

The Use of TikTok Affiliate Marketing for e-Commerce and Online Business

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Abstrak | Salah satu platform media sosial yang sedang naik daun akhir-akhir ini yaitu beberapa tahun sebelumnya adalah TikTok. Banyak video viral TikTok dapat menjadi trendsetter, memungkinkan bisnis dan konsumen berada di bawah pengaruh mereka. Selain ketenarannya, TikTok juga sukses mengungguli popularitas Instagram dan Facebook dalam topik terkait bisnis. Tujuan dari penelitian ini adalah untuk mempelajari lebih lanjut dan mendapatkan pemahaman tentang bagaimana menggunakan pemasaran afiliasi sebagai pendekatan segar untuk mempromosikan nilai dan pendapatan perusahaan. Studi dampak rencana pemasaran afiliasi ini menggabungkan penelitian kualitatif deskriptif dari perpustakaan dengan penelitian yang dilakukan dengan mengumpulkan data perpustakaan atau melihat item penelitian menggunakan berbagai informasi perpustakaan (buku, ensiklopedi, jurnal ilmiah, atau studi literatur). Temuan menunjukkan bahwa penggunaan strategi pemasaran afiliasi menyebabkan peningkatan penjualan selama periode sebelumnya. Ini menunjukkan betapa efektifnya metode pemasaran afiliasi bagi pengusaha online, terutama bagi mereka yang mengembangkan perusahaan mereka hingga mencapai titik kesuksesan. Pertumbuhan penjualan untuk bisnis sangat dibantu oleh pendekatan pemasaran afiliasi.

Kata Kunci: afiliasi, bisnis online, strategi pemasaran, TikTok

Abstract | *One of the social media platforms that have gained popularity recently, namely in the previous few years, is TikTok. Many TikTok viral videos can become trendsetters, allowing businesses and consumers to be under their influence. In addition to its fame, TikTok has also been successful in surpassing the popularity of Instagram and Facebook in business-related topics. The purpose of this study is to learn more about and gain an understanding of how to use affiliate marketing as a fresh approach to promoting a company's worth and revenue. This affiliate marketing plan impact study combines descriptive qualitative research from the library with research done by gathering library data or looking at research items using a variety of library information (books, encyclopedias, scientific journals, or literature studies). The findings demonstrated that the use of marketing strategy led to an increase in sales over the previous period. This demonstrates how effective affiliate marketing methods can be for online entrepreneurs, especially for those who are growing their companies to the point of success. Sales growth for businesses is greatly aided by an affiliate marketing approach.*

Keywords: *affiliate, marketing strategy, TikTok, online business*

INTRODUCTION

Social media are online platforms that allow users to interact, share, and communicate without any time or space restrictions. Social media is also utilized to create time- and space-independent media content. Social media is now more frequently used for both professional and personal purposes daily. In the modern period, selling has expanded to include online sales through the use of social media platforms like Facebook, Instagram, Twitter, and WhatsApp as well as traditional market and exhibition sales. The contemporary period also uses online selling platforms like Shopee, Tokopedia, and others for online shopping. TikTok's use as a sales tool is the present boom. TikTok is a social network and music video platform originating from China.

TikTok offers a lot of advertising capabilities and can change into a business-friendly ecosystem, all of which have a big influence on how the digital world develops. TikTok is now listed under social commerce platforms, which is utilized as a simultaneous platform for buying and selling goods as well as social networking. Through commissions and inventiveness, the TikTok Affiliate program can bring together makers and retailers. This initiative offers producers a new sales channel as well as a means of generating income. Affiliate programs for merchants let them work with creators to promote products and boost sales. By utilizing the fan community, this application can present options for creators to generate more revenue. This TikTok scheme can offer creators a variety of income from the sales earned, just like other affiliate relationships. Simply said, content producers will produce and upload movies on TikTok that feature product advertising, along with a unique URL or link to the product, to receive commissions automatically with a set percentage of sales. This is demonstrated by the sign in the shape of a yellow basket on the TikTok video.

The application offers tools so users can be as inventive as they like with video shorts that are at least 15 seconds long. The FYP hashtag is one of the features offered by Tik Tok. For Your Page or FYP, refers to TikTok start pages or recommended pages that can be accessed immediately by users when they visit the Tik Tok home page. It is made easier with this functionality. Previously, the application only included films that lacked education and were less valuable to the target demographic. The TikTok homepage is now filled with educational videos, endorsing, selling content, and entertaining creative video content creators and many Tik Tok influencers provide education or reviews about specific things like skin care, books, job openings, and so on. The Tik Tok era is currently much more developed. To assess and advertise their sales, the perpetrator's firms routinely appear on FYP Tik Tok. Currently, many online business owners find it difficult to use social media marketing methods, especially when using Tik Tok's tools, such as the FYP hashtag.

Currently, the Tik Tok application competes with marketplace platforms in addition to being a social media platform that specializes in music videos. TikTok's most recent feature gives online businesspeople access to a platform for buying and selling products in addition to promotional media. This allows businesspeople to conduct direct transactions to buy and sell products (other marketplace applications). For entrepreneurs looking to expand their businesses, a social media promotion plan like Tik Tok can be quite rewarding. According to research starting in 2020, many Tik Tok business owners use the services of an affiliate to market their items. Online actors, on the other hand, don't just use marketing strategies through their creative FYP movies to sell their shops on Tik Tok social media. Affiliates are Tik Tok Affiliates, which are creators who have signed up for the TikTok service. A commission will be paid to affiliates for every individual who clicks on the product they are marketing adds it to their basket and makes a purchase. This Affiliate Program is a service offered by Tik Tok to creators who wish to profit from their contributions and aid startups in the growth of their enterprises.

They can sell their products directly or through an affiliate, both of which can promote online store products and provide commissions. One of the newest advertising campaigns in the

online retail industry that uses social media is this affiliate program. Business people who are growing their company, rebranding their goods, or improving the personal branding of their newest product can benefit greatly from using this tactic because it can be done for a relatively low price, even significantly less than the average if they have to pay influencers to promote their goods. Promotional strategies using affiliates are efficient not only because they can reduce the budget required for promotional strategy needs, but also because they can assist in introducing products to a larger audience.

Based on the background above, this Tik Tok affiliate marketing strategy research aims to analyze and find out how to take advantage of Tik Tok affiliates as a new marketing strategy to increase business value and business income.

THEORETICAL BACKGROUND

Marketing strategy

If a leadership team has a successful plan, a business or organization will expand and flourish successfully. Throughout the course of a business within the corporation, a strategy will bring efficacy and productivity. An organization or company's business strategy is a decision-making process that supports all of its operations and productivity. Marketing is one of the corporate strategies.

There are various ways that professionals might grasp strategy. Strategy, as defined by Marrus in Umar (2001:31), is the process of deciding on the plan of the para-top leaders who concentrate on the long-term goals of the business, along with the formulation of a method or effort how to reach these goals. Actions that are gradual (constantly rising) and continuous are explicitly referred to as strategies. (Pralhad in Umar, 2001:31).

A marketing strategy, according to Chandra (2002:93), is a plan that outlines a company's expectations about the effect of certain marketing actions or programs on demand for a product or product line in a specific target market. A marketing program involves marketing activities that can change how much a product is in demand, such as altering prices, changing the way advertisements are created, designing promotions particularly, selecting distribution channels, etc.

Tiktok and Flip

In 2020, the TikTok app is expanding quickly and has even engendered a new culture in Indonesia. Even though the app has been around since 2018, recently the app. It is well-regarded by people of all ages and is even in the top 10 most downloaded free apps on Google Play Store globally, including in China, Korea, and Indonesia (Damayanti & Gemiharto, 2019). The company can make or edit videos of up to one minute in length with the application. Through the website TikTok, where users can create short films with music, filters, and other fun features, many individuals in today's digital age express themselves, find inspiration, and be creative. It happens frequently for business persons to advertise their products on the Tiktok app. According to Susilowati's (2018) research, TikTok usage can influence personal branding. In the TikTok app, there is a suggestion page or the first video that users can see when they start the app, dubbed FYP (For Your Page), which offers details about current or popular videos and noises. Many entrepreneurs take advantage of this by creating films of their goods utilizing popular music, making the movies FYP accessible to many viewers, which has a huge impact on sales and personal branding.

Affiliate Marketing

Many marketers, including those working in e-commerce, have little to no knowledge about affiliate marketing. Some people comprehend fundamental ideas, such as pure pay for performance marketing. But frequently, understanding ends there. Let's examine affiliate marketing to see what it is and how it functions. I'll utilize a more conventional marketing strategy to convey the idea of affiliate marketing by making a straightforward comparison instead of using complicated technology and the internet.

The companies sell a few hundred or thousands of different items. They handle consumer orders via phone, mail, and other channels. Print catalogs with images, descriptions, and prices of the numerous things the company sell are mailed to potential customers to pique their interest. To entice a customer to pick up the phone and place an order, they pay for the necessary marketing expenses. The companies take the chance that the sales and gross revenues from the orders will surpass the total marketing costs for creating, taking, writing, printing, and mailing the catalog.

Let's imagine that the companies come across a potential marketing partner—the name lets this partner be the affiliate—and they offer to help the company bring in additional business. The affiliate promises to pay for its advertising expenses to increase sales of companies products. Customers who want to order these products directly from the company will be encouraged by the affiliate to call the customer service number. Only marketing is involved in the role the affiliate proposes to perform. One thing in return is all the affiliate is looking for: a cut of every sale. The entire cost of marketing products is borne by the affiliate. The affiliate will suffer financial loss if the marketing activities are unsuccessful. Affiliates profit when marketing campaigns are successful. The affiliate is not limited in any way in terms of how much money they can spend or make. The affiliate looks for uncapped upside and negative potential. The affiliate receives a commission for each order it brings in at the rate the company specifies. Affiliate marketing is essentially being used here.

Let's contrast this with conventional advertising, the illustration and say that the companies sell goods through direct-response print advertising in magazines. The companies are responsible for covering both the media and advertising development costs. They lose if it fails. They gain financial gain if it is successful. The companies make a lot of money if it succeeds. However, in these classic cases, the risk is their own. In an affiliate marketing scenario, the affiliate bears the risk. If affiliate marketing were to be translated into the traditional advertising sector, the affiliate would create, buy, and place advertising in the hopes of selling enough of their products to make money. It is the pinnacle of pay-for-performance marketing. It frequently occurs described as similar to having a large, independent, purely commissioned sales force.

After using direct-response print advertising and catalogs to illustrate the idea, let's switch gears and apply it to the online environment. This idea does exist. To sell the goods of thousands of "advertisers," thousands of affiliates create and maintain websites or grant access to already-existing websites (the term advertiser is used to represent the party on the other side of this transaction who seeks to sell the product). Affiliates use a range of different types of advertisements (banners, text ads, even product links) to drive consumers' (website visitors') actions, such as reviews and possible purchases, of the advertiser's goods and services. The affiliate is compensated with a commission when it succeeds.

The phrase "affiliate marketing" is frequently used in commercial transactions made over social media or the internet. One idea that is frequently applied is affiliate marketing, which is used to advertise websites, goods, and services. Any consumers who arrive as a result of this affiliate's efforts will earn a commission. As a result of their performance-based compensation, according to Stokes (2008), they are frequently referred to as extra salespeople for websites. It's also known as marketing performance or affiliate marketing. According to M. Ivkovic (2005), an

affiliate is a system of company operations that must develop a long-term mix of tactics and techniques in addition to advertising to boost sales and promotions. This affiliate's primary function is in marketing. If the affiliate's marketing efforts are unsuccessful, the affiliate will lose money; but, if they are effective, the affiliate will gain money. The majority of this affiliation with affiliate marketing originates from an online store that has an affiliate program.

Online Business

Online refers to any activity that makes use of the internet and allows us to connect, relate, or communicate with a large number of people online. In general, when something is connected to or connected to a wider network or system, it is said to be online. Online business is described as the action of marketing products or services to generate revenue via Internet-based media. However, according to Business Wikipedia Online, electronic commerce, sometimes known as e-commerce, refers to the distribution, purchase, and promotion of goods and services using electronic systems like the internet, television, www, or other computer networks. Electronic data interchange, electronic data transfer, automated inventory management systems, and automated data collecting systems are all possible components of trading.

The information technology sector sees this e-commerce activity as an application and application of e-business (e-business) relating to commercial transactions, such as: transferring funds online electronics, SCM (supply chain management), e-marketing (e-marketing) or online marketing, online transaction processing (online transaction processing), electronic data exchange interchange / EDI), and others. based on the outline and some of The opinions expressed above makes it is abundantly clear that in today's urban environment, sound waves and cable networks both play an important role in solving problems. In this day and age, many human needs can be met through email or online transactions that connect buyers and sellers without requiring travel to a specific location or in-person meetings. Even payments can be made via the internet.

RESEARCH METHOD

The Use of TikTok Affiliate Marketing for e-Commerce and Online Business employs qualitative descriptive research along with a literature review, that is, research that is conducted using a way of gathering library data or in which the subject of the study is discovered using a variety of library data (books, encyclopedias, scientific journals or literature studies). What is meant by research that yields discoveries that cannot be attained (obtained) by employing statistical processes or other means of quantification? According to Strauss and Corbin in Cresswell, J. (2017), qualitative research methodologies are applied by researchers when the object of study is a living thing. According to Moleong (2010), qualitative research is "research that intends to understand the phenomenon of what is experienced by the research subject, such as behavior, perception, motivation, and action, holistically and by way of description in the form of words and language, in a special context that is natural and by using various natural methods."

Table 1 presents the methodologies used across all different studies on affiliate marketing. The analysis indicates that the majority of studies have used secondary data analysis (e.g., articles retrieved from various sources, published documents, search engines, journals, affiliate network websites, etc.) to research this topic. This is followed by some other methodologies, including case studies, conceptual papers, different surveys (e.g., web-based surveys, questionnaire surveys, etc.), interviews, and conceptual papers, to name a few. As far as the authors are aware, no literature review has been conducted on this subject, according to the methodological analysis of the affiliate marketing literature.

Table 1. Methodological Analysis

Source	Methodology
Bhatnagar and Papapla (2001)	Online Survey
Kwok et al. (2003)	Conceptual
Duffy (2005)	Case Study
Mican (2008)	Case Study
Edelman (2009)	Data received from an advertising network
Akcura (2010)	Conceptual
Ivkovic and Milanov (2010)	Conceptual
Edelman and Brandi (2014)	Secondary data: US Affiliate Networks (Websites)
Fox and Wareham (2007)	Using three Affiliate Networks in Spain
Gregori et al. (2013)	Focus Group Interview, Web-based survey
Iva (2008)	Statistic, historic, descriptive, comparison, interview, analysis and synthesis, induction and deduction
Janssen and van Heck (2007)	Multiple case study of seven advertising web sites
Libai et al. (2003)	Conceptual
Mariussen et al. (2010)	Secondary data: Articles retrieved from three source; Primary data source: Semi-structured Interviews
Papatla and Bhatnagar (2002)	Secondary data collected from the Internet
Samosseiko et al. (2009)	Secondary data source: Log file of purchases
Hossan and Ahammad (2013)	Primary Source: Interviews, Questionnaire Survey; Secondary Source: Observation of websites, published documents, internet search engines and various journals of affiliate marketing
Prabhu and Satpathy (2015)	Secondary data: Online retailing company websites, matrimonial websites, tours and travel industry, online job sites etc.

Source: Many sources journal, edited

Data analysis, according to Sugiyono (2016), is the process of gathering systematic data from interviews, field notes, and other materials and organizing it in a way that makes it understandable and allows for the dissemination of the findings to others.

ANALYSIS

We may have encountered a salesperson or salesgirl offering a specific product in the real world. This is what could be described as affiliate marketing if it were done online. Where it is sufficient to provide a link to potential clients to promote one's own or another person's goods or services. Additionally, a commission of between 10% and 30% will be available to be provided if the good or service is sold. In the present world, when so many people rely on the internet, affiliate marketing is even one of the revenue options. A variety of businesses and brands offer several affiliate marketing schemes. up to well-known global applications, starting with retail and service businesses. TikTok's affiliate marketing initiative is one of them. TikTok can be used as a side business in affiliate marketing because it is a well-known social media platform worldwide. In a nutshell, affiliate marketing is a marketing/business strategy in which someone receives a commission for effectively promoting the goods of the merchant. People who sign up for affiliate programs are not usually those people. There are affiliate schemes accessible for individuals, groups, and even businesses.

The "For The Your Page," or FYP for short, is TikTok's home page and is the primary navigational tool. A potent algorithm is used by the FYP to direct relevant audiences to videos that they would be interested in. The algorithm takes into account the producers follow, but it primarily shows the company videos from artists whose content matches the companies' preferences, whether or not the companies follow them. This formula is what enables individuals to explode overnight. They had no followers on TikTok until the video we just linked went viral.

We only used three basic hashtags, but the FYP ran with them. Thousands of people were watching my video before I knew it! I could have made that money rain on my peak of fame if I had affiliate connections! TikTok has been immensely popular, especially given that The Tube was the first video-sharing platform. Studies have shown a decline in attention spans. The average attention span has decreased to 8 seconds and has been getting shorter yearly by 25%. Because mobile advertising is so effective, affiliate marketers may take advantage of TikTok's diverse demographics to connect with their target market. TikTok may be a fantastic tool for affiliate marketing, helping to spread brand awareness, attract new clients, and foster consumer loyalty. TikTok promotes this kind of content because users enjoy connecting with brands that are both personable and entertaining.

On TikTok, affiliate marketing can be carried out via either paid or organic advertising. On TikTok, bigger affiliates and businesses have developed challenges, contests, and brand takeovers. TikTok for Business, a self-serve advertising platform, was unveiled by the company last year. Product owners were prohibited from running advertisements on the platform before the debut. But starting in June 2020, advertisers will be able to engage with all of TikTok's video formats, such as hashtag challenges, brand takeovers, TopView, branded lenses, and in-feed videos. TikTok for Business, when combined with the site's expanding user base, has helped turn TikTok into a far more effective platform for affiliate marketing and business promotion. The parent app's paid advertising function, TikTok for Business, not only enables big brands to share big promotions but also allows smaller creators to create a niche for their businesses.

Although we have written multiple articles about TikTok on the Influencer Marketing Hub, there are still some (mostly older) people who are perplexed by the "TikTok craze." However, TikTok has long since passed the fad stage. TikTok now has 1 billion monthly active users, as we could see in our compilation of TikTok Statistics. Every internet minute, 167 million hours of videos are viewed by TikTok users. Additionally, TikTok outperformed industry heavyweights Facebook, Instagram, and The companyTube as the most downloaded app globally in 2020 and 2021, according to both the iOS and Android app stores. In comparison to these apps, it has more engagement.

Users of TikTok are also not hesitant to invest money. TikTok was the highest-grossing non-gaming app globally in February 2021, with more than \$110 million in user expenditure, according to data from Sensor Tower. Despite being surpassed into fourth place on Google Play by Google One, Piccoma, and Disney, it ended the year as the highest-grossing app globally. Certainly, TikTok has a young user base, with Statista reporting that 32.5% of its U.S. users are between the ages of 10 and 19 and another 29.5% are between the ages of 20 and 29. However, the companies can potentially thrive with affiliate marketing if they have a well-known TikTok account and carefully choose things that will appeal to the audience. The possibilities of TikTok and the affiliate industry have not yet been fully grasped by many marketers.

Making sure that companies' affiliate offers are appealing to TikTok audiences is the most crucial factor need to think about. Avoid attempting to sell something just because the commission is high. There is no point in trying to sell stairlifts, walking sticks, or other products that appeal to the elderly if the majority of the viewers of the company's videos are in their twenties. Finding affiliate deals for consumer goods, lifestyle, fashion, and technology will be much easier.

TikTok has already had a lot of success with affiliate marketing. We've found that the most common program to link to is the Amazon Associates Program, so learning more about it is a fantastic place to start. The FYP's influence allows us to regularly display Amazon product reviews to interested customers. A TikTok review led me to purchase a pair of Lululemon knockoffs. More than 300,000 people liked the review, and numerous people who purchased the leggings commented on it.

The only thing the company can put its bio on TikTok, like Instagram, is a link. Being limited to a single link in one's bio has been made easier by a variety of techniques. A well-liked tool for this is Linked Profile. Kit. co is an additional option. The kit enables the company to share the items used for a specific activity via affiliate links. The company may make money with Kit not only from Amazon but also from other well-known affiliate networks like Walmart and Target, which are particularly well-liked in the TikTok affiliate marketing community. Any link that directs the company away from the TikTok app, whether it be for affiliate marketing on TikTok or just to a website, should be recognized as coming with a security warning from TikTok that they do not endorse.

CONCLUSIONS

Based on the findings of the study and the outcomes of the debate, it can be said that the Tiktok affiliates' marketing approach significantly increases the number of sales for their companies. The modern era. Today, a lot of business owners utilize social media to sell their goods, but they also commonly use celebrities to introduce their goods to prospective buyers. Business people have the chance to employ social media as a marketing plan because so many people are opening up social media in the modern era. This will help the public become aware of their products.

Text links, banners, and blogs serve as digital media used by affiliate marketers to carry out the sales of their members. Their additional efforts and increased initiatives to learn about the capabilities of affiliate marketing and internet marketing tools, such as SEO, the most popular keywords related to travel, and using Google Adwords and FB Ads to entice potential audiences in the virtual world to visit their blog, are other sales techniques they employ. In addition to possessing the fundamental skills and knowledge of digital marketing, the affiliate marketers who were interviewed demonstrated high and sustained commitments to their roles as affiliate marketers by learning what consumers want, maintaining their blogs regularly, evaluating what works and what doesn't, and creating blog content that is quite engaging for the audiences. One way to develop content production to draw readers is, for instance, by paying attention to the keywords or purchasing those that are most commonly typed into search engines.

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