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Gaining a competitive advantage through social media marketing in B2C sales

Social media marketing review

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The aim of this thesis is to provide a social media marketing review for a case company. Social media, smartphones and iPads have created a new reality of digital communication, which requires new kind of know-how. Unfortunately, companies often lack coherent vision and strategy when it comes to social media marketing. Therefore, in order to succeed in the future, marketers, strategist and agencies with up-to-date knowledge of how to apply digital media are required and necessary.

This research falls into the class of exploratory research, which is a qualitative research design. The research design is based on the case study of a case company. The study is comprised of two parts. Empirical research is gathered by interviewing the case company and with the benchmarking research. The primary data for this thesis is acquired with an interview of the company and with Google Analytics tool, the secondary data is gathered with a benchmarking research. Benchmarking research maps the social media marketing situation of other competitors and companies from the same field.

Results suggest that the case company would have possibilities to exploit social media for marketing purposes. Results introduce the recommended courses of action per channel. The goal is to build traffic to the company home page. Another crucial point is that social media platforms cannot be treated as a separate from the whole marketing plan. The same campaigns and themes must be repeated in different platforms in order to build effective marketing.

Keywords

Competitive advantage, social media, marketing, B2C sales
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1 Introduction

The internet has revolutionised the world and marketing. With over one billion people around the world are using the web regularly to find products, entertainment and soulmates, consumer behaviour and the way companies market to both consumers and businesses have changed dramatically. (Chaffrey et.al. 2012, 6) Internet has removed the gatekeepers of media; mass media has been ruling the marketing communications, but internet has created an opportunity for marketers to reach out for their customers directly, without middlemen. (Júslen 2009,17). Social media, smartphones and iPads have created a new reality of digital communication, which requires new kind of know-how. Unfortunately, companies often lack coherent vision and strategy when it comes to social media marketing. (Juholin 2012, 308, Econsultancy 2015, 5) Therefore, in order to succeed in the future, marketers, strategists and agencies with up-to-date knowledge of how to apply digital media are required and necessary. (Chaffrey et.al. 2012, 6)

The aim of this thesis is to draw up a social media marketing review for the case company. The goal is to give the company a primary review about social media marketing. Outcome of the primary review is comments on how the company is able to improve social media marketing and achieve competitive advantage in Finnish car markets. This thesis researches how other companies have exploited social media and how social media can be exploited by the case company. This thesis is the first initiative to improve the company’s social media marketing strategy and will give valuable information for the final version of the new social media marketing plan. However the goal of this thesis is not to draw up a complete social media marketing plan. One way to gain information into formulating a functioning social media marketing plan is to observe other companies and their behaviour in social media. By applying other companies’ experience and best practices, a company is able to create their own improved social media marketing strategy. This method is called benchmarking.

The case company is using the social media as part of their marketing strategy, but it has been expressed that more research and experience in this field is desired in order to compile a more coherent plan and course for social media marketing in the company. Social media marketing as a whole is rather new to car retailers in Finland and therefore it has many possibilities for marketers at the moment.
1.1 Background of the research

The case company operates as a Finnish car retailer. Due to some sensitive information presented in this thesis, the company has decided to stay anonymous. The field of business in which it operates selling, marketing, renting, importing, and aftersales services. The case company represents Toyota, Skoda, Honda, BMW, Opel, Seat, Renault, Dacia, Ford, Peugeot and Kia. The core activities are to sell, buy and exchange old and new cars. The case company operates nationally in 15 different locations in Finland.

The research issue is timely for the company, because social media is seen to offer many opportunities for car retailers. The case company desires to know, how the company is able to improve their social media marketing and enhance the opportunities to achieve competitive advantage and grow the business.

2 Literature review

The purpose of this section is to review the theoretical concepts which are relevant for the social media marketing review. Therefore this section will cover topics from marketing, digital marketing and social media marketing. Discussed topics in the literature review help outline, what needs to be considered in planning a social media strategy.

2.1 What is marketing?

The routes of marketing trace back to post Second World War times when the study and practice of marketing started. While Europe and Asia had faced major setbacks in terms of economy and welfare, United States of America was mostly untouched by the war. Instead, USA had built up factories and new infrastructure during the war. When the war was over USA had the factories, infrastructure, population, needs and financial resources to advance consumerism. (Russell 2010, 20-21) Since Second World War the markets have become more competitive, more fragmented and more agile. Before going into details about new methods of marketing in 21st century one must understand the basics of marketing.

Armstrong et. al (2011, 32) states that marketing is managing profitable customer relationships. One can argue that the goal is to get customers interested about the product or service and make it memorable. In today's world marketing is all around us and it
affects the decisions we make in daily basis. Russell (2010) is offering a more precise definition and insight to marketing: “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”

Marketing is an umbrella concept consisting smaller operations. Selling and advertising is only a part of the whole which is called marketing. In order to fully understand marketing it must be analysed in smaller pieces. Functions can be categorized in many different ways but one most commonly used tool is the marketing mix, which was created by Jerome McCarthy in 1950’s (Russell 2010).

2.1.1 Marketing mix

Professor Jerome McCarthy of Michigan State University wrote a book in the 1950’s entitled The Four P’s of Marketing: Product, Place, Price and Promotion. This book became the very definition of marketing. (Russell 2010) Armstrong et.al. (2011) define the marketing mix: “Marketing mix is the set of controllable tactical marketing tools- product, price, place and promotion- that the firm blends to response it wants in the target market” Through these categories a better understanding of fundamentals of marketing can be understood and defined.

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
<th>Place</th>
<th>Promotion</th>
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<tbody>
<tr>
<td>Variety</td>
<td>List price</td>
<td>Channels</td>
<td>Advertising</td>
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<td>Quality</td>
<td>Discounts</td>
<td>Coverage</td>
<td>Personal selling</td>
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<td>Design</td>
<td>Allowances</td>
<td>Locations</td>
<td>Sales promotion</td>
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<tr>
<td>Features</td>
<td>Payment period</td>
<td>Inventory</td>
<td>Public relations</td>
</tr>
<tr>
<td>Brand name</td>
<td>Credit terms</td>
<td>Transportation</td>
<td>Direct marketing</td>
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<tr>
<td>Packaging</td>
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<tr>
<td>Services</td>
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<td>Assortments</td>
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Figure 1 Marketing Mix 4P's (Logmagozian, 2014)
Decisions about the *product* include all the variables of the product or service. According to the company’s strategy the quality, outlook, materials and the packaging must be determined. The product ‘P’ covers everything that goes into the development of the product or service.

*Price* must cover the company’s costs but it is much more than only that. Price builds a certain image of the product’s image, e.g. whether it is a high quality product or something that any consumer is able to get. Price variable can segment the audience according to who can afford it.

*Place* ‘P’ defines the distribution factors: where and how a company sells its products. Besides price, place can also communicate about the value and image of the product. Depending on what are the strategic decisions of the company a product can be available only in small boutiques, where the product is rarer than if it is placed in a market. Whether the company wants it to be rare depends on the strategy and other choices in the marketing mix.

*Promotion* ‘P’ comprises of advertising, public relations, sales promotion and event marketing. Also digital marketing and social media marketing, which are discussed later in this thesis are positioned on Promotion in the marketing mix.

### 2.1.2 Marketing planning process

A marketing plan researches and analyses the company’s current situation, markets and customers, determining marketing’s objectives, strategies, and programmes; and lastly implementing, evaluating, and controlling marketing activities to achieve the set objectives. (Wood 2014, 4) Marketing planning process is a systematic and circular process that may take place on a yearly basis in a company. It aims to determine marketing opportunities, resources, marketing objectives, strategies, implementation and control. Figure 2 points out that this is a two-way process. Planning and the feedback is moving to opposite directions. Therefore once the plan has been implemented it can be monitored, say, yearly and improved based on the feedback. Feedback also enables the company to do modifications on every step of the way in marketing process. (Donnelly et.al. 2009,19)

Marketing planning process’ four steps (Donnelly et.al.2009,19):
1. Analysis: carrying out an analysis of marketing environment, the industry, markets and competitor analysis.

2. Planning: formulation of strategies and marketing programmes with the identification of resources and timing

3. Implementation: practical execution of the plan

4. Control: monitoring against planned targets, control mechanisms and performance metrics.

Figure 2 Marketing planning process

The marketing planning process which is presented in figure 2 is simplified and this model can be adjusted to different companies and different marketing operations. For example Chaffey et.al. (2013, 225) states that the core activities for social media marketing plan are (1) listening and managing reputation, (2) transform the brand through social media, (3) acquire new customers, (4) increase sales to existing customers, (5) deliver customer service and (6) harness insights to develop the brand using social media optimization. The activities that Chaffey mentioned can be again simplified to the before mentioned marketing planning process. Chapter 4 will provide a more in detail practical marketing planning process example. However the outcome of the marketing planning process should be a concise, which will steer the marketing operations through
the whole process. Marketing planning process provides inter alia (Donnelly et.al. 2009, 21):

- vision of the future
- mission to communicate
- strategies to follow and pursue the objectives
- identification of market segments
- decision on which segments to target
- plans for each element of the marketing mix with resources and timing
- identification of performance metrics
- identification of methods and times of monitoring
- control measures
- contingencies

2.2 Digital marketing

The earlier chapters have discussed marketing as a whole. As it has been pointed out, marketing is an umbrella concept for many different business functions. The marketing plan can be constructed as a whole or a company may focus, for example, on Digital marketing. Digital marketing is achieving marketing objectives that are determined in the marketing planning process through applying digital technologies. (Spiller et. al. 2010, 202) In practice, digital marketing includes managing different forms of online company presence, such as company websites and social media company pages in conjunction with online communications techniques. (Chaffey 2012, 10) Digital marketing allows companies to get closer to customers, understand their needs, wants and beliefs and open a two-way discussion with customers. (Chaffey et.al. 2008, 13)
The opportunity that digital marketing creates is a two-way conversation between the customers and the companies. The internet is an interactive marketing medium, where the communication happens in real time. (Spiller et. al. 2010, 198) Customers are able to express their opinions about the product or service. The problem with mass media is that the messages it sends to recipients are not timely or relevant for the recipient. This is due the fact that advertisers make ill-formed assumption about the recipient, such as age, location and social status. (Bird 2007, 154) This makes the consumer a passive recipient and company marketing is based on interrupting the recipient, whereas digital marketing is based on the customer actively seeking the content what the marketer is providing. (Júslen 2009, 45).

There are many different kinds of online communication tools which marketers must review as part of their digital marketing strategy.

The key types of digital media channels (Chaffey 2012, 29):

1. Search engine marketing
Placing messages on a search engine to encourage click-through to a website when the user types a specific keyword phrase.

2. Online PR
Maximising favourable mention of your company, brands, products or websites on third-party websites such as social networks, blogs, podcasts or feeds that are likely to be visited by your target audience.

3. Online partnership
Creating and managing long-term arrangements to promote your online services on third-party websites or through e-mail communications.

4. Display advertising
Use of online ads such as banners and rich media ads to achieve brand awareness and encourage click-through to a target site.

5. Opt-in e-mail marketing
Renting e-mail lists or placing ads in third-party e-newsletters or the use of an in-house list for customer activation and retention.

6. Social media marketing
Companies participate and advertise within social networks and communities to reach and engage their audience. Viral marketing or online word of mouth – messages is closely related to this. Content is shared or messages are forwarded to help achieve awareness and, in some cases, drive response.

2.3 Social media marketing

Social media is a subcategory of digital marketing. Social media is a wide concept and one can find many different kinds of definitions for it in literature and internet. Social media means web-based services that allow individuals to share content and create connections. (Chaffey et.al. 2012, 30) Social media marketing is an important category of digital marketing, which allows companies to create more traffic and visibility.

Web 2.0 is a concept which is closely related to social media. Chaffey et. al. states that web 2.0 is a collection of web services that facilitate interaction of web users with sites
to create user generated content and encourage behaviour such as community or social network participation. (2012,33) Web 2.0 is not a new web standard, rather an evolution of technologies and communications approaches which have always been possible through the interactive nature of the web. (Chaffey et. al. 2008, 112) At the beginning the most important role of internet (web 1.0) was to connect individuals with information. Web 1.0 was lacking the interactivity and therefore it very much reminded of conventional media since in this model customers are only recipients. Web 2.0 has developed to more social and interactive direction. This development has caused that the role of the recipient, here a customer, is not only to receive information but also create content, edit it, and share it. (Ciccarelli, 2006; Karjaluoto 2010, 203.) Although evolution of technology has been advancing the development of web 2.0. and therefore social media, human nature is at the heart of creating and building online communities. (Barefoot et. al.2010,3)

Figure 4 The shift to a conversational Web (Web 2.0) Barefoot et.al. 2010, 4.

Simply put, social media marketing is using social media channels to promote companies and their products. This type of marketing should be a subset of your online marketing activities, complementing traditional web-based promotional strategies like email newsletters and online advertising campaigns. Social media marketing qualifies as a form of viral or word-of-mouth marketing. Viral marketing relies on you telling your friends about media, products, or services. The important point of electronic word of mouth is that it travels a lot farther and a lot faster than conventional word of mouth. (Barefoot et.al. 2010, 14)
2.4 Advantages and disadvantages of social media marketing

The essential question is whether social media marketing is something that every company should be utilising. The answer depends on the company, their marketing strategy and the existing market situation. One must take into consideration the competition, the target market and the availability of resources. The rule of thumb is that the company should at least promote in the same fairs, platforms and media as the competition. Therefore if the competition is already taking the benefits of social media visibility the company should react to it immediately. Another issue to research is whether the customers are online. If the audience is using web to research the products or services, the social media can be extremely helpful tool. Lastly, even though social media marketing can be rather affordable compared to conventional marketing methods, getting started and creating a social media marketing strategy requires time and effort. One needs to monitor daily the Web, participate in ongoing discussions and post content on chosen social media platforms. In the process of implementing new social media strategies, it is recommended, that some marketing assets can be reallocated to social media marketing, if some of the already existing marketing activities do not produce consistently good results. (Barefoot 2010, 16) In this chapter pros and cons of social media marketing are presented and evaluated in order to figure out reasons for the case company to engage in social media.

Social media marketing is about increased online visibility and electronic word of mouth. A stronger web presence should be the primary goal of every social media marketing campaign. More visibility brings more visitors to the company’s websites. (Barefoot 2010, 14) When more people are talking about the company in a positive way there is more customers coming which generates more income. The marketer should be where the customers are. Barefoot et.al. (2010,14) states that more people are watching less television and spend more time online. Therefore more customers can be reached online. Social media marketing creates opportunities for selective communication. Offline advertising is expensive and difficult to measure. Instead, social media marketing is easy to measure thanks to the hard numbers that web analytics programs such as Google analytics (see appendix 2) offer. The possibility to measure and make profiles of the potential customers due the hard numbers generated by these tools, social media marketing campaigns are science, not an art. (Barefoot et.al. 2010, 14) The advertisement can be pointed to the right target group at right time. Besides the subtlety of the measurability of social media, it has the possibility of wide reach. As already mentioned before,
social media marketing is aggregated conventional marketing. The power of word of mouth is much stronger in social media.

However there are some problems in social media marketing. According to Spiller et.al. (2010, 203) internet possesses several disadvantages. Internet is unregulated and continuously evolving channel and therefore it requires constant monitoring due legal aspects. Lack of control makes the marketing in social media rather complicated subject. The decision whether to engage into marketing of a company depends on the customer. Therefore marketers have to have the proper tools for research and development in order to make their content more interesting. Lack of privacy has its pros and cons when it comes to social media marketing. What Spiller is referring to when presenting criticism about the privacy of social media, is that there are legislation about how much information marketers can obtain about the customers. It is indeed a subject which marketers must be aware of, but there is also a problem with the rapid spread of the message broadcasted. There has been several different occasions when social media has spread false, or true, harmful information about certain companies. This creates new challenges for companies how to react for example to criticism. Lastly lack of technical support is one obstacle on the way to planning and implementing excellent social media marketing plan. Júslen (2009, 20) states that technology when talking about internet is a difficult subject. Internet is the first phenomenon in the history of marketing that has created a cloud full of technological zeal and jargon, which makes the subject difficult to an average marketer with no technological background. Nevertheless the overlapping of marketing experience and technical experience is changing the many job descriptions. Júslen highlights that technology is only a tool for marketing but by only understanding it, the real benefits of social media marketing can be achieved.

If the company is a small local company with customers within short distance, the return on investment for social media marketing may not be effective. Social media marketing is ultimately about building a reputation and bringing more people to the company’s websites. (Barefoot et.al.2010,17)
Figure 5 Advantages and disadvantages of social media marketing (Spiller et.al. 2010, 201)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
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<tbody>
<tr>
<td>Wide reach</td>
<td>Lack of privacy</td>
</tr>
<tr>
<td>Convenience</td>
<td>Limited reach</td>
</tr>
<tr>
<td>Selective communication</td>
<td>Lack of technical support</td>
</tr>
<tr>
<td>Low cost</td>
<td>Lack of control</td>
</tr>
<tr>
<td>Creative variety</td>
<td></td>
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<tr>
<td>Inbound transmission ease</td>
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<td>Flexibility</td>
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All in all marketing is about people, not about technology. Therefore the basic rules of marketing still apply. In practice social media is about online presence and electronic word of mouth. New marketing channels have only made the process faster and made promotion possible for more companies. (Bird 2007,174) Technology when talking about social media is a difficult subject, which confuses the marketers. Marketing should be observed from the customers point of view and create a complete marketing strategy which answers to customer’s needs, wants and beliefs. (Júslen 2009, 20-21)

2.5 Campaigning in social media

Social media can be exploited by the companies through promotional functions including campaigns. An advertising campaign comprises of advertising messages that share a single idea, say, ‘the big idea’ or a theme which makes an advertising campaign. The campaign theme is the central message that will be implemented in various promotional activities, perhaps in many different marketing channels, depending on the size of the marketing campaign. Most importantly social media can be exploited by the companies through promotional functions including campaigns.

Planning for how social media are used includes both short-term campaigns and long-term campaigns. Short-term campaigns support achieving a particular goal such as launching a new product, promote a sale or encourage prospects to attend an event. Longer-term or a continuous e-communications activities review the best mix of communications. Long-term campaigns drive visitors to the company site and achieve the main outcomes for the site such as inter alia product sales, lead generation, engagement with a brand or subscriptions. (Chaffey et. al. 2012, 428)
Planning a social media campaign whether it is for short-term or a continuous e-communication activity includes multiple steps. Social media marketing campaign planning process has similar structure than marketing planning process (Figure 6).

Figure 6 Marketing planning process

Chaffey et. al. (2012, 428) has drafted the steps for digital marketing:

2.5.1 Goal setting and tacking

There are two different kinds of goals, annual marketing communications objectives and campaign-specific objectives. (Chaffey 2012, 439). Both can be measured with many different tools. Measurability and web analytics will be covered later in this thesis. Marketing objectives or goals are developed in order to support the corporate objectives. According to Megicks et.al. (2009, 38) typically objectives concentrate on increasing sales or launching new or old products to either existing or new markets.
2.5.2 Campaign insight

This phase of social media marketing campaign is positioned in the planning phase in the standard marketing planning process. Chaffey et. al. (2012, 447) states that research of the marketplace context is the core of the social media marketing plan. Campaign insight researches customer context, business context, internal context and external context. Though careful research it is more likely that the campaign will be implemented successfully.

The effect of outsourcing some functions of the marketing process to a marketing agency must be considered. This thesis will not go into depths with the discussion whether or not outsourcing of marketing functions is profitable. When a company is working with an agency, the marketer at the client company will incorporate initial campaign insight into a brief. This will give agency staff valuable information about the audience and marketplace for a proposition. (Chaffey et.al. 2012, 447) The agency may then access more detailed insight during the campaign, whereas it will return to the analysis phase of the marketing planning process. For this, there are many tools for so called “listening”. This thesis is mostly focused on the campaign insight since this is the crucial initial part which is highly recommended to be carried out in a good manner. One way to gain campaign insight is benchmarking, which will be the core of the research part. Benchmarking is further explained in the chapter 2.6

2.5.3 Segmentation and targeting

A target market is recognized as a set of buyers sharing common needs or characteristics that the company decides to serve. (Megicks et.al. 2009, 142) Campaign targeting defines the target audience. Campaign insight provides information that can be used in the segmentation and targeting phase. (Chaffey et. al. 2012, 449)
2.5.4 Offer and message development

Júslen states that the core of marketing is to engage customers. (2009, 143). In Web 2.0 era the changes in marketing concern exactly this fact. It is even more important than before to develop marketing that is pleasant to the customer.

Figure 7 The AIDA model (Hanlon 2013)

Defining the right offer is vital; in an online environment there is very little time for the message to be delivered. Eye tracking studies suggest average gaze for a whole page may be around ten second. (Chaffey et. al. 2012, 453) This sets the marketers a challenge to make the message powerful as possible. Most marketing intellectuals subscribe to the view that individuals pass through a number of stages in coming to a decision as to whether or not to buy an object. These stages are elaborated by the AIDA- model. AIDA stands for Awareness, Interest, Desire and Action. AIDA- model proposes that a decision to act in a particular way is the consequence of a process which starts with recognition of a stimulus, evaluation of it and then a decision of how to act after gaining the information. (Baker 2007,233) Having captured attention and developed interest with a primary offer and message, the creative needs to stimulate desire and action with the secondary offer and message. (Chaffey 2012, 453)
2.5.5 Budgeting

Marketing is most efficient when the share of different marketing channels is in balance. Companies set usually an overall budget for the marketing functions. From that budget some will be used to cover the expenses of social media marketing. For this thesis it is more relevant to discuss about what would be the most beneficial distribution of assets between different marketing channels. Chaffey et. al. (2012, 454) explains that three most important questions when planning a digital marketing campaigns are (1) Level of investment in digital media as opposed to traditional media (2) Mix of investments in digital media channels. (3) Level of investment in digital assets.

2.5.6 Integration into overall media schedule

Chaffey et. al. (2012, 466) states that digital media can be most effectively exploited when it is deployed as part of an integrated marketing communications approach. The aim of integration is to create coherence, consistency, continuity and complementary. This step is not central for this thesis and therefore

2.6 Web analytics

Measuring and determination of the reasons for either success or failure of advertisement is one of the essential dilemmas of conventional marketing. In many ways similar problems apply also in social media marketing. However, web analytics enables marketers to track customer behaviour and measure various factors. (Juslén 2009) Basic tracking systems will only measure volumes of interaction, but more capable systems will cover volume, quality and value of interactions. According to Chaffey et.al. (2012, 440-442) there are six different categories of measures, which are here briefly explained from least sophisticated to more sophisticated order.

1. Volume measures: Traffic volume, the number of people who visit for example a website, is usually measured as the number of click-throughs to a site (visitor session) or unique visitors. Unique visitors are measured through cookies or the IP address on an individual computer.
2. Quality measures: Volume measures do not indicate whether the audience referred to the site engages with it. Therefore quality measures are needed. Conversion rate is the best known quality measure and it measures how many visitors within a specified time period convert to specific marketing outcomes such as lead, sale or subscription.

3. Media cost measures: The cost of visitor acquisition is usually measured as the cost-per-click (CPC) specific to a particular digital media channel.

4. Acquisition cost measures: Cost-per-acquisition (CPA) is a measurement used to determine the cost of using different digital media channels to drive visitors to the site and convert to transaction.

5. Return on investment (ROI): used to assess the profitability of any marketing activity. In digital marketing return on investment can be based on sales value or profitability based on the cost per click and conversion rate.

6. Branding measures: Branding measures are most relevant to interactive advertising. Branding measures include metrics such as brand awareness, ad recall, brand favourability and purchase intent.

7. Lifetime value-based ROI measures: The value of gaining the customer is not just based on the initial purchase, but the lifetime value associated with the customer. Measuring lifetime value-based ROI requires highly sophisticated models which are mostly used by online retailers.

Adobe’s quarterly report (2015, 33) discusses the problems of measuring and tracking the consumer behaviour (figure 8). According to the report, with an increased ability to measure behaviour comes an increased ability to measure ROI. Amongst the respondents almost 80% agreed with the statement: “Our marketing activity will be more measurable in 2015”.
2.7 Is social media for every company?

One core question of this thesis is whether social media is actually something every company should be doing. It is stated earlier in this thesis that social media is a tool to get more customers and eventually, more sales. The main reason to use social media is the accelerated word of mouth; electronic word of mouth. Another issue for company is to figure out if that is what company really needs. If the company is rather small and local, there is no need to invest in social media marketing activities.

The reasons for growth in online ad spending are (1) measurability and accountability, (2) consumer reach, (3) Technology-driven engagement opportunities. (Tuten 2008, 10). It is said social media is powerful tool since it can create lots of attention to even smaller companies with small marketing budgets. On the other hand the fact that a company is present in social media does not automatically mean that it will accelerate the business and bring more customers. Also implementing an efficient social media marketing plan requires larger investments and expertise.

2.8 Benchmarking and applications for social media marketing
When creating a social media marketing strategy the company needs tools to create conclusions about the best practices which will be later implemented in the marketing planning process. Strategy development can be started with checking the current situation and comparing the position of the company to rivals. Benchmarking is the comparison of existing practices in a company to best practices used elsewhere. The benchmark can be within the company or outside of it. Simply put, benchmarking is a tool for change. (Reider 200, 26) In social media marketing strategy development benchmarking refers to reviewing how customers and competitors in the company’s sector and beyond are using social media. Therefore the process starts with “listening” rather than action. (Chaffey et al. 2013, 220) Goal of benchmarking ultimately is to achieve competitive advantage and measurably better performance than the rivals. (Codling 1998, 3)

According to Karlöf and Östblom (1993, 46-47) benchmarking can be divided into three different groups: internal-, external- and functional benchmarking. Internal benchmarking means that the company makes a comparison within the organization itself. In internal benchmarking the comparison happens between divisions or possibly with subsidiaries. When the practices are compared to externals rivals or international companies of the same field, this is called external benchmarking. Functional benchmarking mean comparison between different fields or different processes to each other. For this research, external benchmarking will be used. It helps to recognise the opportunities and weaknesses in social media.

Codling (1998, 3) explains the steps of any benchmarking process which can be then further specified and customised for the needs of the certain benchmarking process:

1. Analyse the position you are currently in
2. Find someone who is performing measurably better
3. Learn from them what they are doing to achieve that performance
4. Adapt your practices and processes as a result of that learning and so implement relevant changes which will effect superior performance in your organisation

When applying benchmarking for social media marketing, the process will start from the observations of the rivals. For example creation of a scorecard, which includes key performance figures (KPI), can ease the observation of the social media usage of different companies.
Chaffey et. al. 2013, suggest that the best key performance indicators for the score card could be following:

- Share of voice (number, per cent) – number of people discussing brand and category keywords in social media
- Sentiment (discussion polarity, per cent) – how many are speaking positively about at brand
- Network size and growth – the numbers of fans or followers of the main social networks
- Social sharing – degree to which content is shared through the network – Retweets on Twitter, Likes on the other social networks
- Engagement (per cent) – through user-generated content on-site

The outcome of the benchmarking research is conclusions based on observations and figures which occurred in the research. Based on these conclusions the marketing plan can be taken into the desired direction. Therefore benchmarking is a part of the marketing planning process’ first step, which is research.
3 Social media marketing tools

This chapter explains different social media platforms that are most relevant for this thesis.

According to Séren et.al. (2013, 31) in 2013 only 35% of Finnish companies had a clear social media strategy. The social media statistics are often already dated information when it is published. 2013’s situation does not tell the real situation in the Finnish markets today, but it gives an insight to the fact that although social media has already been around for almost a decade, many companies that would benefit from social media strategy do not have one. To understand social media and generate ideas about how to use today’s Web effectively, company needs to understand different social media tools and

Figure 9 "The conversation prism" (Solis & Thomas 2015)
when to use them. Barefoot et. al. (2010, 11) states that a social media channel is a communication tool, technologies and platforms on the Web. Some of the social media platforms are more suitable for marketers than others. Figure 9 is presenting the Solis' (2015) Conversation Prism, which illustrates the different kinds of social media services. Figure presents the extensive amount of different and diverse tools that can be used. The figure is already the 4th version due to constantly changing social media. New applications and platforms are constantly appearing where old ones are disappearing or the popularity of them decreases. This chapter will introduce some of the most popular social media platforms and the functions of them shortly.

Facebook is a channel that is used to connect with your customers and potential customers. In addition to an individual’s profile, Facebook has events, groups and pages. Facebook and other social networks are virtual hangouts. Their purposes vary tremendously but more often than not, users visit Facebook with informal and playful goals. Marketers should keep this in mind while creating content in Facebook. Facebook pages should be made interesting, useful places to visit. Marketers are inviting people to become regular visitors, not jamming media releases down their throats. (Barefoot et.al. 2010, 182)

Youtube is a Web based video service owned by Google. The website is available in 25 different languages including the Finnish language. User can upload their own videos, watch or download other user’s videos. YouTube’s popularity is still growing. According to YouTube’s own websites, YouTube is visited from mobile devices more than before. Over half of the times YouTube was entered was from mobile devices. According to Barefoot et.al. (2010, 197-198) videos tend to work in one of two ways. More commonly, they are an asset of a larger campaign in which you are using YouTube as one of several communications channels. In other cases, the video itself is the focus of your marketing efforts. As opposed to being a marketing medium, the video is the end result - the thing you want to talk about.

Instagram is a simple photo-taking and –sharing application. The application is free. It is a simple social network of other people’s and companies’ photos. One can “like” or comment on the photos, and see what’s new. The idea of Instagram and the usability is so simple and therefore it has gained popularity. (Frommer, 2010) Instagram offers many opportunities to build traffic to company’s site.
Barefoot et.al. (2010, 37-48) states that there are three different categories of blogs. First one is personal blogs, which can be describes as diaries of one’s life or a particular period or aspect of one’s life. Topical blogs are more journalistic in nature. Topical blogs usually cover a particular topic, such as cars, pets etc. Corporate blogs are written and officially associated with a company, which usually combine company and industry news. Blogs can be exploited by companies in several different ways. Companies can make their own blogs and secondly search for bloggers, e.g. the opinion leaders to blog about the company, campaign or a product.

Twitter is a micro blog, which refers to the postings of very short messages to the Web. In Twitter posts no longer than 140 characters are permitted. Messages may report about the real world, random musings on one’s days, questions or links to useful or amusing “stuff”. Twitter is used for public conversation in real time. (Barefoot et.al. 2010, 221-222) One of the features in Twitter is the hashtags which enable the user to search more easily conversations about the particular subject.

Wikipedia is the world’s collaboratively written encyclopaedia. Millions visit Wikipedia every day. Wikipedia is a trusted source of information. It wields remarkable authority, often features prominently in search results (Google) and can send considerable traffic to your website. Wikipedia is constantly being linked to by bloggers. (Barefoot et.al. 2010, 255) The tricky part is that content can be edited by any user of the service and therefore in academic circles unreliable. The idea of having a Wikipedia site is to create more traffic on the webpages and improve the positioning on search engines such as Google.

4 Research methods

The aim of this thesis is to provide a social media marketing review for the case company. This chapter explains how the research part of this thesis was conducted. First the research methods are introduced and thereafter acquisition of the material is discussed.

4.1 Research method

Experimental research approaches tries to determine the cause of events and to predict similar events in the future. Descriptive designs are intended to systematically describe the facts and characteristics of a given phenomenon. These research designs are called quantitative research methods because of the focus is on how much or how many. The
results are usually presented in numerical form. Qualitative research concentrates on bigger picture. It may uncover the meaning of a phenomenon and aim to understand, for example, how people interpret their experiences, how they construct their worlds. Qualitative research rarely answers the research question with numerical data. (Merriam 2014, 5-6)

This research has many characteristics of quantitative research due to the extensive amount of numerical data gathered in the benchmarking section. However the aim of the research is to explain how to improve the social media marketing. In order to give answer to the research question, additional information was gathered through interviews. The research tries to describe the current situation and the opportunities for the case company in the future. Therefore the research falls into the class of qualitative research.

The research design is based on the case study of the case company. The study is comprised of two parts. Empirical research is gathered by interviewing the case company and with the bench marking research. The primary data for this thesis is acquired with an interview of the company and with Google Analytics tool, the secondary data is gathered with a benchmarking research. Benchmarking research maps the social media marketing situation of other competitors and companies from the same field. In social media marketing strategy development benchmarking means reviewing how customers and competitors in the company’s sector and beyond are using social media.

Research is built on the basis of campaign planning process which was introduced in the chapter “Campaigning in social media”. This research design has been chosen in order to acquire extensive understanding of the best practices that can be applied to social media to reach the goals of the case company.

4.2 Planning

The thesis topic was agreed with the case company and formed a case study research. It was agreed, that the topic of the thesis will handle the social media marketing. The goal was that in best case this thesis will help to direct the decision making in marketing of the case company in future when more resources are directed to social media marketing. After finishing the literature review it was time to interview the case company. Interview occurred 19.1.2016 in the case company’s head office in Tervajoki, Finland.
One of the core ideas of the company representatives, Timo Marttila and Eveliina Havusela, wanted to include into the research part was the benchmarking research. During the interview the researched companies were chosen. Companies are Kamux, Laakkonen, Nettiauto.com sekä Autonation (USA). Representatives felt that the social media marketing of these companies were good and some of them are tough competitors. Kamux and Autotalo Laakonen are rather similar companies with the case company. Then nettiauto.com is very interesting phenomenon since it creates competition in used car markets but the company does not sell cars, just provides the platform of the sales. However nettiauto.com was recognized as one of the biggest rivals and its social media marketing is rather good. Therefore it was included in the research.

The benchmarking research clarifies the visibility of chosen companies in chosen social media platforms, which are Instagram, Facebook, YouTube, blogs and Twitter. It became clear during the interview that especially developing YouTube channel was interesting for the case company. One of the central questions was, does social media marketing really have desired effect on sales and how that can be measured.

Goal was to create as extensive social media marketing review as possible for the case company. Results of the research are gathered during January 2016.

4.3 Implementation

The research consists of four different sources of information: interview of the client company, interview with an expert Anna-Kaisa Valakari from Avaus Marketing Innovations, information for benchmarking research and lastly, Google Analytics. The representatives of the case company, Eveliina Havusela and Timo Marttila were interviewed on 19th of January 2016. Questions were designed based on the structure of the results part of thesis. Especially important was to understand the goals of social media marketing of the company.
Anna-Kaisa Valakari, Growth hacker at Avaus Marketing Innovations was interviewed in order to gain an insight to the latest trends to social media marketing and also understand the challenges the company may be facing in implementing a social media marketing plan.

Avaus Marketing Innovations Oy is an expertise- and technology company established in 2005. Avaus is specialised to extensive marketing automation solutions. The main task of Avaus Marketing Innovation is a comprehensive reform of marketing with analytics and technology solutions. One of the fastest growing business area is new intelligent marketing solutions and media planning. (Räsänen, 2015)

The most popular channels where these companies did social media marketing were chosen. It was agreed to include one American company to the research, because the company was interested to find out more about advanced social media marketing strategies. In all social media platforms researched some basic figures were presented and also described the content and whether the company is doing something what could be seen as the best practice.

**The company home page** was included shortly into the research in order to study whether the company has informed about the social media platforms where the company is present. **Facebook** was analysed using a tool called LikeAlyzer. With the LikeAlyzer
the number of likes, LikeRank and engagement rate were analysed. LikeRank is a number between 1-100 that represents how likeable the researched Facebook page is. (see glossary appendix 2). To determine this LikeAlyzer uses more than 40 signals from Facebook in order to measure a Facebook page performance. Engagement rate is calculated by Number of likes / People talking about this. Besides the benchmark numbers, the research pursued to describe the content that has been posted and the effectivity of the Facebook page. In Instagram the benchmarks were number of likes and number of posts. YouTube offered a chance to study the number of videos, subscribers and views. In addition it was explained, what kinds of videos the researched companies showed in their YouTube channel. Also Blogs were included in this research. On behalf of blogs it was explained what kind of content company has published, since the number of visitors was unavailable for this research. In Twitter the benchmarks were the number of tweets, number of followers and how many pages the company itself is following. These benchmarks were selected in order to find out how active the researched companies were.

Fourth part of the data collection was to analyse the figures from Google Analytics. Mostly this tool was used in order to clarify some background of the target audience. Google Analytics is a tool designed for follow-up of the visitors in company home page. The program gains information about the visitor which is saved to Google's server and further allows the company to research the statistics of the visitors.
4.4 Reliability

According to Hirsjärvi et. al. (2016, 205) Reliability of a research means, the research is able to give non-arbitrary results.

During the benchmarking research the problems in data collection occurred. Due to the limited resources the data collection for the benchmarking research was not very specific. Because benchmarking was made only amongst five companies and based on what was found from their social media websites, one cannot surmise general specific conclusions about what course of action the company should do next. However the main goal was to give direction for the company to start building a social media marketing plan and I believe the results of the benchmarking research can give general idea of what comes next.

The results from Google Analytics gave a valuable add to the research and gave some insights to the customer base. However I believe much deeper understanding of the target audience can be achieved when all resources available for the company are utilised. Interview of the company gave a good insight to what company wants and also made the starting sparkle for new ideas.

4.5 Validity

One important concept regarding research is validity. It means that the indicator or research method that is being used is suitable for the research. Indicators and research methods do not always respond the reality that the researcher thinks he or she is researching. For example researcher may have great answer rate for a questionnaire, but the questions have been misunderstood. (Hirsjärvi et.al. 2005, 17)

A key purpose of the experimental design is to isolate and estimate the effect(s) of potential cause(s). The researcher wants to obtain valid knowledge that is, wants results that are "true". There are many types of validity. Internal validity implies whether the results obtained within the study are true. External validity refers to the question of whether the findings can be generalised, say to the populations, settings or periods, beyond the study at hand. This is important especially in quantitative research. (Ghauri et. al. 2010, 63)
It can be argued, that validity is more difficult to prove in qualitative research. Hirsjärvi et.al. (2005, 17) states that many researchers are uncertain how to explain precisely what they have done in the research and how they have come to the conclusions. There are also higher risk to use wrong methods in order to gain an extensive description about the matter that has been researched.

4.6 Limitations

While writing this thesis few major limitations occurred. First of the limitations was the lack of knowledge of web analytics and lack of experience using them. Google Analytics is a great tool when one is able to use it effectively. Next limitation was the broad subject. Social media marketing is a broad subject and it is rather difficult to provide a comprehensive review about the subject. Third limitation of the thesis was the difficulty of finding a suitable company for the thesis.

5 Introduction of the companies studied in the benchmarking research

Two out of four companies that are researched are similar to the business model of the case company. All of the companies are in the business of used cars retailing. Companies were selected for the benchmarking research by the principal of this thesis. This chapter introduces shortly every company.

5.1 Kamux Oy

According to company websites, Kamux Oy is a Finnish car retailer company founded in 2003. Like the case company, Kamux Oy is also a national company with 32 branches in Helsinki Herttoniemi, Helsink Konala, Hyvinkää, Hameenlinna, Lahti, Vantaa, Joensuu, Jyväskylä, Jämsä, Kokkola, Kotka, Kouvola, Kuopio, Lahti, Lappeenranta, Lohja, Mikkeli, Oulu, Pori, Porvoo, Raasepori, Raasino, Rauma, Rovaniemi, Salo, Seinäjoki, Tampere, Tuusula, Vaasa, Vantaa, Varkaus and Ylivieska. In year 2014 Kamux Oy has sold over 20 000 cars and revenue has surpassed 200 million euros. Kamux is also serving in eight different locations in Sweden. This makes Kamux the first car retailer company which is concentrated on used cars. In 2015 Kamux has opened a branch in Hamburg, Germany and continues to grow both nationally and internationally.
5.2 Autotalo Laakkonen Oy

Laakkonen-concern has founded in 1960 in Joensuu, Finland. It operates in many different business fields, but Autotalo Laakkonen Oy and Veljekset Laakkonen Oy are responsible for the car business. Laakkonen sells both new and used cars. Together these two branches have 24 branches in 16 localities. According to Taloussanomat (2015) Autotalo Laakkonen Oy 2014 revenue was approximately 232 million euros. According to Laakkonen Oy own websites, Laakkonen is the biggest car retailer chain in Finland.

5.3 Nettiauto

Trade-in car site Nettiauto.com was founded in year 2000. The idea behind the company is to provide a site, where both company and a private person can announce about a car that is being sold. Back then there was not another service like that yet in Finland. Making an announcement is free of charge for a private person. Today both new and trade-in cars are sold on the website. Nettiauto.com belongs to NettiX Oy which provides sites that are designed for trade. Therefore Nettiauto.com does not directly compete with the case company, but takes a large market share from trade-in car business since every car retailer and private person can exploit the website. Nettiauto.com does social media marketing and therefore Havusela and Marttila wished to include Nettiauto.com into the benchmarking research.

5.4 AutoNation (USA)

AutoNation operates nationally in USA. According to AutoNation’s webpage, it is the largest automotive retailer in United States. AutoNation provides both new and used cars, financing services and other after sales services. In year 2014, AutoNation’s revenue was $19,108.8 million. Headquarter is in Fort Lauderdale, Florida. The company has a large internet presence and therefore it was chosen for the benchmarking research.
6 Results

The results section takes its structure from that of the literature review. The structure of the results section is based on the theory of social media marketing campaign. Most important themes of results are the benchmarking research and customer selection and targeting.

6.1 Internet in Finland

Caffey et.al. (2013, 252) states that the companies should “fish where the fish are”. Stating that it is important to know where the potential customers are and how to reach them easily. According to Finnish Statistics Centre (Suomen virallinen tilasto, SVT), roughly 90% of 16-74 year old Finns used internet in 2012. The usage of internet in the older (65-74) age groups is mostly increasing. According to a research concerning the figures of year 2014, following social media is still rather age-related; youngest (16-35 year old) are the most active group in social media whereas oldest (55-74 year old) are the least active. However the research suggests that the gap between age groups is shrinking.

Social media usage is based on the extensive following. From ages 16 to 74, 40% visited social media almost every day. In all comparisons, youngsters were the most active age group in internet but older age groups are improving their net presence. Based on these numbers, it can be argued that digital marketing has a lot of potential in Finnish markets and that the campaigns are most effective when it is directed to the most active age groups.

According to Social Bakers statistic (2015), the 20 highest ranking brands also had most followers. However these 20 brands post more frequently on Twitter than on Facebook. The statistical difference in followers on Facebook and Twitter is also significant. Two conclusions rise from these statistics. Either (1) the brands studied in this statistic have figured out their target audience is most easily reached from Twitter or (2) the brands have not studied their target audience behaviour well enough. However this statistics suggests that customers would be most easily reached via Facebook.
Company background

The case company has 15 branches. In 13 out of 15 has after sales services. The case company employs 350 people, but only less than five of them are working in the marketing functions. The yearly turnover in 2015 was around 250 million euros. Yearly the case company sells around 15,000 cars and has an extensive customer record.

Selling used cars is the core business of the case company. Chief development officer, Timo Marttila states that the case company buys and sells new cars mainly in order to acquire appreciation and good reputation in the markets to be able to buy and sell further the best used cars in the markets. After sales services are difficult to provide due to the requirements that the car brands are enforcing. The case company must provide licensed after sales services, which are more expensive than the services that most auto repair shops provide, due to the requirements of brand car parts and licensed training of the staff.

Goal setting and tracking

Goal setting is the starting point of the campaign. This chapter includes discussion about objectives of the social media marketing plan that were revealed in the company interview.

Setting objectives – summary of position and corporate strategy
According to Eveliina Havusela and Timo Marttila, the corporate mission is to serve all the customers that have a car or want a new one as well as possible and be the most versatile car selling company in Finland. The case company’s goal is to be the market leader in the west coast in new and used car sales. The case company does not have any more specific goals than to improve brand awareness in the locations where the case company is not as popular as it is in the coastal cities and Ostrobothnia. The ultimate goal of new social media marketing strategy is to gain more leads. The case company wants to sell more cars in a month.

In Finland the case company is employing 350 employees but for marketing activities only less than five people. Every location has their own sales manager, who takes care of the local promotion activities. The head office is located in Tervajoki and it consults a marketing company, which produces the frames for the materials. As the representatives of the case company have stated, the current marketing is not up to date, but has been lagging due to the fact that a separate marketing department does not exist in the case company organisation. However recently a marketing group within the organisation has been put together. The function of the marketing group is to listen to local sales managers and develop new ideas in long run.

The marketing agency that is used at the moment operates mainly in conventional marketing e.g. printed media and now the case company is hoping to reallocate some of the budget to digital marketing. Therefore it is likely that the marketing consultancy will also be changed.

One of the cornerstones of competition in used car markets in Finland is Nettiauto.com. Nettiauto.com is both a competition and a business partner for the case company. Nettiauto.com enables sales of used cars between two private people also and therefore increases the competition. It must be taken into consideration that the case company also competes of buying the best used cars and therefore because of Nettiauto.com, the case company loses market share. When asked about leads representatives of the case company told that more leads come from the company’s own websites instead of from Nettiauto.com.

At this point it must be noted, that the case company does sell new cars, but is not allowed to advertise the cars. New cars are advertised by the car brands themselves and
they do not allow retailers to do advertisement. Therefore the buying process with new cars is quite different. However this thesis concerns solely sales of used cars.

6.3.2 Tracking

This chapter is also handling the usage of web analytics. Havusela stated that they are using Google analytics and Facebook analytical tools. The problem for the company is the large amount of data, which nobody has time to analyse. In next chapters Google analytics has been used to create a better picture of the customer base of the company for selecting the target audience. Havusela and Marttila also point out that the problem is which figures to look at. Valakari states that one of good figure to look at is how much traffic can be built to own websites from social media channels e.g. how many percentage of the people who see the posts convert (see appendix 2) to the company website.

6.4 Campaign insight – Bench marking

This section is estimating what is already happening in social media what the company should take into consideration when creating a social media marketing plan. One important part of campaign insight is listening. One good way to follow what people are saying about a company is using Google alerts. Google alerts is a simple program which allows the user to create an “alert” about certain words. One can get email notifications any time Google finds new results on a topic that is set for the alert. This is a simple way for companies to keep on track on company reputation and possibly reach customers who have given negative or positive reviews of the company in question. However Google alerts did not bring many results for the case company and therefore this section will cover benchmarking research between previously mentioned companies Kamux, Laakkonen, Nettiauto and AutoNation. Most significant social media platforms have been taken into consideration in this research.

6.4.1 Websites

This research concentrated on how visible the direction to social media platforms was on the company websites and how easily the websites were found from Google search. Websites in this field of business are important tool for increasing leads. Most commonly the prospective customers enter the company websites for further study about the car they are looking for to buy. From there customers find the contact information. Customer then contacts a sales person which whom it is possible to further discuss the purchase
and details of it. Therefore visibility of the company website is highly important in order to gain leads.

Case company’s website has link to the Facebook page and to the company blog, which is on the company website.

From Kamux website there is only a link to company Facebook page. Laakonen provides redirection to Facebook, Twitter and LinkedIn. Nettiauto.com provides redirection to Facebook, YouTube and Twitter. From AutoNation company website one can access to company Facebook, Twitter and YouTube.

It must be noted that other companies than the case company do not have the same problem with a rival that has a very similar name. It is acknowledged in the case company that this creates some unique challenges in brand building and it has been noted in search engine optimisation. However search engine optimisation is not in the core of this research even though it is tightly linked to social media marketing. Therefore further studies of the words the companies “own”, e.g. which words would bring up the company as first results in search engine, are not studied further.
6.4.2 Facebook

Facebook can be used by the companies in many different ways. It is a tool for customer service, advertisement and general discussion of the products and other related topics. With Facebook the companies can enhance the visibility of the brand and strengthen the brand image. For the case company the wished effect of Facebook visibility is to provide more information about the available services and build traffic to the company website where the customer can find more information and contact the company sales person. On Facebook the benchmarks were the number of likes, engagement rate and the likerank. Figures presented in the graph below are gathered per 27. January 2016.

<table>
<thead>
<tr>
<th>Likes</th>
<th>ER</th>
<th>LikeRank</th>
</tr>
</thead>
<tbody>
<tr>
<td>4262</td>
<td>4.39%</td>
<td>69</td>
</tr>
<tr>
<td>7 742</td>
<td>4.11%</td>
<td>60</td>
</tr>
<tr>
<td>3087</td>
<td>9.39%</td>
<td>90</td>
</tr>
<tr>
<td>40 714</td>
<td>12.5%</td>
<td>82</td>
</tr>
<tr>
<td>22 309</td>
<td>0.32%</td>
<td>53</td>
</tr>
</tbody>
</table>

The case company had 4262 likes. The engagement rate is 4.39%. This is due to the fact that not many people are talking about the site. Likerank is 69. Often the posts do not have a link which would direct the possible customer to company website. Therefore posting does not bring all the benefits for the company that could be possible. Alternatively link that directs customer to company website is mentioned in the comments section, which may be lost in the conversation if many people would comment the post. The case company has posted for example about offers, events, company news, recruitment and advertisement from wholesalers.
Kamux Facebook page had 7742 likes. Engagement rate was 4.11% and likerank 60. Since Kamux has branches in Sweden, some of the content was also in Swedish. However it was confusing the customers because the page for Finnish markets is not translated to Swedish. Mostly Kamux has posted recruitment news, humoristic content and competitions. Either way Kamux page did not serve potential customers very well with the excessive recruitment news.

Laakkonen had 3087 likes with like rank of 90. Engagement rate was 9.39% which indicates that more people are talking about the page compared to two previous companies. Laakkonen posted offers, introductions of cars, humoristic content and many car related links from other media for example helsingin sanomat. Laakkonen had promoted “merkkkipäivät” the largest yearly campaign for the company. It was visible in many posts with links to the company website. Laakkonen has exploited multi-channel approach and posted some content for example from YouTube. Laakkonen has also taken into account female potential customers with posts that concern female perspective.

Nettiauto.com had most likes (40,714) in comparison amongst Finnish companies. Engagement rate was 12.5% however Nettiauto.com was 82nd in the like rank comparison. Nettiauto.com had posted mostly humoristic content and advertisement of cars for sale. What was notable was that every picture had link to the company website. Nettiauto.com
did not post any campaigns or special offers which is explained by the different character of the business compared to other companies in this research. Nettiauto.com had also posted other car related links such as maintenance of cars. Nettiauto.com had also followed intensively the Volkswagen emission scandal.

AutoNation had 22,309 likes. Engagement rate was only 0.32% and like rank 53. Most of the posts AutoNation had posted were related to the cars for sale. Some other car related topics were posted from other media. Most interesting was that AutoNation had posted about the AutoNation blog which creates more traffic to their company website.
6.4.3 Instagram

Instagram has similar possibilities than Facebook for the case company. However Instagram is usually browsed from mobile devices and therefore the content differs from the Facebook. In Instagram the measures are the number of posts and the number of followers. In this case posts are pictures and videos. This part will explain the results and examples of Instagram usage. Results are from January 2016.

<table>
<thead>
<tr>
<th>Posts</th>
<th>Followers</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>65</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>12</td>
<td>41</td>
</tr>
<tr>
<td>809</td>
<td>5276</td>
</tr>
</tbody>
</table>

The case company has 65 followers and 18 posts on the Instagram account that has been activated in October. Part of the posts are advertisement but do not mention the company web page. However company web page is mentioned in the biography, which is shown in the front page of the account. The posts are from different locations, which is positive, since the aim is to reach customers nationally.

Kamux did not impress with its activities in Instagram. Only one branch location in Finland, Kamux Konala had an Instagram account that has been established in December 2015. There were only 2 posts and 9 followers. However Kamux Sweden (@KAMUX_SWE) had also established own Instagram account couple of months ago. This Instagram page had 64 followers and 6 posts. Assuming that Kamux will continue developing their social media marketing concerning Instagram, it is questionable whether it is possible to have coherent strategy, if every branch is opening their own Instagram account.
**Autotalo Laakkonen** did not have an Instagram account. However it was tagged in many pictures of the customers and therefore it is discussed in Instagram.

**Nettiauto.com** per January 25.1. has 42 followers and 12 posts. In the light of these statistics it is not very active in Instagram either.

**AutoNation** was a clear winner in this comparison. With 5274 followers AutoNation has gathered most attention in Instagram. Mostly posts are about cars that are for sale or just have been sold. Besides car related content AutoNation has posted sports related pictures and pictures concerning a bigger charity campaign against breast cancer. Instagram account does not mention the company websites and does not redirect straight to any car for sale announcement.
6.4.4 YouTube

Videos are gaining more popularity in social media. YouTube can create traffic to the company website. YouTube also offers an opportunity to direct the content to the target audience. However, creating content for YouTube is much more costly than creating content to other social media platforms and therefore requires significant investments when properly implemented.

The benchmarking values in YouTube were views, subscribers and the amount of videos. This chapter will represent the findings of these measures and some examples of the content published in YouTube. The case company has expressed that especially developing content and reallocating resources to video production interests the company highly.

<table>
<thead>
<tr>
<th>The case company</th>
<th>Kamux</th>
<th>Laakkonen</th>
<th>AutoNation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Views</td>
<td>1941</td>
<td>122 841</td>
<td>3 259 037</td>
</tr>
<tr>
<td>Subscribers</td>
<td>2</td>
<td>44</td>
<td>4123</td>
</tr>
<tr>
<td>Videos</td>
<td>1</td>
<td>16</td>
<td>175</td>
</tr>
</tbody>
</table>

According to representatives of the case company the budget has not been set for social media marketing activities and since producing content to YouTube is more expensive than taking pictures, the YouTube channel has not been active. Therefore the channel has only 2 subscribers and 1 video.

Kamux was the best one when comparing the three most similar companies; the case company, Kamux and Laakkonen. Per January 2016 Kamux has 122 841 views and 44 subscribers. Kamux has published 16 videos in the channel. Most viewed video was an
introduction video of Kamux branch in Konala with 26,906 views. Surprisingly Kamux does not have many introduction videos about cars. Therefore it can be stated that due to aggressive growing, Kamux’s main goal of the marketing in YouTube is to make customers aware of the existence of the locations of branches.

Laakkonen has not set a YouTube channel for marketing.

Nettiauto.com is the most advanced YouTube marketer amongst Finnish companies in this research. Nettiauto.com has 171,451 followers per January 2016, 924 followers and 16 videos. A humoristic introduction video of R8 had gathered most views (44,770). In general Nettiauto.com has been from the beginning a forerunner in producing content for the websites. For example Nettiauto.com has provided a service for the private customers; they take professional pictures of the cars that are put up on the website for sales. Nettiauto.com’s experience with producing content can be seen from the YouTube channel too. Content is interesting and provides something that customers want to see. On the other hand it is questionable how does the content increase the sales on Nettiauto.com website, since there are no links to the company website or any advertisement material about cars that are for sale.

AutoNation YouTube channel is rather successful. Conversations below videos are vivid, channel has lots of information and the content has a lot to offer for a customer. Most viewed video out of recently posted videos is introducing Mazda CX-3. AutoNation posts more informative videos and reviews about different cars. The videos can be divided in three different categories: reviews, humour and campaigns. Company website is shown in the description of the video that helps the customer to convert to the company web page and further in the marketing funnel.
6.4.5 Blogs

Blogs are a great way to increase the awareness of the company online. It can be used as a part of a bigger social media campaign. Blog can be used to create content to other social media platforms. Blog is answering to the contemporary marketing demands. It exploits the pull factor, e.g. the customers are interested in reading the blog and actively search the content. When properly managed, blogs can strengthen the brand and create leads.

**The case company** maintains a blog rather actively. Blog can be easily accessed in company website. The core topic groups are campaigns, car reviews and other car related articles. As Havusela has mentioned in the interview, the idea of the blog is to be more entertaining and provide content that is interesting for present and future customers of the company. However there is still more commercial posts also, which present a car that is being sold with pictures. Blog does not have an option for readers to comment the blog, which could create more traffic to the site, and therefore make better use of the blog. Blog does support the idea of making the case company known nationwide since blog posts are from different case company’s branch locations around Finland.

**Kamux and Laakkonen** do not have blogs.

**Nettiauto** does not have a blog in the same sense as the case company. However, Nettiauto’s Twitter account has a link to “articles” page in the company website. This articles page concerns only BMW and is rather difficult to find if one does not follow Nettiauto’s Twitter account. Articles are reviews of BMW cars, other information such as maintenance of BMWs and information about events for BMW fans. Articles do not directly aim to sell cars on Nettiauto.com website. A possibility of commenting is possible in this site, although it is not used very actively.

**AutoNation** has a blog that can be easily found from AutoNation website. Mostly the blog includes introductions and reviews of different car brands that AutoNation is selling. When compared to the case company’s blog, AutoNation’s blog is much more advertisement oriented and directly aims on selling cars. Very few blog posts were about what is happening in company or other content that may be interesting for the present and future customers.
6.4.6 Twitter

Twitter encourages interaction between the company and the customers. Twitter is all about conversation but also for promotional purposes and content marketing.

The measurements in Twitter were the number of Tweets, Followers and the number of users that the company is following. The results of the following table are from January 2016.

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<thead>
<tr>
<th></th>
<th>Tweets</th>
<th>Followers</th>
<th>Following</th>
</tr>
</thead>
<tbody>
<tr>
<td>The case company</td>
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<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Kamux</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Laakkonen</td>
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<td>483</td>
<td>80</td>
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<td>AutoNation</td>
<td>1,974</td>
<td>355</td>
<td>324</td>
</tr>
<tr>
<td>AutoNation</td>
<td>21,800</td>
<td>19,900</td>
<td>10,400</td>
</tr>
</tbody>
</table>

The case company and Kamux does not do social media marketing in Twitter.

Laakkonen (@LaakkonenOy) has advanced marketing strategy in Twitter. Laakkonen actively retweeted the advertisement of the manufacturers. This solves the problem that the retailers are not allowed to advertise new cars. Therefore Laakkonen is enabled to promote which car brands are available. Laakkonen had posted 534 tweets and was followed by 483 Twitter users. Laakkonen was following only 80 other Twitter users. Laakkonen did reply to customer feedback in Twitter. Other content that Laakkonen published was about shorter campaigns and about used cars that are available. Every tweet had a link to the company website with more information about the car and the company sales person contact details. Laakkonen tweeted frequently, sometimes even many times per day.
Nettiauto.com (@nettiauto) maintains a Twitter page that has mostly advertisement about the available cars on the Nettiauto.com website. Nettiauto.com had 1974 tweets per January 2016, 355 followers and it was following 324 Twitter users. Twitter page had content such as links to the articles-section of the company page, information about maintaining cars and some more entertaining links. Nettiauto.com is active in Twitter and often posts many times per day.

AutoNation (@AutoNation) posted mostly about reviews and introductions of the cars. Secondly AutoNation has posted about campaigns and company events. AutoNation was rather popular in Twitter with 19 900 followers. On the other hand Twitter is more popular in US in general. AutoNation had posted 21 800 tweets and was following 10 400 twitter users. AutoNation also posted frequently, often many times per day.
6.5 Segmentation and targeting

According to Havusela and Marttila, the target audience for the social media marketing would be nationally everybody who drive cars. The case company operates nationally, which brings certain challenges into the marketing. One of the goals is to develop the brand easier to approach for females customers. Marttila and Havusela pointed out that the purchasing process has changed. Customers may not be present even in the final purchasing. Therefore the matter of the location is not important anymore. Often the car is delivered for the customer to the nearest branch. This allows the customer to buy a car from Helsinki and get it delivered to Rovaniemi.

Valakari points out that it is good to make smaller segments from the target audience, according to for example demography, product interest (price), or location. The more specific the target audience is, the more effective results the campaign will get. It is also important to know which channel to use for the target audience. According to Valakari Facebook is the most popular social media platform where people are using their own names and contact details.

This chapter is discussing the results of Google Analytics. The data presented here tells about the target audience. The results are about the visitors on the case company page. Google analytics can offer information which can help the company to answer questions “who are we targeting and what do we know about them?”. However, it is not very useful to analyse data when the goal setting is not completely clear. For example, demography of the customers is important when the company is targeting on growing the business in certain location. If the company is targeting on getting more female customers, it is important to study the characteristics of that target group. What is important data depends on the target group and therefore it is not very fruitful to analyse data when the goal setting is not completely clear.
Most of the visitors (89.8%) are Finnish. In January 2016 age group 35-44 was the most active visitor group. Also age group 25-34 was actively visiting the website. (Figure 11)

Figure 12 explains the gender distribution. In January 2016 68.8% of the visitors were male.
According to Google Analytics in December 2015 64,145 visitors (60%) entered the website on computer. 23,904 (22%) entered the webpage through mobile devices and 19,148 (18%) through tablet. When the figures were compared to year 2014, the increasing popularity of mobile devices can be seen: in year 2014 only 15,8% entered the website through mobile devices and 14,8% through tablet. (Figure 12). Hytönen (2016) describes the same trend in general: over 50% of the consumers use mobile more than computer. According to Valakari and Hytönen, it is important that the website is responsive (see glossary appendix 2) to different devices. The case company’s websites were tested and they were responsive also for mobile devices. However the case company has developed a separate mobile version which is simpler than the original websites. It directs the customer to browse cars for sale. Nevertheless customer can also decide to use the original websites and still be able to browse with mobile devices.

Most visitors in both December 2015 and December 2014 came from Helsinki, Vaasa, Tampere, Pori and Vantaa. Traffic has increased in all of the cities from 2014 except in Pori. What needs to be noted is what has changed and these figures can give insight to where marketing actions are most needed. Also if the company has opened a new location the website traffic from that location is interesting to follow.
Figure 15 presents the distribution of actual sales in December 2015. As Marttila has stated, the case company has a firm foothold in west coast of Finland. However cars are sold actively nationwide.

According to the statistics in Google Analytics, social media was only on 5th position to build traffic to the case company website. On January 2016 1417 visitors entered company website from social media platforms. Unfortunately this figure by itself does not tell the whole story due to lack of statistics of how many have visited the case company’s facebook page.

Figure 15 actual sales nationally per December 2015

6.6 Offer and message development

According to Havusela and Marttila the purchasing process in general starts from the webpages and from there customer contacts the sales person which creates the conversion. Customers rarely visit the local branch anymore before the purchasing decision. Havusela states that usually the spark for new marketing campaign starts from that sales are decreasing in some location. Customers are more price conscious nowadays due to great availability of information online.

Some themes that the case company wishes to promote to the customers in future is that one can also find new cars from the case company and that female customers get great service from the case company also. The aim for the content for social media is to offer interesting content that genuinely interests customers instead of banners and strictly advertisement content. The case company does not only pursue likes on posts but more traffic from social media to company website and therefore leads. Especially
The case company is interested to create one bigger campaign similar to Laakkonen’s merkkipäivät-campaign.

According to Valakari the biggest trend for 2016 is to post interactive content such as tests and competitions. This content can be rather entertaining. Valakari also suggested that the company blog could be part of a bigger campaign theme and it could be mentioned on social media platforms. This would also bring more customers to the websites. At the moment the role of the blog is questionable. According to Google Analytics very few visits the blog. If the blog would be used as a part of a bigger campaign it would ease the content creation for social media platforms.

According to Ruotsalainen 2015, videos are going to be the most important new marketing tool in 2016. Also live videos are going to be more popular. Social bakers (2015) stated in their research that most engaging content was pictures and secondly videos.

When studying Google Analytics it is simple to recognise that how the social media campaigns are effecting to company page traffic. Next some examples of campaigns in social media that have rose the page traffic in December 2014 and 2015 are presented. (Figure 15 and 16) Especially popular before Christmas has been charity campaigns. Also offers have attracted visitors to company website. Biggest visitor peak in the comparison was in December 2014 when the case company announced about opening a new branch in Helsinki region (kehä III).
6.7 Budgeting

The case company is at the moment in a starting phase of designing a new social media marketing strategy and it is not clear yet what will be the final distribution of the budget between conventional marketing methods and digital marketing. According to Havusela, the case company is at the moment exploring new marketing methods. At the moment less than 10% of the whole marketing budget is invested to social media marketing.

According to Valakari a company must not forget the constantly changing nature of social media. This must be taken into account in budgeting. There must be some spare assets that can be used if there is a viral phenomenon in social media. Company can use this phenomenon for marketing purposes and draw attention through a hot topic to the brand. These kind of up to date smaller campaigns are exactly suitable content for social media marketing.

7 Conclusions and discussion

This chapter discusses the conclusions formed during this research about the social media marketing, possibilities for the case company, improvement proposals and proposals for further studies.

7.1 Conclusions

The goal of the research was to give a social media marketing review for the principal company. The aim was to elaborate the current state of social media marketing in the principal company compared to other companies operating in the same field and build a starting point for further whole social media marketing plan. However throughout the research one big issue with social media marketing occurred. It seems that the targets and
goals are not defined effectively in the case company. When there is no proper general marketing plan, social media marketing plan cannot be implemented. The case company lacks marketing strategy, which will be needed first in order to fit the social media marketing plan into the marketing strategy. Social media can only be effective as a part of the general marketing/business strategy for the company. As long as there is a lack of the marketing strategy, social media marketing is done just for the sake of it.

The primary question was whether social media marketing is necessary for the case company. The representatives of the company have stated that customers no longer visit the company and mostly the commerce is made online and on the phone. Customers compare the prices online and are more conscious about the current markets because the availability of the information online. This is one reason why improving social media marketing would be useful for the case company. Another point is that the company operates nationally and therefore it makes sense to do social media marketing in order to reach more potential customers. Also the case company is already doing marketing in most of the Finnish newspapers but it does not seem to be the best practice for the company anymore.

First observation during this research is that companies in the field of used car sales do advanced marketing in conventional media such as print, but lack coherent plan for social media. The figures in the benchmarking research were surprisingly small when compared to the size of the companies and yearly turnover. All companies had noticed the potential of social media marketing based on the observation that all of the companies were present in Facebook. However companies used other social media platforms of variable degree. Most seemed to lack a coherent plan in social media marketing. Blog was least popular amongst Finnish companies that were observed in the research. On behalf of the case company it can be noted that the complete sales funnel strategy seems to be missing. Therefore analysing the data is not effective.

Second observation of social media marketing was that for companies like the case company, which does not do ecommerce, the function of social media marketing is to build traffic to company home page. From there customers are able to convert, which most often means that the customer is directed to call the sales person in the company.

Even with all analytics tools it became clear that companies still struggle determine the true return on investment to a social media marketing campaign. In reality, the likes are
not what counts. The question is how to create high quality audience and traffic to the company website in order to convert as high percentage from the likers or visitors. One challenge is to create such content that persuades potential customers to the home page of the company. Interaction between the company and potential customer rises as one of the core goals of social media marketing.

7.2 Recommendations

Recommendations aim to answer to the question of how to improve the social media marketing for the case company. However, as noted earlier, these courses of actions do not have a big influence on the company marketing before the basics of marketing has been constructed. Without a clear vision, and a focused segmentation the social media marketing is not effective. This applies also to the data that can be gathered from the social media. Analysing the data does not advance the company marketing without clear goals for marketing strategy.

Figure 18 introduces the recommended courses of action per channel. It must be noted what exactly the function of social media is marketing for the company. The goal is to build traffic to the company home page. This simple fact must be noted in every step of the social media marketing especially when posting. Therefore every post should always redirect the customer to the company home page. Another crucial point is that social media platforms cannot be treated as a separate from the whole marketing plan. The same campaigns and themes must be repeated in different platforms in order to make effective marketing.

The case company should bring into use paid advertisement in Facebook. Even the users who had liked the company Facebook page may not see the posts. When the company pays Facebook they make sure the posts end up in users walls. Also there are free analytics tools in Facebook which are highly recommended to use in future in order to gather data. This data can be further connected to the Google Analytics data which will create better insight of the conversion rates. Facebook analytics tools would also enable to follow how many users have actually seen the posts that the case company has posted.

The case company has not been active in Instagram. Therefore more activity in Instagram is recommended. If Instagram account is maintained, it should be mentioned in
company home page. Usage of hashtags and the description space under a picture can be improved.

**YouTube** is a whole new possibility to the case company. At the moment the budget is not sufficient for creating video content. This kind of content could be published in many different social media platforms which would then ease the content creation as a whole.

What was noted about the company **blog** is that it could be used more efficiently. Here as in every other social media platforms, Blog should retell the big themes of the marketing strategy. Then it could bring more visitors to the website if the blog posts are mentioned and promoted in other social media platforms. There could also be a possibility for commenting in the Blog.

The case company does not have a **Twitter** account. Many companies in the benchmarking research had a Twitter account. However the case company is using other social media platforms that other companies do not. Figuring out whether it would be useful to put a Twitter account into operation requires further studies.
The case company has many opportunities to follow and analyse the consumer behaviour and preferences in social media. Usage of marketing tools is present-day trump for the companies that make the effort to make most of the data that has been gathered. Data that has been gathered from Google Analytics should be analysed in monthly basis. Also YouTube analytics can be exploited when more YouTube content has been created. With YouTube analytics one is able to track views, visitors and target audience. The case company’s organisation model does not upkeep a marketing department which could assign a person to analyse the data. Therefore either new person in the organization could be hired or alternatively most of the marketing functions can be outsourced to a marketing agency.

Figure 18 Recommended course of actions per channel

<table>
<thead>
<tr>
<th>Platform</th>
<th>Recommendation</th>
</tr>
</thead>
</table>
| Facebook | Always use a link in posts (redirection to home page)  
Paid adverts  
Use advertising Facebook advertising tools |
| Instagram| More posts  
Further studies of what to post  
Use the description space and exploit tags  
Always mention a link in post |
| YouTube  | Invest to video content production  
Use content created for YouTube in all different social media platforms |
| Blog     | Use the similar themes that are visible in campaigns  
Mention blog posts in other social media platforms |
| Twitter  | Further studies about whether Twitter should be brought into use |
7.3 Recommendations for further studies

This thesis presented a review of social media and opportunities for the case company. However the case company should first study the opportunities of the general marketing strategy and set proper goals to achieve. Construction of the full marketing plan requires more extensive studies of the target audience and social media itself. One subject to study is what would be a good social media marketing mix for the company. Is it profitable to use more social media channels in order to reach the target audience?

All in all the task to find better practices in social media marketing was extremely difficult task when the goal of the social media marketing strategy and general marketing strategy was missing.
References


Interview questions for the case company

Section 1 Company background
- Explain the structure of your company structure.
- How many staff are in the company and how many staff are in the marketing function?
- Please explain your corporate mission and objectives.
- Detail the main goals with your business i.e. do you want to be the number 1 car sales company and in which area?
- How many cars do you want to sell a month?
- How many test drives you are aiming for in a month?

Section 2 Company Marketing
- Please explain what you believe marketing is and how you believe it assist your business?
- Please Explain the company overall marketing strategy.
- Please explain the current marketing that you do and the steps in your marketing process.
- Explain how you acquire customers i.e. how customers come into the business- is it word of mouth /previously purchase a vehicle /saw an advert?
- What do you believe is the marketing tool that currently works best for your business?

Section 3 Digital Marketing/Social Media
- Why are you interested in using digital marketing and social media marketing for your company?
- What do you see as the goal of social media marketing for your company?
- Who would you like to target with social media marketing? (Age, social demographic etc.)
- Who are your competitors? Is the competition regional or national?
- What companies would you like to be benchmarked (in your field of business)?
- Who would be responsible for social media? / How many people would you assign for the social media marketing activities?
- What is the budget for the social media activities? What is the split of the marketing budget between offline and online currently and how do you see this changing?
- How do you see the “personality” of your brand to evolve in social media? (This question needs some work)
- Which social media channels would you like to use and why?
- What kind of content do you want to publish in social media? (Campaigns, content marketing, advertising…)
  This might be difficult for him/her to answer.
- Do you see some challenges with implementing a social media marketing plan in your company?

Section 4 Digital Marketing/Social Media Measurement
- How would you measure the success of your social media marketing? E.g. more people visiting the store, more people taking test drives, more car sales etc.?
Glossary

Conversion, convert:

Visitors to a site or viewers of an advert, who take an action such as visit the company website, contact the company representative, registration or checkout.

Conversion rate:

Proportion of visitors to a site, or viewers of an advert, who take an action such as registration or checkout.

Cost-per-click (CPC):

The cost of each click from a referring site to a destination site, typically from a search engine in pay-per-click marketing.

Engagement rate:

LikeAlyzer calculates engagement rate as following: number of likes/people talking about this.

Google analytics:

A web analytics service that provides statistics and basic analytical tools for search engine optimisation and digital marketing purposes.

Like:

Clicking Like below a post on Facebook is a way to let people know that you enjoy it without leaving a comment. A story will be posted on one’s timeline that one liked a post. However liking a page means that Facebook user is connecting to a page. After liking a page one starts to see stories from that page in the news feed (constantly updating list of stories on the homepage) on Facebook.

LikeRank:

LikeRank is a number between 1-100 that represents how likeable brand is in Facebook. The better Facebook performance, the higher the LikeRank.

Responsiveness, Responsive web design (RWD):

Web design, which aims to provide optimal viewing and usage with a minimum of resizing across wide range of devices such as laptop, iPad and mobile phones.
## Summary of the benchmarking results.

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<tr>
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<th>Facebook</th>
<th>Instagram</th>
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