

Perceived Influence of E- Marketing on Products Distribution and Profitability of Retail Firms in Lagos Nigeria

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Abstract

*The study examined the perceived influence of e-marketing on product distribution and profitability of retail firms. The study employed the descriptive survey design. Two research questions guided the study and two hypotheses were tested using the independent t- test at 0.5 level of significance. The population of the study was 480 retail firms' customers, ten experienced and ten inexperienced retail firms' managers. Purposive sampling technique was used to draw 10 key informants who were used as initial samples. This was used because the researcher is aware of the fact that the initial samples have adequate knowledge of the subject matter. This referral (snowball) sampling was used to generate additional 470 respondents bringing the final sample to 480 respondent (Customers) and 20 managers. The main instrument for data collection was a four point rating scale questionnaire with 18 items. The data collected were analysed using mean and standard deviation to answer the two research questions and determine the homogeneity or otherwise of the respondents while the independent t-test was used to test the hypotheses. The findings revealed that affiliate marketing influenced retail firms' product distribution and also increased their profitability level. It was concluded that the use of affiliate marketing will increase retail firms' brand awareness. Based on the findings and conclusion of the study, it was recommended among **others** that retail firms managers should extensively utilize affiliate marketing in their businesses to enable them effectively distribute their products to a wider market and attract customers all over the globe. It was also recommendation that retail firms' managers should fully engage the services of affiliates to market their products to enable them reduce cost of marketing and also to increase their sales turnover.*

Keywords: Technology, Affiliate Marketing, Product Distribution, Profitability

Introduction

Technology has made the world a global village. People all over the world both the young and the old utilize the internet to seek for information about education, business, health, pleasure and so on. The vast growth of technology and increase in the use of social media by many people all over the globe has made marketing and distribution of products easy for retail firms. They can reach out to many customers all over the world right from their offices or homes through social

media, Also, consumers are finding it less stress and more convenient for them to get information about product and also purchase them. On-line retail in Nigeria is on a fast increase, almost all retail firms now market their products online and they are also marketing their products through affiliates to increase their sales.

Affiliate marketing is a performance-based marketing in which a business rewards affiliates for each customer brought by the affiliates. It is an advertising model in which a company pays others like bloggers to advertise their products and services and generate sales. Affiliate marketing involves referring a product or services by sharing it on a blog, social media platforms, prod cast, or website. The affiliate earns a commission each time someone makes a purchase through the unique link associated with their recommendation. Affiliate marketing is a type of e-marketing that enables retail firms to reach out to numerous customers all over the globe and increase their sales turnover.

Distribution is the process of making a product or service available for use by a consumer or business user, using direct or indirect means with intermediaries. It is the movement of goods and services from the source through distributions channel, right up to the final customer, consumer or user, and the movement of payment in the opposite direction, right up to the original producer or supplier. Distribution channel consists of a group of individuals or organizations that assist in getting the products to the right place at the right time.

Profitability is a concept that has received serious attention all over the globe, this is because the growth and development of any profit-oriented business enterprise depend on its ability to remain profitable at all times, even in the period of the visible current financial crush of the world economy. Siyanbola and Raji, (2013) stated that profitability has attracted considerable importance on finance and accounting literature. Profitability is the ability to earn a profit after deducting cost incurred. The better working capital is managed, the higher the profitability of a firm. Profitability has been further expressed as a price-earnings ratio which measures income and expenses.

Affiliate marketing can be described as a process, by which an affiliate earns a commission for marketing advertiser's products (Enfroy, 2019) Affiliate marketing spreads the responsibilities of marketing to affiliates for a more effective marketing strategy and it is a cost-effective digital marketing solution, as the affiliate only gets paid from successful sales or desired actions taken by the consumer. (Success Harbor, 2018). Affiliate marketing is performance based, affiliates would make sure they use different digital marketing possibilities to maximize their advertising process. Affiliate marketing is a perspective strategy of internet marketing and e-commerce, which lies in the shift of responsibility for sale onto a third party in particular, on client who are rewarded commission after convincing other clients to purchase products offered by a sponsor (Grzegorz and Mchal, 2014). Jessica (2014) opined that affiliate marketing is a system of advertising in which site A agrees to feature buttons from site B, and site A gets a commission on any sales, clicks or lead generated for site B.

Affiliate marketing is used as a way to attract attention to a business or

provide an incentive for a customer to take a desired action. 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 (Chris, 2018). An affiliate marketing platform connects an e-commerce site of a merchant (called an advertiser in affiliate marketing), with a network of affiliates (Bede and Anuradha, 2015). Affiliate marketing is an extension of the traditional marketing mix when applied to selling products and services on the internet (Mathew, 2017) While often confused with display advertising, affiliate marketing is not just display advertising with banner advertisements. In fact, most affiliates get less than 10% of their sales from display advertising (Lee, 2016).

Affiliate marketing is not new neither is it only web-based practice. Affiliate marketing became used by many businesses only after the internet was made available to the public. Offline affiliations have been in operation before the invention of the internet and still existing. Amazon affiliate programmes are considered to be one of the best affiliate marketing examples, as Amazon successfully invites thousands of affiliates to promote and sell Amazon's offerings, equips affiliates with linking tools (e.g., texts, images, banners, shopping carts) which can be integrated on affiliates' websites, and pays affiliates up to 10% of every purchase they generate (Amazon, 2013). Similar to Amazon affiliate network, eBay Partner Network encourages affiliates to drive traffic to eBay website and rewards its affiliates for both referrals and sales (eBay, 2013).

The most common way of distributing in affiliate marketing is through integrated booking engines or search boxes, which permit affiliates to market merchant's products on their websites without customer going to the merchant's website. Affiliate Window offers tracking solutions, technical support, partial and full programme management and “data-driven” strategy whilst Commission Junction provides merchants and affiliates with “the access, infrastructure and expertise they need to engage consumers with compelling and relevant performance-based offers”. Affiliate marketing performance is highly contextual. What constitutes high affiliate marketing performance varies depending on the objectives that organisations pursue, when engaging in affiliate marketing. By setting affiliate marketing objectives, marketers create a certain expectation to the performance they aim to reach by means of affiliate marketing. To measure whether the expectations are achieved, they later employ the set objectives as benchmarks and weight affiliate related outcomes and accomplishments against those.

Affiliate marketing is about relationships between four different parties that are involved; the merchant, the affiliate, the affiliate network, and the consumer (Patel, 2019). The merchant is the party that creates the products or service. The merchant can be from a single individual to a big company. The only requirement to be a merchant is that you must have a product or service to sell. The affiliate like merchants can also range from single individuals to big companies. The affiliate promotes the merchant's products or services in exchange for a commission for every

successful sale, lead or a click. The affiliate networks work as an intermediary between the merchant and the affiliate. They provide a platform to track the performance of the affiliate and allow the affiliate to find and participate in affiliate programs that are suitable for their website. The affiliate networks also allow merchants to reach a bigger affiliate audience. Lastly, the customer is the last party involved in affiliate marketing consumer buys the product or service by first getting tracked by the affiliate links provided by the affiliate.

An affiliate marketing platform connects an e-commerce site of a merchant (called an advertiser in affiliate marketing), with a network of affiliates (Bede and Anuradha, 2015). Affiliates are third-party, independent websites, such as travel blogs, information pages on diverse subjects and interest groups and so on, who are willing to display advertisement links of different advertisers for a monetary gain. Affiliate marketing is an extension of the traditional marketing mix when applied to selling products and services on the internet (Mathew, 2017). Affiliate marketing is a system of internet marketing that involves two parties, an affiliate and a merchant. An affiliate is a website owner who sells another's products or services on his website. Simply put, the affiliate is the middle-man between online shoppers and the merchant's products (Bitochon 2016). The affiliate advertises for the merchant either with banner advertisements displayed on his website, or with redirecting links, or even promotional text and information about the product.

The distribution channel is a collection of interdependent businesses and individuals through which manufacturing enterprises sell products to end consumers. In other words, the distribution channel is a relational system of a group of organizations and individuals involved in the process of bringing goods from producers to final consumers. Distribution experience and competency in distribution management is one of the criteria that is taken into consideration and mostly used by the manufactures during selection of proper distribution channels (Saremi& Zadeh, 2014). Many manufacturers believe it to be worthwhile to evaluate distribution channel members' sales capabilities more directly by appraising their sales people (Hamid & Seydeh, 2014).

With the popularity of the Internet, many suppliers sell products directly online. Contrastingly, the introduction of an internet channel may also have unintended negative effects for firms that fail to adjust their overall channel design to accommodate the new direct channel. Despite these negative effects, integrating digital tools and technologies into existing business models and adopting current business models to new technologies are the most important strategies to address the challenges of the popularity of digital tools and technologies threatening existing business models (Leeflang et al. 2014). Profitability is the most important principle of commerce Mousavi-Khaneghah (2013). Managers, investors, and financial analysts apply profit as an index for evaluating management effectiveness and for decision making. Financial and manufacturing programs, activities, and decisions are reflected in a firm's profitability (Dehghan, Ghafoorifard, Shamsi,

&SeyedHeydari, 2015). Sales through e-Commerce are conducted over communication networks using computers, laptops, tablets, and mobile phones, and are comprised of online retail and online marketplace (Mousavi-Khaneghah et al., 2013).

In business competitive environment, delivering quality goods/services is the clue for sustainable competitive advantage. Hence, it is one of the best studied areas in marketing, because it has become a principal factor in achieving organizational goals, and is considered a baseline standard of performance and a possible standard of excellence for any organization.

Statement of the Problem

In the world of business today, it is observed that, electronic method of buying and selling comes with lots of convenience and saves business men and women a lot of problems. Yet, the expected geometric growth of the new technology is being bogged down by a combination of factors. One of the major challenges Nigerian online retail firms is tackling with low internet connection of social media marketing. Users get bored when they repeatedly download applications in a large website. Secondly, lack of a good security platform for conducting e-business in the country which exposes organizations in the e-marketing sector to avoidable loses which significantly affect the declared profits of firms. The specific benefits inherent in affiliate marketing also pose risks with regards to privacy and security of personal information. Development of regulations for online marketing policy is not really in place because of technological development.

Despite the benefits of affiliate marketing, overcoming trust issues with regards to security is a major obstacle in selling and buying online. Marketers that deliver goods to their customers at home are at the risk of insecurity, same goes to the customers, bringing someone they do not know into their houses could be very huge risk. Many marketers and customers have fallen victim of kidnappers and murderers through buying and delivering of goods and services online. Spamming is also one of the biggest challenges of social media marketing through which confidential data can be easily stolen by hackers. Many accounts of the people have been defrauded by hackers through online marketing and many customers feel uncomfortable with the idea of conducting e-commerce and sharing personal information through wireless and hand-held devices. High cost of shipping goods to and from Nigeria and unreliable distribution and delivering processes are also major issues with online retail in Nigeria. It is observed that the perceived risk in E- commerce has a negative effect on buying and selling products online.

With the enthusiasm customers have towards affiliate marketing, there is a need to build customers' confidence in buying products on social media. Otherwise, the confidence of customers may be eroded. It is rational to say that customers are not satisfied with buying products/receiving services through affiliates and profitability of retail firms in Lagos state is declining but the extent to which products

distribution and profitability of retail firms in Lagos state are affected by network availability, security, efficiency, privacy and value of products and services need to be investigated, hence the need for this study.

Purpose of the Study

The main purpose of the study was to determine the perceived influence of affiliate marketing on products distribution and profitability of retail firms in Lagos State. Specifically, the study seeks to:

1. Examine perceived influence of affiliate marketing on product distribution of retail firms.
2. Determine perceived influence of affiliate marketing on profitability of retail firms.

Research Questions

The following research questions were raised and answered in the course of the study:

1. To what extent does affiliate marketing influence product distribution of retail firms?
2. To what extent does affiliate marketing influence profitability of retail firms?

Research Hypotheses

The following research hypotheses were formulated and tested at 0.5 level of significance

- H₀₁: There is no significant difference between the mean responses of retail firms' managers and customers on the extent of the influence of affiliate marketing on product distribution of retail firms.
- H₀₂: There is no significant difference between mean responses of experienced and inexperienced retail firms' managers on the extent of the influence of affiliate marketing on profitability of retail firms.

Methodology

This study used the descriptive survey design with 10 experienced retail firms' managers, 10 inexperienced retail firms' managers and 480 customers who are residents in Lagos State. The population of the study comprised retail firms' managers and customers which include government officials, business men/women, civil servants, students and others who patronize retail firms in Lagos State, Nigeria. It is of importance to note that getting a definite sample is not feasible from this population largely because of the difficulty in obtaining sampling. Population at this point is referred to as infinite. The justification for selecting this population by the researcher was based on the fact that the respondents possess sincere knowledge of the subject under discussion. Purposive sampling technique was used to draw 10 key informants who were used as initial samples. This was used because the researcher is

aware of the fact that the initial samples have adequate knowledge of the subject matter. Using the chain referral and respondent driven mechanism, the key informants or referral will recommend other respondents who by their assessment are knowledgeable of the subject matter. This referral (snowball) sampling was used to generate additional 470 respondents bringing the final sample to 480 respondents.

The questionnaire consisted of 18 items based on the purpose of the study and the research question. The instrument was validated by three experts made up of two senior lecturers and a Professor from the Department of Business and Entrepreneurship Education, Faculty of Education, Kwara State University, Malete. A pilot study was conducted in Ogun State using 20 retail firms' customers and five managers. The results from the customers and managers were correlated to find the coefficient result in determining the reliability of the instrument. Cronbach Alpha was used to determine the reliability of the which yielded a reliability coefficient of 0.81. The items of the research questions were placed on modified four-point Likert scale of Very High Extent (VHE), High Extent (HE), Low Extent (LE), and Very Low Extent (VLE). The scales were scored with 4 points, 3 points, 2 points, and 1 point respectively. Mean and standard deviation were used to analyze data collected to answer the research questions and an independent sample t-test statistic was employed to test the hypotheses formulated at the 0.05 significance level. Positive decision rule for this study was established at a mean of 2.50 and above while less any mean less than that was regarded as negative. Hypothesis of no significant difference was accepted when the observed probability value was greater than or equal to 0.05 level of significance. Where the calculated probability value was less than 0.05 level of significance, the null hypothesis was rejected.

Research Question 1: To what extent does affiliate marketing influence product distribution of retail firms?

Table 1: Mean and standard deviation of responses on the extent affiliate marketing influence product distribution of retail firms

S/N	Item Statements	\bar{X}	SD	Remark
1.	Affiliate marketing gives customers opportunity to have quick access to variety of products	2.18	0.98	Low extent
2.	Buying products through affiliate marketing makes it easy for customers to compare price of products in different retail firms	3.13	0.62	High extent
3.	The speed of purchasing and delivering products through affiliate marketing is commendable because it enables customers get quick access to retails website.	3.20	0.60	High extent
4.	It is easy to get information about products through affiliate marketing	3.32	0.59	High extent
5.	Affiliate marketing makes it easy for customers to buy products	3.26	0.63	High extent

6.	Buying products through affiliate marketing reduces cost and stress	2.90	0.75	High extent
7.	The speed of delivery of product by retail firms is commendable	3.09	0.65	High extent
8.	Retail firms' product delivery process is reliable	3.03	0.62	High extent
9.	Delivering of products by retail firms is safe	2.96	0.66	High extent
10.	Products delivered are always the same as products purchased	2.71	0.74	High extent
11.	The distributors are always of good behaviour	2.94	0.69	High extent
	Weighted average	2.97	0.68	High extent

Source: Field Survey, 2023

The data in Table 1 shows the mean and standard deviation of responses on the extent to which affiliate marketing influence product distribution of retail firms. The table reveals that the respondents indicates that buying products through affiliate marketing makes it easy for customers to compare price of products in different retail firms to high extent, same way the speed of purchasing and delivering products through affiliate marketing is commendable because it enables customers get quick access to retails' website to high extent and It is easy to get information about products through affiliate marketing to high extent. These were supported by mean scores of 3.13, 3.20 and 3.32. The respondents also indicate that affiliate marketing makes it easy to high extent for customers to buy products, and buying products through affiliate marketing reduces cost and stress to high extent, same way the speed of delivery of product by retail firms is commendable to high extent. These were also supported by mean scores of 3.26, 2.90 and 3.09. In addition, the respondents indicate that retail firms' product delivery process is reliable to high extent and the delivering of products by retail firms is safe to high extent, same way products delivered to high extent are always the same as products purchased and the distributors are always of good behaviour to high extent. These were supported by mean scores of 3.03, 2.96, 2.71 and 2.94. Though the respondents also indicate that affiliate marketing gives customers opportunity to have quick access to variety of products to low extent with mean score of 2.18. All the 11 item constructs have standard deviation ranging from 0.59 to 0.98. This means that the responses of the respondents are not widely spread as they are close to their respective mean scores. The table has a calculated weighted average mean and standard deviation score of 2.97 and 0.68 respectively which means that the respondents indicated high extent for all the constructs. This implies that affiliate marketing positively influenced product distribution of retail firms to high extent (mean = 2.97, SD = 0.68).

Research Question 2: To what extent does affiliate marketing influence profitability of retail firms?

Table 2: Mean and standard deviation of responses on the extent affiliate marketing influence profitability of retail firms

S/N	Item Statements	\bar{X}	SD	Remark
1.	Affiliate marketing improves retail firms' sales	3.14	0.70	High extent
2.	Marketing products through affiliates is expensive	2.77	0.76	High extent
3.	The use of affiliates increases retail firms' sales turnover	3.16	0.60	High extent
4.	Product delivery process used by retail firms is less expensive and reduces the cost of delivery	2.73	0.76	High extent
5.	Marketing products online improves firms' profitability	3.21	0.63	High extent
6.	Nigeria's business environment is favourably to retail firms	2.73	0.76	High extent
7.	Getting feedback from customers can help to improve firm's productivity which can lead to profitability	3.54	0.62	High extent
Weighted average		3.04	0.69	High extent

Source: Field Survey, 2023

The data in Table 2 shows the mean and standard deviation of responses on the extent to which affiliate marketing influence profitability of retail firms. The table reveals that the respondents indicates that affiliate marketing improves retail firms' sales to high extent but marketing products through affiliates is expensive to high extent, though the use of affiliates increases retail firms' sales turnover to high extent. These were supported by mean scores of 3.14, 2.77 and 3.16. The respondents also indicate that product delivery process used by retail firms is less expensive and reduces the cost of delivery to high extent, same way marketing products online improves firms' profitability to high extent and Nigeria's business environment is favourably to retail firms to high extent as well as getting feedback from customers can help to improve firm's productivity which can lead to profitability to high extent. These were also supported by mean scores of 3.73, 3.21, 2.73 and 3.54. All the seven item constructs have standard deviation ranging from 0.60 to 0.76. This means that the responses of the respondents are not widely spread as they are close to their respective mean scores. The table has a calculated weighted average mean and standard deviation score of 3.04 and 0.69 respectively which means that the respondents indicated high extent for all the constructs. This implies that affiliate marketing positively influenced the profitability of retail firms to high extent (mean = 3.04, SD = 0.69).

Research Question 3: To what extent does affiliate marketing influence customer satisfaction of retail firms?

H₀₁: There is no significant difference between the mean responses of retail firms' managers and customers on the extent of the influence of affiliate marketing on product distribution of retail firms.

Table 3: Summary of t-test of the difference regarding product distribution.

Group	N	Mean	SD	t-cal	Df	p-value	Decision
Managers	20	2.74	0.35				
				3.098	498	0.002	H ₀₁ Rejected
Customers	480	2.99	0.35				

Source: Field survey, 2023 P<0.05

The data in Table 3 reveals that there are 20 retail firms' managers and 480 retail firms' customers. The responses of the managers and customers indicated that retail firms' customers had higher mean score (x = 2.99; SD = 0.35) retail firms' managers (x = 2.74; SD = 0.35). Their responses are close to the mean as the standard deviations are very low. The table revealed that there was significant difference in the mean rating of retail firms' managers and customers regarding the extent affiliate marketing influence product distribution of retail firms ($t_{498} = 3.098, P < 0.05$). Therefore, the null hypothesis that states that there is no significant difference between the mean responses of retail firms' managers and customers on the extent of the influence of affiliate marketing on product distribution of retail firms was rejected. This implied that retail firms' managers and customers differ in their responses regarding the influence of affiliate marketing on product distribution of retail firms.

H₀₂: There is no significant difference between mean responses of experienced and inexperienced retail firms' managers on the extent of the influence of affiliate marketing on profitability of retail firms.

Table 4: Summary of t-test of the difference regarding profitability.

Group	N	Mean	SD	t-cal	Df	p-value	Decision
Experienced	10	2.86	0.22				
				1.524	18	0.145	H ₀₂ Not Rejected
Inexperienced	10	2.70	0.24				

Source: Field survey, 2023 P>0.05

The data in Table 4 reveals that there are 10 experienced retail firms' managers and 10 inexperienced retail firms' managers. Both experience and inexperienced retail firms' managers responses indicated that affiliate marketing positively influenced profitability of retail firms (x = 2.86; SD = 0.22) and (x = 2.70; SD = 0.24). Their responses are close to the mean as the standard deviations are very low. The table revealed that there was no significant difference in the mean rating of experienced and inexperienced retail firms' managers regarding the extent affiliate

marketing influence profitability of retail firms ($t_{18} = 1.524, P > 0.05$). Therefore, the null hypothesis that states that there is no significant difference between the mean responses of experienced and inexperienced retail firms' managers on the extent of the influence of affiliate marketing on profitability of retail firms was not rejected. This implied that both experienced and inexperienced retail firms' managers did not differ in their responses regarding the influence of affiliate marketing on profitability of retail firms.

Discussion of Findings

The findings concerning research question one, and hypothesis one revealed that retail firms' managers and customers in Lagos State Nigeria rated the extent of the influence of affiliate marketing on products distribution of retail firms to be highly influenced. The findings also revealed that there was significant difference between the mean rating of retail firms' managers and customers regarding the extent affiliate marketing influence product distribution of retail firms which shows that retail firms' customers had higher mean than retail firms' managers. Therefore, the null hypothesis that states that there is no significant difference between the mean responses of retail firms' managers and customers on the extent of the influence of affiliate marketing on product distribution of retail firms was rejected. This implies that retail firms extensively inculcate affiliates into their businesses will yield more product distribution and enable the firms to reach wider market. These findings corroborate that of Bitochon (2016) who stated that an affiliate is the middle-man between online shoppers and the merchant's products. Affiliates display firms' products on their network for consumers to have access to and earn a commission for every sale. This also corroborated with (Affiliate Marketing Hand book 2016) which stated that affiliates provide a diverse reach at different touch points across all the different stages of the purchase funnel. Affiliate marketing enables retail firms to effectively market and distribute their products with low budgets low effort and time.

The findings of research question two, and hypothesis two revealed that both experience and inexperienced retail firms' managers in Lagos State agreed that affiliate marketing positively influenced profitability of retail firms. The findings also revealed that there was no significant difference in the mean rating of experienced and inexperienced retail firms' managers regarding the extent affiliate marketing influence profitability of retail firms. Therefore, the null hypothesis that states that there is no significant difference between the mean responses of experienced and inexperienced retail firms' managers on the extent of the influence of affiliate marketing on profitability of retail firms was not rejected. This implied that both experienced and inexperienced retail firms' managers did not differ in their responses regarding the influence of affiliate marketing on profitability of retail firms. This shows that the use of affiliates in marketing retail firms' products will increase sales turnover of the firms.

These findings corroborate that of Harbor (2018) who affirmed that affiliate marketing spreads the responsibilities of marketing to affiliates for a more effective marketing strategy and it is a cost-effective digital marketing solution, as the affiliate only gets paid from successful sales or desired actions taken by the consumer. Affiliate marketing helps retail firms' products with low cost and minimizes their operational cost. Affiliate marketing makes cost easy to manage and does not interrupt firm's flow and has high return on investment Niraj and Rao (2015) corroborated this when they remarked that leveraging different online and mobile channels enables sellers to capture a wider set of potential customers in the domestic and foreign market, which affects profitability level. Retail firms must effectively utilize affiliates to increase their sales and improves their profitability level.

Conclusion

Based on the findings of the study, it was concluded that social media and technology are the keys driver of change in retail business and have increased the efficiency of on-line business. Retail firms must not rely on their traditional ways of distributing their products but must embrace and use affiliates marketing to make their products reach out to people all over the globe. The use of affiliates to market products will increase retail firms' sales turnover which will lead to increase in the firms' profitability and also help to satisfy the firms' customers. Based on the findings from the analyses, it is evident that affiliate marketing positively influenced products distribution and profitability of retail firms and this will help many retail firms to embrace e- commerce rather than sticking only to the traditional method of doing business. It will increase retail firms brand awareness and enable them to reach out to numerous customers all over the globe. This will increase retail firms' sales turn over. The use of affiliates will reduce retail firms cost of advertising their products and that will increase the profitability level of retail firms. The study implies that if retail firms do not use affiliates to market their products so that they can reach out to customers all over the globe, their brands will just be known locally and their sales will be reduced. Retail firms will spend lots of money on advertising their products which will reduce the profitability level of the firms.

Recommendations

Based on the findings and conclusion of study, the following recommendations were made.

1. Retail firms' managers should extensively utilize affiliate marketing in their businesses to enable them effectively distribute their products to a wider market and attract customers all over the globe.
2. Retail firms' managers should fully engage the services of affiliates to market their products to enable them reduce cost of marketing and also to increase their sales turnover.

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