Ruling On Taking Commission From Companies Like Amazon Under Affiliate Marketing

Darulifta Ahlesunnat

(Dawateislami)

Question

What do the scholars of Islam say concerning the following issue: Affiliate marketing is where the product or service provided by another is advertised and promoted. Commission is then acquired upon any sales. Every company seeks to make their products and services more well known amongst people and increase sales. To this end, they arrange affiliate programs, such that if a person advertises their website, procures customers for them and there is a resultant sale, they pay the affiliate a commission.

Amazon is one such well-known online marketplace with an affiliate program. In detail, Amazon asks its affiliates to advertise its marketplace and bring customers to their website, whereby they will pay commission upon the sale of an item. Their principle is, if anyone arrives on their website through any affiliate link or advert of the affiliate-ID issued by Amazon, and purchases one or more items, they will give the specific agreed percentage of commission. This is even if a specific page or specific brand was advertised and brought a customer to the website, although the latter went on to purchase a different item. This is because he arrived on the site via that particular link.

After making an agreement with Amazon, we develop a website according to it and upload informational and attractive content relating to different items. We also collect people's reviews of various products and produce marketing.

In this way we make it appealing, so as many people as possible visit it and buy our products. Quite a lot of time, effort, capital must be put into this. Along with advertising various different products, we provide an affiliate link through which the customer reaches the Amazon website. The customer then either purchases something on the page that the link opens to, or something else on the Amazon website, whether it is related to a product we advertised or not. Upon this Amazon gives us commission, as they benefit from the sale. The question is: According to the mentioned details, is our taking out an agreement with Amazon, advertising and then taking the agreed percentage in commission from Amazon upon the sale of items, permitted or not? Please also clarify the permissibility of taking commission when the item purchased by the customer is different to the one we advertise. In such a scenario, we would not have put up a link for the sold item, although we would have kept in mind that the customer might end up preferring and purchasing a different item to the one advertised on our specific link.



According to the details in the question, if you advertise a permissible product on Amazon, without lying, deception, etc., your advertising and receiving commission on any sale will be permissible (when the method of purchase on Amazon does not oppose Islamic law). It will be permissible whether the product purchased is the one you advertised or another one on Amazon.

According to the principles of Islamic law, if a person made effort and spent time in selling another individual's item and succeeded in getting it sold, it is permissible for him to take customary wages and commission for the effort expended.

According to the details you have provided, you undertake effort in uploading informative and persuasive content relating to products, gather reviews, and market products in order to sell them. Expending such time and effort in facilitating the sale of products online is work considered worthy of remuneration in our society, and giving and receiving commission for this is established practise. You are deserving of the customary commission for such effort upon the sale of items.

In Radd al-Muhtar:

Imam Aḥmad Razā Khan رَحْبَةُ الـلّٰهِ عَلَيْه said:

If he spent his time in expending effort on behalf of the seller, he is only deserving of the customary wage i.e., that amount that would be given for such labour. He will not find more than that, however much more the seller may have agreed. If the agreement is for less than the customary wage, then this lesser amount will be given to him, as he himself agreed to relinquishing the extra amount.

It is stated in Khāniyyah:

What remains is the issue of receiving commission for the sale of an item on Amazon other than the one you advertised; why is it permissible to take commission for this?

Answer: In order to understand the answer to this, you must first know who your agreement is with and what benefit Amazon gains from the sale of items. Amazon is a marketplace where thousands of people have created their online stores and are selling their items. When an item belonging to any store owner is sold, Amazon also benefits, as they take a specific commission from the sale. As Amazon benefits from whichever item is sold, they want as many people as possible to come and purchase items from their platform. It is for this reason it asks people to advertise under the affiliate program.

In the scenario presented by yourself in your question, your commission agreement is not with any store holder on Amazon, but with Amazon directly. If it was with a particular store owner, then you would certainly only deserve commission when an item from that store was sold and not another store, which you had no agreement with. However, in your situation your agreement is with Amazon directly, and it is agreed you will be given commission on facilitating the sale of any item on its marketplace.

So, when a customer comes to the Amazon website through your efforts and buys an item, you will deserve commission, even if that item is not the one you advertised. This is because it is as though the item of the one with whom the agreement was made has been sold and that customer came to the marketplace due to your efforts.

Question: Amazon is not selling its own product, so how is it correct to make an agreement for commission and receive it?

Answer: Even though Amazon is not the owner of the product, there is no problem with the agreement and commission of a person who has made an agreement under its affiliate program and receives commission for efforts made to facilitate the sale of products. This is a case of hiring. The hired person, by making an agreement with the hirer, has done a permissible act, and is therefore deserving of his wage upon his action.

In this respect there is no effect on the wage of the hired person whether the hirer is having his own work done or that of others. For example, if Zayd gave some cloth for sewing to Bakr the tailor, and then Bakr made an agreement with another tailor, Khalid, to sew it for a particular amount, this agreement of Bakr and Khalid would be permissible and Khalid would be rightful to take payment from Bakr.

In fact, the scholars have said that even if Zayd told Bakr to sew it himself, but he still got Khalid to sew it, Khalid's wages would be binding on Bakr, even though it would be wrong for Bakr to get Khalid to do so.

In Durr al-Mukhtār:

وإذا شرط عمله بنفسه بأن يقول له اعمل بنفسك أوبيدك (لايستعمل غيره ----وإن أطلق كان له أي للأجير أن يستأجر غيره In Durar al-Ḥukkām Sharḥ Majallat al-Aḥkām:

لو أعطى أحدجبة إلى خياط على أن يخيطها بنفسه وأعطاها الخياط إلى ابنه أووكيله أو شخص آخر أجنبي ليخيطها بأجرة معلومة ، فليس لذلك الخياط أجرة على ذلك الشخص لعدم العقدبينها أصلاوعليه أداءالأجر المسمى لابنه أووكيله ، أولذلك الشخص الأجنبي (رد المحتار)

وَ اللهُ أَعْلَمُ عَزْدَجَلَّ وَ رَسُولُه آعْلَم صَلَّى اللهُ تَعَالى عَلَيْهِ وَالِهِ وَسَلَّم

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