



Smart Content – An innovative solution for e-commerce

Case study: Kiosked Limited

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<p>Abstract:</p> <p>As retail has moved online and consumers are more demanding than ever, being able to deliver a useful, convenient, and relevant experience is among the most challenging missions for companies. This thesis focuses on providing insight look on the new concept ‘Smart Content’ - the new solution for e-commerce and online advertising with the exploration about the in-content advertising platform from Kiosked Ltd which enables smart content. The literature framework is collected and gathered from books and various online resources. An interview with representative from Kiosked is conducted as the empirical data. A thorough analysis is made based on the theoretical framework, secondary data, and practical information.</p> <p>The result shows that smart content is truly an effective solution for companies in enhancing consumer experience and building a personal relationship with the consumer. Kiosked’s in-content advertising platform is among the best answers for the challenge. Brands and advertisers are not only able to offer a non-intrusive and relevant experience for the consumers wherever they are but also can use the help of publishers in driving sales and increase brand engagement. However, the consumer’s knowledge about smart content and Kiosked’s service is still limited and needs to be increased.</p> <p>The thesis is believed to be helpful for companies in their online advertising and e-commerce activities, especially in Finland where the start-up scene is promising and rapidly growing.</p>	
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GLOSSARY

Key Performance Indicators (KPI): “measures that provide managers with the most important performance information to enable them or their stakeholders to understand the performance level of the organization” (Marr, n.d).

Click-Through-Rate (CTR): “the average number of click-throughs per hundred ad impression, expressed as a percentage” (Marketing Terms, 2014).

Effective-Cost-per-Mille (eCPM): “the advertising revenue generated per 1000 impressions (Bea, 2013).

Application Program Interface (API): “a set of commands, functions, and protocols which programmers can use when building software for a specific operating system. The API allows programmers to use predefined functions to interact with the operating systems, instead of writing them from scratch” (TechTerms, 2014).

FOREWORD

For this thesis to be completed, I would like to express my tremendous gratitude and love towards the love and the continuous support from my beloved family, especially my grandparents and my mother. They have always been accompanied me in every step of my life with full of love and support.

I want to show my appreciation and thankfulness towards my supervisor, Mr. Sveinn Eldon for his great guidance and support during the completion of my thesis paper. He has always been very supportive and quick to offer his advices during my study here at Arcada.

I would also like to express my gratitude and appreciation toward Kiosked Ltd. for their great support in my research paper. Special thanks to Mr. Micke Paqvalén – founder and CEO of Kiosked for giving me the permission to do a research about the company. I would like to relay my gratitude especially to Ms. Wiebke Arendt – Online Communication Manager of Kiosked, Ms. Berit Virtanen-Thewlis – Head of Communications of Kiosked, and Ms. Johanna Fagerström – Communications trainee at Kiosked for their contribution in providing me with great answers for the interview and necessary materials to complete my research.

I hope that my work would benefit Kiosked Ltd. in perfecting their business as a leading platform enabling smart content as well as other related studies in the future. I also hope that this research would be a good starting point for any companies, brands, and advertisers in adapting smart content solution for their online business.

Helsinki, November 20th, 2014.

Van Anh Phan Nguyen

1 INTRODUCTION

As consumers are leaning towards online shopping, online consumer behavior is changing rapidly every second of every minute. Online advertising and e-commerce have also become more mobile and adjusting to meet the consumer needs. With the availability of different interfaces and devices with which consumers interact with brands and online retailers, it is vital to be able to offer a consistent experience regardless of devices and channels. That is where omni-channel approach and content advertising are quickly adapted in online marketing and advertising. However, consumers not only want to have consistent experience when interacting with brands but also expect it to be relevant, contextual and personalized. As a result, the new concept ‘smart content’ is born and getting a great amount of attention from brands, advertisers, especially in the e-commerce landscape. However, being a totally new concept, there are not many researches or academic studies offering the insight knowledge about smart content. A study about smart content using the leading in-content advertising platform from Kiosked Ltd. as a case study is considered to be of great interest and helpful for the field and for companies in their decision making of adapting this new concept.

1.1 Case company Kiosked Ltd. background

Kiosked is a Finnish technology corporation specialized in providing solutions for e-commerce activities and online advertising. Kiosked was founded in 2010 by Lars-Michael Paqvalén and Antti Pasila, who are currently the CEO and CSO respectively. After 4 years of operation, Kiosked has been growing at a rapid rate with head offices in 5 different locations: Los Angeles, New York, Dublin, London, and Espoo with more than 100 employees. Besides, the company has been chosen as one the world’s best technology and also received several of advertising and design awards for their innovative and inspiring business solutions. Kiosked works with over 10,000 brands such as Nike, ASOS, Sanoma, eBay, Nokia, etc. with millions of products. (Kiosked 2014)

According to Pasila (Nuutinen 2012), in 2011, Kiosked’s turnover was more than €350 000 with the expected turnover for 2012 of €2 million. This was considered to be a huge

success for a start-up company with only 2 years of operation at that time. As of 2013, Kiosked announced its success of raising over \$6.9 million funding from private investors for the company's expansion into U.S. and Asian markets as well as the launching for Kiosked's mobile content monetization solutions (Kiosked 2014).

Kiosked is described as a platform that enables Smart Content by turning any online branded or editorial visual content such as images, videos, and applications into "non-intrusive interactive storefronts or points of consumer engagement" (Kiosked 2014). By doing this, brands and publishers are enabled to engage and interact directly with consumers and monetize the impulses generated through Kiosked content. Consumers are offered a 'see it, want it, buy it' system in which they could shop, discover, and share online content in a fun and innovative way. Ultimately, this would create a "win-win-win" situation for all parties. (Kiosked 2014)

Kevin Wall, the CEO of Control Room, expressed his opinion on Kiosked's technology as "a much needed solution for monetizing online content across a variety of platforms and business industry sectors, including entertainment" (Kiosked 2013). He was intrigued by the way Kiosked turns online marketing and advertising into a non-intrusive service - a true service for consumers (Kiosked 2013). Kiosked has also built a unique algorithm which allows brands and publishers to use various advertising models to engage more with their consumers and readers with contextual, relevant and rich content. As Pasila (Nuutinen 2012) said, Kiosked is expected to be an outstanding technology solution and its in-content advertising would gradually become a norm in the e-commerce landscape.

A kiosk could be understood as a visualized graphic containing relevant information and functions that help enriching online content. The below figure is an example of how a kiosk would look like in practice.

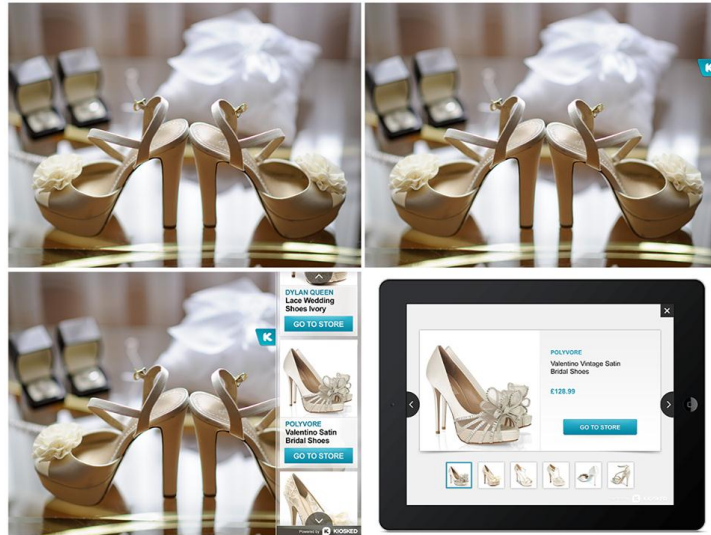


Figure 1. An example of how Kiosked sales platform is presented (Kiosked 2014)

The figure above is a photo of a pair of shoes which could be found in any fashion websites, blogs, or social media feeds. The difference here is the small “K” logo attached with the picture, which indicates the “kiosked” content. This “K” logo does not operate the same way as other common online advertising which often disturbs online users by feeding loads of products or promotions. The “kiosked” content, on the other hand, only appears when the users mouse over the logo and usually consists of relevant products to the photo together with key information such as brand, price, store, and a call-to-action button transferring the users to the website that sells this particular product. This “kiosked” photo could also be shared via social media networks like Facebook and Twitter. (Kiosked 2014).



Figure 2. An example of Mercedes’ Kiosked custom-content for online marketing and advertising (Kiosked 2014)

Figure 2 above shows another application of Kiosked which is not a sales platform but a customized content to cater and support the online marketing plan of the brand. Instead of displaying the information of the product for selling purpose, the “kiosked” brand is able to customize the “K” logo, its content and call-to-action button for other user experiences. (Kiosked 2014)

The key point here is to create and bring an impulse and instant online shopping experience for the consumers regardless of place and time and without leaving the current website. Kiosked sales platform enables advertisers to integrate their offerings to relevant content across the web. Kiosked is built in a way that makes it simple and easy to be integrated to any online content, provides consumer with immediate access to the product information together with possibilities to make online or offline purchases, bookmark for later use, and even online sharing. Furthermore, to ensure the security and trustworthiness of Kiosked’s network of online publishers, advertisers, and retailers, Kiosked made a partnership agreement with Web of Trust (WOT) which is the worldwide community of over 25 million users who examine and rate the reliability of websites all over the world. Therefore, consumers are safe to make purchase or access websites via Smart Kiosk. Kiosked also builds their own Image Bank which is free and available for online publishers, bloggers, or photographers to download and earn commission money on these images. This Image Bank contains millions of images and products of almost ten thousand brands, which are trusted through WOT to ensure safety and enhance user experiences. (Kiosked 2014)

1.2 Research questions

Smart Content is a rather new concept in online marketing and especially in e-commerce landscape. Kiosked Limited is one of the pioneer companies specializing in integrating Smart Content into content marketing and e-commerce activities. As Smart Content being an innovative revolution, there are not many studies or researches regarding this subject. Therefore, taking Kiosked’s business model as a case study would provide insight understanding about Smart Content and how companies could integrate such platform like Kiosked’s in their digital marketing plans and e-commerce businesses. On that note, this

thesis would involve around and explore the main research problem together with two sub-questions as follow:

Research problem: *“How different and how effective is Kiosked in e-commerce in comparison to other current platforms?”*

Sub-questions:

- How will Kiosked change consumer experience with online shopping?
- Why should companies integrate Kiosked’s platform in their digital marketing plan and e-commerce businesses?

1.3 Aim of study

The main objective of this thesis paper is to gain better understanding about the new concept Smart Content in e-commerce landscape as well as online marketing activities. By collecting information through interview with Kiosked and other information from secondary data, this research will discuss and answer the research problem together with the sub-questions. The ultimate objective would be to find out how Kiosked’s online sales and marketing platform could support companies in integrating Smart Content – the emerging essential element in e-commerce and online marketing activities.

2 LITERATURE REVIEW

Marketing is a life-long concept which has been existing in the business world and surrounding everyday life all around the world. More importantly, it is a key chain connecting other departments in order to operate and develop the business mechanism. According to Dann and Dann (2011, p.30), “marketing is an adaptive ‘smart’ technology”. In other words, being considered a consumer-oriented approach, marketing has to be quick in learning, adapting, and evolving in correspondence with the changes in the business environment. Thus, it is essential to alter and adjust its approaches, practices, and techniques to be up-to-date and contribute its values to the organization. With the revolutionary invention of the Internet and its rapidly widespread accessibility, the commercialized Internet had come into the picture since mid-1990s, which made marketing and its theories undergo multiple substantial changes and developments in order to keep up with the new challenging era (Dann and Dann 2011, p.30). Therefore, there are several differences observed between traditional marketing and today’s modern marketing. With the objectives of this paper regarding the new trend in e-commerce, this section will be focusing on different e-concepts and various types of online marketing such as social media marketing and mobile marketing, discussing online consumer behavior, the new concept “smart content” and latest trends in digital marketing.

2.1 E-marketing

2.1.1 Traditional and modern marketing

According to Kotler and Keller (2012, p.5), marketing mostly concerns with recognizing human and social needs and how to meet and satisfy those needs. While Kotler and Armstrong (2012, p.28) simply define marketing as “managing profitable customer relationships”. Modern marketing is not merely about “telling and selling” but about focusing on “satisfying customer needs”. In other words, according to Peter Drucker – a management guru, the main goal and purpose of marketing is “to make selling unnecessary”. There are indeed distinguished definitions of social and managerial marketing. The social aspect is

defined as the societal process in which individuals and groups offering and exchanging goods or services with one another in a free and willing manner. (Kotler and Armstrong 2012)

As a global concept, marketing shares cross-cultural understanding and worldwide inter-connections. The following are widely used definitions provided by two recognized organizations, the American Marketing Association (AMA) and the Chartered Institute of Marketing (CIM).

The AMA offered the official definition of marketing as:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (AMA 2013)

This definition emphasizes the value creation and value delivering to the customers as well as the close and interactive relationships among customers, marketers, and society.

On the other hand, the CIM's definition of marketing poses a greater emphasis on the role of the organization in the marketing process and activities.

Marketing is the management process identifying, anticipating and satisfying customer requirements profitably. (CIM 2014)

Helgesen (2006) commented that the good point of CIM's definition lies in the acknowledgement of the dual focus in marketing which is satisfying customer needs while being able to achieve the organization's long-term goals and objectives of survival through profit (See Dann and Dann 2011, p.35). The profit orientation here can be understood as both 'financial profit' reflected through traditional measurements and 'social profit' obtained by organization's activities, community participation, and marketing campaign (Dann and Dann 2011, p.35).

With the new challenges presented by the Internet and advanced technology era, these two definitions are still proved to be true but are shed with another light and perspective.

Hence, how traditional marketing transforms itself into modern marketing (online, digital marketing) is described as follow:

Table 1. Traditional marketing versus Modern marketing (Scott 2011)

	Traditional marketing	Modern marketing
Audience	Mass, mainstream public	specific targeted customers per segments
Communi- cation	One-way: company to consumer	interactive, direct, deliver content at the right time to the right audience
Media	TV, physical newspapers, radio, etc.	Website, blogs, online video, social networks, etc.
PR	separated with marketing, and mainly for reporters and editors	running alongside with marketing to reach buyers with recent news and releases, bypass the media filters
Time and Place	limited and restrained	available anywhere, any time

According to Table 1, we can see that one-way communication from company to consumer is the only way marketers could do to reach their buyers. In addition, most advertising was aimed to the masses, which was so broad that it was perceived as ineffective (Scott 2011, p.6).

The Internet and advanced technologies have required a power shift from sellers to buyers. According to Stuart Elliott (2009), “marketers of all sorts are now being urged to give up the steering wheel to a new breed of consumers who want more control over the ways products are peddled to them”. Consumers now want to voice their own needs and they trust each other and are able to obtain information and experiences from one another instead of only those coming from companies (Strauss and Frost 2012, p.36). Therefore, modern marketing or online marketing has to create a new form of communication which is interactive to buyers and consumers together with delivering interesting and useful

content at the right time and to the right targeted audience(s). It is made easier and approachable thanks to the Internet, social media networks, and other online contents where interaction between companies and consumers is available anywhere and at any time. (Scott 2011)

Scott (2011, p.23-24) also proposed that the lines between marketing and PR in modern marketing are not clearly drawn anymore. The two departments are now working closely to each other more than ever to create and publish content in a timely manner to consumers - the real 'public'. As Cammie Dunaway, chief marketing officer at Yahoo has stated: "Content is no longer something you push out. Content is an invitation to engage with your brand." (Elliott 2009).

2.1.2 E-business, e-commerce, and e-marketing

The following section will be presenting a general overview of the definitions of the three terms with the e-prefix, which are often referred as synonyms and are often used interchangeably. It is important for any organization and marketers to develop a common understanding, distinguish the core characteristics and the interrelations among e-business, e-commerce, and e-marketing.

There are many different interpretations for these three electronic business terms since there are no distinct borders or lines drawn between them. The below definitions and explanations are the most commonly used in most e-marketing books.

Table 2. Definitions of the modern e-concepts (Strauss and Frost 2012, p.28)

E-business	E-commerce	E-marketing
<ul style="list-style-type: none"> - “E-business is the continuous optimization of a company’s business activities through digital technology.” - E-business consists of the act of attracting and maintaining relationships with the right customers and business partners. 	<p>“E-commerce is the subset of e-business focused on transactions that includes buying/selling online, digital value creation, virtual marketplaces and storefronts, and new distribution channel intermediaries.”</p>	<ul style="list-style-type: none"> - A department in various e-business activities of an organization. - “E-marketing is the use of information technology for marketing activity, and the process for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

2.1.3 Modern marketing concepts: Omni-channel marketing and Content marketing

Omni-channel marketing

According to Accenture research (2012), customer’s journey in purchasing a product or service has changed dramatically in three essential aspects:

- The customer’s journey is more dynamic - despite going through the same stages as the traditional buying process, customers now do not exit the journey at the “purchase” point but continue to remain in the circle. They expect providers to interact with them across all channels. Customer’s moves are less predictable since they enter and exit each touch point continuously.
- The journey is more accessible.

- The journey is continuous - customers are exposed to myriad of channels and touch points which are now empowered by advanced technology (Accenture 2013).

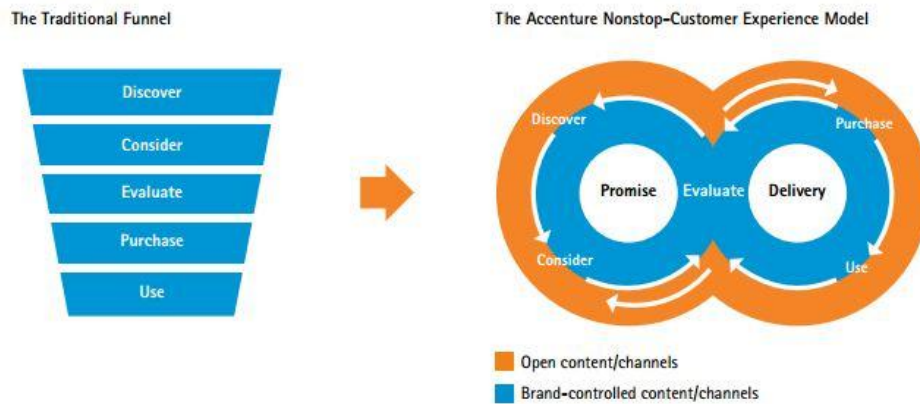


Figure 3. Nonstop-Customer Experience Model (Accenture 2013)

Due to the dynamic, accessible, and continuous buying journey of customers, there emerges the need and expectation for a “seamless, integrated, consistent, and personalized experience” in the relationship between customers and service providers in all available multi-channels, which is referred as “omni-channel”.

Omni-channel is a rather new term in business landscape. Omni-channel is defined as synchronized system in which all channels of the company are integrated and present the same interface to the customers together with a consistency in business operation. In other words, with an omni-channel approach, the brand will be promoted and operate as a single channel, organizing and providing high value and consistent customer experiences throughout all touch points. Since omni-channel approach offers customers “seamless, consistent, and personalized” experiences across all agent channels, customers can communicate and interact with their service providers at any time, wherever and however they want to. With the closed integration between channels, each interaction now becomes a “seamless extension” of the previous one, which allows customers to continue and pick up their journey exactly where they left. Customers are able to choose the channel of their choice for every single step of their buying process and provided with access to all available promotions or discounts regardless of the channel. Therefore, omni-channel is a customer-driven approach in which companies “respond dynamically” and consistently to

the customers throughout all channels. A careful consideration should be taken is that companies must be able to distinguish the differences between an omni-channel approach with a multi-channel approach. In short, in place of multi-channels, omni-channel is a single channel consisting of multiple different touch points which offering customers a seamless and consistent experience. (Accenture 2013)

Content marketing

Content marketing is considered to be one of the biggest success in the industry during the past ten years. It has been showing rapid growth in its size, increasing awareness, and crucial weight in marketing budget allocation. Most people practically know how content marketing works, which are attracting customer's attention, trying to engage them to the content, the brand, and finally guiding them towards some decision making or actions. According to the Content Marketing Association (CMA 2013), content marketing is defined as follow:

The discipline of creating quality branded editorial content across all media channels and platforms to deliver engaging relationships, consumer value and measurable success for brands. (CMA 2013)

Leslie Nuccio (2014) expressed her thought of content marketing as “the combination of digital marketing and creative”, which generates creative content with “a solidly articulated business goal, strategy and KPI's behind it”. KPI is Key Performance Indicator which can defined as “measures that provide managers with the most important performance information to enable them or their stakeholders to understand the performance level of the organization” (Marr, n.d).

In these definitions, the focus is on “quality branded editorial content” or so-called “creative content”. Content has always been a significant factor in the success of every single marketing campaign; however, the core of content marketing is to integrate all channels, to deliver messages, to engage customers to the brands, and ultimately to “sell without the obvious sell”. The customers will be provided with useful, entertaining information, and even meaningful messages through these “quality branded editorial content” in exchange with their attention for the promoted products. Besides giving the brand a per-

sonality, an image, a character in the public's and customer's knowledge, content marketing is also in the constant support to build a valuable, long-lasting relationship with the customers, which increases loyalty, awareness, and finally sales. (CMA 2013)

2.2 Social media marketing

2.2.1 Social media

Talking about the Internet and its related advanced technologies, it is impossible to leave out the topic of social media. The influential impact of social media is growing every day as the number of people joining online communities or social networking sites is rapidly increasing. Facebook is a typical example of the widespread of social media. Facebook has more than 800 million daily active users and over 600 million mobile daily active users on average as of March 2014 (Facebook 2014). As Tuten and Solomon (2013, p.2) expressed, "if Facebook were a country, it would be the third most populated in the world". It is, in fact, surprisingly true. There are several definitions of social media yet they all possess the similar characteristics in terms of content, communication, technology, and community.

Tuten and Solomon (2013, p.2) define social media as "the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility". On the other hand, Dann and Dann (2011, p.334) suggest a simpler definition of social media, which is "the interconnection between content, users, and communication technologies". This definition focuses on the value of connecting with other people, the virtual presence, and the virtual geography, which are among the reasons for the rising hype of social media. According to Chaffey and Smith (2013, p.214), the meaning of social media can be different to different people and online socializing is all about sharing, discussing ideas and content and user participation.

Social media advisory panel of the Chartered Institute of Public Relations (CIPR) presented their official definition of social media as follow:

Social media is the term commonly given to Internet and mobile-based channels and tools that allow users to interact with each other and share opinions and content. As the name implies, social media involves the building of communities or networks and encouraging participation and engagement. (CIPR 2013)

This definition of CIPR emphasizes the most significant characteristic of social media channels is to encourage users or customers in this business context to participate, to interact, to create and to share their own user-generated content (Chaffey and Smith 2013, p. 214).

The word ‘media’ has been understood in several meanings, but it is most often referred as means of communication. It could either be ‘mass media’ (to reach a large number of people or individuals) or ‘personal media’ (two-way communications between individuals). With the case of social media, it has been crossed and carried both characteristics of mass and personal media, which means social media can enable individuals to communicate with one or a few people or even to millions other people at the same time (Tuten and Solomon 2013, p.4). Social media is perceived as a rather complicated area due to the huge quantity and variables of different channels and vehicles especially with the online channels. Therefore, Tuten and Solomon (2013, p.4) have categorized and grouped these channels into four zones according to their similar features and characteristics:

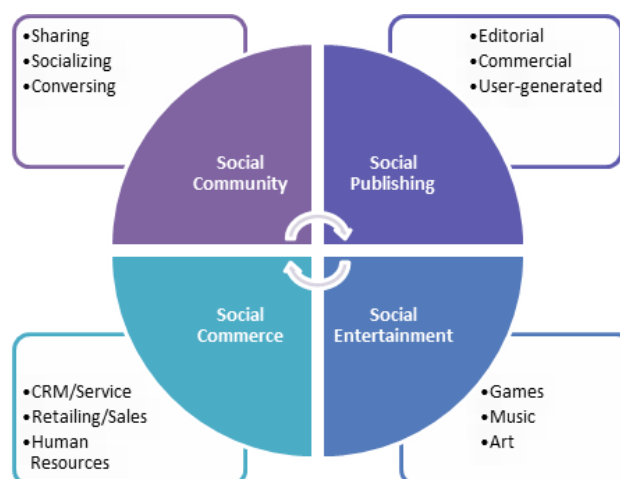


Figure 4. Social media zones (Tuten and Solomon 2013, p.4)

Since the scope of this research is focusing on the influence and power of social networking sites and blogs in e-commerce and Kiosked's in-content advertising platform, the following section will only discuss two zones in Tuten and Solomon's social media zones, which are social community and social publishing.

- **Zone 1 - Social Community**

Social communities are the social media channels which include all activities, communications, and relationships shared between people with common or similar interests. Therefore, social communities enable users with two-way or multi-way communication, shared platform of resources, experiences, and collaboration. Besides networked relationships, the more important reason why people choose to engage in social communities is for interaction, building and maintaining relationships. (Tuten and Solomon 2013, p.5)

There are four channels in the social community zone including social networking sites (SNS), forums, wikis, and message boards. The common characteristic of these channels is the emphasis on individual contributions in these so-called communities, collaborations, or communication. (Tuten and Solomon 2013, p.5)

Social networking sites (SNS) can be assumed to be the most popular channel in social media with billions of users all around the world. SNS are generally online providers, platforms, or hosts that allow users to create their own profiles, connect with other users, and utilize numerous services and tools offered by the sites. All these features and services are revolving around individual communications, connections, and participation. The profile feature enables users to create their own social identities by uploading their own pictures, basic information, and several customizable options. Social networking sites are also often referred as the communication hubs offering users the accessibility to their own friend lists or contact lists and the "must-have" interface or platform for easy reach and communication. Users can easily send instant direct messages and comments to one another through these integrated features. However besides these basic features, social networking sites are now focusing on providing their users with other widgets, applications, tools, or features that can encourage and generate social sharing. According to Mark Zuckerberg, the president and CEO of Facebook, people are getting more comfortable

and are used to sharing information and all kinds of contents on social media more openly to a lot more people and this is a “social norm that has evolved over time.” (Mendelsohn and McKenna 2010). The content shared can either be user-generated contents (videos, opinions, photos, songs, artworks, etc.) or secondary content (things created by others that users consider to be worth sharing and distributing broadly to their social networks). According to Forrester Research (2010), there are approximately 23% of social media users who actively create and produce contents like videos, blogs, music, articles and post them to social media channels (Rousseau-Anderson 2010). On the other hand, 75% of social media users like to share these available contents via social media channels. The most common reasons why people choose to share content are because it is entertaining or interesting, it might be helpful, and because it is funny (Mendelsohn and McKenna 2010). There are numerous of SNS available in social community such as Twitter, Facebook, Google Plus, LinkedIn, etc. Among those, LinkedIn is the well-known professional networks while Facebook is the most popular social networking sites. On another note, Facebook no longer defines itself as a social networking site but as a social utility since their services and features cover all 4 zones of social media.

Forums are probably one of the oldest channels in social media. They are interactive online discussion boards in which the members would participate by posting questions, photos, news, opinions, getting responses from other members, and discussing with one another. Forums are created mostly for people with the same common interests. (Tuten and Solomon 2013, p.5)

Wikis are developed to be online community collaboration workplaces in which members can contribute their knowledge to create useful informative resources to be shared to others. The members can edit, comment, and work together to produce any kind of resource. (Tuten and Solomon 2013, p.5)

- **Zone 2 - Social Publishing**

Social publishing sites are developed in order to help spreading content to varieties of audience. The channels in social publishing zone consist of blogs, social bookmarking

sites, micro-sharing sites, news sites, and media-sharing sites. (Tuten and Solomon 2013, p.5)

Blogs are online website hosts that deliver content and logs in reverse chronological order. There are approximately 175 million blogs in use with a wide range of topics maintained by individuals, organizations, journalists, and so on. The blog content can feature text, graphics, or even videos. The reasons why blogs have been consistently around for over a decade are because they offer bloggers and readers opportunities to express their opinions and share them on social media, to earn money by selling on-site advertising, or organization's content feeding. Companies and organizations can also gain benefits from blogs by increasing traffic to their websites or e-commerce sites, and building brand awareness through their own blogs or from influential bloggers. (Tuten and Solomon 2013, p.5-6)

Micro-sharing sites or microblogging sites are blogs but with limited content length. A micro-share or microblog on these site could be comprised of a sentence, an embedded video, or a link redirected to content on another site. (Tuten and Solomon 2013, p.6)

Media sharing sites are also blogs but mostly feature photos, videos, audio, documents, and presentations rather than text. These sites' content can be searched by public, but since media sharing sites are also network based, there are other options for members to bookmark their favorite content publishers. Here are some popular vehicles in media sharing for different types of media according to Tuten and Solomon (2013, p.6):

Table 3 Popular vehicles in media sharing (Tuten and Solomon 2013, p.6)

Video sharing	YouTube, Ustream, Vimeo
Music and audio sharing	iTunes, Live365, Spotify
Photo sharing	Flickr, Photobucket
Documents and presentations	SlideShare, Scribd

Although there might be some overlapping characteristics and channels among these four zones, it is a good way to categorize the channels in social media for better understanding and utilization. The below figure illustrate social media zones and some popular channels.

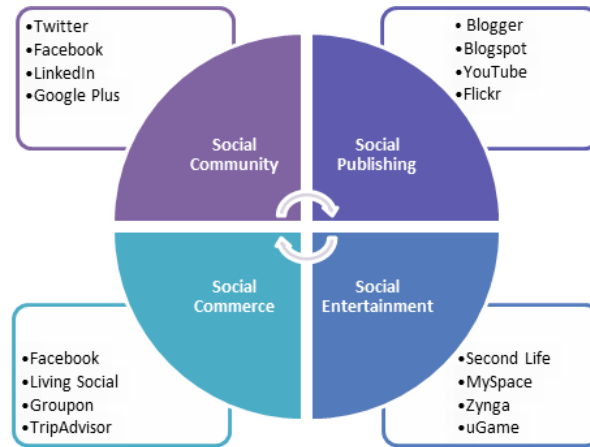


Figure 5. Social media zones and exemplar channels (Tuten and Solomon 2013, p.7)

2.2.2 Social media marketing

As mentioned earlier, social media does not only equip marketers with opportunities to approach customers in more diverse contexts but it also offers customers more control and participation in the making of products and services of their needs. Marketing in the conventional view has been always involving around achieving goals through the well-known marketing mix or the so-called 4 Ps: Product, Price, Promotion, and Place. With social media coming into place, it is essential to add the fifth P in this marketing mix, which is Participation. Customer behavior is changing rapidly along with social media; therefore, marketing approaches also need to undergo transformations to cover these new areas in business regardless of their focuses, which leads to the presence of social media marketing. (Tuten and Solomon 2013, p.14)

Social media marketing is defined as “the utilization of social media technologies, channels, and software to create, communicate, deliver, and exchange offerings that have value for an organization stakeholders” (Tuten and Solomon 2013, p.14).

Since social media gives customers greater and unlimited access to discuss, participate, and share ideas, opinions with one another and with brands, social media marketing has been greatly enhancing the interaction and the relationship between the customers and brands. The nature of marketing has been moving towards a more informal concept in which customers are in control. Marketing guru Peter Drucker has stated that “the purpose of a business is to create a customer”; yet, with the rapid expansion of social media marketing, this should be said that “the purpose of a business is to create customers who create other customers” (See Tuten and Solomon 2013, p.15).



Figure 6. Brand applications in social media marketing across social media zones (Tuten and Solomon 2013, p.16)

2.3 Mobile marketing (M-commerce)

In this section, the author will be discussing m-marketing or mobile marketing which is often referred as an adjunct to the e-marketing process. Several of studies have been discussing the potential of mobile marketing to be more than just the Internet in your pocket. In addition, the increased number of consumers, who use their phones to browse the Internet and even prefer online purchase rather than the traditional method, has proposed the importance of mobile marketing in e-marketing activities. (Dann and Dann 2011, p.382)

2.3.1 Definition of mobile marketing

According to Dann and Dann (2011, p.382), m-commerce is a wide area covering all dimensions of “the commercialization of the mobile computing, mobile phone, and e-device market”. In this marketing business context, the focus will be put on the marketing influences of mobile phones and devices. The mobile phone technology is often referred as quite new product (QNP) rather than really new product (RNP) since the developments for mobile phones are generated at a rapid but steady rate, which makes it a familiar scenario for the consumers. Therefore, while practicing m-marketing marketers always try to seek the balance between consumer interests (market focus), the technical capacities, and the organization’s business objectives (marketing plans) in order to get the best possible results. (Dann and Dann 2011, p.382)

Then, what exactly is mobile marketing? Mobile marketing is a subunit of e-marketing utilizing mobile phone as a technology platform for marketing purposes and interactions. While, traditional m-marketing relies on SMS (short messaging systems), MMS (multi-media messaging), or Bluetooth technology, the modern m-marketing now has moved towards the use of wireless broadband Internet. With the m-marketing in the picture, it is important to recognize the integration of mobile communications and the Web in two aspects - “mobile content can be activated and purchased from a variety of websites, and websites can be accessed and used from mobile devices” (Dann and Dann 2011, p.383). In other words, the aim of m-marketing is to use the device as the distribution channels and as the platform to offer products and services to consumers together with good user experience (Dann and Dann 2011, p.383).

2.3.2 Mobile site design

According to a research on US smartphone users from Google (2011), 89% of the participants use their smartphones throughout the day. Moreover, 81% using smartphone to browse the Internet, 77% using for mobile search engine, 68% using mobile apps, and 48% for watching videos on a weekly basis. In other words, smartphones are now the mostly used device for web activities and people tend to use their phones for web access instead of other devices.

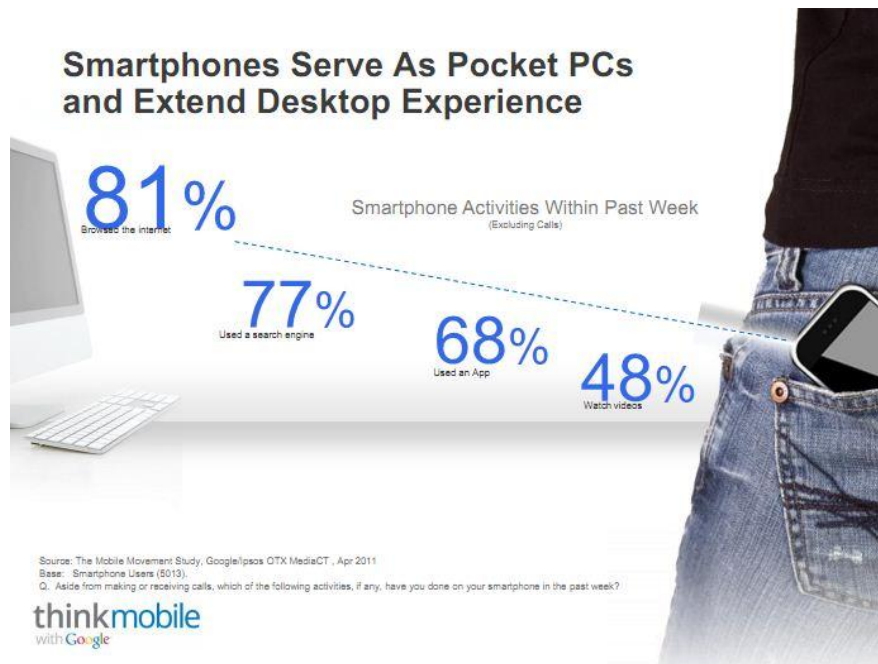


Figure 7. Smartphone activities on a weekly basis of US users (Google 2011)

Another research from Google (2013) on mobile experience also shows that 89% of online service seekers use mobile device and an adult spends an average of 141 minutes using mobile devices a day. That results in an estimation that mobile usage will exceed desktop usage in 2014 and in 2017, tablet usage will be double that of PCs (personal computers) (Google 2013).

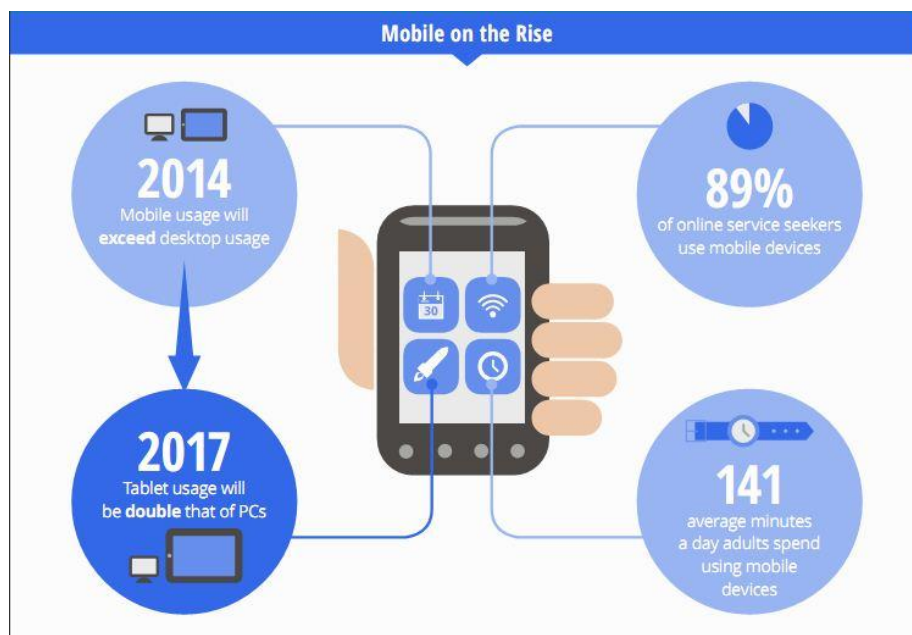


Figure 8. Google study on the rising use of mobile devices (Google 2013)

From the figures above, it is clearly seen that websites are mostly visited through mobile access and mobile devices are the most used device on a daily basis. Therefore, it is essential to pay more attention on mobile site design and increasing the quality of mobile experience for consumers.

The current question raised in e-commerce related to the use of mobile marketing is whether to build a mobile-optimized site or develop a separate mobile app. According to the research on US smartphone users from Google (2011), 79% of the participants used smartphone for shopping related activities and 74% made purchases as a result of using smartphone for information search. In addition, 27% purchased via mobile sites and 22% purchased through mobile app. With more and more consumers using their phones for shopping and online purchase, it is plausible for organizations to consider their mobile solutions to reach more customers and increase sales. For instance, eBay and Amazon both invested in developing a mobile-optimized site and mobile app, yet they both prefer promoting app experience for users when accessing their sites.

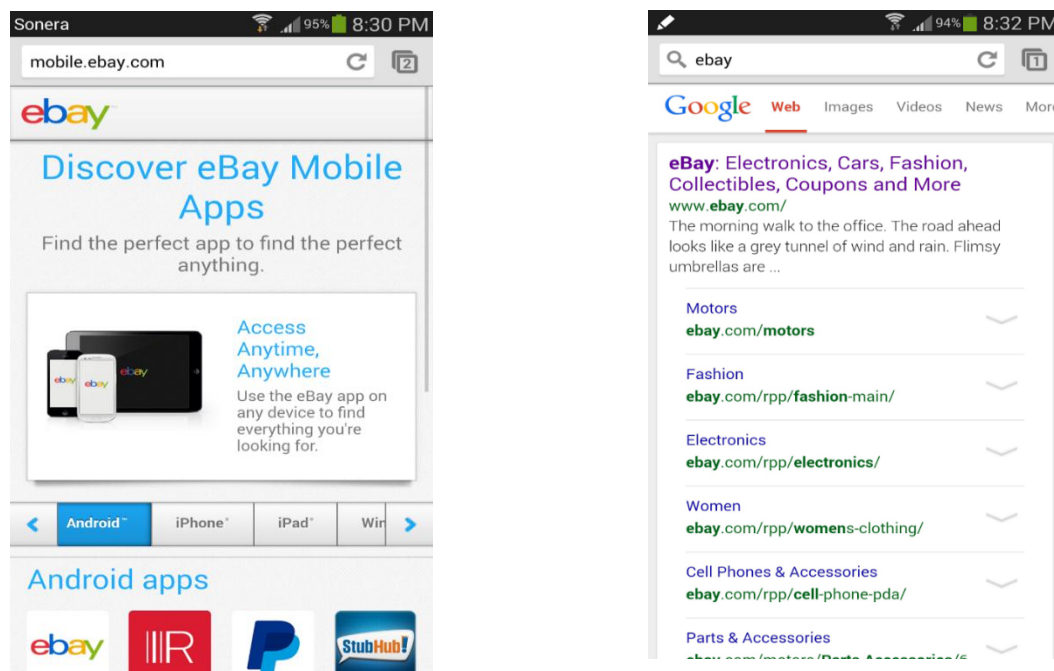


Figure 9. eBay mobile app suggestion and eBay in the mobile search results (eBay 2014)

2.4 Online consumer behavior

Consumer behavior has always been placed at the center of all marketing decision making process (Dann and Dann 2011, p.124). Understanding customers is the key factor to every successful marketing activities and a good marketer needs to know their customers “inside out and upside down” (Chaffey and Smith 2013, p.157). On top of that, being able to understand online customers is even more crucial in today’s modern marketing landscape since the spreading speed and scope of geography and culture are much faster and wider. Besides, online customers possess total different attitudes to both information search and buying process; and yet one can act differently in online and offline situations (Chaffey and Smith 2013, p.157). Therefore, the strength of an e-marketing plan or campaign relies mainly on the ability to understand customer behavior both online and offline as well as in theory and practice (Dann and Dann 2011, p.124). This section will be presenting the distinguished points between online customer and offline customer, and the expectations that online customers have for companies in order to suggest a new direction in approaching customers in the virtual platform.

2.4.1 Online customer versus offline customer (traditional customer)

According to Chaffey and Smith (2013, p.157), online customers are changing and being in charge of what interests and concerns them. They now have a platform to voice their own opinions and have unlocked “brand control” which was once generated solely by marketers. They become more impatient and less forgiving since they know their rights and power in the market. They expect companies to keep their promises otherwise they will turn to the better offers from competitors. With the help of social network sites, customers are now facilitated with their own discussion platforms where they can exchange information and give honest reviews on any kind of products or services. Sheridan Orr, the director of product marketing at Channel Advisor presented that 71% of consumers are more prone to make purchase based on recommendations of their social media friends and 70% trust the consumer reviews on forums or blogs when making their buying decision. He also proposed that consumers now demand facts from organizations, they prefer specific data and prices of products or service not marketing spin. (Orr 2013)

Furthermore, in this virtual field, customers place more weight and value on privacy, trust, and time. These three elements have become the new currencies in customer's minds (Chaffey and Smith 2013, p.160).

Online customers want their privacy to be respected and protected. They do not want to receive intrusive marketing campaign; instead they want to be in control of the time and place being approached by marketing information or ads. In addition, they prefer to receive relevant information which is customized according to their preferences. (Chaffey and Smith 2013, p.160)

According to Chaffey and Smith (2013, p.161), with the uncontrollable spread of the Internet and information technology, online customers are now living a dangerous environment and are threatened by privacy invasion and identity theft. Since customers do not know how their personal information is stored or used online, they only trust the well-known and highly respected brands. Therefore, building trust is becoming more and more of a significant task for companies in managing successful customer relationship.

In this modern business, there is a great number of customers who are money-rich but time-poor. Hence, what those online customers want is to be able to acquire information quickly and easily-made transactions. If a website is well-designed, being relevant and useful for customers, they can build loyalty and long-term relationships since visitors now tend to consolidate their choice of preferably selected web sites. Though having a variety of sites to choose from, online customers still prefer to go to their frequently visited sites for their helpfulness and relevant information. Customers are even willing to spend more of their 'share of wallet' on other products from one single site that they trust and feel satisfied with. According to Laurent and Eltvædt (2005), growing 'share of wallet' is a plausible direction for companies since "it is five times cheaper to sell to an existing customer than a new one" and online can be ten times more profitable in real business. (Chaffey and Smith 2013, p.161)

Overall, it is easy to conclude that online customer is much different from offline customer. They recognize their power, and the value of their time and attention. With the support of the Internet, they are equipped with more information, more consumer rights

and demand transparent prices and data. Therefore, it is fundamental not to apply the same consumptions of offline customers to online customers.

That being said, who is the ideal customers for companies in online business? It is crucial for an organization to be able to identify their ideal customers among countless consumers online. The ideal customers of an organization should be the ones who always pay on time, give useful feedback and support their products or services as much as possible. According to Pareto's 80:20 law, ideal customers are worth much more than one expects. He suggests that 80 percent of company's sales volume draws from only 20 percent of their customers. Some other studies even propose that 140 percent of the total profits can be generated by solely best 20 percent of customers. In other words, other customers might cause losses and the value that a company's best customer could generate is 30 times that of the worst customer. In fact, the ideal customer or the most valuable customer is not necessary the one who makes many purchases. They could be the so-called 'engaged customers' who could influence another 100 people by their reviews, ratings. Accordingly, it is essential to initiate a brand ambassador program with these 'engaged customers' in order to nurture the relationship and encourage their influencing word-of-mouth. (Chaffey and Smith 2013, p.162-163)

Despite the fact that more and more customers prefer to choose online platform for their purchase, it should be noted that the buying process is approached not only online but also offline. It is fundamental to understand each stage that the customer go through and how they utilize all the information during their buying decision making. Chaffey and Smith (2013, p.182-183) have suggested the idea through the linear buying model as follows:

- Problem recognition
- Information search
- Evaluation
- Decision
- Action (sale)
- Post sale

This buying process could involve both online and offline activities as the presence of the Internet and online social media.

However, with the advanced diversity of the Internet and the online environment, the consumer buying process and behavior are also undergoing some alternations as Chaffey and Smith (2013, p.183) suggested:

- Search engine and search engine marketing have condensed the buying process cycle and it now often starts with a generic search.
- It now normally takes a few visits to some recommendation sites or comparison sites in order to find out information about the suppliers instead of having to visit each supplier's site one by one.
- Discussion forum or user-generated content in which customers state their reviews or recommendations has gained a substantial influence on customer purchase decision and conversion rates.

A conversion rate is measured by the number of potential visitors performing the desired action, whether the action is buying a product, filling out a form, or some other goal of the web page. (Brick Marketing 2014)

- At the later stage of the buying process, the brand reputation plays an important role since it serves as a guarantee and trust.

Understanding the stages in customer buying process, companies should take actions in order to ensure that their online content and online tools are supportive towards the customers. The figure below demonstrates how content on-site can support and encourage the buying process and purchase decision:

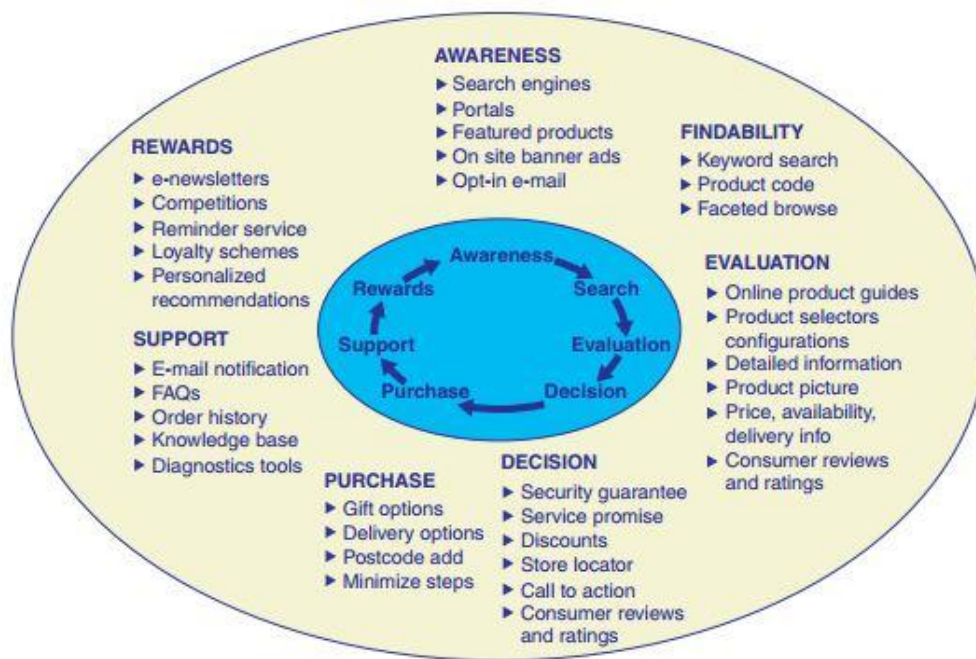


Figure 10. The buying process supported by site content (Chaffey and Smith 2013, p.184)

2.4.2 Why customers go online (Motivations)

There are numerous of studies and statistics on the increase of online customers, and yet what exactly are the reasons and motivations that make customers go online? It is obviously significant to understand why customers go online in order to attract them to the business and offer them satisfaction.

It is within human natures to follow the crowd in order to fulfill the need of belonging according many social study research. Humans are social advanced animals whose needs and habits are to interact with one another, to learn and to reflect one another's behaviors. Therefore according to Chaffey and Smith (2013, p.166), the most popular activity online is socializing. It can be done through many different platforms such as email, blogs, chat rooms, and social networks (Facebook, Twitter, Instagram, etc.). Socializing and the feeling of belonging are also among Maslow's hierarchy of needs. The Internet and online applications enable online users and customers to achieve those natural acts and important basic needs.

Chaffey and Smith (2013, p.166-167) also suggested the second most popular activity online is searching for information for products or services regardless of online or offline purchase decisions. Internet users or online users are active more than ever and they love

being in control and enjoy experience that power. User-generated contents and comparisons sites empower customers and present them with more knowledge and realistic insights for brands and their product quality. It should be noted that not all online customers prefer online shopping to physical shopping. In fact, what makes time-compressed customers choose online purchase is the time-saving nature of online shopping. In other words, with the convenience that online shopping offers, customers can use that time saved for other unfulfilled needs.

Lastly, entertainment is the third most popular online activity. It is an obvious need since people enjoy being entertained either by variety shows, games, music, sports, and also news related to those areas (Chaffey and Smith 2013, p.167). The below figure further illustrates and explains the motivations and reasons why customers venture online:

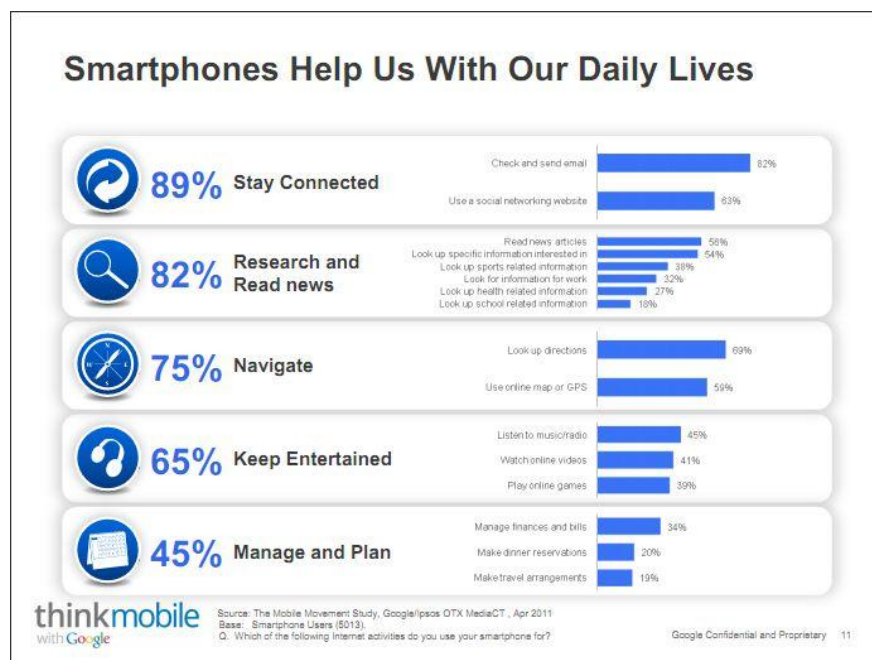


Figure 11. Online activities on smartphone (Google 2011)

In short, the Internet has become a huge popular play field for numerous of activities and purposes. Therefore, targeting and tending to online customers are a must for companies as well as marketers in today's modern business.

2.4.3 Online expectations

The expectations that online customers have for online business or e-commerce have been dramatically increased. They expect and require much higher level of standards regarding service, delivery speed and accuracy, convenience, choice, and competitive prices. Moreover, they want to be in control and demand personal safety and security when making online transactions. There are 6Cs of customer motivations that Chaffey and Smith (2013, p.168-169) suggested to be taken into consideration for online business:

- **Content:** relevant and interactive online content is king for online business. Being able to provide more detailed information about price, product usage to advocate customer buying process is a vital factor for a successful conversion rate.
- **Customization:** providing relevant and personalized content according to customer's preferences. Online customers are normally time-compressed buyers, they do not want to see any unnecessary information and they expect to be welcomed by information or items of interest.
- **Community (and participation):** community here means 'social networks', which is often referred as 'many-to-many' media. In other words, a company should create their own social network accounts in order to study customers' opinions and constructive contributions; in addition, they also need to take into account the reviews and perceptions that customers have on the company through other communities, review sites.
- **Convenience:** this is the ability to easily find the products or services at any time with easy and quick purchasing process. Besides quick delivery and on-time delivery, customers also expect immediate information. Delays in information display could lead to site abandonment and falling conversion rate. There is a relation between page loading time and conversions rates. According to a research by Aberdeen Group, 1-second delay in page loading results in 11% fewer page views, which leads to 16% decline in customer satisfaction and 7% loss in conversion rates (Tagman, 2012).
- **Choice:** with online channels, it is made possible to provide customers with a wider range of product choices and a variety of suppliers than traditional media. There have been an increase in the number of online intermediaries, in which

products from different brands gathered in one place so that customers only need to visit one site to get the wanted items.

- Cost reduction: online business is considered to be cheaper place of purchase compared to traditional business. Online customers always expect competitive prices from sellers since they can easily switch to other brands with a similar products.

Online expectations indeed have been increased significantly in the recent years due to the fierce competition in e-commerce business. Therefore, it is crucial to understand these expectations and develop the business accordingly to deliver satisfaction for the customers.

2.5 Summary of literature review

E-commerce, e-marketing, and social media are the familiar terms which the public, marketing practitioners, and organizations often discuss and pay great attention to. With the era of information technology, people now have easy access to the Internet and are connected through social media networks. As a result, consumer behavior underwent a major change in terms of their shopping habits and communication approach. Consumers now have greater control and influences over the services and products of their needs. More importantly, modern customers prefer online shopping to traditional physical stores for its convenience and time-saving characteristic.

Online shopping behavior is definitely not simple and predictable. With the huge amount of information available on the Internet, customers have more knowledge about the products and services. Besides, with the booming of social media networks and online forum platforms, customers are able to discuss, exchange experiences, and provide useful recommendations with one another before making their purchase decisions. As mentioned above, mobile devices are the most used channel when accessing the Internet and consumers tend to use their smartphones for information search and making online purchases. In short, it is easy to point out that consumers interact and communicate with brands through variety of channels, especially via digital channels. Therefore, it is essential for companies to adapt the new approaches like omni-channel approach and content market-

ing in order to reach potential customers and maintain a close proximity and good relationships with them. As a result, marketing and e-commerce activities should be able to cater specifically to the customer convenience and preference regardless of place, time, or the virtual world. The key to answer these concerns lies in the innovative ‘smart content’, which will be explored further in the latter section of this paper together with the business solutions provided by Kiosked.

3 METHODOLOGY

Before conducting any research, it is essential for researchers to build a sufficient and appropriate research design according to the selected research questions. Bryman and Bell (2011, p.40) have stated that: “A research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process”. In other words, a research design is a guidebook to direct and advocate researchers in conducting their works towards the right direction. Therefore, it is important to construct a proper research design before doing it in practice.

3.1 Research methods

According to the chosen research questions and the aims of the study, author has to take into careful consideration which research methods are most appropriate for the paper. There are five different research designs as suggested by Bryman and Bell (2011, p.45): experimental design, cross-sectional or social survey design, longitudinal design, case study design, and comparative design. For the purpose of this research and intention of the author, a case study design would be chosen for this paper, which is Kiosked Ltd.

According to Bryman and Bell (2011, p.59), a basic case study consists of the detailed information and intensive analysis of a subject of interest. A case study research is a popular and widely used research in business context which concerns with the specific characteristics or nature of the case in focus. The case researched can vary from a single organization, a single location, a particular person, to a single event (Bryman and Bell 2011, p.59-60).

The measures taken in selecting a case should be based on the ability to learn as suggested by Stake (1995). Therefore, when conducting a research, researchers should take into consideration whether the case would provide the greatest learning opportunity. According to Stake (1995), case study should be distinguished into three different types though the boundaries between them are quite ambiguous:

- Intrinsic cases: to explore and gain insight understanding about a particular situation rather than trying to learn about other cases or generic issues.
- Instrumental cases: the case studied is used and analyzed in order to gain better understanding about broader contexts, or issues and trying to get some generalizations.
- Multiple cases (collective cases): cases are jointly studied in order to explore a general phenomenon. (Stake 1995)

The topic of this research is to study the new trend in the e-commerce business landscape which integrates smart content across digital channels. Kiosked is one of the pioneer companies to provide the service and the technology supporting the application of smart content in e-commerce activities. The author wants to study this new concept through the business model of Kiosked in order to gain better understanding about the latest trends and movements in e-commerce landscape. Therefore, this case study design will lie between intrinsic case and instrumental case.

According to Bryman and Bell (2011), qualitative research is often associated with case studies for its helpful nature for an intensive and detailed analysis of a case. Knights and McCabe (1997) also suggest that a case study normally provides favorable vehicles for several qualitative methods though it is advised not to rely solely on a single approach in conducting a case study research.

Quantitative research is described as a research method involving numerical data, and measurement techniques in order to explore, analyze, and address the research objectives (Bryman and Bell 2011, p.149). On the other hand, according to Babin et al. (2010), qualitative research method is utilized for researches in which in-depth and detailed information of a particular phenomenon is required, without relying on numerical data.

Since author wants to gain insight understanding about the business model of Kiosked, their operations, and their future growth in order to form a better understanding about smart content and its practical capabilities in changing the way organizations allocate their e-commerce activities, qualitative research method is considered to be the most efficient and appropriate in this case.

3.2 Research strategy

3.2.1 Interview

Interview is considered to be the most suitable and widely employed approach in a qualitative research for its flexibility and in-depth exploration for the subject. For that reason, author decided to conduct interview to serve his/her objectives for this paper.

While the interviews in quantitative approach are often carefully structured in order to optimize the reliability and validity of data measurement, qualitative interviewing is less structure, and often more flexible for making adjustments to follow up with the flow of interviewee's point of view and response direction (Bryman and Bell 2011, p.466-467).

In a qualitative interview, the information and data obtained are often richer and more detailed in comparison with quantitative interviews. There are two main types of qualitative interviewing - unstructured interview and semi-structure interview. In an unstructured interview, researchers would only use a keynote to help remember and deal with certain range of topics. The direction of the interview is much relied on the interviewee's response and guided along with the researcher's intention and interests. On the other hand, in a semi-structured interview, researchers would prepare a list of questions of a certain topic; yet, the interviewee has multiple of ways to answer these asked questions. During the interview, researchers might come up with a question which is not included in the guide to explore more on things said by the interviewee. (Bryman and Bell 2011, p.467)

In this case, the author decided to conduct a semi-structured interview with representative from Kiosked to gain more information about business concept of the company and their views in the current e-commerce landscape as well as the possibility for smart content

and their services to grow in the near future (See Appendices). Since it was difficult to arrange a meeting with representative from Kiosked, the interview was conducted via emails. First, author sent the interview request and a list of questions to Kiosked's representative. After getting the proposal, Ms. Wiebke Arendt - online communication manager of Kiosked directly contacted the author and answered the interview questions through the Google docs tool with the help of her colleagues. The author then asked some further questions and got the answers through the same manners.

The author also intended to obtain some views and opinions of Kiosked's partners and clients in order to learn better about Kiosked and the experiences that their clients have with Kiosked's services; however, unfortunately, Kiosked wished to keep their partners and clients confidential. Therefore, in the end, it was impossible to conduct any interviews with Kiosked's partners and clients. Instead, Kiosked provided some articles in which some of opinions from Kiosked's clients were noted and mentioned to support the author.

3.2.2 Secondary data

In addition to the primary data obtain through the interview with Kiosked's representative, the author also used materials from another information sources which is often referred as secondary data. According to Shawn Grimsley, secondary data is "information that has already been collected for other purposes but has some relevance and utility for the researcher's study" (Education Portal, n.d). Secondary data is considered to be the most convenient and cost- effective information source among researchers.

In this paper, the author use internal sources available from Kiosked's website such as reports, articles, blogs, etc. and external sources obtained from other theses about Kiosked, Google Insights, etc. to support his/her findings and discussions.

3.3 Creditability of Research Findings

3.3.1 Reliability

According to Bryman and Bell (2011, p. 41), reliability in business research refers to “the question of whether the results of the study is repeatable”; in other words, reliability is about whether other researchers could generate similar results when they do the same study. Normally, reliability is more concerned with quantitative research since it is involved around measures and their consistency. There are several obstacles hindering the reliability of a research, such as human error and bias both from the participant and the researcher (McDonnell, n.d). In this research paper, the author used qualitative method in his/her study with a semi-structure interview in order to avoid off-topic direction and misinterpretation. Moreover, the representatives from Kiosked Ltd. offer their full support for the author and the research findings by providing profound answers to the interview questions and numerous materials available on their website for better understanding. For these reasons, the research findings are believed to be reliable and the major threats are substantially reduced.

3.3.2 Validity

Validity in business research refers to “the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure” (Howell et al., 1994-2012). Validity is concerned more about the success of the research at measuring and achieving the aim of the study while reliability is related to the accuracy of the actual measurement or procedure of the research.

There are two main types of validity, external and internal validity. External validity is concerned with “the question of whether the results of a study can be generalized beyond the specific research context” (Bryman and Bell 2011, p.42). In other words, external validity is about whether the research findings are applicable for a larger or different population and targets (McDonnell, n.d). On the other hand, internal validity refers to the procedure in conducting the study such as the design of the study, measurement selection, etc. (McDonnell, n.d).

The research findings are gathered and analyzed based on the information gained from the interview with Kiosked, press materials from the company's main websites, and opinions of Kiosked's clients. Therefore, the results are expected to be highly objective and truly reflected the current situation. Even though the research is designed to be focus on the business model of the case study Kiosked Ltd, it also discusses and explores the business landscape in e-commerce in general and the role of Smart Content in all e-commerce activities. Hence, it is strongly believed that the research findings are applicable and useful for other companies as well as further studies.

3.4 Limitations

Even though this research paper is conducted in a way to provide best results, there still remains several limitations and drawbacks. Designing and scheduling the interview is one of the biggest problems since the author could not set an appointment with Kiosked's representative for a face-to-face interview. In addition, due to some confidential matters, the author could not conduct interview with some of Kiosked's current clients for broader understanding regarding Kiosked's services. It would also be better if the research included some views of Internet users on Smart Content and Kiosked's platforms; however, due to the time limits for the research, it is unfortunately left out of the thesis.

Being aware of these shortcomings, the author tries to design the interview questions in a way to obtain the best results while also providing an open room for broader discussion from Kiosked's representatives. Moreover, the author also retrieves some information regarding the opinions of Kiosked's clients from other theses and sources in order to gain a better understanding and profound grab on the use of Smart Content and Kiosked's platforms. With these measures, it is believed that the limitations and shortcomings of the paper are minimized in the best way possible.

4 RESULTS

As mentioned in the methodology section, secondary data and qualitative interview are used for this research paper. The interview with the case company Kiosked Ltd. was conducted via emails. The interview questions were sent to Kiosked on May 14th 2014 at 12:51 p.m. and the answers were received on May 21st 2014 at 3:39 p.m. from Ms. Wiebke Arendt – Online Communication Manager of Kiosked Ltd. together with materials and website links for further information. The interview was about the following subjects: Kiosked's in-content online sales and advertising platforms, the company's target markets, consumer shopping experience, roles and benefits of advertisers, brands, and publishers, the importance of smart content in e-commerce. These subjects are considered to be essential in supporting and advocating the author in answering the research questions. The following section will discuss the research results based on all the information gathered from the research method.

4.1 Smart Content in depth

In June 2013, Kiosked presented and first published its Smart Content Trend Report 2013 at the Forrester Forum for Marketing Leaders. In this report, Kiosked identified seven influential trends which are playing major roles in the changes of digital marketing indicating the need to Smart Content (Kiosked Smart Content Trend Report 2013).

- **Omni-channel retailing**

As mentioned in the previous section, omni-channel is the way to go and the game-changer in retail business. Omni-channel enables the availability of the products to cater to wherever the customers are (both physical and digital locations). More importantly, it provides more instantaneous and seamless shopping experiences by creating additional channels and integrating them into “one single channel”. This would result in the increase of transactions and the people benefiting from those transactions such as publishers, advertisers, content providers, and even customers. (Kiosked Smart Content Trend Report 2013)

Burberry reported a 24% increase in its sales revenue in 2012 as a result of taking initiative step in omni-channel. In addition, the report also suggests that omni-channel shoppers spend 15%-30% more than multi-channel shoppers, possess a strong brand loyalty, and often influence others in brand choice. (Kiosked Smart Content Trend Report 2013)

For these reasons, there is an urgent need for brands to engage in omni-channel and provide a seamless and personalized “where impulse - there sales” experiences for the customers.

- **Blurring the boundaries**

As retail channels are moving online, digital innovation augmentation on traditional shopping experience is definitely a crucial sector. Physical stores and digital online platforms are converging, which results in the transforming of retail models from a direct commerce model to a more flexible, agile, and indirect approach to drive and increase sales volumes. Therefore, it is significant for brands to rebuild their retail strategy to focus more on the brand experience and to apply digital innovation to deliver real service for the customers in a contextual manner. It is not just mere e-commerce but it is about connecting the physical object with its most suitable digital form in order to allow customers to engage with brands and make their online purchases regardless of where they are and which media they are consuming. Shopping should be virtual, yet real in which every surface and every context becomes actionable. (Kiosked Smart Content Trend Report 2013)

As estimated in the report, augmented reality applications would contribute up to \$300 million in 2013's global revenue and US e-commerce sales generated from mobile devices would increase from 11% in 2012 to 15% in 2013. In the modern e-commerce landscape, the boundaries between brands and channels are blurred - “retail is branding and branding is retail” (Kiosked Smart Content Trend Report 2013).

- **The dawn of the hyper-visualization age**

According to a recent study, 44% of consumers are more likely to engage with brands if they post pictures and Instagram users spend 51% more time with the app than Twitter users on a daily basis. In addition, it is estimated that 76% of Internet users would view

online videos on a regular basis by 2015 (Kiosked Smart Content Trend Report 2013). From these figures, it is obvious that video and images are the new influential deciders. Hyper visualized content would be a new engagement point for brands as a non-intrusive way to raise purchase impulses. The combination between visual content and social media would be the key element for brands to engage with consumers on a deeper and higher level as a service which is truly appealing, relevant, contextual, and individualized. (Kiosked Smart Content Trend Report 2013)



Figure 12. Hyper-visualized social media (Kiosked Smart Content Trend Report 2013).

- **The rise of online video**

As mentioned earlier, this is the era of online videos. By the visual stimulus at hand, video creates an ‘immersive’ atmosphere which consumers can utilize as a main source for exploring product information and offerings. According to Joost de Valk - CEO of Yoast, video results are 50 times more likely to land on the first page of Google search than a standard web page. Hulu and Netflix, streaming video content sites, have been experienced a huge global popularity and outstanding results in monetizing on the demand for online videos. Moreover, the online video industry is expected to reach \$28.72 billion in 2017, which equals to 9% increase year-on-year from 2010. (Kiosked Smart Content Trend Report 2013)

Despite the growing power of online videos, only about 24% of brands use online video to target consumers in their marketing strategies. This would be the huge upcoming trend in marketing which leverages the visuals and emotions delivered in online videos to engage with consumers and generate purchase impulses. (Kiosked Smart Content Trend Report 2013)

- **Age of singularisation: marketing to match your lifestyle**

Personalized marketing and individual customer experience have been discussed continuously for changes in business landscape. By improving the business performance and customer experience, brands would be able to personalize website experience as 59% of marketers are expected to be committed in offering customers real-time website experience in 2014. “Being smart about content makes marketing personal and content will get smarter as it becomes more personal”, this is an integrated process in order to singularize marketing (Kiosked Smart Content Trend Report 2013). Besides, personalization also means providing consumers more freedom of choice when deciding to engage or not to engage with the brand content. The smart content is always a relevant and non-intrusive service. (Kiosked Smart Content Trend Report 2013)

- **Content intelligence and the two-way conversation**

The distance between brands and consumers is closer than ever with content marketing and smart content applications. The roles of media and digital agencies are also going through new transformations. By analyzing preferences and consumer feedbacks, brands are now able to engage directly and capture consumer’s attention through timely and relevant content. This is the so-called two-way conversation enabled by content intelligence. As Seth Godin - marketing speaker/writer/blogger, and founder of Yoyodyne and Squidoo said, “Selling to people who actually want to hear from you is more effective than interrupting strangers who don’t.” (Kiosked Smart Content Trend Report 2013).

As seen in Kiosked Smart Content trend report (2013), 86% of business-to-consumer (B2C) marketers employ content marketing and 51% of business-to-business (B2B) marketers are planning to increase their content marketing budget in 2014. Brands will act more like a publisher by creating individualized, relevant content and distributing it across

their own channels in a real-time fashion bridging time, place, and approach. Communication between brands and consumers will be really direct which empowers personalized purchasing power to consumers. (Kiosked Smart Content Trend Report 2013)

- **The need for new measurement models**

According to Kiosked's report, 41% of B2C marketers considered it a huge challenge to measure content marketing since the available metrics are mostly focusing on the quantity (sales, clicks) but not the quantity of the performance. However, as engagement has been increasing its importance in the digital and social world, it is crucial for brands to alter their business models accordingly. In other words, it is important to move from click-based business model towards a more performance-based model in order to increase consumer engagement even beyond the purchasing stage. There are now several ways to approach this trend such as tagging content to make it searchable, using unique URLs, and individualizing content to enhance consumer brand experiences. For instance, Nike increased consumer engagement by using hashtag “#makeitcount” in their campaign “Don't dream of winning. Train for it.” while Facebook developed Facebook Graph Search which requires brands to optimize both search engines and social search engines. (Kiosked Smart Content Trend Report 2013)



Figure 13. Examples of consumer engagement approach (Kiosked Smart Content Trend Report 2013)

These underlying trends and shifts in marketing, retail, and content have been significantly changing and shaping the interaction between brands and consumers. This is when the concept of Smart Content is adopted to address the changes in the digital marketing landscape.

Micke Paqvalén, CEO and Founder of Kiosked, has stated in his speech at the Forrester Forum in 2013: “In recent years, media has become decentralized and increasingly intertwined with e-commerce. Simultaneously, the explosion of online visual content in the form of videos and images has changed the way consumers engage, experience and consume digital content. A new kind of user-friendly and non-intrusive marketing is needed, and Smart Content enables that by turning marketing into a service, enabling measurable brand engagement and seamless user experience across all channels and devices while allowing brands to be contextual and relevant to consumers at any given time”. (Kiosked 2014)

It is undeniable that we are living in the era where everything is connected and people are always connected. In fact, “smart” is the word of the century. As the devices we are using every day are becoming smarter, it is definitely necessary for content to be smart as well. With the evolving content, it is no longer about static media consumption but about interactive and customizable experiences. Moreover, consumers now are enabled to engage to any type of content on any device of their choice, which means advertising also needs to be smart and to become a real service for consumers. The solution for the “smart” era is obviously Smart Content. (Kiosked 2014)

Kiosked defines Smart Content as any visual online content which connects brands, publishers, and consumers and provides a “user-friendly and non-intrusive service” on any device or interface. Besides, it enables better engagement between brands and the customers as well as provides brand engagement measuring tool across all available channels. Most importantly, Smart Content is always “relevant and contextual” to individual consumers. The user experience is, therefore, seamless throughout all devices and channels (Kiosked 2014). Wiebke Arendt - Kiosked’s Online Communication Manager (See Appendix 2) expressed her thoughts on the role of smart content in the e-commerce landscape, “Smart content is about transforming your visual content such as images and videos into a service for the users. Smart content turns content into apps, making the user experience superior on all content, on all devices. It also makes observations on how brands and publishers can embrace this phenomenon for their benefit”.

4.2 Smart Content and its applications on Kiosked's services and platforms

In the interview with Wiebke Arendt (See Appendix 2), she mentioned how the idea of developing Kiosked as a new platform for e-commerce was formed. Back in 2010, the founders of Kiosked Micke Paqvalén and Antti Pasila noticed the lacking characteristic in e-commerce market, which is a web service that publishers, advertisers, brands, and merchants could apply to increase revenues while offering service experience to the consumers. “Kiosked entered the world of e-commerce by filling a gap in the market with a service that creates a win-win-win situation for both publishers, consumers and brands.” (See Appendix 2).

Arendt (See Appendix 2) defined Kiosked as “platform for rich and engaging advertisement out of visual online content which creates a shoppable storefront of all the visual content on the publisher's websites”. According to Paqvalén (Kiosked 2014), “everywhere commerce is the new e-commerce”. Online commerce used to be closely linked to web shops and customer's purchase impulses might have been generated from online visual content; however, customers had to exit the consuming content in order to search for those particular products through search engines or web store. According to studies in 2013, 40% of consumers have bought a product after sharing it on social media sites and 90% of consumers agree that their purchase decisions are often influenced by online reviews (Kiosked 2014). For that reason, Paqvalén predicted that commerce and content would have no borders and would be merged in 2014 (Kiosked 2014). John Danahow, CEO of eBay, also expressed his opinion on this revolution: “In the eyes of the consumer, e-commerce and retail are now one. It's just shopping.” (Kiosked 2014).

Understanding the market demand for smart content, the founders of Kiosked have built an innovative technology to advocate and support brands and publishers in this “everywhere commerce” evolution. The below section would elaborate on how Kiosked enables smart content in the e-commerce landscape.

As discussed in the previous section, with the booming of the Internet, social media, and smart devices, consumers are now more attracted and drawn by visualized content especially with images and online videos. Therefore, as a leading provider of in-content online advertising platform, Kiosked has developed and introduced its Kiosked Image Bank which offers online publishers, bloggers an opportunity to monetize their content through shopping impulses. This Kiosked Image Bank is totally free to download and use without copyright infringements. The Image Bank is consists of millions of images and products of nearly ten thousands brands and over 50,000 images and products are added on a daily basis. The mechanism here is that every single images in Kiosked is automatically embedded with the so-called “Smart Kiosks” enabling the purchase for relevant products and services. In other words, when consumers come across these images, they can simply mouse over the ‘kiosk’ logo and make an immediate purchase. On another note, online publishers or bloggers are received a commission on every purchase made through Kiosked images on their content. (Kiosked 2014)

It has been a challenging issue for most bloggers on the use of images since 85% of them are copyrights violated. “All images in the Kiosked Image Bank are free of any legal hassle,” comments founder and CEO Micke Paqvalén. He also explains, “Kiosked turns any online content into a marketplace. This is what we call the Web Wide Shop. People get shopping impulses from online content, for example, when they see a good looking lamp, golf glove or t-shirt on a blog’s image. Until now, there has been no easy way of buying or getting information about the products they see without having to separately search for them. Kiosked provides consumers with instant access to more information, along with the possibility to make an on or offline purchase, find the closest merchants, save products in a wish list, and share them with friends”. (Kiosked 2014)

Antti Pasila - co-founder and CSO of Kiosked, also presents his thought on the function of Kiosked Image Bank, “Fashion, home décor, and music blogs are very popular. Bloggers are already sharing information and reviews of products that they find, use, and like. But any earnings for bloggers have been mainly based on banner ads – if even that. Kiosked images enable bloggers to start earning with high quality and impulse generating content. Each purchase made using Kiosked images will generate earnings for the blogger and photographer” (Kiosked 2014). He also shares Kiosked’s plans of bringing stores to

online content right at the time shopping impulse is emerged and make it available for everyone to integrate kiosked in their own content. (Kiosked 2014)

In addition, Kiosked also makes kiosked images available to share via social media networks. As discussed in earlier chapter, consumers now use social media networks and other user-generated contents in order to find product information and to share experiences with one another. Therefore, sharing has become one of the most popular activities on social media networks. Internet users also can generate revenues by sharing kiosked images on their own social network accounts and create the shopping impulses from their friends or followers. Social media and blogs are therefore one of the most important channels for Kiosked's in-content sales and marketing platforms. (Nuutinen 2012)

Another booming visualized content is online video, which Kiosked has added in its Smart Content platform. This function, indeed, allows shoppable content to be embedded in any video regardless of types of video player being used. This would provide an interactive video with a true user experience for consumers. Consumers are now enabled to take actions right within the video content, which is normally referred as "constant call to action". According to recent studies, 76% of marketers prefer to include videos in their marketing campaigns with a higher priority than via social networks. In addition, 52% of consumers express that they feel more confident and safe in online purchase after watching product videos and people who watch videos of products are 85% more likely to buy that product afterwards (Kiosked 2014). This creates a valuable opportunity for brands to provide a real experience for the consumers with a deeper level of consumer interaction, enhance the relationship, and propel the return on investment.



Figure 14. How to integrate Kiosking videos (Kiosked 2014)

Kiosked makes it really easy and simply to integrate interactive videos. This is definitely a plus for advertisers in planning their marketing campaigns and creating their video content. With Kiosked videos, there will not be any forms of banner ads or pop-ups but a non-intrusive, contextual, and interactive video content. In other words, any video now can be transformed into a shoppable storefront or a consumer engagement point. Kiosked also emphasizes on the omni-channel approach which makes the experience stay the same in any marketing channels and device interfaces. In short, Kiosked video reforms videos from being a passive medium into an engaging, profiting, interactive, and measurable brand touch point and shoppable storefront. (Kiosked 2014)

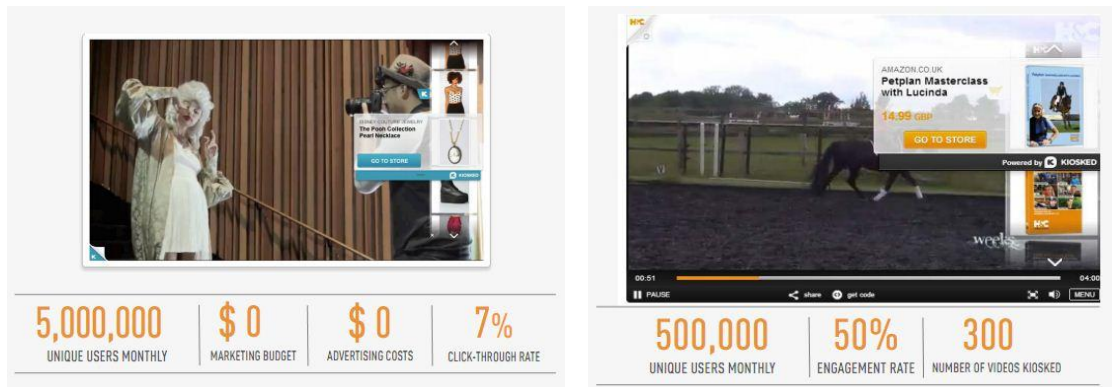


Figure 15. Interactive kiosked videos on own site (Kiosked 2014)

Figure 15 presents the case studies of Kiosked's platform in online videos. As seen in the figure, it is really easy and simple to integrate kiosks in videos and turn them into interactive ones with no marketing or advertising cost imposed. In the first case, with 5 million unique users per month, the site reaches 7% of click-through rate, which is much higher than traditional site banner ads. With the second case, with the videos being kiosked and interactive, the site experienced a 50% engagement rate; in other words, online users and consumers tend to engage longer with shoppable and interactive videos.

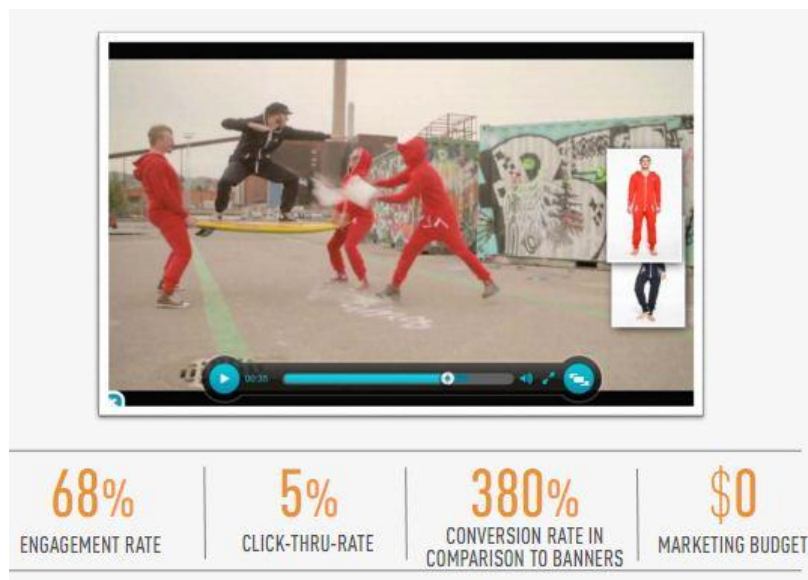


Figure 16. Interactive kiosked video in social media (Kiosked 2014)

Kiosked's built platform is also made to be able to integrate in videos on social media sites. This is where the power of interactive video working at its best with the synergy of social media. Again with zero marketing budget, social media sites with interactive videos

experienced a 68% engagement rate with 5% click-through rate and generated up to 380% conversion rate in comparison to tradition banners. This proves the need of social media to adapt smart content and join in the transitional phase of in-content advertising and online sales.

Today's consumer is more demanding and all about contextual and relevant content. In other words, consumers only want to see and view products or services that fit their needs and preferences. Therefore, the challenge in e-commerce has become harder to overcome than ever. The ideal scenario is that brands and retailers become the most trusted sources of information and relevant content for the consumer, which means retailers have to build a personal and contextual relationship with the consumer. As a result, consumer engagement journey and their experience would be enhanced and personalized. (Kiosked Blog 2014)

According to a recent study, only 2% of the audience becomes 'paying customers' after engaging with the content; in other words, there is a pressing need to retarget the remaining 98% (Kiosked Blog 2014). Statistics also present that after being retargeted with display ads, 70% of visitors are likely to convert on the website and 7% made some response with the offer in the display ads (Kiosked Blog 2014). Therefore, in a recent report about customer context, Forrester has concluded that in order to embrace the power of customer context, brands and marketers should apply a contextual marketing engine which includes marketing automation, customer databases, real-time analytics, and personalized content. This is what Kiosked has been trying to achieve and offer to the e-commerce landscape and online marketing activities. (Kiosked Blog 2014)

The question here is how Kiosked enables their smart content platforms to be contextual. According to Arendt (See Appendix 2), Kiosked differentiates its services and platforms by providing scalable and contextual tools to reach the consumers for brands and advertisers with its Automatic Matching Solution. Matching is not a new concept in content advertising. It is "all about determining what is displayed with certain visual content through different indicators" (Kiosked 2014). There are currently three different ways available for publishers to make their content interactive, which are keyword-matching, image-recognition, and Kiosked's very own Automatic Matching technology. However,

with keyword matching and image recognition, the content is not truly contextual due to the flaws in the technologies. Keyword matching produces matching products by detecting only the keywords in the articles, which might lead to some irrelevant advertisements. The image recognition could also generate some bizarre matches due to the image analysis system, which detects everything seen in the image. Therefore, Kiosked is quite confident in introducing its Automatic Matching as “the only truly contextual solution on the market” (Kiosked 2014). What makes Automatic Matching exceed other tools is that it takes the content and context of the whole article into consideration and on top of that, audience’s behavior is also taken into account for perfectly contextual matching. According to Arendt, Kiosked’s Automatic Matching algorithm can reach to 99% accuracy in matching content with relevant products, which obviously provides more fulfilling and personal online experience to the consumers with relevant and contextual content (See Appendix 2). “Kiosked Automatic Matching thinks like the audience and learns from audience behavior everyday” (Kiosked 2014).

Kiosked’s matching solution is available for different areas such as entertainment, travel, home interior, technology, fashion, sport, parenting, and food. The solution is now available for images but it would soon be applied in videos, apps, and even in ads. The solution offers a “win-win-win” situation for publishers, advertisers, and consumers since Automatic Matching does not interfere with the publisher’s content. Advertisers and publishers are in full control of products, brands, and media; in other words, they could make their selections of which sections of the site to apply Kiosked’s Automatic Matching. (See Appendix 2)

By applying Kiosked’s Automatic Matching and turning images into interactive and shoppable content, publishers can obtain longer engagement time and generate revenues on their productions. According to Kiosked (2014), with zero set up cost, Automatic Matching Solution is 20 times more effective and profitable than display banners. It increases the engagement rate up to 30-40% with 6-8% increase in CTR (Click-through-rate) and generates \$4-6 per eCPM (Effective Cost per Mille).

Moreover, in order to cater customer needs, Kiosked’s platform is also built to be scalable for fast adjustments and adaptations. Kiosked also provides Contextual Display Ads and

Contextual Product Ads in its service portfolio for better solutions for different online marketing needs. Based on an advance algorithm written by Kiosked, this Contextual Display and Product Ads are automatically embedded to the content after analyzing the context of the articles with images and automatically generates ads and relevant products where the matching content is. (See Appendix 2)



Figure 17. Kiosked's Contextual Display Ads relevance level (Kiosked 2014)



Figure 18. Kiosked's Contextual Product Ads (Kiosked 2014)

Besides offering different innovative solutions for publishers and advertisers based on the concept of Smart Content, Kiosked also develops its analytics tools for advanced insights

on the content performance. Kiosked Analytics enables publishers to get insight information of the audiences and their behavior when interacting with kiosks in one single place, regardless of the platforms or devices being used. Kiosked develops its APIs in a way that makes it easy for publishers and advertisers to integrate Kiosked Analytics to their current analytics tools. This analytics tool offers publishers and advertisers with several useful functions and information as below:

- Country date filter and content performance
- Information on which device consumers use for content engagement (tablets, smartphones, computers, etc.)
- Insights on consumer interaction with visualized content on particular websites and social media networks. (Kiosked 2014)

Andreas Strandman, Kiosked's Head of Analytics, explained that online consumer tracking is easier via Kiosked Analytics. (Kiosked 2014)

This is also a significant tool for marketers to measure consumer engagement manner in order to understand their audience as well as to increase consumer experience by customizing personalized and relevant content (Kiosked Blog 2014).

4.3 Brands on Smart Content and Client experiences from Kiosked

With the increasing power of hyper-visualization and smart content, brands worldwide have been practicing non-intrusive and contextual advertising in order to provide consumers with personalized shopping experience. It is now the era of 'everywhere commerce', which is enabled by the power of smart content. As mentioned in previous section, with smart content anything, any devices, any interfaces could be a channel, a portal for e-commerce activities.

Adidas Neo's window shopping experience is a good example of how brands realize the importance of smart content in advertising and e-commerce activities. In October 2012, Adidas launched the world's first interactive window shopping experience with its Neo label line. Through a digital window touch-screen which functions like a real storefront

with life-size products, consumers can easily interact, explore, and drag the life-size items of interest directly into their smartphone and make a purchase without any app or code scanning. Simply by entering a link and a one-time code, all the products that consumers have dragged into will appear on their smartphones. Then, consumers can edit, change details of the products, and save for immediate or later purchase; moreover, consumers can even share with their friends via social media networks and emails. This has caused a buzz in the e-commerce world as the most innovative window shopping experience of the 21st century. Again, this real shopping experience is made possible by the use of smart content. (Cioban 2012)



Figure 19. Adidas Neo's interactive window shopping (Cioban 2012)

As smart content being the center of the e-commerce and digital media world, Kiosked's platform is one of the most significant tools for brands to practice smart content and enhance their user experience as well as for advertisers and publishers to monetize their content. According to Pasila – co-founder and CSO of Kiosked, Kiosked will receive a commission fee of about 0-35% from brands or online retailers when a transaction is made via Kiosked's online sales and advertising platforms (Nuutinen 2012). Pasila also provided a simple example of Kiosked's revenue share model as follow:



Figure 20. Kiosked's revenue share model (Nuutinen 2012)

For instance, if a Nike shoes are bought through Kiosked's online sales and advertising platform at a price of 100 euros, Kiosked would receive a commission of 10 euros from Nike or its online retailers. Then, Kiosked would divide a 40-60% to the publishers which can be a fashion blogger and a 0-10% to possible right content owner.

Only after 4 years of operation, Kiosked has been chosen and working with numerous of brands, merchants, and publishers in different countries. The company has also received a great number of reviews and high ratings from well-known publishers for its innovative services. The below section would present client's opinions of Kiosked and how e-commerce and digital media insiders view Kiosked's technology.



Figure 21. Merchants, advertisers, and publishers working with Kiosked (Kiosked 2014)

Brightcove Inc. – a company based in Boston, USA providing cloud solutions for delivering and monetizing online videos with more than 5 500 customers in over 70 countries has formed a partnership with Kiosked and expressed its excitement and anticipation as, “through our partnership with Kiosked, we provide simple tools for turning video content into an interactive, engaging viral storefront” (Kiosked 2014). Getty Images – one of the world’s leading creators and distributors of award-winning imagery, video, music, multimedia products and digital content, also agrees with Brightcove about Kiosked’s platform, “We are excited to be working with Kiosked. This innovative combination makes the most of companies’ technology, presents a new and revolutionary way for consumers to shop.” (Kiosked 2014). From the above reviews of Kiosked’s partner and client, it is clearly seen that Kiosked’s online sales and advertising platform is highly evaluated among digital companies for its innovative applications of smart content into e-commerce activities and consumer shopping experience.

On the other hand, prestigious news publishers like Financial Times and New York Times also perceive Kiosked’s online sales and advertising platform as a “new source of revenue for publishers” and as “a service, not an advertisement” respectively (Kiosked 2014). Moreover, Sauli Niinistö – the President of the Republic of Finland expresses his anticipation and high expectation for Kiosked’s innovative platform as a revolution for online commerce (Kiosked 2014). Kiosked’s services and platforms have been receiving a great number of positive feedbacks and attention from a variety of e-commerce practitioners as well as the media press, which once again emphasizes the recognition of the importance of smart content in e-commerce as well as in business in general. An innovative and applicable platform like Kiosked’s is undoubtedly needed in order to cope up with the rapid changes in consumer behavior and to enhance online business performance.

5 DISCUSSION

The aim of this research paper is to answer the research question and the two sub-questions in order to draw a conclusion on the revolution of smart content in e-commerce landscape and Kiosked’s services effectiveness. From the literature framework, secondary information sources and the interview with the case company Kiosked Ltd., the author will combine, discuss, and answer the research problem in the following section.

5.1 Smart Content solution with Kiosked's in-content advertising platform

After understanding smart content and what Kiosked's online sales and advertising platform are about, the question remains is *how this smart content and Kiosked's platform and technology change consumer online shopping experience*. As mentioned in previous section, there are more and more consumers seeking for online tools for their shopping activities. Consumers often use search engine, social networking sites, and other user-generated content for product information, reviews, and exchanging experience. The reason lying behind this movement is consumers are surrounded by hundreds of advertisements everyday both in offline and online manner, which are mostly irrelevant and distracting. Moreover, with online shopping is getting more and more popular, consumers expect a simple and easy way of making purchase with correct product information via all channels and devices such as social media, smartphones, and tablets. Time is also one of the most important elements for consumers when making purchase decision. Today's consumers are time-poor so they require brands and retailers to offer in-time information and service available anywhere and anytime. (See Chapter 2.4)

With Kiosked's online sales and advertising platform enabling the use of smart content, consumer online shopping experience is significantly enhanced and catered to their specific needs. With Kiosked's technology of Automatic Matching and Contextual Display Ads, online consumers are now provided with relevant and contextual products regardless of channels and devices with an interactive and actionable functions for immediate purchase or further explorations. Time and distance factors are therefore eliminated; besides, brands and advertisers are able to meet their consumers and audience whenever they are (See Appendix 2). In other words, shopping impulses are catered immediately via online content. However, consumers are in full control of whether they want to interact and explore Kiosked's services. Moreover, with the era of hyper-visualization, Kiosked's services enable consumers to enjoy their shopping experience with vividly visual images and interactive videos, which makes the experience more enjoyable and increases consumer engagement level with the content. As a result, with the technology of smart content and Kiosked's solutions, consumer online shopping experience is more mobile, more convenient, more interactive, and most importantly more relevant and contextual. With

smart content and Kiosked, consumers can enjoy ‘everywhere commerce’ and experience personalized advertising and services. Magento - an E-commerce solutions company talked about Kiosked’s service, “Kiosked is true onmi-channel selling, as consumers will find products everywhere online with virtually no effort” (Kiosked 2014).

Another research question to be answered is *why companies should integrate Kiosked’s services and platforms in their marketing plan*. As consumers become more demanding and take full control in what they want to see, hear, or view, advertising has to turn into a relevant, contextual, and trusted source of information and purchasing channel for the consumer by applying smart content. Kiosked’s in-content advertising platform has been developed to fill in the gap between advertising and real ‘personalized’ service.

Publisher is among the parties that could gain beneficial edge from Kiosked’s smart content technology or the so-called visual content monetization. As the most advanced and scalable platform for in-content advertising, Kiosked offers publishers an opportunity to obtain new revenue streams by transforming their content into premium advertising asset. With only one simple script for all ad-formats, publishers can already turn their content into ‘smart content’ for their audience. Publishing director from IDG UK – the UK’s leading technology media company specialized in media solutions commented, “Kiosked is easy to implement, we were up and running and could start to monetize our visual content in around an hour” (Kiosked 2014). With zero setup cost, Kiosked’s ad serving technology helps publishers to target their audience with relevant and contextual ads with maximized view ability. Kiosked’s semantic and behavioral targeting algorithms enables publishers to be in full control of their monetized content with real time analytics. Every interaction is recorded and traceable for deeper understanding of the audience. Therefore, with Kiosked’s solutions, publishers not only generate new revenue stream from their content but also build a closer and personal relationship with their audience and enhance their viewability. (Kiosked 2014)

Brands and advertisers are believed to benefit the most in adopting smart content and Kiosked’s in-content advertising in their marketing plans. Smart content revolution and Kiosked’s in-content advertising platform provides an opportunity for brands and advertisers to change consumer’s point of view about advertising. As consumers have always

been complaining about how they are harassed with the amount of irrelevant advertisements on a daily basis, integrating advertisements and products within consumer's favorite content is considered to be an innovative move. Smart content is the chance for advertisers to turn advertising into a true service for consumers. Consumers now appreciate to be engaged in a contextual display and relevant product ads. Being able to deliver that to the consumers is undoubtedly increasing brand engagement and sales volumes. This is the so-called smart advertising which enters the untapped potential in catching shopping impulse wherever they are. As brands are trying to apply omni-channel approach in delivering consumer experience, Kiosked's platform is built to fully support that aspect. Kiosked's user interfaces are optimized for any device and media channels; moreover, by utilizing the company's own web store real time data feeds, information will be automatically updated. As a result, consumer experience will always be consistent, mobile, convenient, and instant. In addition, the service is built to be scalable in order for brands and advertisers to be in full control of the service and user experience. In other words, every engagement point and interaction on any interfaces are customizable and measurable. By being able to reach and meet consumer wherever they are, brands can gain a close and deeper relationship with the consumers, building trust, and enhance consumer experience with high viewability with their advertisements. (See Appendix 2)

The factors that make Kiosked different and having competitive edge in the e-commerce and in-content advertising are the infamous 'smart content' and the scalable and contextual way for brands and advertisers to actively reach consumers that Kiosked's service are built on. The main differentiator is that Kiosked creates a win-win-win situation for not only brands and advertisers but publishers as well. Publishers or bloggers are considered to be one of the most powerful channels in reaching consumers in modern business landscape. Demanding and smart consumers are driving and changing the way brands doing their business especially in the e-commerce sector. Besides the high contextuality element, Kiosked's framework and technology are developed to be able to make fast adaptations and customize according to the client's need, which makes it really flexible and simply to integrate. Moreover, most of Kiosked's services are with zero setup cost and no advertising budget since Kiosked's revenue is generated according to conversion rate and performance.

Overall, Kiosked's in-content advertising platform is a clever choice for brands and advertisers in adapting smart content into their business. In the interview, the author also wanted to find out if there is any flaw in Kiosked's service solutions in order to provide a more accurate evaluation for brands and advertisers regarding the smart content revolution in e-commerce. After a great amount of observation and information analysis, it is obvious that Kiosked's service is causing a huge buzz in the online business and becomes a hot topic for advertising and media insiders. The company's awareness is rising rapidly in different industry sectors and numerous countries. However, online consumers are not quite familiar with the concept of smart content and Kiosked's services. The author perceives this as a challenge for Kiosked to raise their awareness among consumers in order to gain consumer trust in interacting with their services. If consumers gain better understanding about smart content and Kiosked, this would help the company in attracting more brands and advertisers in integrating the technology as consumers are demanding for it. In addition, this would also help in boosting the use of Kiosked's service in social networking sites by publishers, bloggers, or even the consumers themselves.

Another issue to be raised here is that all the current computer operating systems perceive Kiosked's technology and interface as an ad. It is common for computer users to install an ad blocker software in order not to be bothered and distracted by numerous irrelevant advertisements. This obviously will cause a big problem for Kiosked as well as brands and advertisers as consumers will not see any of display or product ads. This could be more of a technical issue; however, the author still wants to point it out for further exploration and studies in the future both for Kiosked Ltd. as well as companies when considering the integration of smart content and Kiosked's platforms.

5.2 Summary of the discussion

Retail has moved online, media has become decentralized, and new channels are created every day. Therefore, advertising and e-commerce need a change and Smart Content is the answer for its following characteristics:

- Non-intrusive: Smart Content is a non-intrusive service for consumers. Mousing over it displays highly relevant information about the product or service in the content.
- Useful: Smart Content is relevant to its context and always up to date. It is optimized for the end-user and it has the same user experience across any content and any device.
- Measurable: Smart Content enables companies to monetize their contents and to measure the level of engagement of their followers, customers and fans, in real-time.
- Social: Smart Content is social by nature, enabling distributed e-commerce through any social network (Facebook, Twitter, Google Plus)

Kiosked's services are clearly a good start for any brands and advertisers in adapting smart content solution into their business for its non-intrusive, contextual, customizable, and measurable platforms. Brands, advertisers, and even publishers now can reach their consumers and audiences wherever they are with relevant, contextual, and interactive content. 'Everywhere commerce' and 'smart advertising' are now the key drivers for brand engagement and increasing sales by catering shopping impulses immediately.

6 CONCLUSION

As consumers are equipped with more tools in obtaining product information, online advertising and e-commerce business have been facing several challenges. Internet, social media, and user-generated websites have become the reliable sources for purchase decision rather than advertisements from the brands themselves. Moreover, today's consumers are more active online and interact with brands and online retailers through a variable of interfaces, especially on smartphones and tablets. Therefore, it is essential for brands to adopt an omni-channel approach and content advertising in order to offer a consistent and personal experience for the consumers. This move is enabled by the so-called new concept 'smart content', which makes the consumer experience more relevant, useful, and measurable.

However, it is quite challenging for brands and advertisers to adjust their business model into a 'smart' and contextual one. Kiosked's in-content advertising platform supporting smart content is an easy step for the transition. It will change the way brands and advertisers reach their consumers, not within their areas but within consumer's comfort zone. By applying smart content enabled by Kiosked, companies can enhance consumer engagement and drive sales by offering a non-intrusive, relevant, mobile, and contextual experience which exactly caters to the changes in online consumer behavior and demands.

Due to confidential issues and the limited scope of the thesis, it was not possible to gain an insight understanding with brands, advertisers, and publishers working with Kiosked as well as the knowledge that consumers have on smart content and Kiosked's services. However, with the analysis of secondary data and information from the interview, this thesis is believed to be helpful for Kiosked, brands and advertisers as well as further studies in the field. For future research, it is recommended that a broader view about the current situation of the brands, their thoughts on smart content, and their experiences in adopting it should be gathered and analyzed in order to give a more practical insight on the solution and to provide more detailed recommendations.

Smart advertising in a relevant and non-intrusive manner is the way to go in order to generate sales while closing the gap and building a deeper, personal relationship with the

consumers. Smart content is therefore the innovative solution for e-commerce and online advertising especially in Finland, where start-up companies are heating up the business landscape with innovative solutions.

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APPENDICES

Appendix 1

Interview questions (Guide)

1. How would you define and describe Kiosked's services and/or products?
2. Since when did the idea of developing Kiosked as a new platform for e-commerce come along?
3. What makes Kiosked different from other online marketing services or online shopping concepts?
4. How does smart content change the e-commerce landscape?
5. Could you see or have you seen some possible flaws or disadvantages of Kiosked's platform for the engaged brands or publishers?
6. Which markets is Kiosked focusing on?
7. It seems that Kiosked's platform is highly favorable towards fashion, especially branded clothing lines. Is this your primary market? If not, is there any particular market that you are targeting?
8. How has the brand Kiosked introduced itself in the e-commerce world and to its target markets?
9. If someone were not familiar with Kiosked and your services, would that negatively affect their online shopping experience?
10. If so, do you have any plan to increase the awareness about Kiosked among online shoppers?
11. Where do social media stand in Kiosked's business model?
12. Kiosked has been utilizing blog marketing as a platform for its business model, what would you say about blog marketing's influence and profitability?
13. How much do Kiosked's smart contents (images, videos) increase actual sales approximately? For example, Nike, Ray Ban?
14. How does Kiosked share the revenue with the publishers? In other words, what is the revenue sharing model?
15. What was last year turnover? What is expected number or figure for this year?

Appendix 2

Transcript of Interview

Interviewer: Van Anh Phan Nguyen (Author)

Interviewee: Wiebke Arendt - Online Communication Manager of Kiosked Ltd.

Interview method: Emails

Time:

- Interview questions sent: 14 May 2014 at 12:51 p.m.
- Answers received: 21 May 2014 at 3:39 p.m.

How different and how effective is Kiosked's business model in e-commerce in comparison with other current platforms?

Kiosked differs mainly in two ways. Kiosked provides scalable, contextual ways for brands and advertisers to reach consumers. The other main differentiator is the high contextuality Kiosked is based on.

Kiosked's Automatic Matching Solution automatically matches relevant products with visual content, and it scales automatically on a global level.

Kiosked does a semantic analysis on every article posted by the publishers. The Automatic Matching algorithm matches content with relevant products with 99% accuracy, which makes the content extremely relevant and contextual for the recipient.

Kiosked creates a win-win-win situation for both publisher, advertiser and consumer. Automatic Matching has no impact on the publisher's production, and publishers and advertisers have full control over products, media and brands all the time. This means a publisher can choose on which sections on his site he wants to use Kiosked Automatic Matching. The automatic matching solution is also available for several categories such as tech, sport, entertainment, parenting, travel, fashion beauty, home interior and food.

Kiosked's technology is built scalable as well. The settings framework and technology architecture allows to make fast adaptations to customer needs. In order to provide clients

with the best solution for their online marketing needs, Kiosked has added contextual display ads to its portfolio.

Contextual Display Ads by Kiosked are automatically added to content based on an advanced algorithm that analyzes the context of each article containing images and automatically places the ads where they match the context.

How will Kiosked change consumer experience with online shopping?

In the future, consumers will buy products online more than in stores. Kiosked eliminates limiting aspects like time and distance, and makes the consumer experience more mobile and comfortable. Kiosked enables brands and advertisers to meet the always on consumers wherever they are. According to this article, mobile commerce is expected to grow with 2000 % over the next three years. In 2013, mobile retail also made 32 % out of all online sales. Consumers can discover relevant products wherever they are online and choose to discover more. In the long term Kiosked turns advertisement into a value creating service for consumers.

Why should companies integrate Kiosked in their online marketing plan?

Kiosked reaches consumers everywhere. E-commerce is becoming more and more mobile, and Kiosked can provide an instant shopping experience that is based on a spontaneous notion by the consumer. Smart content is also becoming more and more important since consumers want retailers to deliver content that is precisely relevant. At the same time, the merchant or publisher creates a deeper relationship with the consumer or reader. Publishers can easily make revenue by simply adding one script to their website, and advertisers get guaranteed high view ability.

1. How would you define and describe Kiosked's services and/or products?

Kiosked is a platform for rich and engaging advertisement out of visual online content. Kiosked creates a shoppable storefront of all the visual content on the publisher's websites. Images, videos, games and other content becomes a market place for both products and services.

2. Since when did the idea of developing Kiosked as a new platform for e-commerce come along?

The idea of Kiosked as a platform for e-commerce started in 2010, when founders Micke Paqvalén and Antti Pasila noticed that the e-commerce market lacked a web service that both publishers, advertisers, brands and merchants could use to increase their revenue, and that consumers would experience as a service at the same time. Paqvalén and Pasila started to develop the initial database that functions as Kiosked's backbone today.

3. What makes Kiosked different from other online marketing services or online shopping concepts?

Kiosked does a semantic analysis on every article posted by the publishers. The Automatic Matching algorithm matches content with relevant products with 99% accuracy, which makes the content extremely relevant and contextual for the recipient. The algorithm adjusts according to language and location by creating non-intrusive content that also works as a service for the consumer.

4. How does smart content change the e-commerce landscape?

Smart content is about transforming your visual content such as images and videos into a service for the users. Smart content turns content into apps, making the user experience superior on all content, on all devices. It also makes observations on how brands and publishers can embrace this phenomenon for their benefit.

5. Could you see or have you seen some possible flaws or disadvantages of Kiosked's platform for the engaged brands or publishers?

The brands and publishers we work with have seen no disadvantages. However, for brands and publishers who are slow to make their content engaging this can create pressure in the long term.

6. Which markets is Kiosked focusing on?

Kiosked is focusing on a global market, and has live clients in both UK, US and Europe with verticals like tech, sport, food, fashion, entertainment and home interior.

7. It seems that Kiosked's platform is highly favorable towards fashion, especially branded clothing lines. Is this your primary market? If not, is there any particular market that you are targeting?

Kiosked's Automatic Matching solution is now globally available for fashion, sport, tech, food, home interior and entertainment. These categories are also the market directions that Kiosked is focusing on at the moment.

8. How has the brand Kiosked introduced itself in the e-commerce world and to its target markets?

Kiosked entered the world of e-commerce by filling a gap in the market with a service that creates a win-win-win situation for both publishers, consumers and brands. The platform connects both advertisers (brands, merchants) with publishers. Which provides somewhat a chicken and egg question as without publishers, advertisers don't use the service and vice versa. We have sustainably build Kiosked so that we added advertisers (products) first and then publishers.

9. If someone were not familiar with Kiosked and your services, would that negatively affect their online shopping experience?

No, since it's focusing on non-intrusive, relevant online content. Kiosked enables any consumer to discover relevant products. The consumer can choose if he decides to click on the kiosks or not.

10. If so, do you have any plan to increase the awareness about Kiosked among online shoppers?

Kiosked increases awareness all the time. Every live client and media coverage naturally spreads the word about Kiosked's services, and increases knowledge about both Kiosked and smart content.

11. Where does social media stand in Kiosked's business model?

Social Media is part of Kiosked's business strategy. Kiosked works anywhere and kiosks can be shared in popular social networks.

12. Kiosked has been utilizing blog marketing as a platform for its business model, what would you say about blog marketing's influence and profitability?

Marketing in the 21st century focuses on content. Instead of selling directly to clients and consumers, Marketing is about creating content that enables the target audience to gain knowledge and find new solutions to do things.

13. How much do Kiosked's smart contents (images, videos) increase actual sales approximately? For example, Nike, Ray Ban?

Kiosked helps brands to connect with their consumers in any content. One way for brands to connect is building brand awareness. Branded content such as Ray Ban, Nike or merchants like Asos or Harrods are used because the brands creates reliability and trust between the consumer and merchant/brand, since they are so well known.