Social Media and Affiliate Marketing: Drivers of E-Commerce Engagement Among Urban Consumers in Nepal

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ABSTRACT

With the rapid growth of online retailing, it is vital to understand why individuals engage with e-commerce sites. This study explores social media marketing (SMM) and affiliate marketing (AM) strategies and their effect on consumer buying behaviour in urban Nepal. A quantitative approach was used and primary data was collected from 300 consumers actively engaging in online shopping in the Kathmandu valley using a structured questionnaire. Data was analysed using SPSS and descriptive statistics, Cronbach's Alpha, Pearson's correlation and Chi-squared. The results demonstrate a positive relationship between social media marketing ($r=.345$ $p<.001$ $\chi 2 = 231.653$) and affiliate marketing ($r=.323$ $p<.001$ $\chi 2= 381.387$) and consumer buying behaviour. Descriptive statistics showed that consumers engage highly with social media platforms ($M = 4.317$), compare products ($M = 4.173$), however they are concerned about the security of their purchases. This paper discusses ways to improve consumer trust on digital platforms and how to utilise the credibility of influencers.

Keywords: Social media marketing, Affiliate marketing, Influencers, E-commerce, Consumer engagement, Urban Nepal.

INTRODUCTION

Due to the increase in popularity of social media platforms (Facebook, Instagram, YouTube, Tik Tok) and digital content creators, consumer buying behaviours have changed. Consumers today are influenced by recommendations, social media and influencer content. In Nepal, online shopping sites (Daraz and Sastodeal) have utilised social media and referrals to drive engagement. However, online shopping in emerging markets often pose problems for consumers due to security concerns. Previous research has discussed the move to digital but there is still limited research on how consumers engage with social media marketing and affiliate marketing to create positive buying behaviour. This study provides insight into how these two strategies affect urban consumers such as those in the Kathmandu valley.

LITERATURE REVIEW

This study utilised theories of interactive digital content, brand equity and technology acceptance.

2.1 Theory: Brand Equity & Consumers

Kotler and Armstrong (2018) (Chaffey & Ellis-Chadwick, 2019) show that the way consumers make their choices has become much more interactive. This means they can easily move between researching, comparing and buying products through digital media.

Aaker (1991, 1996) shows that purchase intent is heavily predicted by perceptions of quality, brand awareness and brand associations. Third party recommendations help to build a positive brand image through digital recommendations.

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Technology Acceptance Model (TAM) & Perceptions of Risk: Davis (1989) and Gefen et al (2003) show that online consumers will be influenced by their Perceived Usefulness (easy to find and compare information) and Perceived Risk (concerns about security). To gain continuous engagement, systems must be useful and reduce perceived risk.

2.2 Social Media Marketing (SMM)

Social media can be used as interactive research tools. Consumers interact with brands, compare products and share their experiences. (Kaplan & Haenlein, 2010) (Kaushik & Prativindhya, 2019). This has been shown in various studies in South Asia where consumers often compare products (Goplani et al., 2020) (Yadav et al., 2024) however they do have concerns about online security.

2.3 Affiliate Marketing (AM)

Affiliate marketing is a performance based strategy where third-party publishers (Bloggers, Niche Content Creators) earn commission by driving buyers to their e-commerce site. (Duffy, 2005). Due to banner blindness and negative views towards company advertising, micro-influencers and Key Opinion Leaders (KOL) help to create trust in consumers through video reviews and referral links. (Audrezet et al., 2020) (Karna, 2025).

2.4 Literature Review of Nepalese Consumers

Studies have shown that there is a large shift from traditional media to interactive screens. (Thapa, 2015) (Thapa, 2023). Urban consumers have a strong psychological preference for dynamic visuals and recommendations from others. However, recent studies have shown that there are barriers to e-commerce such as verifying vendors, unverified payment gateways and lack of consumer protections in major urban areas such as Kathmandu. (Karna, 2025) (Thapa et al., 2024).

MATERIALS AND METHODS

3.1 Methodology, Population and Sampling

A quantitative cross-sectional approach was utilised to explore the relationships between social media marketing, affiliate marketing and consumer buying behaviour (CBB). The population were those who shopped online in Kathmandu valley, which is where most of the business and e-commerce takes place in Nepal. Using convenience sampling and targeted sampling, a total of N = 300 participants were successfully obtained.

3.2 Variables & Questionnaire

Data was collected using a structured questionnaire. Each variable was measured in multi-item questions using a 5-point Likert scale.

Social Media Marketing (SMM): 5 questions asking how much they engage with social media platforms, compare products on social media, how much they research products on social media, preference for social media over stores and how safe they feel when purchasing on social media.

Affiliate Marketing (AM): 4 questions asking how much they click on links from blogs, trust reviews from social media influencers they follow, how much they navigate through video review links and use discount affiliate marketing.

Consumer Buying Behaviour (CBB): 4 questions asking how much they purchase online, intent to use e-commerce sites, preference for online shopping and intent to recommend to peers using mobile/online.

3.3 Hypothesis

H_1: Social Media Marketing has a significant positive impact on consumer buying behaviour in urban Nepal.

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H_2: Affiliate Marketing has a significant positive impact on consumer buying behaviour in urban Nepal.

3.4 Data Analysis

Quantitative data was analysed using IBM SPSS Statistics (Version 22.0).

Descriptive statistics were calculated, giving an average (M) and standard deviation (σ).

Reliability was calculated using Cronbach's Alpha (α). ($\alpha > 0.70$)

Correlation was calculated using Pearson's Bivariate correlation.

Non-parametric analysis was done using Pearson's Chi-squared ($\chi 2$) to test hypotheses.

4. Results & Data

4.1 Demographics (N = 300)

The demographics of the consumers were:

Gender: Male (62.3%), Female (37.7%).

Age: Most were aged 20-29 years (56.7%) followed by 30-35 years (24.3%). This shows that the sample were very young and digitally savvy.

Education: Most had a degree (58.3%) or masters (26.7%).

Smartphones: Over 75% had used smartphones for over 4 years.

4.2 Descriptive Statistics

Table 1 demonstrates the descriptive statistics of the variables used.

Table 1: Descriptive Statistics

Construct / Item Description	M	SD
Social Media Marketing (SMM)		
Active platform usage (Facebook/Instagram/TikTok)	4.317	0.934
Comparative shopping behavior prior to purchase	4.173	0.987
Product exploration via social feeds	3.733	1.077
Perceived safety/security during social commerce transactions	3.25	1.379
Affiliate Marketing (AM)		
Clicking blog-embedded links to visit e-commerce stores	3.61	1.144
Trust in reviews provided by followed social media influencers	3.453	1.064
Navigating via video review referral links	3.43	1.094

Source: Survey Data (2026). N=300

SMM: The highest mean was for engaging with social media (M = 4.317). This shows that almost all urban consumers engage with social media. However, the lowest score was for feeling safe when purchasing (M = 3.250), (SD = 1.379). This shows that consumers do have concerns about online payments.

AM: Navigate through blog links (M = 3.610), (SD= 1.144) and trust from influencers (M = 3.453, (SD = 1.064). Both had good to high levels of agreement showing that third parties do drive consumers to online sites.

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4.3 Reliability, Correlation & Chi-squared Results

Reliability: Cronbach's Alpha showed high reliability with SMM (α=0.723), Affiliate Marketing (α=0.761), and Consumer Buying Behaviour (α=0.710).

Correlation: Bivariate correlation showed there was a significant positive linear relationship between the variables and consumer buying behaviour. ($p<.001$).

SMM and CBB: $r=.345$ $p=.000$.

AM and CBB: $r=.323$ $p=.000$.

Hypothesis Testing: Non-parametric analysis showed a significant relationship. This resulted in the null hypothesis being completely rejected.

H1 (SMM & CBB): $\chi 2= 231.653$, $df=240$, $p=.000$ (Supported).

H2 (AM & CBB): $\chi 2= 381.387$, $df=225$, $p=.000$ (Supported).

DISCUSSION

5.1 Interpretation of Results

The results show that social media marketing and affiliate marketing have a large impact on e-commerce engagement in urban Nepal. As urban consumers have high engagement with social media platforms, and compare products extensively, they use social media as a research tool. The use of affiliate marketing, video reviews and referral links from bloggers, helps drive consumers to e-commerce sites. ($\chi 2= 381.387$ $p<.001$).

5.2 Global and Regional Relevance

This correlates with Kotler and Armstrong's digital touchpoint theory and Chaffey and Ellis-Chadwick's interactive marketing. It shows that consumers are using non-linear methods to find products. The positive impact of influencers backs up Aaker's brand equity model. This shows that third parties are trusted representatives and help reduce perceived risk. This also correlates with recent studies from Yadav et al (2024) and Karna (2025). It also correlates with Thapa's (2015) and (2023) studies in Nepal showing that urban consumers prefer interactive visuals.

5.3 Security Paradox

An important part of this study was showing the Security Paradox. Although consumers engaged highly with social media and research, they did not feel very safe with their purchases. This correlates with Gefen et al (2003) predictions using the Technology Acceptance Model (TAM). It also correlates with information systems in developing countries (Avgerou, 2008). This shows that in emerging markets such as Nepal, having high engagement with marketing is not enough. If there is no secure backend, clear vendors and verified payment gateways, conversion will be limited.

CONCLUSION AND IMPLICATIONS

6.1 Conclusion

This study shows that social media marketing and affiliate marketing have a large impact on consumer buying behaviour in urban Nepal. Urban consumers engage with social media sites to research products. Although influencers and affiliate marketing can drive trust, consumers have concerns about online security.

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6.2 Implications

E-commerce managers and digital marketers should implement the following in order to maximise digital investment and turn passive social media engagement into conversions.

Working with Influencers: Invest in working with credible micro-influencers and affiliate publishers who have high trust with specific Nepalese consumers.

Security: E-commerce sites should include verified payment gateways (ConnectIPS, Fonepay, secure mobile wallet), clear returns and verified reviews by buyers to reduce security concerns.

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