

COMPARATIVE ANALYSIS OF AMAZON INDIA AND FLIPKART AFFILIATE MARKETING PROGRAMS

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ABSTRACT: E-commerce businesses are increasingly using affiliate marketing to drive traffic and boost sales. This research aims to compare and contrast the affiliate marketing strategies of Amazon India and Flipkart, two of India's most popular e-commerce platforms. The study will begin with an overview of affiliate marketing and the advantages it offers e-commerce businesses. This research will use quantitative data analysis to compare affiliate marketing programs, examining their commission structures, payment methods, cookie duration, product offerings, tools used, and affiliate support of Amazon India and Flipkart in 2023. The expected outcomes of this research include identifying the strengths and weaknesses of Amazon India and Flipkart affiliate marketing programs, as well as the factors that influence affiliates' decisions to join and promote these programs. This study will be helpful to e-commerce businesses in India and other nations looking to expand their affiliate marketing networks and enhance their affiliate marketing strategies, and also organizations or individuals who wish to begin affiliate marketing to increase their income.

Keywords: Affiliate marketing, e-commerce, Amazon India, Flipkart, comparative analysis, commission rates, tools.

INTRODUCTION

Affiliate Marketing

Affiliate marketing is a type of digital marketing in which you promote a product or service of another company or brand to your online customers and website visitors in exchange for a fee. Affiliate marketing is a popular component of marketing as it helps in driving sales and produces significant online revenues. In affiliate marketing, there are three parties involved - Product creators and sellers, individual affiliates or organizations, and customers. Affiliate marketing refers to providing value to the lives of customers by recommending products that can come to their use. It requires sincerity and truthfulness on the part of affiliate marketers when promoting a product.

Affiliate marketers use the following *three primary reward types*:

Pay-per-click: A visitor is brought to the seller's website by the affiliate. The vendor pays the subsidiary each time this occurs, regardless of whether a deal happens.

Pay-per-lead: the subsidiary guides someone to the vendor's site. This time, the individual completes a contact form. To put it another way, the seller now has access to their data. This individual is now a "lead." Each lead that an affiliate generates earns them money.

Pay-per-sale: Another possibility is that the lead filled out the form on the affiliate's website. The affiliate receives a portion of the sale price from the seller.

Company Profile

Amazon Inc.




Amazon.com Inc. is an American e-commerce company that also holds the title of being the largest Internet-based retailer in the United States. On July 5, 1994, in Bellevue, Washington, the United States of America, Jeff Bezos established Amazon. Jeff Bezos is a Software engineering and Electrical designing alumni of Princeton College. Amazon began as an online bookstore, but it later expanded its offerings to include premium video streaming and cloud computing services in addition to selling mobile phones, software, video games, and other electronic goods. Zappos, Goodreads, Diapers.com, Kiva Systems, Teachstreet, and IMDb are just a few of Amazon's subsidiaries, which operate retail websites in more than 20 nations all over the world.

Amazon India

Amazon India is a wholly owned subsidiary of Amazon, Inc. Amazon India launched operations in June 2013. The company launched Amazon.in, which gives customers access to a wide selection of books, movies, and television shows. More than 10,000 orders had been placed on Amazon India's first day of business. In a relatively short amount of time, Amazon India has emerged as a formidable competitor in the Indian e-commerce market. Amazon India currently has millions of registered users and offers millions of products on its platform. At the moment, Amazon India offers products in several different categories, including mobile phones, computers and their accessories, clothing for men and women, books, sports and fitness, electrical and electronic items, movies, music, cars, motorbikes, baby products, toys, grocery items, and so on. Amazon India likewise operates a Worldwide Store, where clients can purchase straightforwardly from vendors in the US. India recently saw the launch of Amazon Prime, which gives customers access to streaming video, music, e-books, the most recent deals, and other services. The majority of India's usable PIN codes are currently served by Amazon India. It operates 41 fulfillment centers in 13 states and employs more than 20,000 Indian sellers.

Flipkart

Flipkart was founded in October 2007 by Sachin Bansal and Binny Bansal. It has its headquarters in Bengaluru and is one of the leading e-commerce marketplaces in India. Flipkart has branch offices in Delhi and Mumbai in addition to its main office in Bengaluru. Apart from India, the firm is registered in Singapore. It began by concentrating primarily on online book sales but soon expanded to lifestyle products, electronics, home necessities, and groceries. Flipkart currently has more than 200 million registered customers and more than 80 million products in over 80 categories. It can deliver eight million packages each month. Flipkart Group raised an additional US\$ 1.2 billion from a Walmart-led investor group in July 2020. Its valuation has reached US\$ 24.9 billion post-equity round. By partnering with EV100, the global electric mobility initiative of Climate Group, Flipkart has pledged to completely transition to electric vehicles (EVs) across its entire E-commerce value chain by 2030. As of today's date, Flipkart is considered as one of the biggest online Indian marketplace competing with the world leader Amazon.

Amazon India	Flipkart
Headquarters	
Hyderabad, Telangana, India	Bengaluru, Karnataka, India
Key People	
Jeff Bezos – CEO Amit Agarwal – Global Senior Vice President and Country Head	Kalyan Krishnamurthy – CEO Sachin Bansal & Binny Bansal – Founders
Logo	
	 
Net Revenue	
₹422.60 Billion (FY 2022)	₹618.36 Billion (FY 2022)
Number of Employees	
99,000+	36,000+

REVIEW OF LITERATURE

According to PWC India (2019), affiliate marketing in India is anticipated to grow at a CAGR of 27% between 2019 and 2024, reaching INR 18.9 billion in 2024. This growth is the result of a shift in consumer preferences toward online shopping, rising internet penetration, and the increasing use of smartphones.

Samrat Bharadwaj (2019), in the article "The War between Flipkart and Amazon India: A Study on Customer Perception" provides an understanding of the competitive synopsis of the e-commerce sector in India and examines the competitiveness in the e-commerce sector between two giants Amazon and Flipkart. In the e-commerce sector, though we can see numerous e-commerce companies in India, Amazon, and Flipkart are two extremely competitive firms. According to the survey done by the author, Amazon India is better than Flipkart when attributes such as stock availability, discounts, delivery speed, and product quality were compared. From this study, the author found out males are more interested in purchasing products online when compared to females and people gain interest in buying goods online when they are vulnerable to discounts, offers, etc. The author concluded that due to the better quality of products and the wide variety of products offered by Amazon, Flipkart users want to switch over to Amazon.

According to Habeeb Syed and K. Francis (2021), online shopping has created a huge impact on buying behaviour of people. In India, the e-commerce sector has grown tremendously; nowadays e-commerce has become an essential part of day-to-day lives and activities. In this study, authors have examined different strategies used by the e-commerce

giants Flipkart and Amazon. This research was carried out to understand and estimate the consumer perception and factors affecting their behaviour while choosing e-commerce websites. The study considered factors such as demographics, how often respondents shop online, preferred online sites, payment method, which e-commerce website has impressed the respondents the most, pricing, and websites suggested to others. The study found that female respondents were more interested than males to shop online. And, Amazon is the most preferred website by respondents when it comes to factors like price and the website the respondents want to suggest to others. The authors suggested that Flipkart's packaging was not up to the mark and people felt that the company should focus on it and improve its packaging. Hence, the authors concluded that Amazon is the clear winner according to their study.

According to Vashishtha & Kukreja, 2021, to determine the strengths and weaknesses of Amazon India and Flipkart's affiliate marketing programs, it is necessary to conduct a comparative analysis. One of the most important factors that influence an affiliate's decision to promote a particular program is the commission structure. Amazon India offers a commission rate going from 0.3% to 12%, contingent upon the item class, while Flipkart's bonus rate goes from 1% to 15%, contingent upon the item classification. The investigation discovered that Flipkart's bonus rates were higher than Amazon India's, making it a more appealing choice for members. Another important aspect of affiliate marketing programs is how money is paid. Flipkart allows for direct bank transfers, while Amazon India accepts payment via Amazon Pay or bank transfers. According to the study, affiliates prefer Flipkart because its payment procedure is more streamlined and effective than Amazon India's.

According to Goyal & Singh, 2020, the cookie duration, or the time during which an affiliate receives a commission on a customer's purchase after clicking on an affiliate link, is another important aspect of affiliate marketing. Flipkart and Amazon India offer cookie durations of 30 days and 24 hours, respectively. The more extended term of Flipkart gives more chances to associates to acquire commissions, making it more engaging than Amazon India's program. The item contributions and backing for partners are different elements that can impact the outcome of associate showcasing programs. Both Amazon India and Flipkart offer a wide selection of goods, but Flipkart's inventory is larger than Amazon India's. A dedicated affiliate manager and a dashboard that is easy to use are two additional benefits of Flipkart's affiliate program.

PROBLEM STATEMENT

Amazon India and Flipkart are two major players in the Indian e-commerce market, and both offer affiliate marketing programs to their partners. However, there is a dearth of comprehensive research comparing their updated programs' features and effectiveness in 2023. By conducting secondary research on the affiliate marketing programs of Amazon India and Flipkart, this study aims to fill this gap by comparing and contrasting their updated commission rates, cookie duration, payment methods, product offerings, tools used, and affiliate support. This study aims to provide insights that can assist Indian e-commerce businesses in making informed choices regarding their affiliate marketing strategies and maximizing their performance, and organizations or individuals who wish to begin affiliate marketing in order to increase their income.

OBJECTIVES OF THE STUDY

1. To identify the differences between Amazon India and Flipkart's affiliate commission rates.
2. To compare Amazon India and Flipkart's affiliate marketing programs' cookie durations.
3. To investigate the payment methods that Amazon India and Flipkart provide to affiliates.
4. To compare the tools of Amazon India and Flipkart in their affiliate marketing programs.

RESEARCH METHODOLOGY

A systematic review of the existing literature on the subject was used for the comparative analysis of Amazon India and Flipkart affiliate marketing programs. The following steps were taken during the review process:

Identifying relevant keywords: The initial step was to recognize the applicable catchphrases connected with associate promoting, web-based business, Amazon India, and Flipkart. Keywords like "affiliate marketing," "e-commerce," "Amazon India," "Flipkart," "commission rates," "cookie duration," "payment methods," "product offerings," and "support for affiliates" were used to search for relevant literature.

Search for literature: A comprehensive search was led utilizing scholastic information bases like Google Researcher, JSTOR, and ScienceDirect, as well as pertinent industry reports, sites, and news stories.

Criteria for inclusion and exclusion: Based on inclusion and exclusion criteria, the literature was screened. The consideration models included writing that zeroed in on associate showcasing projects of Amazon India and Flipkart and gave a relative examination of their elements. Studies on other e-commerce platforms or affiliate marketing programs in other nations were examples of non-relevant literature that met the exclusion criteria.

Analyzing and extracting data: To determine the similarities and differences between Flipkart's affiliate marketing programs and those of Amazon India, systematic data were extracted from the selected literature and analyzed. The separated information included commission rates, treat span, installment strategies, item contributions, and backing for subsidiaries.

Results synthesis: The outcomes were blended to give an outline of the qualities and shortcomings of the member advertising projects of Amazon India and Flipkart. E-commerce businesses received advice and conclusions based on the synthesized results.

In summary, the secondary research methodology used in the comparative analysis of Amazon India and Flipkart affiliate marketing programs involved a systematic review of relevant literature using a set of inclusion and exclusion criteria, data extraction and analysis, and synthesis of results to provide an overview of the affiliate marketing programs' strengths and weaknesses.

DATA ANALYSIS AND INTERPRETATION

Commission Rates: April 2023

Amazon India

Product Category	Existing Order
Kitchen Appliances Kitchen & Housewares	9%
Furniture Outdoors DIY & Tools	9%
Grocery Pantry	8%
Home Baby	6%
Automotive Lawn & Garden Sports	6%
Computers Consumer Electronics & Accessories (excl. Data Storage Devices)	5%
Large Appliances Movies Music Software Video Games	5%

Books Office Products Industrial & Scientific Products Pet Products Toys	5%
Apparel & Accessories Luggage & Bags Watches Shoes	5%
Health, Beauty & Personal Care Personal Care Appliances	5%
Jewellery (Excluding Silver & Gold coins) Gourmet Kindle eBooks	5%
Televisions Mobile Accessories Musical Instruments	4%
Bicycles & Heavy Gym Equipment Tyres & Rims	2.5%
Data Storage Devices	2%
Mobile Phones*	1%
Gold & Silver Coins	0.2%
Amazon Fresh Ambient Amazon Fresh Perishable Amazon Fresh Prepared Amazon Fresh Produce	5%
All Other Categories	5%

*Mobile Phones

1.5% Fixed Commission	0.5% Fixed Commission
Redmi: 12C	OnePlus: 10R, 10T, 10 Pro, Nord 2T
Realme: Narzo N55	Samsung: M13 4G
OnePlus: Nord CE 3 lite	iQOO: Z6 lite, Neo 6
Lava: Blaze 2	
Itel: P40	

Excluded Products - Affiliates will not receive any fees from Qualifying Purchases of following products:

- 1) Flight Bookings and Gift Cards
- 2) Video Gaming Consoles & Hardware
- 3) Prime Membership
- 4) Bill Payments and Recharges
- 5) Apple: All iPhone
- 6) OnePlus: Nord CE 2 Lite
- 7) Redmi : 10 Prime, 10A, 11 Prime, 9 series, Note 10 series, A1, Note 11T, Note 11S, Note 11 Pro series
- 8) Samsung: Note 20
- 9) Realme: Narzo 50A Prime, Narzo 50i Prime
- 10) iQOO: 9SE

11) Tecno: POVA 4

Flipkart

Product Category	New Customer*	Existing Order
Grocery- Flipkart Supermart	1.5%	1.5%
Books & General Merchandise	7%	6%
Home	4%	3%
Furniture	10%	8%
Electronic Devices & Accessories	5%	5%
Fashion and Lifestyle Categories	15%	15%
Large Appliances	4%	4%
Small Home Appliances	15%	10%
Mobile Phones Tier A	1%	1%
Mobile Phones Tier B	1%	0.5%
Mobile Phones Tier C	1%	0%
Any other mother phones	1%	1%
Flipkart Gift Card	1%	1%
Gemstones, Gold & Silver Coins	0.1%	0.5%

*New Customer is defined as the 1st order/transaction done by a customer on Flipkart.com in the last 6 months (counting from the date of transaction).

Cookie Duration

Amazon India	Flipkart
<ul style="list-style-type: none"> → 24 hours elapse from the customer's initial click-through → The customer follows a third-party link to the Amazon Site that is formatted with an Associates tag → The customer places an order for a product → Referral fees will be paid on eligible 	<ul style="list-style-type: none"> → 30 Minutes elapse from the customer's initial click-through → The customer follows a third-party link to the Flipkart Site that is formatted with an Associates tag → The customer places an order for a product → Referral fees will be paid on eligible

products after order, payment, and shipping	products after order, payment, and shipping
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Payment Methods

Amazon India	Flipkart
<p>Affiliates have the option of receiving payment via</p> <ol style="list-style-type: none"> Cheque National Electronic Fund Transfer (NEFT) <p>→ If affiliates are getting paid by Cheque, the company will not send payment until the total amount due is at least INR 2,500.</p> <p>→ If affiliates are getting paid by NEFT, the company will not send payment until the total amount due is at least INR 1,000.</p>	<p>Affiliates have an option of receiving payment via</p> <ol style="list-style-type: none"> e-Gift voucher Electronic Fund Transfer (EFT) <p>→ If affiliates are getting paid by e-Gift voucher, the company will not send payment until the total amount due is at least INR 2,500.</p> <p>→ If affiliates are getting paid by EFT, the company will not send payment until the total amount due is at least INR 5,000.</p>

Tools Used / Level of Assistance

Amazon India	Flipkart
<p>→ SiteStripe</p> <p>→ Product Links</p> <p>→ Banners</p> <p>→ APIs</p>	<p>→ Product links and Banners</p> <p>→ Promotional Banners & Widgets</p> <p>→ Search Tools</p> <p>→ APIs</p>

FINDINGS

Amazon India	Flipkart
Strengths	
<p>→ Amazon Associate Program is free to join</p> <p>→ Daily tracking reports</p> <p>→ The commission already credited to the account will not be deducted in the future, because of the order cancellation</p>	<p>→ Most Indians use Flipkart, thus conversion rate is very high</p> <p>→ The commission rate especially on gadgets is very good</p>
Weaknesses	

→ Low commission rate	<ul style="list-style-type: none">→ The commission may get deducted and thus earnings may go down due to cancellation or backorders→ No daily tracking reports are available
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CONCLUSION

The comparison of the affiliate marketing programs offered by Amazon India and Flipkart revealed several similarities and differences. The two projects offer competitive commission rates to their affiliates, with Flipkart offering marginally higher rates than Amazon India in certain classes. However, Amazon India's cookie durations are longer than Flipkart's, giving affiliates more chances to earn commissions.

To make it simpler for affiliates to receive their earnings, both platforms provide a selection of payment options, such as e-wallets, gift cards, and bank transfers. Amazon India may be more appealing to affiliates who want to promote a variety of products because it offers a wider selection of products than Flipkart.

The tools used or the level of support provided to affiliates by Amazon India and Flipkart were also compared. While both platforms assist with their respective affiliate portals, Amazon India provides additional assistance via its affiliate program team (SiteStripe), which provides affiliates with individualized support.

Based on these findings, e-commerce companies and individual affiliates in India can optimize their affiliate marketing strategies by carefully considering the features and benefits of both Amazon India and Flipkart's affiliate marketing programs. They can choose the program that best aligns with their needs and goals, and leverage the strengths of each program to maximize their earnings potential.

Overall, to conclude, Amazon India is a more organized and well-sorted network. Even though it is a multinational corporation, it clearly understood Indians and strengthened its Indian roots. Despite being a relatively new company in comparison to Amazon, Flipkart is also providing Amazon India with a formidable challenge. They are doing very well in the Indian e-commerce market, although it may take some time to overcome.

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