

A Literature Review on Affiliate Marketing in E-commerce

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Abstract

The goal of this study is to systematically examine research reference trends related to Affiliate Marketing from 1946 to 2022. This research will focus on the development trend affiliate marketing in e-commerce on Scopus data-based scholar. A mixed method approach was used in this study, combining bibliometric methods and a literature review. From 1946 to 2022, 46 international publications with the keyword affiliate marketing were sourced from the Scopus scholar database via web scraping. According to the findings of this study, studies on affiliate marketing in e-commerce are dominated by several fields of study such complexity approach, evolution, fraud, risk, marketing integration, merchant, search engine advertising, business performance, customer activity, digital content marketing, incentive, information, commitment, demand, e-commerce and social media. According to the findings of this study, there are at least three major perspectives that are commonly used when discussing affiliate marketing in e-commerce. However, this does not imply that no other perspectives are used in addition to these findings. The research's limitation is the scope of the articles used, which were sourced from the Scopus database. The recommendations in this study can be used as hypotheses in the future, in addition to research with broader literature sources, and comprehensive and in-depth follow-up research can be conducted. The study's findings are expected to be useful to academics affiliate marketing in e-commerce

Keywords

Affiliate marketing, e-commerce, systematic review, bibliometric analysis, google scholar

1. Introduction

Not many studies have investigated the Affiliate Marketing in e-commerce context. (Beranek 2019, Ballestar et al. 2018, Duffy 2005) Highlights the variables that influence affiliate marketing performance. Meanwhile, (Ivkovic and Milanov 2010) describes the importance of affiliate marketing in e-commerce.

In this study, we analyze the model for deployment of affiliate marketing in e-commerce. Transaction and type of segmentation. The segmentation is based on customers' commercial activity and role within the site's social network. In this social network, customers profit from the transactions they make on affiliate websites (Ballestar et al. 2018). Merchants oversee thousands of affiliates they have never met, examine online affiliate marketing programs in which affiliates, whereas other merchants ask their marketing staff to perform merchants hire outside

specialists to set and enforce policies for these functions (Edelman and Brandi 2015). Affiliate programs offer affiliates referral fees in return for directing potential customers into a merchant's Website. Affiliates are commonly paid based on the number of leads converted by the merchant into customers (pay-per-conversion) or based on the number of leads referred to the merchant (pay-per-lead) (Libai et al. 2003).

Internet will play a major role in the future of our industry. The nature of the supplier, distributor, and customer relationship is changing rapidly due to the emergence of the New Economy spurred by rapid technological development. Connections and information are no longer scarce resources. This "Network Effect" is in turn causing the rapid emergence of a completely new type of Internet business—the application service provider (Linderman and Woody 2002). Nevertheless, this popular marketing model is associated with inherent risks and known frauds, which could have a detrimental effect on its popularisation (Amarasekara and Mathrani 2016). Lots of players, such as content holders, platform service providers, and application service providers are expected to continue to grow rapidly along with the utilization of electronic commerce. Moreover, increase in affiliate marketing might induce the appearance of many agents who manage billing areas in the near future. Because a large number of transactions are sent and received through the network, there are many possibilities for each transaction to be falsified. Undoubtedly, billing management is critical; thus, counter-measures are necessary to ensure the success of each transaction (Iwashita and Tanimoto 2016).

The recent massive proliferation of affiliate marketing suggests a new e-commerce paradigm which involves sellers, affiliates and the platforms that connect them. In particular, the fact that prospective buyers may become acquainted with the promotion through more than one affiliate to whom they are connected calls for new mechanisms for compensating affiliates for their promotional efforts (Suryanarayana et al. 2019). Affiliate marketing is one of the main aspects that took technology as the main engine that is able to deliver the whole system of marketing into the field of success and achievement. Affiliate marketing became more prominent with the development of social media websites on internet (Haikal et al. 2020). (Christino et al. 2019) Finding customers will contribute to theoretical and empirical understanding of intentions to use and actual use of cashback programs in affiliate marketing, giving consideration to businesses.

2. Literature review

2.1. Affiliate marketing

Affiliate marketing programs help firms to increase their reach and acquire other firms' customers when the firms agree to refer their customers to the third parties. Generating sales and benefiting from affiliations become an important competitive advantage for retailers. Many retailers such as Amazon and Ebay offer their own affiliate marketing programs. Although the firms that offer affiliate programs benefit from additional sales, it is not clear why some firms may decide to join to such affiliate programs and divert their customers to other firms' websites when they can offer similar products and services (Akçura 2010, Duffy 2005), shows the key to successful affiliate marketing lies in the construction of a win-win relationship between the advertiser and the affiliate. Affiliate marketing is likely to become the principal mainstream marketing strategy for e-commerce businesses in the future.

2.2. Bibliometric analysis and literature review

Bibliometric analysis is a quantitative method for analyzing bibliographic data in articles/journals. This analysis is commonly used to investigate references to scientific articles cited in a journal, map the scientific field of a journal, and categorize scientific articles according to a research field. This method is applicable in sociology, humanities, communication, marketing, and management, among other fields. In bibliometric analysis, the citation analysis approach is used to find one article cited by another, whereas the co-citation analysis approach is used to find two or more articles cited by one. The words used in a document (co-words) can reveal the scientific concept contained within it. The co-occurrence of words or keywords in two or more documents used to index documents is the basis for co-word analysis (Effendy et al. 2021). While the literature in this study is based on data from Scopus publications, it is critically reviewed using a literature review approach. This research method is a critical analysis method used to conduct research on specific topics, in this case innovation management theory, by utilizing various literature sources (Randolph 2009). This method is widely used in a variety of fields, including economics, management, and information technology.

3. Method

A mixed method approach was used in this study, combining bibliometric methods and a literature review (see Figure 1). From 2002 to 2022, this study makes use of international publication data from the Google scholar database with the keyword digital transformation in the construction industry (Figure 2).

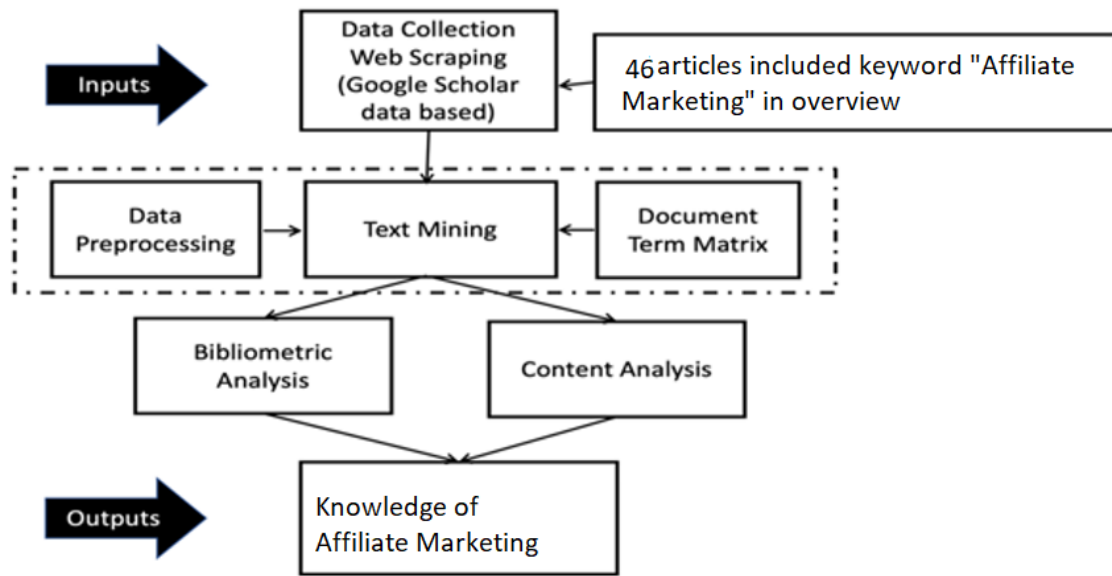


Figure 1. Literature review and bibliometric flow chart. Source: The author's own study, 2022

Litmaps was also used to examine data on the number of publications per year, journals with articles, authors, and topics. In addition, VOSviewer software is used to analyze the development trend of international publications, followed by qualitative content analysis. VOSviewer is software for creating and visualizing bibliometric networks. Individual journals, researchers, or publications can be included in these networks, which can be built on citations, bibliographic aggregations, co-citing, or co-authoring relationships. Text mining functionality is also included in VOSviewer for creating and visualizing co-occurring networks of key terms from scientific literature.

4. Result and discussion

4.1. Corpus profile

According to the context, Figure 2 depicts the number of articles used in this study. According to the review, Affiliate Marketing studies in grew steadily between 1946 and 2022. Despite being less well-known than the topic of affiliate marketing in other industries. This distribution trend, on the other hand, suggests that academics or researchers in the e-commerce context are paying more attention to this topic. Despite the fact that only stable one to four article has been published each year since 1946 to 2016, there is increased trend in 2017 whereas up to 11 articles were collected or increase of more than 200%. This data indicates that, in general, the trend of research in this field is increasing lately. The distribution of literature on the topic affiliate marketing is depicted in the Figure 2 below.

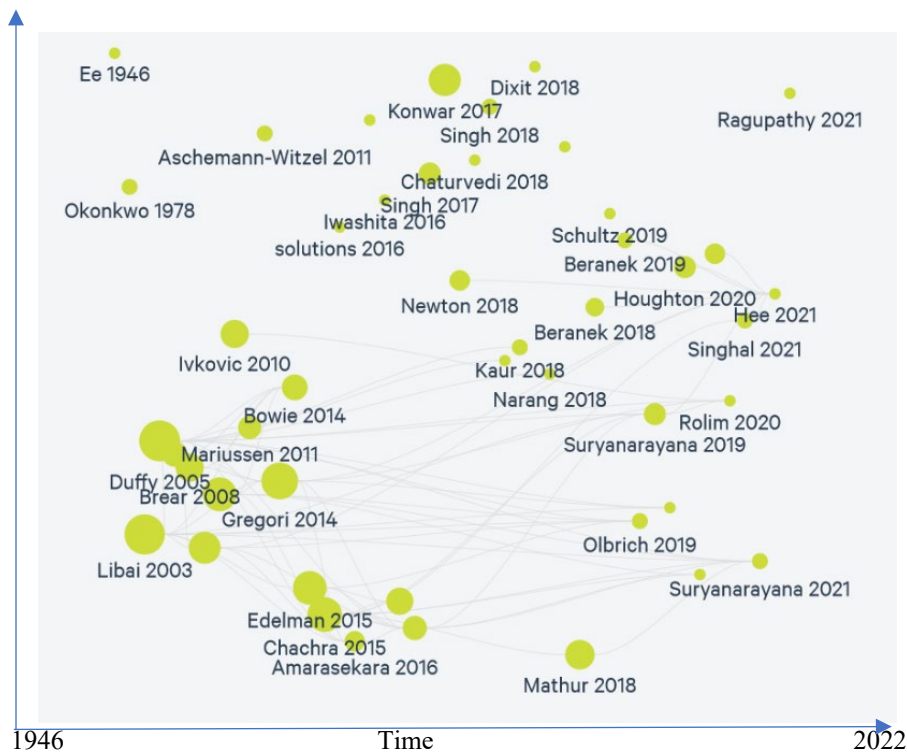


Figure 2. Distribution trend of scientific literature affiliate marketing period 1946-2022. Source: The author's own study, 2022

Figure 2 shows that research on affiliate marketing is a popular topic among researchers and academics. At least, this is demonstrated by the distribution, which continues to rise year after year. However, based on the network of articles, the picture shows that there are several researchers or articles that receive adequate attention or are widely cited by other authors. "Affiliate marketing and its impact on e-commerce" and "Setting Referral Fees in Affiliate Marketing" are among these articles. Nodes or circle illustrations in each article are fairly uniform in size, though some appear larger than others but are not significant. Some references have a relationship or cite each other, demonstrating the relationship between the articles. This relationship demonstrates that this scope is discussed on a regular basis. This correlation is critical for an issue in order for it to be studied thoroughly and integrated from various perspectives or fields of science.

4.2. The current trend of Affiliate Marketing in E-Commerce

In addition, the content of the articles or references used will be scrutinized, especially in terms of title and context. During this phase, the entire literature will be analyzed and classified as a text or corpus based on topic and context. This review uses DTM as the text mining process's output, which is visualized and analyzed qualitatively with VOSviewer.

4.3. The most recent publication in the field of affiliate marketing in e-commerce

46 publications were obtained based on Scopus data search results for the keyword affiliate marketing with the categories of article title, abstract, and keywords from 1946 to 2022. It is known that the most publications were produced by Driving Traffic and Customer Activity Through Affiliate Marketing, International Journal of Internet Marketing and Advertising, and Digital Marketing and Consumer Engagement: Concepts, Methodologies, Tools, and Applications, with as many articles being published. Table 1 displays research on the advancement of digital transformation in the construction industry published in the three most prestigious journals, as shown below in Table 1.

Table 1. Top latest journals in the scope of Affiliate Marketing period 1946-2022. Source: The author's own study, 2022

No.	Name of Journal	Number of Articles
1	Driving Traffic and Customer Activity Through Affiliate Marketing	9
2	International Journal of Internet Marketing and Advertising	2
3	Digital Marketing and Consumer Engagement: Concepts, Methodologies, Tools, and Applications	2

Table 1 shows that the majority of the journals that discuss the issue of affiliate marketing in e-commerce have a background or scope of management and marketing. According to this data, there is no dominant journal or publisher discussing affiliate marketing in e-commerce context. This means that research in this area is still dispersed across different journals or publishers. What this review reveals is that affiliate marketing in e-commerce, whether in theory or in practice, is frequently discussed through various scientific backgrounds. This finding also indicates that this context requires additional attention in terms of research management.

4.4. Comprehensive network analysis of affiliate marketing in e-commerce

During this session, all articles will be bibliographically analysed using the VOSviewer tool. The network and density of articles will be visualized in this analysis. Figure 3 shows that the development map of the field of Affiliate marketing from 1946 to 2022 can be divided into 19 clusters based on co-word analysis.

Advertisers perspective, affiliate marketing network, affiliate marketing technology, complexity approach, evolution, fraud, fraud scenario, ramification, risk, simulation, testing environment and unintended consequence are the items in the 1st Cluster. Affiliate, affiliate marketing campaign, click path, design parameter, effect, marketing integration, merchant, search engine advertising are the items of cluster 2. Cluster 3 contains 5 topics with items such as business performance, customer activity, difference, digital content marketing, entrepreneur. Cluster 4 contains application, business world, communication, incentive, information. Cluster 5 contains commitment, development, key success factors. Cluster 6 contains alternative approach, consumer trust, justification, marketing performance. Cluster 7 contains advertising activity, endorsement, pinterest, youtube. Cluster 8 contains customer satisfaction, referral fee. Cluster 9 contains demand, e-commerce, social media. Cluster 10 contains algorithm. Cluster 11 contains analysis, operation systems. Cluster 12 contains developmental culture, moderating effect, smes. Cluster 13 contains model. Cluster 14 contains company, experience. Cluster 15 contains e-commerce, impact. Cluster 16 contains information disclosure, partner management. Cluster 17 contains concern. Cluster 18 contains lesson, technology driven online marketing performance measurement, and last Cluster 19 contains highly secure transaction.

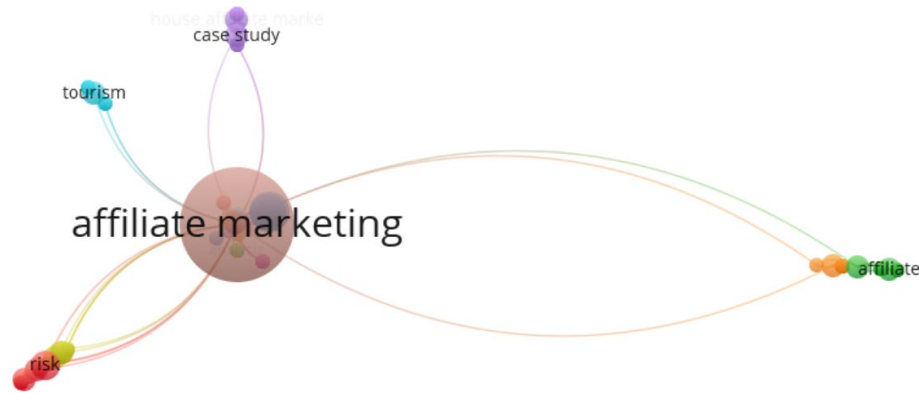


Figure 3. Affiliate marketing clustering by Author

The network analysis results are depicted in Figure 3, which show that the correlation between nodes was divided into nineteen network clusters. Inner cores are clusters with a high number of nodes and heavy edges. This cluster is a visual representation of the most frequently discussed issues in the Affiliate Marketing. An outer core, on the other hand, is a cluster with a low node occurrence frequency and a low edge weight. This cluster represents the issues that receive the least attention in the literature Affiliate Marketing in e-commerce.

This review also shows that the weights of nodes and edges in the inner core network vary, as shown by the size scale of circles and connecting lines. The thicker the line connecting the two nodes and the larger the circle, the greater the weight or degree. Large-scale nodes and edges, it can be said, are frequently discussed issues at the heart of the topic of affiliate marketing in e-commerce. Labeling each node, as indicated by the identity token, emphasizes this visualization. These tokens or nodes represent topics that have received significant attention in the literature.

Affiliate marketing programs help firms to increase their reach and acquire other firms' customers when the firms agree to refer their customers to the third parties. Generating sales and benefiting from affiliations become an important competitive advantage for retailers. The visualization of the network analysis above is contextually related to the application or implementation of affiliate marketing in e-commerce based on this concept. As a result, some of the nodes that appear are associated with the affiliate marketing.

The VOSviewer tool also visualizes density-based analysis. This means that based on the color density in the visualization area, this illustration will make it easier to identify the contexts that are most frequently studied (Figure 4).



Figure 4. Density analysis of Affiliate Marketing. Source: The author's own study, 2022

The review provides some critical information that can be classified into at least three major issues. First, based on the business category, it should be noted that the major research category in recent years is tourism. Meanwhile, based on the research approach used, the results of data analysis show that most of the research uses an empirical study approach and case studies. Comparative analysis and causal relationships are two examples of research methods that are also used. In other words, some studies compare the object under study with objects that have successfully implemented affiliate marketing. Furthermore, several studies have been conducted to examine the impact of implementing the affiliate model on various factors. In this field, descriptive qualitative method is still the most commonly used approach. Although quantitative methods are still used, especially in case studies to assess affiliate marketing success.

Second, in terms of context or research scope, this issue is frequently studied across a wide range of industries. In other words, the context of this study is multidimensional or cross-industries. As a result, when studying affiliate marketing, some researchers take multiple approaches.

Third, according to the review's findings, the following issues are frequently raised: complexity approach, evolution, fraud, risk, marketing integration, merchant, search engine advertising, business performance customer activity, digital content marketing, incentive, information, commitment, demand, e-commerce and social media.

This study confirms that the visualizations that appear in network analysis are representations of issues that are frequently discussed based on the topics that are frequently researched. However, this review does not argue that low frequency is a minor issue. On the other hand, perhaps these issues (the outer core) are under-researched areas of study or approaches that are rarely used. This cluster may require additional attention in future research. This study comprehensively and systematically formulates knowledge clusters that are frequently used to support studies related to affiliate marketing in e-commerce, based on the framing of network analysis contexts and supported by literature.

5. Conclusion

Based on the findings and discussion of this study, it is concluded that the highest growth development in the topic field of affiliate marketing occurred in 2021, reaching 11 articles or an increase of up to 200 percent from 2017. Furthermore, the review reveals that the majority of the journals that discuss the issue of affiliate marketing in management journals. This research also demonstrates that there is no dominant journal or publisher addressing the issue of affiliate marketing in e-commerce. This means that research in this area is still dispersed across different journals or publishers. Furthermore, development maps are classified into 19 clusters based on co-occurrence and keywords. This review, on the other hand, summarizes the research trend of affiliate marketing into three major issues. First, based on the business category, it's worth noting that the business category that have served as research in the last years have been tourism. Meanwhile, based on the research approach used, the results of data analysis show that the majority of the research employs an empirical study approach and a case study. Comparative analysis and causal relationships are two examples of research methods used. In other words, some studies compare the objects that have successfully implemented affiliate marketing in e-commerce. Furthermore, several studies have been conducted to examine the impact of affiliate marketing models on a variety of factors. In this field, descriptive qualitative methods are still the most commonly used approach. In terms of context or research scope, this issue is frequently studied across a wide range of industries. In other words, the context of this study is multidimensional or cross-industries. As a result, when studying affiliate marketing some researchers take multiple approaches. Of course, many unexplored perspectives remain unexplored because they are not dominant perspectives. This is especially true when one considers how some researchers tend to use multiple approaches. As a result of this analysis, the contexts that are frequently discussed are also interindustry or multi-industry issues. The scope of the articles used, which were sourced from the Scopus database, is the research's limitation. In the future, it is strongly advised to conduct research using a broader literature source. Furthermore, the findings of this study can be used as hypotheses, and comprehensive and systematic follow-up research is being conducted. The findings of this study are expected to serve as a resource for academics researching affiliate marketing in e-commerce.

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