and transparent disclosures are essential

Keywords: *Affiliate marketing, e-commerce, consumer perception, trust, transparency, influence marketing, digital marketing, purchasing behavior.*

INTRODUCTION

Affiliate marketing, which enables third-party marketers to promote products and receive fees on purchases, has emerged as a crucial e-commerce tactic. consumers come across influence marketing, product reviews, and referral schemes, among other affiliate strategies. However, their view and purchase decisions are greatly influenced by credibility, trust, and transparency. Although recommendations have the potential to increase engagement, unreported paid advertising frequently breed suspicion. This study looks at how consumers feel about affiliate marketing and identifies important elements that influence decision-making and trust, which helps companies improve their tactics for efficacy and legitimacy.

OBJECTIVES OF THE STUDY

1. To analyse the relationship between demographic factors and consumer perception of affiliate marketing strategies in E- Commerce.

HYPOTHESIS OF THE STUDY

A null hypothesis has been framed to test the association between the demographic factors and consumer perception of affiliate marketing strategies in E- Commerce.

(H₀): There is no association between the demographic factors (such as gender, age, income, education, awareness and perception) and level of satisfaction on affiliate marketing strategies in E-Commerce.

REVIEW OF LITERATURE

Brown & Muchira, (2021)¹ Many consumers lack awareness of affiliate marketing and its role in influencing their purchasing decisions .

Goldsmith & Flynn, (2020)² Transparent disclosure of affiliate relationships positively affects consumer trust and purchase intent

Evans et al., (2022)³ Hidden or deceptive affiliate promotions may lead to negative brand perceptions and reduced consumer trust.

Hsu et al., (2019)⁴ Consumers with higher digital literacy are more likely to recognize and positively engage with affiliate marketing content

Yadav & Pavlou, (2021)⁵ Personalized affiliate recommendations enhance consumer perceptions and improve engagement

Kim & Peterson, (2019)⁶, The credibility of an affiliate significantly affects consumer attitudes toward promoted products

RESEARCH METHODOLOGY

This study employs a mixed-method approach, utilizing both quantitative surveys and qualitative interviews. A structured questionnaire was distributed among 167 e-commerce consumers, while in-depth interviews were conducted with 20 participants to gain deeper insights into their experiences with affiliate marketing.

Sampling Design

- **Population:** Consumers who actively view affiliate marketing in E-Commerce and make purchase.
- **Sample Size:** 167 respondents.

Sampling Technique: **Stratified random sampling** technique was used to select participants from different demographics, ensuring diversity in responses.

Data Collection

Primary Data: Collected through a **structured questionnaire**, distributed digitally through platforms like WhatsApp, Instagram, and email.

Secondary Data: Collected through research papers, articles, industry reports, and publications relevant to consumer perception of affiliate marketing strategies in ECommerce.

TOOLS AND TECHNIQUE USED

The analysis has been made through the questionnaire.

- Simple Percentage Analysis
- Correlation Analysis

SIMPLE PERCENTAGE ANALYSIS

PERCENTAGE (%) refers to a special kind of ration PERCENTAGE (%) is used in making comparison. About two or more series of data PERCENTAGE (%) as also to describe relationship. It is also used to compare the relative term two or more series of data.

$$\text{Simple percentage analysis} = \frac{\text{number of respondent}}{\text{Total number of respondents}} \times 100$$

CORRELATION ANALYSIS

The purpose of consumer satisfaction correlation analysis is to identify and understand the key factors that influence satisfaction levels. Firms can identify areas for development by determining the direction and strength of the associations between possible factors (such as service speed, pricing, or

product quality) and consumer satisfaction. This specialized approach increases consumer experiences, maximizes resources, and eventually fosters growth and loyalty.

$$r = \frac{n\sum(XY) - \sum X \sum Y}{\sqrt{[n\sum X^2 - (\sum X)^2] [n\sum Y^2 - (\sum Y)^2]}}$$

ANALYSIS AND INTERPRETATION

DISTRIBUTION OF SAMPLE RESPONSE ACCORDING TO DEMOGRAPHIC

FACTORS AND SATISFACTION LEVEL

Factors	Level of satisfaction		Total
	Low level of satisfaction	High level of satisfaction	
Gender			
Male	31	44	75
Female	27	65	92
Total	58	109	167
Age			
18 - 24 Years	35	71	106
25 - 40 Years	23	38	61
Total	58	109	167
Education Qualification			
Upto school level	1	8	9
U.G	34	58	92
PG	21	35	56
Diploma	2	8	10
Total	58	109	167
Occupation			
Employee	48	47	95
Business	0	6	6
Student	10	55	65
Others	0	1	1
Total	58	109	167
Marital Status			

Unmarried	49	66	115
Married	9	43	52
Total	58	109	167
Type of Family			
Nuclear Family	27	68	95
Joint Family	30	41	71
Others	1	0	1
Total	58	109	167
Type of Residence			
Owned	28	55	83
Rent	30	54	84
Total	58	109	167
Awareness of Social Media			
Rarely	26	34	60
Frequently	4	20	24
Monthly	6	18	24
Occasionally	22	37	59
Total	58	109	167

The data reflects insights are revealed by analyzing Consumer satisfaction levels according to demographic characteristics. In terms of gender, women are more satisfied with affiliate marketing (70.65%) than men (58.67%). Likewise, younger consumers (18–24 years old) express greater pleasure (67%) than do those 25–40 years old (62.3%), suggesting that younger people might be more open to digital marketing tactics. With postgraduate (62.5%) and undergraduate (63%) respondents expressing greater happiness than those with less education, education seems to be a factor. Students (84.6%) are the most satisfied across all occupations, whereas employees' responses are almost evenly distributed. This implies that consumers who are younger and better educated are more likely to react favorably to affiliate marketing tactics. Consumer satisfaction is also influenced by lifestyle and family considerations. Higher satisfaction levels are reported by unmarried people (57.4%) and those from nuclear families (71.5%), which may be related to their exposure to digital platforms and independent buying habits. It's interesting to note that satisfaction levels do not significantly differ by kind of home. Social media knowledge, however, has a big influence on attitudes since those who use social media regularly express greater levels of happiness (83.3%) than people who use it infrequently (56.7%). This suggests that trust and engagement with affiliate marketing are improved by familiarity with digital

platforms. Overall, how consumers view affiliate marketing in e-commerce is greatly influenced by variables including age, education, and social media knowledge.

Further it is intended to test the null hypothesis that there is no association between the demographic factors and consumer perception of affiliate marketing strategies in ECommerce.

PEARSON'S R CORRELATION			
Factors	Value	Significance	Result
Gender	0.125	.107 ^c	Accepted
Age	-0.047	.543 ^c	Accepted
Education Qualification	-0.013	.863 ^c	Accepted
Occupation	0.364	.000 ^c	Rejected
Marital status	0.246	.001 ^c	Rejected
Nature of Family	-0.165	.034 ^c	Accepted
Type of Residence	-0.021	.790 ^c	Accepted
Awareness of social media	-0.044	.576 ^c	Accepted

The Pearson’s correlation analysis reveals varying relationships between demographic factors and consumer satisfaction with affiliate marketing. Gender, age, education qualification, type of residence, and awareness of social media show no significant correlation, as their significance values are above 0.05, indicating these factors do not strongly influence consumer perception. However, occupation ($r = 0.364$, $p = 0.000$) and marital status ($r = 0.246$, $p = 0.001$) exhibit significant positive correlations, suggesting that employment status and marital status impact consumer satisfaction. Notably, the nature of the family ($r = -0.165$, $p = 0.034$) has a weak but significant negative correlation, indicating that individuals from joint families may be less satisfied with affiliate marketing compared to those from nuclear families. These findings highlight that while general demographic factors may not be strong predictors of consumer perception, employment and marital status play a notable role in shaping satisfaction levels.

SUGGESTION

- ★ Assess consumer awareness and understanding of affiliate marketing in e-commerce.
- ★ Educate consumers about the process and benefits of affiliate marketing.
- ★ Ensure affiliates promote high-quality and genuine products to build trust.
- ★ Improve transparency in affiliate partnerships to enhance credibility.
- ★ Use consumer reviews and testimonials to establish reliability.
- ★ Understand what motivates consumers to purchase through affiliate links, such as discounts and recommendations.
- ★ Offer exclusive deals and incentives to encourage affiliate-driven purchases.

CONCLUSION

The study comes to the conclusion that social media awareness, age, education, and occupation all have a big impact on how consumers view affiliate marketing in e-commerce. Higher levels of satisfaction are displayed by younger, better educated people, especially students, who are also more open to digital marketing tactics. Consumer pleasure is significantly influenced by occupation and marital status, but not by gender, type of residence, or social media awareness. Different levels of pleasure are shown by married people and employees, indicating that lifestyle aspects influence affiliate marketing consumer involvement. Businesses should prioritize clear disclosures, superior product promotions, and educational programs to raise consumer awareness and confidence in affiliate marketing tactics in order to increase trust and participation.

References

- ★ **Brown, K., & Muchira, N. (2021).** Consumer awareness and engagement in affiliate marketing. *Digital Marketing Review*, 29(4), 201-215.
- ★ **Goldsmith, R. E., & Flynn, A. (2020).** The role of disclosure in affiliate marketing: Consumer trust and purchase intent. *Marketing Insights Journal*, 14(2), 45-63
- ★ **Evans, D. S., Goldsmith, R. E., & Flynn, A. (2022).** Ethical considerations in digital marketing: Transparency and consumer trust. *Journal of Business Ethics*, 55(1), 99-121.
- ★ **Hsu, L. C., Chang, W. H., & Liu, Y. T. (2019).** Digital literacy and consumer engagement in online marketing. *Electronic Commerce Research*, 18(1)
- ★ **Yadav, M., & Pavlou, P. (2021).** Personalized recommendations in affiliate marketing: Enhancing consumer perceptions and engagement. *Journal of Digital Commerce*, 16(2), 78-94.

- ★ **Kim, Y., & Peterson, R. (2019).** The credibility of an affiliate and its impact on consumer attitudes. *Journal of Online Marketing*, 12(3), 112-129.