

# Social Media Marketing Plan for a Furniture Company in Chinese Market

Case Company: Company X

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Faculty of Business and Hospitality  
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Degree Programme in International  
Business  
Bachelor's Thesis  
Spring 2018  
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Social Media Marketing Plan for a  
Furniture company in Chinese Market  
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Bachelor's Thesis in International Business, 83 pages, 7 pages of  
appendices

Spring 2018

ABSTRACT

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In the information era, the internet has affected people's lives in many aspects. In addition to spreading information and sharing resources, the internet has also affected companies' marketing approaches. The marketing focus has been slowly shifted from traditional marketing to digital marketing. Social media marketing, the most representative one among which, has brought new possibilities and opportunities for marketers. The aim of the thesis is to explain the concepts of social media marketing and customer behavior. The final goal is to develop a plan for the case company to reach its target segment in China.

A deductive research approach is applied in the thesis. Both qualitative and quantitative research methods are used for data collection. Qualitative research is conducted through an interview with the marketing manager of the case company and quantitative research is implemented through a survey. The authors collect data from both primary and secondary sources. Secondary data is collected from reliable resources like published journals, books and from the internet. Primary data is collected from the interview with the marketing manager and a survey.

In the theoretical part, the authors introduce several marketing concepts such as the five-step marketing process, concepts of online marketing domains and social media marketing in the western world. Then theories of customers' decision-making process are introduced for understanding the customers better. Also, social media marketing in China is covered and social media radar is presented. With the assist of SWOT-analysis, the authors conduct a development plan for the case company.

The main result indicates that the case company should focus more on social media through creating new channels and improve performances. By using social media platforms efficiently, the case company could not only attract new customer but also gain customer loyalty.

Key words: social media marketing, customer buying behavior, social media marketing in China, development plan, furniture industry

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## 1 INTRODUCTION

Social media plays a huge role in the information era and has affected people's lives. The usage of social media has increased continuously over the last few years among people. Nowadays, seven-in-ten people in the United States use social media for checking news, entertaining themselves, sharing information and interacting with friends and strangers. Facebook, the most widely used social media platform, accounted for 68% of the usage rate among U.S. adults in 2017. Approximately 74% of the Facebook users check the site on a daily basis, and the median U.S. citizens own three different accounts on social media platforms. (Anderson & Smith 2018.) The US is not alone in this. Similar growth is seen worldwide.

China has also been influenced by social media lately. Until the end of 2017, China had 772 million internet users, which account for the highest among all countries around the world (Internet World Stats 2018). In 2015, 77% of internet users in China registered themselves on social networking applications and had regular access to those accounts (CNNIC 2016, 61). Unlike in many other countries, the censorship in China restricts the use of global mainstream social media platforms such as Facebook, Twitter, Instagram, WhatsApp, Snapchat, Pinterest, etc. (Bradsher 2017). The limited usage of international social media platforms fosters the expansion of domestic equivalents and provides a unique social media environment in China.

Social media has not only changed the way people communicate as individuals, but it has also dramatically affected the way businesses, small or big, market their products and try to reach and communicate with their target audience. As we entered the 21st century, some of the old marketing strategies have already lost their positions and become no longer effective by the impact of advances in modern technology. The internet has changed the dynamics of marketing and created new possibilities for marketing. New marketing opportunities and forms of

interactions are created to individuals and the communication between customers and companies can be implemented more easily. (Chaffey, Ellis-Chadwick, Johnston & Mayer 2006, 20-26.) Therefore, the view of marketing has shifted from a transaction-based marketing, which refers to a simple exchange process, to a relationship based marketing. Those marketing activities are increasingly done through social media platforms. (Boone & Kurtz 2013, 16-19.) Companies can expand partnerships, exposing themselves to the public, improve customer relationship and attracting potential customers with reduced marketing costs by utilizing social media as a marketing tool (Bilos & Kelic 2012, 161-162). Social media marketing shortens the distance and creates new communication methods between enterprises and customers.

## 1.1 Research Background

In this chapter, an overall picture of the thesis is provided which helps the reader to familiarize themselves with the research background and the topic. In addition, objectives of the research, theoretical framework, methodologies used, data collection and the structure of the thesis are covered in this chapter.

This thesis was motivated by the changes social media has brought to marketing. After deciding the main topic, it was important to find a case company to work with. Company X is a Chinese company whose social media strategy was not optimal and needed developing. Thus, the thesis topic was narrowed down further in order to create a social media marketing plan for Company X. The marketing manager of the company approved the idea.

Company X is a Chinese subsidiary that belongs to a large chain furniture store company established in the U.S. In early 2018, the case company had 129 retail stores in China. The company's main target segment is female customers between the ages of 26 and 40. (Company X 2018.) This study aims to develop a plan through which the case company can

utilize social media in the most effective way as a platform to reach their target segment in the Chinese market.

## 1.2 Thesis Objectives, Research Questions and Limitations

This thesis aims to explain the concepts of social media marketing and customer behavior. The thesis discusses social media marketing in China and how companies can use social media effectively as a marketing tool. Furthermore, the aim is to develop a social media marketing plan for the case company to reach its target segment in China.

A research question expresses research objectives, and it should not be too vague or general. Researchers can design a study that produces useful results from a well-formulated research question. (Zikmund, Babin, Carr & Griffin 2010, 121-122.) The main research question of the thesis is:

**How can the case, Company X, improve its social media marketing by understanding its target customers' online behaviors?**

Since the main research question might be difficult to answer as such, creating subordinate questions can be helpful. Subordinate questions help to divide the main research question into more manageable segments that are easier to analyze. Those sub-questions should be connected to each other in meaningful ways and facilitate the formation of the research question. (Eriksson & Kovalainen 2008, 39.) The sub-questions of this study are:

1. What are the common social media platforms used in China?
2. How do Company X's customers use social media?
3. Which Chinese social media platforms should the case company choose to use?

4. How should the case company implement social media marketing based on different Chinese social media platforms?

There are always limitations to the research. The limitations define the weaknesses of studies that are not generalizable in other circumstances and should, therefore, be pointed out clearly (Hair, Celsi, Money, Samouel & Page 2011, 428). Firstly, the limitation of this research is that it only focuses on furniture business in the Chinese market and might not be useful to use by companies that deal with some other consumer goods. The other limitation is that it strictly focuses on the marketing via Chinese social media platforms. Companies operating outside China may not find this study helpful since China has a very different social media environment. Thirdly, Company X mainly targets female customers aged between 26 and 40. Fourthly, social media is still being developed. New social media platforms or marketing tools might be invented. Therefore, the findings of this research might be out of date and not valid for very long. However, this research is tailored to the case company, and it is especially important for Company X to understand its customers. The research provides information for the case company to further develop its social media marketing in China.

### 1.3 Theoretical Framework

A theoretical framework presents the key topics and concepts of research and provides a general understanding of the theme. The theories used are tightly related to the research topic which helps Company X to improve social media marketing strategy by understanding its target customers in China.

The theoretical framework of the thesis is divided into three chapters. Chapter 2 first discusses marketing concepts. The chapter then introduces the main marketing tasks and the five-step marketing process. Finally,



chapter 2 introduces digital marketing and social media marketing as well as the concept of online marketing domains.

Chapter 3 focuses on understanding the customer. The thesis uses a marketing model to understand customers' decision-making process and to discuss customer behavior. Maslow's hierarchy of needs and consumer buying decision process are introduced as the background theories. Chapter 4 describes Chinese social media platforms and social media marketing in China. The concept of social media marketing radar is presented. Chapter 5 introduces the products, mission, current marketing strategies and competitors of the case company. Chapter 6 is the empirical part of the thesis where data are collected and presented. Chapter 7 applies SWOT analysis to analyze the case company's strengths, weaknesses, opportunities and threats.

#### 1.4 Research Methodology and Data Collection

There are two different research approaches: deductive and inductive reasoning. Deductive reasoning deduces a conclusion based on general statements. Inductive reasoning, on the other hand, generates a new theory from specific cases. In other words, deductive reasoning is testing the theory whereas inductive reasoning builds a new theory. (Saunders, Lewis & Thornhill 2016, 144-149.) In this thesis, information gathered from literature is to provide general ideas. These are then tested based on Company X's operations in a particular region, in China.

After the research approach is chosen, the next step is to decide the research method. Qualitative and quantitative research methods are common methods used by many researchers. Quantitative research uses numerical data or statistical methods to generate information and analyze outcomes. The number of cases gathered from quantitative research is large. Qualitative research, on the other hand, deals with non-numerical data to get a deeper understanding and viewpoint of the few cases collected. (Saunders et al. 2016, 165-166.) The used research methods should be decided at the planning stage of any research project.

Depending on the purpose of a project, it is possible to use either qualitative or quantitative methods or their combinations.

Since the thesis aims to develop a social media marketing plan for the case company, a qualitative research method are used to collect non-numerical data and generate the result. However, in order to understand customer behavior, the thesis also uses a quantitative method for collecting statistics. Qualitative data will be collected by an in-depth interview with the marketing manager of Company X. The aim is to get inside information about the case company. On the other hand, quantitative data will be collected through a survey whose aim is to find out how the case company's customers act online.

It is important to collect data from various sources, for example from primary and secondary sources. Primary data refers to the first-hand data collected by the researcher whereas secondary data refers to already existing data (Eriksson & Kovalainen 2008, 77). In this thesis, data is collected from both kinds of sources. Primary data would be the data collected through the interview and the survey. Secondary data, on the other hand, would be based on a literature review and desk research.

Figure 1 below presents the research approaches, methodology, and data collection method of the thesis.



FIGURE 1. Research Method of the thesis

To summarize, the thesis applies a deductive research approach. Qualitative data would be collected through an interview with the marketing manager of Company X whereas quantitative data would be collected through a survey. Both primary and secondary data would be used to support the theoretical and empirical part of the study.

### 1.5 Thesis Structure

The thesis comprises two main parts: a theoretical and an empirical part. Chapter 2, 3 and 4 belong to the theoretical part, and Chapter 6 is the empirical part. Figure 2 illustrates the thesis structure.

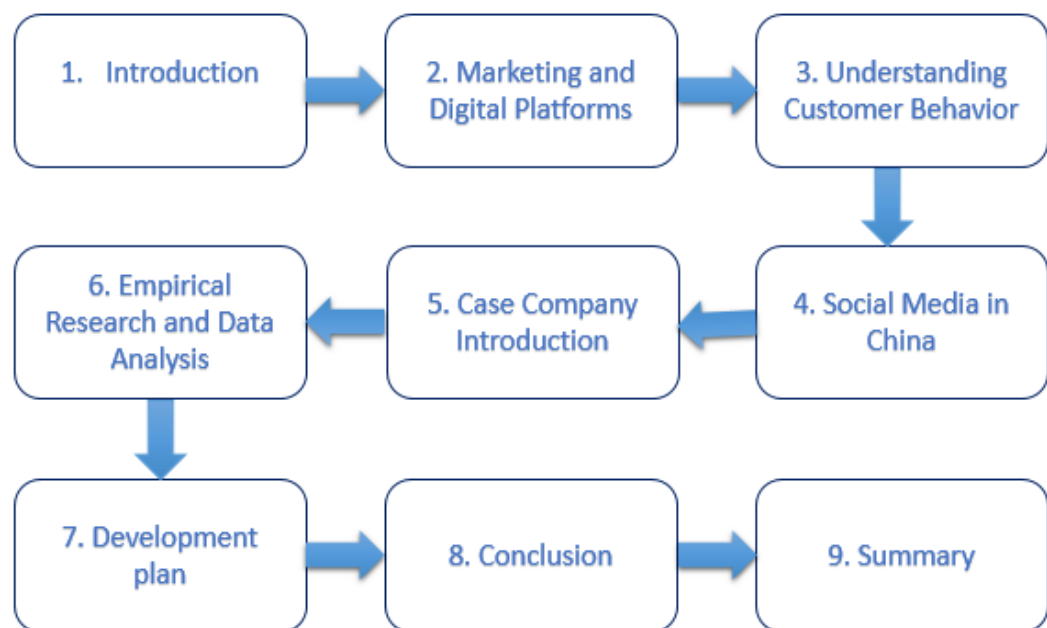


FIGURE 2. Thesis Structure

The first chapter of the thesis is the introduction part. Chapter 1, Introduction, introduces the topic and provides a general idea of the thesis.

In addition, research objectives, questions, limitations and the methods used to complete the research are explained.

Chapter 2 starts the theoretical part of the thesis that focuses on marketing and digital platforms. Chapter 3 focuses on customers and introduces the concept of customer behavior, the factors affecting purchasing decisions, decision making, and how customers make decisions. Chapter 4 proceeds to discuss social media platforms and social media marketing in China.

Chapter 5 introduces the case company and how the company has used social media for marketing. Chapter 6 is the empirical part of the thesis in which the collected data is analyzed. Chapter 7 then presents the social media marketing plan for the case company.

Chapter 8 concludes the thesis and answers the research question. It also discusses the validity and reliability of the thesis and gives suggestions for further research. Finally, chapter 9 summarizes the thesis.

## 2 MARKETING AND DIGITAL PLATFORMS

This chapter provides a general definition of marketing and discusses marketing on digital platforms. This chapter also introduces the reader to the two most relevant online marketing domains for this thesis which are business to consumer marketing and consumer to business marketing. Different types of marketers and information related to setting up an online marketing presence are also covered in this chapter.

### 2.1 The Need for Marketing

The first thing that comes to mind of the word marketing is selling and advertising. However, selling and advertising is only one of the part of the marketing mix. According to Kotler and Armstrong (2017, 5), marketing can be defined as a process through which businesses and companies create value for customers and build strong customer relationships in an attempt to capture value from customers in return. Marketing is needed because someone wants to sell something and someone else wants to buy something. (Lahtinen & Isoviita 1994, 6-7). The following figure, Figure 3, shows the main tasks of marketing.

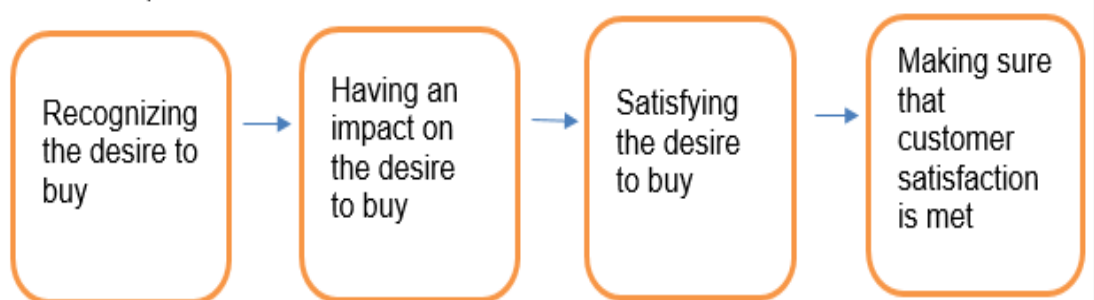


FIGURE 3. Main Marketing Tasks (Lahtinen & Isoviita 1994, 6-7.)

Companies should create models for their marketing processes. Such models help analyze the steps needed in creating value for customers, in building customer relationships, and in capturing value from customers. Figure 4 illustrates a simple five-step model of the marketing process (Kotler & Armstrong 2017, 5).

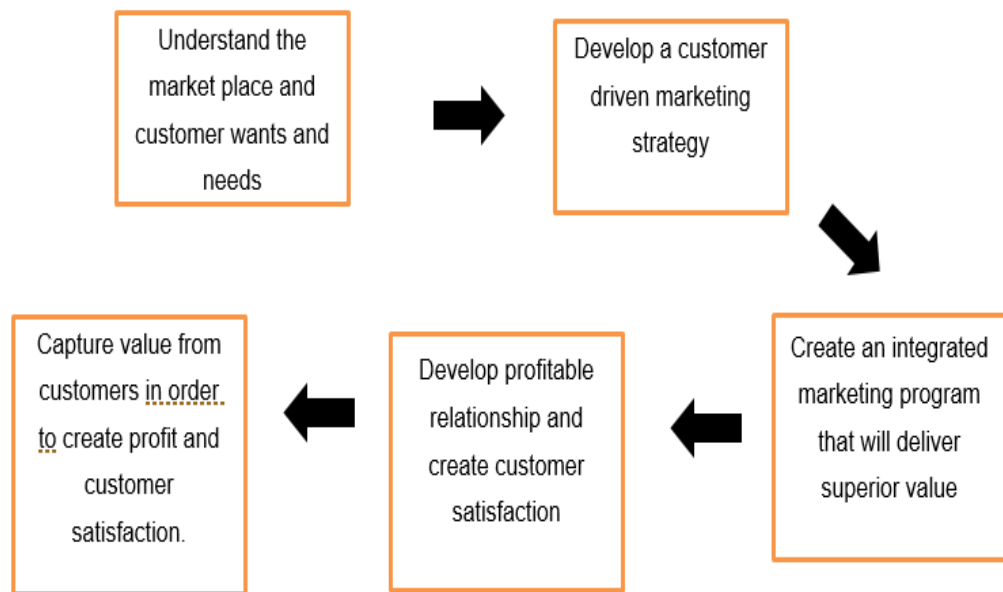


FIGURE 4. Five-step model of the marketing process (Kotler & Armstrong 2017, 5)

According to the five-step model, marketing starts by first understanding the wants and needs of the customers, then it focuses on developing a marketing strategy. With the help of the strategy, companies can create marketing programs, enhance customer relationships and generate profit. (Kotler & Armstrong 2017, 5.)

## 2.2 Digital Marketing

Digital marketing can be defined as promoting goods and services in innovative ways by using digital platforms in order to reach customers cost-effectively, timely, and in a personal manner (WSI 2013).

Digital marketing aims to push sales, promote brands and share preferences through several digital marketing techniques (Todor 2016). Once people became aware of the benefits of the internet, its usage grew rapidly. Its growth was driven by email. In the early 1990s, web browsers started to break through. As email merged with new web technologies, it was realized that this can provide effective ways to connect with customers. Marketers around the world started to use the new tool. (Hanson 2000, 5.)

The internet was mostly used to improve customer satisfaction and quality, by providing enhanced customer support throughout the sales process. (Hanson 2000, 153.) Through electronic channels, direct human interaction is not demanded. Some of the key benefits of electronic channels can be said to be: (Zeithaml, Bitner & Gremler 2006, 433-434)

- low cost
- convenience of customers
- widespread
- the opportunity to communicate with customers and get their feedback.

One main point to remember about digital marketing is that technology is not the main thing but people. As traditional marketing, digital marketing, too, is about marketers trying to connect with customers to improve sales. (Ryan 2017, 13.) Both businesses and consumers are actively online, and companies want to reach and observe larger audiences through digital platforms (Hudson 2018).

### 2.2.1 Digital Marketing Strategy

Digital marketing can be defined as a set of actions that can help businesses achieve their goals through online marketing (Hudson, 2018). Having a digital marketing strategy is crucial for companies. Without it, they are likely to miss out opportunities and eventually lose businesses. Developing a digital marketing strategy will help a company to make informed decisions and make sure that its efforts are focused on the digital marketing elements that are most relevant to its business. It is important to recognize how changes in the digital marketplace can affect business. (Ryan 2017, 20-23.)

Without a proper digital marketing strategy, companies will very likely face the following problems (Chaffey 2018):

- Companies do not have a goal to work towards.
- Companies are not aware of who the audiences are.
- Companies will not have a strong online value proposition.

With the help of digital marketing, marketers are able to promote and reach customers all around the globe. (Ryan 2017, 20-23.)

According to Ryan (2017, 20-23), there are two key questions when it comes to deciding whether a business needs to formulate a digital marketing strategy:

- Are my customers actively online or do I want to sell my products online?
- Are my products offered by me suitable for being marketed using the digital platform?

Hudson (2018) notes that every business is unique. Because of this, it is impossible to create a digital marketing strategy that would suit everyone. While creating a digital marketing strategy, the basic things that a marketer needs to keep in mind are:



- Begin with the customers. While it is important to gain a deeper understanding of the needs of your own business but what even more important is to build the strategy around the customer needs and insights instead of the business products and tactics.
- Recognize the digital marketing tools that they will need and their goals.
- Find out about the competition in the market: how are the competitors using digital marketing? If they have any advantages that you could exploit with the use of right digital marketing element?
- Find who your customers are: are they the older generation who do not commonly use digital platforms? Can you use elements of digital marketing to engage with your customers?
- Be conscious of what you are aiming to achieve.
- Find out how you are going to achieve your goal.

### 2.2.2 Developing an Online Marketing Presence

Google reports that 97 percent of consumers search for local business (Holden 2018). When there are so many potential consumers online, it is necessary for businesses to have a strong online marketing presence.

Inbound marketing can be defined as a way of attracting customers through the use of content marketing, social media, blogs, and eBooks which serve to interest customers through the different phases of purchase funnel (Halligan 2009). The Figure 5, presented below, shows eight effective ways of how to build strong online presences (King 2017).

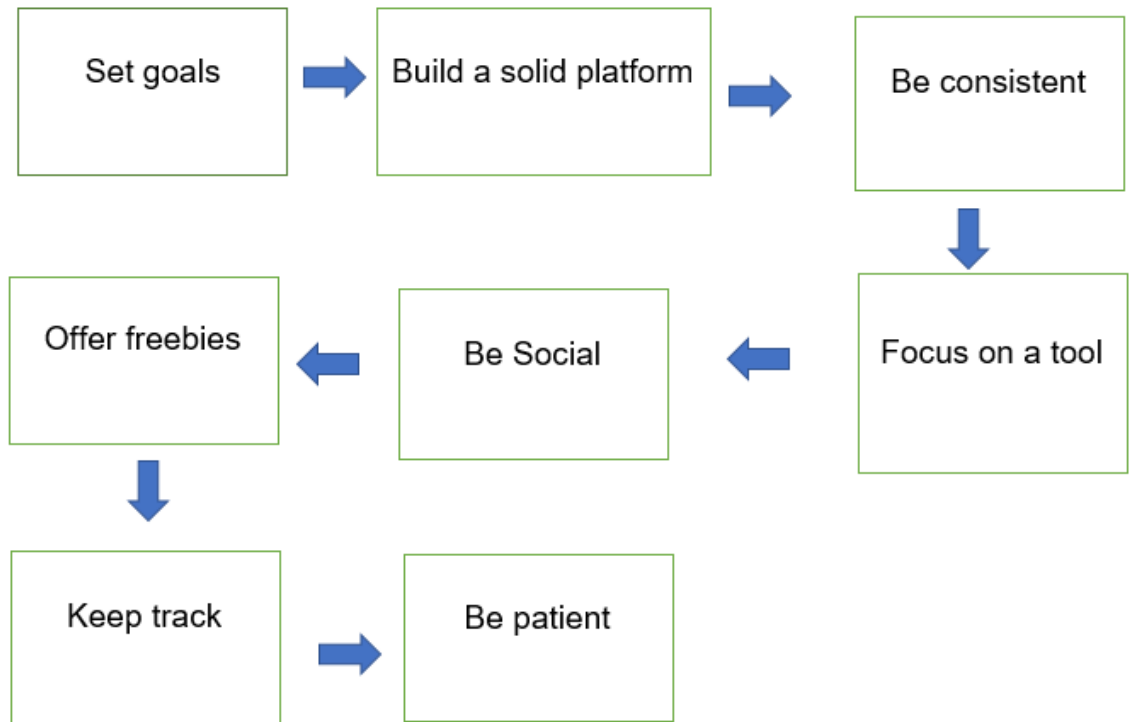


FIGURE 5. A model portraying eight effective ways of building strong online presence (King 2017)

In order to build a strong online presence, companies should first set up achievable goals and divide them into smaller fractions. The second step is to build solid platform with search engine optimization. Since conducting search engine optimization plans require specialized knowledge, companies can choose to outsource the operations to professionals. The third step is to keep constantly improving the platforms while providing consistent value for the audiences. It is recommendable that companies only focus on few marketing channels instead of giving an equal amount of time on all the company-owned accounts. Actively commenting on forums and giving out free items such as coupons and goodies are also effective ways of enhancing online presences. Then companies should keep track of the number of reached audience and analyze the performances based on the figure. The final step is to be patient and figure out what truly works. (King 2017.)

As mentioned by Kotler and Armstrong (2017, 513-515), there are four main ways through which a company can carry out online marketing activities. The four main ways are: creating a website, placing advertisement and promotions on the internet, using email and creating web communities. The following figure, Figure 6, shows the four ways of carrying out online marketing.

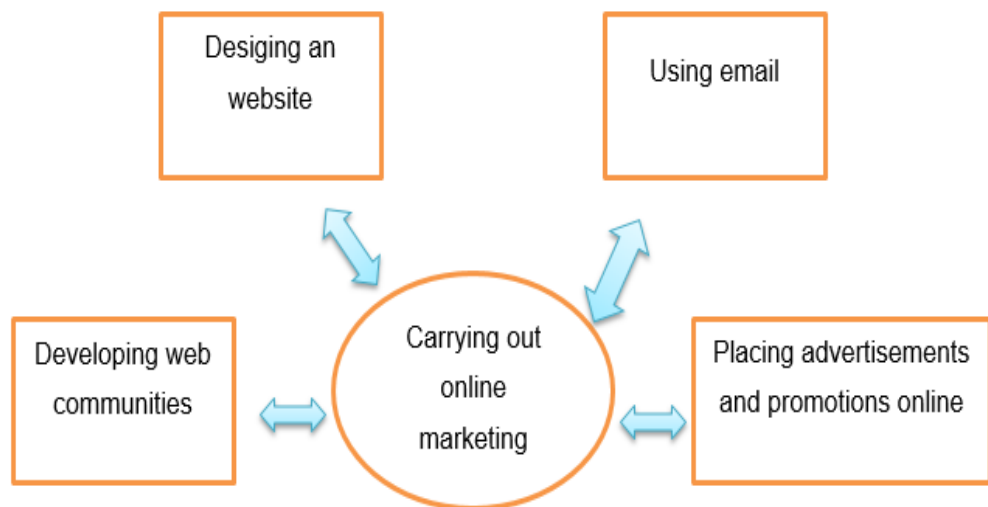


FIGURE 6. A model showing the four ways of carrying out online marketing

Companies can create their own websites through which they could carry out marketing activities. Creating websites has become easy, but in order to make effective marketing, a company needs to create a website that is attractive and informative to its target audience. (Kotler & Armstrong 2017, 513-515.) Content Marketing is a way through which a business communicates with its audience in order to create awareness of its offers, interact and pass valuable information who in return award us their loyal. (Web strategies 2018.) Some forms of content marketing are the following: blogging, video creation, link bait creation and podcasting.

Email is one of the most powerful ways of online marketing tools because it allows companies to communicate directly with their current and potential customers. Online bloggers and vloggers are the ones that most people turn to when they need to find out reviews for products or services. By paying a certain fee to any such influential online blogger, a company can do word of mouth marketing over the internet. A social media network allows companies to identify potential customers that companies would like to target. Then, the content is designed based on that information. And finally, companies use the social network to reach the most number of these customers. (Patrutie-baltes 2016.)

### 2.3 Online Marketing Domains

There are mainly four online marketing domains: B2C (business to consumer), B2B (business to business), C2C (consumer to consumer) and C2B (consumer to business). All four of these approaches, B2C, B2B, C2C and C2B play an important role as an online marketing approach. However, out of these four domains, the two most relevant ones to this thesis topic are B2C and C2B. (Digital strategist 2018.)

Business to consumer online marketing can be defined as selling goods and services to final consumers. The number of online consumers has been growing at a rapid rate. (Kotler & Armstrong 2017, 509-510.) This is because it has become very easy to buy products produced and sold all around the world. It has also become easy to communicate with businesses and other consumers. Companies, on the other hand, can market their products to larger populations without incurring costs.

Consumer to business marketing technique is where online consumers search for sellers, learn about their offers, initiate purchases and give feedback. This is a contrast to the conventional approach of companies approaching consumers. (Kotler and Armstrong 2017, 512-513.)

Consumers can give their suggestion of what products or services they would be interested in buying and how the business could improve its service or even lodge complaints.

## 2.4 Social Media Marketing

According to Kaplan and Haenlein (2009, 61), social media is a number of internet-based applications created on the ideological and technological base of Web 2.0 that allow the formation and trade of user-generated content. Organizations use social media channels, technologies and software in order to develop, communicate, and trade offerings that have value for organizations' stakeholders. (Tuten & Solomon 2017). Some of the social media channels are:

1. Social networks: Facebook is an example of a social network. People on a social network mostly utilize it to share their lifestyle and experiences while also using it to interact with other users on that social network. (Baines, Fill & Page 2013, 306-307.)
2. Weblogs: These are personal or professional digital journals (Baines, Fill & Page 2013, 306-307).
3. Blogging: Blogging is known as microblogging for short formal version. Twitter is one of the examples of microblogging (Baines, Fill & Page 2013, 306-307).
4. Podcasts.
5. RSS 'Really simple syndication'.

### 2.4.1 Segmentation and Targeting for Social Media Marketing

Marketers depend on understanding the target audience and their viewpoints in order to develop an effective social media marketing strategy. It is crucial for a business to understand the target audience's needs and beliefs when planning a marketing campaign that is completely carried out using social media or for one in which social media is a part of integrated marketing communication. (Tuten & Solomon 2017.)

#### Characterizing the targeted segment

Marketers can only enjoy the benefits of social media marketing depends on the ability of the new social media platforms to reach out to the consumers who are willing to interact in the digital space (Tuten &

Solomon 2017). Breaking down a market into many different segments of customers whose wants and needs match the product and services that are offered by a company can be defined as target marketing. It is beneficial for a company to do target marketing as they can develop marketing strategies based on their target audience and hence saving up time and making it more cost efficient. (Ward 2017.)

However, when it comes to social media marketing, the marketers need to find out how can the potential customers be segmented using their digital lives. There are many people who are actively online on different social media applications but the length to which a person's life is digital will depend on many factors such as their lifestyle, demography, geographic and also economic condition. (Tuten & Solomon 2017.) The following are the few ways of segmenting the target market:

#### Geographic segmentation

When the market is segmented based on geographic location, such as the city, neighborhood and counties, it is known as geographic segmentation. Geographic segmentation depends on the belief that consumers in a certain geographic location have particular service or product needs. (Ward 2017.) Geographic segmentation is applicable to marketers using social media as a tool for marketing not only due to targeting customers in certain geographic location or depending on the organization's distribution channel but also because of social media increasingly integrating GPs technology (Tuten & Solomon 2017).

#### Behavioral segmentation

This is when customers are segmented based on their behaviors. The focus in behavioral segmentation is more on customer's individual actions in regard to a product or service and less on who the consumer is. Information collection for behavioral segmentation is based on listening to the consumers in order to gain a deeper understanding of their behavior. (Dellacava 2016.) Marketers can use the variables that are used in behavioral segmentations even in social media marketing. They can take

variables such as how much time in a day do potential customers spend on social media, what networks do they use most, what are their buying habits and so on for segmentation. This foundation for segmentation can be used by marketers to build customers personality. By developing personalities for the buyers, the marketers are better able to understand, identify, acquire and keep the target audience. (Tuten & Solomon 2017.)

#### 2.4.2 The Attitudes and Motives Affecting Social Media Activities

People are actively using social networks such as Facebook, snapchat, Instagram where they communicate with friends and family, stay updated on the latest news, listen to music and play games. The same way, companies use these social networks to promote their brand and interact with customers. (Tuten & Solomon 2017.)

The reasons for using social media are:

1. One of the main reasons people use social media is to keep in touch with friends and families (Valentine 2018). By using social networks such as Facebook, people are able to keep in touch with friends and family and also build new relationships. This need for being a part of the social community is one of the key drivers for using social media. (Tuten & Solomon 2017.)
2. Companies use social media in order to reach out to their existing customers and attract potential customers.
3. Using social media creates personal value impulse. While some people use social media actively to feel a certain belonging to social communities, others are driven by personal value impulse, such as wanting to find specific information. (Tuten & Solomon 2017.)
4. Another common reason why some people use social media is that they can share their opinion on matters that are important to them (Valentine 2017).
5. Companies use social media in order to be able to create a strong brand image through constant communication with their customers and being able to quickly interact and solve issues when they arise.

### 2.4.3 Social Media Platforms

With so many social media platforms available to marketers, it is difficult to choose which social network to use. It is important for marketers to figure out which social network are their target audience most active on. With this manner, they do not end up marketing to the wrong group of customers. However, most of the companies usually use more than just one social media platform for marketing purposes. (Hill 2016.)

Some of the biggest social networks currently used by the majority of the population are:

1. Facebook: Facebook is the top most used social networking application on the internet. According to Facebook, there are about 2 billion monthly active users and one billion that log on daily. (Moreau 2018.)

Some of the advantages of using Facebook can be said to be:

- Huge numbers of audiences can be reached.
- People are spending a great amount of time using the app on their mobile.
- From articles to videos, every type of content can be promoted.
- Low advertising cost is included.

One of the main drawbacks of using Facebook for marketers is that there is a high level of competition.

Marketers should use Facebook if they are trying to create brand awareness and also interact and keep in touch with their target audience.

2. Twitter: It is known as a platform where news break first and as a real-time, public microblogging platform (Moreau 2018). This platform is very different from Facebook. In order to be able to use Twitter efficiently, companies need to do more than just tweeting. They need to interact with their existing and potential customers.



(Jackson 2017.) According to Hill (2016), some of the advantages of using Twitter are:

- quick reaction from the target audience
- the abilities to post news articles, info about the product launch
- two ways of conversation which can interact with the audience.

The drawbacks of using Twitter are that it can be little expensive to be used, content lifespan is short. (Hill, 2016) Marketers should use this platform if keeping their audience updated about industry news will help them sell their products.

3. Pinterest: It is commonly used by people to find out ideas and save them (Pinterest 2018). Although Pinterest is not as well-known as the Facebook or twitter, it is still an interesting network with most of its users being females. For the right company, Pinterest can act as a powerful marketing tool. (Hill 2016.)

Some of the advantages of Pinterest are the number of users on this platform are pretty good, a strong visual tool that can be used by companies promoting selling goods that needs a visual network, generates direct sales.

However, the major weakness of this application is that it is very time consuming and that it takes a little longer to see the final results.

4. Instagram: The popularity of Instagram has been growing steadily since its launch in 2010 and it is one of the most commonly used platforms by marketers (DeMers 2017). Most of the users of Instagram are people who are under the age of 35 who interact with content on Instagram (Hill 2016).

The main pros of Instagram are that its user base is rapidly increasing. A strong visual branding tool can be used to target millennials and generation Z. The weakness of Instagram is that 90 percent of the

users are under the age of 35. So companies with target group above that age range cannot benefit much from Instagram. Another drawback is that it can be used to do more branding instead of selling. (Hill 2016.)

Instagram is suitable for companies aiming to target young people with visual content.

5. YouTube: YouTube can be defined as more than just a social network. It happens to be the second most utilized search engine after Google. (Hill 2016.) It can be looked at as a completely different social networking platform where users can upload and view videos that they would like (Moreau 2018).

Pros of using YouTube:

- upload product review videos
- cheap advertising cost
- the abilities to create their own brand channel for companies.

One of the drawbacks of using YouTube is that it can be expensive.

### 3 UNDERSTANDING CUSTOMER BEHAVIOR

In this chapter, the authors will explain customer behavior, the factors affecting customer behavior and the decision process of buyers.

Consumer buying behaviors differ by cultural, social, personal and psychological factors. Therefore, understanding the customers are of the utmost importance for the marketers.

#### 3.1 Customer Buying Behavior

Customer buying behavior concerns the buying behavior of final consumers. Consumers vary around the globe depending on their age, taste, income, and lifestyle which leads to different consumers having different buying behavior. (Kotler & Armstrong 2017, 133-134.) The journey that a customer goes through before buying a product is what is meant by consumer purchase decision process. It is crucial to understand the factors that influence the buying decision of a customer. Consumer behavior study includes, what is the feeling of consumers towards different alternatives such as brands, how do consumers select the products or services, how do consumers research about the product or service that they are considering buying and how can companies influence consumers to purchase their product through marketing campaign or by making certain changes to their marketing strategy. (Smith 2016.)

For a company, to be able to successfully sell the goods and services offered by them, they need to be able to understand and influence the consumer buying behavior. Furthermore, by gaining a deeper understanding of sociological and psychological aspects of consumer purchase choices, a company could gain an insight into how their existing customers and potential customers see their brand and their loyalty towards the brand. (Paine 2016.) Companies invest a great deal of time to find out about consumer behavior, such as, what do they buy, where do they buy, and how much are they willing to pay for it. The key question for marketers is, what is consumer response to the different marketing efforts used by a company. (Kotler & Armstrong 2017, 134-135.)

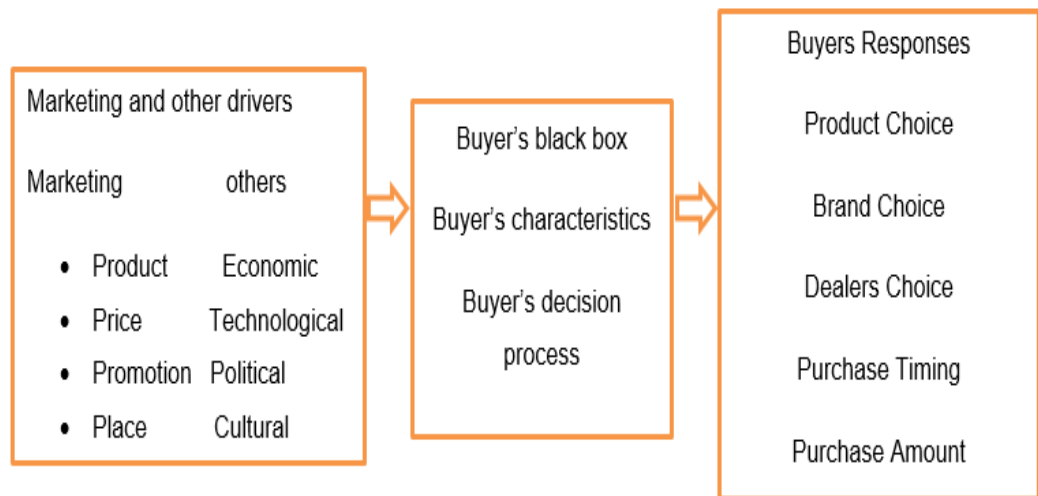


FIGURE 7. Model of consumer behavior (Kotler & Armstrong 2017, 134-135)

Figure 7, illustrates, a marketing model represented by Philips and Armstrong (2017, 135), where they portray the cycle where marketing and other factors enter the black box that results in generating certain buyer's response. The main task of the marketers is to answer what is in the black box.

### 3.2 Factors Influencing Consumer Behavior

In this subchapter, the authors present four important factors that influence consumer buying behavior which are cultural factors, social factors, personal factors and psychological factors.

#### 3.2.1 Cultural Factors

Things that have happened in the past is what culture is made of. Individuals from different countries have will have different cultural

backgrounds and this culture hugely affects consumer behavior. (Bhasin 2018.) Cultural factors have a deep effect on consumer behavior. It is an important aspect for marketers to understand the part played by the customer's culture, subculture and social class. (Kotler & Armstrong 2017, 135-137.)

1. Culture: One of the most common factors behind a person's wants and behavior is culture. People growing up in different societies will have different values, views and wants which they learn from family or other places. Cultural factors differ from country to country. It is crucial for marketers to understand and adjust to these cultural differences without which they will not be able to carry out effective marketing. (Kotler & Armstrong 2017, 135-136.)
2. Subculture: Subculture is a subdivision of a country's culture and can be described as a group of people who share the same, religion, same geographic location, values, customs and traditions (EDUCBA 2016).
3. Social class: In every society, there is a presence of different. Groups of people belonging to different social class will prefer buying different goods. Hence it is important for a company to target a certain social class and then market to that group in order to be successful. (Bhasin 2018.) Social class can be divided into factors such as income, job, education and wealth (Kotler & Armstrong 2017, 139).

### 3.2.2 Social Factors

Social factors can be divided into the following subgroups:

1. Reference groups: The extent to which reference groups can influence consumer behavior will depend greatly on the product or brand (EDUCBA 2016).
2. Family: Buying behavior is greatly affected by the family members of the person.

3. Roles and status: Roles and status define the position of a person in each group that they belong to. A person will commonly pick products that reflects his/her role and status in a group. (Kotler & Armstrong 2017, 144.)

### 3.2.3 Personal Factors

Personal factors can be said to be an individual's own perception or an individual factor that affect consumer buying decision. Personal factors vary from individual to individual that lead to a different set of attitude and view towards certain goods and services. (Business jargons 2018.)

1. Age. A person's buying behavior will change with his/her age. For instance, teenagers will be more into eating junk food whereas grownups will often opt for healthier food options.
2. Occupation: An individual's occupation will hugely affect their buying behavior. For instance, a worker working as a construction worker will not be in search for suits to wear at work.
3. Income. Income is one of key influence when it comes to buyer's behavior. Marketers are required to tailor their marketing programs depending on their customer's income level. (Kotler & Armstrong 2017, 146)
4. Personality and self-concept: A person's psychological characteristics that make him/her unique from the others will affect their buying behavior such as self-confidence, their taste, adaptability and dominance. (Bhasin 2017.)

### 3.2.4 Psychological Factors

Four major psychological factors affecting a buyer's behavior are motives, views, learning, beliefs and attitudes (Kotler & Armstrong 2017, 147-150).

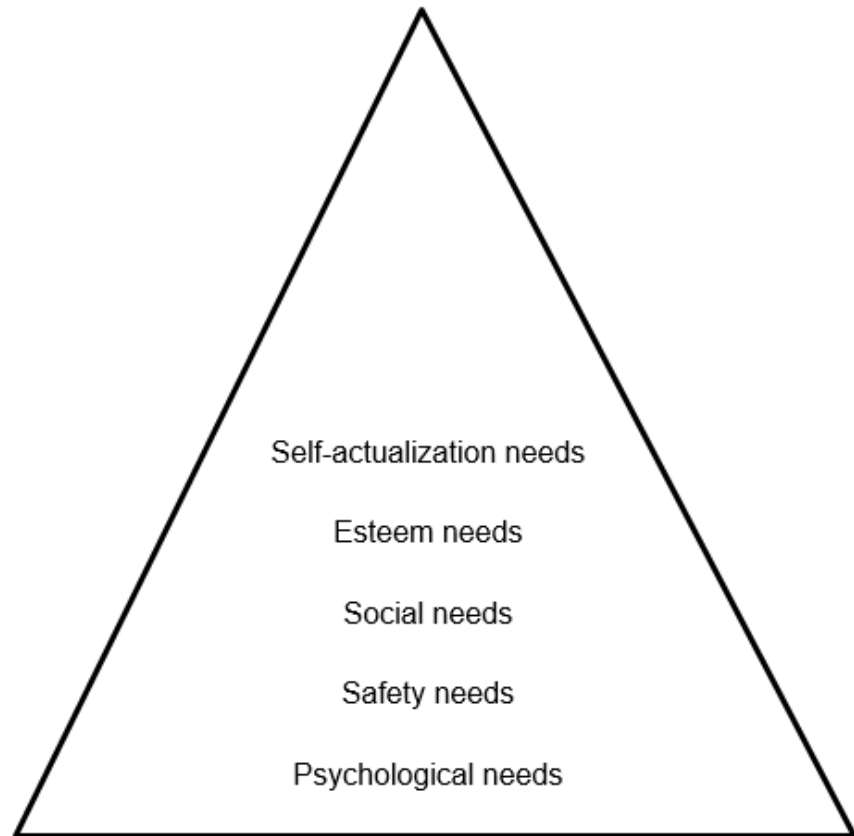


FIGURE 8. Maslow's Hierarchy of needs (Maslow 1943)

The above figure, Figure 8, shows the Maslow's hierarchy of needs.

1. Motives: While some of the motives affecting a person's behavior are biological others are psychological driver by factors such as the need for recognition, self-esteem and belonging.
2. Views: A person's views is a process through which they select, organize and interpret information to create a significant picture of the world.
3. Learning: Throughout our life, we learn from different life experiences and situation. These changes in an individual's experience through learning affects his/her buying behavior.

4. Beliefs and attitude: A person's belief and attitude play a huge role in their buying behaviors. Belief can be defined as a person's faith, opinion, knowledge whereas attitude is a how a person feels towards certain things. It is important for marketers to tailor their marketing programs according to that go hand in hand with a person's attitude instead of trying to change a person's attitude.

### 3.3 Consumer Decision Process

Consumer decision process can be said to be a five-step process. Although not all five steps apply in the decision-making process for some frequently purchased products, for instance, salt. However, for most of the products the consumers go through all five steps: recognizing the need or want, a collection of information, evaluation of substitutes, buying decision and post-purchase behavior. (Kotler & Armstrong 2017, 152.) The process is illustrated in Figure 9 below.

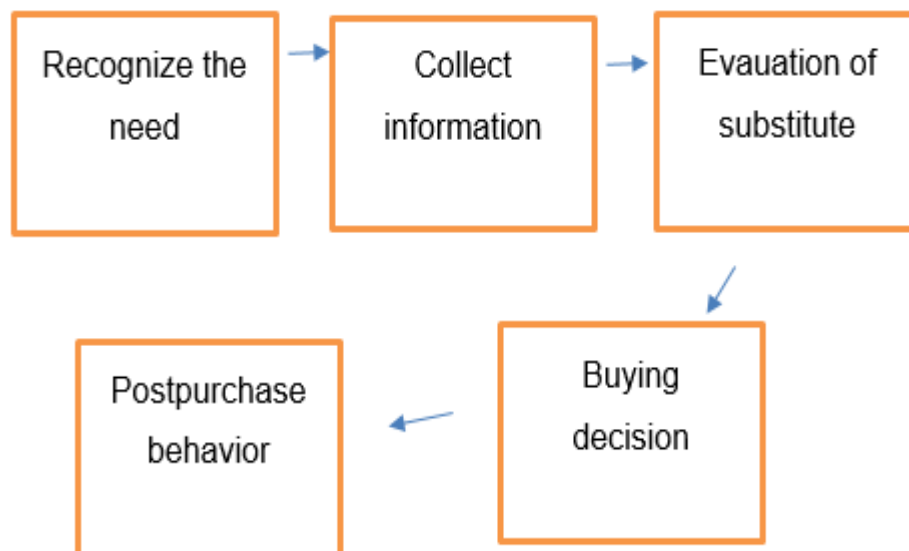


FIGURE 9. Consumer buying decision process



1. Recognizing the needs: This is where the consumer buying process starts. At this step, the consumer recognizes the need to buy a product maybe because it is a necessity or because they were persuaded by advertisement.
2. Collecting information: The consumer may or may not collect information before purchasing it depending on the nature of the product or the amount of force that pushes a consumer to buy a certain product. The consumers collect information from several places like the internet, product reviews done by social media influencers, reviews by friends and family. (Kotler & Armstrong 2017, 152-153.)
3. Evaluation of substitutes: After the consumer has decided what will satisfy their need they will then go on and compare the substitutes that are available in the market. The comparison of factors will depend on things such as price, quality, and the one with best results at its given price. (Flekel 2013.)
4. Purchase decision: In the third step, evaluation of substitutes, the consumers rank the brands that they would prefer to buy from. The final purchasing decision will the depend on the brand that is most preferred. However, there are two factors that come with the final purchasing, purchase intention and purchase decision. Purchase intention might be affected or changed due to the reviews from a close source who might suggest that they are better off buying from another brand instead of the one they decided on. Purchasing decision, on the other hand, might be affected by unforeseen changes such as an increase in the price, changes in income. (Kotler & Armstrong 2017, 154.)
5. Post-purchase behavior: The marketer's job does not end when a purchase is made but once the purchase is made it is important for the marketer to see if the consumer is satisfied with the product or service. Consumer satisfaction will help a company to keep its

customer whereas bad customer experience will only damage the brand. (Flekel 2013.)

## 4 SOCIAL MEDIA IN CHINA

In the second chapter, the authors have introduced some basic information about marketing and social media marketing. Several digital platforms that are used in the western world such as Facebook, Instagram, Pinterest and Twitter are presented. In this chapter, the authors focus on introducing the unique social media environment in China. Social media platforms and social media marketing in the Chinese market are provided to the reader in order to get a general understanding of the Chinese social media situation.

### 4.1 Social Media Platforms in China

As it is mentioned in the introduction part, the censorship in China results in the formation of a totally different social media landscape than the western world. Companies such as Facebook, Twitter and Youtube do not have the access to China's social media environment. Therefore, the social media sector in China is very local. In China, WeChat is the most popular and influential social media application with a combination of several other functions. (The Economist 2016.) The authors will give an elaborate description about WeChat later in this chapter since this application combines features of different platforms.

Any types of media with social functions can be considered as social media. Instead of the most well-known applications like WeChat or Weibo in China, platforms with social functions of video, news and life service can also be included. (Kantar 2017, 16.)

Bosomworth (2015) has created a social media marketing radar in which social media platforms are sorted and categorized based on their characteristics. This radar was created based on western social media environment. Therefore, Chinese social media platforms are not included in the radar. The Figure 10 below shows the social media marketing radar.

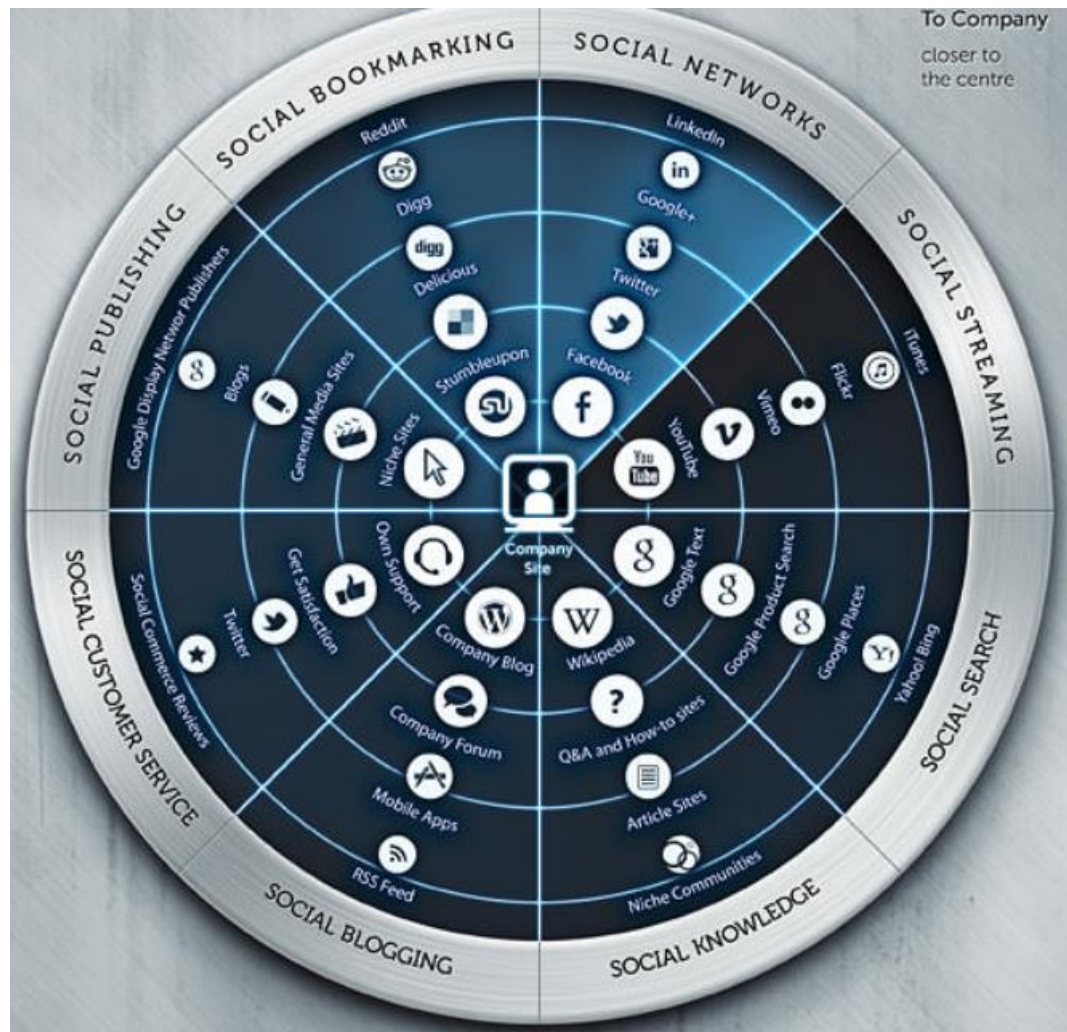


FIGURE 10. Social Media Marketing Radar (Bosomworth 2015)

Social media platforms have been categorized into eight different parts: Social networks, social streaming, social search, social knowledge, social blogging, social customer service, social publishing and social bookmarking (Bosomworth 2015). The functions of social media platforms can be shown in a clear and simple way with the help of utilizing social media marketing radar. Therefore, the authors have created a version of Chinese social media marketing radar in order to give the reader a concise understanding of Chinese social media platforms. In the following figure, the authors have changed social customer service into life service apps with reviews since the focus is on Chinese social media platforms in

general. The Figure 11 below presents Chinese social media marketing radar.



FIGURE 11. Chinese Social Media Marketing Radar

Under the title of social networks, three applications are shown in the figure: Kaixin, Renren and Douban. They operate as social networking

services in China where users can communicate, share photos with each other and find related friends. (Renren 2017; Douban 2018; Kaixin 2018.) There are four examples in social streaming category which are Youku, Tudou, Tencent Video and Letv. Different videos are shared on those platforms and they are quite similar to YouTube. In social search section, Yahoo and Baidu are listed by the authors. Baidu is the searching engines that Chinese people normally use and it has a market share of 72.73% in China (Statcounter 2018). Guoke, Zhihu and iask belong to the social knowledge category and play the same role as Quora. In those platforms, questions can be asked and waited for the responses from other users.

People can write blogs and share with the public by using platforms such as Sina blog and wangyi blog. Dianping and meituan offer individuals to order goods, rate the products or services and leave comments afterward. Social publishing platforms such as Sina Weibo or Tencent Weibo enables people to upload maximum 140 characters' posts and share them with the public (Weibo 2018a). They play almost the same role as Twitter. Social bookmarking allows people to add and share bookmarks with each other (Noll & Meinel 2007, 369). The social media platforms presented above for bookmarking are Tianya and Maopu.

In the following subchapter, the authors focus on introducing four types of social media platforms which are considered to be important for the future development of the case company. Company X has already used two social media platforms for marketing which are WeChat and Sina Weibo (Interview 1 2018). Therefore, those two kinds of platforms are introduced. In addition, the authors also select two popular social media platforms called Youku and Zhihu. Those platforms are selected to provide detailed information about social streaming platforms and social knowledge sharing platforms in China in the prospect of digging out new opportunities for Company X.

#### 4.1.1 Wechat

Tencent is a leading Internet value-added services provider founded in 1998 in China. It has grown steadily since its launch. (Tencent 2018a.) Owned by the Tencent company, WeChat was launched in 2011 as a free instant messaging and social entertainment application for the public (Tencent 2018b). WeChat has invented several more functions such as the occurrences of WeChat Official Accounts, WeChat Pay and WeChat Mini-Program after several updates of the company (China Internet Watch 2018).

WeChat Official Accounts can be used by companies in order to attract followers and reach target audiences. Companies can apply for an official account after the authorization by the platform. Official posts and brand promotion activities can be conducted by using WeChat Official Accounts. The audiences who have subscribed the account can receive messages and search information about companies' campaigns. In addition, the subscribers can also chat with the official account and receive replies from the companies related to the products or services they provide. (WeChat 2018.)

#### 4.1.2 Weibo

Weibo, literally means microblog in English, is a public social networking service for users to share information and posts with each other for no more than 140 characters. There are two most successful and biggest microblog players: Tencent Weibo and Sina Weibo. (Epstein 2011.)

Tencent Weibo is a sub-product developed by the Tencent Company in April 2010. It is a social media platform with the attributes of social networking. Until the end of September 2011, over 300 million people have registered accounts in Tencent Weibo and one-sixth of them, over 50 million people, were actively using Tencent Weibo on a daily basis. (Tencent 2011.)

Sina Weibo was established in 2009 as a Chinese social media platform in the equivalent of Twitter (Koetse 2015). On the one hand, Sina Weibo offers users opportunities to follow celebrities, individuals and companies. On the other hand, the users can be followed by other individuals and gain personal followers. Official accounts can be registered on behalfs of commercial enterprises or celebrities and verified by Sina. Via official accounts, companies can build their presences in the Weibo community. The official accounts combine both the basic functions of a user account and specific functions tailored for enterprises. After the verification, companies can monopolize topics related to their own brands and receive privileges such as search results optimization, personalized main page and advanced lucky draw function. (Weibo 2018b.)

#### 4.1.3 Youku

Youku was founded in June 2006 and after one year of development, it became one of the core representatives in video websites in China. The company merged Tudou, another Chinese video website, in March 2012 for creating an optimal win-win situation and surviving in the fierce competition in video network markets. (Lihan 2014.)

As one of the most influential digital entertainment platforms, Youku comprises four content systems and eight sub-vertical content groups. The content systems include series, variety shows, movies and animations. News, documentaries, economics, fashion, music, sports, games and self-channels constitute eight sub-vertical content groups. In addition, Youku offers VIP, virtual reality, live streaming and home entertainments. (Chinanews 2016.)

Youku has stated its vision as the first entertainment stop for youngsters and its mission as providing more positive entertainment videos. It offers a free and accessible platform for users to post original or shared videos. Video classification index function assists users to seek out interested videos and communities more conveniently. Despite individuals,



companies can also register their own accounts and post advertisements via Youku. (Youku 2018.)

#### 4.1.4 Zhihu

In January 2011, Zhihu was designed to be a society for online question and answer. The users can share knowledge, experiences and perspectives with each other. (Zhihu 2018.) At the end of 2017, Zhihu has been selected as one of the top 30 most influential Chinese businesses' cases (Mingyue 2017). The number of registered users surpassed 100 million people until September 2017 with an hour average daily access time. In July 2016, Zhihu has developed a function of institution accounts. Over 3000 enterprises, media, governmental agencies and scientific research institutions have been attracted to enter Zhihu. Besides sharing valuable information, institution accounts can interact with individual users in novel ways such as recruiting, publicizing and solving questions. (Jionghui 2017.)

## 4.2 Social Media Marketing in China

Social media sector in China is fragmented. In other words, at least two major players are competing for each other in similar social media platforms. As previously mentioned, in microblogging, there are two major companies: Sina Weibo and Tencent Weibo. Different players have different strengths, audiences and areas of focus. A simple social media marketing strategy cannot apply to all platforms. (Chiu, Ip & Silverman 2012.) Thus, social media marketing strategies should be implemented differently based on the characteristics of social media platforms.

### 4.2.1 WeChat Marketing

After the launch of WeChat, it has rapidly become a communication application for the public. Most of the individuals who own a smartphone have their own WeChat accounts. Based on the superior practicability of

WeChat, it has integrated into various aspects of people's lives. One of the biggest features of WeChat is the openness of official accounts which form a unique environment for marketing. In addition to official accounts, moments, in which people can share posts, WeChat groups and peer to peer communication have also satisfied the application of WeChat marketing. The emergence of WeChat marketing has shifted the focuses from traditional marketing into digital marketing and created invaluable worth for enterprises. (Yan 2014.)

WeChat marketing has several characteristics that can be distinguished from other marketing channels. Firstly, WeChat marketing is a strong tie based marketing mode. The action of adding new friends is mutual and should be confirmed by both parties. Thus, the breadth of WeChat marketing is not comparable with other channels. Word-of-mouth marketing should be emphasized in WeChat marketing. Secondly, WeChat is a social media platform designed for communicating and it has a weaker media attribute. Thirdly, the official accounts should be manually subscribed by users. Therefore, the subscribers of companies' official accounts are frequently loyal customers. Fourthly, WeChat has the function of pushing notifications to its subscribers. Companies can send information through voice messages, text messages, pictures or videos to their subscribers based on their needs. (Yalong 2018.) However, defined by WeChat's regulations, official accounts are only allowed to publish once per day with single or multiple messages to its subscribers (Tencent 2018c). The following figure, Figure 12, describes an example of one official account's content composing with multiple messages.



FIGURE 12. Example of one official account's content composing (Shidianshipin 2018)

WeChat marketing is mainly targeted for mobile application users through posting articles and publicizing products with the combination of official accounts' payment and activity functions. Via WeChat, a unique online to offline marketing mode has been shaped for companies to utilize. In practice, WeChat marketing offers enterprises several benefits which

replace traditional marketing in a more efficient way. First, the utilization of companies' information is increased. Individual users have the capacity of forwarding enterprises' posts to their own moments or to other people for the effective spread of companies' information. Second, WeChat marketing has a broader developing perspective. Companies can send messages to their subscribers in a more flexible way by utilizing mobile phone. Third, as other digital platforms, WeChat marketing decreases the marketing expenses and offers a free platform for companies. (Wanhong 2018.)

#### 4.2.2 Weibo Marketing

Weibo marketing has been generated naturally on account of the prosperity of Weibo. Weibo marketing is based on individuals' or companies' accounts as marketing platforms. Companies could utilize Weibo's follow mechanism to spread information related to products or companies. (Wenwen 2014.) Unlike WeChat, following another account is not a mutual behavior. In other words, the action of following or unfollowing other people can be completed without any permissions or notifications. Furthermore, Weibo is a public platform for its users. The information posted in Weibo are entirely transparent which could be found by any Weibo users. Therefore, Weibo marketing has a broader scope in comparison with WeChat marketing. (Yalong 2018.)

Weibo marketing has some features that could not be replaced by other forms of marketing. First, marketing through Weibo has strong timeliness and effectiveness. With a maximum of 140 characters' limitation, designing Weibo posts are simpler than other traditional forms of digital marketing. Second, more flexible interactions with users can be realized. Companies can search brand-related topics or answer questions under posts. Through Weibo, a quicker and more cost-efficient manner is implemented for solving customers' problems. Third, Weibo marketing is a three-dimensional marketing approach. In virtue of multimedia technology, the products can be described and promoted via texts, pictures or videos to

the customers. Fourth, the marketing results are shown instantly. A heated post has the potential to reach every corner in Weibo's world within a short time. Thus, companies can measure their marketing results rapidly.

(Zhijian 2013.) Weibo marketing makes up the missing part of traditional marketing. By utilizing Weibo as a marketing tool, companies possess a platform for accumulating followers, freely popularizing brands, marketing products and communicating with potential customers (Hongxia 2011).

## 5 CASE COMPANY INTRODUCTION

In this chapter, the authors first provide an overall picture of the case company and introduce the vision, mission, products, brand and target customers of the company. In addition, the authors present Company X's current marketing activities, social media utilization and the competitors in the Chinese market to give a solid base for the empirical research in the next chapter.

### 5.1 Case Company Overview

Company X is a subsidiary of a large furniture company which was founded in 1945 in the U.S. The parent company is among the top-selling furniture retail store brand in the U.S. Until February 2018, the Company X group has more than 800 retail stores and operates in 123 countries around the world. In 2002, Company X was established in China together with a manufacturing facility to ensure the delivery of the furniture. (Company X 2018.)

#### 5.1.1 Vision and Mission

Companies develop mission and vision statement to share with managers, employees and public. The vision statement describes the direction of the company for the next few decades and the mission statement provides purpose, direction and opportunity to the company. (Kotler & Keller 2012, 38.) The vision of Company X group is to provide a total room solution for the customers and become one of the best furniture retail companies around the world. The mission of the company is to improve the quality of the furniture, reduce operating cost, expand business and operate in a sustainable way. (Company X 2018.)

#### 5.1.2 Products

Company X has thousands of furniture products. They have categorized their products into four distinct lifestyles which are New Traditions,

Contemporary, Urbanology and Vintage Casual. New Traditions is based on traditional American style furniture with the mix of high-efficient production method and diverse decoration materials. It reveals the details of the furniture in a softer and more delicate way and represents the main current and model in the furniture industry. Contemporary has distinctive characteristics and the simplicity of the usage in lines gives expression of an untrammelled lifestyle. It is the preferred choice in terms of housing decoration. Urbanology links the city appearance with furniture and it is designed to attract younger customers and bring more opportunities. Vintage Casual blends tradition into modern and illustrate the right balance between simple and complexity to provide an enduring appeal for homes. (Interviewee 1 2018.)

### 5.1.3 Brand

A corporate brand can be considered as one of the most treasurable assets within the company (Stewart & Gugel 2016, 201). Brand positioning determines how consumers treat and locate the products or services in their minds. A well-designed brand positioning can help companies better locate themselves, stand out from their competitors and generated maximum potential benefits. (Kotler & Keller 2012, 276.) Company X offers the authentic American furniture style, extraordinary quality and outstanding cost performance to customers. They position the corporate brand as a loyal partner in thousands of homes and they aim to stimulate inspiration and create dream homes as the brand proposition. (Interviewee 1 2018.)

### 5.1.4 Market Segmentation

Buyers have different needs, resources, buying attitudes and behaviors when they make the purchasing decision. Therefore, it is of utmost importance for companies to divide large markets into smaller segments. By segmenting customer markets, products and services provided by

companies can be reached more efficiently to match the unique needs of the customers. (Kotler & Armstrong 2014, 214-215.)

Demographic segmentation divides the market based on demographic factors such as age, gender, income and education. Age and life-cycle segmentation are used for targeting a specific age or life-stage groups. Gender segmentation segments the market based on gender and has been used in clothing, cosmetics, toiletries, etc. Income segmentation divides the market into different income groups. Companies utilize different segmenting strategies to attract their target customers based on their needs and wants. (Kotler & Armstrong 2014, 215-218.)

Company X targets the potential customers based on demographic segmentation. The potential customers are described as Chinese married females aged between 26 to 40 with education backgrounds of Bachelor degree or higher. Their annual personal incomes are greater than 130 thousand Yuan and household incomes are greater than 270 thousand Yuan. (Interviewee 1 2018). The current exchange rate between Yuan and Euro is 1 EUR = 7.78952 CNY. In order to illustrate the incomes more clearly, the authors convert the above numbers from Yuan into Euro which are €16,689 and €34,657 respectively. (XE 2018.) Since the target customers' annual household incomes exceed 229 thousand Yuan, they are considered as affluent groups with relatively high incomes in China (Barton, Chen & Jin 2013). Their motivations are to decorate new houses or make small-scale home improvements (Interviewee 1 2018).

## 5.2 Current Marketing Situation in Company X

Company X owns a marketing department in China and the marketing team designs the marketing strategy for the company in the Chinese market. Company X utilizes both traditional and digital marketing methods including sponsorship, advertising and social media marketing.



### 5.2.1 Sponsorship

Company X has sponsored China Open Tennis Championships as the exclusive furniture sponsor for three years since September 2016. It offered comfortable and artistic American style furniture in office areas, lounges, cafeterias and VIP rooms during the championship. Based on the theme of the open tournament, Company X proposed My Home Field, My Home as the slogan to provide pure American style furniture experience for players and staffs. (Interviewee 1 2018.)

### 5.2.2 Advertising

Company X has designed different forms of advertisements to market its products in several marketing channels. Traditional advertising is used in Company X in the form of print advertising and outdoor advertising. Those advertisements are printed in domestic newspapers and magazines, displayed as outdoor billboards and posted in public places such as department stores, subway stations and cinemas. In addition, Company X has created video advertisements annually and posted them on different web portals and its own website as digital advertising. (Interviewee 1 2018.)

### 5.2.3 Social Media Utilization

Until 2016, Company X has mainly put the focus on traditional marketing activities. After realizing the potential benefits brought up by digital marketing, Company X has partially shifted its focus towards social media marketing. Currently, Company X owns accounts for marketing purposes in two social media platforms which are WeChat and Weibo. (Interviewee 1 2018.)

Company X has registered its official WeChat account since April 2016. The basic information about the company, upcoming sales and product pictures are provided on the front page of the account. Also, the official account actively posts furniture maintenance tips, activities' information or

decoration inspirations several times per week. (Company's WeChat account 2018.)

Weibo is another form of social media that has been used by Company X actively. Until today (March 26, 2018), the Company's Weibo account has shared 3053 posts. It follows 136 accounts and has been followed by over 80 thousand people. (Company's Weibo account 2018.)

### 5.3 Competitors in Chinese Market

As it is mentioned earlier in this chapter, the case company is striving to provide a great selection of furniture products in a cost-performance and fast way. Thus, Company X has been categorized as a fast-fashion brand in the furniture industry (Interviewee 1 2018). The up-to-the-minute trends in apparel industry have trained the customers to behave the same way in furniture and home goods industry. Customers demand faster, cheaper and more fashionable furniture products. (Griffith 2017.) This trend has influenced some furniture companies to shift themselves into fast-fashion brands and created a more competitive environment for Company X in the Chinese market.

The main competitors of Company X in the Chinese market include

- Harborhouse
- Markor Furnishings
- Universal Furniture
- D.U.S.A
- Suntisbo
- Fairmont Design.

The above companies are several furniture companies. They run their businesses in China and all of them are either considered as American style or fast-fashion companies. They serve similar kinds of furniture like

Company X and could be recognized as the competitors of Company X in the Chinese market. (Interviewee 1 2018.)

## 6 EMPIRICAL RESEARCH AND DATA ANALYSIS

In this chapter, the authors introduce the empirical research that was designed for the thesis. There are three main parts of this chapter which are research design, data collection and data analysis. Firstly, the authors explain how the study is designed. Secondly, the research methodologies are presented. Finally, the authors analyze the collected data from the conducted research and determine how is the behavior of the case company's target customers.

### 6.1 Design and Formulation of the Empirical Research

As it is mentioned in the first chapter of the thesis, there are two common methods used in business research: qualitative and quantitative.

Quantitative research methods deal with the explanation of collected numbers. Qualitative research methods emphasize more on the interpretation of a certain phenomenon. (Saunders et al. 2016, 165-166.) In the thesis, the authors utilize both qualitative and quantitative research method for the empirical study.

The authors implement three different kinds of ways to obtain information: Interview, survey and the collection of Company X's written documents. Interview and survey constitute the main sources of primary data of the thesis. The research aims to understand how are the behaviors of Company X's target customers in terms of utilizing social media and purchasing bulky goods. The figure below illustrates the design and formulation of the empirical research of the thesis.



FIGURE 13. Design and formulation of the empirical research

First, statistics were collected from the written documents of the case company and the Internet. The authors gathered general information, social media utilization of the case company and interpreted the performance of Company X's social media utilization of the following two social media platforms: WeChat and Sina Weibo. The aims were to get a deeper understanding of Company X's current situation about social media.

In the second part of the empirical research, the authors conducted an interview with case company's marketing managers. The interview took place in March 2018 via Skype. Company X's marketing manager provided the needed useful information to the researchers. The language used in this interview is Chinese and the authors have translated the questions into English. Questions asked in the research can be found in appendices of the thesis both in Chinese and English version.

In the third part of the research, a survey was conducted to find out the behaviors of the case company's target customers in social media. After collecting information from the survey, the authors conduct a development plan in the following chapter for helping the case company to improve its social media marketing performance. As the target market is in China, the authors have designed and posted several identical questionnaires in different digital platforms in China. Besides, the authors have also translated the survey in English. Both versions of the survey can be found from the appendix of the thesis.

## 6.2 Data Collection

This chapter describes the data collection phase of the thesis. The data collection period started from March to the end of April 2018. In addition, since one of the authors has done her summer internship in the company in 2016, the information gathered back then was also utilized as the secondary source of the thesis. The Figure 14 below demonstrates the stages of data collection.



FIGURE 14. The stages of data collection

The authors started to write the thesis in March 2018. After receiving the permission from the case company, the next step was to collect

company's data. One of the authors has retrieved and utilized some of the company's collected marketing data when completing her practical training period in the company during summer 2016. Up-to-date data related to social media utilization of the company were also collected by the authors in March 2018. Then, the authors contacted the marketing manager of the case company for an interview. The interview was conducted on 25th of March 2018 in a semi-structured way. Case company's marketing manager gave answers and his own perspectives about the product categorize, brand proposition, target customers, marketing activities and its competitors. The aim of the interview was to gain first-hand information and the insights from the internal views of the company.

After conducting the interview with the marketing manager, the authors decided to design a survey to gather external views from Company X's target customers. The survey was published on 6th of April 2018 and it was opened for 10 days. The survey was shared on several Chinese digital platforms. Moreover, the authors have sent the link to the survey to several purchased customers via email with the help of Company X's sales manager. The survey was responded by 130 people within 10 days. From the authors' perspectives, the number of respondents was satisfactory.

### 6.3 Data Analysis

In this part, the authors analyze the data received from the interview and the survey. Firstly, the interview with the marketing manager is presented. Secondly, the authors provide the results of the survey and interpret the results based on the findings.

#### 6.3.1 Interview with Marketing Manager

Company X is a furniture company that was established in 2002 in China. Its parent company was founded in 1945 in the U.S. It offers a total home decoration solution with a value-added shopping experience to the customers. The interviewee emphasizes the importance of understanding

its target customers. All of company X's core actions are guided by the customers. The aim is to create genuine valuable relationships with customers through fulfilling their expectations toward furniture products. All the crucial services and links ranging from social media, retail channels, customer services to consulting, provided by Company X are based on customers' authentic needs. Company X is devoting to assist customers to find the right products, exhibit individualities and build dream homes. (Interviewee 1 2018.)

The marketing manager mentions that in addition to attracting potential future customers through marketing activities, creating long-term relationships with customers are also crucial for the company. The company is striving to provide appealing factors that foster the repurchase of different furniture products by the existing customers. Once the customers gain enjoyable buying experiences from Company X, the possibilities of repurchasing in the future have been increased. The marketing manager says that Company X owns plenty of loyal customers who are satisfied with the user experiences and made their purchase decision again with Company X's products. (Interviewee 1 2018.)

Currently, the social media marketing of furniture companies in China is still in the initial stages. The development of social media marketing in traditional industries, furniture industry as one of the representatives, is slower compare to emerging industries. Physical experiences in traditional stores are indispensable. However, the momentum of marketing through social media in the furniture industry is emerging. Therefore, Company X decided to grasp the opportunity of marketing products through social media platforms at the beginning stage and to keep up with the trend. (Interviewee 1 2018.)

Company X owns both traditional and digital marketing channels. The company has mainly focused its marketing activities through traditional channels until 2016. Since then, the company has partially shifted its marketing activities towards social media marketing. Now, the company owns accounts on two different social media platforms: WeChat and Sina



Weibo. The marketing manager of the company says that they have been managing WeChat and Sina Weibo official accounts since April 2016 and respectively. (Interviewee 1 2018.)

Until today (April 16, 2018), company's official Weibo account has shared 3056 posts with over 81 thousand followers. The name, descriptions and classification of the company can be found on the main page of company's Weibo account. In addition to posts, the company has also published 21 long articles about company's campaigns, sales activities and information about furniture exhibitions. (Company's Weibo account 2018.)

Until 25th of March 2018, company's official WeChat account has over 40 thousand followers. On average, at least five posts are being posted every month while most of them are original posts with watermarks. However, the company also share reprinted articles about furniture knowledge occasionally. The interviewee also mentioned that attracting potential customers through social media channels especially in WeChat is hard since contents are only published to company official account's subscribers. Therefore, the case company might not be well-known by its potential customers. (Interviewee 1 2018.)

### 6.3.2 Analyzation of the Survey

The authors designed a survey based on Company X's target customers in order to find out their behaviors in using social media platforms. The target customers of Company X are females aged between 26 to 40 with education backgrounds of Bachelor degree or higher. Moreover, their annual personal incomes are usually greater than 16 thousand euros. (Interviewee 1 2018.) The authors considered the difficulties of finding the right samples randomly from the public and therefore decided to contact Company X's employees for help. With the help from the sales manager, the survey's link was sent to 327 existing customers via emails. In addition, the survey's link has been shared by employees of Company X in the retail stores and the authors through WeChat. The survey was opened for 10 days and a total of 130 answers were collected for the analysis.

In the title of the survey, the authors pointed out age range, the gender that match with Company X's target customers. Furthermore, the authors emphasized that this survey is targeted for upper middle-class people when distributing the questionnaire. There are eight questions in the survey with both single choice and multiple-choice questions. The survey can be found in the appendix.

## Q1: EDUCATION BACKGROUND

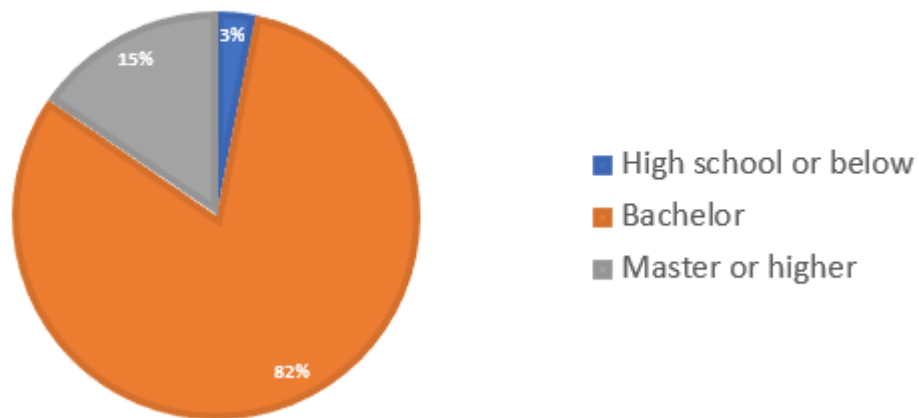


FIGURE 15. Education Background

The above figure, Figure 15, shows the first question of the survey. The authors decided to ask the educational background of the respondents in order to make sure that the statistics collected are valuable for the case company based on the target customers. According to the data, the respondents with education background of Bachelor or higher represented 97% of the sample. It can be considered as a valuable sample for the case company.

## Q2: Personal annual income

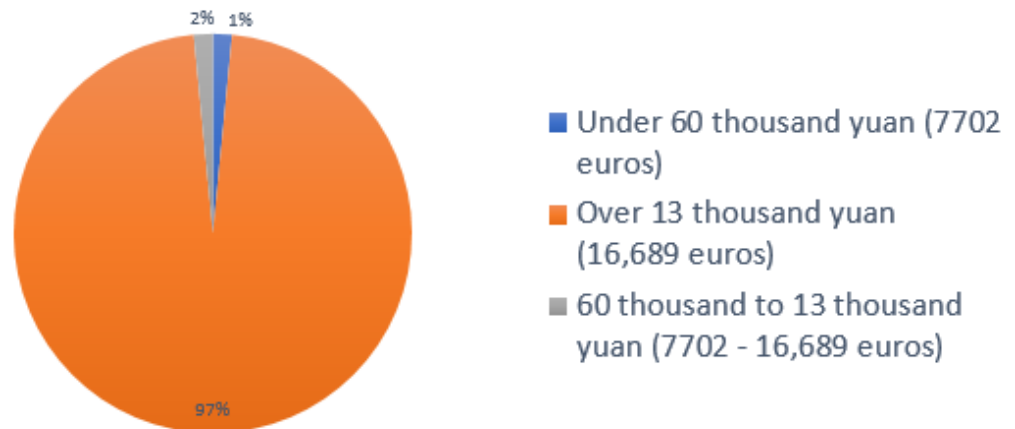


FIGURE 16. Personal annual income

Figure 16 shows the second question of the survey. In the second question, the authors asked about annual personal income of the respondents. As is shown from the result, 97% of the respondents earned an annual income greater than 60 thousand yuan or 16,689 euros which meet the description of company X's target customers (XE 2018). The first two questions confirmed that the majority of the respondents satisfied the requirements and they could be considered as Company X's target customers.

### Q3: Frequency of daily social media usage

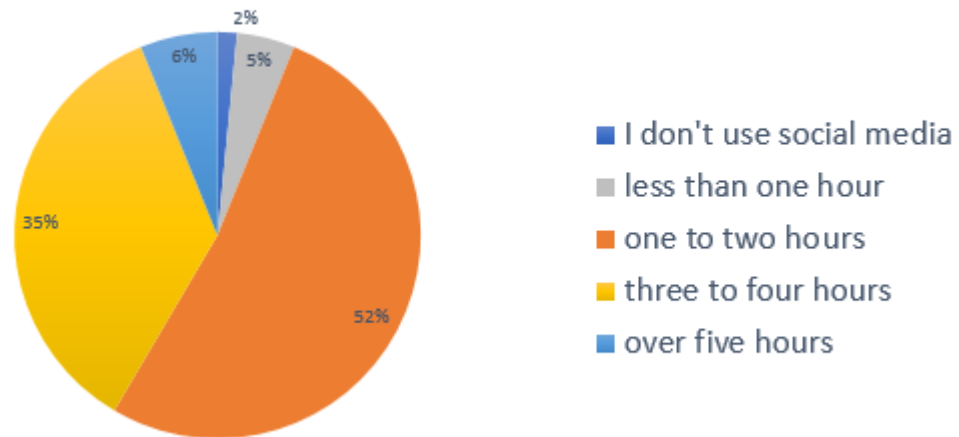
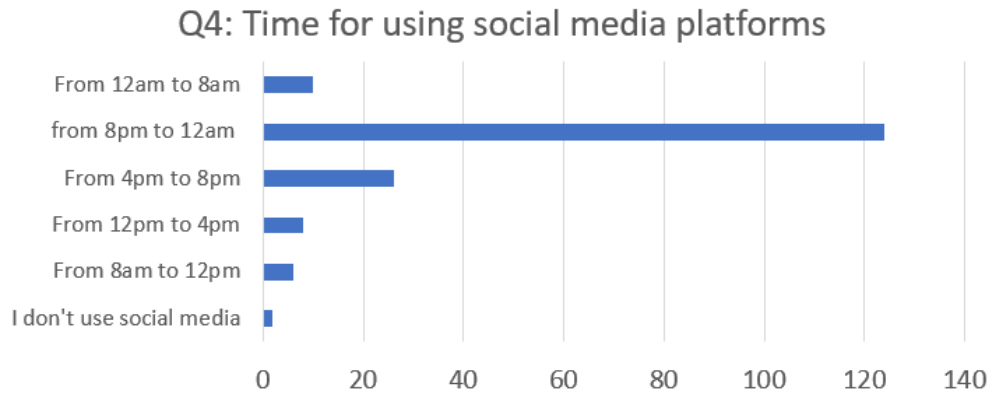


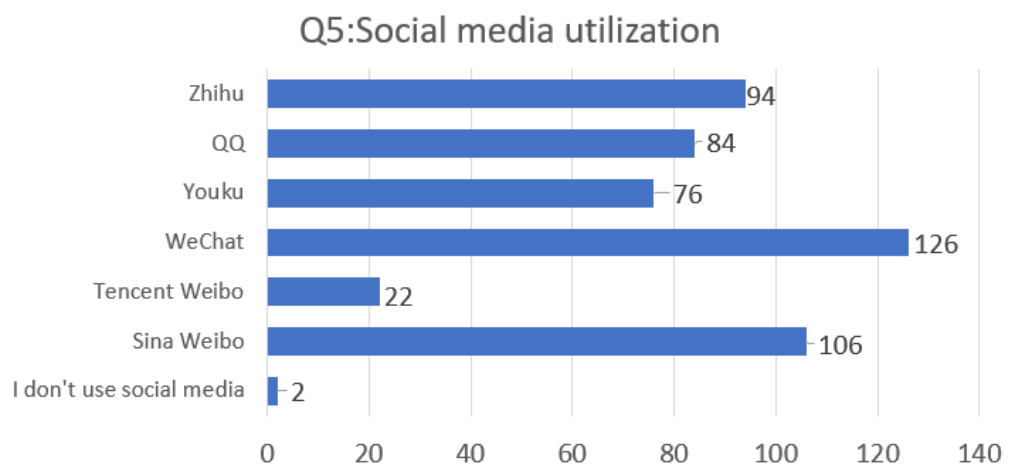
FIGURE 17. The frequency of daily social media usage

The above figure, Figure 17 shows the third question of the survey. The third question aimed to discover the frequency of daily social media usage of the respondents. Over half of the respondents spent an average of one to two hours and 35% of the people spent three to four hours per day on social media platforms. Six and five percent of the respondents spent respectively over five hours or less than one hour per day on social media platforms. Only two of the respondents did not use any forms of social media platforms. The result showed that Company X's target customers mainly spend one to four hours on social media platforms every day. Only minority of the respondents are inactive social media users. Therefore, Company X should utilize social media as an effective marketing tool for attracting potential customers.



**FIGURE 18.** Time for using social media platforms

Figure 18 illustrates the fourth question of the survey. The fourth question is a multiple-choice question aimed at finding out in which time range do the respondents use social media platforms. 124 out of 130 respondents selected the time range from 8 pm to 12 am. The second frequent time form the respondents is 4 pm to 8 pm which amounted to 26 people. Most of the respondents spent time on social media platforms after working time.



**FIGURE 19.** Social media utilization

Figure 19 shows the fifth question of the survey. The fifth question asked about the utilization of different social media platforms. The authors selected those platforms based on the theoretical part of the thesis in the fourth chapter. 126 out of 130 respondents used WeChat, which ranked the first in the figure. The second and third most popular social media platforms among those options were Sina Weibo and Zhihu, with 106 and 94 respondents using them. Surprisingly, only 22 out of 130 respondents owned accounts in Tencent Weibo. The result showed that Company X should still maintain its focus on Sina Weibo and WeChat marketing. However, building company presence on Zhihu seemed to be an opportunity.

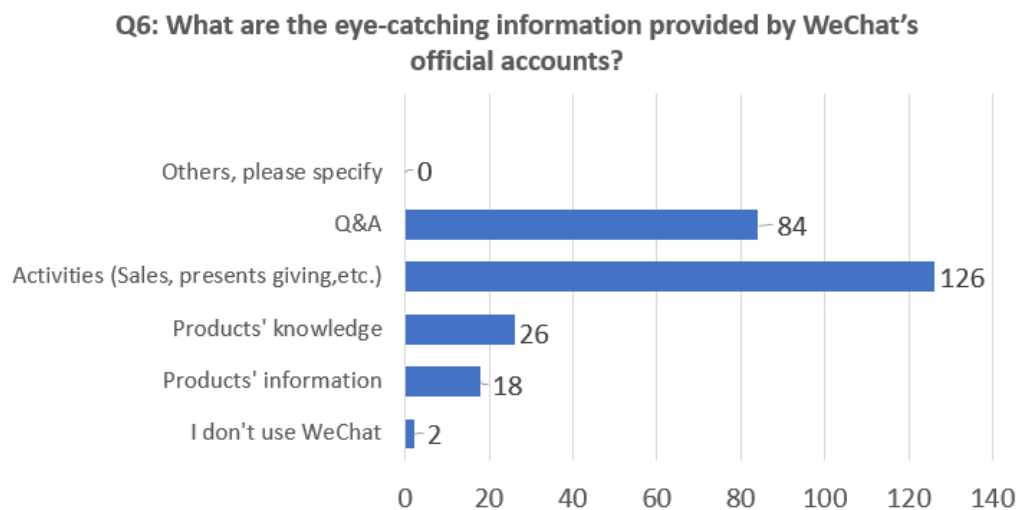


FIGURE 20. Eye-catching information by WeChat's official accounts

Figure 20 presents the sixth question of the survey. In the sixth question, the authors wanted to understand how could the case company improve its WeChat's official accounts. Thus, a multiple-choice question about WeChat official accounts' eye-catching information was presented. According to the figure above, 126 respondents were interested with activities provided by the official accounts such as sales information, presents giving, lucky draw, etc. 84 people cared about getting answers

and replies from official accounts. Only small amount of the respondents concerned information of products and product-related knowledge.

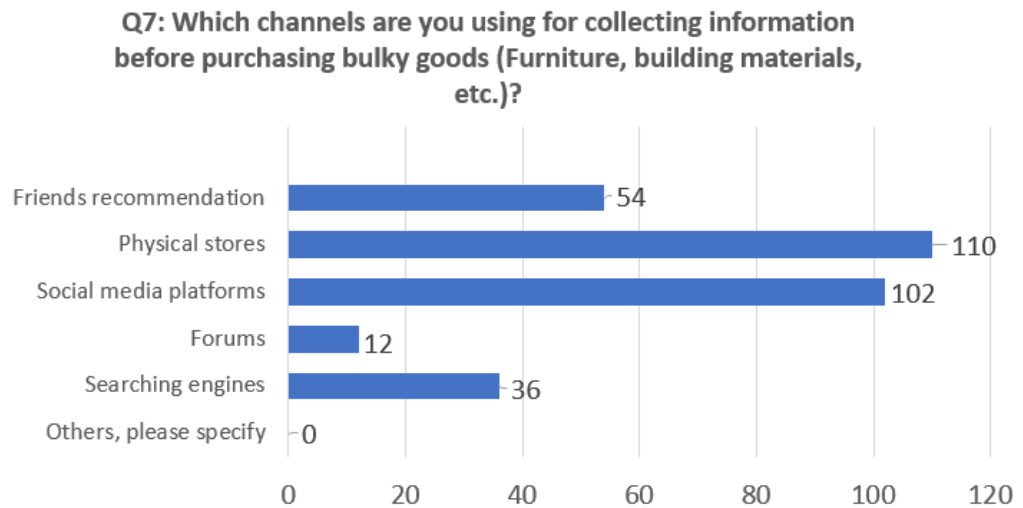


FIGURE 21. Information gathering channels before purchasing bulky goods

Figure 21 presents the seventh question of the survey. After comprehending the social media behaviors of the case company's target customers, the next step was to find out their information searching behaviors. The multiple-choice question was designed to figure out which channels do the respondents use before purchasing bulky items like furniture. Bulky goods refer to items that are massive in terms of volume. They are hard to transport and carry around compared to other items. Furniture is under the category of household bulky items. (Brian & Laura 2017.) The authors have explained the meaning of bulky items at the beginning of the survey to offer the respondents a clearer understanding. 110 out of 130 people still preferred visiting a physical store before making the purchasing decisions. However, it was surprising to find that 102 respondents utilized social media platforms for information searching. Besides, friend recommendation also took a place. 54 people inquired their friends' opinion while searching information about the products. When

buying bulky goods, visiting the physical stores was still the most popular choice. However, a great number of respondents also expressed their actions of searching information through social media channels.

### Q8: Will you repurchase other bulky goods from the same company?

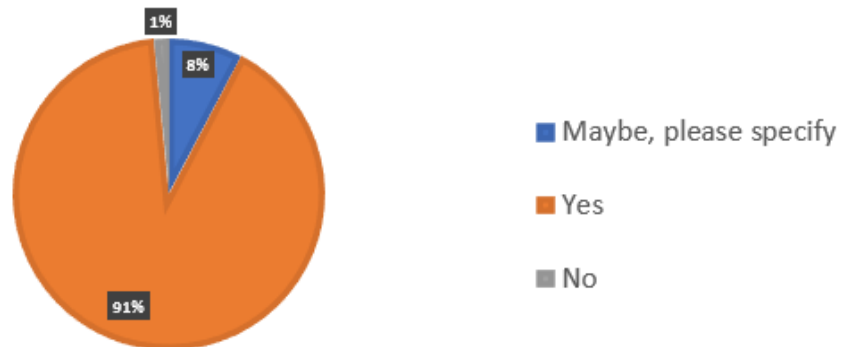


FIGURE 22. Repurchase of bulky goods

Figure 22 present the eighth question which was the last question of the survey. The authors asked about the possibilities of purchasing other bulky products, including furniture products, from the same company if buying demands are generated. 91% of the respondents replied the willingness of repurchase from the same company. Only 1% of the respondents expressed the unwillingness. The authors also offered a maybe choice in which respondents were welcome to voice themselves freely. 8% of the respondents pointed out that the determinants of the repurchasing behaviors were shopping experiences, product satisfaction and the qualities of after-sales services received from the company.

The results of the survey illustrated that Company X's target customers mainly spend one to four hours per day after working hours on social media platforms. The commonly used social media platforms are WeChat, Sina Weibo, Zhihu and QQ. They were interested in published activities and question and answer section provided by Companies' WeChat official



accounts. Over 90% of the respondents were willing to repurchase similar kinds of bulky goods again from the same company if needs are raised. Ten respondents also specified that their willingness to repurchase if the overall experiences they received from the previous time were approving. Based on the results, the authors designed a development plan for the case company which is presented in the next chapter.

## 7 DEVELOPMENT PLAN

After gaining both the theoretical knowledge and empirical research results, the authors conduct a development plan for the case company in the following chapter. The chapter has been divided into two parts. First, the authors analyze Company X's social media marketing with the utilization of SWOT analysis. The authors interpret Company X's internal strengths and weaknesses of utilizing social media platforms. In addition, external opportunities and threats in the big picture are also introduced. Based on understanding those four decisive factors, the authors present several suggestions in further developing Company X's social media marketing performance.

### 7.1 SWOT Analysis

SWOT analysis is a useful tool for organizations to develop suitable strategies. These four characters, respectively, represent strength, weakness, opportunity and threat. Thanks to SWOT analysis, organizations have the capabilities to compare self-strengths to competitors' in terms of both internal and external factors and focus resources on future development. (Johnson, Scholes & Whittington 2008, 119.)

The application of SWOT analysis is based on identifying different dominant factors for the analyzation of companies' current environments, i.e., external environment and internal environment. Internal environment includes positive and negative factors that exist within the organizations. Those subjective factors can be analyzed based on the performances of different departments such as administration, marketing, human resource, sales and finance. External environment describes the factors that either promote or restrain companies' developments. Economic, social, political factors and competition within the industry can be classified under the category of external environment. Researchers should not only consider the history and current situation of the company but also focus on the

future development with the utilization of SWOT analysis. (Assen, Berg & Pietersma 2009, 64-67.)

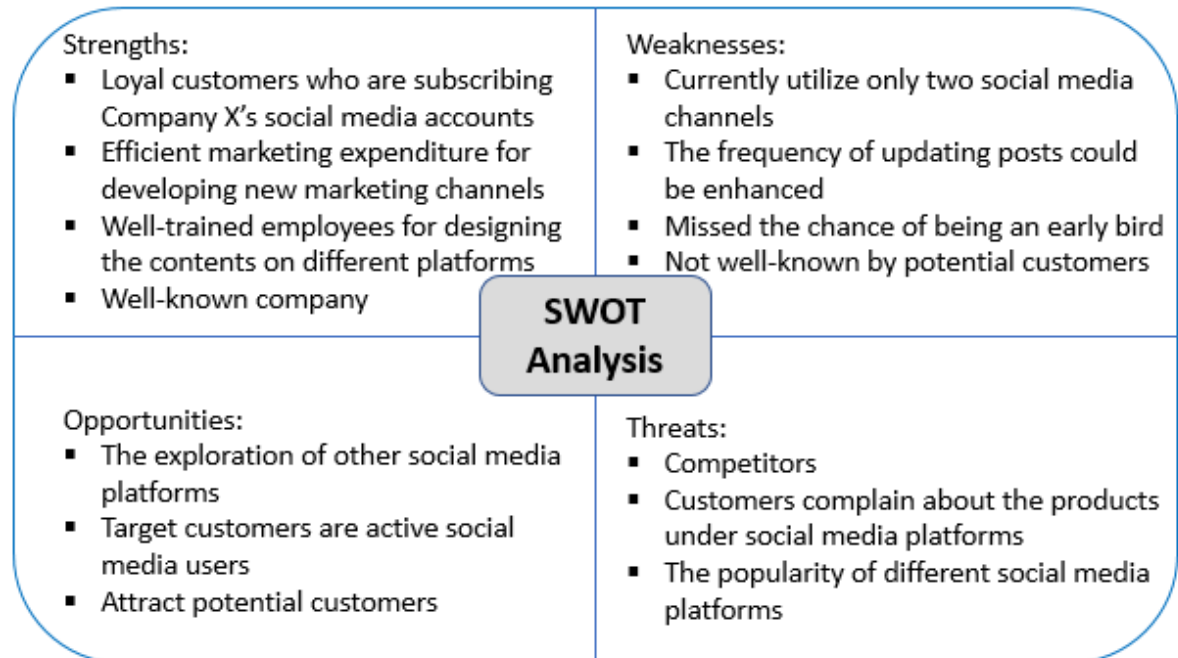


FIGURE 23. Company X's social media marketing SWOT analysis

The Figure 23 above illustrates Company X's SWOT analysis designed by the authors. In the following sub-chapter, the authors will give a more elaborate description of the result of SWOT analysis. The analysis is based on information that authors collected from the interview with the case company's marketing manager, survey and company's existing documents.

### 7.1.1 Strengths

Company's official Sina Weibo and WeChat accounts respectively have more than 81 thousand and more than 40 thousand followers. Thus, it could be said that Company X owns influential social media accounts. A large amount of the followers are loyal customers who have purchased furniture products from Company X and they have been constantly

following the activities and promotions offered by the case company. (Interview 1 2018).

Another strength that Company X owns is the efficient marketing budget. Social media marketing is an effective way of marketing with low costs (Coles 2015, 3). The current platforms that company is using now are free of charge. Company X's marketing team takes charges of using annual marketing budgets with the enhancement of marketing activities. Therefore, they have the capability to allocate a part of the money for designing activities on social media platforms.

The case company hires well-trained employees for the maintenance of company's social media channels. Those employees have previous experiences on designing social media contents and activities for providing information and grasping followers' attention. In addition, Company X has a history of 16 years in the Chinese market and it is a relatively well-known company.

#### 7.1.2 Weaknesses

At the moment the company is utilizing only two social media channels which are Sina Weibo and WeChat. Instead of effectively maintain current social media channels, Company X should also consider using other social media platforms. Company X posts at least five posts on WeChat every month which equates to one post every week. Based on the results of the survey, Company X's target customers are using social media frequently on a daily basis and over 95% of them have WeChat accounts. Therefore, the frequency of updating posts on WeChat could also be enhanced.

Even though Company X has seen the opportunities of social media marketing early enough in the furniture industry and implemented development plans, it still missed out the chance of being an early bird to cooperate with those social media companies. Therefore, Company X may need several more years of collaboration for gaining more benefits they offer for companies. In addition, since the contents on WeChat are private,

users need to subscribe the account in order to actively receive posts. Therefore, it is not well-known to potential customers who are not subscribing Company X's WeChat account. Company X can design activities such as sharing posts with friends to win the prizes for attracting more customers.

### 7.1.3 Opportunities

As it is mentioned, Company X only owns two social media channels which are WeChat and Sina Weibo. There are other social media platforms that Company X could make use of. Based on the result of the survey, the authors found out that Company X's target customers are also actively using Zhihu as one of their main social media channels. Company X should grasp the opportunity that Zhihu offers and answer questions related to the furniture industry. Furthermore, because around 58% of people answered that they use Youku in the survey, utilizing Youku for posting advertising videos of the case company can also be a good experiment.

Company X's target customers on average spend one to four hours per day on social media. They are actively using WeChat, Sina Weibo and Zhihu. Company X should still focus on WeChat and Sina Weibo with the addition of Zhihu.

### 7.1.4 Threats

Company X has many competitors in the Chinese market who offer either similar kind of American style products or are considered as fast-fashion companies. There are great threats of running similar kinds of social media marketing strategies by other competitors. Thus, Company X should take advantage of the efficient marketing budgets and design marketing strategies which will make it stand out from other competitors.

Another threat to the case company is the feedback received from the customers. Social media sites have the capacities to publish instant

information and news. Comments posted on social media platforms can be spread in a faster way and have larger impacts. (Lin, David & Cao 2013.) Posting negative feedbacks of companies on social media platforms are effortless. Therefore, the company should be responsible for their own products and do their utmost to maintain good relationships with their customers for gaining positive feedbacks.

Finally, since nobody can guarantee that current social media platforms will stay popular in the future, newly invented platforms might replace the current social media platforms and become the mainstream of social media. Company X must have insights into new market trends and decide where should the focus be in the future.

## 7.2 Suggestions for the Case Company

The authors put forward several suggestions for the future social media marketing development of the case company based on both theoretical and empirical results of the thesis. Those suggestions are presented as follows:

- Utilize other social media channels such as Zhihu and Youku. Beforehand, the authors have thought about suggesting Company X use Tencent Weibo as a marketing tool. However, the results from the survey shown that, for the company's target customers, the frequencies of using Tencent Weibo did not meet authors' expectancies. Therefore, the company should consider utilizing Zhihu as an opportunity for attracting more potential customers. In addition, attaching information about other company-owned social media channels at the end of every post can also increase the exposure rate. In addition, if company's marketing department has extra energy, the authors would also recommend the company to post advertisements on Youku.
- Increase the frequency of uploading posts. Based on the survey's results, Company X's target customers are familiar with social media and on average, they spend one to four hours per day on

browsing social media sites. The current rate of posting on company-owned social media platforms are relatively low.

Therefore, the authors would suggest the case company update at least four times per week on each social media channel. The preferably updating time would be the in evening where most of the target customers get off work and spend time on social media channels. Moreover, utilizing automatic timers to upload prewritten posts in the evening are also recommendable when Company X's employees are off duties.

- Focus on maintaining good relationships with customers through social media. From the survey results, the authors found out that most of Company X's target customers declared that they would repurchase furniture from the same company if demands increase. Thus, Company X should manage relationships with existing customers for enhancing the maximum repurchase rate.
- Recommend the customers to assess furniture products they bought, share their consumption experiences and post them on social media channels. In order to encourage customers, incentives such as giving discount coupons might be needed. Furthermore, after receiving negative comments on social media platforms, the case company should put their utmost efforts for solving problems to the customers.
- Post activities on social media platforms. According to the results of the survey, most of Company X's target customers are interested in participating in activities. Thus, designing diversified activities on WeChat and Weibo are also necessary. Under this circumstance, the interactions with followers are reinforced.

To summarize, the SWOT analysis based on Company X's social media marketing is presented. The authors described the strengths, weaknesses, opportunities and threats of the company. Then the author came up with five suggestions for Company X to implement for further developing the social media marketing performance.

## 8 CONCLUSION

This chapter concludes the thesis. Answers to the research questions are presented followed by the next part which focuses on reliability and validity of this study. Finally, the chapter gives suggestions for further research.

### 8.1 Answers to the Research Questions

The study focused on social media marketing, customer behavior and using social media marketing to reach and communicate with a target audience in the Chinese market. Company X wanted to use social media marketing to reach and interact with its target audience in the Chinese market due to which the main research question asked in this thesis was: **How can the case company, Company X, improve its social media marketing by understanding its target customers' online behaviors?**

The chapter first answers subordinate research questions and then provides an answer to the main question. The subordinate questions are discussed below.

#### **What are the common social media platforms used in China?**

As discussed in chapter 4, the most commonly used social media platforms in China are, WeChat, Weibo, Youku and Zhihu. There are several different categories of social media platform that WeChat, Youku, Weibo and Zhihu fall into. Such as, Youku falls under social streaming category whereas Weibo falls under social publishing category.

#### **How do Company X's customers use social media?**

Based on the conducted survey, the authors have learned that the social media platforms where the companies' target customers are most active on are: WeChat, Sina Weibo and Zhihu. The survey also revealed that the



average amount of time the target customers spent on these platforms are one to four hours and most of the target customers tend to use it after work.

**Which Chinese social media platforms should the case company choose to use?**

Based on the survey results, it appears that the case company should use all three of its current social media platforms: WeChat, Sina and Weibo. Regarding future, it is recommended that the case company starts to use Zhihu along with their currently used social media platforms.

**How should the case company implement social media marketing based on different Chinese social media platforms?**

WeChat: The case company should focus on publishing information related to sales and their offers. On WeChat the case company should also carry out heavy marketing activities and interact with their customers more actively. Maintaining good customer relationship is crucial for the case company as the authors have learned that the customers are willing to buy again from the same company. The best time for the case to post on their WeChat is in the evening as that is when the target customers are most active.

Weibo: The case company should continue to use Sina Weibo the way they are currently doing.

Zhihu: the case company should register an official account on Zhihu and use it for answering questions related to the furniture market in an attempt to attract potential customers. In addition to this, the case company should also link their company's official WeChat account and Sina Weibo account at the end of each of the questions that they have answered.

Now that the answers to the sub-question have been given its time to move on and answer the main research question:

**How can the case company, Company X, improve its social media marketing by understanding its target customers' online behaviors?**

According to the interview with the Company X's marketing manager, the company already uses two of the social media platforms for marketing purposes. However, the authors, have noticed that they are not utilizing their current social media platforms as efficiently as they possibly could. Firstly, in order for company X to improve their social media marketing, the authors believe that they will have to do the following steps. They need to start using their social media platforms such as WeChat efficiently by posting information and other news related to their company and the furniture market in general, more often, like at least posting something once a week as mentioned in the development plan. Secondly, they need to register an official account on Zhihu and use it for the purpose of posting information and link their official WeChat and Weibo account so that they could inform more of the potential customers about their brand existence.

The empirical survey for this thesis was conducted among the existing customers on the case company, in retail stores and on WeChat. In total the authors received 130 responses. From these 130 responses received, we have learned that the target audience of case company X are actively online on WeChat, Sina Weibo and Zhihu and on an average, they spend one to four hours daily. The authors also learned that the most effective time for the company to post on social media would be between 8pm to 12am. Therefore, from this information gathered the authors suggests that the company should post more during those hours in which the target audience is most active in order to be able to reach out to bigger crowd of current and potential customers.

## 8.2 Validity and Reliability

The main aim of any research is to find answers to the main research question that has been asked. In this research, the goal has been met as the main research question was answered. The information for this research was gathered through both primary and secondary sources. The primary sources that were used for data collection was an interview conducted with the marketing manager of the case company and from conducting a survey where the main objective was to understand how the target customers of the company is using social media platforms. The secondary information was gathered from literature, such as, published books and internet sources. The number of respondents who answered the survey resulted to a total of 130 which is sufficient to draw conclusions and it makes the research reliable. Therefore, the findings of the research are highly reliable in China at the moment. However, readers should keep in mind that the constant development of social media is happening in China which could end up with different results if the same study is designed again in the future. To summarize, the research is valid and reliable at this time.

## 8.3 Suggestion for Further Research

As mentioned in the beginning of this thesis, the research focuses on finding ways to improve and utilize the case company X's social media marketing in order to understand and reach their target audience in the Chinese market. According to the authors, the case company could conduct further research in the future aiming to understand how they could reach customers outside the Chinese market too with the help of social media marketing in case they want to reach a larger crowd.

## 9 SUMMARY

The objective of the thesis is to discuss the concept of social media marketing, customer behavior, the social media marketing situation in China and how social media marketing can be efficiently used by the case company. The final goal is to develop a social media marketing plan for the case company and to answer the research question of how to improve the case company X's social media marketing by understanding its target customers online behavior.

The first chapter of the thesis introduces a chapter on marketing and digital platform which was a combination of information related to marketing in general, digital marketing strategies, and elaborate information on social media marketing and a few of its topics such as social media platforms and segmentation and targeting for social media market. The next chapters discuss about consumer buying behavior followed by the chapter called social media marketing in china which covered the different social media platforms that are being used by the Chinese people and the different categories which the social media platforms fall under.

After the theoretical framework, the thesis moves on to introduce the chapter where the case company was presented to the readers and they were given a brief insight of the case company's vision ad mission, products, brand and so on.

In order to find out how the case company could use social media platforms to reach and communicate with their target customers in the Chinese market, and due to this reason, a survey was conducted on the target audience of the case company. The survey results revealed information such as when is the best time for the case company to post on their social media platforms, so they could reach the most number of people possible.

The final part of the thesis presents a development plan and to recommend a way to help the case company improve in order to reach

and communicate with their target segment in the Chinese market. By using both theoretical data gathered from secondary sources and empirical data collected through survey the development plan was written down.

It was found out that by using social media platforms efficiently the case company could not only attract new customers, but they could also gain customer loyalty as people tend to shop again from the same shop when a good customer and seller relationship is developed and maintained.

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## APPENDICES

### APPENDIX 1. Interview with marketing manager (Chinese)

1. 公司的任务，价值和前景是什么？
2. 可以简单的描绘一下公司 X 提供的产品吗？
3. 公司 X 提供四种不同产品风格的产品。请问推出这四种产品风格的原因是什么？
4. 公司 X 如何定位旗下的产品？
5. 公司 X 的目标客户是什么？
6. 公司 X 提供的哪几种特殊价值有别于竞争者？
7. 可以简单的告诉我们一下公司 X 现阶段的营销活动吗？
8. 公司 X 是否使用社交媒体作为营销工具？现阶段公司 X 使用哪几种社交媒体平台？
9. 可以描述一下公司 X 在社交媒体平台上的表现吗？
10. 作为家居公司，您有考虑过注册其他社交媒体平台账号的前景吗？
11. 您对现在的营销方案满意吗？对公司 X 的发展是有效的吗？



## APPENDIX 2. Interview with marketing manager (English)

1. What are the mission, vision and value of Company X?
2. Could you briefly describe what kind of products does Company X offer?
3. I've noticed that Company X offers four different product styles. What are the reasons for Company X to choose these four styles?
4. How do you position your products?
5. What are Company X's target customers?
6. What are the values made Company X distinctive from other competitors?
7. Could you tell us what are the current marketing activities of Company X?
8. Is Company X also utilizing social media as a marketing tool? Which social media platforms do Company X use now?
9. Can you describe company's performance on the currently using social media platforms?
10. Do you see other possibilities of utilizing other social media platforms for marketing furniture products?
11. What do you think about the current marketing strategy? Is that effective for the company?

## APPENDIX 3. Chinese Version Survey

### 26到40岁女性社交媒体使用情况及大件物品购买行为调查问卷

您好，我们正在进行一项关于26到40岁知性女士社交媒体使用情况及大件物品购买行为的调查，想邀请您用几分钟时间帮忙填写这份问卷。本问卷实行匿名制，所有数据只用于统计分析，请您放心填写。题目选项无对错之分，请您按自己的实际情况填写。感谢您的帮助。

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您的学历？

- 高中及以下
- 本科
- 硕士及以上

您的个人年收入？

- 6万以下
- 6万到12万
- 13万及以上

您每天使用社交媒体的频率是？

- 我不使用社交媒体
- 1小时以下
- 1-2小时
- 3-4小时
- 5小时以上

您一般在哪个时段使用社交媒体软件？（可多选）

- 我不使用社交媒体
- 早上8点至中午12点
- 中午12点至下午4点
- 下午4点至晚上8点
- 晚上8点至凌晨12点
- 凌晨12点至早上8点

您常用的社交媒体软件是？（可多选）

- 我不使用社交媒体
- 新浪微博
- 腾讯微博
- 微信
- 优酷
- QQ
- 知乎
- 其他，请注明

公司微信公众号提供的什么信息最吸引您的眼球？（可多选）

我不使用微信或我没有订阅公众号

产品信息

产品知识科普

活动（打折，礼品赠送等）

问题解答

其他，请注明

您在购买大件物品（如家具，彩电等）前会从何处收集信息？（可多选）

朋友推荐

实体店探访

社交媒体软件（如微信，微博等）

论坛

搜索引擎（如百度，雅虎等）

其他，请注明

如果有其他购买需求，您会继续购买同一品牌的其他大件商品吗？

会

不会

不一定，请说明

提交

**A survey targeted to females aged between 26 to 40  
in terms of social media utilization and customer  
buying behaviors of bulky goods**

Hello, we are conducting a survey related to the social media utilization and customer buying behaviors of knowledgeable females who aged between 26 to 40. We wish that you could spend several minutes on filling this questionnaire. The survey is anonymous and all the collected data will only be used for analysis. You can stay assured of your privacy. There are no right or wrong answers to the questions. Please answer them based on your actual situation. Thank you for your help.

Q1: What is your educational background?

- High school or below
- Bachelor
- Master or higher

Q2: What is your annual personal income?

- Under 60 thousand yuan (7702 euros)
- 60 thousand to 13 thousand yuan (7702 - 16,689 euros)
- Over 13 thousand yuan (16,689 euros)

Q3: What is your frequency of daily social media usage?

- I don't use social media
- Less than one hour
- One to two hours
- Three to four hours
- Over five hours

Q4: What is the time for using social media platforms every day? (You can choose more than one option)

- I don't use social media
- From 8 am to 12 pm
- From 12 pm to 4 pm
- From 4 pm to 8 pm
- From 12 am to 8 am

Q5: Which of the following social media platforms that you are using? (You can choose more than one option)

I don't use social media

- Sina Weibo
- Tencent Weibo
- WeChat
- Youku
- QQ
- Zhuhu

Q6: What are the eye-catching information provided by Companies' WeChat's official accounts? (You can choose more than one option)

- I don't use WeChat or I am not subscribing any official accounts
- Products' information
- Products' knowledge
- Activities (Sales, presents giving, etc.)
- Q&A
- Others, please specify

Q7: Which channels are you using for collecting information before purchasing bulky goods (Furniture, building materials, etc.)? (You can choose more than one option)

- Friend recommendation
- Physical stores
- Social media platforms
- Forums
- Searching engines
- Others, please specify

Q8: Will you repurchase other bulky goods from the same company?

- Yes
- No
- Maybe, please specify

Submit