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Marketing Power of Blogging

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Abstract
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The purpose of the research was to study blogging as a powerful marketing tool and find out the relevance of business blogging and blog advertising in local area. A blog is a marketing tool that can be used by many companies. Blogging has many different benefits. As an example it helps to present company values and communicate with customers. Blogging is a low cost marketing tool. In some cases, blogging can be a source of money. Companies that are interested in blogging as a social media-marketing channel can utilize this study for defining the main advantages of blogging. Social media managers and bloggers can find useful information about the relevance of blogging in the local area.

The thesis is divided into a theory part and empirical part. The theory part begins with a description of the main concepts of marketing, marketing tools, online marketing and social media marketing. Furthermore, it describes the phenomenon of blogs and blogging. Also, the theory part discusses the differences between business blogging and blogging for profit. In conclusion, theory part defines the benefits of blogging as a powerful marketing tool. The data for the theory part was gathered from literature, articles and Internet sources. The empirical part of the thesis includes the survey that was carried out in Lappeenranta by handing out a questionnaire to representative persons of local companies. Furthermore, the research part contains an interview that was conducted especially for the thesis. The qualitative method has been applied for the researches. The data for this thesis were collected and analysed.

The result of the study includes the description of actual blog marketing benefits and disadvantages. The result indicated the differences between business blogging and blogging for revenue. It also investigates blogging as a social media-marketing channel. The relevance of blogging in local area was determined based on the findings from the empirical research. Further study is required to find out the efficiency of online advertisings in blogs.

Key words: blog, blogging, marketing, Internet marketing, social media marketing, blog marketing
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1 Introduction

The introduction describes the background of the thesis, the main objectives and delimitations, and introduces the research questions and research method. Also the structure of the study is presented below.

1.1 Background

Millions of people make social media as a part of daily routine. Small and medium enterprises use social media marketing channels for advertising. Large companies build brand awareness through social media platforms. Nowadays, social media channels are very important marketing tools and blogs are not an exception. In some cases, blogging can be an independent source of profit and moneymaking opportunities of blogging will be presented in this research.

During the last few years the author has been looking for the most interesting field of marketing. In spring 2013, the author participated in a Customer Journey course – from Target Group to a Profitable Customer and later in summer 2013 in a Social Media course in Business. These courses familiarized the writer with social media marketing and inspired to study this field more.

As mentioned above, small and medium enterprises use social media as a marketing tool for promotion and advertising. The author decided to find out the general opinion of small companies about blog advertising and business blogging in the local area.

1.2 Objectives

At the beginning, the study requires careful consideration of basic concepts of marketing. Today’s marketing is similar to traditional marketing but operates in Internet environment and involves different marketing channels.

In 2012, a popular writer M. Miller said:
“Digital marketing, Online marketing, Internet marketing, Web marketing – whatever you call it, it’s all about marketing to current and potential customer online, via the Internet.”

Internet Marketing as well as traditional marketing has the same goals: to provide customers with the information and prompt them to buy a product. The difference is that Internet marketing requires Internet based media channels such as: web sites, social media platforms, emails. Blogs are one of the social media channels. (Miller 2012.) The study about blogging as a powerful marketing tool is very current. Moreover, the author has her own interest in this study. In the future, the researcher will be glad to put knowledge and information obtained during the study into practice.

The main objectives of the thesis are to investigate blogging as a powerful marketing tool and get deeper understanding of blogs and blogging. Also the aim is to familiarize with the differences between profitable blogging and business blogging. The prominent aspect of the study is to present the opinions of small enterprises about business blogging and blog advertising in the local area.

At the present time blogging is useful and interesting not only as an individual and private activity but also as a corporate practice. The aim of the study is to examine the benefits of blog marketing.

1.3 Delimitations

The empirical research is limited by area. The study was carried out in Lappeenranta. The city is located in the South Karelia region of Finland. Nowadays, Lappeenranta is one of the most popular travel destinations for Russian tourists in Finland. The high flow of tourists supports the development of small businesses in the local area. Certainly local companies use social media marketing tools for advertising. The participants of the empirical research represent small local companies.

Also, the research is excluding information about a blog’s groundwork such as: design, content and software. No technique details will be explored in this thesis. These aspects refer to specializations of information technology and
digital design. According to Reed (2013), it is not necessary to be a tech to use social media and blogs as a social media channel.

The study shortly describes blogging without historical aspects. The third part of the thesis identifies the ways of making profit from blogging; this part excludes the information about advertising costs, taxation and legislation. Also the explanation of blogosphere is excluded from the present research.

1.4 Research Question

The aim of the research is to study blogging as a powerful marketing tool. Consequently, the research question is:

*Is blogging a powerful marketing tool?*

In order to answer the research question the study investigates following issues:

- *What is marketing?*
- *What are blogs and blogging?*
- *What are the benefits of blogging as a marketing tool?*

The answer to the research question describes the marketing opportunities that can be offered by blogs and blogging. The author presents benefits and disadvantages of blogging. Firstly, the author outlines the definition of marketing, Internet marketing and social media marketing, then describes the basics of blogs and blogging, investigates blogs differences and examines blogging as a social media channel.

In addition, the study investigates what local companies think about blogging as an advertising platform. The sub-question is:

*What do small local companies think about corporate blogs and blog advertising?*

The sub-question examines the general opinion of local companies about business blogging and blog advertising. The answer is based on the findings of the questionnaire survey and interview.
1.5 Research Method

This part describes the research method used in the thesis. Based on the book “Qualitative Research Methods: A Data Collector's Field Guide” written by Natasha Mack, Cynthia Woodsong, Kathleen M. MacQueen, Greg Guest and Emily Namey (2011), the author decided that the qualitative method will be used for the research. This method collects opinions and attitudes. It will help to find out the fair opinions of local companies about business blogging and blog advertising. Furthermore, this method is suitable for analysing the results of the interview.

In the research 2 methods were used:

- A questionnaire with a mix structure and open questions was distributed to local entrepreneurs and representatives of different companies. The questionnaire is presented in appendix 1.
- A semi-structured interview was conducted in Lappeenranta in order to get more information about the relevance of blogging in the local area. The questionnaire for the interview is presented in appendix 2.

Questionnaire survey
The researcher visited several companies and distributed questionnaires to the representatives. After a couple of days, the author collected all questionnaires. Almost all participants agreed to be a part of research. One company declined its participation in the research. In whole, the author was satisfied with the results of the research. Mostly the questionnaires were filled fully and carefully; only a few questionnaires were lacking information. All the answers were analysed and will be explained in the empirical part of the thesis.

Interview
Larisa Gaft who is a managing director of several stores in Lappeenranta and has a great experience in Internet marketing was interviewed for this thesis. She has an operating Internet store that is using social networks for communication with customers and new items promotion. In the near future she is going to open a new online store of Italian shoes. Now, she is interested in advertising her new project through the Web. She found out that a blog is
the most suitable marketing channel for it. Larisa Gaft helped to define the blogging benefits and confirmed its’ importance. The interview was conducted in Family Centre, Lappeenranta. The interviewer took notes of the interview in order not to miss anything.

1.6 Literature Review

The theoretical part of the thesis is based on several books that are referring to the given topic. The marketing part is based on the book: “Marketing an Introduction” written by Gary Armstrong, Philip Kotler (2009). This book is full of basic definitions and main concepts of marketing. Furthermore, the author concentrates on Internet marketing and this part is based on the book: “Digital Engagement: Internet Marketing That Captures Customers and Builds Intense Brand Loyalty” written by Leland Harden and Bob Heyman (2009). The part about social media marketing is based on the book: “B2B Digital Marketing: Using the Web to Market Directly to Business” written by Michael Miller (2012). The information about social media is based on a few books: “Social media marketing: the next generation of business engagement” written by Dave Evans and Jake McKee (2010) and “Social media marketing: an hour a day” written by Dave Evans and Susan Bartton (2008).

The next part of the thesis investigates the phenomenon of blogs and blogging. This part is based on the book: “This is social media: tweet, blog, link and post your way to business success” written by Guy Clapperton (2009). The thesis describes the differences between business blogging and blogging for a profit. The information about these differences is based on delivered studies and reliable information from the Internet. Also this part is based on the book: “Blogging for Business: Everything You Need to Know and Why You Should Care” written by Shel Holtz and Ted Demopoulos (2009).

Also, a few web sites were used as a source of information. The Social Media Hat is a site that provides information about Social Media, Blogging, and Internet Marketing etc. Social Media Examiner is the world’s largest online social media magazine. The third one is a Social Media Today; it is an online community for social media professionals.
The other books that were studied and used for the thesis are mentioned in the list of references. Almost all books were found in Academic Library of Lappeenranta, some of them were found through the online digital library - ebrary.

It is significant to note that there are not so many previous studies on the present topic. The author has familiarized herself with a few similar theses such as: “Using Blog Marketing Successfully” written by Mari Multamaki (2014), “Business of Blogging: Case Study of Profitable Fashion Blogging and Revenue Models” written by Sari Ala-Ukko (2012) and “Using blog as a marketing tool” written by Stanislava Dimitrova (2013).

1.7 Structure of the Study

The thesis is divided into several parts: introduction, theoretical framework, empirical part and conclusion.

The introduction part includes the background of the study, describes the main objectives and delimitations, and characterizes the research questions and research method that has been applied for this study.

The theoretical part is divided into three parts: marketing briefly, blog and blogging and marketing power of blogging. The first part describes the definition and basics of marketing. The next part explains the definition of blog and blogging, and discusses the difference between business blogs and blogs for revenue. The last part investigates the benefits of blogging as a marketing tool.

The previous parts give a base for empirical research. The empirical part describes full the survey and interview that were conducted for given study. The results of the studies show the relevance of the topic and integrate definitions of blogging as a social media-marketing tool.

Conclusion and recommendation is the final part of the report. In this part the author summarizes the study and give advice for further researches.

It has to be noted that almost all pictures presented in the thesis were created especially for this study by the author. The placement of real advertising samples was agreed with advertisers.
2 Marketing Briefly

Before proceeding to study marketing power of blogging, the author briefly explains the main concepts of marketing and online advertising. This chapter defines Internet marketing, social media marketing and social media. These concepts were used in order to help investigating the research questions.

2.1 Marketing in Internet Environment

In 2007, Assistant Professor at Indian Institute of Management S. Gupta defined marketing as follows:

“Marketing is a social and managerial function that attempts to create, expand and maintain a collection of customers.”

At the present time technological advance and explosion of the Internet have reversed marketing environment. Today’s businesses operate on the Web. The World Wide Web (web) is a global network that has transformed from a communication tool into a new marketplace (Johnson, 1994). Based on the book “Blog Marketing and Online Marketing” written by Sherbakova (2010), the most important types of marketing in Internet are:

- Internet marketing – or online marketing focuses on advertising activities that take place on the Web. Also, online marketing mixed with traditional marketing that concentrates on satisfying customer needs. Internet marketing is divided into specialized types such as:
  
  - Email marketing – focuses on email communication with current and potential customers.
  - Web marketing – concentrates on web sites, online and affiliate advertising.
  - Social media marketing – it is a subset of online marketing activities that are using social media channels for product or service promotion (Barefoot & Szabo 2009). Social media channel is a channel of communication that builds a strong relationship with the customer through the social media. Social Media are Internet based tools and platforms that are generated for two-ways communication and information sharing.
All these types of marketing are similar to traditional marketing. According to Shenton (2000), whether Internet-based marketing or traditional each marketing operation normally focuses on five constants of marketing:

1) *Product* – it is the first thing that has to be considered. What product meets the customers’ needs? The Web allows the company provide detailed information about the product. Also modern options allow tracking the interests of Internet users by analysing their profiles and checking the links they click by analytics tools.

2) *Price* – the prices can be different in the Internet. As an example an Internet store has an ability to reduce prices due to the absence of retail store that requires rental payments, salaries, wages payable etc. Also it is possible to track competitors’ prices and make better offers.

3) *Promotion* – it has to find a way to reach customers. In the Internet environment online advertising and social media can do it. The list of online advertising will be presented below. The social medial channels will be presented later in the research.

4) *Place* – where does the company operate? It is unimportant because Internet allows finding the right target audience worldwide.

5) *People* – who is the right customer? In present time, companies can find perfect customers through the Internet but before that they have to determine their target group.

### 2.1.1 Marketing Tools

Marketing tools are techniques and materials used for promotion of products and services. Today’s marketing requires tools such as a web site, social media, online advertising and promotion, email marketing. These tools implement the main marketing aim that is building a profitable customer relationship. (Armstrong 2009.) All these tools are known as a paid media.

Online advertising and promotion are tools that are integrated to the present study and presented below. Advertising is an act of drawing attention to a specific
product or service (Pant 2007). According to Harden (2009), advertising works harder on the Web. Online advertising implements the same function as any other advertising.

According to Armstrong (2007), online advertising consists of several different forms:

**Banners**

Banners are display ads inserted in the web pages of the content site. The size of the banners differentiates from long verticals to skinny horizontal.

Usually, banner ads contain links to the advertiser's web sites. Also banners appear on blogs and social media sites. In addition, banner is a chargeable form of advertising. (Harden & Heyman 2009). Visuals examples of banners are presented below.

![Banner Example](image)

**Figure 1. Banner.**

The presented figure shows the banner that is placed on a company’s website for customers attraction. This banner advertises the page with cut-rate products. This banner is very attractive because of its colour and varied pictures. The visitors will definitely click to this banner.

**Interstitials**

Particular advertisements are displayed while the web page is loading (Armstrong 2009). Figure 2 shows the visual example of interstitial.
Present interstitial appears during the loading of the Finland Plus website. The given website is created for promotion of local stores. For having maximal attraction, La Fiaba Store is ready to pay for this kind of advertisements.

*Pop-ups and Pop-unders*

Pop-up and pop-under are the most annoying forms of advertisement. Nevertheless, these ads are very effective in drawing the attention of potential customers. Pop-up and pop-under ads appear almost anywhere on a web page. These ads appear until the user will close them. (Harden & Heyman 2009). The visual example of a pop-up is presented below.
Figure 3. Pop-up advertise.

This pop-up advertisement has the same goal as the previous interstitial. Cilek Room is able to order the present advertise from the website that is concentrated on the promotion.

**Contextual advertising**

Basically, contextual advertising is one more form of display ads. Contextual ads are usually used as a private advertisement. These ads can be hidden through the text. Users mechanically click the word that has a link. Usually these words are marked by cursive or different colour. (Harden & Heyman 2009.)

**Rich Media**

Rich media is an advanced banner that integrates video, sound, animation and interactivity. It is more expensive than other online ad forms. As an example rich media advertisement can be presented as a graphics interchange format picture. The example is presented below. (Harden & Heyman 2009.)

Figure 4. Rich media advertisement.

The present example introduces the video advertisement that is placed on the official website of GoodPri Company. The aims of the given rich media advertise is to visually show the advantages of the company.

**Content sponsorship**
Companies promote themselves through various web sites. They pay for exclusive ads, articles and posts. The most popular platforms for a content sponsorship are blogs.

Microsites
This form of promotion is a partnership between two companies (Harden & Heyman 2009). As an example, a shoes store has its own web site that is providing a page with the information about Footwear Care Company.

![Figure 5. Microsite.](image)

As was mentioned earlier Finland Plus is a website that is created for advertising and promotion of different Finnish companies. Figure 5 illustrated the microsite that is placed on Finland Plus website in order to promote Cilek Room, Lappeenranta.

Alliances
This form of promotion is known as an affiliate program. It is cooperation between two companies that are promoting each other.

According to Harden and Heyman (2009), 55 percentage of Internet ad spending goes to mix paid media, including banners, rich media, ad networks, sponsorship, blogs and video ads. The benefits of online advertising are:

- Large audience - it means that the potential customer has open access to check online advertise 24 hour / per 7 days.
- Easy and cheap tracking - there are analytics tools that are used for tracking the number of clicks and unique visitors.
- Direct sales – it is an opportunity to sale a product directly to the customer without middlemen.
- Speed - the updates can be made in a few seconds.

Online advertising allows reaching a responsive audience and reviewing the effectiveness by different dimension and metric tools such as Google Analytics. Also online ads channels insert information in the shortest possible time. Moreover, online ads give an opportunity for direct sales. As was mentioned earlier, advertising is calling attention to the product or services while promotion keeps the product or services in customers’ mind.

2.2 Social Media Marketing

According to Korhan (2013), social media marketing is a strategic process aimed to make a business and its products and services more attractive to buyers. It means that social media marketing has the same goal as the traditional marketing. The difference is that social media marketing is Internet-based marketing and requires social media tools for the realization of its goals. The main goal of any marketing is customers’ attraction. At present time, customers would like to get all information about product before they make the purchasing decision. In the Internet environment content marketing can satisfy this kind of demand. Content marketing appeals to create an informative and attractive content. When a company makes a good content, the next step is engagement. The social media is building engagement. It means that social media marketing is a combination of accurate content marketing and social media that helps to engage customers. The last step is conversation. As was mentioned earlier, one of the most effective features of social media is straight communication with customers. All together, attraction, engagement and conversation are the principals of successful social media marketing. (Korhan 2013.)
2.2.1 Social Media

Authors of best-selling "Social Media Marketing: An Hour a Day" (2008), as well as "Social Media Marketing: The Next Generation of Business Engagement" (2010), books, Evans defined social media as follows:

“Social media, simply, is text, words, pictures, video and the like created with intention of sharing. In the context of a marketplace, it is the thoughts and experiences of participants – for example, consumers – that relate to their experiences with brands, products, or services”

While Search Engine Consultant Jones (2009), described social media as:

“Social media essentially is a category of online media where people are talking, participating, sharing, networking, and bookmarking online. Most social media services encourage discussion, feedback, voting, comments, and sharing of information. It’s more of two-way conversation, rather than a one-way broadcast like traditional media.”

According to Reed (2013), the core social media principles are:

- Transparency;
- Patience;
- Allocation of responsibilities;
- Communication;
- Liability;
- Social Sphere;
- Modest sales.

Social media provides an effective way to communicate with the appropriate target group; it is requires less spending of money than the traditional marketing tool. Social media platforms are divided into personal networks and business networks. Companies and customers can use both networks for their own purpose.

According to Reed (2013), social media tools are divided into several categories. Here are the most popular tools:

- Social Networks are websites that allow keeping in touch with friends, co-workers. The social networks are created for information, pictures and video sharing. Generally, the profiles have detailed information about
users. Companies and advertisers can utilize this information in order to use social networks as an advertising platform.

- Facebook is the fastest growing social network. Facebook connects people all over the world. Now, it has more than a billion users. The network has its own advertising program that helps to reach the right customers. Companies create awareness by means of Facebook Groups. Potential customers independently join the group. Also Facebook offers Promoted Posts. (Clapperton 2009.)

- LinkedIn is a leading social network that connects professional workers. The profiles look like a portfolio. This network helps the employer to find an employee and the employee find an employer. It works mostly for users who would like to present and promote themselves. LinkedIn also offers advertising programs. (Clapperton 2009.)

- VK is a Russian version of a Facebook with similar features.

- Blogs or microblogs can be described as web journals. The content of microblogs is small. This is the main difference between blog and microblog. The full description of blogs will be presented in part three of the thesis. According to Clapperton (2009), the most popular platforms are:

  - Blogger is a ready-made platform for blogging.
  - Live Journal is one more platform for blogging.
  - Twitter is a social network that is created for sharing microposts. The maximum length of the post is 140 letters.

- Image Sharing is a publication of a picture to the web. Different users can view the image but it can be published privately or publicly.

  - Instagram is a platform for photo and video sharing. It has more than 200 millions active users. Most companies make profiles in Instagram in order to share pictures of different products.
  - Pinterest is an image-sharing platform.
• Video Sharing is a prevalent activity on the web. It publishes and shares video through the Internet.
  - YouTube is the largest video-sharing platform. This platform is not requiring a profile for a visitor. The profile is required for the user who would like to post a video. YouTube is one of the best advertising platforms. It has an advertising programme. (Clapperton 2009.)

• Geo-Tagging is a function that is adding geographical information.
  - Swarm (former Foursquare) is a platform that is selecting the location of the user and sharing it with others (Clapperton 2009.)

According to Jones (2009), social media is:
  - Building brand awareness;
  - Supporting of company’s reputation;
  - Making trust relationship;
  - Bringing new ideas;
  - Supporting customers;
  - Saving money;
  - Tracking performance.

Blogging is the main concept that is regarded as the purpose of the study. The meaning of blogging will be explained in the next chapter.

3 Blog and Blogging

This section discusses blogs and blogging, describes the main definitions, investigates the differences between business blogging and blogging for profit. Also, this part introduces blogging as a social media-marketing channel. Furthermore, this part describes the fundamental ways generating revenue from a blog and examines blog as a business niche.

3.1 What is a Blog?

In 2011, NM Incite, a Nielsen/McKinsey company, tracked over 181 million blogs around the world. In modern society, almost everyone knows what a blog means.
Blog (weblog) is an online dairy with series of updates in chronological order, usually written in informal style. A blog gives an opportunity to be heard and to share experience. Blog topics differentiate from personal to professional. In recent times more and more companies make business blogs for informal communication with customers in order to get closer. (Zimmerman 2013.) Most companies have blogs for supporting a pre-existing venture but in some cases blogs can be made for a profit (Holtz & Demopoulos 2006). The moneymaking opportunities of blogging will be presented in the next chapter.

As Michael Liedtke of the Associated Press wrote in 2003 (Williams 2013):

“The online diaries known as Weblogs or ‘blogs’ seemed like a lot of inconsequential chatter when they surfaced a few years ago. But … what once seemed like a passing fancy has morphed into a cutting-edge phenomenon that may provide the platform for the Internet’s next wave of innovation and moneymaking opportunities.”

Blogging is a core component of social media marketing. Social media is online services that provide two-way communication and information exchange. Social media marketing was currently used for customers’ attraction through online social media platforms where they naturally spend time. (Evans & McKee 2010.) A blog is a SM channel. The SM channels are divided in three groups: platforms, content and interactions. As was mentioned earlier the first group is social platforms, in other words social networks – Facebook, LinkedIn, Vkontakte etc. Social platforms are divided to personal networks and business networks. The second group is social content and the blogs refer to this group. Also this group includes: YouTube, Instagram, Flickr and more similar contents. The last group is social interactions such as: Twitter, Foursquare and etc. (Evans & Barton 2008.)

Most companies have a marketing strategy that includes online marketing. According to Zimmerman (2012), social media is a component of online marketing. Online marketing is a part of overall marketing. As was mentioned before, organizations use social media marketing for advertising and communication through the different kind of features that helps to get closer with customers, receive feedback and build brand awareness (Holtz & Demopolulous 2006).
It has to be noticed that the usage of social media channels is free of charge. Some social media channels can make a profit for a company or user and blogs are not an exception. It means that blogging is a tool of social media marketing that can be used as a source of moneymaking in other word a personal business. The next chapter examines the concrete ways of generating profit from blogging.

### 3.2 Blog Marketing

“Blog marketing as any process that publicises or advertises a website, business, brand or service via the medium of blogs.” (Divecha 2007)

Blog marketing includes advertisements, reviews and recommendations that are written by a blogger or company in order to present a product or service (Divecha 2007). Blog marketing refers to content marketing. As was mentioned earlier, content marketing is a technique that concentrates on creating and sharing valuable content. The content is: blog posts, publications or announcement, images and videos. According to Bill Gates (1996), the content is a king. It means that a well-produced engaging content is able to make a positive effect on the traffic and readers’ attraction. It is significant to note that today’s minor reader could be a tomorrow’s best customer. So the aim of blog marketing is to create a good impact on potential customers by a good content. According to Stremtan (2010), blog marketing divided into 2 aspects:

- Corporate blogs (business blogs) are tools for promotion and advertising products or services that are created by a company.
- Promoting blogs (blogs for a profit) are blogs that are created by bloggers or marketing agency for promotion or advertising of products, services or a company.

Therefore a blog is a marketing tool for personal and professional practises. Detailed information about both aspects is presented in the next chapters.

### 3.3 Business Blogging

As mentioned earlier, business or corporate blogs are created for advertising company products or services. Usually business blogs are conducted by the owner or a specially hired blogger (social media editor). The aim of the business
blog is to get closer with readers who could be potential customers. This is why a business blog has to be transparent.

According to Gardner and Birley (2008), “small businesses, and even individuals, are taking advantage of this new format, giving readers a peak inside the corporate culture of what might otherwise be fairly faceless monoliths.”

A business blog provides different kind of advantages. The first and the main advantage of business blogging is an opportunity to have an advertising channel free of charge. The second advantage is a chance to make closer communication with customers and receive reliable feedback that can be used as a base for product or service development. Also the proficient business blog builds a good reputation of a company and provides information about company’s values. For making the most efficient social media marketing strategy - the company has to use and associate all business related social media channels but not every tool is right for every business. The last but no the least advantage of business blogging is that search engines display blogs higher in rankings. (Holtz & Demopoulos 2006.) Also business blogs give an opportunity to visualize information by adding photographs, audio and video podcasts. The other benefits are presented in the end of the theoretical part.

Most companies add blogs to the corporate web sites that allow a better communication with customers because the web sites are not friendly. A business blog gives a chance to customers understand that people who work in a company are ordinary as they are. It helps to build a trust.

The figure below shows the site of a company that has a blog. The business blog of La Fiaba store is under development. La Fiaba is a retail store of Italian shoes that is going to operate online. The online store will be available in 2015. Until that moment the company familiarizes itself with different social media channels and blogs are not exception. The company is going to use their blog as news feed. The blog of La Fiaba will present the posts about style, fashion and novelties. The manager of the store is interested in better communication with customers. Also the blog will introduce the policy of the company.
3.4 Blogging for a Profit

Usually the blogs start as a hobby but in some cases blogs may turn into a profitable business niche. Bloggers offer advertising services and thus make a good profit. According to Garndner and Birley (2008), bloggers may turn a pretty penny and even earn a living from advertising.

In the beginning, the blogger should interest readers by a good content. It is allow having a high traffic of unique and repeat visitors. If the blog has a good metrics blogger can start to think about getting profit. It is important to determine the interest of the readers before placing an advertisement on the blog.

A blogger can make a decision about collaboration with companies without assistants or recruit a middleman for making contracts on beneficial terms. Moreover, blogger can make financial decisions and evaluate the performance.

Gardner and Birley (2008), identify four models of payments:

- Cost Per Impression: The main aim of this advertising model is to being visible on a blog and advertisers pay for displaying ads;
- Cost Per Click or Pay Per Click: Each click makes money, this model of advertising used in contextual ad programs such as the article marketing;
- Cost Per Action: The advertiser pays only when the reader actually takes action after having viewed and clicked the ad on the blog;
- Sponsorships: The blogger offers a part of a blog to a sponsor based on long-term relationship and payments.

The example of a blog for a profit is presented below. This blog is under development, at the moment. Vieras Info is a blog about Finland that will present the information about local attractions. This blog provides an opportunity for advertising positioning in order to get revenue.

![Vieras Info Blog](image)

Figure 7. Blog Vieras Info.

The most useful online advertising techniques that are used by bloggers are:

*Article marketing*

The most significant technique is article marketing. This kind of advertising can be a general source of income. The article marketing is similar to sponsored reviews. A company requests a blog advertisement, which means that a blogger has to write an article about a specified product or service. The payment for this advertising technique can be money or free goods or services. The important thing is that blogger should be careful with these kinds of partnerships because it is probably the hardest advertising technique. The main issues such, as financing, and advertising rights have to be discussed at the very beginning in order to avoid unpleasant situations. As an example, the advertiser can start to control all the blogger’s posts and dictate their own conditions. In this situation the blogger loses the position of initiator and turns into an employee. (Gardner & Birley 2008.)

*Banners*
Gardner and Birley (2008) defined the banner ads as once dominated ad slots on the Web, but they have become less important as people have learned to tune them out.

*Private Advertising*
The placement of private advertising takes place when companies do not want to be illustrated in the article, by other words companies want to be private (Gardner and Birley 2008).

*Google AdSense*
Google AdSense is the easiest way of getting money from blogging. It is a contextual advertising technique. Google AdSense is a free, simple way for website publishers of all sizes to earn money by displaying targeted Google ads on their websites. According to Holt and Demopoulos, when a visitor clicks an advertising link, the blogger earns money from Google. Through this program the blogger chooses any kinds of advertising that suits the blog. In some cases Google AdSense can be a general source of money for a blogger. The profit depends on the traffic and amount of visitors. (Gardner and Birley 2008.)

*Affiliate Sales*
Most of retailers look for suitable blogs for setting up an affiliate marketing program. As an example, the blogger writes about skiing and identifies information about a company that sells skiing equipment. When the reader clicks on the link and buys a product the blogger earns a profit. The retailers usually provide the commission to the blogger on each product bought by means of the blog. (Gardner & Birley 2008.)

*Donation*
All bloggers can place a bank details for donation. If the reader finds a certain blog interesting, he/she can donate money for the future blog development. (Gardner and Birley 2008.)

*Own sales*
The blogger can use a blog for promoting his/herself. As an example, the blogger who is a professional digital designer can place articles about his works and experience in order to promote himself and to provide a freelance service. A
drawer can sale for example his/her own paintings through the blog. Gardner and Birley 2008.)

To conclude this chapter the author presents a quotation from Susannah Gardner’s (2008) book:

“Don’t make your blog a destination for ads; maintain it as a destination for blogging and the best content that you can create.”

3.5 The Differences Between Business Blogs and Profitable Blogs

The main differences between business blogs and blogs for a profit is the purpose. A company promoting and advertising its products or services creates the business blog. A blogger creates a blog as a hobby that can make a profit. Furthermore, a company for making a business blog can hire blogger. Mostly business blogs do not place other companies’ advertisement. Business blogs have a specified topic and content strategy. Basically, bloggers have no limits in choice of the topic but mostly they concentrate on attractive themes as for example sport, nutrition, and fashion. If a blogger writes about his professional experiences this blog can be considered as a business blog. Business blogs concentrates on customers’ values while a common blog forms from bloggers’ values.

If a blogger decided to get a profit from his blog by selling some products, it still is a personal blog, a blog that generates revenue. If a company decided to make a post about the owners’ family, it would still be a business blog.

In conclusion, the author would like to notice that personal blogs for a profit and business blogs have a similarity; they are all created for information sharing.

4 Marketing Power of Blogging

This part investigates the advantages and disadvantages of blog marketing. As was defined earlier, a blog is a marketing tool that has a lot of benefits. This chapter describes the benefits fully with the purpose of clarifying the marketing power of blogging. The main disadvantages of blog marketing are also presented below.
4.1 Blog Marketing Benefits

It is worth noting that many people like to spend time in the Internet. They communicate with the outside world through the social media. They shop at the online stores but the most popular action in Internet is reading. Many people replace morning newspapers with Internet news. Also, before making purchases some people search for information through the web. It creates the demand for blog marketing. Based on the book “Blog Marketing and Online Marketing” written by I. Sherbakova (2010), the author made a list of following benefits of blog marketing:

1. World Wide Web has no geographical limits; it means that blogs are widely available. As an example world-famed fashion bloggers have an opportunity to present new trends to a wide audience.

2. As was mentioned earlier, a blog is a good way to create awareness and to enhance company profile. A blog creation and accurate development are generating positive corporate identity. Also, a blog helps with effective promotion of existing products and gives an opportunity to present novelties. Moreover, other companies that are looking for more information on other companies have the ability to get a deeper understanding of the company’s policy and values through their blog.

3. Professional bloggers have great abilities to guide readers because readers believe sincerely in information presented by bloggers. Based on the statistics from the book “Science of Marketing: When to Tweet, What to Post, How to Blog, and Other Proven Strategies” written by Zarrella Dan, the blogs appreciably affect the purchasing decision. Sometimes, popular bloggers have an opportunity to create a trend. As an example, a blogger presents a new technological device that is very essential, useful and modern. The plain readers are interested to be on the same level with the popular blogger and they defiantly buy the product just to feel like the fancy blogger.

4. Blog marketing presents many different ways of advertising. It is mutually beneficial for bloggers and companies. A company has for example an opportunity to involve professional bloggers to write posts for its corporate
blog. It is article marketing that is always paid by the client’s company. Also, companies can pay for exclusive posts on popular blogs with a suitable topic in order to reach the right audience.

5. Social media profiles can show the interests and demand of a user. It gives the opportunity for bloggers to find suitable topics for posts and attract more attention.

6. Blog marketing works 24/7. It means all information that is presented on the blogs is available on a twenty-four-hour basis.

7. A blogger or marketing expert has an opportunity to track the activity of users, to check how much time they spend on your blog/site and what kind of links they click. Moreover, there are tools for traffic tracking such as Google Analytics, Stat Counter and etc. All these statistic sites are similar. They offer detailed information about the number of unique visitor per day/month/year. They also present the most popular links and keywords. Based on that information companies may define the most interesting topics.

8. World-famed bloggers have a high prestige that means that readers (potential customers) will be interested in products/items presented by them. Usually it works with announcements of must-have products. One of the most popular practices is the bloggers’ review. Many people try to find information about a product through the Internet before buying it. The most relevant source of information for them is the blog because they can find a honest and independent opinion.

9. Private advertising is one more benefit of blog marketing. As was mentioned earlier, people can find honest and independent opinions about products on a blog. Nevertheless, this opinion can be written as private advertising.

10. Blogging is absolutely a free marketing tool that does not require cash resources but it takes time. In some cases a blog can be a source of money.
11. Blog gives an opportunity to get feedback and comments. The feedbacks are not always positive but negative feedback might be a stimulus for development. The positive comments help to win the customer’s favour.

12. Blogs present values of a company. First of all, a company that has its own blog has an advantage because blogging is not as simple as it sounds. It takes a lot of time, concentration and effort. It means that this company is very interested in attracting new customers and maintaining relationship with existing ones. Thus a corporate blog gives a chance to understand the policy of a company.

13. The prominent aspect of blogging is high traffic. It means that a blog has a marketing power of attracting a big number of visitors. More blog posts – more traffic. Moreover, blogging allows staying social, keeping in touch with existing customers and attracting new ones.

4.2 Blog Marketing Weaknesses

Based on the book “Blog Marketing and Online Marketing” written by I. Sherbakova (2010), the author made a list of following weaknesses of blog marketing:

1. A nonprofessional blogger or an inexperienced marketing specialist can also do bad for the company reputation. In some cases a blog post can be seen as a spam. Usually spam is irritating and unsolicited advertisement. Sometimes unreasonable posts can antagonize even the regular reader or customer.

2. It is good idea to make a corporative blog, to involve employees in the process of blogging. Nevertheless, it is very difficult to develop a corporate blog and attract employees to join it.

3. There is a big chance to make a blog that will be unpopular and unattractive. Of course private blogs can be a hobby or fun but a corporate blog requires a large amount of time and work.

4. Blogs recede into the background awaiting the advent of new social media platforms. Other social media tools require less time. They are easy to
conduct. Companies have no need to go into details and think about design.

5. Regular updates are required for keeping readers but it has no guarantee. As was mentioned earlier a blog needs a lot of time. Most companies have no time to conduct a good blog. As an example it is much easier to take a picture of a product and upload it to the Instagram with a short description.

According to Sherbakova (2010), there are few aspects that have to be taken into account to avoid blog marketing weaknesses:

- Good content marketing strategy gives an opportunity to keep the interest of the readers and customers;
- Blog has to be updated regularly. It helps to attract readers to come back.
- Blog has to be friendly and open.
- It is very important to communicate and pay attention to feedback.
- It is necessary to remember that blogging takes time; one hour a day will be a good investment.

The blog marketing has more beneficial characteristics than unfavourable. It means that blogs have a marketing power and can be used as an effective tool by companies.

5 Empirical Research

This part of the thesis introduces the survey that was conducted on the basis of the topic and presents the interview that was held in order to get more information about the present topic. The research defines relevancy of business blogging in local area. The sub-question of the study is “What local small companies think about business blogs and blog advertising?”

5.1 Questionnaire Survey and Interview

The survey was conducted in May 2014. The questionnaires were handed out to the representative persons of small local companies and returned in a few days later. In total, fifteen companies agreed to fill in the questionnaire and participate in the research. The qualitative research method was applied in the study. The
questionnaire has eleven questions; most of them are open questions. It starts with general questions and proceeds to more purposive questions. These questions allow the participants fully describe general opinions and share individual experiences. The questionnaire (appendix 1) is connected with business blogging and blog advertising in order to maintain integrity of the thesis and the aims of the study.

The interview was held in August 2014. The managing director of several stores in Lappeenranta agreed to discuss the topic and define the significance of blog marketing. Since the managing director started to work on her new project such as online store she is interested in attracting customers through the Internet. The semi-structured interview included 10 questions that are related to the topic. The answers given by the interviewee present her opinion about the importance of blogging as a marketing tool and also expectations of blogging in whole. The questions for the interview (appendix 2) were the same as in the questionnaire.

5.2 Analysing the Results

The results show that theoretically companies are interested in blog marketing but in practise only few participants have their own blogs. Lack of time is the main reason why companies do not make business blogs. Nowadays, when everybody is busy, people prefer to make fast and small posts instead of big and valuable articles. One of the respondents believed that an account in social network could be seen as a blog because it allows making an actual post with argumentations or news. As was mentioned earlier blogs have to be updated regularly; it means that blogging takes time. It is much easier to make a company profile in social network that to conduct an actual blog. Also an undeveloped social media marketing strategy is the reason for companies to not have a blog. All the respondents are representatives of small businesses such as: stores, hairdresser’s salon, language school, logistics and IT company. They have not got marketing departments. In some cases, the owners are responsible for marketing and they are not keeping pace with technological advance. One company finds no sense in blogging. This company concentrates on the same products; they have not got updated products and that is why they are not interested in making a blog. Fortunately, a few involved companies make good use of business blogs. The companies that have business blogs discussed
the benefits of business blogging. The main marked benefit is information sharing. The other mentioned benefits are:

- Supporting corporate image;
- Feedback coupling;
- Demonstrating and describing the mean of the product;
- Expressing the experience of a company;
- Raising brand awareness;
- Growing customer base.

“I found out that blogging is the most suitable way for the company to keep in touch with potential customers. Blog posts allow to informing and introducing products quickly and more particularly. As an example: customer would like to order a pair of shoes, but she does not have any idea how to wear it, through the blog customer can find an example and description that can help her to make purchasing decision.” Larisa Gaft

It should be noted that the author made a list of notes in cooperation with the interviewee. The list includes the most important blogging aspects:

- A blog can be written by the employee of a company or by a professional blogger;
- A blog can show the attitudes and values of a company;
- A big amount of posts help to increase traffic;
- A blog can replace web-site;
- A web-site that has a blog is more interesting and attractive;
- A blog allows to keep in touch with readers who can be potential customers;
- A blog can be used as an alternative RSS feed (news feed).

Blogs can be created for different goals such as customer support when blog provides all needed information to avoid unnecessary questions, or the goal of blogging can be demonstrating company’s values.

Furthermore, few companies are going to make business blogs in the future. The benefits that companies plan to have from a business blogs are product announcements, an opportunity to introduce ideas of using a specified product, brand or product awareness, and communication with customers. As an example one of the participants is owner of the Vegetarian Store, he thinks that a blog is a
great place for describing the benefits of a healthy lifestyle. He has a big number of different products that are unknown for many people. In the future, he would like to introduce these products through the blog; present health giving features and finally writes recipes. It would give him a chance to attract new customers. The managing director is also interested in blog creation because she thinks that it is the perfect way to introduce customers the process of products choice. She explains that her company cooperates with famous Italian producers. Sometimes, customers are afraid to buy fake products. Usually, the employees illustrate to customers that the company has only original ones. Nevertheless, the interviewee is fully convinced that a visual blog post about her meetings with producers can be a good cause for trust.

Most of the participants emphasized that they have no objections against blog advertising. One respondent explains follows:

“Blog advertising works when it looks like a lifestyle with the right persons who really use the same products in real life, too”.

All respondents would like to place advertisements on blogs with a suitable topic. Most of the companies are ready to pay reasonable prices for blog advertising. One of the participants brought up the topic concerning the law:

“It is a hard to put the line if it is official or not with the law”.

The question about taxation and law can be a good topic for further research. Almost all participants are ready to pay for online advertising in blogs but practically no one of the respondents has done it yet.

The responses verify that all companies that have participated in the survey use social media marketing channels for advertisements. All participants have agreed that social media marketing is a great program for communication with customers. Some of the respondents remarked that social media build a connection mostly with younger people. One of the participants answered:

“Social media marketing is a great way or channel to find a young adults for the customers. It is also a cheap, quick and easy. We can do marketing on net whenever we like and exactly how we like to do it. It is working in real time with customers. You can get some feedback right away, too”. 
The most popular social media tools that were mentioned in the survey were: social networks or image sharing. Based on responses the author marked Facebook as the most popular social media-marketing channel. Instagram is the following SMM channel.

The author is satisfied with the results of both surveys. The research pointed out that business blogging and blog advertising are well-known marketing tools but not relevant among small companies in the local area. Based on the results, the author claims that social media marketing is very popular in Lappeenranta. The most essential group of social media channels are social networks that are include platforms like Facebook and Vkontakte but the image sharing is the second in importance, the content group is third one. As mentioned in second part of the thesis blogs refer to the content group of social media marketing channels.

6 Conclusion and recommendations

The purposes of the study were to define marketing power of blogging and investigate blogging relevance in local area. The empirical part of the thesis was based on the answers from the questionnaire survey and interview. Based on the theory part and empirical part, the study proved that blogging is a powerful marketing tool that is well known in Lappeenranta. The participants of the survey did not support the relevance of blogging because the number of companies that have corporate blogs is very small. Nevertheless participants specified the benefits of blogging that are proving that blogs are useful as a marketing tool. It must be taken into account that the participants of the survey are the representative persons of small companies. The result can be different in case of large enterprises.

Presently, blogging is a perfect way to make something special and generate benefits from it. Blogging gives an opportunity to write about what you love, share knowledge and experience, build a strong relationship with readers. Also business blogging is an excellent tool for advertising. Companies create blogs in order to have less formal communication with customers and getting closer with them. In consequence of blogging, customers can see the latest information by
default. As was mentioned in the research, searching engines displays blogs higher in rankings than the web sites.

However most companies prefer to use other social media advertising tools such as: Facebook, Twitter etc. These social media tools are easy to use and require less amount of time. Thus companies that have corporate blogs take an imaginative and aggressive approach to social media marketing. It means that companies are ready to spend more time to make it special, interesting and beneficial. Also a corporate blog can be connected with other social media tools. It is the best way to have a perfect awareness level for every customer. In whole blog marketing has much more benefits than disadvantages. Blogs can be independent or an additional marketing tool in the presence of time.

The thesis has investigated the blog phenomenon, described business blogging and blogging for a profit. The thesis described the general ways of generating revenue from blog. The results of empirical research show that theoretically blogging is relevant because most companies would like to have it in future but practically they cannot. However, companies are interested in blog advertising. It means that the local area gives an opportunity to offer blog advertising and gain benefits.

The main objectives of the study have been achieved. Nevertheless, the author believes that there are a few questions that could be studied in further research. The present thesis has generated the ways of getting profit from blog advertising and it can be rational to study the bloggers opinions about the most appropriate way of generating revenue. Furthermore, the thesis has defined that companies are interested in blog advertising and the future research has to identify the question “How to attract companies to place on advertisement on blogs?” One more interesting topic for further research is vlog (video-blog) marketing.

“Don’t start blogging for money; start blogging because of your passion.” —Frank Warre, blogger. (Banks 2008.)
Figures

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References


Clapperton, G. 2009. This is Social Media: tweet, blog, link and post your way to business success. Chichester: Capstone Publishing Ltd.


Survey: What local companies think about business blogging and blogs advertising?

Name of participant:
Post of participant:
Company name:

Q1: What do you think about social media marketing?

Q2: Does your company use a social media marketing channels for advertisement?
   Yes
   No

Q3: If yes, what kind of channels?
   Facebook
   Twitter
   Instagram
   YouTube
   Google+
   Foursquare
   Pinterest
   Blogger
   Company Blog
   LinkedIn
   Vkontakte
   Other
   If no, why?

Q4: Do you have a company's blog?
   Yes
   No
   If no, why?
Q5: If yes, what kind of benefits you have from your business blog?

Q6: If no, are you planning to make a company’s blog in future?
   Yes
   No
   If no, why?

Q7: If yes, what kinds of benefits you are planning to have from your business blog?

Q8: What do you think about advertising on blogs?

Q9: Would you like to place advertising on blogs with suitable topic?
   Yes
   No
   If no, why?

Q10: Are you ready to pay for blog advertisement?
   Yes, if the price is reasonable
   No, I am not
   If no, why?

Q11: If you have comments related to this survey feel free to write them.

Thank you for participation in survey.
1.) What do you think about social media marketing?
2.) What kind of SMM channels your company use for advertising?
3.) What do you think about blogging as a SMM channel?
4.) Are you going to have your business blog?
5.) What kind of benefits you are planning to have from it?
6.) Are you going to writing posts by yourself?
7.) Are you going to place advertising in other blogs?
8.) Are you ready to pay for online advertising?
9.) Do you have paid advertise on your web sites?
10.) Comments