

An analysis of the use and measurement of online direct marketing to increase business to business sales of a small company. A Case Study Buying

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## **Abstract**

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The main objective was to analyse the use and measurement of online direct marketing to increase business to business sales of a small company. The case study company is Buyking Ltd.

A critical review of literature was carried out. Secondary data research was made to examine the situation of online and direct marketing to find out what measurement methods are out there for companies to use. In addition the qualitative methods were applied. An interview was carried out with the Managing Director of the company to investigate the current situation of Buyking's marketing online, direct marketing and measurement. In addition the observational method was used to identify company's current marketing activities.

The research results show the company's online marketing campaigns are not very successful on Google ranks. In addition based on secondary and observational findings the company uses inaccurate measurement methods even though there are several free methods available in the internet. There is plenty of room for improvement for the company to go for in the future. In addition because of the growing popularity of online marketing better campaign planning could be needed in the future.

The company did not provide data for research which brought difficulties conducting the research.

As a recommendation for the company is to set clear objectives and strategy for campaigns and find up-to-date measurement tools.

**Keywords:** direct marketing, online marketing, business to business, Buyking Ltd

## Tiivistelmä

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Tämän opinnäytetyön tarkoituksena on analysoida suora - ja online markkinoinnin käyttöä sekä kampanjatulosten mittausta tutkimalla miten nämä voivat lisätä pienen yrityksen business to business myyntiä. Tapaustutkimuskohteena on Buyking Ltd. Tavoitteena on selvittää millaisia menetelmiä tutkimuskohde voisi käyttää mittaamaan markkinointi kampanjoidensa tehokkuutta ja mitä yhtiö voisi tehdä paremmin tulevaisuudessa lisätäkseen myyntiä.

Tutkimusmenetelmänä on käytetty laadullista tutkimusta haastattelemalla yhtiön toimitusjohtajaa. Erilaisia tulostenmittaus menetelmiä on arvioitu käyttämällä jo valmiiksi kerättyjä tietoja asian pohjalta kuin myös tutkimalla näiden käyttöä soveltaen tutkimuskohdetta tiedon keräämisessä.

Tulokset osoittivat, että yhtiöllä on vielä parantamisen varaa, jos se haluaa kehittää markkinointi kamppanjoidensa hyödyllisyyttä. Esimerkiksi, Google avainsanojen ja -lauseiden sijoittuminen ei ollut mitenkään merkittävää. Suunnittelemalla markkinointi strategiaa ja määrittämällä tavoitteet, jotka yhtiö haluaa saavuttaa tulevaisuudessa, yhtiö pystyy saamaan enemmän vastinetta sijoittamalleen pääomalle. Myös online markkinoinnin suosion kasvu mahdollisesti lisää parempien markkinointikamppanjoiden suunnittelun tarvetta.

Parannusehdotuksena on paremman markkinointi suunnitelman luominen ja nykypäiväisten tulostenmittaus menetelmien käyttöönotto.

Avainsanat: suoramarkkinointi, online markkinointi, business to business, Buyking Ltd.

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## **Introduction**

The idea for the subject of this dissertation started while the author was doing a placement in United Kingdom. The placement is part of the European Management- degree programme and it is performed in an international company in Finland or abroad. The author conducted the placement in UK in a small company called Buyking Ltd. It is a promotional merchandise company which sells business gifts and give-aways to other companies.

The idea for the research left from author's interest for marketing and from want to investigate and observe how online marketing works in a small business.

The aims of this dissertation are to find solutions for a small company to improve their marketing activities and suggest marketing measurement methods to use in the future.

The research objectives are to investigate how the marketing works at Buyking, how the company creates their campaigns, what kind of methods they use to measure the results and what other methods are there for companies to measure online direct marketing campaigns.

The structure of the dissertation will be first literature review where the key theory to the topic will be presented. After this a brief introduction to company, research methodology and research findings will be explained. The last part of the dissertation is the analysis of the research results, conclusions and recommendations for the company and the answer to research question.

Some limitations occurred while conducting the research. Literature for differing opinions from the main authors was a challenge to find. In addition the case study company refused to provide data for research to study the campaign effectiveness and measure the results, which brought difficulties with primary research.

The scope is limited on online marketing, direct marketing, and campaign planning in small business context.

## 1. Literature review

There is sufficient amount of literature regarding the subject. The theory used to review the basics of online marketing and measurement are presented by Chaffey et.al (2006) *Internet Marketing - Strategy, Implementation and Practice*. A lot of information regarding the two is available in the Internet therefore reliable data is insignificant. Therefore, a lot of theory is based on the book mentioned before. The principles of direct marketing and marketing campaign planning are viewed using Egan (2007) *Marketing Communications*. Kotler and Armstrong (2006) *Principles of Marketing* is used as a basic theory on the background. Theoretical background is provided mainly by these authors though other authors' views are reviewed as well. The results of interview, survey and observation have been used as primary data because of the empirical approach of the dissertation.

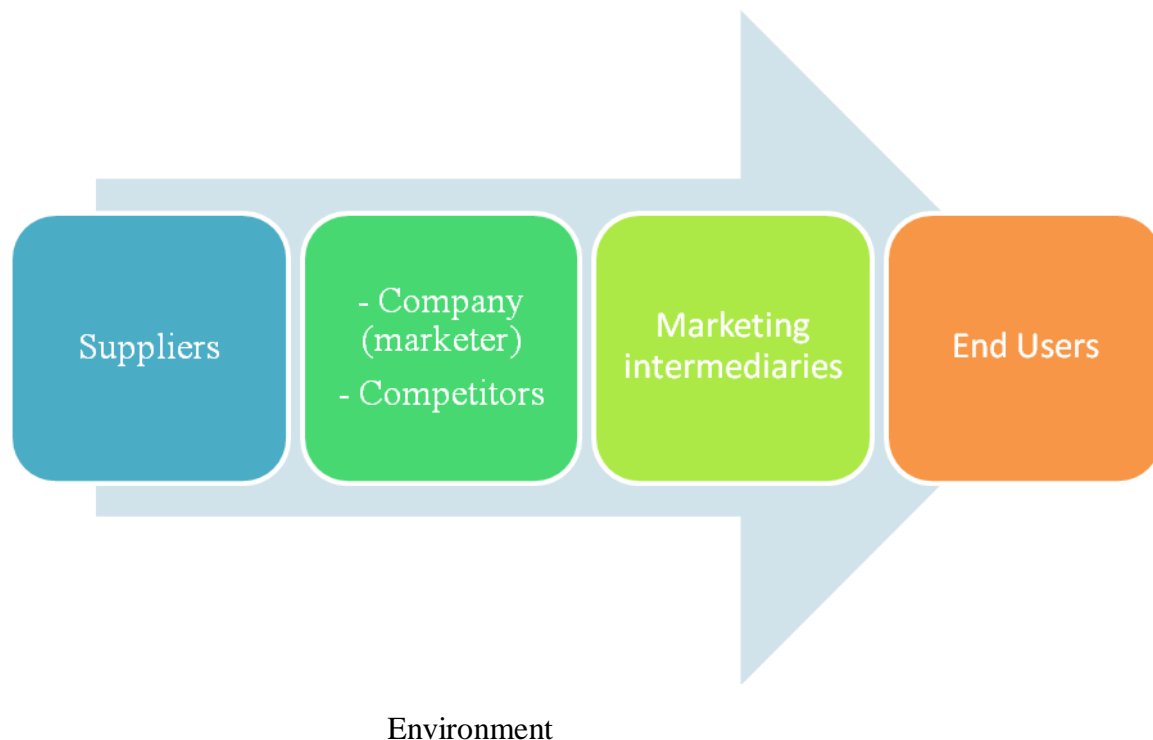
## 2. Traditional marketing theories

Before beginning to investigate the case study, definition for marketing needs to be identified. Kotler and Armstrong (2006) define marketing as:

*“The process by which companies create value for customers and build strong customer relationships in order to capture values from customers in return”.*

The basic idea of marketing is to build customer relationships by creating value and satisfying their needs and wants. This requires the seller to find the buyers, identify their needs, design good market offerings, set prices, promote them, store and deliver the goods or services (Kotler and Armstrong, 2006, p. 5- 8).

Figure 1. Main elements in marketing process



(Kotler and Armstrong, 2006, p. 8)

The company and its competitors in the market are affected by environmental forces, which are demographic, economic, physical, technological, political/legal and social/cultural. These factors need to be identified in order to understand the market place. Once these factors are recognized, the company needs to divide the market into segments and select which segment it will focus, this is called target marketing (Kotler and Armstrong, 2006, p. 8).

The company needs to create a strategy which will outline the company the customers it will serve and how it will create value for them. The value to the customer will be created by integrated marketing programme, which will deliver the value to the customers. The strategy consists of the company's marketing mix, which are called the four P's of marketing; product, price, place and promotion. These tools are used to create integrated marketing strategy that delivers the intended message and values to target group (Kotler et al, 2008, p. 24).

### **3. Business to business marketing**

In business to business marketing the consumer can be another organisation or the general public. The marketing channels run from manufacturer to consumer direct or through intermediaries, which can be wholesalers, retailers or catalogue operations. The concept of business to business marketing means inter-organisational trade. The product or service can be sold to the other organisation as unchanged, used or added with another product or service. In addition the product or service can be used to facilitate the company to carry out its main function (Egan, 2007. p. 367).

According to John Egan (2007, p. 369) the characteristics and distinguishing factors from business to consumer sector are larger markets, fewer customers, higher spend, wider geographical spread and complex buyer-customer interaction. In the business buying process buyer and seller are more dependent on each other than on consumer markets (Kotler and Armstrong, 2006, p. 173).

#### **3.1 Business buying process**

The next model describes the business buying process. Buyers in the new task buying situation go through all of the stages of this process whereas the buyers in the other situations may skip some of the stages.

First stage of the process is problem recognition where someone in the company recognises a problem, which can be caused by internal or external stimuli. The internal reasons might be for example launching a new product that needs new material. The external reason might be for example the buyer sees an advert of better products or with new ideas. After recognising the need the next stage is general need description, which means the buyer identifies the general characteristics and quantity of the item they need. The next step in the process is product specification, where the buying company identifies the best technical product characteristics for the needed product. At this point value analysis can be used to cost reduction, which means determining if the components in the product can be redesigned, standardised or made by cost effective methods. Next in the buying process is supplier search, where the buying organisation tries to find the best

sellers. The buyer may do the search by reviewing trade directories, computer search or ask recommendations from other companies. Proposal solicitation is a stage where the buyer asks competent suppliers to submit proposals, which can be catalogues, formal presentation, written proposals or a salesperson to explain more about the item the buyer is looking for. Logically after the proposals, the organisation moves to the supplier selection stage, where they review the proposals and select appropriate supplier or suppliers. At the order routine specification stage the buyer writes the final order with the chosen supplier or suppliers. The contract includes items such as technical specifications, quantity needed, expected time of delivery return policies and warranties. Last stage of the process is performance review. The buyer measures the performance of the supplier and it may lead the buyer to continue, modify or drop the arrangement (Kotler and Armstrong, 2006, p. 180-183).

Figure 2. Business buying process



(Kotler and Armstrong, 2006, p. 181)

Buyers do not always follow the steps in same order and they might add other steps. Furthermore the buyer-seller relationship might include several types of purchases at the same time in different stages of the buying process. Because of this the seller must concentrate on the customer relationship as a whole (Kotler and Armstrong, 2006, p. 180-183).

### **3.2 Marketing communications tools in business to business**

Personal selling is interpersonal tool in the promotional mix. It involves two-way communication between salespeople and the customer (Kotler and Armstrong, 2006, p. 487). Personal selling becomes important on business to business markets because of the complexity and fewer customers. In this situation other communication methods such as exhibitions, direct mail or trade advertising, rarely support personal sales. For efficient communications and relationship management businesses appoint account managers to work with certain clients. Usually this leads to long-term business relationships. However, personal selling is considered as expensive method therefore it is used in closing the sale and when the business is being developed with client. The advertising is done through trade journals, newspapers and magazines which are targeted to certain industry buyers. (Egan, 2007, p. 369-370).

### **3.3 Business to business, online marketing and direct marketing combined**

Online advertising is growing and becoming more important. Business to business suppliers are trying to create more interactive websites and effective customer care such as order tracking to distinguish from their competitors. Customers use the Internet to search the best supply by comparing quality and price (Egan, 2007, p. 371).

Direct marketing has become more important factor in business to business communications due to raising costs of personal selling. Direct mail and e-mail are used to create awareness, enhance image and establish credibility of the company. Telemarketing is used as sales channel and to facilitate customer enquiries (Egan, 2007, p. 371).

#### 4. Direct marketing

Direct marketing is defined by The UK Direct Marketing Association (DMA) as an interactive system of marketing which uses one or more advertising or marketing media to effect measurable response or transaction in any location (Egan, 2007, p. 290). Kotler and Armstrong (2006) define direct marketing as:

*“Direct communications with carefully targeted individual consumers – the use of telephone, mail, fax, e-mail, the Internet, and other tools to communicate directly with specific consumers”*(p. 504).

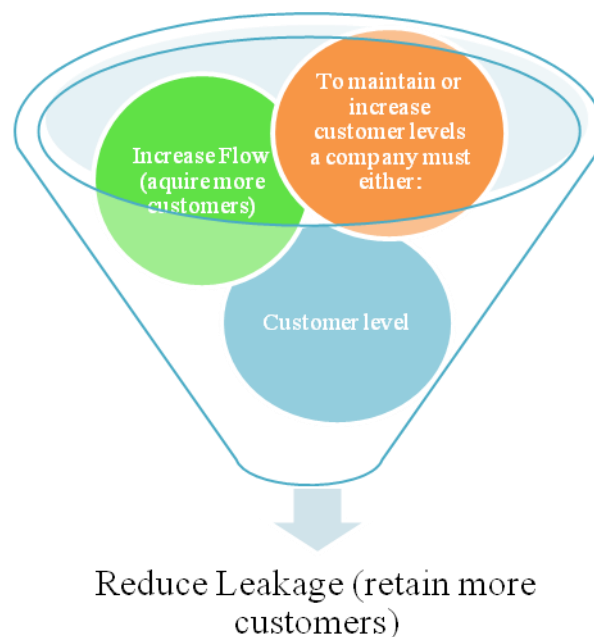
Direct marketing is different from other marketing communications tools such as sales promotion or advertising because it targets individuals rather than market segments. In addition it is the only tool that asks people to be involved. Direct marketing is a valuable tool because it is highly measurable and there is the ability to test the significant variables regularly. It is targeted, cost efficient, flexible, fast and interactive. It aims to communicate with individual customers through personalised messages (Egan, 2007, p. 290-292).

The benefits of direct marketing for buyers are that it is convenient, easy to use and private. It gives the buyer access to products and information around the world through websites and interacts with sellers by phone or on the website (Kotler and Armstrong, 2006, p. 505).

For sellers direct marketing is a powerful tool for building customer relationships. They can use database marketing to target individual consumers. Customer database means an organised collection of data about individual customers or prospects and it includes their geographic, demographic, psychographic and behavioural data (Kotler and Armstrong, 2006, p. 505). It is seen as a process of holding and analysing customer information. This is helpful when creating strategies for marketing (Egan, 2007, p. 292).

There are two principal objectives in direct marketing which are customer acquisition and customer retention. Customer acquisition and retention are illustrated by the leaky bucket metaphor. The metaphor means that for company to maintain or increase customer numbers they must increase the flow or stop the leakage. In slow-growth markets customer retention is more important whereas in rapidly growing markets is more important to acquire new customers (Egan, 2007, p. 295).

Figure 3. Leaky bucket metaphor



(Egan, 2007, p. 295)

Wheel of prosperity explains the differences between customer acquisition and retention. The wheel of prosperity first suggests that potential customers are being identified using prospect hierarchy. The lowest level is the suspects, which is based on geo-demographic profiling, values, attributes; lifestyle profiling or previous buying behaviour. The names for suspects are usually collected from commercially available lists, where the individuals are defined with identified product interests and characteristics or suspects might be collected using company's own database. The details for the levels above suspects frequently come from company's own records or collected from response lists. Hand-raisers are specified by their behaviour, for example by ordering a catalogue they might become customers. Profiled prospects general profile suggests the possibility of becoming customers. Referrals are being influenced by existing customers and enquirers have directly contacted the company. On the top of the hierarchy are clients who have purchased before from the company and are closest the customer profile. They are called former and lapsed customers who are most likely to come back to the company again (Egan, 2007, p. 295-296).



Target media in wheel of prosperity model are the media most used in direct marketing to acquire prospects. In direct marketing the companies frequently use interactive media, which includes direct mail, telemarketing and e-marketing.

Direct mail means advertising through the medium of mail to targeted customers. It is a flexible and creative communication tool used in both customer acquisition and retention. E-mail has replaced a lot the use of direct mail because of its cost effectiveness (Egan, 2007, p. 297- 298).

Catalogue retailing is also a form of direct mail. This means products and services can be bought from a catalogue (Egan, J. 2007, p. 298). Catalogues can be printed, in video or in electronic format. They are mailed to selected clients or presented online (Kotler and Armstrong, 2006, p. 511). In addition, catalogues are being considered as flexible and creative medium (Egan, 2007, p. 298). At the age of the Internet more catalogues are going electronic and they allow space for creative ideas that are impossible to put on printed catalogues, for example interactive entertainment such as games. In addition products and prices can be updated more rapidly and when it is needed. Regardless of the above mentioned new ways of catalogues retailing, printed catalogues still remain as the primary medium (Kotler and Armstrong, 2006, p. 511-512).

## **5. Online marketing**

Online marketing also referred to as online advertising means advertising that appears on computer screen while consumers are surfing in the web, such ads can be for example banners (Kotler and Armstrong, 2006, p. 571). Tom Goodwin in his article (1999) thinks the Internet is much more than an advertising medium. In his opinion, the difference to traditional media is the Internet is also distribution channel for products and services and not just a communication channel. In the following chapters it is emphasized the methods and theory used in marketing online.

## **5.1 Affiliate marketing**

Affiliate marketing is a marketing tool on the Internet. It means that a website includes on its pages advertising banners and icons that link to other merchant's website. When consumers make a purchase on the other merchant's site, the hosting firm receives a commission for the purchase. The commission is based on a percentage of the purchase's total sum of money. One of the models of affiliate marketing is pay-per-click model. This is used when a company prefers to advertise on high-traffic sites and want to show how many firms click through their site. They pay to the affiliate for the number of click through. Another model is pay-per-lead model where the company pays to the affiliate from qualified leads. A lead qualifies a commission if the consumer clicks through the website, fills in and submits a registration form to receive more information from the company. This can be a newsletter or e-mailed promotional message (Oz, 2002, p. 190-194).

## **5.2 E-mail marketing**

E-mail marketing means advertising businesses goods and services by sending e-mail messages to prospective customers. One of the benefits is that it is the least expensive method of marketing. Nevertheless, the biggest problem of e-mail marketing is spam, which means unwanted e-mails. The recipients can avoid receiving spam with an opt-out option (permission marketing).

E-mail marketing is an inexpensive method and can reach millions of people but its response rate is low. The e-mail marketing campaign might be successful if the ad is well targeted. The response rate is usually higher than the regular direct mails'. E-ad campaigns have reached response rates of 10-35 percent when traditional direct mail had reached only 1-2 percent. One of the benefits of e-mail advertising which the other forms of advertising are missing is that it can be easily forwarded to friends. Furthermore, advertisers can track who views ad e-mail, how long they viewed it and to whom the ad was forwarded to. However, the purchases generated from the e-mail promotions are lower than the response rate of 10-35 percent (Oz, 2002, p. 202-203).

### **5.3 Permission marketing**

Permission marketing means any marketing communications that offer opt-in or opt-out opportunities to recipients so that further marketing communications are only received by those who wish to receive future e-mails (Pickton and Broderick, 2005, p. 144). Its purpose is to reduce unwanted commercial messages online and it has become standard practice of interactive marketers. Permission marketing has brought a solution to the problem of electronic message clutter spam, which means customers need to give permission for the company to send e-mail messages to them (Cross, 2003)

Permission e-mails can take the form of newsletters, or a checkbox in the registration process on various websites giving the marketer permission to deliver product updates or other marketing information to the consumer. These e-mails have higher success rates than spam, both in terms of ROI and in preserving a company's reputation (Davis, 2002).

Permission e-mail can take the form of acquisition or retention e-mail which means mailings whose primary objective is to prospect for customers or whose objective is to forge a relationship with an existing customer base (Davis, 2002).

The weakness of permission marketing is it does not provide full protection for the privacy consumers want to maintain, nor it does give the full benefits marketers want. The debate is about the choice for consumers to opt-in or opt-out of communications started by the company and giving their contact information to third parties (Cross, 2003). Opt-in means signing up for the company's database to receive promotional e-mails and discounts about product or service customer is seeking. The customer has also the option to opt-out, which means the client has the choice to remove their address from the company's e-mail list, which leaves the decision for the customer whether they want to receive more similar messages (MacPherson, 2001, p. 14-15).

## 5.4 Search engine marketing

Search engines are specialised websites that use automatic tools known as spiders to index web pages of registered sites. Users can search the index by typing in keywords to specify their interests. The keywords will be listed on pages and by clicking a hyperlink the user is being led to the site (Chaffey et al, 2006, p. 529). The importance of effective search engine marketing is to get a high rank in search engine results pages. The higher the rank the more visitors the company will receive to its pages.

The three main search engine marketing techniques for making the company and its products visible are:

- Search Engine Optimisation (SEO)
- Pay-Per-Click (PPC)
- Trusted feed including paid for inclusion

(Chaffey et al, 2006, p. 373-375)

Search engine optimisation means achieving the highest position or ranking in the natural or organic listings on the search engine results pages after typing a specific combination of keywords or key phrase. Google, Yahoo! and MSN Search use the natural listings as their main listings. The ranking is dependent on algorithm used by each search engine to match relevant site page content with the keyword entered. For these listing there is no charge. However, a company needs to pay to search engine optimisation firm if it wishes to appear higher in the rankings. The important fact is to use key phrase analysis. Successful search engine marketing is to achieve key phrase relevance, for example Google attributes more relevance when there is a phrase match between the keywords. The company can identify the key phrases that its clients are most likely to utilise. For these actions they can use marketing knowledge, view competitors' sites and key phrases from visitors who arrive at the company's site, use internal site search tool or the key phrase analysis tools from vendors (Chaffey et al, 2006, p. 376-379).

Pay-Per-Click search marketing means a relevant text ad with a link to a company's page which is displayed when the user of a search engine types in a specific phrase. The advertiser does not pay when the ad is displayed, only when it is clicked on which leads to

a visit on the advertisers website. Paid search listings or sponsored links are important to achieve visibility in a competitive market. Frequently, the companies that are holding the top positions in the listings are small companies or affiliates. These companies are more likely to use less ethical search engine marketing techniques associated with spamming. Managing the pay-per-click, as for any other media, media buyers evaluate the advertising costs in relation to the initial purchase value or lifetime value they feel they will achieve from the average customer. In addition the marketer needs to consider the conversion rate when the customer arrives on the site. An ad can be effective in generating click troughs or traffic but not achieve the outcome required on the website such as generating a lead or online sale. The reason for this might be a poor-incentive call to action or the profile of the visitor might be wrong. The benefits of pay-per-click marketing have become more common, the competition has increased and has driven up the cost-per-click and therefore reduced its profitability (Chaffey et al, 2006, p. 381-383).

The last search engine marketing technique is trusted feed and it is less widely used than the other two methods. Trusted feed means the ad or search listing content is automatically uploaded to a search engine from a catalogue or document database. The technique is mainly used by retailers who have large product catalogues. Typically there is a fixed setup fee and also pay-per-click arrangement when the ad is clicked on. The difference with the other pay-per-click types is that the position of the search engine listings is not paid according to price bid but through the normal algorithm rules of that search engine to produce the organic listings (Chaffey et al, 2006, p. 383).

## **5.5 Campaign planning, communications objectives and measurement**

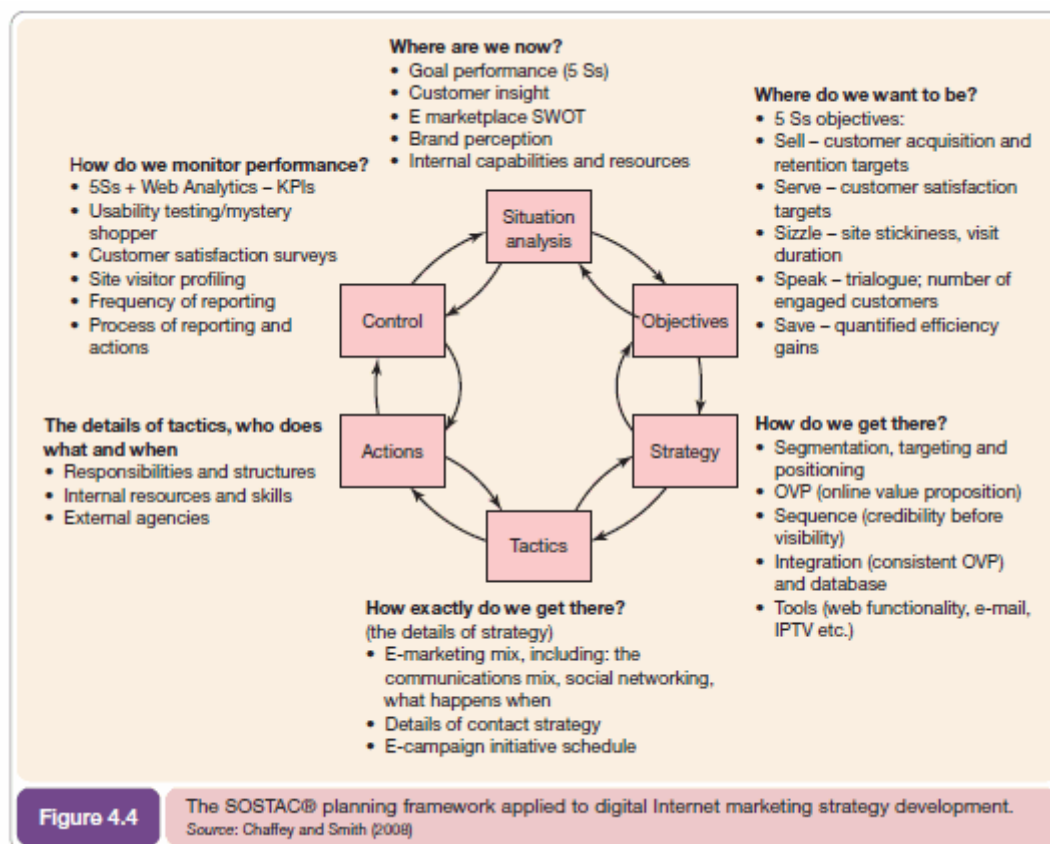
### **5.5.1 Campaign planning**

According to Broderick and Pickton (2005, p. 291) marketing communications campaign can be defined as the performance and integration of all promotional activities into a programme designed to achieve interrelated goals. The campaign includes marketing communications plan which is a document that summarises the main issues and details of marketing communications activities, including relevant background information and marketing communications decisions. The complete outline of a plan includes:

- Situational analysis: research and analysis
- Determining marketing communications targets: Audiences
- Setting budget allocations, making resources available: Budgets
- Setting objectives: Objectives
- Strategic decision-making: Tactics
- Campaign management: Implementation and action
- Campaign evaluation: Control

(Broderick and Pickton, 2005, p. 291-296)

Figure 4. Campaign planning outline



(Chaffey and Smith, 2008)

### 5.5.2 Communications objectives

Before a company can measure the success of its marketing campaign, the objectives of the campaign need to be identified. The objectives are what drive an organisation and they should be SMART which stands for strategic, measurable, actionable, realistic and timely. The marketing objectives are derived from the organisational business objectives, therefore the communications objectives are developed from these two. The business objectives are financial and marketing objectives related to sales. Two models can help to focus the marketing communications objectives; these are hierarchy of effects and product life cycle models (Egan, 2007, p. 107-108).

The first model in hierarchy of effects model is AIDA of which stages a salesperson should take a prospect and later defined as basic framework to explain persuasive communications. The model was attributed to Strong in 1925. AIDA stands for attention, interest, desire and action. The other formula created by Colley in 1961 is DAGMAR which stands for defining advertising goals for measuring advertising results. It is the formula for setting communications orientated objectives (Egan, 2007, p. 43-44).

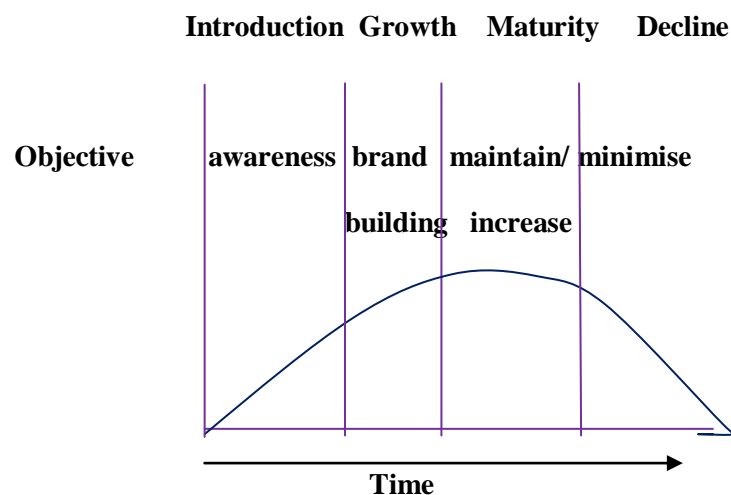
Figure 5. Hierarchy of effects model AIDA



(Egan, 2007, p. 43)

Marketing communications objectives may also be set in relation to products or services perceived position in its life cycle (Egan, 2007, p. 108).

Figure 6. Product life cycle and objectives



(Egan, 2007, p. 110).

### 5.5.3 Objectives and measurement for online marketing

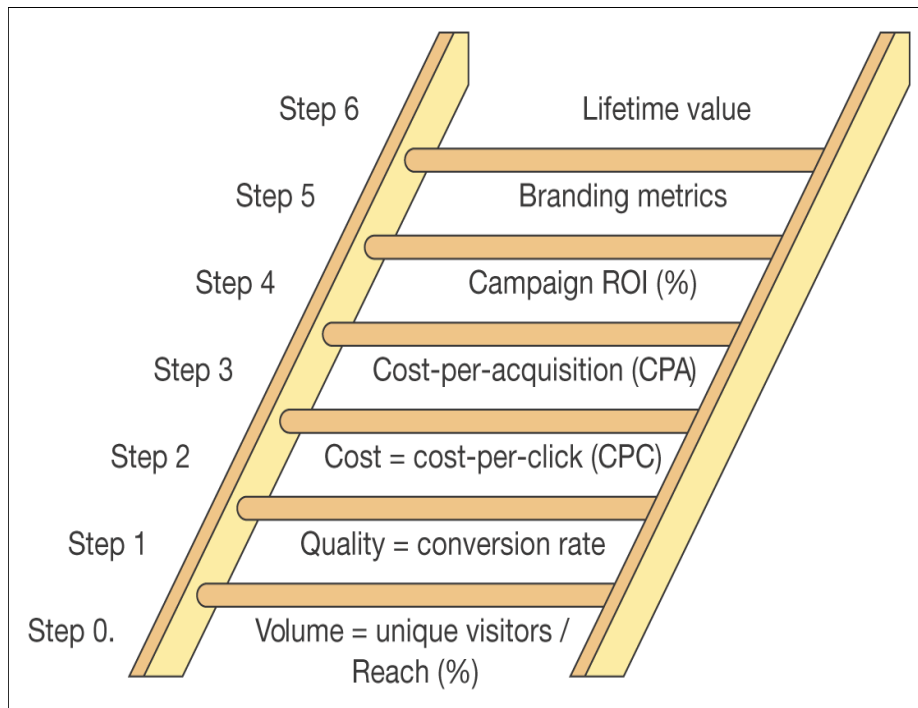
In an interactive marketing communications plan has three main goals. The first objective is to use online and offline communications to drive or attract visitor traffic to a website. This process is called as traffic building and those objectives should also be SMART. The second objective is to use on-site communications to deliver an effective message to the visitor. The message delivered on-site will be based on traditional marketing communications objectives for a company's products or services. The third objective is to integrate all communications methods to help achieve marketing objectives by supporting mixed-mode buying (Chaffey et al, 2006, p. 363-365).

The final part of setting the objectives is to consider the cost of traffic building activities. The company will know if the campaign was not successful if the cost of acquiring site visitors and customers was too high. Therefore, setting a budget is important for a



campaign. The steps for setting a campaign budget or measuring campaign success are illustrated in the picture below.

Figure 7. Measures used for setting campaign objectives



(Chaffey et al, 2006, p. 367)

Volume or number of visitors means using page views or hits as a measure of effectiveness. Quality or conversion rates shows what proportion of visitors take certain outcomes on the web such as lead or sale. Cost-per-click is used to measure the cost of particular online marketing tool, for example pay-per-click search engine marketing. Cost-per-acquisition is used when cost of visitor acquisition is combined with conversion to outcomes. Campaign return of investment is used to assess the profitability of any marketing activity. Branding metrics are equivalent of offline advertising metrics such as brand awareness, ad recall, brand favourability and purchase intent. Life time value means measuring the lifetime value and costs associated with the customer (Chaffey et al, 2006, p. 367- 368).

## **6. Introduction to company Buyking Ltd**

Buyking Ltd was founded in 2005 by Karim Saykali who is also the Managing Director of the company. The company sells promotional merchandise products and business gifts. Even though it is a young company it has experienced rapid growth in sales in years 2008 and 2009.

The promotional product industry is relatively competitive in the UK. According to London Business School & British Promotional Merchandise Association Report (Lioutyi and Gopalakrishnan 2008) the total market in the UK in 2007 for promotional products were estimated to be around £1.05bn and the whole industry valued at estimated £12bn.

The company supplies the products from UK and China. They have started to supply more from China because this helps to cut middlemen in the distribution channel and reduces production and delivery costs.

Most of the company's marketing is happening on Google where the adverts lead the interested clients to the company's internet pages where more information about the products is provided.

The situation of the company at the moment is that they are not measuring effectively the success of their online campaigns. Therefore, the company does not know if the marketing activities are generating more business and profit or if they are losing money because the lack of data collection and analysis.

## **7. Research methods**

### **7.1 Introduction**

The following chapters describe research methodology adapted in this dissertation. It presents the objectives of the research, research design, what methods were used to collect data, measurement systems available and limitations for research.

### **7.2 Research objectives**

The research objectives were

- investigate how marketing works at Buyking
- how does the company create their campaigns
- what kind of methods they use to measure the results and success of their campaigns
- what other methods is there for companies to measure online direct marketing campaigns

### **7.3 Research design**

The purpose of the research design is to illustrate a general plan of how the researcher will go and answer the research question. This will contain clear objectives derived from research question, specifying the sources of data collection, considering the constraints (for example access to data, time) and ethical issues (Saunders et al, 2009, p.136-137). A research design forms the framework of the entire research process. According to Chisnall (2005):

*“An effective research design should be a comprehensive plan, developed after intensive study of the problem to be researched, that will guide and control the entire research programme.”* (p. 36).

Research design details are:

1. Types of data to be collected (quantitative or qualitative)
2. Most suitable methods of investigation
3. Sampling plan

(Chisnall, 2005, p. 36).

The types of research are exploratory, descriptive and explanatory.

Exploratory research method aims to seek new insights into phenomena, to ask questions and to assess the phenomena in a new light. This method is useful if there is a need to clarify the researcher understanding of a problem. The three ways of conducting exploratory research are search of the literature, interviewing “experts” in the subject and conducting focus group interviews. The advantage of this type of research is that it is flexible and adaptable to change (Saunders et al, 2009, p.139-140). Exploratory research is qualitative, which means non-numerical data or data that have not been quantified (Saunders et al, 2009, p. 151).

The descriptive research method means portraying an accurate profile of persons, events or situations. For this type of research it is important for the researcher to have a clear picture of the phenomena on which they wish to collect the data prior to the collection of the data (Saunders et al, 2009, p. 140).

The explanatory research method means establishing causal relationships between variables. It means studying a situation or a problem in order to explain the relationships between variables. This type of research usually needs an analysis of quantitative data in order to show the correlation of the relationship (Saunders et al, 2009, p.140-141).

Quantitative data means numerical data or data that have been quantified (Saunders et al, 2009, p. 151).

## 7.4 Research method

There are three basic research methods survey, observation and experiment.

Surveys are used to allow the collection of a large amount of data from a sizeable population in a highly economical way. Surveys are used in exploratory and descriptive research. It is a popular and common strategy and used to answer questions who, what, where, how much and how many. Surveys allow the researchers to collect quantitative data which can be analysed quantitatively using descriptive and inferential statistics. In addition the researcher needs to spend time on carefully selecting the sample to which the survey is targeted to. Questionnaires, structured observation and structured interviews are part of survey strategy (Saunders et al, 2009, p. 144-145).

The experiment has a purpose of to study causal links investigating if change in an independent variable produces a change in another dependent variable. The strategy involves; the definition of theoretical hypothesis, selection of samples of individuals from know populations, random allocation of samples to different experimental conditions, the experimental group and the control group, introduction of planned intervention or manipulation to one or more of the variables, measurement of small number of dependent variables and control of all other variables. Experiments are usually used in exploratory and explanatory research (Saunders et al, 2009, p. 142-144).

Observation involves systematic observation, recording, description, analysis and interpretation of people's behaviour. There are two different types of observation; participant observation which is qualitative and its emphasis is on discovering the meanings that people attach to their actions, and structured observation which is quantitative and more concerned with the frequency of those actions (Saunders et al, 2009, p.288). Participant observation is a method where the researcher participates in the lives and activities of those whom they are studying. It can be also used in a student placement that can able the researcher to adopt the role of practitioner researcher (Saunders et al, 2009, p. 309).

## **7.5 Data collection**

The main point of this dissertation is to investigate how the case study company can develop its marketing and how they should measure its effectiveness. The chosen research design is exploratory research. The research methods used are surveys and participant observational methods. For collection of primary research it has been used interview and survey, observation, and Peekstats.com using this as a measurement tool. In addition data has been collected from secondary sources.

## **7.6 Primary research**

Qualitative data was collected by interviewing the Managing Director of the case study company. The interview was done in February by e-mail because the author was not working at the company anymore during that time. Face-to-face interview was supposed to be carried out but this was not possible due to not being able to find good time for the interview. The questions can be found from Appendix I (p. 55).

A survey was created for company's clients to ask their opinion about the website. However, there was no time to get responds from the clients.

The observational strategy has been used while author was performing placement at the company. This has involved observing marketing activities of the company during six months as well as conversations with Marketing Manager and the Managing Director of the company.

The website called Peekstats.com has been used to give a rough overview about company's marketing activities, site performance and value. The tool gives a good overview how the company is performing compared to its competitors

## **7.7 Secondary research**

Secondary data was collected using related books, journals and internet statistics sites.

The different measurement systems are being reviewed using secondary data. Because of the lack of Buyking's marketing measurement activities the measurement system are suggested for marketing department and managing director to use it in the future for measuring campaign success if they see it useful.

The objective of the measurement techniques is to be able to measure the online campaign performance on Google. Sales which have not directly come through Google but through phone calls and enquiries from websites need to be considered as well. They enable to break down data from Google, company's website and from phone calls.

The method was decided to use conducting the research because it is suitable in the case of the data not being available. Since the company in this case study is small and young company, there was room for the idea of showing different campaign evaluation systems and discuss their usefulness. A simple method to research was examined the company's natural Search Engine Optimisation. It means testing different keywords and key phrases on Google and observes where the company is positioned on the search engine listings.

## **7.2 Limitation of research**

Limitations of the research are the ones of exploratory research.

When the collection of research data was about to be done the author found out the company would not provide their data to be given to student research which was originally agreed.

The author is not sure how accurate the data from Peekstats.com is. If data from the company would have been available, the author or Buyking could have compared the results against their data from Google Analytics.

The most biggest limitations was the lack of time, therefore the survey for the company's clients about Buyking's online marketing and website has been created without testing it. However, the company can use the survey in the future if they wish to.

## **8. Research Findings**

### **8.1 Marketing at Buyking**

The interview with Managing Director revealed marketing has very important role in the company and in the growth of the business. At the start they did not develop business model or strategy. The business strategy was simply generating new business through online advertising and later expanding to larger customer group developing long term relationships with them.

Mr. Saykali thinks the reasons for company's rapid growth in sales during the last two years have been down to him being aggressive to increase level of activity on Google advertising. This has included investing more money on Google and company websites. The increase of sales has also been down to lowering margins. In addition he has employed more Business Development Managers for account management to take care of existing client relationships. The advertising on Google is the main tool for generating new business for Buyking. Mr. Saykali emphasises this is critical for current and future growth as well.

### **8.2 Business to business marketing**

According to research carried out by e-commerce specialist Actinic, small and medium businesses selling online revealed a 51 per cent increase in order volume for November and December 2009 compared to 2008 figures. The annual survey also revealed a positive increase in annual turnover, with respondents reporting a 42 per cent increase in revenue compared with 2008. (Intel, 2010).



Small businesses naturally gravitate to tools and strategies that quickly generate revenue without incurring significant costs, for example e-mail marketing. Therefore, web-based marketing technologies have become popular to small businesses because of their low cost and ease of use (Groves, 2010). In addition, Groves (2010) explains about tools that are purpose-built for small businesses project a more professional image and deliver a richer set of management and monitoring capabilities than online tools targeted to consumers, which are often ad-supported and limited in function.

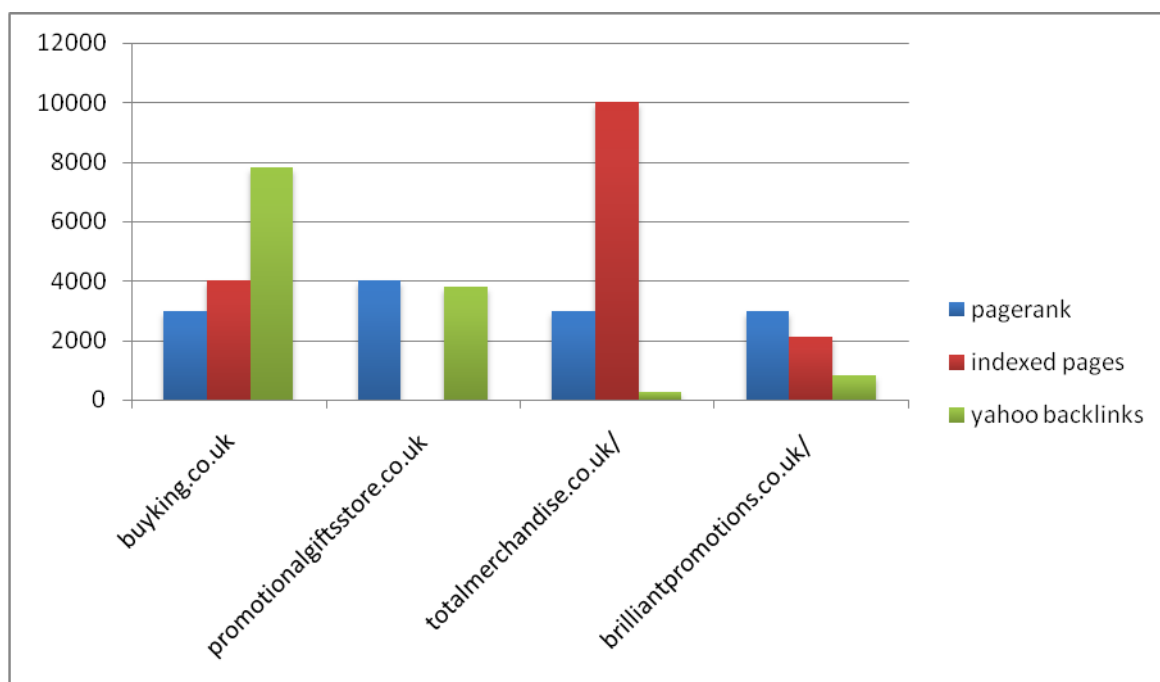
Low cost, high return marketing tools provide small businesses with the advantage they need to cut through the noise and get their messages heard without breaking their budget (Groves, 2010).

### **8.3 Situational Analysis**

A site used for collecting primary research data is Peekstats.com which gives the opportunity to review site performance, Search Engine Optimisation and site value. This measurement tool provides guidelines how a company's website is performing and compares performance against competition. The website estimates website value based on publicly available statistics. The site can be used by anyone who is interested on website performance of any company or organisation. Using Peekstats.com is little difficult and needs little amount of studying in order to understand it completely.

### 8.3.1 Measurement of Search Engine Optimisation, site traffic and site value of Buying

Figure 8. Search engine optimisation according to Peekstats.com



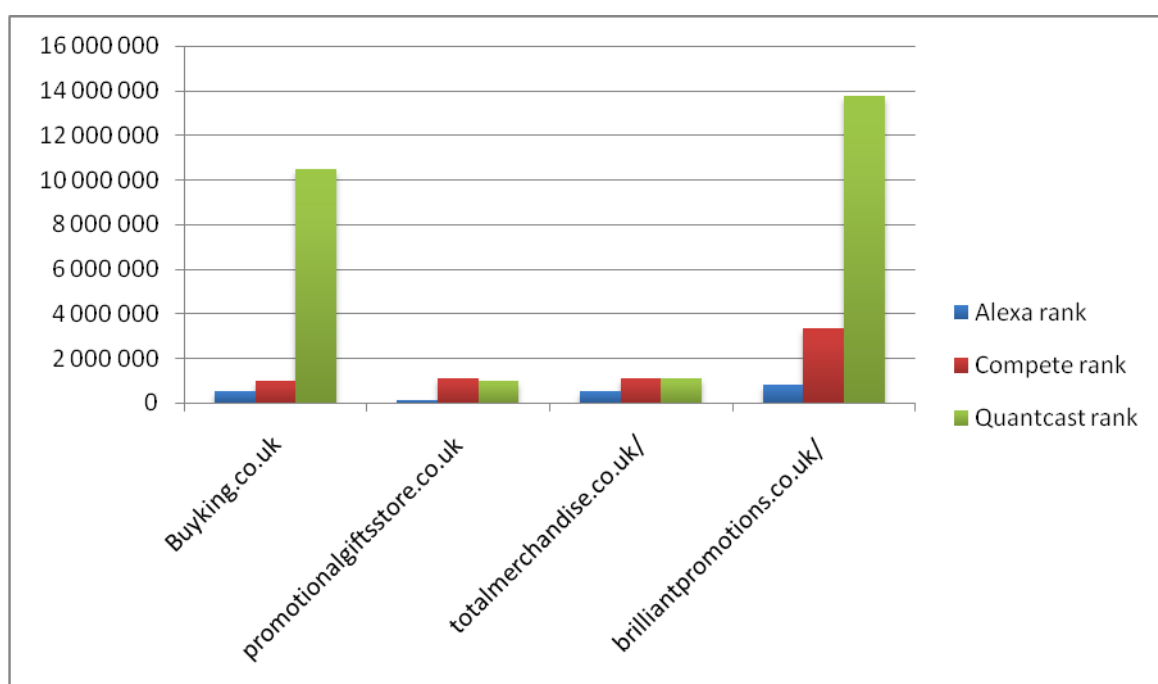
In the Figure 8. page rank means the position the company appears on the search engines website for example on Google. The lower the rank is in the figure the better the position. As it can be seen Buyking together with two of its competitors are on rank 3 whereas promotionalgiftsstore.co.uk is on rank 4.

The next paragraph indexed pages means the number of related websites to the company on the search engine results. Therefore, the lower the figure, the better the chances the customer will click and visit on certain company's site. The best result in this case is with the promotionalgiftsstore.co.uk, where Buyking gets over 4000 related sites at the same time.

Yahoo back links illustrates the quantity of the back links in different search engines. The higher the figure the more links it has to Yahoo. This means the company's site can be

found better also from other search engines where the company will not necessarily advertise. According to the results, the company's performance is fair and competitors are doing slightly better.

Figure 9. Traffic on the site (Peekstats.com)

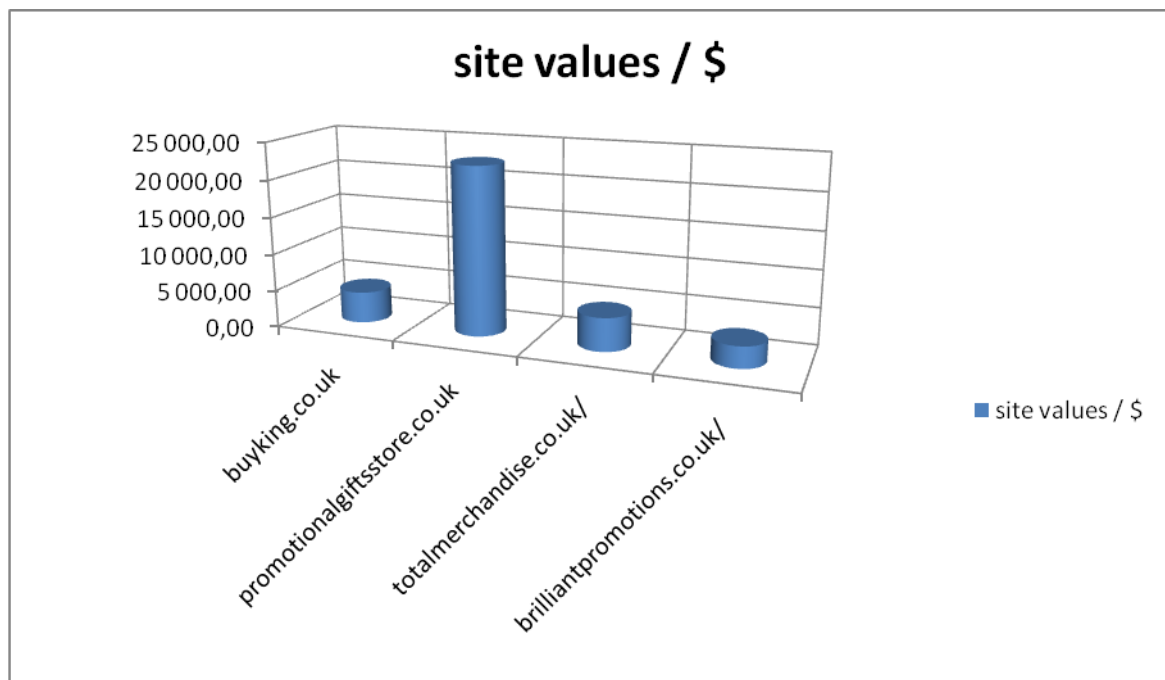


Site traffic in the Figure 9. means how many visitors the sites have had within one year. Alexa, Compete and Quantcast ranks are all free and partly paid site traffic measurement tools. All three of them have little diverse categories with their ranking methods therefore the ranking results are different. The smaller the paragraph is, the better the ranking of the website.

Alexa and Compete ranks are lower than the Quantcast rank therefore compared to two of the competitors Buyking has a lot to improve.

The Figure 10. below shows the site values according to Peekstats.com. Buyking site value is \$4,225.92.

Figure 10. Site value (Peekstats.com)



### 8.3.2 Results of different keywords in Google

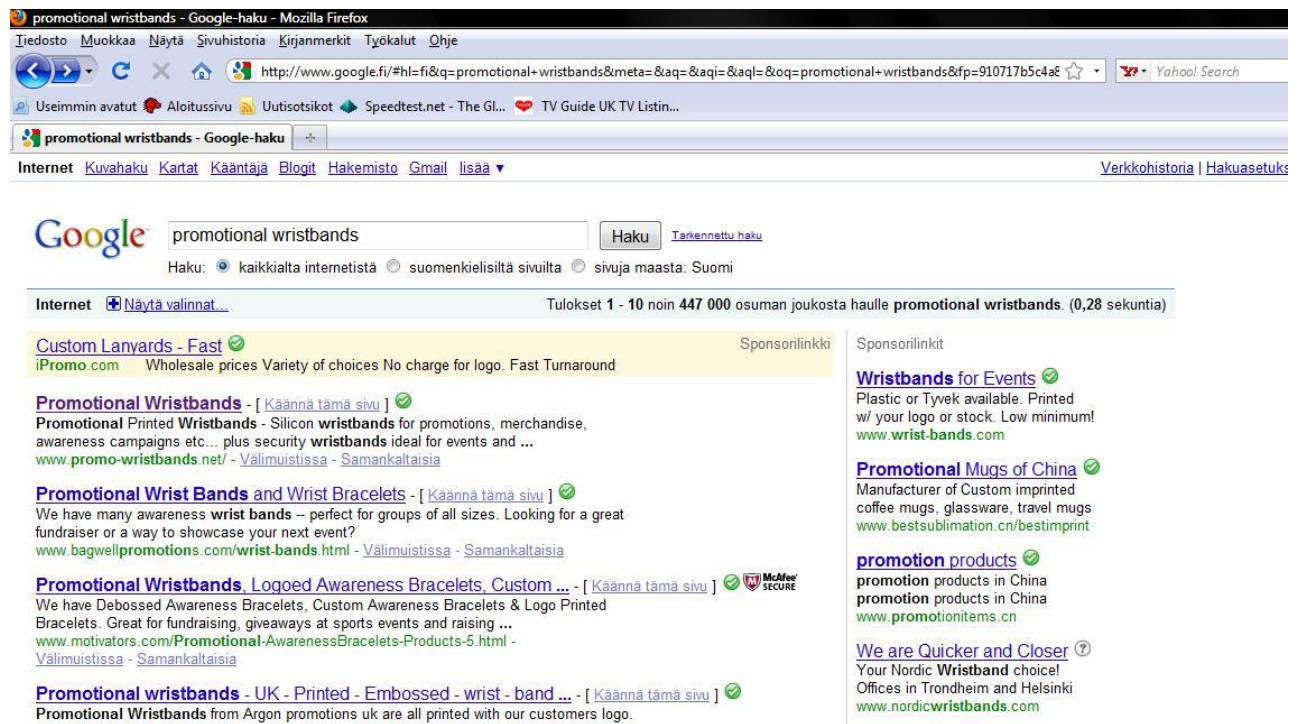
The author researched how the keywords appear on Google results, as described on research methods. The different keywords used are in Appendix II (p. 57).

As a result most of the keywords did not bring up the company name on the first three pages. If a customer types in on Google promotional products, Buyking's website does not show up in the first three pages. However, if the client clicks [www.promotional-merchandise.org.uk](http://www.promotional-merchandise.org.uk) advert on the page three, the client can search from their website companies' names who offer promotional merchandise. Under the letter B the searcher can find a small advert from Buyking. This seems more similar to affiliate marketing.

If client types in promotional goods Buyking's website appears on the first page. Key phrase promotional mugs takes the client to Buyking's other website called [promo-mugs.net](http://promo-mugs.net) on second page. Key phrases promotional lanyards and promotional wristbands appear on the first page on Google as illustrated on Figure 11. These lead to Buyking's other websites called [promo-lanyards.net](http://promo-lanyards.net) and [promo-wristbands.net](http://promo-wristbands.net). The look of the

websites is not related to Buyking and one cannot find out immediately the company's real name.

Figure 11. Position of key phrase promotional wristbands on Google



According to observation the company has also a website called www.webrandit.co.uk.

None of the key words and key phrases led to this site according to the search results.

Therefore, their performance could be better and needs improvement.

## 8.4 Determining Audiences

Observational results showed Buyking needs to determine their target audiences better. At the moment they are using commercially available lists for example when they are sending out e-mail shots. In addition as search engine research showed it is difficult for the client in

the supplier search stage in the business to business decision making process by Kotler and Armstrong (2006, p. 181) to find the company via Google. Clients who are purchasing the first time might not know which keywords to use. As Buyking did not appear high ranks on Google, the client in supplier selection stage might go with other company's products because the company was difficult to find.

## **8.5 Strategic decision making: Tactics**

Groves (2010) tells e-mail marketing continually delivers the highest ROI for any marketing method. According to the Direct Marketing Association, e-mail marketing delivered \$43.62 for every dollar spent in 2009. According to Nussey (2010) e-mail marketers can incorporate social media into their campaigns extending reach as much as 24.3 per cent. He suggests getting recipients to share e-mails on social sites, marketers should feature the social-sharing option in welcome messages and devote prime space in mailings to sharing icons or links. The marketers should also think about which social networks they are using and where they are placing them within messages.

According to interview regarding offline direct marketing the only medium Buyking is using are catalogues. However, they do not send catalogues to acquire new customers, only to existing clients to maintain relationships and to new clients if they have requested one. Mr. Saykali believes the company will not use much offline direct marketing in the future. The marketing activities in the company are 100 per cent online. On the other hand, regarding direct marketing strategy on the Internet, Buyking has a plan. Their strategy is to keep cost-per-lead as low as possible, expand advertising over larger range of products and increase advertising of their websites. Mr. Saykali explains he is planning to invest more on Search Engine Optimisation in the future.

The interview revealed that for different marketing methods Mr. Saykali finds e-mail shots becoming less important because of the increase of spam. This leads to people ignoring e-mail adverts and in the past e-mail shots have not worked very impressively for them.

The Managing Director considers Search Engine Optimisation very important but the company has been having difficulties of achieving high position on Google rankings. This

involves a lot of long term work. Google Adwords is important for their marketing and has been effective. Mr. Saykali explains if one can be successful using this tool, investments can be increased and there is a possibility to get good return from it as well.

Regarding the impact of marketing strategies such as customer acquisition and retention of the company, the Managing Director said it is difficult to know about acquisition of clients because they have only used Google Adwords as their strategy. For customer retention personal selling, face-to-face meetings with clients and account management are important to maintain the relationships.

For the future marketing campaigns Mr. Saykali does not have specific marketing strategy. In addition he is not planning to use any other kind of marketing communications tools or different marketing media. However, he is planning to launch a new brand alongside with Buyking or rebrand the company to “we brand it” to provide stronger message and to express more clear what the company is doing. This involves launching a new website and increase online spend on marketing as well. Social media does not play a role in company’s marketing at the moment but Mr. Saykali explains starting to use it after launching “we brand it”.

Mr. Saykali sees the future of direct marketing online becoming more competitive. He predicts the cost-per-lead will go up and margins will get tougher. He tells Buyking needs to become better at generating new business as well as ensuring effective customer retention for receiving most benefits out of leads in long term.

## **8.6 Campaign planning: Objectives**

Observation revealed the company does not have clear marketing objectives or strategy, which they are following. The initial idea of the observational method was to examine how the company does their marketing. Through this method it came across there was little objectives and measurement carried out in the company. Research suggests they are not using available measurement techniques accurately. In addition Buyking seems not to analyse the data they are collecting. The main problem discovered is lack of knowledge

and lack of understanding fully online direct marketing and the lack of time focusing on marketing.

## **8.7 Campaign management: Implementation and action**

The campaign plan outline could be structured as per template adopted from Pickton and Broderick (2005, p. 296) (see Appendix III, p. 58).

Buying should start from situational analysis to see where the company is at the moment. After this they should re-evaluate their audiences. Determining objectives, developing strategy and tactics, implementation and action are factors where they should pay the most attention to and these need to be determined before budgeting can be made. The objectives should be set keeping in mind hierarchy of effects models (AIDA, DAGMAR). In addition, they should be SMART (specific, measurable, achievable, realistic and timed). For Buying their next campaign objectives could be:

- sales objectives: increase sales by 20% during April 2010 – October 2010 after the launch of “we brand it”
- marketing objectives: build customer relationships and loyalty through new image of the company
- marketing communication objectives: create awareness of new image of the company among customers

Marketing communications strategy for the company could be continuing advertising on Google trying to develop Search Engine Optimisation and acquiring new customers. In addition they should use direct marketing on the form of digital catalogue adjusted to the new image of the company and send this to prospects and existing clients. However, they should still remain using printed catalogues for clients who prefer it. In addition, they could start using social media as online advertising vehicle for example, Twitter after carefully carrying out research and planning a strategy. Buying should use e-mail for informing about their new brand and for example add social media tool with the e-mail. To avoid associations with spam they should apply permission marketing on their e-mails where their clients can decide if they want further newsletters etc. from them. All the tools mentioned are highly measurable after the campaign.



Budget should be set to cover the costs. However, depending on how much money the company wants to spend on Google Adwords, the other tools will not take incredible amounts of money.

## 8.8 Campaign evaluation

The best way to compare the effectiveness of online campaign is to calculate the investments on it and then comparing the results against sales figures. It can be calculated using Return on Marketing also called marketing return on investment (ROI). It means the net return from a marketing investment divided by the costs of the marketing investment. The calculation method measures the profits generated by investments in marketing activities (Kotler and Armstrong, 2006, p. 55). The formula used for computing ROI is:

$$\text{ROI} = \text{net profit} / \text{sales} \times \text{sales} / \text{investment}$$

Other appropriate method that the company can use is cost-per-acquisition where the formula is:

$$\text{Cost per acquisition} = (100 / \text{Conversion rate } \%) \times \text{Cost per click}$$

In addition, to the two above equations it is appropriate to mention cost-per-click, conversion rates for click-to-quote and opportunity to sale, cost-per-opportunity, sales and cost-per-sale.

On the Internet there are many measurement systems which are available for free. These measurement websites give a preliminary analysis of information what a company might need for measuring their campaign success. They give information such as page views, key words accessed and many other options to view a campaign. Many of these tools are not available on Google Adwords. These websites can be used as well to review competitors and benchmark against them.

Using web analytics data helps marketers better understand customers' needs and improves their ability to engage them through targeted and triggered campaigns. Nussey (2010) writes monitoring more sophisticated metrics help quantify the performance of marketing

initiatives. He explains 59 percent of e-mail marketers were still using only basic metrics such as opens and click-through rates in 2008. In his opinion, monitoring the percentage of people who click after opening can provide a better measure of message relevancy. This is a powerful metric for gauging the success of retention and loyalty-based campaigns (Nussey, 2010).

Marketing measurement site [thewayoftheweb.net/marketing-measurement-tools](http://thewayoftheweb.net/marketing-measurement-tools) offers a list of free and paid marketing measurement tools for companies to use for site comparison, site analytics and social overview just to mention a few of the categories. In addition website [objectivemarketer.com](http://objectivemarketer.com) offers companies free measurement tools for social media.

### **8.8.1 Online survey**

Online surveys are effective way to get valuable information from clients about products, services or websites. A retailer can survey to find out what product lines they would like to see expanded. Survey results will help in important business decisions that the business owner might have not considered without customer feedback. Another benefit of online surveys is the opportunity for the customers to feel like they are a part of the business. The researcher can begin asking from customer about the best way to communicate with, whether it will be via e-mail or some social media tool (Groves, 2010).

In the Internet there are several free online survey and questionnaire tools, which companies and individuals can use. Just to mention one of these methods is [surveymonkey.com](http://surveymonkey.com). They are offering tools for customer insights, employee feedback, event planning, education and training, research or just for fun. The user can create a free user account and create surveys for whatever purpose they want. In addition the user is offered ready templates to use for several types of questionnaires. If the user wants to create more sophisticated surveys, they can upgrade their account against payment. For example, Toyota and Cambells' have been using [surveymoneky.com](http://surveymoneky.com) for getting feedback from customers.

### **8.8.2 Current situation at Buyking**

Buyking measures all the business it receives, in addition the online campaigns are linked with their sales. Currently, they measure the online and direct marketing campaigns on sales tracking sheet, where they can trace down where the lead has come from. Mr. Saykali explains they put codes on their websites, therefore when client calls to the salesperson the code gets put into quote and from quote it can be put on sales tracking sheet. They use it to trace the lead to find out where it came from. In addition to the tracking sheet they perform tracking on Google Adwords. When measuring online campaign success, he thinks cost-per-lead and cost-per-order are the most important factors that should be considered.

For the future, the company is planning to improve their data collection methods and data analysis. At the moment their Marketing Manager is trying to develop a new plan for it. This involves the sales team getting the codes from websites with every phone call. In addition they are planning to employ another person for marketing to manage the campaign and the results together with Mr. Saykali himself and Marketing Manager.

The author followed marketing team and had discussions with the Marketing Manager.. Regardless of their measurement methods, the marketing department and management are not aware what the return of investment is in the company. Discussion showed they estimate what the ROI of marketing and the ROI of the company are. Using the sales tracking sheet as a measurement tool appears to be very inaccurate because sales people frequently forget to collect a tracking code from the clients over the phone. According to conversation with the Marketing Manager the company does not know from where over 20 per cent of the company sales are coming from.

### **8.8.3 Online survey and measurement sheet for Buyking**

A survey using surveymonkey.com was used to provide tool for Buyking to receive feedback from their clients. The survey asks clients about the website design, how and where did they find the company site, how well they managed to find relevant information for what they were looking for. They can provide some feedback about what they are

expecting from a website and what the company could do better with it. Below there is illustrated an example how the survey design can look like (see Appendix IV, p. 60).

Figure 12. Survey part 1

[SURVEY PREVIEW MODE] Questionnaire to investigate website satisfactory of Buyking. Survey used for student research. - Mozilla Firefox

Tiedosto Muokkaa Näytä Sivuhistoria Kirjanmerkit Työkalut Ohje

SurveyMonkey.com, LLC (US) [https://www.surveymonkey.com/s.aspx?PREVIEW\\_MODE=DO\\_NOT\\_USE\\_THIS\\_LINK\\_FOR\\_COLLECTION&sm=0g7JSKj%2bZoh5jR6v5ngUkWC779MoUsu8ugR7LKxogg%3d](https://www.surveymonkey.com/s.aspx?PREVIEW_MODE=DO_NOT_USE_THIS_LINK_FOR_COLLECTION&sm=0g7JSKj%2bZoh5jR6v5ngUkWC779MoUsu8ugR7LKxogg%3d)

Questionnaire to investigate website satisfactory of Buyking. Survey used for student research. [Exit this survey](#)

**1. Default Section**

\* 1. Where did you find Buyking website?

- ☐ Google
- ☐ Through other search engine
- ☐ Through other website
- ☐ Word of mouth (recommended by friend/other company)

\* 2. Was the website easy to find?

- ☐ Yes
- ☐ No

\* 3. What is the reason you came to the website?

\* 4. What did you think of the website design?

- ☐ Below satisfactory
- ☐ Satisfactory
- ☐ Exceeded satisfactory

Other (please specify)

\* 5. If you have any comments on improving the website, please add any comments you may have

Valmis

Create a Survey - Su... Lataukset [SURVEY PREVIEW ...] documents

15:30

Figure 13. Survey part 2

[SURVEY PREVIEW MODE] Questionnaire to investigate website satisfactory of Buyking. Survey used for student research. - Mozilla Firefox

Tiedosto Muokkaa Näytä Sivuhistoria Kirjanmerkit Työkalut Ohje

SurveyMonkey.com, LLC (US) [https://www.surveymonkey.com/s.aspx?PREVIEW\\_MODE=DO\\_NOT\\_USE\\_THIS\\_LINK\\_FOR\\_COLLECTION&sm=0g7JSKj%2bZoh5jFR6v5ngUkWC779MoUsu8ugR7LKxogg%3d](https://www.surveymonkey.com/s.aspx?PREVIEW_MODE=DO_NOT_USE_THIS_LINK_FOR_COLLECTION&sm=0g7JSKj%2bZoh5jFR6v5ngUkWC779MoUsu8ugR7LKxogg%3d)

5. If you have any comments on improving the website, please add any comments you may have.

\* 6. Did you find easily the information you were looking for?

☐ Yes

☐ No

Other (please specify)

7. If you did not find all of what you were looking for, please provide what you were looking for on the box below.

\* 8. How likely you will visit the website again?

☐ Very likely

☐ Likely

☐ Unlikely

☐ Very unlikely

Done

Valmis

Create a Survey - Su... Lataukset [SURVEY PREVIEW ...] documents survey part1 - Paint

As part of campaign measurement Buyking can use the website survey created on surveymonkey.com to monitor website satisfaction. In addition Google Adwords and one of the various online measurement sites can be used for monitoring and campaign evaluation.

As an example what measurement systems the company could use has been illustrated on Figure 14.

Figure 14. Measurement methods

Campaign effectiveness measurement sheet - Microsoft Excel

Home

Insert

Page Layout

Formulas

Data

Review

View

Clipboard

Font

Alignment

Number

A2

fx

Reach

	A	B	C	D	E	F
1						
2	Reach	Results		Visits	Results	
3	Ad impressions			Clicks		
4	Media Cost			Cost per click £		
5	Click Through Rate %			Conversion rate (click to quote)%		
6	Cost per Mille/Thousand £					
7						
8						
9	Leads generated	Results		Outcomes	Results	
10	Opportunity response			Sales		
11	Cost per Opportunity £			Cost per sale £		
12	Conversion rate (opportunity to sale)%					
13						

(Chaffey et al, 2006, p. 369).

## 9. Analysis and discussion

Starting from the traditional marketing theories, interview and observation showed the company did not perform marketing plan or are not following a specific plan. Kotler and Armstrong (2006) define the process of marketing, which is one of the basic models in marketing. Their theory matters in this context because marketing mix elements product, price, place and promotion are part of the marketing strategy that creates value to the customers. Despite the lack of marketing planning in the company, the Managing Director said marketing has important role. Regardless of this basic model, the case study company did something to create its customer base. It left the researcher wondering, how much more successful the company would be if it would have followed a proper plan. Establishing a proper marketing plan will eventually increase the sales. Especially secondary results (Mintel, 2010) presented how much revenue small and medium businesses had increased in 2009 by using online marketing.

One of the retention tools that got mentioned in research data was the use of personal selling. Kotler and Armstrong (2006) say this is efficient in developing new business. On the contrary Egan (2007) argued that use of personal selling in business to business communications is expensive, therefore direct marketing methods should be used to create awareness, enhance image and establish credibility. The author agrees with this because the company is about to establish a new brand. Therefore, they should use more direct marketing methods.

According to research and theory there are as much pros as there are cons towards e-mail marketing. For Buyling maintaining e-mails would still be useful to inform existing clients and prospects. According to the several theorists mentioned, company should consider using permission marketing with opt-in and opt-out methods because it would help the company to know which clients want further e-mails with adverts and newsletters.

According to qualitative and secondary research, online advertising brings results and can increase sales. However, measurement results were not impressive and for the researcher the company's websites are difficult to find using specific key phrases. This could be the result of poor Search Engine Optimisation and pay-per-click management. According to Chaffey et al (2006) theories it is important to find the key phrases the clients are most likely to use. In addition this supports an argument the company should know its target

group better. Especially if the client is not familiar about promotional merchandise industry or dealt with similar tasks before the company needs to consider carefully which key words they should use. As qualitative research showed supported by theory, the competition in online marketing and search engine marketing is increasing in the future. The link with the campaign planning model is that marketing and campaign planning will start to play more important role in the future as competition increases.

The measurement of online campaigns and what seem to be the correct systems for small businesses to use are in contradiction. Chaffey et al (2006) showed all different methods company should use after campaign. There are several ways and tools to measure online campaign success all of them offering different methods to measure. To use couple of them alone for example, ROI and conversion rate, will not be sufficient to cover the several aspects of online marketing campaigns. In addition the company should focus on what methods are most effective for them to use. The Peekstats.com results gave an overview about Buyking's website performance on the market and offered situational analysis. The case study company's sales tracking sheet is not very accurate and it can be misleading as the observation method revealed. The company relies on this method and Google Adwords very strictly. On the other hand, if this is enough for the measurement of their performance why to change a system that works. For future development these two methods might continue being misleading because of the lack of marketing and campaign objectives. Without objectives a company cannot know how successful their campaign has been. In other words, there is nothing to compare the results against. Perhaps to achieving more end results from measurement of campaigns, companies should adjust the measurement efficiency to every campaign.

As secondary research showed, surveying what clients think about websites, advertising campaigns etc. could lead the company to more appealing and effective campaigns and even develop customer relationship. Moreover, this links with defining the target market, characteristics and buying behaviour of Buyking's clients better. Egan (2007) explained the wheel of prosperity to visualise the differences between acquisition and retention and theory about prospect hierarchy. In addition, on business to business situation buyer-customer interaction is more complex. Therefore, it is crucial to have up-to-date profile about clients.



Positive sides with the data collected were that researcher could clearly see how small business works and how marketing people work with online marketing. Moreover, existing data showed which methods statistically worked. Negative sides were unavailability of more accurate data. There was minor contradiction between observation and interview results. The company thinks their measurement methods are fine, observation and theory shows it needs improvement. The reason why the company assumes this might be the lack of knowledge and time to develop marketing activities.

## 10. Conclusion

In a conclusion the literature review was presented using recent theory about online marketing, direct marketing, campaign planning, measurement techniques and marketing in general.

The research methodology was explained together with objectives for research and research methods conducted for carrying out the research. The method applied was exploratory research. The strategy included interview, observation, survey and secondary research.

The research objectives set in the beginning were met. The results from primary data showed that the company does not set marketing objectives or strategy. The company's own measurement methods appeared to be simple, inaccurate and in the need for improvement was established. The qualitative findings showed how marketing in the company works. In addition they established the need for new measurement method and new marketing communications tools. The research presented a campaign plan and measurement techniques for the company.

Analysis evaluated the results from research findings. It analysed the use and measurement of online direct marketing and how a small company should use it in order to increase its sales on business to business markets. Therefore according to the research results, author recommends Buyking Ltd the following improvements:

- to follow campaign plan
- use of Peekstats.com and other sites to measure and check against competition
- develop better measurement system
- start from analysing their existing data, then evaluate which marketing activities work and which are not
- establish proper marketing strategy before starting to use new marketing tools, otherwise same situation will repeat itself

Recommendations for further research could be to investigate what are the effects on sales after Buyking has launched their new brand alongside to Buyking and see what the effects on sales are.

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## Primary research interview

Interview with Managing Director of Buyking Ltd. Karim Saykali. Interviewer: Niitta Kotsalo.

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## Primary research interview

Interview with Managing Director of Buyking Ltd. Karim Saykali. Interviewer: Niitta Kotsalo.

## **13. Appendices**

### **Appendix I**

Interview questions for qualitative research.

- How do you see the role of marketing in the company?
- What do you believe direct marketing to be? How significant a role do you feel direct marketing plays in Buyking?
- Did Buyking develop a business model and business strategy when starting in business?
- What do you think are the contributing factors for Buyking having experienced such rapid growth in sales during the last two years?
- Does Buyking have a strategy for direct marketing on the internet? If no is there plans to introduce one?
- Is there a combination of direct online marketing and offline marketing in the company? What percentage represents online/offline? How do you see this changing in the future?
- What marketing strategies in your opinion have the most impact on customer acquisition? And what about retention?
- Do you think advertising on Google and other search engines has had an impact on sales?

- What do you think about different online marketing methods for example search engines, mails shots, email marketing etc. that the company has used in the past? Were they effective/did they work or not?
- Are you planning on launching any other kind of marketing campaign in the future? Will you carry out a marketing strategy? What marketing media would you use?
- Do Buyking currently measure online campaign or direct marketing campaigns? If yes how (what tools?)? If not why?
- What kind of methods are you using to measure your Google adverts' success?
- What do you keep as the most important factors when measuring online campaign success?
- Do you link your online campaigns with actual sales? If no do you think it is possible to do? What thoughts do you have going forward on this topic?
- Do you have any plans how to improve the data collection methods? Have you considered how to analyse and collect data better in the future?
- Do you have or plan to have a person dedicated to campaign management or reviewing the campaign results? Explain
- Does social media play any role in your marketing now? Will it play a role in the future?
- How do you see direct marketing online changing in the next 3-5 years and what impact will that have for Buyking?

Thank you very much for your time!



## Appendix II

According to Peekstats.com report and what the author has observed the keywords

Buying uses on Google are:

- promotional products
- promotional gifts
- business gifts
- promotional goods
- promotional merchandise
- promotional items
- corporate gifts
- merchandise
- printed
- conference
- advertising
- pens
- imprinted
- mouse mats
- mugs
- umbrellas
- key rings
- bags
- clothing
- promotional mugs
- promotional lanyard
- promotional wristbands

## **Appendix III**

Campaign outline plan

Executive Summary

Situation Analysis

- Company analysis
- Competitor Analysis
- Consumer Analysis
- Market Analysis
- Product Analysis
- Problems and Opportunities

Target market profile

Objectives

- Marketing Objectives
- Communication Objectives
- Advertising Objectives

Marketing Communications Strategy

- Advertising Strategy
  - o Creative strategy and execution
  - o Objectives
  - o Strategy
  - o Tactics and execution
- Media Strategy
  - o Objectives
  - o Strategy
  - o Tactics and vehicles
  - o Cost Estimates
  - o Continuity schedule
- Direct marketing strategy
- Online marketing strategy

## Campaign Evaluation

### Budget

(Pickton & Broderick, 2005, p. 296)

## Appendix IV

Questionnaire to investigate website satisfactory of Buyking. Survey used for student research.

[Exit this survey](#)

### 1. Default Section

\*

#### 1. Where did you find Buyking website?

☐

Where did you find Buyking website? Google

☐

Through other search engine

☐

Through other website

☐

Word of mouth (recommended by friend/other company)

\*

#### 2. Was the website easy to find?

☐

Was the website easy to find? Yes

☐

No

\*

#### 3. What is the reason you came to the website?

What is the reason you came to the website?

\*

#### 4. What did you think of the website design?

☐

What did you think of the website design? Below satisfactory

☐

Satisfactory

☐

Exceeded satisfactory

Other (please specify)

5. If you have any comments on improving the website, please add any comments you may have.

If you have any comments on improving the website, please add any comments you may have.

\*

6. Did you find easily the information you were looking for?

- ☐ Did you find easily the information you were looking for? Yes
- ☐ No

Other (please specify)

7. If you did not find all of what you were looking for, please provide what you were looking for on the box below.

If you did not find all of what you were looking for, please provide what you were looking for on the box below.

\*

8. How likely you will visit the website again?

- ☐ How likely you will visit the website again? Very likely
- ☐ Likely
- ☐ Unlikely
- ☐ Very unlikely