CONTENT PROVIDERS' ENGAGEMENT WITH MERCHANTS IN AFFILIATE MARKETING: A STUDY BASED ON SRI LANKAN TRAVEL AND TOURISM INDUSTRY

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Abstract

As a new type of intermediary operating in the electronic market, cybermediaries who offer online advertising to merchants are referred to as content providers or affiliates. Affiliate marketing is classified as a type of online advertising where merchants share a percentage of sales revenue generated by each customer who arrives at the company website via an affiliate. Therefore, developing a closer relationship between the content provider and the merchant is paramount. Accordingly, the purpose of this study is to examine how the content provider needs to engage with merchants for the success of an affiliate marketing program. This study was based on the qualitative approach, and in-depth semi-structured interviews were conducted for data collection with eight content providers selected through purposive sampling method. Data analysis was undertaken with the general qualitative data analysis method with the support of NVIVO software.

The empirical results reveal the challenges of content providers related to the travel and tourism industry in Sri Lanka, namely inadequate communication, immature soft skills, and inadequate knowledge of merchants. Furthermore, the strategies for overcoming the challenges were framed as increasing engagement through communication, increasing merchant adoptability, and establishing a genuine partnership in the affiliate marketing program.

The findings of this study are significant since this study has attempted to explain the affiliate marketing from the content providers' perspective by describing the challenges for affiliates and strategies to overcome the challenges for the success of effective affiliate marketing.

Keywords: Affiliate marketing, Travel and tourism industry, online marketing, Phenomenology.

1. **Introduction**

Explosive growth of the internet has generated significant interest in information transformation. Internet technology has excited for more than 40 years now, yet it was the introduction of the WWW that caused its fast market penetration (Chaffey, 2003). The Internet has made it possible for business to communicate as widely with individuals or partners. Companies can gain advantages of new technologies and improve their competitiveness. But in other way around they need to face with new start-up companies, some of them with purely virtual. Emergence of E-market leads to purely virtual businesses. Through Electronic market businesses practice the E-commerce.

Prior researchers remark that the Internet offers opportunities for cybermediation-emergence of new types of intermediaries operating at electronic market (Sarkar, 1995). Cybermediaries are organizations that operate in electronic markets to facilitate exchange between producer and consumers by meeting the needs of both producers and consumers (Sarkar, Butler, Steinfield, 1995; Butler, 1996). Cybermediaries offering online advertising to merchants (through links or product listings) are referred to as content providers (Sakar et al., 1995). They are defined as people or companies that "distribute copyright content via the Internet" such as owners of websites bloggers or forum members (Eisenmann and Brown, 2000). Farhoomand and Lovelock (2001) and Wirtz (2001) position the content provider in the value chain as an intermediary content provider are purely producers of content. These authors argued that content providers are firms which create and provide content in digital form to customers using third party intermediaries.

According to Zeff (1999), both big and small content providers can make use of online advertising as a revenue source. Big websites have high volume audience where as small websites usually are able to deliver niche audience (Zeff, 1999). It is vitally important for content providers them with major source of revenue. Web advertising referred as online advertising or internet advertising. Online advertising started in 1994 when Hot-wired, a web magazine sold a banner ad to AT & T and displayed the ad on its webpage (Kaye and Medoff, 2001). According to Smith and Chaffey (2005) online advertising is the use of a company website in conjunction with online promotional techniques such as search engines, banner advertising, direct e-mail and links or services from other websites to acquire new customers and provide services to existing customers. The earliest forms of online advertising represent standard banners, pop-up windows, dual advertisements, sponsorship, online shopping malls, E-mail marketing. (Champan, 1998) Other forms of online advertising are liquid image advertising, point roll advertising, enliven advertising, messaging plus, web pages within a larger page. (Moseley, 2001) Online advertising is a two-sided market (Rochet and Tirole, 2003; Anderson and Gabszewicz, 2015) as is advertising generally intermediaries operate platforms that facilitate the connection of advertisers and consumers.

Hoffman and Novak (1995) noted that with the growing share of advertising expenditures allocated in the online advertising, companies started to examine, how many visitors, attracted by the ads on other websites, are finally turned into customers. After counting all costs, the sum needed to acquire one customer was in many cases even higher than his or her average life time value. As this situation was not sustainable in the long run, it was necessary to adopt more efficient forms of customer acquisition. Based on this need, the concept of affiliate marketing (AM) was emerged. Some academics place affiliate marketing under the umbrella of online advertising or even treat advertising and affiliate marketing as one construct, referring to it as affiliate advertising (Papatla and Bhatnaga, 2002; Rowley, 2004). Affiliate marketing is classified as a type of online advertising where merchants share percentage of sales revenue generated by each customer, who arrived to the company's website via a content provider.

Affiliate promote and distribute merchants' offers or generate traffic to the merchants' website. (Ibeh, 2005; Ivkovic and Milanow, 2010; Jensen, 2006) An affiliate receives financial benefits (most often a commission as compensation for

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attracting internet users to the offer of a sponsor promoting its product on the affiliate's website. (Chai, Potdar, Chang, 2006). So, when affiliate working in an affiliate program for a commission-based payment, they are facing several.

1. Research problem

Affiliate programs are one of the most dominant tools for online marketing and have emerged as one of the fastest growing method (Gregori, 2014). It seems to have better potential than previous online marketing activities (Duffy, 2005; Janssen and van Heck, 2007). "Affiliate marketing" is a promotional model that allows independent publishers to promote products for merchants who sell the products in exchange for a small commission fee. Affiliate marketing is also described as a "working relationship" (Internet advertising Bureau; 2010; Koepfler, 1993) or an agreement (Del Franco and Miller, 2003; Goldschmidt et al., 2003), "where one firm (the marketer) compensate another firm (the affiliate) for generating transactions from its users" (Goldschmidt et al., 2003). Affiliate marketing is the use by a website that sells products of other websites, called affiliates, to help market the products. Amazon.com, the book seller, created the first large-scale affiliate program and hundreds of other companies have since followed (Candy, 2010). Affiliate marketing programs facilitates marketing departments to enhance their extent and to obtain other firms' customers when the other firms decide to refer their customers to the third parties.

A publisher (or affiliate) is an individual website owner or business entity that earns commissions for referring sales, leads and traffic to a merchant (or advertiser) by placing affiliate marketing advertisements such as links and banners on their website (Miller, 2010). They create an online income through affiliate marketing by promoting affiliate program on their websites or blogs and earning commissions for converting their own traffic into referrals for advertisers.

Even though number of studies such as Hoffman and Novak (2000), Gallaugher and Auger (2001), Ross Jr (2003) had been conducting focusing on merchant (advertiser) who offer affiliate marketing program and content provider who consent the affiliate program, there is lack of studies conversed the closer interaction between the merchant and content provider which leads to the successful affiliate marketing program.

There are a number of studies published in the past decade that investigate affiliate marketing in different countries, such as Bangladesh (Hossan and Ahammad, 2013), the Netherlands (Marten, 2019), Sweden (Barbora and Nevosad, 2008), and India. However, it has not been adequately addressed in Sri Lanka. Accordingly, the researchers conducted a pilot study to get insights from content providers who belong to the travel and tourism industry in Sri Lanka. Before conducting the pilot study, researchers selected two respondents who provide content through their Youtube channel and social media pages related to the travel and tourism industry in Sri Lanka. According to the pilot study, researchers have discovered the following insights based on the content providers' ideas:

Respondents one and two have explained the challenges that their team faced when working with a merchant and the solutions they have undertaken.

"We are working as a team consist with ten members. Each member has different skills. When we are working for an affiliate program of our client there are some problems we have to face. Even though our client requests to join with their affiliate program later their expectation will not match with our concept and our crowd. Sometimes their requirements are not ethical with the society. Then we are unable to come up with an agreement with our client. However, through frequent discussions with our client we come up with an agreement or sometimes we tend to reject the clients' request. Another problem which we had face when we were work with the merchant is some of our clients are expecting too much of content from us than their budget."

"We are providing a content mostly for the hotel owners, websites, and mobile application developers and so on. We are paid by the merchant or by client when only the request for a vlog from us. But there are some factors we consider when we accept the clients' request. Mostly we provide a content only for the eco-friendly product or a service and organic foods. So, one of the problems we have to face is our clients' requirements are not match with our conditions. In addition, some of our clients expect too much of content rather the commission they promised to pay for us.

According to the two respondents' ideas, the researcher has identified most of the content providers are facing decision-making problems, ethical problems, communication problems, and pricing problems as well as strategies they intend to use.

Since researchers are able to find out the challenges or problems of content providers when they engage in affiliate programs and solutions through pilot studies, content providers need to interact with the client for the success of an affiliate marketing program. A pilot study shows that it is significant to study it in this depth. Therefore, the problem statement of this study is as follows:

"How does the content provider need to engage with merchants for the success of affiliate marketing program?"

As demonstrated above by literature and pilot study results, content providers need to have close interaction with their clients to minimize the problems. Affiliates promote and distribute merchants' offers or generate traffic to the merchants' websites (Ibeh, 2005; Ivkovic and Milanow, 2010; Jensen, 2006). An affiliate receives financial benefits (most often a commission as compensation) for attracting internet users to the offer of a sponsor promoting its product on the affiliate's website (Chai, Potdar, and Chang, 2006). So, when affiliates are working in an affiliate program for a commission-based payment, they are facing several challenges, as researchers identified through the pilot study. Therefore, this research aims to explore thoroughly the challenges and possible strategies of content providers in working with clients in affiliate marketing programs in the industry of travel and tourism in Sri Lanka.

3. Literature Review

3.1 Affiliate Marketing

Affiliate marketing is a very powerful and profitable online marketing tool. It can be attributed to Internet based marketing among other tools like search engine marketing, email marketing, social media and influencer marketing, and content marketing etc (Olbrich et al., 2019). It is an extension of traditional marketing mix when applied to selling products and services on the internet (Mathew, 2017). Affiliate marketing is not for everyone. It is not for anyone that is looking to make money fast, nor is it for the impatient (Murphy, 1997). Brown (2009) found that Affiliate marketing is an online marketing practice in which a business rewards their affiliates for each visitor, customer or sale which is brought about as a result of the affiliate's marketing efforts. He stated that the top affiliate programs that exist today are very intuitive, easy to setup and besides being free can offer an instant revenue flow (Brown, 2009). As

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Chris (2018) demonstrated Affiliate marketing typically last for a specified time period and are designed to achieve a defined purpose like helping to launch a new business or luring customers away from a competitor. The origins of affiliate marketing can possibly be found in the USA in 1996. "As legend has it, Jeff Bezos, CEO and founder of Amazon.com, chatted with a woman at a cocktail party about how she wanted to sell books about divorce on her website. After that exchange, Bezos considered the idea and thought about having the 'woman link her site to Amazon.com and receive a commission on the book sales. This was the motivation for creating the so called "first on the Web", Amazon.com Associates Program which was launched in July 1996 (Grzegorz and Michal, 2014). Candy (2010) also claimed this as Amazon.com the book seller, created the first large-scale affiliate program and hundreds of other companies have since followed. Affiliate programs are given many names such as associate, revenue-sharing, or partnership program. Horowitz (2010); Ivkovic and Milanov (2010) defined affiliate marketing as a performance-based marketing. These programs usually provide a site operator (affiliate) with a commission of any products bought by customers on the partner site (Gallaugher et al., 2001).

According to Dwivedi (2017) the three main participants of the affiliate marketing process are:

1. Advertiser – a party that sells its products or services online;
2. Affiliate (a publisher) – an intermediary that uses its website or application to publish a hyperlink that leads to the advertiser's website.
3. Customer – an individual or a company that buys the product or service and, thus, generates revenue streams
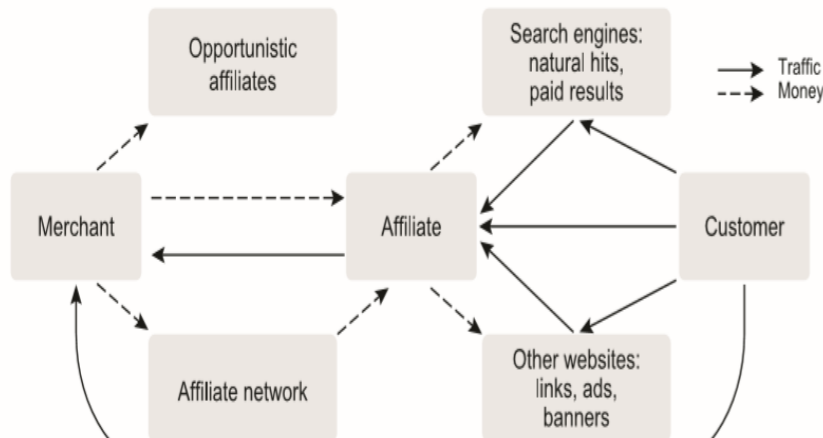
Figure 1: Affiliate Marketing Model

Adapted from Benedictova and Nevosad (2008), Brear and Barnes (2008), Brettel and Spilker-Attig, (2010), Duffy (2004), Fox and Wareham (2007), Libai et al. (2003)

Affiliate marketing can be employed for various purposes, the range from very generic objectives to very specific predefined actions. Further Malaga, 2007 state that primary objectives of AM are therefore to promote and sell products or services through traditional distribution outlets, by driving web traffic to affiliates and generating transactions from online users in return for a commission.

As an important part of today's online marketing industry, Affiliate marketing reshaped how business is conducted over the internet. (Prussakov, 2007). Further, Bitochon (2016) demonstrated it as a system of internet marketing that involves two parties, an affiliates and merchant. Malta et al. (2006) found that Affiliate Marketing programs are considered as a win-win situation for the stakeholders.

Libai et al. (2003) describes two different kind of affiliate programs. First there is the one-to-one program, in which the publisher has direct contact with the merchant. It is usually the case that both parties negotiate a unique contract which specifies the terms and conditions of the arrangement between them. The other one is the one-to-

many program. Originally created by Amazon.com where publishers link to the Amazon.com site and earn up to an 8.5% referral fee when visitors who click on the links make a purchase.

Affiliate programs allow a firm or website to reach different target markets and extremely increase its online presence. This, in addition is rewarded with increased revenue and higher brand awareness. It offers a high return on investment and low operating cost (Fiore and Collins, 2001). Further, he stated that one way to achieve a better ROI is to use affiliate marketing, because it increases sales, brings more traffic and limits advertising expenses. For affiliates, affiliate marketing is a "steady" income and an opportunity to generate revenue. It permits flexible working hours and exhibits an opportunity to have a risk free part-time or second job (Daniele et al., 2009). When affiliates sign up for affiliate programs, no initial capital to join in is required.

3.2 Challenges experience by content providers/affiliates in affiliate marketing

Affiliates (also content providers or publishers) are firms or private individuals with a website, who form an agreement with a merchant and in return for a commission send dedicated traffic to the merchants' website or perform other pre-agreed actions, leading to conversion (Duffy, 2004; Goldschmidt et al., 2003; Marketing Sherpa, 2008; Ivcovic and Milanov, 2010). Affiliates, however, many of which treat search engine marketing as the core of their business, are likely to be listed among the first result on search engines, and are likely to convey the exact keywords that customers search for. The websites of those affiliates feature a link to the merchant. The links can take a form of banner ads, plain hypertext links, html texts, e-mail or coupons to mention a few (Fox and Wareham, 2007). Further, Shane Lifeman (2020) prefer that blogging, YouTube and influencer are coming down with affiliate marketing to drive traffic. When content provider posts a video on YouTube channel, it means affiliate include affiliate link for relevant product or service.

According to Fiore and Collins (2001), affiliates have to sacrifice a lot of time and resources and therefore they expect a lot in return. But as he states affiliates only paid by a commission or fee from merchants for a resulting action. Further he argues that most affiliates do not participate in a merchant's program, because it doesn't give

the affiliate what they want such as be treated as a true business partner, a long-term relationship, good commission or revenue generating potential, access to the life-time value of the customer with life-time commission and so on. Brown (2009) demonstrated that instead of working on good business relationship merchants just attract poor affiliate partners because merchants just see the affiliate program as a free advertising media instead of effectively managing it. Further he found that a complicated program will just frustrate the affiliates. It is essential that affiliate have easy access to any kind of code they will need to implement the affiliate program on their web site.

Most of the affiliate programs on the web pay their affiliates once a month or once a quarter (Fiore and Collins, 2001). Most affiliate payment plans also include an initial delay before generating the first commission check. As he further elaborates on this, there are two reasons for that. First, a 30- or 60-days delay will give a company time to analyze the affiliate and to see how well an affiliate a bit later will give a company chance to solve any problem that might arise after the sales of the product. However, when the merchant decides to delay the payment or the network, this waiting time could increase very quickly. This would be troublesome for the publishers, as his cash flow is unstable and unpredictable because of this. According to Khandelwal (2017) the payment for the publishers is delayed due to the fact that the money has to be moved to and from multiple stakeholders and the payment cycle is inefficient. It is unable for the publisher to verify the rejected transaction. And there is a lack of trust between the publisher and merchant (Benediktova and Nevosad, 2008; Gregori et al., 2013). Even though the content provider does not pay money for the service, they devote part of their advertising space to the affiliate program and they loss possibility to sell their space to other parties. Therefore, there is an opportunity cost connected with every affiliate marketing provider that has to be taken into account (Hoffman and Novak, 2000). Further, Edelman and Brandi (2015) stated that content providers are unable to detect dishonest merchant.

As Gabor Olach (2010) demonstrated following are the top six problems with being an affiliate marketer.

1. Affiliate at the mercy of the product creator.
2. Affiliate cannot offer support for the buyer.
3. Affiliate cannot brand themselves as a niche expert.

4. Affiliate will not be able to develop back-end income.

5. Affiliate will not have any leverage for joint venture.

6. Affiliate will be competing with all of the other affiliate out there.

Moore and Edelman et al. (2010) described several difficulties from an affiliate perspective as irregular pay out, low commissions, difficulties and cost of generating traffic, resource demanding management of multiple affiliate programs across several merchants and inaccurate tracking.

3.3 Strategies used by content providers/affiliates for affiliate marketing success

Affiliates will look for programs that compensate them adequately for the traffic they send (Fiore and Collins, 2001). Benediktova and Nevosad (2008) elaborated on this as potential affiliate are becoming more selective about the program they choose, as every affiliate program offers its advantages and disadvantages. Brown (2009) states that affiliate sites do a lot of research before choosing an affiliate program. It is important for them to know that the program is of value to them. So, they will search for affiliate programs that see them as real business partners. Sherpa (2008) pointed out that when an individual or a firm become an affiliate, they formed an agreement with a merchant including the specification of the objectives that the merchant seek to achieve, the detailing of the commission on the basis of which the affiliate will be paid and the agreement on the content and type of promotional materials to be used by the affiliate. Jonathan S. Walker (2017) mentioned that if a person chooses to be an affiliate for a product to earn passive income, make sure the contract with merchant is clear so that no matter which form of payment is received, affiliate will actually be compensating for his or her time an effort in marketing the product. Further he stated that as the first step of becoming an online affiliate, first and foremost affiliate start reviewing the product in his or her chosen niche via YouTube, a blog or live stream.

According to Thadani (2010) affiliates are looking for affiliate programs that have a great growth potential and constantly offer fresh and new content that attract returning customers. Products and services that keep customers coming back are very motivating for affiliate partners. Goldschmidt et al., (2003) described that in affiliate-merchant relationship affiliates are concerned with choosing merchant, whose products and/or services match the needs of the affiliates' user-bases, maintaining targeted and specialized content, and placing it correctly on the website. By matching affiliates'

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communities with merchants' target audiences, affiliates become better positioned to divert more "quality" traffic to the merchants' website, something that results in purchases or other predefined actions and consequently increases affiliate marketing performance. Further, according to Fiore and Collins (2001) affiliate partners require constant communication as essential for the success of the program. Accordingly, by considering the challenges encountered by the affiliates and the strategies can be used for the success of affiliate marketing the conceptual framework of the study is presented in figure 2.
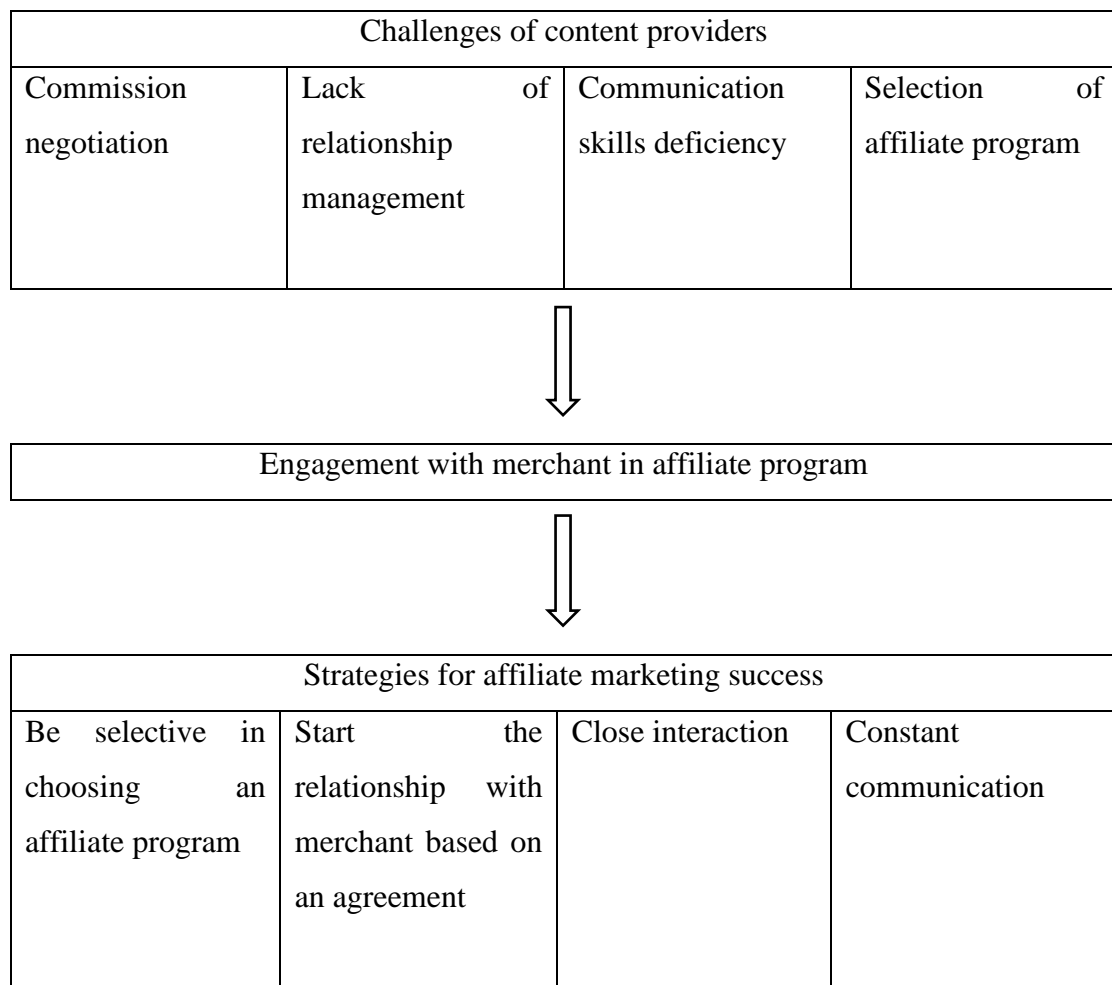
Challenges of content providers			
Commission negotiation	Lack of relationship management	Communication skills deficiency	Selection of affiliate program

Engagement with merchant in affiliate program

Strategies for affiliate marketing success			
Be selective in choosing an affiliate program	Start the relationship with merchant based on an agreement	Close interaction	Constant communication

Figure 2: Conceptual framework

(Source: Researchers' construction)

4. Methodology

Researchers adopted the qualitative method in conducting this study. Among the research approaches falling under qualitative research, the researchers used the phenomenology approach because it focuses on experiences, challenges, and strategies of content providers in affiliate marketing programs (AMP) related to the travel and tourism industry. Phenomenology is an approach to exploring people's everyday life experiences. It is used when the study is about the life experiences of a concept or phenomenon experienced by one or more individuals. A phenomenological researcher investigates subjective phenomena (Creswell, 2009).

Different text books suggest different sized samples for phenomenological research, but in reality, a sample of between 6 and 20 individuals is sufficient (Ellis, 2016). So the researchers collected data from the 8 local content providers who provide a content through their YouTube channels and social media platforms specially related to the travel and tourism industry in Sri Lanka by selecting based on the purposive sampling method.

Table 1: Respondents' profile

Respondent's name	Background information of respondent
R1	Owner of the Free traveler YouTube channel.
R2	Owner of Travel with takeshi YouTube channel.
R3	Owner of Man Saranna YouTube channel.
R4	Owner of Trip pisso YouTube channel
R5	Owner of Travel with wife Youtube channel.
R6	Owner of Gima-bro travellers Youtube channel.
R7	Owner of ape dina potha YouTube channel.
R8	Owner of Hithumathe YouTube channel

Researchers used in-depth semi-structured interviews in order to collect the data and these were recorded. The analysis of the data was completed through the generic qualitative data analysis method using NVIVO software. Firstly, the researchers transcribed the recorded interviews, and in the second stage, coding was undertaken by

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identifying the significant information of the transcripts. After that, the codes were combined into meaningful categories based on the relationship between the codes. In the final stage of data analysis, researchers constructed themes to address the research questions by linking the categories meaningfully.

5. Findings of the study

The findings of the study are presented below under the challenges of content providers and strategies used to overcome the challenges by the content providers.

5.1 Challenges of content providers

Based on the generic analysis strategy, the results of the study are generated under three themes related to the challenges of content providers and it is presented in table 2.

Table 2: Themes related to the challenges of content providers

Inadequate communication	Inadequate knowledge of merchant	Immature soft skills of merchant
	Obsolete ideas of old merchants Lack of merchant's technical knowledge Provide false information regarding hotel Unnecessarily pointing out shortcomings Lack of understanding affiliate's style Requests from Incompatible hotels Provide unnecessary information by merchant	Inability to develop closer interaction with merchant Inability to build a mutual understanding Lack of trust between merchant and affiliate

Theme 1: Inadequate communication

Much like any other business, running a successful affiliate marketing program with a merchant can be overwhelming. Because unexpected problems can crop up at any time. Communication is very important whenever work is done between two parties, as in affiliate merchant relationships also. It should be adequate in order to make the work successful. Unfortunately, inadequate communication is a common occurrence for affiliates in affiliate marketing programs.

Normally, this happens when a merchant does not like to talk with affiliates often. Merchant thinks it is a waste of time. Respondent 1 explained how inadequate communication was for her as follows.

"In addition, most of the time some of our clients or the hotel owner did not work with us in a friendly manner. It means they don't like to have close relationship. They give a little bit of support and it is not enough. Once they call and confirm the program again, they contact us only after we created the review. This is also one of the difficulties which we had face."

According to her experience, inadequate communication with merchants became a huge problem for her when running the AMP. Merchants tend to communicate only at the beginning and after editing the review video of their hotel. Usually, merchants are used to contacting the affiliate or content provider to request a review video at the beginning. After that, they never contact affiliates until the affiliate calls back to the merchant. Respondent 3 explained how inadequate communication was for her as follows.

"Most of the times small size hotels like to have a close relationship with us. Always they are staying with us till the end. Sometimes they have a life time relationship also. But when it comes to the large-scale hotel owners do not like to have a relationship. Sometimes they communicate with us very little. They only want to finish the task."

According to his experience, inadequate communication with large-scale merchants is a major problem. Large scale merchants communicate with affiliates very little. Furthermore, as he experienced, large-scale hotel owners or merchants are highly

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in demand themselves. According to him, that is the reason for this little communication. This makes affiliates very uncomfortable.

Theme 2: Inadequate knowledge of merchants

Related to AMP in the tourism and hospitality industry, hotel owners consider themselves the merchants. So, inadequate knowledge regarding the AMP is a considerable problem for affiliates. There can be merchants who belong to various age groups with different demographic characteristics. Some merchants have sufficient educational qualifications, but some merchants do not. Therefore, the merchant's knowledge level is determined based on that. There can be merchants who have outdated ideas regarding the AMP and who have unnecessary information as well as false information regarding their hotels. The audience of the affiliate will not get exposure to such old ideas. Moreover, merchants do not have enough ideas about the affiliate's unique style when they are choosing an affiliate. Respondent 3 explained how inadequate knowledge of merchants was for her as follows.

"Sometimes our clients have too much traditional and old concepts. But it does not have big audience. And also, they do not like to try out new concepts because they afraid on it. When we go there, we carry a small go pro camera and two iPhone with us. But most of the client expect large size of cameras, tripod and all for take the video. They don't have enough knowledge regarding the new technological equipment. And they think that we will not do the task right. In such kind of situation, they never ask about it directly. But they always try to imply that by less support, payment delays and all"

According to his experiences, inadequate knowledge of a merchant may be a challenge because a merchant does not have modernized ideas and concepts. They always have traditional ideas and concepts. And they are not familiar with new technology and new equipment. Also, those kinds of merchants are always unnecessarily pointing out the shortcomings of the video. Ultimately, merchants tend to reduce their support and delay the payments.

Theme 3: Immature soft skills of merchants

One of the biggest challenges affecting affiliates is the immature soft skills of merchants. The ability to build good faith, reliability, and the ability to interact with each other can be considered soft skills which everyone should have. This also applies to merchants as well. But when affiliates are working with merchants, affiliates may meet merchants who do not have properly developed soft skills. There can be a lack of trust between affiliate and merchant because merchants try to cheat on the payment structure; there is no confidence that the affiliate will fulfill the AMP well; and affiliates are unable to get the service from the hotel as the merchant said at the beginning of the AMP. In addition, the merchant's reluctance to have close interaction with an affiliate also demonstrates the immature soft skills of the merchant. Because merchants show less attentiveness to AMP and give less support.

Respondent 1 explained how challenging immature soft skills of merchant was for her as follows.

As we all know through this affiliate marketing program, we are providing a link which direct to the hotel website and any other contact details with the reviews. By clicking that link lot of travelers in Sri Lanka visit the hotel website and book the hotel. But some of our clients didn't inform about it to us or there is no any method to get to know about it through the systems. Because they think if they aware us about that they have to pay. In addition, most of the time some of our clients or the hotel owner did not work with us in a friendly manner.

According to his experiences as merchant and affiliate agreed at the beginning of AMP, the merchant needs to pay when a customer clicks the website link that the affiliate provides with the review video. But some merchants do not inform us and do not pay on click for affiliates. Merchants are very cunning in payment. So, the affiliate's trust toward the merchant is broken, and the affiliate cannot move forward with confidence. And merchants are telling lies regarding their services. So, the affiliate's trust will diminish. In addition, as an experienced merchant, he gives a little bit of support to the affiliate. It is not enough. This is a vast challenge for the affiliate.

Further, the themes generated with respect to the challenges are summarized in table 3 with their meaning and evidence.

Table 3: Summary table for the challenges of content providers

Theme	Meaning	Evidence
Inadequate communication	When merchant do not frequently communicate it is inadequate for the ultimate success of AMP. Affiliates unable to share ideas and resolve queries due to the inadequate knowledge of merchant.	"In addition, most of the time some of our clients or the hotel owner did not work with us in a friendly manner. It means they don't like to have close relationship. They give a little bit of support and it is not enough". (Respondent 1)
Inadequate knowledge of merchants	Merchants have old traditional ideas and they are not updating with new technology. So, they do not have enough ideas regarding AMP as well.	"There is a place where one of the main problems arise. It happens when both our end and our client share their ideas. When client request for a review video from us they say their requirements and we say our capabilities, capacity and our new ideas and concepts. Sometimes our clients have too much traditional and old concepts: (Respondent 3)
Immature soft skills of merchants	This because lack of trust between 2 parties, inability to develop closer interaction with merchant and inability to build mutual understanding.	"As we all know through this affiliate marketing program, we are providing a link which direct to the hotel website and any other contact details with the reviews. By clicking that link lot of travelers in Sri Lanka visit the hotel website and book the hotel.

		But some of our clients didn't inform about it to us or there is no any method to get to know about it through the systems. Because they think if they aware us about that they have to pay. (Respondent 1)

5.2 Strategies used to overcome the challenges

Based on the analysis the following themes were generated with respect to the strategies to overcome the challenges encountered by the content providers.

Table 4: Themes related to strategies used to overcome the challenges

Enhance engagement with communication	Enhance the adaptability of merchant and affiliate	Search for a real business partnership with merchant
Close engagement with merchant More engagement with merchant Frequent communication with merchant Convenient communication media usage Confirms reliability	Value merchant's idea Ask to fix service glitches Assist merchant with prompt service Lowering affiliate's standards	Select affiliate program effectively Streamline affiliates procedures Develop an agreement

Each of these themes are explained below in detail.

Theme 1: Enhance engagement with communication

Frequent communication methods like physical meetings, phone calls, email and Zoom meetings, closer interaction and confirmed reliability will lead to enhanced engagement with communication. This is one of the main strategies which affiliates can follow in order to overcome the challenges in AMP. Engagement through communication will be supportive in any business relationship. So, in AMP also all the 2 parties include merchant and affiliate need to engage with each other through communication. In addition, if the merchant closely interacts with the affiliate, the affiliate gets continuous support from the merchant and can clearly explain the program. Not only that, affiliates and merchants need to make sure that both parties trust each other. Respondent 6 explained how he used the enhanced engagement with communication as a strategy to overcome the challenges as follows.

"We engage with the merchant from the beginning because most of the times we requested from them. When merchant request for a review, when share the ideas, when a problem arise throughout the program, after finish the editing and so many other times. Actually, there are some hotel owners who keep life time relationship with us. So, we engage with them so many times."

As he experienced, he has tried this enhanced engagement with communication strategy in practice by following several ways. Closely associated with merchants helps a lot in overcoming the challenges. Affiliates engage with the merchant and always have discussions with him. Respondent 3 explained how he used the enhanced engagement with communication as a strategy to overcome the challenges as follows.

"We try to have a physical meeting with the merchant after we plan the program according to their requirements. In that meeting we discuss so many things include how the task is going, what kind of problems can arise, how we can solve those problems, payment details and so many things. Finally come up with one opinion to overcome the problems."

As he experienced, close interaction can be a good method to enhance engagement with a merchant. Because by following this with merchant affiliate, have been able to overcome a lot of challenges. In particular, affiliates can have a physical meeting in order to maintain closer interaction.

Theme 2: Enhance the adaptability of merchant and affiliate

In order to overcome the challenges of affiliates and content providers, merchants and affiliates can adopt themselves to make their AMP successful. Therefore, as a strategy, enhancing the adaptability of merchants and affiliates has a significant impact on overcoming the challenges. When taken from the affiliate's end, affiliates need to be motivated to value the merchant's ideas and requirements, need to assist the merchant with prompt service, need to reduce the standard levels of merchant or ask to fix the merchant/hotel owner's hotel service glitches. Affiliate can enhance the adaptability by value merchant's ideas as well. As respondent 3 contended that "we ask how their affiliate program should be. It means we ask how the content we should provide. Based on their requirement we edit the video and before finalize it we show it to our clients. And always we value them. In addition, we keep their ideas and requirement first."

Theme 3: Search for real business partnership with merchant

As one of the best strategies, searching for real business partnerships with merchants plays a significant role in overcoming the challenges in every partnership. In an affiliate-merchant relationship, affiliates always search for a real business partnership with a merchant by selecting the AMP of the merchant effectively, developing an agreement on the content, and streamlining the affiliate procedures. As respondent 7 contended "Most of the time we go to the hotel before we do the review and check whether the information that they gave us is correct or not. And also, we look at the reviews of their website or else we ask from another person who went there before. And we make a plan by considering our client's requirements and new ideas and concepts. Before do the payment we put some posts regarding their upcoming video. After they pay the full payment, we publish their video through our YouTube channel and do the promotion on our social media pages as well".

These three themes generated as the strategies to overcome the challenges are explained with their meaning and associated evidence as depicted in table 5.

Table 5: Summary table for strategies to overcome the challenges

Theme	Meaning	Evidence
Enhance engagement with communication	This is one of the best strategies to overcome the challenges of content providers/ affiliates. When there is a two party in a business relationship it is better to engage both parties with good communication. In AMP also merchant and affiliate can engage through frequent communication via convenient media and closer interaction. Also, reliability will enhance the engagement. By following this strategy affiliates can run the merchant's AMP smoothly without facing any difficulties.	"We engage with the merchant from the beginning because most of the times we requested from them. When merchant request for a review, when share the ideas, when a problem arise throughout the program, after finish the editing and so many other times. Actually, there are some hotel owners who keep life time relationship with us. So, we engage with them so many times." (Respondent 6)
Enhance the adaptability of merchant and affiliate	In AMP there are affiliates/ content providers and merchants. Those two parties different to each other. So, in order overcome the challenges of content providers/ affiliates both affiliates and merchants have to adapt their selves in order to match with each other's behavior. Sometimes affiliates have to reduce their standard level when accepting the merchant's request and sometimes merchants have to make their service up to the	"As I said earlier, we are working with small, medium and large scale of merchants/hotel owners. So normally we come up with a written agreement with middle and large-scale hotel owners. However how it happens is after they request from us, we ask how their affiliate program should be. It means we ask how the content we should provide. Based on their requirement we edit the video and before finalize it we show it to our clients. And always we value

	standard level. Also affiliates have to keep the merchant's ideas first because they are customers of affiliates. Then problems are less likely to occur.	them. In addition, we keep their ideas and requirement first." "Sometimes their service is not up to the standards which we consider. And their support to make their affiliate program is also less. In such kind of situation, we try to reject their request. But we do not reject it all at once. Initially we talk with them and let them know that there is having a problem with their service. And we ask to change their service by taking time." (Respondent 3)
Search for a real business partnership with merchant	This is one of the important strategies which affiliates follow to overcome the challenges of them. Having a real business partnership is better to make a successful AMP. So, affiliates check the service of merchant according to their standards, always streamline affiliates policies and complete the AMP based on a pre-developed plan.	"Most of the time we go to the hotel before we do the review and check whether the information that they gave us is correct or not. And also, we look at the reviews of their website or else we ask from another person who went there before. Then we can get an idea about whether the information regarding their service that they give is true or false. " (Respondent 7) "Sometimes hotel owners or the merchants request from us and sometime we ask to join with their affiliate program. In both two situations we consider some criteria regarding their service,

		location, beauty, cleanliness, food, kitchen, transport facilities to the hotel, the place that they gave for the Sri Lankan ways, whether we can work easily with client and so many things. For all these things we have some standards and the hotels should be up to the standards. If it is up to the expected level definitely, we select it." (Respondent 8)

6. Discussion of the findings

The aim of this research question is to explore the challenges encountered by content providers in working with clients in affiliate marketing related to the Sri Lankan travel and tourism industry. The study has identified the main three themes as inadequate communication, inadequate knowledge of the merchant, and immature soft skills of the merchant. Inadequate communication can be a major issue if there is an absence of information. In the second theme, there can be merchants who do not have proper knowledge regarding the AMP since some of them are old and also have outdated ideas. Therefore, both the two themes are novel findings. The last theme, immature soft skills of merchants, includes the lack of trust between affiliate and merchant, cheating on payments, less attentiveness, and less support from merchants. Particularly, the lack of trust is in line with the findings of Benediktova and Nevosad (2008) and Gregori et al. (2013).

Moreover, this study explores the strategies used by content providers to overcome the challenges. Accordingly, the study has identified the main three themes under the strategies namely, enhance engagement with communication, enhance the adoptability of merchant and search for a real business partnership with merchant. As researchers identified frequent communication through convenient communication

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methods, close interaction and confirmed reliability will lead to enhanced engagement with communication. Fiore and Collins (2001) stated that affiliate partners require constant communication as essential for the success of the program. The second theme, enhanced adoptability, is one of the novel findings. As per the third theme, content providers use AMP to effectively search for a genuine business partnership with a merchant. These research study findings are in line with the Benediktova and Nevosad (2008) conceptual study, which revealed that affiliates are becoming more selective about the program they choose, as every affiliate program offers its advantages and disadvantages.

7. Conclusion and Implications

Findings from this study emphasized that inadequate communication, inadequate knowledge of merchants, and immature soft skills of merchants can be seen as the major challenges for affiliates in AMP. Since the area of affiliate marketing is emerging at the moment these major challenges encountered by the affiliates need to be lessened in order to strengthen this new mode of marketing. Since the communication has a significant impact on every business relationship, inadequate communication become as a huge challenge for content providers in working with merchants for an AMP. Particularly, if the communication is not sufficient it is really difficult to share ideas and information regarding the AMP between content providers and merchants. Hence, merchants are required to provide the necessary information in the outset of their partnership with the affiliate.

Affiliate marketing is identified as a cost effective method to promote the products and services. Therefore, this becomes very important in looking at the current travel and tourism industry in Sri Lanka where almost all the hoteliers and tourism entrepreneurs are experiencing the challenges of economic crisis in the country. Hence, it is needed to enhance the effectiveness of affiliate marketing as a feasible method to reach the travelers at the moment. Moreover, as per the challenges and the strategies emerged in the findings it is important to adopt the practice of partner marketing where each party has to closely understand the other party to be successful in the overall marketing effort of the organization. Also, the merchants need to select the affiliates

who are exactly fitting with their requirements and by which the challenges found in this study can be lessened to a greater extent to have a successful affiliate marketing practice. This also highlights the significance of undertaking some future research in the area of partner marketing between the merchants and affiliates. Particularly, more in-depth research will be required as to how rewarding partnerships can be developed between merchants and affiliates in affiliate marketing. Further, the findings implies that merchants may over manage the affiliates which is not preferred by the affiliates since they are already good at what they do. Therefore, merchants have to sustain the momentum of affiliates who are mostly innovative and creative in their content development. The sustenance of the correct level of engagement between the merchant and affiliate may result in the generation of powerful and actionable content to have a greater success through affiliate marketing.

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