

# **Developing organic digital marketing processes in SMEs: A single-case study of a Finnish SME**

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<p>This thesis has two main objectives: 1) To determine the methods, tools and considerations needed to implement effective organic digital marketing and then relate them back to SMEs through a three-phase process model, and 2) to analyse and assess the digital marketing of Company X, investigating whether it adds any new insights to the area of study and offering suggestions for improvement. The main focus of the thesis is on SMEs in general but, as Company X is a B2B company, some extra attention will be paid to the B2B sector.</p> <p>Concerning the first objective, the thesis investigates, in-depth, four areas of organic digital marketing: Content marketing, social media marketing, search engine optimization and permission email marketing. The research literature for each area is presented in detail, extant models and frameworks are introduced, and the results are placed in the context of SMEs. After a discussion on the relevant metrics, each area is related back to a digital marketing framework created in the 1990s. The still-relevant framework is updated with the tools and methods of today. Based on this, the researcher developed a three-phase organic digital marketing process model for SMEs to utilize.</p> <p>The thesis then uses the single-case study method to analyse the organic digital marketing of Company X and compares it against the marketing efforts typical of most SMEs. Along with the creation of the process model, the research involved a semi-structured interview with the company's SEO as well as a qualitative and quantitative assessment of the company's digital marketing efforts. It uses the three-phase organic digital marketing process model as a guide to offer pragmatic, actionable solutions on how the company can effectively implement its organic digital marketing.</p> <p>The researcher hypothesized from the start that SMEs, overall, don't utilize digital marketing methods and tools effectively. The reason is due to a variety of factors, including ownership factor, time factors, financial factors and lack of digital marketing skills. Company X was found to be a typical SME in this regard. However, it differs from most other SMEs in that financial factors were not an obstacle to them, and they reported having the right IT- / marketing skill-set. By investing more time and effort, as well as following the concrete steps presented in this thesis, Company X can greatly benefit from organic digital marketing.</p>	
<b>Keywords</b> Organic digital marketing, SMEs, content marketing, social media marketing, search engine optimization, permission email marketing	

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# 1 Introduction

The fact that e-commerce is on the rise is beyond dispute. The number of people worldwide who bought something online totalled 1.32 billion in 2014 and is forecasted to rise to 2.14 billion in 2021 (eMarketer 2017). Similarly, e-commerce sales worldwide are projected to jump from 2.304 billion U.S. dollars in 2017 to 4.878 billion in 2021 (eMarketer 2018). The figures for the B2B (business-to-business) sector are particularly encouraging. For example, in 2017, in the United States alone, B2B e-commerce sales reached 889 million U.S. dollars and are expected to increase to 1.181 billion U.S. in 2021 (Digital Commerce 360 2017). Furthermore, the largest percentage of total online sales revenue comes from B2B transactions. In Finland in 2017, B2B transactions accounted for 61% of e-commerce sales revenue compared to 39% for B2C (business-to-consumer) transactions (Statistics Finland 2018).

This massive volume and continued growth will inevitably lead to opportunities for budding and existent SMEs (small and medium-sized enterprises). It will also necessarily lead to more intense competition and a greater struggle to create brand-equity among a crowded field. SMEs (small and medium-sized enterprises) - with their limited budget, time, staff and IT expertise - are at a particular disadvantage. They must adapt by finding inexpensive methods of creating brand awareness while also taking into account their limitations. Arguably, the single best way to do this is through well-planned and well-executed organic digital marketing.

This thesis investigates the methods, tools and considerations needed for an SME to carry out organic digital marketing effectively. It covers the literature, in depth, concerning four financially cost-free and overlapping areas of digital marketing: Content marketing, social media marketing, search engine optimization (SEO) and permission email marketing (PEM). A three-phase organic digital marketing process model is created based on that investigation.

The thesis aims to assess and improve, through a single-case study, the organic digital marketing of Company X, a Finnish start-up in the cleantech sector. Through the above-mentioned process model, a research interview with the company's CEO and a review of the company's website and social media channels, the digital marketing of Company X is analysed. This research will form the base for providing concrete steps so that Company X can improve its organic digital marketing and, subsequently, its customer relationships, long-term brand equity and, ultimately, profitable customer actions.

The paper begins by providing a brief overview of the case company, discussing the objectives of the thesis, laying out the research questions and defining some key terms.

Next, it moves on to the research literature, which first provides a definition and overview of digital marketing as well as the challenges that SMEs face when carrying out their digital marketing efforts. It then discusses a digital marketing framework, created by Kierzkowski, McQuade, Waitman and Zeisser (1996), which will be referred back to throughout the thesis. The framework is perhaps the most important element of the process model and warrants an in-depth discussion. After this, extant theories, models and frameworks used in the four, financially cost-free areas of digital marketing mentioned above (digital content marketing, social media marketing, SEO and permission email marketing) are introduced. These theories and models focus largely on building and retaining a customer base, creating brand awareness and equity and, ultimately, driving profitable customer actions. Every section then relates the literature back to SMES and provides ways to measure effectiveness in each of the four areas. Finally, each area is connected to the main Kierzkowski et al. framework.

This literature section is followed by an explanation of the methodological approaches used in this thesis as well as a justification for the use of a case study. The methods of data collection and analysis are then visualized and discussed in detail.

After this, the three-phase organic digital marketing process model is introduced and the findings of the research are presented. Company X 's digital marketing efforts are analysed in line with the research. Practical and actionable steps are given so that company X can improve its organic digital marketing efforts. The thesis ends with a presentation of the learning outcomes as well as study limitations and suggestions for further research.

## **2 The case company, research objectives and definition of key terms**

This section first provides a general overview of the case company, then presents the overall objectives and research questions of the thesis and concludes by discussing the key terms/concepts.

### **2.1 Company X**

Company X is a Finland-based, B2B micro organization founded in 2015. It provides tailored active magnetic bearing (AMB) systems for original equipment manufacturers (OEMs). The company's four founding members form its board, with two of the founding members receiving salaries. Three of the four founding members hold doctoral degrees in engineering with the fourth working toward one. Though the company is based in Finland, its CEO estimates that 95% of its business will come from outside of Finland. The company is not focused on one particular area of the globe but instead has worldwide ambitions.

Company X is part of the cleantech business sector. Active magnetic bearing systems are a cutting-edge technology which, in addition to providing cost-benefit to the customer, address the negative environmental impact of rotating electrical machines. Rotating electrical machines are typically used for blowing, pumping or compressing liquids and gas compounds. Some examples include turbocompressors, CNC machines, electric vehicles, flywheels, microturbines, oil/gas turbomachinery, ORC powerplants, Turbo blowers, etc. These machines consume an estimated 40% of the electricity worldwide, so making them more efficient could have a substantial environmental impact. Company X's customers are the OEMs of these machines. Their first customer, as an example, was an oil-free air compression manufacturer.

The central idea behind the technology is that the rotational part of these machines is levitated through electromagnetic forces. This means that, unlike in most of today's machines, the rotation is frictionless, thereby increasing process efficiency (through increased rotational speed) and eliminating many of the problems caused by machines that have friction rotation. The result of this is a 10% increase in energy efficiency, which enables a two-to-four-year payback time and mitigates 200 tons of CO<sub>2</sub> emissions annually. Furthermore, it reduces maintenance costs by 50%, saves 500,000€ during the product lifecycle and, by eliminating the need for oil, allows customers to enter new markets.

Company X itself provides turnkey drivetrain design and serial production of magnetic bearing components. Their drivetrain solution consists of a high-speed electrical machine,

frictionless active magnetic bearings and a controller. They develop the prototype, license the design and sell it with their controller units. Furthermore, using built-in sensors, the company offers condition monitoring as a subscription-based service.

Company X is a spin-off company of a university in Finland and has received funding from TEKES, the Finnish Funding Agency for Technology and Innovation. It already has its first paying customers, was a finalist at Slush and has participated in many international accelerators. It was recently accepted as a partner to a project funded by the Technology Agency of the Czech Republic to develop the turbo circulator for the successor to the European Fusion Reactor. It was also listed among the top 100 for innovative clean energy solutions by the Fourth Mission Innovation Ministerial (MI-4) in Vancouver, Canada. Still relatively young, the growth potential for the company is enormous.

It was determined that Company X should remain anonymous. The information above comes from its website, YouTube videos and a semi-structured interview with the company's CEO. These are not included in the references in order that the company can stay anonymous.

## **2.2 Thesis objectives and research questions**

The objectives of this thesis are two-fold: 1) To determine the methods, tools and considerations needed to create effective organic digital marketing and then relate them back to SMEs through a three-phase process model, and 2) to analyse and assess the digital marketing of Company X, investigating whether it adds any new insights to the area of study and offering suggestions for improvement.

With these objectives in mind, the main research question is: *How can the organic digital marketing of Company X be improved from its current state?*

This main research question can further be divided into two subquestions:

RQ1: What are the methods and practices used in effective organic digital marketing?

RQ2: Why aren't SMEs (and, by inclusion, Company X) more effective in their digital marketing efforts?

The four key areas of organic digital marketing chosen for this thesis – content marketing, social media marketing, SEO and permission email marketing – are often recognized as being the most accessible (and necessary) digital marketing tools for SMEs. For example, Jantsch (2019) recently published a three-part series of articles called 'Model for Marketing Maturity'. The series instructs SMEs on how to build their digital marketing

campaigns in increments. The three parts were simply titled: Build, Grow and Ignite. In the first stage, 'Build', Jantsch (2019) emphasizes that companies must first have five important factors in place before building up their digital marketing efforts. They must have a well-designed website; They must plan their content well; They should follow SEO best practices; They must utilize social media effectively; and they need to create and grow an email marketing campaign. After these are firmly in place, an SME can go on to build and expand off these, creating greater and greater brand equity and value for their business.

SMEs (which includes company X) often pay lip service to these five factors and have some basic mechanisms in place, but they very rarely utilize them effectively and in such a way that leads to long-term brand equity or the most optimal business outcomes. For various, well-cited reasons discussed in this thesis, they do the bare minimum and therefore lose out on the potential benefit each has to offer. In addition to a general overview of digital marketing, this thesis covers what the literature says for four of these five factors (content marketing, social media marketing, SEO and permission email marketing). For each, it discusses academic models and frameworks; analyses standard/best practices and metrics; relates each back to SMEs; ties it altogether to the still-relevant, but slightly outdated Kierzkowski et al. digital marketing framework; and creates a three-phase model which updates the framework with today's tools, methods and considerations.

It should be noted that, though the factor of a well-designed website is left out of the discussion, this is not meant to minimize its importance. On the contrary, a well-designed and SEO-friendly website is the first step a company should take when going online (Jantsch 2019). It is the core focus of a company's online presence. However, as it costs money to build and maintain, website building is not considered part of organic digital marketing in this thesis. Website building is only addressed indirectly (through SEO and content creation). As a side note, the cofounders of Company X are tech-savvy individuals and have ensured that their website is slick and designed with customers in mind.

Company X is used as the case in this single-case study for two reasons: 1) To determine if it is simply representative of most SMEs in regard to organic digital marketing or if it can add new insights, and 2) to provide implementable suggestions on how the company can improve their digital marketing efforts.

## 2.3 Definition of key terms

**Organic digital marketing** in this thesis refers to the financially cost-free methods used to get customers to come to a company naturally over time, as opposed to “artificially” getting them through paid links or boosted social media posts (on demand CMO, 2017). As an example, a company can either get listed higher on a search rank through good, organic SEO practices (discussed below), or it can pay the search engines to list them higher. Furthermore, social media posts can be posted for free (organic) or promoted (paid). Past research has focused nearly entirely on digital marketing in general, and not specifically to organic digital marketing. It is for this reason that both “digital marketing” and “organic digital marketing” are used in this thesis, depending on the context.

**A small- and medium-sized enterprise (SME)**, according to the EU, is a company that has fewer than 250 employees, an annual turnover of less than €50 million and an annual balance sheet total of not more than €43 million (European Union 2015, 3). A subsector of SMEs, and one mentioned multiple times in this thesis, is **micro enterprise**. Again according to the EU, a micro enterprise consists of fewer than 10 employees and has an annual turnover or balance sheet of less than €2 million (EUR-Lex 2016). Company X is an example of a micro enterprise. The research literature focusing solely on micro enterprises is scarce, so most of the references in this thesis necessarily refer to SMEs.

**Brand** refers to “the set of physical attributes of a product or service, together with the beliefs and expectations surrounding it – a unique combination which the name or the logo of the product or service should evoke in the mind of the audience” (Cornelissen 2011, 252). **Branding** is the “communication of values, attributes, and characteristics of goods and services, clarifying what a particular brand is” (Erkollar & Oberer 2017, 192). **Brand image** is how a customer perceives the brand, while **brand awareness** is the condition where a customer knows the brand (Cornelissen 2011, 252).

**Brand equity** is the idea that the more positively a consumer thinks about a brand, the more the consumer will *perceive* a product as being useful or desirable – especially against a competing brand (Lassar, Mittal & Sharma 1995, 13). Establishing brand equity is one of the central goals of digital marketing and takes a considerable amount of time and effort to develop. The main framework for this thesis focuses on building and managing customer relationships which, when done effectively, increases brand equity and ultimately drives profitable customer actions.

The other terms central to this thesis – content marketing, social media marketing, SEO and permission email marketing – will be defined and discussed in detail in their respective subsections.

Finally, in the digital marketing world, the differences between "customers", "consumers" and "(end) users", are very slight and are often used interchangeably. There is, however, some nuance between them. In short, a customer is the one who buys the product or service, and the consumer/end-user is the one who uses it. Sometimes the customer and consumer can be different, but very often they are the same. The terms are used interchangeably in this thesis unless some distinction is required.

### **3 Literature review**

The literature section of this thesis is divided into five parts: Digital Marketing, content marketing, social media marketing, SEO and permission email marketing. Each part provides both a definition and an overview of that particular marketing area. In addition, extant research, frameworks and models are discussed and related to SMEs and the digital marketing framework. The section ends with a brief conclusion and a discussion on how the literature informs the three-phase organic digital marketing process model.

Before moving on, however, there needs to be a brief discussion on the importance of the three types of sources used in this section: the academic literature, the general literature targeting marketers/entrepreneurs and the blogosphere.

There is a dearth of academic literature regarding practical, step-by-step action plans that companies can implement to create effective digital marketing. This is unfortunate as rigorously researched, readily-implementable solutions would arguably be of greater use to SMEs than abstract frameworks or complicated models. SME owners who have neither the time nor the desire to dig into the academic literature would benefit from a simplified, scaled-down, easily-implementable to-do list. The best place to find these are either through books written for a select audience of marketers/entrepreneurs or through the blogosphere.

As with any endeavor, one must have a critical eye when choosing which books to use or which blogs to follow. Just as academic research has varying levels of quality and reliability, so do books and blogs.

One important upside of academic research which is lacking in blogs and books tailored to a general audience is that respected academic journals use the peer review process. Also, academic research strives to back up claims with rigorous data and objectivity. The majority of blog posts, on the other hand, are inherently biased as bloggers are either self-promoting or making money off such tactics as affiliate marketing. To add to the confusion, digital marketing bloggers themselves are simply employing the very tactics that they write about. When they develop interesting content, this is often their own inbound marketing at work. This is hardly the ideal formula for objectivity.

All that said, there exist many good websites that can be of great value to companies and marketers. They use solid research methods, remain up-to-date (unlike the necessarily slow, lagging approach of academic research) and offer pragmatic solutions that are often

missing in the academic literature. Small, cash- and time-strapped companies can gain great benefit by following digital marketing blogs such as the Content Marketing Institute, Hubspot, Moz and Duct Tape Marketing.

This thesis, as a rule, uses the academic literature wherever possible. However, in cases where there is simply no academic research to be found – most often in providing concrete and implementable solutions - it relies on high-quality blog posts and books targeted to marketers/entrepreneurs.

### **3.1 Digital marketing**

This subsection opens by first defining what digital marketing is, and then gives a brief overview of the different aspects of a digital marketing campaign. It then discusses, in brief, the importance of setting digital marketing goals, creating buyer personas, defining digital marketing goals and finding the most relevant keywords. The next subsection after this discusses digital marketing with respect to SMEs. In particular, the important factors that determine whether an SME's digital marketing succeeds or fails are addressed. Finally, the main framework of the thesis, which helps organizations understand, evaluate and build up digital marketing through customer relationship building, is presented in detail.

#### **3.1.1 An overview of digital marketing**

On a basic level, digital marketing can be defined as "the marketing of products in which both the entity and the delivery of the product are digital" (Rowley 2008, 518). Kannan and Hongshuang (2017, 23), in their efforts to create a digital marketing framework, dig a little deeper and define digital marketing as "an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders." The driving force behind this definition is the need to move away from a traditional, firm-centric definition toward one that involves all stakeholders. Marketing in the digital age is a dialogic process where firms focus on providing value for consumers to create awareness, engagement, loyalty and, ultimately, profitable customer actions.

When having a conversation on digital marketing it's important to distinguish between outbound marketing and inbound marketing. Outbound marketing is best equated with the marketing tactics of the pre-internet era. It is considered 'push' marketing because it tries to promote products by pushing them on potential consumers. Examples of traditional, pre-internet outbound marketing include: cold calling, direct mail, paid advertisements and trade shows (Hawlk 2018, 30). In digital marketing, tactics such as

search engine advertising, display ads and affiliate programs would be examples of outbound marketing (Rancati, Codignola & Capatina 2015, 236). Inbound marketing, on the other hand, is considered 'pull' marketing because it attempts to pull consumers to its brand through non-intrusive methods. Examples of inbound marketing include, among other things: Content marketing, blog marketing, SEO, social media marketing, email marketing and podcasts (Rancati et al. 2015, 236). Some digital marketing tactics can be both outbound and inbound depending on how they are used. Email marketing, for example, could be used to directly try to sell a product/service (in which case it would be outbound marketing) or to either convey some useful information or give away free content (in which case it would be inbound marketing). The same is true for social media posts. Unless otherwise stated, email marketing and social media marketing are used in this thesis in the inbound marketing sense.

Digital outbound and inbound marketing serve different purposes to both firms and customers, and both have their benefits. The ideal for any company would be that they would have enough cash on hand to benefit from both styles. This, however, is not the reality for most SMEs. When taking into account financial costs and long-term gain, inbound marketing is arguably the method that best fits most SMEs.

The reasons for this go beyond the cost-savings it provides companies. First off, online consumers are turned off when a firm tries to buy their attention through ads or by interrupting their online experience. Many even employ pop-up blockers to hide intrusive, unwanted ads (Winterberg 2013, 32). With inbound marketing, a consumer voluntarily comes to the firm either through organic search or through high-quality, useful content. If they have a good experience – or if they feel like they will be provided with useful content in the future– they will keep returning (Hawlk 2018, 31). Second, inbound marketing fosters interactivity and engagement between firms and customers that outbound marketing can't. This allows marketers to establish relationships with customers and engage in meaningful dialogue with parties who are interested in their products or services. (Opreana & Vinerean 2015, 30). Third, inbound marketing leverages a brand image and leads to conversions, while outbound marketing hurts a brand's image as today's online consumers find it intrusive and unwelcome (Rancati et al. 2015, 235.) Fourth, inbound marketing costs 62% less per lead than outbound marketing (Rancati et al. 2015, 235.)

In the first half of 2018, 44% of global e-commerce sessions revenue came from inbound digital methods: Google organic searches (38%), emails (4%) or social media (2%)

(Wolfgang Digital 2018). With B2B e-commerce as large (and growing) as it is, it is easy to see the increasing importance of inbound digital marketing for a business.

### **3.1.2 Four important prerequisites for implementing organic digital marketing**

The start of any digital marketing operations should consist of painstakingly establishing goals, creating buyer personas, developing a central branding concept and determining the most important keywords. All are necessary to ensure that a company's digital marketing efforts are targeted and handled in the most efficient and beneficial way possible.

The goals of digital marketing will differ from company to company. One company might want to directly increase sales, another might want to improve their brand image, and still another might want to build relationships with customers. Everything that follows in a company's organic digital marketing, from the type of content produced to the social media channels used, radiates out from this central goal. Doran (1981, 36), in his classic article, "There's a S.M.A.R.T way to write management's goals and objectives," recommends using the acronym SMART when setting business goals. The acronym is broken down as Specific, Measurable, Assignable, Realistic and Time-related, and the goals set should attempt to meet these factors. These factors work equally well for a growing micro organization or an established large-scale corporation.

In the same article, Doran (1981, 35) claims that goal-setting causes anxiety and is something individuals would like to avoid. He recognizes that it is difficult, unpleasant, time-consuming and stress-inducing. Yet goal-setting is something that managers just have to accept, and need to be encouraged and educated to do.

Buyer personas are also difficult to create, but essential. Buyer personas help companies imagine their customers in a more in-depth way. In addition to basic demographics, they describe an archetypical buyer's background, goals, challenges, attitudes, buying habits, etc. (Taylor 2017, 12). Creating buyer personas serves a variety of functions: They help guide writing in blogging and content marketing, inform sales and marketing strategies, assist in optimizing social media interactions, improve product development and keep a company's team on the same page (Alton 2016). Without these fictional personas, marketers might create vast amounts of useless content. Once the content is created and published, marketers can then measure website traffic as well as analyse comments surrounding the content to produce more engaging content in the future (Joe 2013, 31-32).

Likewise, creating a central branding concept is essential in guiding organic digital marketing actions. Branding, as mentioned above, is the "communication of values, attributes,

and characteristics of goods and services, clarifying what a particular brand is” (Erkollar & Oberer 2017, 192). It allows a company to produce content around a theme, and to not stray far from that theme (Joe 2013, 31). Branding helps customers in the decision-making process and aims to boost a company’s reputation. As already mentioned, creating brand-equity is an important goal of any digital marketing action. If a company has achieved brand-equity, not only are they more likely to meet their organic digital marketing goals (no matter what the goals are), they are more likely to sustain them over the long-term. To achieve brand-equity, an organization must know what image its brand is trying to convey and implement its digital marketing actions accordingly.

The final prerequisite is to determine which core and helper keywords to build digital marketing around. Keywords, which are the words or phrases a user types into a search engine field, are essential to SEO. In short, search engines rely on keywords to determine relevancy (Jerkovich 2010, 213). It is therefore important for an SEO to do the research and find the most optimal keywords to use. High volume, low competition keywords are the ideal (Jerkovich 2010, 213). Finding the optimal keywords is not only a crucial step in building and maintaining a website, it is also crucial when considering the content that needs to be produced.

The importance of goal setting, creating buyer personas, building a brand and establishing the most important keywords receive should not be underestimated. They are the essential first steps to building up effective digital marketing and creating high-quality, relevant content. Without them, digital marketing lacks focus and is, as a result, likely to fail. It is for this reason that they comprise the first phase of the three-phase process model presented in this paper’s findings. SMEs should do whatever it takes – research, brainstorming sessions, company workshops – to establish these important factors at the outset.

### **3.1.3 Digital marketing and SMEs**

SMEs face an uphill battle in the climate of ‘Digital Darwinism’ (Bughin 2014, 16). They need to distinguish themselves, usually against larger rivals with vastly better resources, in an increasingly crowded arena. Though the digital marketing efforts of SMEs are improving, the numbers are not promising. In a survey conducted on the state of digitalization of SMEs in Finland, 57% of companies replied that they utilize digital marketing ‘poorly’ or ‘not at all’, and 69% say they use big data and analytics ‘poorly’ or ‘not at all’ (Elisa Oyj; Suomen Yrittäjät 2017a). Furthermore, only 66% have a website, 43% use social media regularly and 40% have a keyword-optimized website (Elisa Oyj; Suomen Yrittäjät 2017a). In addition, a large scale study of Finnish SMEs found that only

26% dedicated more than 41% of their marketing budgets to digital use, and close to half did not use either SEO or social media at all (Taiminen & Karjaluo 2015, 639).

Several factors determine whether SMEs adopt and implement digital marketing. These can be classified into the following three groups: Firm-specific and owner-managerial factors, resource-related factors and environmental factors. Each can either be a help or a hinderance, and attitudes vary from firm to firm (Karjaluo and Huhtämäki 2010, 19).

In firm-specific and owner-managerial factors, it is the attitude, skills, motivation, education and background of the owner-manager that influences whether a company embraces digitization. This is because so much of the business is tied up in the owner-manager's hands. If she/he has a conservative attitude toward technology, then the firm will likely fall behind in digital matters. If he/she is innovative and not risk-averse, then that will be to the firm's digital advantage. (Karjaluo & Huhtämäki 2010, 19-20.) Naturally, if the owner doesn't have somebody on staff with the right skill set along with an understanding of the benefits of different channels, then even the most entrepreneurially-minded firm will have trouble implementing digital marketing (Karjaluo & Huhtämäki 2010, 20). In addition to this, the level of a firm's market-orientation plays an important role in adopting digital channels. Market-oriented firms are more likely to pay attention to both their customers and their competitors, and subsequently enact more web-based strategies (Karjaluo & Huhtämäki 2010, 20).

The resource-related factors include the financial, technical and human limitations that SMEs typically suffer from. Small companies by nature have less money, fewer people, less time and poorer technical/marketing skills to adequately adopt digital marketing. (Karjaluo & Huhtämäki 2010, 20-21.)

Environmental factors are those coming from the outside that the company has essentially no control over. These include the industry sector the SME is in (tech firms, for example, will likely be more pro-digitization than small food stores), the product/service it offers (some products take better to digitization than others), the level of competition (a firm needs to adapt if its competitors adopt digital channels) and customer behavior (if the customer is online so should the SME be). The more adaptable a company is, the more it will succeed online. (Karjaluo & Huhtämäki 2010, 21-22.)

Taiminen and Karjaluo (2015, 645) analysed the above three factors in Finnish SMEs and found that environmental factors are most likely to lead to *improved* digital marketing,

but firm-specific, owner-manager, and resource-related factors lead to a *delay* in adopting digital marketing tools (Taiminen & Karjaluoto 2015, 645).

The resource-related problems of lack of knowledge and lack of time were considered to be the two main obstacles to SMEs adopting digital tools (Taiminen & Karjaluoto 2015, 645). The most important factor of how an SME uses digital marketing is whether the marketing manager is knowledgeable about digital tools, whether he/she has a personal interest in digitalization and whether he/she is active on social media. (Taiminen & Karjaluoto 2015, 645). The study further surmised that those in charge of marketing at SMEs were, on the whole, unaware of the marketing benefits and utility the different channels could provide (Taiminen & Karjaluoto 2015, 646).

The authors summarize the findings as follows:

...these results confirm the assumption that many SMEs do not use the full potential of the new digital tools and hence are not fully exploiting the opportunities they can bring. The results of this study also raise the question of whether SMEs have understood the fundamental change in the nature of communication brought about by digitization. The unplanned digital marketing activities and the ad hoc nature of marketing implementation reported in the interviews with SME marketing representatives speaks for the lack of knowledge of the whole digital marketing concept. In addition, opportunities for dialogue were considered the least important reason to adopt digital marketing tools though interactivity within the internet was seen as having an important impact on a company's positive online performance. (Taiminen & Karjaluoto 2015, 646.)

SMEs who do not use English as a mother tongue (or the language whose market they are trying to enter, but English will be used for this paper), and are looking to internationalize, face one further obstacle: They must handle digital marketing in a second language. Thus, in addition to the resource problems of money, time, personnel and skill set, one must consider the possibility that in most SMEs there is not an English speaker with a high enough level to communicate and create effective content in English.

#### **3.1.4 A digital marketing framework**

In their 1996 article entitled 'Marketing to the Digital Consumer', Kierzkowski, McQuade, Waitman and Zeisser analysed the state of digital marketing (then in its infancy) and, in a remarkably prescient manner, forecasted the direction it was going to move. They understood that marketing strategies were undergoing a fundamental shift because of the emerging internet economy and that companies needed to move away from traditional one-way marketing and find new ways to interact and transact with customers (Kierzkowski, McQuade, Waitman & Zeisser 1996, 6).

In the article, they present a digital marketing framework that will serve as a core tool in this thesis. In terms of understanding the importance of attracting and retaining customers, their framework is nearly as applicable today as it was back in 1996 (Kierzkowski et al. 1996, 12). The tools and methods for achieving digital marketing success, however, have evolved considerably. And though they created the framework after analyzing 95 large Fortune 500 companies (Kierzkowski et al. 1996, 6) their concise, easily understood framework can be applied to organizations of any size. Indeed, it might even be better suited to the needs of SMEs who, often lacking a deep understanding of digital marketing, would derive little benefit from complicated frameworks.

In short, the framework emphasizes the importance of building up and managing customer relations (ultimately resulting in brand equity and profitable customer actions) in the digital age. This is accomplished through five factors with several key levers (i.e. digital marketing methods) inside each of those factors. The researcher thought it would be interesting and helpful to use the important and still-applicable core message of the framework, that the building up and managing of customer relationships is of paramount importance, but to update the levers with today's tools and methods. In order to benefit cash-strapped SMEs, the researcher placed focus entirely on financially cost-free tools and methods. Furthermore, the researcher surmised that the relative simplicity of the Kierzkowski et al. framework might benefit SMEs, who are not always knowledgeable about digital marketing.

Before moving on to the framework, however, it's important to summarize the main points of the article itself. Marketing at that time, as hinted above, was transitioning from a mass-market model to a more personalized, economic model where marketers could offer services and content on a customized level and in real-time (Kierzkowski et al. 1996, 7). According to the authors, the six key characteristics of the internet important for marketers are: Its 24 hour on-demand availability, its ability to directly communicate to an individual user, its two-way interactivity, its effective information delivery (that is, its wide range of content options and possibilities to reach large numbers of people), the ease with which products and services can be customized and the ease with which it can position itself to influence online transactions. (Kierzkowski et al. 1996, 7.)

They then go on to give three unique marketing opportunities to marketers when utilizing the growing popularity of the internet. First, marketers can produce better service at a lower cost by delivering information about products or services (for example, UPS created an online package tracking service which saved money and produced better customer service); second, and most importantly for this thesis, marketers can build relationships

with customers by using media and content to identify potential customers, build loyalty with value-added services and gather data on existing customers to customize and create new products and services; third, marketers can utilize the internet to get rid of intermediaries (for example, when airlines sold flights directly on their websites, thereby reducing the need for costly travel agencies) or establish a company as an entirely new, value-adding intermediary (for example, Amazon established itself as a book-selling intermediary.) (Kierzkowski et al. 1996, 8-11.) The writers then go on to list categories of products which fit well with marketing/selling online (financial services, travel services, books, etc.) and those which don't (convenience stores, gasoline, etc.) The former fit because they are information-intensive, can be easily bought online, are generally used by heavy internet users and/or suitable for relationship building. (Kierzkowski et al. 1996, 11-12.)

After setting this foundation, the authors then go on to discuss their framework. Figure 1 is based on the framework as it appears in the original article.

## DIGITAL MARKETING FRAMEWORK AND LEVERS

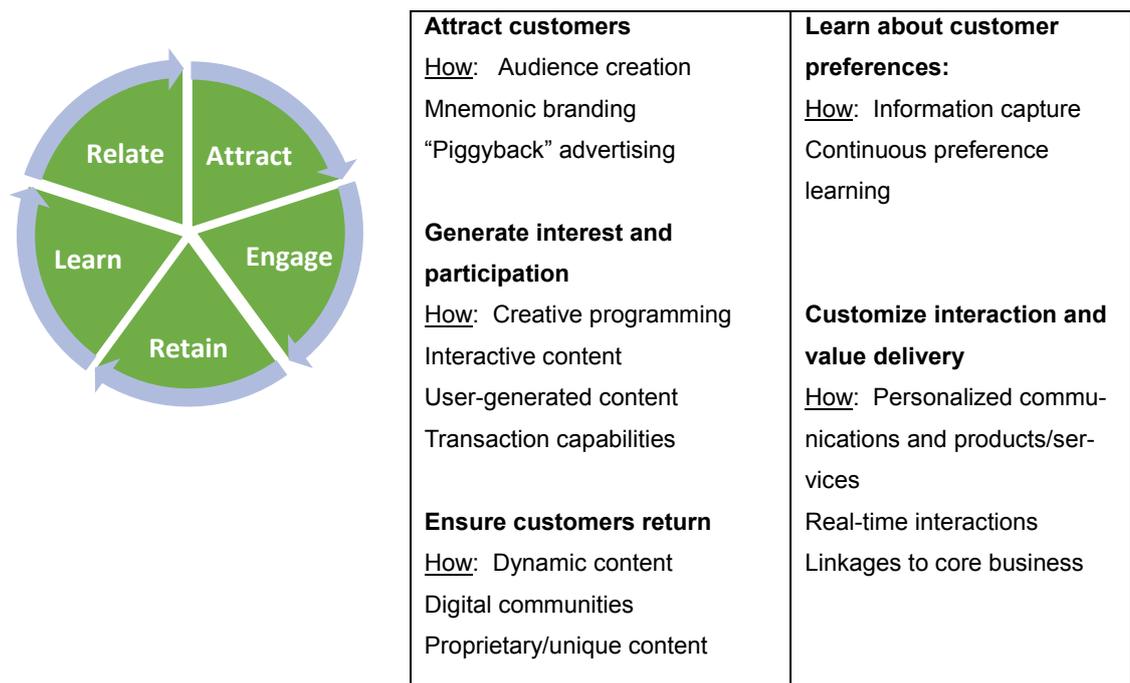


Figure 1: The Kierzkowski et al. digital marketing framework (adopted from Kierzkowski et al. 1996, 12)

The overarching idea is that successful digital marketing is built around five important elements: attract customers, engage with them, retain them / get them to return, learn about what they want and relate back to them in order to deliver value and customize

interaction. The levers listed in the dialogue boxes in figure 1 were the methods used back in 1996 in dealing with each element, most of which are still applicable today. (Kierzkowski et al. 1996, 12-13.) The one caveat is that technology has rapidly changed and things that were not as important (or even existent) back then – SEO and social media, for example – play a vital role today. Though the elements remain just as important today, the levers themselves need updating. *An original output of this thesis is to take the framework and update it with the organic digital marketing tools and methods that are in use today.* As noted above, the focus will be on four areas of modern, organic digital marketing (content marketing, social media marketing, SEO and permission email marketing). These areas will be discussed in detail and connected back to this framework. To do this effectively, each element of the Kierzkowski et al. framework needs to be discussed.

The first element, attract users, contrasts traditional mass marketing with internet marketing. The biggest difference is that in internet marketing a marketer needs to attract visitors to its website, whereas in traditional marketing the message is imposed on potential customers. Due to all the clutter on the internet, companies need to find ways to draw customers. Simply having a website is not enough. (Kierzkowski et al. 1996,13.) The levers Kierzkowski et al. mention are audience creation (through advertising, linking from other sites, promotions, etc.), mnemonic branding (having a name which is easy for companies to remember and find, such as [www.amazon.com](http://www.amazon.com)), and 'piggyback' advertising (using offline marketing channels – such as magazines and television – to draw customers to an online site by, for example, posting its web address to an advertisement.) (Kierzkowski et al. 1996,13.) Attracting users is still very clearly an essential success factor to any digital marketing efforts, as are all the elements mentioned in the model. Similarly, all three levers are still in use but, as stated, need updating as vital technologies have either grown in importance or have come into existence since the writing of the article.

The second element, engage users' interest and participation, is necessary after a company attracts users. The key to this element is to stimulate users' active involvement and participation. This means that a user doesn't come to the website and simply read it like a book, but is actively engaging in the web site in some manner (whether it be participating in a contest, taking part in a survey, entering personal information in exchange for a service that benefits them, etc.) Too often, the content a company uses is either irrelevant/uninspiring or overcomplicated/incomprehensible. (Kierzkowski et al. 1996,13.) The authors suggest a two-fold approach to better engage users, which also serve as the first two levers: mastering the form of creative programming (that is, using

unique content methods and styles to attract customers, getting them to engage and thereby increase site enjoyment) and producing inspiring, often interactive content for customers. (Kierzkowski et al. 1996,14.) Furthermore, perhaps presaging the relevance of social media platforms, Kierzkowski et al. reference the importance of user-generated content. At that time, this basically meant the discussion forums set up by companies so customers could interact with each other, thus creating a sense of community (Kierzkowski et al. 1996,15). The relevance of user-generated content has grown and will be discussed in the social media marketing subsection of the thesis. The fourth and final lever for the engagement factor is transactional capabilities, which simply means that once users are engaged on a website, they can easily make a purchase or book a purchase for the future (Anjum, More & Ghouri 2012, 99).

The third success factor is to retain users and ensure they return to the site. Once the customer arrives at the site and is sufficiently engaged, it is essential to have them keep returning. This means that marketers must understand – as many SMEs don't (Taiminen & Karjaluoto 2015, 646) – that digital marketing involves persistence and commitment. The goal should be not to have customers come to the site once, but to come back over and over again (Kierzkowski et al. 1996,15). This means, at the very least, that companies need to keep their sites fresh through a continuous output of content. They argue that many marketers underestimate the importance of producing, maintaining and updating content (Kierzkowski et al. 1996,16). Creating high-quality and unique content is not the only way to get customers to keep returning, however. The authors suggest many other ways of doing so: Provide content that is inherently changeable (such as weather and stock reports), let related organizations publish information on their site (an athletic shoe company allowing an athletic association to publish details of an event), create a service where a customer provides information so switching to a competitor would be inconvenient (a financial services site where customers enter their private information), establish a nice onsite user-to-user experience where virtual relationships are built (thus making the costs of switching higher) and offer suggestions to customers based on past purchases or experiences (something the customer would appreciate and would want to return to.) (Kierzkowski et al. 1996,15-17.)

Out of all of the elements mentioned, the fourth – learn about customer preferences – seemed the most dated and in need of modernizing. The main idea, however, like all the factors mentioned, is probably more relevant than ever. Companies should gather as much data as they can about their customers in order to improve products, services and strategies (Kierzkowski et al. 1996,18). The levers they mention to do this are still relevant today. Valuable information can still be obtained from emails, through the

opinions in discussion forums, through surveys/questionnaires, through the registration process, from transactional records and through tracking how customers behave on a website. (Kierzkowski et al. 1996,18.) The authors had no way of knowing – though they do allude to nascent, data-capturing technologies (Kierzkowski et al. 1996, 18) – of the massive importance that detailed data and metrics would come to play in this area.

The final element, relating, is perhaps the one that is least accessible to SMEs. Relating "represents the opportunity to customize the interaction and tailor either the product or the marketing effort to one consumer at a time" (Kierzkowski et al. 1996, 18.) The two-way interaction of digital media allows companies to learn about individual customers and then deliver a product (or information about a product) based on that information. (Kierzkowski et al. 1996, 18.) At the time the article was published, the focus was on getting the customer to make the purchase. It was more push than pull and therefore would be the least connected of the five elements to inbound digital marketing. However with technological innovations introduced since then – specifically, social media – companies can relate to customers on a dialogical, personalized basis and market accordingly. There is still the push element, but the pull element has also come into play. Amazon is arguably the best-known company for doing this in a push sense. When a returning customer visits their website they immediately see a list of recommended products based on past purchases and behavior. Similarly, YouTube recommends videos according to previously watched videos and searches.

## **3.2 Content Marketing**

This subsection begins by defining what content marketing is and then providing a general overview. It then goes into more detail by discussing content marketing in the context of a modern framework, before moving on to the actual types and relevance of content (with a focus on blogs and evergreen content). After this, the metrics and analytics used to measure content marketing success are addressed. The section concludes by first addressing content marketing in SMEs and then linking the discussion back to the Kierzkowski et al. framework discussed above.

### **3.2.1 An overview of content marketing**

Companies are beginning to understand the importance of content marketing. In 2016, the content marketing budget worldwide was 28.1 billion U.S. dollars and was forecasted at that point to rise to 32.1 billion in 2017 (Marketing Charts 2017). A full 50% of B2B companies in North America were expected to increase their content marketing budgeting

between 2018 and 2019, while only 4% of them expected to decrease it (Content Marketing Institute 2018).

The Content Marketing Institute defines content marketing as "a strategic marketing approach focused on creating and distributing valuable, relevant and consistent content to attract and retain a clearly-defined audience – and, ultimately, to drive profitable customer action." (Content Marketing Institute 2019). Holliman and Rowley's (2014, 285) definition differs slightly in that it considers the point in the buying process that content should be placed: "B2B digital content marketing involves creating, distributing and sharing relevant, compelling and timely content to engage customers at the appropriate point in their buying consideration processes, such that it encourages them to convert to a business building outcome."

The crucial words in both definitions are the adjectives used to describe the content: valuable, relevant, consistent, compelling and timely. Unlike in traditional marketing, where intrusive ads are placed in the media channels that targeted customers prefer, content marketing provides content that is valuable in its own right and not (usually) directly about the product (Wang, Malthouse, Calder & Uzunoglu 2017, 2). It is an inbound process where customers and potential customers seek out content that is valuable and relevant to them (Holliman & Rowley 2014, 269). It is more storytelling and brand building than promotional (Järvinen & Taiminen 2016, 165). Although content marketing existed pre-internet (and still exist today) in the form of brochures, company magazines, etc., the term content marketing is largely thought of today as relating to the content found on digital marketing channels (Järvinen & Taiminen 2016, 165).

According to Holliman and Rowley (2014, 273), the above-mentioned researchers who contributed a rare and thorough investigation into the nascent content marketing field, the main goals of content marketing are to create or reinforce brand awareness; to convert and nurture leads; to convert customers; to improve customer service; to upsell to customers and to create passionate subscribers. An email survey conducted in 2018 by the Content Marketing Institute and MarketProfs (Content Marketing Institute 2019), was a bit more specific, but, once one works through the semantics, much of the findings were overlapping. In the survey, 771 B2B marketers listed the following as the goals they hoped to achieve with content marketing (the percentages are those who rated each a '4' or '5' where '1' was 'Not at All Important' and '5' was 'Very Important'): Create brand awareness (81%), educate audiences (73%), build credibility / trust (68%), generate demand / leads (68%), nurture subscribers / audience / leads (58%), build loyalty with

existing clients / customers (54%), drive attendance to one or more in-person events (49%), generate sales / revenue (45%), and build a subscribed audience (43%).

From these two findings, it is clear that brand awareness is the primary objective of most content marketing strategies. Gaining customers and nurturing existing ones is also of great importance in the two studies. Furthermore, generating and nurturing leads (and, through this, sales) is a key driver to investing in a content marketing campaign.

### 3.2.2 A framework for content marketing

Hollebeek and Macky (2019, 30-31), in their article 'Digital Content Marketing's Role in Fostering Customer Engagement, Trust, and Value: Framework, Fundamental Propositions and Implications', provide a digital content marketing framework. Their framework describes what drives consumers to interact with a brand/company and the ultimate consequences of that interaction when repeated. It is a multi-tiered framework and is shown in figure 2 below:

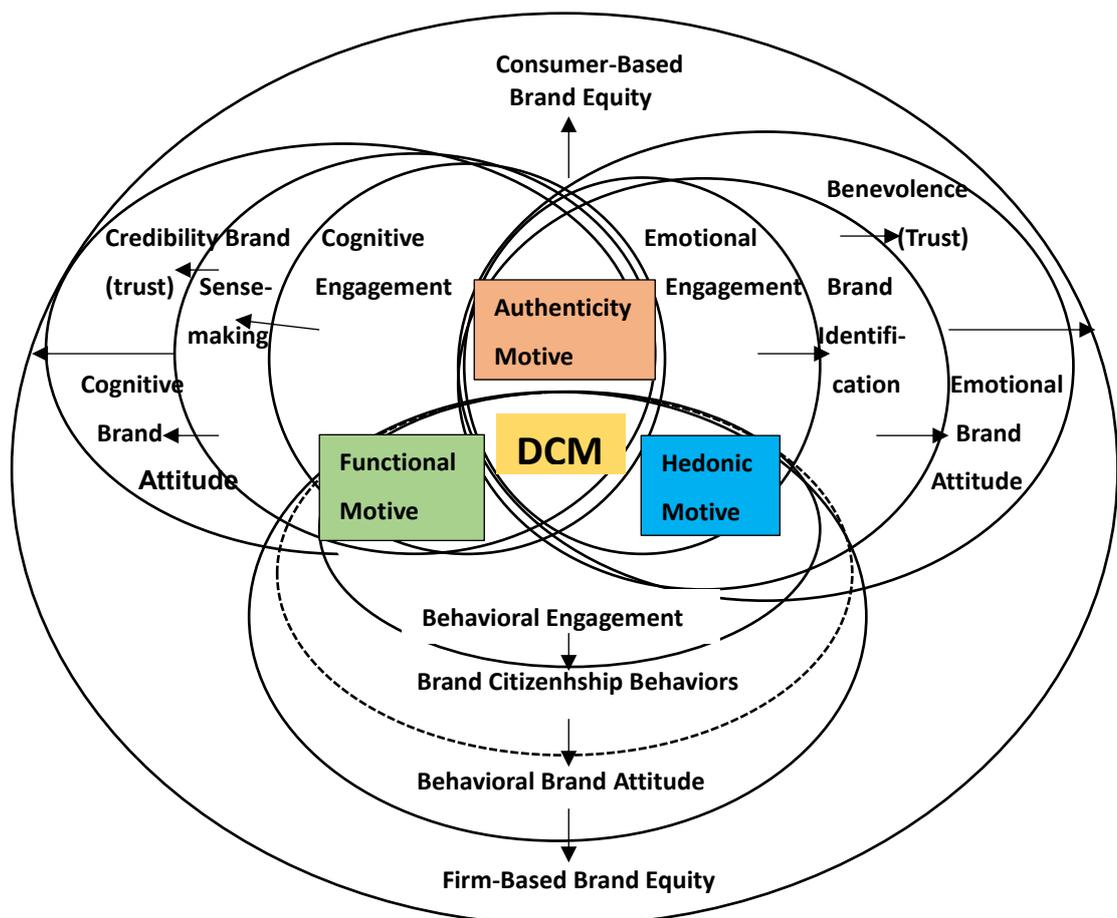


Figure 2. The Hollebeek and Macky content marketing framework (Hollebeek & Macky 2019, 31)

In the center of the framework are the DCM (digital content marketing) letters, and everything radiates out from there. The first, innermost layer is labeled with what Hollebeek and Macky (2019, 30) call antecedents and is based on a uses-and-gratification (U&G) perspective. Antecedents are what drive the consumer to interact with the content or digital channel in the first place. The first antecedent of functional motives serves an informational/utilitarian purpose. These could include information about a brand or some other useful information to be learned. Hedonic motives, on the other hand, involve an emotional desire to be entertained or amused. This content is usually more fun than the content that serves functional motives and is often in the form of quizzes, entertaining videos, etc. The last of the antecedents, authenticity motives, expresses a consumer's desire to interact with a brand that is authentic, has integrity and is motivated by caring and responsibility. (Hollebeek & Macky 2019, 31-33.) Authenticity is closely linked with the brand's history, its virtuousness and how a consumer identifies with the brand or the individuals representing the brand (Fritz, Schoenmueller & Bruhn 2017, 328).

As stated, antecedents are initially what drive a customer to interact with a company's content or channels. These, in turn, can lead to repeated visits and the consequence is an increase in the consumer's cognitive, emotional and behavioral engagement with the digital content marketing. Hollebeek and Macky label these as "First-tier consumer-based DCM consequences", and they are shown in the framework's next layer. (Hollebeek & Macky 2019, 30-31.)

Cognitive engagement comes forth from the functional and authenticity antecedents. It results from a consumer's desire to find out something brand-related (functional motive) combined with the consumer's need to find out about its genuineness (authenticity motive). Over multiple interactions, it will lead to "brand-related sense-making." (Hollebeek & Macky 2019, 33.) Emotional engagement, on the other hand, emerges from authenticity and hedonic antecedents. A consumer's need for emotional gratification through digital content marketing (hedonic motive) combined with the need to find out how genuine a brand is (authenticity motive) creates emotional engagement and, over multiple interactions, generates brand identification. The more positive the engagement, the more likely the consumers will see the brand as part of themselves. (Hollebeek & Macky 2019, 33.) Behavioral engagement is the result of functional and hedonic motives. The higher a consumer's behavioral engagement, the more time and energy the consumer spends on a brand. This leads to such behaviors as writing brand reviews, helping other customers, word-of-mouth actions and other types of user-generated content. Unlike in cognitive and emotional engagement – where brand-related sense-making and brand identification are the expected result, respectively – behavioral engagement is an extra role played by the

consumer which may or may not lead to brand citizenship behaviors (hence the dotted line in the framework above.) (Hollebeek & Macky 2019, 30-34.)

The next layer of the framework, the second-tier consequences of brand trust and brand attitude, result from the first-tier consequences (brand-related sense making, brand identification and citizenship behaviors) mentioned above (Hollebeek & Macky 2019, 34).

Brand trust is the assumption on the part of the consumer that the brand or organization can be relied upon (credibility), and that the brand is working in the consumer's best interest (benevolence). Credibility is derived more from cognitive brand-related sense making while benevolence is derived more from emotion-based brand identification. (Hollebeek & Macky 2019, 34.) Brand attitude reflects the degree to which the consumer looks at the brand with favor or disfavor, and is influenced by emotional, behavioral and cognitive factors. In the bottom part of the framework, behavior brand attitudes are strengthened the more a consumer engages with the brand, and even more so if they display extra citizenship behaviors. (Hollebeek & Macky 2019, 34.)

The third, final and outermost tier of the framework, consumer-based brand equity and firm-based brand equity, are what follow from brand attitude and brand trust, and are the core targets of a content digital marketing campaign (Hollebeek & Macky 2019, 34).

As stated in part 2 of this thesis, consumer-based brand equity refers to the idea that the more positively a consumer thinks about a brand, the more the consumer will *perceive* a product as being useful or desirable – especially against a competing brand (Lassar, Mittal & Sharma 1995, 13). As it is all about perception (as opposed to behavior), brand equity is affected by a consumer's emotional and cognitive engagement and their consequences of identification and brand-related sense-making. As can be seen in the upper portion of the framework, these in turn lead to emotional brand attitude and benevolence, as well as cognitive brand attitude and credibility, both of which are important to consumer-based brand equity. (Hollebeek & Macky 2019, 35.) Consumer-based brand equity drives the future brand-based behavior of consumers and is directly relevant to firm-based brand equity (Hollebeek & Macky 2019, 35).

Firm-based brand equity is "the assets and liabilities linked to a brand, its name and symbol that add or subtract from the value of a product or service provided by a firm." (Aaker 1991, 7). Brands with high-equity provide a firm with superior performance and sustained competitive advantage. High brand engagement and attitudes lead to more brand sales which improve firm-based equity (Hollebeek & Macky 2019, 35).

To summarize, firms must produce high-quality content which is either informative, entertaining and/or shows off the firm's authenticity. The goal at this stage is to get consumers to keep returning to the brand. Over repeated visits, consumers begin to engage with the brand on an emotional, cognitive and/or behavioral level. Repeated emotional engagements lead to emotionally identifying with the brand in some way; Cognitive engagement leads to gaining a sense of what the brand is all about; and behavioral engagement may or may not lead to a consumer engaging in behaviors that are helpful to the brand (writing reviews, answering the questions of other consumers, posting own material, etc.) From here consumers form attitudes about the brand and develop brand trust in the brand's credibility and motives. This leads to two core goals of digital content marketing: consumer-based brand equity (i.e., consumers perceive a brand as more useful and desirable than a competitor's) and firm-based brand equity (i.e., a firm performs better and has a sustained competitive advantage).

The framework can easily be applied to Company X. Visitors to Company X's website would probably visit due to functional motives (to find out about their drivetrain solution) and authenticity motives (it's a progressive, eco-friendly company in the cleantech sector) leading to cognitive engagement with the brand. It's not only unlikely that users would come to Company X's website for hedonistic purposes, but it would also probably be a detrimental marketing idea if Company X positioned themselves this way. Repeated interaction through Company X's brand – largely through the benefits gained from useful, compelling content – would lead customers to make sense of the brand by forming some degree of favorable/unfavorable attitude towards it and lending the brand varying degrees of credibility. If the levels of attitude and credibility are high, this will lead to the ultimate goal of content marketing (and digital marketing in general) of consumer-based brand equity and firm-based brand equity. Achieving these two goals obviously would lead to more partnerships, sales and business for the company.

### **3.2.3 The content of content marketing**

Digital content can come in many forms: website copy, blog posts, infographics, newsletters, articles, case studies, interactive graphics, white papers, videos, ebooks, online advice, podcasts, games, etc. (Laudon and Traver 2018, 404; Buzzsumo 2018; Rowley 2008, 521-522; Dietrich 2014, 35). Also increasingly important is user-generated content (part of the consumer's behavioral engagement in the framework above) and curated content, which will be discussed in the social media marketing subsection below.

Producing high-quality content which meets the consumers' needs is at the heart of a content marketing campaign. Weak content with little value to consumers is not only a waste of effort, it will also be tossed aside for its irrelevance. Companies should instead focus on quality over quantity (Marketing 2013, 85). Davis, in his book "Brandscaping: Unleashing the power of partnerships", backs this up:

...you need to create content that your audience wants and needs. Often that content will have little to do with the actual products you sell and more to do with the audience you are trying to attract. (Davis 2012, 23.)

One content type deserves a mention over all others: Blogs. An engaging blog is a cornerstone of a content marketing campaign (Winterberg 2013, page 32). In one study, 52% of marketing managers in North America said that blogs would be the most critical to their content marketing success. They were ahead of the second and third place tools - email newsletters and social media content (which we will cover later in the thesis) – by a significant margin (Content Marketing Institute 2017, 29). Blogs serve a variety of purposes, including increasing brand awareness, creating new leads, building up a fan base, enabling a company to get feedback (and thus continuously improve), building relationships/brand loyalty, and generating profitability (Mohr 2016, pp.26-27). In addition to this, blogs generate inbound links, drive more people to a website through SEO (which rewards fresh content), can be used to post on social media and is a free alternative to advertising (Coustas 2018). Google (Google, n.d.), in its "Search Engine Optimization (SEO) Starter Guide" states that blog posts are a good way for a company to promote its website, as well as a way to let users and webmasters know about new content and services.

It is easy to say that an organization needs to produce valuable, high-quality content for customers and potential customers, but doing so is much more challenging. The academic literature is lacking in any practical ideas for content, so one must again turn to the blogosphere and the marketing literature.

Marketers generally distinguish between two types of content: evergreen content (long-term) and current content (short-term) (Evans 2017, 50). The most important quality of evergreen content is that it stays useful over a long time period (as opposed to current content which will be irrelevant after a short time period). Evergreen content is also valuable to customers, should be of high-quality and offers an in-depth stance that a company has on a topic (Vaughan 2017). Some examples include answers to frequently asked questions, how-to guides/tutorials that won't change over time, a company's unchanging stance on an industry issue, and a resource list of curated content and

historical accounts (Vaughan 2017). Evergreen content is important because it ranks high in search engines over time (because of its quality, relevance and timelessness), it continuously drives traffic to a website and, as a result of these two factors, generates leads over the long-term (Vaughan 2017). With all that in mind, it is wise for a business to think first about evergreen content when creating a content marketing plan.

Creating quality evergreen content arguably takes more time and effort, but continuously finding ideas for current content is more of a challenge. Dietrich (2014, 51-54), in her book "Spin Sucks", offers twenty ideas organizations can use when brainstorming about content ideas in their industry. These include: forecast coming trends, tie in some pop culture event with their industry, host a friendly debate, discuss positive/negative/disastrous things happening in their industry, create lists (including ranked lists), give away free things, have a 'something of the year', write a book review, go off on a rant, interview someone, hold a question of the week, write about the latest trends and have a roundtable discussion with people in their industry. Ideas can be generated by receiving alerts to things happening in the particular sector, by reading comments on the organizations' blogs / social media, by staying on top of current events and even by going through the content of old, sent emails (Dietrich 2014, 51). Two other well-known topic-generating strategies include: 1) Doing a Wikipedia search on a topic (for example, "Active Magnetic Bearing Systems" in Company X's case) and using the phrases in the blue hyperlinks as topic ideas and 2) Conducting an Amazon.com book search on a topic and using the chapter titles for topic ideas.

#### **3.2.4 Content marketing and SMEs**

A survey conducted among content marketers in the UK listed the following in regards to the main challenges they face in their content marketing efforts (the number in parentheses is the percentage of marketers who regarded it as a challenge): Producing the kind of content that engages (61%), producing content consistently (58%), inability to measure content effectiveness (58%), measuring the ROI of a content marketing program (49%), producing a variety of content (40%), lack of knowledge and training (32%), lack of budget (26%), finding trained content marketing professionals (24%) and lack of integration across marketing (22%) (Content Marketing Institute 2015). The marketers were contacted using lists from various content marketing associations, so the results almost certainly tilt toward those attitudes of marketers from larger organizations. It is not a leap to suggest that these problems are even more pronounced for SMEs who are usually constrained by a lack of human, financial, and time-related resources, as well as expertise in marketing and IT matters (Bettio, Di Maria & Finotto 2012, 226-227). For

SMEs looking to internationalize there is the additional problem of creating engaging content in a non-native language.

Whether to invest time, effort and money in quality content marketing, despite often being constrained in all three areas, is simply a choice an SME has to make. Most don't. In one U.S. study, only 13% of small businesses in the U.S. planned to use content marketing as a marketing tactic (Feldman 2019). Considering its growing importance among digital consumers - and the effective ways it contributes to modern-day brand building and lead generation – it is fair to say that any SME that doesn't invest in content marketing will find itself at a distinct disadvantage. When an SME does decide to invest in content marketing, it is important to have a documented content marketing strategy in place. Once the strategy exists, SMEs need to be sure to commit to it, spend time on it, be patient with it and publish content frequently (Harad 2016, 20-22).

### **3.2.5 The metrics of content marketing**

Measuring the ultimate success of content marketing is not a straightforward endeavor. Content marketing is a complicated, overlapping combination of branding, direct-response marketing and word-of-mouth. Also, online consumers purchase products or services via a complex, multichannel process, through which it's difficult to determine how much content marketing played a part. (Martin 2016, 11.)

A study in Denmark asked organizations which measurements they used to examine the success of their content marketing. The results, in order, were as follows: The amount of traffic on the website (86%), the number of followers on social media or newsletters (67%), the number of leads (47%), involvement (interaction) with users on social media (43%), time spent on websites (42%), SEO ranking (39%), size of conversion rate (38%), quality of leads (36%), qualitative feedback from customers (32%), number of inbound links (13%) and cutbacks of marketing budget (8%) (Brand Movers 2017).

There are many data analytical tools on the market (some of which will be discussed below) but the one most accessible to SMEs is Google Analytics. Many different metrics from Google can be used to arrive at a general conclusion as to how consumers are engaging with content.

The most common – and the one most used in the Danish study cited above - is to look at the traffic that comes from a certain page (such as a blog post), to look at the time users spend on the page, and finally compare the results to other pages on the website. If visitors go to or spend much more time on one page compared to others, it suggests that

the content on that page is effective and should be investigated more (Kuenn 2014). Another important metric is referral traffic, which scored surprisingly low in the Danish survey. This shows which outside sources linked to a website. If a company has a promotional campaign going on through social media or email marketing, and if the content is worthy of being shared, it will result in an increase in referral traffic. This lets a manager know what kind of campaigns work, which channels are most effective and the number of times that the traffic is referred (Kuenn 2014). By using a third metric, utilized by setting up 'event tracking' in Google Analytics, a company can track how much a certain piece of content was downloaded. This again can be compared against other downloads – and in conjunction with other analytics – to rate the effectiveness of a piece of content (Kuenn 2014.)

Other metrics include return visits, SEO results, content consumption numbers, popularity on social media, share of voice, conversions, page scroll depth and blog / social media comments (Martin 2016, 13; Raso 2016.)

Perhaps the biggest challenge companies face is to know exactly what to measure and value. Too often companies look for content's direct effect on return on investment (ROI). They should instead consider the effect content has on brand awareness, customer support and lead generation (Martin 2016, 12). Once these deeper goals are realistically set, companies can then consider using more sophisticated metric tools than Google Analytics. These include Customer Relationship Management (CRM) software, which manage customer data and interactions, and marketing automation platforms, which measure key metrics important for lead generations (mostly for B2B companies) such as downloads and sign-ups (Martin 2016, 12). Marketing automation platforms effectively allow businesses to utilize behavioral targeting as well as to personalize content to users (Järvinen & Taiminen 2016, 173).

### **3.2.6 Content marketing and the Kierzkowski et al. framework**

As stated earlier, the Kierzkowski et al. framework is based on five key elements: attract customers, engage with them, retain them / get them to return, learn about what they want and relate back to deliver value and customize interaction. (Kierzkowski et al. 1996, 12-13.)

In regards to content marketing and the first element (attracting customers), creating high-quality, valuable content is a crucial factor in drawing potential consumers to a brand. Companies need to produce content that is either informative, entertaining and/or conveys them as a sincere and authentic company. It should be of sufficiently high quality that it

stands out in a crowded field. Additionally, fresh content creation is also an important factor in improving a firm's SEO ranking thereby indirectly attracting awareness.

The second element (engage users) was touched upon briefly in this section and will be handled in more detail in the social media marketing section below. It is also represented under the "social media marketing" tag in the organic digital marketing model. One of the goals of any content marketing campaign should be to get consumers to engage and participate with the brand. Kierzkowski et al. implied that this could be accomplished either through one-off gimmicky promotions or through the slower build-up of community identification and interactions. The former serves a purpose, but the latter should be considered ideal when thinking about brand equity and retaining customers. Getting users to generate content for a brand and display citizenship behaviors results in firm-based brand equity.

The third element (retain users) is a primary function of content marketing. A steady output of fresh, valuable content results in customers repeatedly returning to a brand. Over time, this leads to a positive attitude toward the brand, and consumers preferring one particular brand over others. Once this consumer-based brand equity is established, companies are in a better position to achieve their ultimate business goals (most often, selling their product or service).

The fourth element (learn about what customers want) is vital when thinking about what type of content to produce. It is necessary in both the planning stages of content marketing and during the actual content marketing process. In the planning stages, companies need to create a buyer persona and research what type of content is effective with the targeted persona. During the process, companies must utilize key metrics and analytics to understand what is effective and what is not, and then adjust accordingly.

The final element (relate back to the customer) focuses more on targeting individual customers. This is more an area for social media marketing, SEO and permission email marketing, and so it is represented in the model as such.

### **3.3 Social Media Marketing**

This subsection starts by providing a definition and overview of social media marketing. It then moves on to a discussion on firm-owned content and the importance of user-generated and curated content. Following this, a discussion on how SMEs use social media marketing and a social media marketing framework – targeted towards SMEs – is then presented. In the final two subsections, the analytics and metrics used to measure social

media effectiveness are touched on, followed by relating social media marketing to the Kierzkowski et al. framework.

### 3.3.1 An overview of social media marketing

Tuten and Solomon (2016, 21), in their book "Social Media Marketing", define social media marketing as "the utilization of social media technologies, channels and software to create, communicate, deliver and exchange offerings that have value for an organization's stakeholders." Missing from this definition, however, are the goals of the firm itself. Felix, Rauschnabel and Hinsch (2017, 123) fill this gap by taking a more firm-centric approach: "Social media marketing is an interdisciplinary and cross-functional concept that uses social media (often in combination with other communications channels) to achieve organizational goals by creating value for stakeholders." Both definitions take into account the use of social media and the benefit the stakeholders derive. The definition of Felix et al. is a bit more grounded as it suggests the firms are ultimately acting for their own benefit.

The need to take into account the stakeholders above all is imperative to social media marketing and is emblematic about a great marketing shift that is going on in today's digital era. In their article, "Consumer Power: Evolution in the Digital Age", Labrecque, Vor Dem Esche, Mathwick, Novak and Hofacker (2013, 258-259) claim that this great shift is a dramatic move away from the organization and toward the consumer. The four reasons for this shift of power toward the consumer, they argue, are demand-based, information-based, network-based, and crowd-based (Labrecque et al. 2013, 258-259). It is worth briefly touching on this article as it holds a lot of relevance in understanding the potential of social media for organizations.

The first and last of the sources of power (demand-based power and crowd-based power, respectively) which signal a shift from organizations to consumers are only *indirectly* linked to how most businesses use social media. Demand-based power stems from the expanded choice the internet provided to consumers through a vast, global marketplace and 24-hour availability (Labrecque et al. 2013, 260). Crowd-based power allows consumers to pool together resources to benefit the group and the individual, resulting in crowd-based tools such as Wikipedia, Kickstarter and crowd-sourcing peer-to-peer communities (Labrecque et al. 2013, 264-265).

Information-based power and network-based power, on the other hand, are *largely intertwined* with how businesses use social media. Information based-power, according to Labrecque et al. (2013, 261-262), is based largely on content consumption and content

creation. Consumers are now easily able to obtain content that was previously inaccessible, and social media channels are one important avenue for accessing the information. This information could take the form of, among other things, product information, reviews, price/product comparisons and online support. Similarly, consumers can affect a brand through electronic word-of-mouth (eWOM), product reviews or content created through their websites, blogs, etc. (Labrecque et al. 2013, 261-262).

Though crucial for the shift of information-based power, social media channels are easily the most relevant regarding the network-based power of consumers. Network-based power refers to the actions consumers can take to add value to a piece of content. These actions can most easily be handled in the many-to-many interactions of social media. These may take the form of sharing a piece of content, completing it (by tagging it or commenting on it), or modifying/repurposing it (Labrecque et al. 2013, 263-264).

Social media, as a result of its information-based and network-based source of power, is a key tool for both content marketing and organic digital marketing. Content marketing and social media marketing, it should be noted, are closely related and overlapping, but not the same. The business objectives of each are aligned and they both use (mostly) a storytelling rather than promotional approach. Content marketing, however, is a technique that, in part, uses social media platforms and channels. From a content marketing perspective, social media can be looked at as one of several environments in which to deliver and share content (Järvinen & Taiminen 2016, 165).

The channels of the social media environment are many. In a 2019 study of 4.859 marketers worldwide, the most commonly used social media platforms for marketing were: Facebook (94%), Instagram (73%), Twitter (59%), LinkedIn (58%), YouTube (54%), Pinterest (28%) and Snapchat (6%) (Social Media Examiner 2019). The use of the first five of these channels is growing among marketers, while Pinterest and Snapchat are slightly decreasing. Furthermore, marketers plan to increase their usage of all of the channels. A 2018 study by the same institution asked marketers, in regards to organic reach (which can be assumed to be the preferred method of often budget-strapped SMEs): 1) Have they increased or decreased their activities on the respective channels over the past twelve months and 2) do they plan to increase or decrease their activities over the coming twelve months. The results were as follows: Facebook (50% increased their activities; 18% decreased their activities; 62% plan on increasing their activities), Instagram (48%, 9%, 66%), Twitter (31%, 20%, 44%), LinkedIn (30%, 14%, 51%), YouTube (26%, 14%, 58%), Pinterest (13%, 17%, 29%) and Snapchat (6%, 7%, 16%) (Social Media Examiner 2018, 21-27).

The main reason that companies are utilizing social media is simple: That's where consumers are spending their time. Facebook now has over 2.27 billion registered accounts, YouTube has 1.9 billion, Instagram has 1 billion, Twitter has 326 million, LinkedIn has 303 million, Snapchat has 287 million and Pinterest has 250 million (We are Social, Hootsuite, Datareportal 2019a). There are also many messaging services (WhatsApp, Facebook Messenger, WeChat, etc.) with a high number of registered accounts, that are considered social media (We are Social, Hootsuite, Datareportal 2019b). However, these are not conducive to the organic, cost-free, inbound, long-term digital marketing efforts of SMEs discussed in this thesis, so they will be left out of this discussion entirely.

Another reason companies are using social media is for the many possibilities offered to marketers. Social media can: improve brand awareness, stimulate sales, improve customer service, increase traffic to an organization's website (as well as to other platforms), save marketing costs by moving from tradition marketing to web-based marketing, improve the promotion of a company's products / services, help build relationships with customers/business contacts, and allow companies to monitor consumer conversations about brands. (McCann & Barlow 2015, 276-278; Vinerean 2017, 30-31.) Furthermore, social networks are considered user-friendly by managers, and can more effectively measure marketing outcomes (Tiago & Verissima 2014, 705).

### **3.3.2 Owned content, user generated content and curated content**

Owned content is all the content an organization controls. Fully-owned content is the material that an organization has total control over and is generally found on an organization's website. Partially-owned content – which is the updates, images, etc. placed on social media – are so-called because they are housed on the individual platforms and, if the platform goes away, then so does the content (Dietrich 2014, 44). The owned content an organization creates for content marketing (which, by definition, lacks a sales message and is meant to serve a useful purpose to consumers) is often distributed across their own social media channels without the involvement of any intermediaries (Muller and Christandl 2019, 47). For this type of content, unlike in sponsored content, consumers feel they are being helped rather than manipulated and this in parts leads to a higher brand favorability and loyalty (Muller and Christandl 2019, 53).

A similar case can be made for user-generated content (Muller and Christandl 2019, 53). User-generated content (UGC) can be defined as "an important means through which

consumers express themselves and communicate with others online" (Smith, Fischer & Yongjian 2012, 102.) It, by definition, is content that is produced by users outside the influence of a brand or organization. UGC occurs in online, open communities which are characterized by a large number of (mostly) unpaid contributors who work jointly to develop valuable content for a wider audience (Crowston and Fagnot 2018, 89). Some examples of UGC are: online reviews (either through review sites or social media conversation), social media posts (Twitter tweets, Facebook status updates, etc.), YouTube videos, Wikipedia edits, texts for blogs, open source software development, bug reports, documentation, etc. (Charlesworth 2014, 300-301; Crowston and Fagnot 2018, 89-90; Smith 2012, 102.)

Though firm-created content is important for social media, also important is the UGC in response to that content and the message it is trying to convey (Roma and Aloini 2019, 322). One study (Schivinski & Dabrowski 2016, 202) found that while both a firm's owned content and the UGC of social media channels influenced the perception of a brand, UGC had more of a positive impact on brand loyalty and how the quality of the brand was perceived. In addition, active engagement with a brand's community on social media has a major impact on consumer purchases. The persuasive effect of consumers was shown to be more than 22 times that of marketers (Goh, Heng & Lin 2013, 103).

Marketers – whether they are working for a large, multinational organization or an SME – need to make UGC part of their digital marketing campaigns. This means encouraging consumers to actively participate in social media campaigns, listening and responding to UGC and strategically managing negative feedback (Schivinski & Dabrowski 2016, 202-204). Also, marketers should tailor and update social media content according to the practices of the social media channels (Roma & Aloini 2019, 336). Finally, marketers should encourage e-referrals, and consider providing incentives for consumers who successfully recruit others. (Ahrens, Coyle & Strahilevitz 2013, 1044-1046.)

Curated content is another content form that deserves a mention, and is especially relevant on social media. The idea is to repackage relevant articles from other sites and post them onto a company's social feeds (Beltrone 2012, 13). This mostly takes the form of identifying useful content in an industry, summarizing it in a headline and/or short paragraph and sharing it on a social network. Curated content allows a marketer to post frequently on social media (thus staying fresh in the mind of its followers) and establishes one as a helpful expert in a particular industry (McDonald 2019b, 55-56).

A generally accepted rule of thumb is that 80% of posts on social media should educate and inform a company's audience (blogs, curated content, etc.) while 20% should be directly promotional (Hall 2018). This will naturally vary from company-to-company and from time-to-time within a company but, on the whole, it is a good ratio for a company to keep in mind.

### **3.3.3 Becoming a trustworthy industry expert**

Before moving on to a social media marketing framework, it is important to mention one underrated benefit of social media, hinted at above: The chance for an individual or SME to establish itself as a trustworthy industry expert. This is especially useful for an SME like Company X whose four founding members are highly educated and knowledgeable about their field.

Strategically and methodically promoting oneself as an expert increases an individual's or company's visibility and awareness, drives website traffic, promotes profitable customer actions and leads to speaking and network opportunities at industry events. This perpetuates a cycle of greater name recognition followed by increased business and publicity possibilities, etc. It's invaluable for a company's professional reputation and standing. (Deckers & Lacy 2013, 5-6.)

The best place to start with establishing expertise is through a blog. A blog not only forces an individual to keep up with the current news in a certain sector but also allows a community of like-minded people to discover the expertise of the blogger. As mentioned, the blog pieces can then be posted on different social media platforms which are then, ideally, shared with others. (Deckers & Lacy 2013, 45-47.)

The different social media channels also provide unique opportunities for establishing one's reputation as a trustworthy industry expert. On all social media platforms, a company can actively engage in dialogue with followers/connections. Each channel has its unique opportunities. LinkedIn, for example, has the option of joining groups and sub-groups of a particular industry (Deckers & Lacy 2013, 75). On Twitter, a user can communicate with potential clients, discuss current topics, analyse competitors and contact influential people in the industry such as journalists and bloggers. (Deckers and Lacy 2013, 97-99.) Facebook, Instagram and Pinterest also provide opportunities for reputation-building but these are more fun-based than business-based.

Other examples of actions an organization can take to establish a reputation as a trustworthy expert is to get deeply involved in the industry (join associations, speak at industry

events, etc.), write articles for non-digital media (in addition to online blogs), publish a book and actively engage in discussion forums (Whitmore 2015).

### **3.3.4 A discussion and framework on social media marketing and SMEs**

Though the share of small companies (with between 10-49 employees) in the EU using social media is on the rise (a 17% increase from 2013 – 2017), the total number is still surprisingly low: As of 2017, only 42% of small companies use social networking sites (Eurostat 2018). The numbers are only slightly higher in the U.S. where 48% of small businesses planned to use social media as a marketing tactic (Feldman 2019.) Given the benefits gained from social media marketing, it is fair to wonder why more SMEs have not adopted it.

Many of the aforementioned obstacles to SMEs effectively utilizing digital marketing can also be applied to their use of social media marketing. Very much depends on the attitude and skills of the owner-manager, as well as resource-based and environmental factors (Karjaluoto & Huhtamäki 2010,19-20). In a survey of 1,000 B2B marketers from the U.K., Michealidou, Thefonia Siamagka & Christodoulides (2011, 1155) found that, perhaps unsurprisingly, if an organization is likely to perceive social media as a worthy investment then they are more likely to incorporate it into its strategy. According to the same survey, the following were the reasons SMEs gave for not utilizing social network sites (in order): They are not important within the sector the company operates, there is uncertainty of whether or how social network sites could help their brand, the SME's staff has no knowledge of the sites, social networking sites require a large time investment, the competitors do not use the sites and the staff lacks the technical know-how to use the sites (Michaelidou, Siamagaka & Christodoulides 2011, 1155-1156).

McCann and Barlow, in their article "Use and measurement of social media for SMEs", present an overarching, flexible framework targeted toward SMEs. The framework proposes that there are three important pre-cursors for SMEs to measuring and attaining social media ROI: A planned entry into social media, a formulation of measurable goals and objectives, and an understanding of the business processes (McCann and Barlow 2015, 273.) Figure 3 is a visualization of their framework.

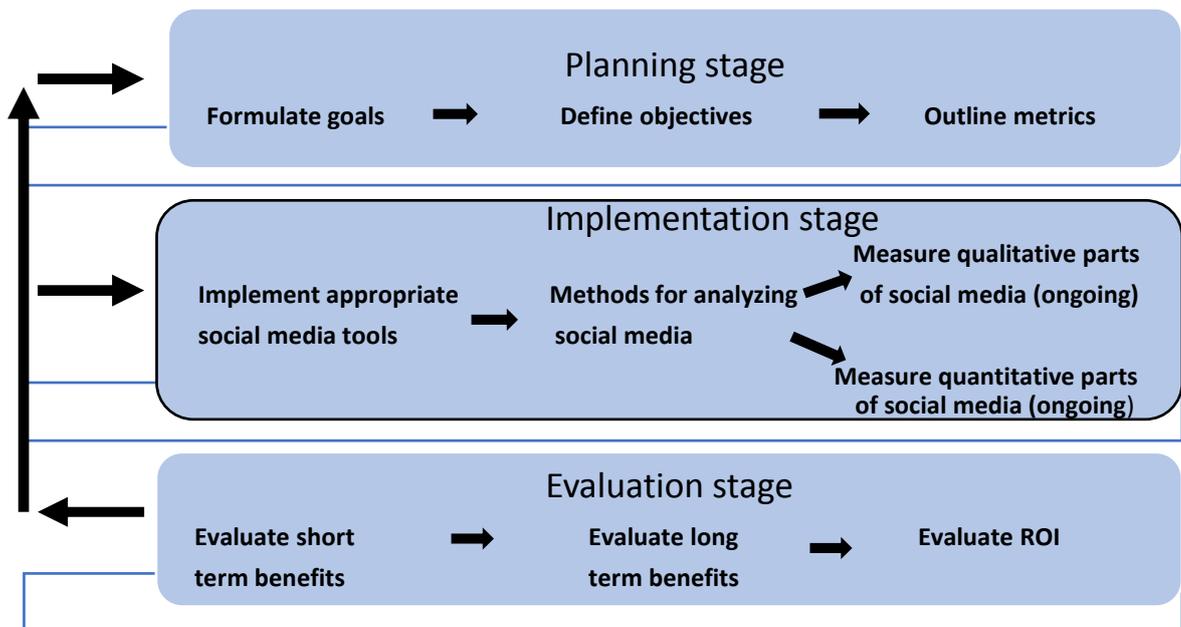


Figure 3. The McCann and Barlow social media framework (McCann and Barlow 2015, 284)

There are three stages to the framework: The planning stage, the implementation stage and the evaluation stage (McCann and Barlow 2015, 283). During the planning stage, an SME needs to set goals, define the objectives and set suitable metrics for measuring social media marketing success. During the implementation stage, the SME decides which social media tools to implement (in accordance with the objectives set during the planning stage), decides on methods to use to analyse social media (for example, analytical tools or the monitoring of social media by personnel) and continuously measures the qualitative and quantitative aspects of social media. During the evaluation stage, an SME assesses the short-term and long-term benefits of social media and considers how it affects longer-term ROI. In the course of measuring ROI, companies need to continuously revisit the framework and make adjustments to goals, objectives, social media tools/methods and metrics as necessary. (McCann and Barlow 2015, 283-284.)

Before entering into the planning stage, a company should pay attention to how their brand is being perceived, as this can help define the goals and the channels (and timing) of implementation. They should also be aware that social media marketing is a long-term commitment which involves a lot of dialogue and conversations with customers. (McCann and Barlow 2015, 284; Michaelidou et al. 2001, 1157; Michopoulou & Moisa 2019, 314). McCann and Barlow (2015, 277) list the possible business objectives for companies using social media: Improve customer service, increase sales, improve brand awareness,

reduce costs, improve the promotion of the company's products/services, build relationships with business contacts/customers and increase the volume of traffic to the website. In their survey of SMEs, brand awareness and customer relations were the two most important factors (McCann and Barlow 2015, 280). They also provided a list of ways to measure each objective which will be discussed in the next subsection.

Once the SME sets the goals, defines the objectives and outlines the metrics it must move onto the implementation phase. The firm now needs to determine which social media tools are most suitable, which analytic tools to use and how to measure both the quantitative and qualitative aspects of its social media marketing.

Each social media platform has its unique characteristics, making it necessary for an SME to choose which platforms to use (in line with its pre-set social media objectives). The following is a very brief overview of five popular social network platforms as set out by Washington (2016) at the ICSB World Conference Proceedings (2016).

1) Facebook ('The watercooler') - Facebook, like the watercooler at work, is a place for people to get together and chat. For SMEs, it's a good environment to create and build customer relationships. Engaging, encouraging and useful content is what will gain an SME the most exposure.

2) LinkedIn ('The boardroom') - LinkedIn is the place where professionals go to connect. It is a place of little casual interaction and a lot of partnership developing and employment possibilities. SMEs can establish connections with high-level executives and establish themselves as an industry expert. Typical content on LinkedIn includes sharing links (self-created or curated) and information that conveys industry-specific knowledge and competence. The pages of the individual employees are more relevant than the company pages.

3) Twitter ('The newsroom') - Twitter is the place people go to for relevant and timely news. This is a good environment to gain exposure, share industry-related information and establish oneself as a trustworthy resource. The typical content on Twitter consists of creating attention-grabbing tweets or retweeting experts to gain or retain attention. The use of hashtags is particularly important on Twitter, as is the role it plays with industry-specific events (conferences, summits, etc.) and influencers (journalists, bloggers, etc.)

4) Pinterest ('The showroom') - Pinterest is the place people go to get ideas on projects, events, etc. People find things online that interest them and then share them. SMEs can display and distribute images and content from their industry. Pinterest is the place where gimmicky things (like contests) work well.

5) Instagram ('The storefront') - Instagram is a promotion-friendly social media channel, primarily using photos and images. It allows SMEs to show off their products and services in real time. Typical Instagram content includes attention-grabbing photos and images. Like with Twitter, hashtags are important on Instagram. (Washington, 2016.)

Company X, for instance, supplying eco-friendly drivetrain solutions to original equipment manufacturers, would probably not benefit much from the image-friendly Instagram platform. Nor would the idea-for-projects theme of Pinterest be of much value to organizations in the machine components business. Even Facebook would not be a logical first choice for a drivetrain company. Instead, Company X would probably gain the most value from the business-friendly, industry-specialized atmosphere of LinkedIn and the topical atmosphere of Twitter where one could establish oneself as an expert in a particular field.

The SMEs must then also decide which analytics tools to use to gauge how well their social media marketing campaign is going. The tool must be able to measure the objectives and metrics set out in the planning stage. Google Analytics and the metrics used from the social media platforms are good for formal metrics, as are (often costly) cross-platform analytic tools. The SME must continuously monitor both quantitative measurements (for example, number of likes on Facebook) and qualitative measurements (for example, analyzing the tone of user-generated comments.) (McCann and Barlow 2015, 273.)

The final stage, the evaluation stage, evaluates both the short-term and long-term benefits of the social media marketing campaign, as well as the ROI. The framework was designed to be simple and flexible enough to allow for necessary changes to be implemented if the marketing efforts are not going according to plan. The evaluation stage is the point where an SME can decide if it continues on with or updates its social media objectives and metrics. The ultimate focus on financial ROI should remain a priority, with the understanding that intangible dialogue with customers can lead to future financial gain. (McCann and Barlow 2015, 284.)

Conspicuously absent from the McCann and Barlow framework is the mention of content. Knowing the goals, objectives and metrics of a social media marketing campaign is crucial, but it's a waste of an SME's efforts if they can't meet these objectives with high-quality and relevant content. This is where content marketing and social media marketing are interlinked. Understanding what content to produce, on which channels to publish it,

and how often are of paramount importance. The SME can then utilize key metrics to determine which content is effective, and respond accordingly.

### **3.3.5 The metrics of social media marketing**

In their survey, McCann and Borrow (2015, 280-281) found that although SMEs reported many benefits to using social media, a full 65% of them didn't measure the benefits they gained. This finding is only slightly out of line with the Michaelidou et al. study (2011, 1156) which found 53% of SMEs did not measure social media effectiveness. The surprising aspect of these two studies was that the former was conducted four years later than the latter, yet the percentage of firms who didn't measure social media effectiveness was higher in the latter study. This might simply be a matter of semantics on the two questionnaires. Whatever the case, the main idea is that, overall, too many SMEs do not measure social media effectiveness.

Michaelidou et al. (2011, 1156) state that a key reason why SMEs don't measure social media effectiveness is due to their lack of knowledge on metrics. Those that do measure it, used the following metrics (in order): Number of users joining the group, number of comments, number of positive/negative comments, number of customers attracted via social network sites and number of friend requests (Michaelidou et al. 2011, 1156).

Measuring the effectiveness of social media is not a straightforward endeavor, especially in regards to return on investment (ROI). The main difficulty is to show the link between social media activities and financial ROI (Michopoulou & Moisa 2019, 313). A more practical approach, however, may be to not look at ROI as strictly financial, but through metrics that are appropriate to the dialogical, many-to-many approach of social media. This stems from the understanding that a large base of engaged users will increase brand equity and eventually become paying customers (Michopoulou & Moisa 2019, 313).

According to McCann and Barlow (2015, 276), the most important factor in measuring social media effectiveness is how well it relates to the primary objectives. As mentioned, this usually requires a mixture of quantitative and qualitative measurements. Naturally, the more detailed the data, the better an SME can measure the ROI of social media. However, in order not to get bogged down in overanalyzing, an SME should keep measurements simple, and use only a few analytics to measure each business objective. (McCann and Barlow 2015, 277-278.) They produce a list matching the possible objectives of social media marketing with some ways each objective can be measured.

The important thing about their list is the quantitative and qualitative mix of the metrics for each objective (which fits well with the purpose and nature of social media) as well as the fact that there are only three to six metrics for each social media objective (which allows SMEs to measure objectives in an uncomplicated manner.) As an example, if an SME's objective is to build relations with business contacts and customers (as it is for Company X, as shown below) then the key metrics are: to measure the amount of user-generated content, to track the number of followers/subscribers, to track the number of unique visitors/regular visitors, to analyse the sentiment of the comments and and to analyse the source and quality of the authors. (McCann and Barlow 2015, 277.)

### **3.3.6 Social media marketing and the Kierzkowski et al. framework**

Out of the four organic digital marketing methods used in this thesis, social media marketing is the only one that fits into all five factors of the Kierzkowski et al. framework.

Attracting users (the first element of the Kierzkowski framework) in the competitive arena of social media is not easy, but it is possible. The most important step is to post content – whether original or curated – that is compelling to users. However, it inevitably takes some extra, active measures on the part of the firm/marketer to attract users. These measures include establishing oneself as a neutral, trustworthy expert in the field by participating in social media conversations / giving advice in forums (establishing a trust which will eventually drive consumers to your website or social media channels), creating a social media contest or simply investing in social media ads linking to your website or social media pages (Rampton, 2017) .

Engaging customers' interest and participation (the second element) and then retaining them (the third element) is central to social media. As mentioned, social media is a many-to-many interaction where multi-party conversations thrive, relationships develop and user-generated content is encouraged. Social media is not a tool for simply promoting a company's products. It is a long-term project for relationship-building and creating brand awareness. All the content a company posts – whether owned, curated or participating in online discussions – must work toward engaging and retaining users with long-term goals in mind.

Various qualitative and quantitative social media metrics then allow companies to learn about their users (the fourth element) and adjust their business objectives accordingly. Finally, social media allows a company to relate on a personal, one-to-one level with customers (the fifth element), enabling them to personalize service and link to the core business.

The Kierzkowski et al. framework is about building a long-term relationship with customers online, with the understanding that, eventually, these efforts will lead to improved brand equity and profitable customer actions. Their article predated the explosion of social media but, if the authors wanted modern-day verification of the soundness of their model, then there is arguably no better place to look than the social media landscape.

### **3.4 Search engine optimization**

This section starts with a definition and description of search engine optimization (SEO) before moving on to the important factors of both onsite and offsite SEO. It then moves on to a discussion of the importance of content and brand equity, how SMEs do SEO, how SEO success can be measured and, finally, connects SEO back to the Kierzkowski et al. framework.

#### **3.4.1 An overview of search engine optimization**

Search engines are a big business worldwide. The number of search queries powered by search engines in the U.S. as of 2018 (for Google and Microsoft sites alone) exceeded 16 billion (comScore 2018). Google controlled 90.77% of the worldwide desktop market share as of January 2019, followed by Yahoo! (4.12%), Bing (3.41%) and Baidu (0.37%) (StatCounter 2019). The global search advertising revenue of Google in 2017 was €76.3 billion, followed by Baidu (€8.9 billion), Yahoo! (€2.7 billion) and Microsoft (€1.6 billion) (The Drum 2018).

Search engines serve an intermediary function between internet users and websites. They are often the starting point for internet users, thus making them of huge importance in linking users and websites (Baye, De Los Santos & Wildenbeest 2016, 6). The ultimate goal of search engines in an organic sense is to link users to the highest-quality website. In a profit-making sense, search engines auction off sponsored links in exchange for a prime location on its search pages (Berman and Katona 2013, 646-647). The former (free, organic) can be referred to as search engine optimization (SEO) while the latter (paid) is referred to as search engine advertising (SEA). Along with attempting to directly promote a product – especially with regards to SEA – both are used to build and sustain brands, a process known as search engine marketing (SEM). (Charlesworth 2014, 242-243; Killoran 2013, 53; Lauden & Traver 2018, 396-398.)

Search engine optimization can be defined as "the practice of making a website attractive to a search engine by presenting its code and content in such a way that the search

engine will assume that it will address a specific enquiry from a (human) searcher" (Charlesworth, 2014, 191). The key difference between SEO and SEA – and one not mentioned in the definition - is that with SEA, an organization can decide (through paying enough money) if it wants to be listed high in the ad section of a page, whereas in SEO the search engine decides who is ranked high in the organic listings (Charlesworth 2014, 190). A high rank is crucial for getting clicks. A study by Baye, de los Santos and Wildenbeest (2016, 7) found that not being included in the first five pages of a search result led to a 90% decrease in organic clicks. Furthermore, for e-retailers who are listed on the first five pages, a 1% improvement in the rank of a particular search, led to a 1.3% increase in clicks. Even with the best, most relevant content, an organization will have difficulties being found without a high search rank (Killoran 2013, 50).

The direct and indirect benefits to a high SEO rank are many, and include: high conversion rates, increased sales and leads, decreased cost per acquisition, 24/7 promotion, business sustainability (companies at the top tend to stay at the top), more informed customers, improved brand awareness and equity, increased website referrals / social media followers / newsletter subscribers / blog traffic, the gradual elimination of more expensive marketing methods, the possibility of small companies to stand out and, finally, it forces a company to develop and maintain a high-quality website and a good user experience (Standberry 2017).

A search engine creates and updates its vast index by continuously sending out bots to surf the web link-by-link to find new pages, as well as to update information (new content, broken links, etc.) on existing links (Gudivada, Rao & Paris 2015, 44-45; Killoran 2013, 53.) Google uses thousands of factors – some which focus on a site's trustworthiness, others which focus on relevance – in their algorithm. These factors comprise the algorithm which is used to match a search query to the most relevant links (Killoran 2013, 54). It is the job of a webmaster and SEO specialist to understand the algorithm as best they can (which is made difficult by the fact that the algorithm is proprietary information, closely guarded and continuously updated) and build and update their website so that it ranks high for selected search keywords.

One challenge for search engines is to fight against 'black-hat' techniques of unethical webmasters. Black-hat techniques are the efforts made by webmasters to manipulate the search engine algorithms through deceitful means to get a high ranking, though the website's content is not deserving of that ranking. (Gudivada et al. 2015, 44-45; Killoran 2013, 54-55.) These methods include: keyword stuffing (excessively placing keywords in a text), link farming (buying and selling links to appear more attractive to search engines),

redirecting (redirecting a user to a site different from the one in the search), cloaking (friendly text shown to search engines is different than the malicious text seen by users), hiding text (having text invisible to users but visible to search engines), embedding malware (causing malicious viruses, ads, etc. to open on an unsuspecting user) and creating spam for affiliate marketing purposes (manipulating SEO to send users to an affiliate website.) (Gudivada et al. 2015, 45-46; Killoran 2013, 54-55.)

It is in the search engines' financial interest to make the best possible recommendation with regards to a specific search, and they therefore aggressively fight against black-hat techniques by tweaking their algorithms in a never-ending game of whack-a-mole (Killoran 2013, 55). A site that is listed first on Google one day, might be blacklisted the next. While using black-hat techniques might work in the short-term, it is a risky long-term strategy. Companies looking to benefit in the long-term must think more in terms of marathons than sprints. They must follow the rules, stay abreast of search engine changes and work hard to increase their website rankings. They have to build their websites for both search engines and humans and follow SEO ethics. In short, they must follow 'white-hat' techniques. (Dietrich 2014, 27-28.)

### **3.4.2 White-hat SEO: On-page and off-page optimization**

White-hat techniques consist of on-page SEO and off-page SEO. On-page SEO are the techniques that can be made directly to a website, while off-page SEO concerns the techniques a webmaster can use to generate both inbound and outbound external links. (Gudivada et al. 2015, 49; Matosevic 2015, 200-201.) Companies should think of SEO as a vital part of the web-building process, and not something to be tweaked after the fact. To facilitate this process, search engine companies provide starter guides on how SEO works as well as a list of best practices for webmasters to follow.

The following is a very general overview of what Google's (Google, n.d.) "Search Engine Optimization (SEO) Starter Guide" suggests companies focus on in regards to on-page optimization. It should be noted that this list is not comprehensive, but is a good starting point for companies hoping to initiate effective SEO. According to the guide, SEO is about making many small changes to a website that, in aggregate, have a noticeable impact on both rank and user experience. Each item on the list requires deeper research and skill development. In addition, the list only lightly touches on the massive importance of high-quality, relevant content to SEO. As content is a central component to this thesis, it warrants its own subsection (which will follow directly after this subsection).

- Help Google find the content by submitting a sitemap

- Create unique, accurate page titles
- Create good titles and snippets
- Use the "description" meta tag
- Use headings to emphasize important texts
- Tell Google which pages shouldn't be crawled by using "robots.txt"
- Add structured data markup
- Organize the site hierarchy for both search engines and users (have navigation pages, breadcrumb lists, simple URLs, etc.)
- Manage the appearance on Google search results
- Make the site interesting and useful
- Know what your readers want (and give it to them)
- Use internal links and anchor texts wisely
- Help search engines find your images
- Make the site mobile-friendly (Google, n.d.)

The starter guide doesn't explicitly differentiate between on-page and off-page SEO, but it does make references to website promotion and external linking. For the former, the guide recommends promoting the website through blogs, offline promotions (attaching URL to business cards, sending out newsletters), adding the company information to Google My Business, joining social media sites and establishing connections with others in the same community (Google, n.d.). For the latter, it suggests caution when linking to other websites as, by doing so, a firm imparts some of its reputation onto the other site. A webmaster can use 'nofollow' to tell Google that a link should not be followed, nor should the firm's reputation be passed on to the linked-to site. 'Nofollow' comes in handy, for example, with comment spam and when using a third party's widget links (Google, n.d.)

Regarding the important matter of backlinks (also called "inbound links"), the starter guide is quite silent and vague, so it's more useful to use alternate sources. For search engines, links from other websites act in a similar way to votes. However, more important than the number of links is the quality of those links. Links from websites with higher authority are counted more than links from those with lower authority. Additionally, it is very beneficial if the anchor text contains important keywords. If links come from high-authority websites with keyword-rich anchor texts, it sends a strong signal to the search engines of the website's quality (Matosevic 2015, 201). The guide is also not forthcoming on the increasingly important ranking factor of social media. If a company's content is liked and shared on popular social media sites, this improves the company's ranking (Matosevic 2015, 201). Factors like domain history, location, etc. also play a role (Matosevic 2015, 201).

Zhang and Cabage (2017, 151-152) analysed the website of three companies – one which focused on link building, one which focused on social sharing and a control site which focused only on content – to compare and contrast the importance of link building and social sharing. The results of their study matched the original hypotheses: 1) Social sharing and link building are important to SEO, 2) the benefits from social sharing emerge faster than those of link building, 3) the benefits from link building are longer lasting than those of social sharing and 4) overall, link building is a more effective SEO practice than social sharing. (Zhang & Cabage 2017, 158.) All three companies grew in terms of traffic to their sites, domain authority, search engine results page (SERP) rank and ad revenue, but the control site that tried neither link building nor social sharing grew the least (Zhang & Cabage 2017, 158).

### **3.4.3 Content, brand-equity and SEO**

In its "Search Engine Optimization (SEO) Starter Guide" (Google, n.d.), Google states outright that high-quality content is perhaps the most important factor influencing a website. It's imperative to understand the type of content users want and provide it for them. Compelling content - whether through blog posts, social media, forums or emails – will cause users to revisit a website and recommend it to others. As shown in the Hollebeek and Macky content marketing framework above, the ultimate result of consistent, high-quality content is valuable consumer-based and firm-based brand equity.

In the aforementioned Baye et al. study (2016, 6), the researchers used a dataset of 12,000 search terms and two million users to identify the main factors in organic clicks for 759 retailers. The study reached many interesting conclusions, including: A high page rank is an importer indicator of click rate (2016, 27-28), choice of keywords or phrases was an important factor in organic clicks (2016, 29) and older people with higher incomes are more likely to click organic links for their product searches (2016, 29).

The most interesting results of the study, however, concerned the direct, indirect and spill-over effects of brand equity on organic search. With regards to its direct effect, the study found that when given a list of search results, users tend to click on the retailer with the highest brand equity. Firms with high brand equity are those that are trusted, well-known and have good reputations regarding value and service. This preference for retailers with high brand equity turned out to hold even when controlling for the effects that a retailer's rank might have (Baye et al. 2016, 26). The results overwhelmingly conclude that when given the option, a user prefers to click on a familiar, trusted name.

With regards to its indirect effects, a search engine will look at firms with high brand equity as relevant (an important aspect to the Google algorithm) and therefore give them a higher rank. This means that the firm's rank will improve for all-important keywords, not just those of a particular search (Baye et al. 2016, 28). In addition, high brand equity could have such spillover effects as more direct visits (that is, not using the search engine as an intermediary) to the firm's website, higher rank in non-navigational searches, a higher click rate on other platforms (auction sites and price comparison pages) and, for those businesses with stores, more visits to the physical sites (Baye et al. 2016, 28).

The researchers argue that investing in brand equity as part of an SEO plan is beneficial to a company. In addition to providing quality content, firms can increase brand equity through advertising, by having a user-friendly website and by providing good customer service (a good return policy, one-click payments, secure payment systems, etc.) (Baye et al. 2016, 28.) Though the study investigates e-retailers, it is easy to see how the results would hold for B2B firms (minus perhaps the spillover effect of having more store visits).

#### **3.4.4 SEO and SMEs**

The retailers analysed in the Baye et al. study were taken from the "Internet Retailer's Top 500 Guide", which is a listing of the top North American e-retailers by web sales (Baye et al. 2016, 12). In other words, the list consists of large-scale companies, many of whom have wide-scale name recognition and good reputations. The challenges for SMEs – usually lacking name recognition or a reputation of any kind - in achieving similarly high brand equity are difficult. Still, the underlying concept is the same: By investing in long-term SEO which emphasizes the building of brand equity as paramount (mostly through valuable content, but also through a good website, etc.) an SME can reap the direct, indirect and spillover effects of its wise decision making. As Zhang and Cabage (2017, 149) succinctly summed it up: "Quality and useful content delivered through well-designed site structure and on-page SEO is the most fundamental and agreed upon SEO practice for websites of all kinds."

Once again, the statistics for SMEs are not encouraging. For SMEs in the U.S. who do not hire external help, only 57% employ on-site optimization and a mere 36% create high-quality content to earn likes (Clutch.co, PR Newswire 2017). In a 2016 survey of 500 SME's in the U.K., only 58% of them said they agreed or tended to agree that their organization uses SEO to appear higher in search rankings (European Commission 2016a). The results were even worse for Denmark (European Commission 2016b) and Sweden (European Commission 2016c), with 55% and 49%, respectively. In the Taiminen and

Karjaluoto study (2015, 640) 55% of SMEs utilized SEO, but only 12% claimed to do so actively.

There is a paucity of research in the academic literature concerning SMEs and SEO. However, it's not a leap to suggest that the factors that determine whether an SME invests in SEO are the same for investing in digital marketing in general. As mentioned earlier, these are firm-specific and owner-managerial factors, resource-related factors and environmental factors (Karjaluoto & Huhtamäki 2010,19). In addition to the finance-, time- and knowledge-related resources often facing SMEs, there is also the important factor of whether the owner-manager himself/herself is market-oriented and savvy about IT/digital marketing matters. Similarly, if an SME's competitors are not investing their efforts in SEO, or if the customer themselves are not online, then that SME may not be incentivized to start. One topic of research worthy of future study would be to investigate whether SMEs (or organizations of any size) who pay for search engine advertising feel that this alone is sufficient and therefore neglect SEO.

In his book, "SEO fitness workbook: The seven steps to search engine optimization success on Google", McDonald (2019a, 14-16) lays out a seven-step process that SMEs can follow to optimize a search engine strategy: 1) Set goals – define who your customers are, how to reach them and what business objectives you hope to achieve. 2) Establish keywords – do the research, and create a list of high-volume, high-value keywords. 3) Optimize on-page SEO – as described in the subsection above. 4) Create a long-term content marketing strategy – devise a plan of who does what and when and how often, with a focus on blogging and press releases. 5) Build off-page SEO – work on getting important inbound links and using social media platforms to build your authority. 6) Utilize metrics – measure how rank is improving, the keywords that users use and how users behave once they have landed on the site. 7) Based on success or failures, continuously evolve and improve.

#### **3.4.5 The metrics of SEO**

Nearly every search engine provides its own analytics (Galbraith 2014, 119). As Google is by far the most popular search engine, Google Analytics is the most commonly used data tool among all companies. Google Analytics is free and relatively simple to learn (the basics can be learned with little prior training) so it's particularly beneficial to SMEs. If an SME wants to put the time into it and dig deeper, there is also a treasure trove of information to be gained from Google Analytics (Galbraith 2014, 221). All the advanced features available on Google Analytics could comprise an entire book, so it's outside the

scope of this thesis to go too much deeper than surface level. It might even be wise for SMEs to stick to the basic analytics in order to avoid “analysis paralysis.”

Above all, companies need to define what they want to measure and for what reasons they want to measure it (McDonald 2019a, 314). For example, a B2B firm might set total sales as their ultimate goal while a non-profit might be most interested in signing users up for a newsletter. Dodson (2014, 40) suggests that organizations focus on three key performance indicators (KPIs): Position (what is the rank in Google?), traffic (what’s coming in, from where and what is being visited?) and conversions (are user visits leading to pre-defined conversions?) McDonald (2019a, 316-317), writing at a later date than Dodson, adds to these by suggesting companies also measure social media/reviews and domain authority/links.

It is important to acknowledge the benefits of other web analytic tools (which exist at all levels of digital marketing) available to webmasters. For example, Mavridis and Symeonidis (2015, 75-76), in their efforts to build a crawler that will investigate a website and provide better content to match important SEO factors (and thereby improve search engine ranking), used Moz ranking metrics. Moz is an established private company in the SEO field that has created metrics around the trust and authority of websites. For their study, the researchers used different Moz tools such as Moz mozRank, Moz Page Authority, Moz Domain Authority and Moz mozTrust. (Mavridis & Symeonidis 2015, 77-78.) Moz Domain Authority, for example, is used by many companies. It forecasts how well a site will do on search engine rankings and creates a score based on such factors as linking root domains and total number of links. With a strong focus on backlinks, it allows companies to check their rank against companies, and make improvements as necessary (Moz 2019). In analyzing Company X’s SEO, this thesis will use the Moz Domain Authority score.

It is important that an organization systematically keeps track of the progress of the pre-set KPIs, pays attention to any trends and takes action as needed (McDonald 2019a, 339; Dodson 2016, 40-41).

#### **3.4.6 SEO and the Kierzkowski et al. framework**

When considering the five factors of the Kierzkowski et al. framework, it is clear which one benefits the most from SEO: attracting customers. If search engines had been as prominent in 1996, it most likely would have been the first lever mentioned. The writers’ failure to even mention them is a testament to the rapid rise and importance of search engines. The main priority of search engines is to link internet users to the most relevant website.

One of the primary reasons an organization optimizes its website, produces good content and works toward getting a high number of quality backlinks is because it wants to attract customers by ranking high in organic search. The study by Nikkunen et al. (2017, 181) also supports this finding (though they refer to it as search engine marketing, which includes search engine advertising as well). According to the same study (2017, 182) micro enterprises invest comparatively quite a lot in attracting customers as they are found to be the most cost-efficient and accessible digital marketing tool.

SEO plays a role in several other factors in the Kierzkowski et al. framework as well. The second and fourth factors (engage users and learn their preferences) are, over time, intertwined when it comes to SEO. By utilizing analytics, an SME can look at such basic metrics as page views, bounce rates and conversions to determine which pages are the most popular, what are the main landing pages, which pages lead to conversions, etc. An SEO-savvy SME could then use this information to create better, more engaging content and experiences for new and existing users. Co-evolving and adapting with its customers, using SEO metrics as a driving mechanism, is a good way to build brand equity and retain existing customers. Detailed analytics such as tracking the customer's journey and behavior on the site also allows a firm to learn customer preferences (the fifth factor) on a multitude of levels and adjust its sales approach accordingly.

### **3.5 Permission email marketing**

This subsection begins with a definition and overview of permission email marketing (PEM), contrasting it with spam. It then moves on to a discussion of the benefits of permission email marketing to SMEs, as well as the most important factors to running a successful email campaign. The section concludes with a subsection on measuring email marketing effectiveness and tying it together with the Kierzkowski et al. framework.

#### **3.5.1 An overview of permission email marketing**

At its simplest level, permission email marketing can be defined as "email sent to customers who have given consent to receive such messengers from the sender." (Reimers, Chao and Gorman 2016, 310). PEM is often used in contrast to spam. The idea of PEM stems from the thinking that customers often look at marketing efforts as an unwelcome intrusion. Hard-copy junk mail and unsolicited emails can hurt a company's otherwise good reputation (Marinova, Murhphy & Massey 2002, 62). By first seeking a customer's consent to add them to an email marketing campaign, an organization creates a two-way channel of engagement and therefore overcomes one of the main pitfalls of digital marketing (Kumar, Zhang & Luo 2014, 403).

Godin (1999, 40), in his book "Permission Marketing: Turning Strangers into Friends and Friends into Customers", says that PEM is marked by three qualities: It's anticipated (customers trust the sender), personal (the emails can be tailored to meet the customer's interests) and relevant (firms can target promotions according to past purchases). The idea of first obtaining a customer's permission promotes the company as a responsible actor and shows its respect to the customer. This helps to build and maintain relationships with existing and potential customers. As a result, the customer will more likely seek out the company's emails from all the other advertising and email clutter they receive. (Marinova 2002, 62.)

PEM can either be opt-in or opt-out. Opt-in means directly asking the customers permission to send them emails (usually when an online account is created); opt-out means sending an unsolicited email to a customer and giving them a way to stop receiving emails in the future. Firms usually go for the opt-in approach (Kumar et al. 2014, 404). After opting in, customers tend to remain with a PEM campaign (that is, they don't choose to opt out) mostly because they find the emails relevant or they derive some financial benefit from them (Kumar et al. 2014, 405).

Spam, on the other hand, is email that is sent without the permission of the receiver, does not address the personal needs of the receiver and disproportionately benefits the sender (Reimers, Chao & Gorman 2015, 310.) A simplified definition of spam may be "unsolicited commercial email", though this definition presents a problem in that perhaps the receiver would like to receive an unsolicited email from a company it trusts (Gratton 2004, 3). Gratton (2004, 4) writes that spam email usually contains one or more of the following features: 1) They are sent in an indiscriminate manner, often by automated means, 2) they promote offensive or illegal material with a deceptive purpose in mind, 3) they are sent after personal data (such as email addresses) have been illegally obtained, 4) they are sent in a way that the origins can't be traced to the original sender and 5) they do not allow the receiver to opt-out. As can be expected, studies clearly show that email users look at spam as highly intrusive and show a much higher level of acceptance towards PEM (Chang, Rizal & Amin 2013, 330).

Spam is not a small matter. In December 2018, 57% of all email traffic was spam (Kasperksy Lab 2019a). Perhaps spam's most pernicious effect is that it is considered an intrusion by online users and drastically lowers the trust users have in email marketing/advertising. Particularly worrying for email marketers is that many wanted emails don't make it past the spam filters and a lot of potential business is lost (Gratton 2004, 3-4.) Through spam filtering software, the setting of industry guidelines and government policies (Gratton 2004, 4-6) attempts are ongoing to limit the effects and abundance of spam. There are

positive signs, the percentage of all email traffic being spam decreased by 8-7% from 2014-2018 (Kasperksy Lab 2019b), but there is still a long way to go.

### **3.5.2 The benefits of PEM**

Despite the threat posed by spam, PEM is an effective marketing channel. A 2017 survey of nearly 700 marketers in the UK (Econsultancy, Adestra 2017) ranked it as the most effective marketing channel in regards to ROI. A full 73% of the marketers said it was either 'excellent' or 'good' for ROI. For comparison purposes, SEO was a close second at 72%, followed by content marketing at 63% with social media second to last on the list of nine at 44%. In a similar study (Econsultancy, Adestra 2017), 31% of surveyed marketers in the UK said that 10-20% of their total sales could be attributed to email marketing. Many people suppose that email users are no longer actively engaged with their accounts and even speculate that emails will soon be obsolete. The numbers don't bear this out. The open rates for emails in the U.S. in the third quarter of 2017 were 31.2% while the clickthrough rates were 3.6% (Epsilon 2018). In 2018, there were 3.82 billion email users worldwide, with the number forecasted to grow to 4.37 billion in 2023 (The Radicate Group 2019).

One area in which PEM is particularly effective is in creating brand loyalty. As discussed above, employing a PEM campaign (as opposed to sending out unsolicited emails) strengthens a company's reputation and shows that it has the customers' interests in mind. Customers are more likely to open that organization's emails relative to all others. Furthermore, in this era of digital dialogic communication where power has switched from the company to the consumer, PEM can be a valuable channel where a company actively gets consumers involved in the communication process. This allows a company to produce more valuable emails for consumers (Hartemo 2016, 222). All these factors (regular email contact where the customer opts in, two-way communication, more relevant emails) increase brand loyalty/brand affect and, with it, the number of purchases made by customers (Merisavo & Raulas 2004, 499).

In one international study on the effects of e-mail marketing on customer brand loyalty of a large cosmetics firm, researchers surveyed 890 online respondents by investigating four factors: their attitude toward the brand, whether they would recommend the brand to others, the number of times they visited stores and the recency of their last purchase (Merisavo & Raulas 2004, 500). Though the study concerned a B2C cosmetic firm, it held relevance for B2B firms as well in that the results were overwhelmingly positive for email marketing. Regular contact with customers via email increased brand loyalty, caused customers to recommend the brand to others, stimulated customers to visit stores, led to

customers buying more of the brand's products and increased customer traffic to the website via links in the emails. Furthermore, customers with higher brand loyalty valued the communication efforts more than those who were less loyal. (Merisavo & Raulas 2004, 502.) The study also analysed the type of content preferred by customers. This will be touched on in the subsection below.

Though the benefits of PEM to B2C and B2B customers are similar, there are some important differences between them. B2B lists require much more detailed information about the recipients (name, job titles, companies), they take a much longer time to grow and they are much more targeted and segmented. Many smaller companies also replace original emails with an already existing B2B email newsletter tailored to their sector (Goddard 2003, 66-67).

### **3.5.3 Creating a PEM campaign**

Growing an email list is difficult enough. What is arguably more difficult, however, is keeping people on the list. Customers opt-out of receiving emails or mark something as spam for a variety of reasons, the two most cited reasons being that they don't recognize the sender and they are inundated with too many emails (UK DMA 2016).

One important avenue through which a PEM campaign can grow a list, whether it be a B2B or a B2C firm, is through one of the central themes of this thesis: High-quality content. The aforementioned study conducted on PEM receivers for a large cosmetic firm found that customers appreciated receiving regular emails from the company and, overall, found them interesting and useful. The type of messages they liked receiving – with the percentage who claimed to like them in parenthesis – are: Special sales offers (90 %), information concerning new products (89%), contests (68%), information about events (43%), links to interesting web pages (43%) and information about international makeup trends (41%) (Merisavo & Raulas 2004, 501). Respondents who more enjoyed receiving regular emails wanted to hear about all of these, while those less eager to receive regular emails were less interested in valuable content and more interested in contests and special offers. One interesting side note is that although customers wanted special offers above all, they still appreciated emails that didn't have any. Useful and interesting messaging was also a key factor in getting customers to recommend the e-mail list to others (Merisavo & Raulas 2004, 501).

E-newsletters are another type of commonly used and effective content. 'E-newsletters' and 'email marketing campaign' are often used synonymously within organizations. E-newsletters are similar to traditional newsletters except in one important respect: E-

newsletters can employ hyperlinks to take the reader to a website, video, etc. (Charlesworth 2014, 288). The creators of newsletters serve the purpose of tracking important articles, stories and events and publishing only that information which will be useful to its recipients. Not only does this build a valuable relationship between organizations and customers, but it can also, as just mentioned, provide backlinks to the website (Charlesworth 2014, 288).

It is worth mentioning that the academic literature distinguishes between newsletters and email marketing. In addition to having different formats, emails are sent to generate some kind of response from the customer. Newsletters, on the other hand, are created for informational purposes and to deliver good content. The two are similar in that they are sent by email, often use addresses from the same database and have hyperlinks included in their content. (Mogos and Acatrinei 2015, 15-16.) For SMEs like Company X, it is usually enough to choose either emails or e-newsletters.

Factors such as subject lines, personalization, email length, message format/content and social media buttons also play an important role in a PEM campaign's effectiveness. Mogos and Acatrinei (2015, 15) utilized a data mining dataset of 262 PEM respondents and 22 attributes to analyse what causes PEM recipients to both open an email and to follow the actions desired by the company. In addition, they wanted to understand which aspects of an email would lead them the recipients to make a purchase. They make very detailed conclusions (2015, 28-29) concerning what the email should consist of. For instance, they suggest that the subject line should be 5-7 words (so it fits on mobile devices), should consist of a call-to-action, should be compelling and should convey what the email is about. The researchers recommend that the greeting be personalized. As far as the structure of the message itself is concerned, the content of the email should be short (100 words), the first paragraph should grab the reader's attention by conveying the most important information, the benefits the recipient receives should be emphasized and at least one hyperlink should be utilized to take the recipient to the right landing page. The ending salutation should stick with the formality of the greeting and list, row-by-row, the contact information of the person sending the email and/or the company itself. Social-sharing and social-following buttons should be included in the email. Finally, the email should end with a disclaimer as well as a chance for the recipient to opt-out of the mailing list.

Another study determined that the optimal number of emails to send out each month, regarding profitability, is seven (Zhang, Kumar and Cosguner 2017, 863-864). Sending, for example, four (instead of seven) would lead to a 32% loss of its lifetime per customer. Similarly, sending out ten per month would lead to a 16% loss per customer (Zhang et al.

2017, 851). However, this number likely doesn't hold on a sector-to-sector manner, and each organization will likely need to figure out the optimal number of emails/e-newsletters to send out through trial and error.

All this information should be considered when forming a PEM campaign. Alan Charlesworth (2014, 273-281) claims that a well-organized email marketing campaign can be divided into seven parts. In chronological order these are: 1) Forming the campaign objectives (increasing sales, signing up people for a newsletter, signing up new members, etc.), 2) developing the mailing list (internal and permission-based are the most effective), 3) developing the content (the actual texts itself and making sure the content can be read on different devices/platforms), 4) linking to an optimal landing page (online consumers have limited patience when things are not easy to find), 5) testing the content and technology (make sure content is relevant to receivers, suitable across different technologies and won't be filtered out by spam), 6) sending the emails (think about when to send them and how many to send at once) and 7) measuring the results (discussed in the subsection below).

#### **3.5.4 PEM and SMEs**

In addition to all the PEM benefits discussed in subsection 3.5.2 above, there is another obvious one which is particularly relevant for SMEs: Sending out emails is a cheap, cost-effective marketing channel, especially in comparison to print mail (Merisavo & Raulas 2004, 498.) Further for SMEs, email marketing does not require difficult technical skills, does not require a lot of time, shows predictable and concrete results, makes other aspects of marketing more effective, can be used for upsell opportunities and (as organic reach is losing ground to paid reach on Facebook, and Google is moving toward localized search) stays consistent, effective and organic over time (Mihm 2018.) Finally, emails can be personalized to the individual users' needs and wants, thereby pushing them toward making an acquisition (Mogos & Acatrinei 2015, 16).

That said, as in the other organic digital marketing areas of this thesis, the numbers are not encouraging for SMEs. In a study of over a thousand Finnish entrepreneurs, only 22% claimed to systematically use email advertising while 14% claimed the same for electronic newsletters. This is compared to 36% who didn't use email advertising at all, and 42% who didn't send electronic newsletters (Elisa Oy, Suomen Yrittäjät 2019). The numbers are similar for small businesses in the United States where only 23% planned to use email marketing in 2019 (Feldman 2019).

### 3.5.5 The metrics of PEM

The effectiveness of PEM should be measured against the objectives of the campaign. The ultimate metric is, of course, the one that measures the main goals of the campaign, whether that be generating leads, getting new sign-ups or increasing sales. However, metrics can be followed through the various phases needed to reach those goals. These, too, need to be identified and tracked. (Charlesworth 2014, 280.)

In one large, global study of email marketing metrics, 63% of marketing professionals tracked open and clicks, 28% tracked the leads generated from registrations and filled-out forms, 23% tracked subscriber activity over time, 19% tracked sales after the click, 14% tracked low-funnel responses by segment and 13% measured how the emails influenced other marketing channels. (GetResponse 2018a). Rather surprisingly, a full 28% claimed that they did not focus on email metrics at all (GetResponse 2018b).

Open rates and clickthrough rates are the favorite email marketing metrics for professionals. These, along with bounce rates, are easy to measure and provide a lot of valuable information (Marinova et al. 2002, 68). However, Zhang et al. (2017, 865) caution against placing too much value on open rates. According to their study, often the customers who open emails a lot make fewer purchases. Conversely, customers who were not active in opening mails were active in making purchases.

In addition to open and clickthrough rates, Charlesworth (2014, 280-281) places importance on the percentage of emails that reach an existing mailbox (the delivery rate), the number of opened emails that are forwarded onward (the viral rate), the loss of addresses from an email list due to undeliverable emails or opt-outs (the churn rate), the growth of the list due to list-building campaigns (list growth) and how the numbers measure up against previous, similar campaigns. All these metrics can be used to indicate success but can also be helpful when the numbers are not so good. Charlesworth gives the example that if the open rates are low, it might mean that the organization needs to create more compelling subject lines. KPIs such as the number of sales, values of sales, number of orders, leads generated, downloads and response rates should be used for PEM campaigns with specific goals.

Reimers, Chao and Gorman (2015, 318) focus on the benefits of personalization. They urge organizations to utilize data mining and to monitor both the customer purchases and click through behavior, and then to customize emails accordingly. This will improve the perceived usefulness, enjoyment and ease of use while decreasing the perceived risk. The type of content that is most desired and useful can then be analysed and applied accordingly.

### **3.5.6 PEM and the Kierzkowski et al. framework**

To be part of a PEM mailing list, a customer, by definition, must have either been exposed to a brand or already have visited the website (only then could the customer have given permission). Unless a customer arrived at the website as a result of a shared link, PEM is not the way an organization initially attracts a customer (the first factor in the Kierzkowski et al. framework). That said, PEM is a very cheap and effective way of getting customers to return to a website or brand, as each email should contain one or two brand-related hyperlinks (most often to a key landing page on the website).

The two factors of the Kierzkowski et al. framework which are most relevant to PEM are the second (engaging customers' interest and participation) and third (retaining customers) factors. As has been noted, organizations engage the customers' interest by offering special deals, providing information on new products and holding contests. Knowing that these types of offers and content will come with some regularity also helps to retain customers. Organizations further retain customers by providing relevant, non-promotional content in their emails such as links to interesting web pages, tips, discussions on trendy topics, etc. Repeatedly being the source of good offers and useful information raises the brand equity of a firm.

Using analytics such as open rates, click through rates and bounce rates, SMEs can gauge the preference of their customers (the fourth factor). Finally, by following the customer journey after the customer clicks back to the website, an SME can discover a way to better relate to individual customers (the fifth customer).

### **3.6 Conclusion**

A thorough analysis of the literature revealed the importance of establishing goals, creating buyer personas, developing a central branding concept and determining the most important keywords when initiating the digital marketing process. Furthermore, the following were shown to be potential obstacles with regards to SMEs and their digital marketing efforts: The mindset of the owner toward digital marketing, time factors, limited personnel, the limited digital marketing skillset of the staff, financial factors, the use of digital marketing in the business sector and language factors. Finally, the methods, tools and metrics that are important in content marketing, social media marketing, SEO and permission email marketing were discussed and related to SMEs. These were used to update the Kierzkowski et al. framework, which is a digital market framework from the 1990s focusing on attracting and retaining customers.

These three factors (creating prerequisites, identifying potential obstacles and applying the updated version of the Kierzkowski et al. framework with modern, organic methods and tools) are used to create a three-phase organic digital marketing process model to help SMEs in their digital marketing. The process model will be presented and discussed in detail in the “Findings” section of this paper.

## 4 Conducting the research: methodology and data

This section starts by describing the case study approach and justifying the use of a case study for this thesis. Next, the methodological approaches are discussed. The section ends by describing the methods of data collection and analysis.

### 4.1 The case study approach

This thesis takes a single-case study approach. According to Thomas (2016, 22), a case study is an analysis of an entity (a person, a company, a policy, etc.) that is studied by one or more methods. “The case that is the subject of the inquiry will illuminate and explicate some analytical theme, or object” (Thomas 2016, 22.) The case here is Company X. The analytical theme being evaluated is their digital marketing. Along with the research methods discussed below, this thesis uses a three-phases organic digital marketing process model to investigate how effectively it utilizes organic digital marketing and to determine if it adds anything fresh or new.

Yin (2018, 9), in his book “Case Study Research and Applications: Designs and Methods” states that three conditions must be considered when determining which research method to use (of experiments, surveys, archival analyses, histories or case studies): 1) The form of the research question, 2) the control the researcher has over events and 3) the degree to which the events are contemporary or historical.

Yin (2018, 9) goes on to say that case studies are the favorable research method when three conditions are met: 1) The main research questions are “how” and “why” questions, 2) there is little or no control over behavioral events and 3) the focus is on a contemporary (as opposed to historical) event. This study meets all of those requirements.

As mentioned in section two, the main research question to this thesis is: *How can organic digital marketing of company X be improved from its current state?* This ‘how’ question fits nicely into Yin’s first condition. Similarly, RQ2 (*Why aren’t SMEs more effective in their organic digital marketing efforts?*) also fits the ‘why’ criteria of the first condition. RQ1 is the lone “what” question (*What are the methods used in effective digital marketing?*), but Yin deems this acceptable. He explains that ‘what’ questions are permissible as case studies if they are exploratory in nature, as RQ1 clearly is (Yin 2018, 10).

In line with Yin’s second condition, the researcher in this study is an outside observer and, unlike in an experiment, has done nothing to control the behaviors or setting. He is

merely observing the situation and interviewing the CEO to assess the situation as it currently exists. Finally, the researcher is observing the digital marketing as a contemporary event. Other than social media posts of the recent past – which are considered a part of the company's modern digital marketing efforts - there is no historical documents or archives to analyse.

Yin (2018, 49) also talks about five rationales that justify using a single-case study design (as opposed to a multiple-case study design). These are having cases that are either critical, unusual, common, revelatory or longitudinal. It is the third of these, common, that is relevant to this case study. The organic digital marketing of Company X is common to that of most SMEs. It captures the "circumstances and conditions of an everyday situation" (Yin 2018, 49). The case study will, in part, investigate how the situation of Company X might modify or advance the existing concepts regarding SMEs and organic digital marketing. Armed with all of this information, it will then offer suggestions for improvement.

Finally, Yin (2018, 51-53) distinguishes between "holistic" and "embedded" case study designs. In holistic case studies, the focus is on the organization (or whatever the case is) as a whole, while in embedded case studies the focus is on subunits within the organization, and the case will involve at least two units of analysis. This case study focuses on the digital marketing efforts of company X and, within that, how it utilizes content marketing, social media marketing, SEO and email marketing. Therefore this research can be categorized as an embedded single-case study.

## **4.2 Methodological approaches**

Saunders, Lewis and Thornhill (2016, 144-150) in their book "Research Methods for Business Students" distinguish between deductive, inductive and abductive approaches to theory development. In short, a deductive approach starts with a theory (often derived from the literature) and designs a research strategy to test that theory. An inductive approach starts by collecting the data and forms or builds a new theory (often in the form of a framework) according to that. An abductive approach moves back and forth between data and theory, basically combining the deductive and inductive approaches. Although this thesis does have a key element of the abductive approach – that is, modifying an existing theory (or framework in this case) – it does so through the literature and not through data collected by the researcher. As the thesis first investigates the literature, updates (through the literature) a digital marketing framework from the 1990s and then applies the new model to a specific company, it clearly takes a deductive approach to theory development.

Saunders et al. (2016, 174-177) later go on to distinguish between the exploratory, descriptive, explanatory or evaluative purpose to research and then claim that a combination of these is also possible. This thesis is mostly exploratory, with elements of both descriptive and explanatory purposes. It's exploratory in that it seeks to uncover what are the best organic digital marketing practices and how, in general, SMEs (including Company X) handle their organic digital marketing. It is descriptive in that, through a semi-structured interview and an assessment of their digital marketing efforts, it describes Company X's digital marketing as is (and how it could be). It's explanatory as it seeks to explain why SMEs (as well as Company X) don't usually have the most optimal organic digital marketing.

This study follows the philosophy of pragmatism. Ontologically (i.e., regarding the nature of reality) speaking, "Reality matters to pragmatists as practical effects of ideas, and knowledge is valued for enabling actions to be carried out successfully" (Saunders et al. 2016, 143.) The focus of knowledge is on real-world problems and practices. With regards to epistemology (i.e., what makes up acceptable knowledge) pragmatism advances the idea that the best theories are the ones that lead to successful action, that problem solving should contribute to future action, and that practical outcomes are more important than abstract theories. (Saunders et al. 2016, 137; 142-144.) Finally, concerning data collection, pragmatists used a range of methods (mixed, multiple, qualitative, quantitative) and emphasize practical outcomes (Saunders et. al. 2016, 137). This study uses a variety of research methods to assess the organic digital marketing plan of Company X and offer practical implementable solutions, clearly meeting all the characteristics considered in the philosophy of pragmatism.

### **4.3 Collecting and analysing the data**

One of the major benefits of case studies is the possibility to use many sources of data collection to help strengthen the findings, a concept known as "triangulation" (Yin 2018, 26). This thesis uses three main sources of data collection: The research literature, a semi-structured interview with the company's CEO and the aspects of Company X's organic digital marketing that are already in existence. A visualization of the collection and analysis of the data is shown in Figure 4. A discussion on the collection and analysis of each follows.

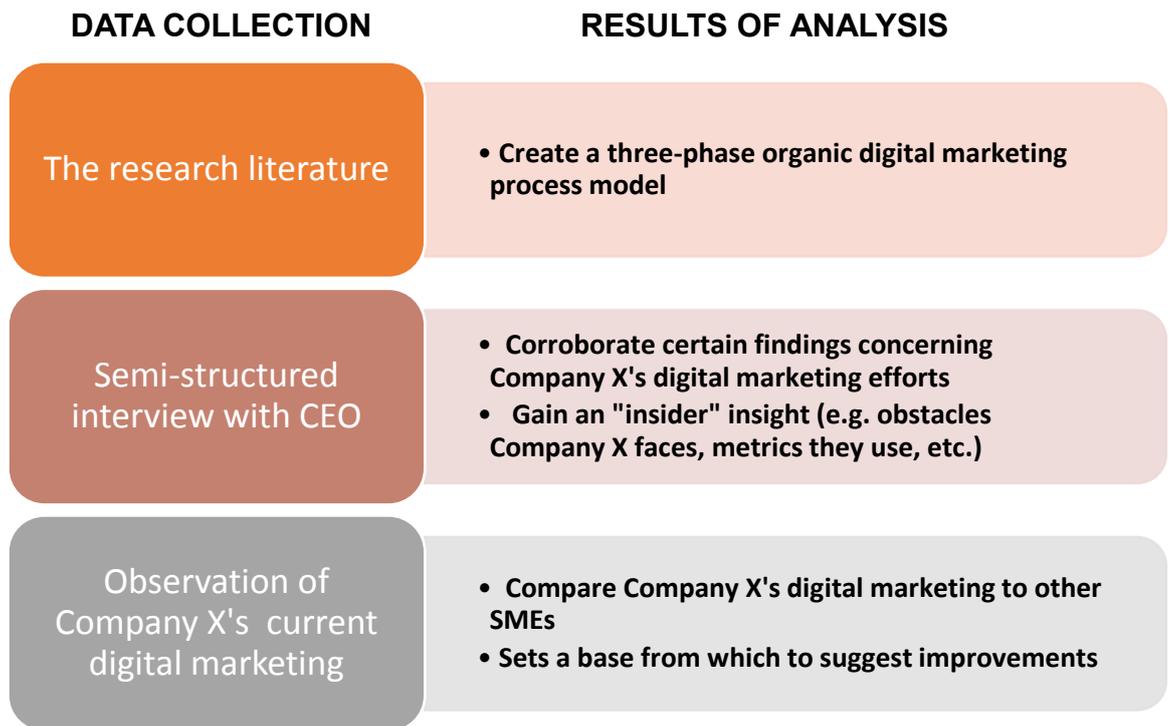


Figure 4: Data collection methods and results of analysis

The research literature was collected mainly from academic journals, but also from the blogosphere and books targeted toward marketers and business owners. It was then analysed to elucidate the best methods and tools (as well as obstacles that need to be considered) that an SME can employ in their organic digital marketing efforts. From this, a three-phase organic digital marketing process model was created.

In semi-structured interviews, the researcher has a list of specific themes and questions to be covered but may omit or add questions in line with the flow of the conversation (Saunders et al. 2016, 391). The interview questions, in this case, were carefully constructed to avoid leading the interviewee toward answers. The interviewee allowed the interviewer to record the conversation, which took place over the phone on June 14, 2019, in two different Finnish cities and lasted 31:56. The list of interview questions is presented in Appendix 1. The interview was then parsed and qualitatively analysed to corroborate certain findings (namely, the specifics of Company X's organic digital marketing efforts) but mostly to gain insights that only an insider could know (the obstacles to adopting digital marketing; what tools and methods are used for metrics, the setting of goals, buyer personas, a central branding concept and keywords.)

The collection and analysis of the data from the different aspects of Company X's digital marketing are more complex and warrant a more thorough discussion. The data here

was largely qualitative, but some quantitative metrics were used (such as to the number of social media followers, the Google search rank and the domain authority score).

At the start of the case study, the data collection methods to investigate the state of Company X's digital marketing, as well as the subsequent analyses, were going to be:

- Content Marketing – observe all the content on the company's website (for example, blogs, whitepapers, etc.), then analyse it to determine how well Company X utilizes content marketing. This data would then be used to compare Company X to other SMEs and as an aid to improving its content marketing efforts. It should be noted that content marketing refers to the non-promotional content on *all* digital marketing channels (not just the website), but social media content and permission email marketing content warrant their own discussion.
- Social Media Marketing – observe all the content on Company X's social media channels and conduct a content analysis of Company X's social media posts (to determine the ratio of promotional to non-promotional content). In addition, record the number of followers for each channel, the number of likes/shares/comments and how actively they participate in the dialogue. Also, as the focus of LinkedIn is more on the personal profiles of employees than company pages, data was collected regarding the individual employee's number of connections and to what extent they promoted the company's own matters. All of this data would then be gathered to analyse the effectiveness of Company X's social media marketing efforts and to offer suggestions for improvement.
- SEO – conduct both a domain authority check as well as a manual search to determine Company X's rank for important keywords. These two figures would be used to analyse Company X's on-site and off-site SEO, allow for comparison to other SME's and aid in offering suggestions for Company X to improve.
- Permission email marketing – state the number of recipients on its email mailing list and observe the content in Company X's permission email marketing efforts. This would be followed by an analysis of the content which would allow for qualitative comparisons to other SMEs and as a guide in improving Company X's permission email marketing.

As it turns out, the data for content marketing and permission email marketing was not available to collect for important reasons which will be mentioned in the findings. The rest of the data, however, was freely available.

Unfortunately, the researcher did not have access to any of Company X's quantitative internal data – such as the metrics provided by Google Analytics or Hubspot – which could have proved valuable across all this thesis' themes.

## 5 The findings

This section discusses the findings of the study. RQ1 (*What are the methods and practices used in effective organic digital marketing?*) and RQ2 (*Why aren't SMEs - and, by inclusion, Company X - more effective in their digital marketing efforts?*) were answered in the literature section of the thesis. Summarizing this literature, a three-phase organic digital marketing process model was created. It is presented below.

This process model is also important in helping to answer the main research question: *How can the organic digital marketing of Company X be improved from its current state?* To address this question, the current state of Company X's organic digital marketing needs to be assessed. This is what this case study does. The case study aims to explore if Company X is similar to other SMEs with regards to organic digital marketing and in what ways it might be different. The case study also serves as a launching point in developing Company X's digital marketing (which will be addressed in the conclusion).

After presenting the three-phase organic digital marketing process model, this section will present the findings by following the three phases of the process model: The important prerequisites that need to be set out at the start (digital marketing goals, buyer personas, central branding concept and important keywords), obstacles that Company X might face in digital marketing (ownership factors, time factors, human resource/skill factors, financial factors, environmental factors, language factors) and the different parts to an organic digital marketing campaign (content marketing, social media marketing, SEO and permission email marketing and using metrics.) The section ends with a general summary of the findings.

### 5.1 The three-phase organic digital marketing process model

The process model below, which is based on the literature, was created so that SMEs can initiate and build their organic digital marketing on a phase-by-phase basis. The process model considers that many SMEs are cash-strapped (hence, the focus on organic), time-strapped and may not be savvy about digital marketing matters. It is divided into three phases: 1) The formation of four prerequisites that need to be in place before implementing organic digital marketing, 2) A realistic assessment of the obstacles the SMEs face and 3) applying the updated version of the Kierzkowski et al. framework which takes into account modern, organic methods and tools.

Each phase of the process model is pictured in figures 5-7.

*Phase 1: The four prerequisites*

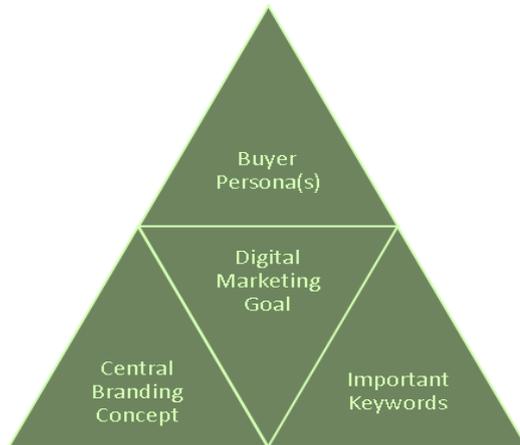


Figure 5: Phase 1 of the process model: The four prerequisites of digital marketing

In the first phase, relevant stakeholders must work together to create digital marketing goals, buyer personas, a central branding concept and important keywords (the first phase). Though the process may be painstaking and anxiety-producing, it gives the organic digital marketing focus and direction. It helps to inform which organic digital marketing methods and tools to use, as well as which metrics to employ. For example, a company in the machine parts industry, with a marketing goal of building partnerships within the machine industry, would probably obtain little benefit from using Instagram or giving free giveaways.

*Phase 2: The potential obstacles*

<b>Do the following have a positive, negative or neutral effect on your company's digital marketing efforts?</b>			
	<b>Positive</b>	<b>Negative</b>	<b>Neutral</b>
<b>The mindset of the owner toward digital marketing</b>			
<b>Time factors</b>			
<b>Number of employees</b>			
<b>The digital marketing skillset of the staff</b>			
<b>Financial factors</b>			
<b>The use of digital marketing in the business sector</b>			
<b>Language factors</b>			

Figure 6: Phase 2 of the process model: The potential obstacles faced by SMES in organic digital marketing

In the second phase, the SME must realistically assess the potential obstacles to implementing organic digital marketing. Understanding the obstacles allows an SME to take a reality-based approach to organic digital marketing. If, for example, a company labels time as a precious commodity, this should inform how many weekly hours they devote to digital marketing. Similarly, if nobody in the company has the skill set to implement the digital marketing, and all a company's competitors are effectively using digital marketing, the SME should consider hiring somebody with the needed skills.

Phase 3 of the organic digital marketing process model, the updated Kierzkowski et al. framework, is shown on the following page.

### Phase 3: The updated framework



Figure 7: Phase 3 of the process model: An updated, modernized version of the Kierzkowski et al. framework

Finally, the third phase of the model, the updated Kierzkowski et al. framework, allows for implementation and puts it in the context of customer acquisition, customer retention and

brand equity. The focus is on creating high-quality content, engaging with customers and using the right channels, tools and metrics to guide future actions. This phase takes the four areas of organic digital marketing (content marketing, social media marketing, SEO and permission email marketing) and places them in the relevant elements of the Kierzkowski et al. framework.

It should be stated that this is not the first time that a researcher has tried to update the Kierzkowski et al. framework. Nikunen, Saarela, Oikarinen, Muhos and Isohalla, in their 2017 article, "Micro-enterprises' digital marketing tools for building customer relationships", also use the Kierzkowski et al. framework and relate it to the modern digital marketing techniques utilized by micro enterprises.

Despite using the same framework and applying it to micro enterprises, their research and the research of this thesis differ in many important ways. Most importantly, Nikunen et. al were simply testing how micro enterprises currently use digital marketing to build customer relations; this thesis seeks to update the "levers" so that micro enterprises can better succeed in modern, organic digital marketing. Secondly, their focus was on both paid and organic digital marketing while this thesis focuses only on organic digital marketing. Third, their research involved interviews with two digital marketing service providers while this thesis used the pre-existing literature. (Nikunen et al. 2017, 171.) Despite sharing the common themes of looking at micro enterprises through the lens of the Kierzkowski et al. framework, the two studies could hardly be any different.

## **5.2 Company X and the process model**

This subsection of the research findings discusses how Company X has handled phase one (creating the four prerequisites), phase two (assessing the obstacles Company X faces) and phase three (implementing organic digital marketing methods and tools) of the process model.

### **5.2.1 The four prerequisites**

As mentioned, four prerequisites need to be in place before implementing digital marketing: Digital marketing goals, buyer personas, a central branding concept and important keywords.

It's probably best to state at the beginning that the CEO put the company's digital marketing efforts at a "quite minimum level." This is in line with what has been shown with most SMEs. The findings, as will be seen, will bear out the CEO's critique. Digital marketing

has not been their main concern up to this point. However, the CEO is starting to come around to the importance of effectively utilizing digital marketing (which presumably is one reason he allowed the researcher to interview him and to assess his company's digital marketing.) He estimates that 95% of marketing efforts come through digital means while only 5% will be done in the traditional way.

Having only a minimum level of digital marketing plan in place, the owners themselves have clearly not defined any of the four elements mentioned in this subsection, and therefore would have trouble implementing organic digital market actions according to them. However, just because these have not been clearly defined at the outset does not mean that Company X is not thinking of them and acting accordingly. Some crucial information emerged during the interview which will help to more easily define these in the future.

For instance, with regards to digital marketing goals, the CEO at one point said, "We are not actively marketing our stuff, but are looking mostly for network partnerships." So, whereas one SME might have as its digital marketing goals to increase sales or improve brand image, Company X's goal would be (and has been) to create and foster partnerships. This idea – that the main goal of Company X's digital marketing should be to build partnerships – came as an interesting surprise. It is not the typical goal of many SMEs. Though their digital marketing has been at a minimum level, this goal is reflected, for example, in the way they use social media. Rarely are they directly trying to sell their active magnetic bearing solution, but instead are advertising their participation in a conference or start-up event (more on this below).

And while the company may not have set up fictional buyer personas, it is very aware of what its customer segment is, as well as two other potential segments it could target. The company could fairly easily create three buyer personas according to the below descriptions articulated by the CEO.

As the market currently stands:

- "Our current thinking is that OEMs will be our first customers and, basically, most of our customers will be OEMs." This is the declared customer-focus on its website and in its summit presentations.

And as for potential customers:

- From a technical perspective the ideal customer “would be another start-up company who would be just beginning a development project where they could perfectly apply our system and it would be naturally part of their development.”
- From a business perspective, the perfect customer would be “some really credible big player making some billions of revenue who would be working in the field and who would be most likely turning into changing their technology into our technology.”

In other words, the targets are those who make partnership decisions for original equipment manufacturers of industrial equipment. Also, decision-makers in large-scale electric machine manufacturers (such as ABB) and start-ups looking for partners in a development project can be viewed as potential customers. Though the owners may or may not be fully cognizant of it, the little amount of digital marketing that Company X does have hints at this.

Creating a central branding concept is a different and far more difficult story, as it is with most SMEs. With regards to branding the CEO had this to say:

“We do a lot of thinking, but then executing that – that thinking work into practice – that is really something that we are missing. We have more or less somehow woke up to this branding business just lately, let’s say within the last one month or two months. We have recognized that brand is something that we are really, really missing and, first off, we should build our brand and build our identity - or our DNA and the culture of the company, and all that - and then try to somehow market that, or basically show that to people.”

This intuitive grasping of the concept of branding, but suffering paralysis when it comes to determining one’s own, is common among SMEs. The CEO goes on to recognize the environmental friendliness of the drivetrain solution but wonders aloud if the cleantech concept is a bit outdated. He further understands that the highly-knowledgeable owners of Company X, along with the advanced, eco-friendly technology they offer, provide them a competitive edge that they could apply to their branding. However, he then goes on to see the other side of it. “But on the other hand, if some party who would have basically unlimited resources would put some money and effort to do what are providing, I think they could beat those advantages that we think that we have at the moment.” This struggle and self-doubt are a normal and healthy part of the process when trying to come up with a solid brand.

Keywords are, of course, largely connected to SEO. The CEO claimed that they hire an external provider to handle SEO and that the web service provider offered SEO as part of the package. He said that none of the four owners concentrate on SEO. SEO will be

covered in a subsection below, and the results there are mixed. Sometimes it is possible to view the keywords on a page by right-clicking on the page, going to 'view page source' and finding the keywords field, but this wasn't possible with Company X. The researcher is doubtful that the owners have thought much about keywords at all.

### **5.2.2 Obstacles that Company X faces**

A review of the literature found that some of the factors that might help or hinder an SME's digital marketing efforts are: ownership factors, time factors, human resource/skill factors, financial factors and environmental factors (mainly, are the competitors doing it). One factor added by the researcher for this thesis was the language-factor. That is, for companies looking to internationalize, how much of a problem it is to produce content in a non-native tongue. Each factor will be discussed in brief here.

With regards to ownership factors, as mentioned earlier, three of the four owners have a Ph.D. in engineering (with the other getting one soon) and their drivetrain solution is a highly sophisticated technology. Clearly, the owners are technologically- and IT-savvy. However, equally important for this thesis (and arguably their business) is if the company has marketing-savvy. After analyzing Company X's digital marketing efforts and having a discussion with the CEO, the best answer one can reach is *mostly not*...at least not in the digital sense. They seem to do a good job with traditional marketing within the cleantech, start-up environment by attending summits, seminars, start-up events, etc. on a near-monthly basis, but they seem to be ambivalent about any digital marketing efforts. The CEO, who clearly understands the potential benefits of digital marketing, has suggested it to the other owners but has been rebuffed. He says he is not "desperately pushing towards that" but imagines it will happen in the future.

In line with what the literature says on SMEs is the obstacle that lack-of-time causes for Company X. The CEO unhesitatingly claims that this is a major problem for his company, stating that "Time is more valuable than money." The Taiminen and Karjaluoto study mentioned earlier concluded that time was one of the two biggest obstacles for SMEs concerning digital marketing, and so it is with Company X.

The other big obstacle for SMEs mentioned in the Taiminen and Karjaluoto study is the lack of skills/knowledge. The CEO stated, however, that this is not a problem with his company. A much bigger problem is not having extra people on hand to carry out the digital marketing tasks.

Very surprisingly, financial factors are not a big obstacle for company X according to the CEO. This is something antithetical to what one would assume of an SME and is perhaps worthy of future investigation.

Regarding environmental factors, a quick scan of Company X's competitors revealed that, with certain exceptions, their online presence is largely similar to Company X's: That is, they have well-designed websites with basic digital marketing elements in place, but don't put any effort into content marketing (more on this below). In this regard, environmental factors play a neutral role (unlike in the Taiminen and Karjaluoto study where they played a mostly-positive role). A good website is required, but strong inbound, content-focused digital marketing is not mandatory. Company X should view this as a unique opportunity.

The last factor, the language factor, is not a major problem according to the CEO. He claims that his text doesn't flow as smoothly as it does in his native tongue, but he is comfortable producing content in English.

### **5.2.3 Organic digital marketing methods, tools and metrics**

As mentioned previously, the researcher originally intended to do a content analysis of Company X's content marketing and permission email marketing but was unable to access the data. The reason for this is simply that no such data exists. *Company X does not do any content or email marketing.* It gives website users the possibility to subscribe to a monthly newsletter but according to the CEO, "We try to attract and engage a network by introducing an opportunity to subscribe to our newsletter mailing list but there have been zero newsletters shared this far." For both content marketing and email marketing, the owners are in discussions to get it going but these are still in the discussion phase. In the conclusion section of this thesis, the researcher will give some suggestions on how Company X can start to implement these.

Concerning social media marketing, Company X almost exclusively uses LinkedIn. It does have a YouTube channel (which has five published five videos, all promotional, in six months and has 2 subscribers) as well as a Twitter account (which has posted only one tweet in nine months and has four followers), but LinkedIn is clearly the channel of choice, and will be the focus here.

Company X's LinkedIn account has 96 followers. Going back about a year, it has posted to LinkedIn 37 times, averaging roughly three times a month. The posts consist almost entirely of referencing climate/start-up events that Company X has participated in as well as some awards or recognition it has gained. Only one out of the 37 posts could be

considered non-promotional as it endorsed a speaker at a conference without any direct relation to Company X. Two of the posts had comments, and the COO responded to both. There were 210 total likes (just under an average of 6 a post) and zero shares.

The focus of LinkedIn is more on the personal profiles of the employees rather than the company pages. Three of the four company founders have their own personal profile. The CEO has 211 connections but has zero publicly-listed activity. The COO has more than 500 connections and, in addition to liking the posts of others (mainly around start-up matters), promotes the posts of Company X. The Chief Designer has 136 connections and in addition to liking the posts of others (around start-up matters and research matters) likes the posts of Company X.

To measure the effectiveness of Company X's SEO, the researcher (lacking access to internal metrics) had to use two methods which were open to the public: The first is a manual search rank based on two sets of keywords (in incognito mode to reduce the effects of localization and personalization), and the second is a Moz Domain Authority score (referenced earlier.) Though not overly detailed, both of these scores together give a good overview of how a company is performing with SEO.

The results for Company X are mixed. For the phrase 'active magnetic bearing', Company X showed up respectably at position 23 (page three); For the word 'drivetrains' Company X did not show up at all, and the search stopped after 240 entries. It should be noted that these are the keywords the researcher identified as the most important. It is very possible that the external service provider identified more relevant target keywords. The Moz Domain Authority score for Company X is 17. This is a below-average score and indicates, among other things, that Company X has to start producing compelling content that will generate high-quality backlinks to its site.

According to the CEO, Company X does actively use metrics. It uses Hubspot as a CRM tool and uses metrics from Google Analytics as well. The company uses the metrics to "follow what kind of activity there is in our web page. Basically, we try to somehow engage also those who are using our web page." The CEO thinks the COO uses the statistics on LinkedIn, but he wasn't entirely sure.

### **5.3 Summarizing the findings**

A thorough analysis of the research literature allowed for the creation of a three-phase organic digital marketing process model. The phases of the model are: creating the four prerequisites needed to initiate digital marketing, understanding potential obstacles that

SMEs face when carrying out digital marketing and implementing digital marketing based on the tools and methods used in the updated Kierzkowski et al. framework. This process model was the base for investigating Company X's digital marketing (and will serve as the base for developing it as well). When combined with the semi-structured interview with the CEO and an analysis of its current digital marketing efforts, it allowed for some robust findings.

Overall, Company X's digital marketing matches nicely to what you would expect from another SME. In short, that they grasp the importance of digital marketing, but are making the minimum effort to utilize the opportunity. Two areas in which Company X does differ from other SMEs are discussed below.

Regarding the basic elements of their digital marketing efforts, Company X hasn't set down the important prerequisites (goals, buyer personas, a central branding concept and keywords) which are needed to give their organic digital marketing some focus and direction. Nor do they at this point agree on how much energy they should expend in this area. That said, they seem to be going in a forward direction with their thinking. For instance, unlike most SMEs, their main goal is to establish partnerships. They also understand the customers they want to target so establishing buyer persona should not be that difficult. Branding seems to be the most difficult challenge, but the CEO recognizes that the company's high level of expertise, combined with the high-tech, eco-friendly product, could serve a good base for the brand. They have also outsourced SEO, with slight success.

Concerning the second part of the data findings, Company X suffers from many of the same factors that most SMEs suffer from: They are strapped for time, the owners do not consider digital marketing a priority and they lack the employees to effectively utilize digital marketing. They are also a product of their digital and competitive environments in both a positive way (they have a high-quality website) and a negative way (like their competitors they don't have content-driven digital marketing). The two areas where Company X differs from most other SMEs is that lack-of-money is not a major obstacle and that they are confident in their IT and digital marketing skillset. They are also comfortable in producing content in English.

Finally, with regards to the methods of digital marketing, SMEs usually fall far short of optimal and Company X fits into this category. It does not have a content marketing or email marketing campaign at all; the only social media platform it (and, more importantly here, its employees) regularly uses is LinkedIn, and there it is almost entirely promotional; and though the SEO situation could be worse, Company X has a long way to go before it gains

any real value from it. This is a shame as the potential dividends for the company are great.

## 6 Conclusions

This final section mainly consists of developing Company X's organic digital marketing. It then moves on to discuss the reliability and validity of the study followed by the learning outcomes. The section ends by discussing the limitations of the research as well as recommendations for further study.

### 6.1 Developing Company X's organic digital marketing

Having created a three-phase organic digital marketing process model for SMEs to follow and then analyzing the current state of Company X's digital marketing (through observation and an interview with the SEO), it is now time to develop the organic digital marketing of Company X. This subsection will begin by providing suggestions regarding the four prerequisites, it will then consider the obstacles Company X faces and will conclude with suggestions on how to implement its digital marketing. Once completed this will answer the main research question: *How can the organic digital marketing of Company X be improved from its current state?*

#### 6.1.1 The four prerequisites

At one point during the interview, the CEO said that it is important that Company X should "have these sparring sessions with our members and what do they think about that and these kinds of things." This is true, especially when setting the prerequisites for their organic digital marketing efforts. The researcher is presenting his ideas according to one interview and an analysis of the digital marketing situation as it currently is. The founders are much more familiar with the operations of their business, which business prospects they want to target, their strengths with producing content, etc. They need to spend some time sparring it out. It's not an easy process, but it's a necessary one.

These organic digital marketing suggestions are just that – suggestions. They should not be viewed as final and immutable. The founders of Company X should view them as a well-thought-out base from which to make tweaks and changes as they deem necessary. At the very minimum, they provide a provocative starting point for a much-needed discussion. At best, the suggestions that can be agreed upon and implemented straight away.

The overall goal of Company X's organic digital marketing was discussed in the last section and is this: *To create partnership networks with potential customers.*

Creating buyer personas is a trickier matter. As mentioned in the last section, the main customer group is original equipment manufacturers. Potential customer groups consist of both large-scale electric machine manufacturers (such as ABB) and start-ups looking for partners in a development project. This paper will focus only on original equipment manufacturers. If the market dictates the company should change its target customers, it should create new buyer personas and change content accordingly. The feeling is, however, that even if the target customers change it wouldn't change the nature of the proposed content too much.

Here then is a proposed buyer persona:

*Jim is a 45-year-old purchasing manager for a mid-sized manufacturer of turbocompressors (though it could be any relevant machine) in the United States. He holds a bachelor's degree in mechanical engineering as well as an MBA. His main responsibilities are to find the best value in procuring compressor components, to place orders, to manage relations with suppliers and to negotiate sales terms. The resources for his information are in-house engineers, specialized websites, social media, networks with the industry and industry-specific conference/events.*

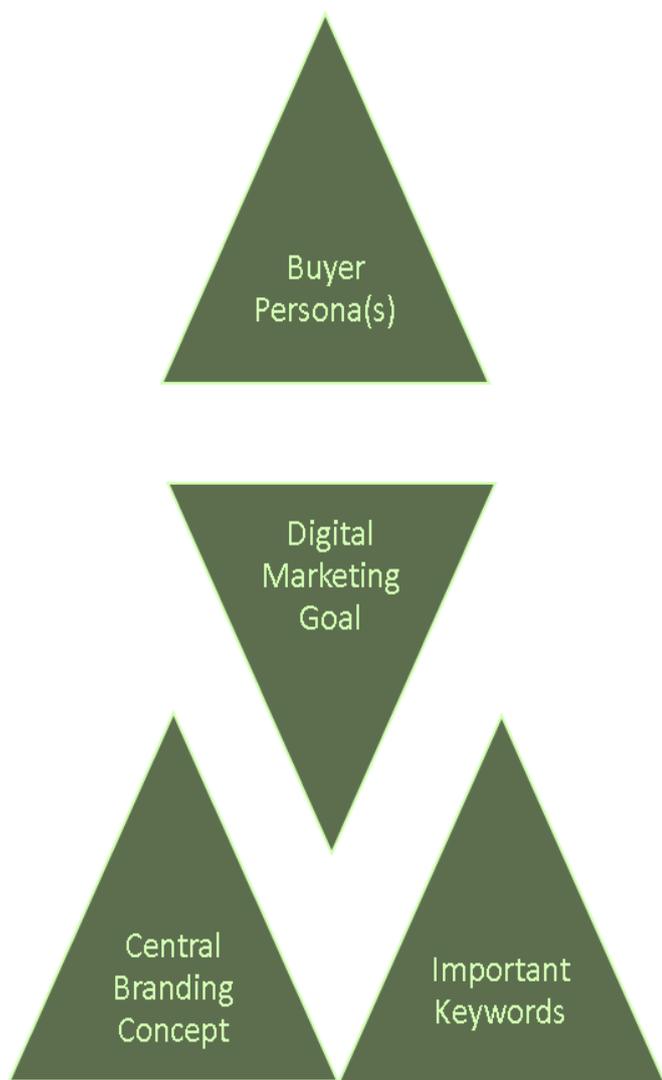
Of course, Company X will have to adjust this buyer persona to match their needs, but this is a good place to start. They need to think about which people in the organization have the most influence in forming partnerships. Is it the purchasing managers (as stated here)? Is it the engineers? Is it the CEO? Is it all of these? If, for example, it's the engineers and not the purchasing manager then this would have to be reflected in more technically-focused content. If it's all three then the content would have to be a mix targeted to all three.

The CEO mentioned that he was struggling with branding but, from an outsider's perspective, it is clear where the strengths of the companies lie: 1) Its highly knowledgeable team of engineers and 2) its cutting edge, eco-friendly, cost-saving technology. The central branding concept should tie into the unique selling points and be something along these lines: *A smart, clean, profitable drivetrain solution*. Though it is hardly original, and though other companies might try to position themselves similarly, Company X has the team of experts and the technology to back it up. They should not underestimate their strengths in this area.

Finally, two important keyword phrases seem to "*Active Magnetic Bearing Systems*" and "*Drivetrains*". These are low volume keywords (around 10-100 Google searches

worldwide a month), but this is often the case in niche markets. In addition to holding a brainstorming session to come up with the keywords a potential customer might use, Company X should talk to its external service provider about the words they use. Some key helper words – or other keyword suggestions - can be found from using Google auto-complete (the words that come up when you start to type in a search), the related searches listed at the bottom of the first search results page, some third-party keyword tools or by reverse engineering a competitor’s website (by right-clicking on the page, opening “View page source” and locating <Meta Name = “Keywords”Content=”...”>).

Before moving on to a discussion on the obstacles faced by Company X and how to implement organic digital marketing, figure 8 shows a summary of the four prerequisites:



*Part 1: The four prerequisites*

*A buyer persona:* Jim is a 45-year-old purchasing manager for a mid-sized manufacturer of turbocompressors (though it could be any relevant machine) in the United States. He holds a bachelor’s degree in mechanical engineering as well as an MBA. His main responsibilities are to find the best value in procuring compressor components, to place orders, to manage relations with suppliers and to negotiate sales terms. The resources for his information are inn-house engineers, specialized websites, social media, networks with the industry and industry-specific events

*The organic digital marketing goal:* To create partnership networks with potential customers.

*Central branding concept:* A smart, clean, profitable drivetrain solution

*Important keywords:* active magnetic-bearing systems and drivetrains

Figure 8: The four prerequisites for Company X

### 6.1.2 Considering the obstacles

Before considering how to implement organic digital marketing, it's important to realistically and honestly set out the obstacles Company X faces with digital marketing. It was established in the data findings that, above all, Company X has a shortage of time and personnel. Money, skills and language were not, according to the CEO, a major problem. Unfortunately, there is just no way around the fact that organic digital marketing involves some time investment. The researcher recommends that at least one person spends up to two hours on digital marketing on any given day (a different person each day). This is enough time to implement digital marketing, but not so overwhelming that it is unrealistic. This time will be spent creating content, finding useful curated content, posting on social media and participating in online dialogues and discussions. The more spread out the responsibility among the co-owners, the better. A schedule should be created stating who is responsible for organic digital marketing on any given day.

Figure 9 shows how the second phase of the process model would look for Company X:

<b>Do the following have a positive, negative or neutral effect on your company's digital marketing efforts?</b>			
	<b>Positive</b>	<b>Negative</b>	<b>Neutral</b>
<b>The mindset of the owner toward digital marketing</b>			<b>X</b>
<b>Time factors</b>		<b>X</b>	
<b>Number of employees</b>		<b>X</b>	
<b>The digital marketing skillset of the staff</b>			<b>X</b>
<b>Financial factors</b>			<b>X</b>
<b>The use of digital marketing in the business sector</b>	<b>X</b>	<b>X</b>	
<b>Language factors</b>			<b>X</b>

Figure 9: The obstacles for Company X

### 6.1.3 Implementing the organic digital marketing

This subsection will discuss implementation for the four areas of organic digital marketing used throughout the thesis: Content marketing, social media marketing, SEO and permission email marketing. When looking at the four prerequisites above, the focus and direction of Company X's organic digital marketing efforts are fairly obvious: *The owners of the company need to establish themselves as knowledgeable, trustworthy and helpful experts in their field.* They will do this by creating largely non-promotional content, participating in online discussions and curating relevant and useful content. Due to the

time-limitations of Company X, only the most basic metrics for each area is recommended.

From a content marketing perspective, the place to start is clear: Weekly blog posts. Blog posts are imperative. In addition to the obvious benefits of attracting and retaining customers (as mentioned in the updated Kierzkowski et al. framework), blog posts keep the website fresh (important for SEO) and provide content that can be shared on social media (which in turn leads to important backlinks, which again improves SEO). The blog posts should target the buyer persona(s) set out in the prerequisites, and keep in mind the central branding idea and keywords.

The initial posts should focus on evergreen content (that is, content that will remain fresh and relatively unchanging over time) and be a constant on the website. Some examples of this evergreen content could be: "The Essential Guide to Active Magnetic Bearing Systems", a post addressing some of the most frequently asked questions about their solution, an explanation of the technology behind their condition monitoring system, two different detailed posts about how their solution saves a company money and how it helps the environment (with concrete examples), a step-by-step guide from the purchasing phase to the implementation phase to the follow up phase, a how-to guide, a general white paper for Company X, etc. Evergreen content by definition is mostly promotional. However, some care should be taken to make it more fact-based and less gimmicky. After the most important evergreen content is created, Company X can then concentrate on current topics. A list of ideas can be found in subsection 3.2.3 "The content of content marketing."

Though written blog posts are the easiest and most effective content tool – especially when considering Company X's time limitations – the company should consider expanding into other forms of content as well. Two doable examples are YouTube videos that are more explanatory than promotional and publishing an ebook (perhaps consisting of the accumulation of blog posts).

Another important aspect of content marketing, especially in relation to social media marketing and permission email marketing, is finding the most relevant, industry-specific content to curate. This would involve combing through industry blogs, reading through publications, paying attention to trade shows and receiving alerts from news aggregators such as Google News. After separating out the most relevant content, Company X can then summarize and share the content on their own social media channels, as well as making it part of their permission email marketing content. By finding the most useful

content, Company X further distinguished itself as a trustworthy expert in the field. This type of content also serves as a good source from which to create blog posts.

Finally, user-generated content should, of course, be encouraged. For company X this will largely happen through comments on social media. Social media is all about dialogue and interactivity, and Company X should promote and take advantage of this as much as possible. The COO has up to this point done a good job on the few comments received on LinkedIn and should continue in that direction.

If Company X were to use one metric for content marketing, it would be to look at the traffic and amount of time spent on a particular page, and then compare that to other pages. This would obviously be an indication of which content is effective (and which isn't) and allow Company X to plan future content accordingly.

Moving on to the overlapping area of social media marketing – which can be applied to all five of the factors in the updated Kierzkowski et al. framework - the researcher has already stated that the main channels that Company X should utilize are LinkedIn and Twitter. LinkedIn because it's the number one business networking site; Twitter because, once one gets through all the noise, there are some solid marketing possibilities for niche markets. Facebook should be considered at a later date (not least because social mentions are increasingly important to search rank) but, as the content of Facebook is more fun-based and the organic reach of posts is so low, it is best not to focus on it at this time. If time becomes less of an obstacle, it is also recommended that Company X produce more videos for its YouTube channel and its website, as video is becoming increasingly important.

For LinkedIn, Company X should try to post something at least five times a week. The content should strive to be 80% useful and 20% promotional. The useful content should consist of Company X's owned content (most likely a blog) as well as useful curated content. The promotional content should consist of promoting Company X's solution, announcing its participation at trade events and mention awards/contracts it has received. All of the content should strive to brand Company X as trustworthy industry experts promoting a clean, profitable technology. If the posts provoke comments then it's wise to respond to the comments and encourage dialogue.

As LinkedIn is a "team" game, all four of the co-founders should like and share the material. In addition, if the individual employees themselves post something relevant to

their personal profiles, it should be shared by the company page and the other employees.

Furthermore, the company and the employees should join some of the relevant groups on LinkedIn (Cleantech, Turbo Machinery, etc.) where their potential customers can be found and where they can show off their expertise by participating in the discussions. The idea here is to avoid being spammy and to get potential customers to gradually realize how smart and useful Company X is, and eventually reach out to them directly.

As mentioned, Company X has already set up a Twitter account, but it has not actively used it. This researcher looks at Twitter as a low risk/moderate reward channel for Company X. As it's possible to link a company's LinkedIn page to the Company's Twitter account and easily share posts between them, it carries little time investment. Indeed, once learned, it even speeds up the process of posting useful content on both platforms. Care should be taken, of course, that the posts match the needs, tone and requirements of the individual platforms. The quantity and quality for posting content (five times a week, 80% useful / 20 % promotional content) is essentially the same between the two platforms.

Twitter also offers other benefits similar to LinkedIn. Like with LinkedIn groups, Company X can participate in social media discussions. However, on Twitter, this is largely done through hashtags (LinkedIn also uses hashtags, but they aren't yet as important as they are on Twitter.) By using relevant hashtags (for example, #cleantech #drivetrain #industrialmanufacturing #energyefficiency #energysavings #industrialmachines) the company can work its way into the discussions of niche markets, establishing themselves as trustworthy, smart experts who have developed an environmentally-friendly, profitable solution. This could, over time, lead to potential customers reaching out to Company X.

In addition, industry trade shows (or start-up summits or conferences) nearly always have their own hashtags and subordinate hashtags. As Company X attends these types of events on a near-monthly basis, they could take advantage of these hashtags beforehand and tweet something that would stimulate the interests of potential partners (something they have done, and should continue to do, successfully on LinkedIn). Finally, Twitter would arguably be the best way for Company X to directly reach out to journalist and industry bloggers.

There would be several social media metrics to assess how well Company X is achieving its organic digital marketing goal of *creating partnership networks with potential*

*customers*. There are the obvious quantitative metrics of number of followers/subscribers, as well as number of likes/shares. But perhaps more revealing would be a qualitative analysis of the sentiment of the comments happening in the discussions, as well as the partnership potential of those involved in the dialogues.

Moving on to SEO, Company X uses an external service provider and, as money was not a stated problem for the company, perhaps they should continue using them. There are many high-quality, free SEO diagnostic tools available and, according to those, Company X has handled on-site optimization well. There were some minor problems – some broken links, not enough social sharing, images that are not optimally sized – but nothing that would have a dramatic effect on rank. The problem Company X has is their off-page SEO.

At this point, the best way for Company X to improve their search ranking is to first put fresh material on their website (mainly through blogs) and then try to promote the content – mainly through social media marketing and permission email marketing – in order to generate backlinks. The content should be targeted toward the established keywords as well as helper keywords. Both the quality and quantity of backlinks is important.

The three most important metrics for Company X with regards to SEO are rank, traffic (who's visiting the site, and from where) and the domain authority score. All three should be checked and tracked every month.

The trickiest part of organic digital marketing for Company X is permission email marketing. In the updated Kierzkowski et al. framework, PEM allows companies to engage users' interest, retain them and get them to return to the website. The usual practice with PEM is to offer people something (an ebook, free participation in a webinar, etc.) in exchange for signing up for the newsletter, so that is something the owners need to think about. In the meantime, the researcher recommends the company start to follow through with its sign-up methods, and create and send out monthly e-newsletters (taking into account the opt-in rules of the new GDPR legislation). At this point in time, a monthly e-newsletter is the most optimal when considering the time restraints of Company X. Academically speaking, as mentioned earlier, there is a difference between PEM and e-newsletters, but in the everyday sense, they serve a similar role. The e-newsletter content should be what a potential partner would find most compelling, with some direct promotion mixed in. It should take into account the central branding idea of a smart, clean, profitable solution. The e-newsletters should link to the website and social media channels, and vice-versa.

Some content ideas for the e-newsletter include: Company awards/achievements/milestones, links to blogs/videos/compelling curated social media posts, exciting updates to Company X's solution, greetings from the CEO (and other founders), customer testimonials, photos (of products, events, etc.), an interview with the co-founders (or another industry specialist), present how the customers are using Company X's solution, conduct an interesting poll, create a top ten list, provide company /industry statistics, give answers to frequently asked questions, thank people (customers, people at an event, etc.) who helped Company X in some way, etc.

Most companies use an email marketing service (many of which are free) to help implement their digital marketing. The CEO said that Company X uses Hubspot, so no doubt it should utilize that as much as possible. The PEM metrics that would be most helpful for Company X's overall goal of creating network partnerships would be lead generation. In addition, click rate, open rate and bounce rate would allow Company X to assess how engaged receivers are with the brand and with certain content.

In review, here are the four aspects to an organic digital marketing campaign and how they should be implemented:

*Content marketing:* Weekly blog posts with an initial focus on evergreen content; curated content for social media marketing and PEM marketing; seriously consider other content such as videos, ebooks, etc.; basic metrics: Traffic and amount of time spent on individual pages.

*Social media marketing:* Posts five times a week on both LinkedIn and Twitter; posts should be 80% useful and 20% promotional; content should consist of owned content and curated content; encouraged user-generated content and dialogues; all employees should be actively posting and sharing on LinkedIn; participate in industry-specific discussions with the idea of becoming known as a trustworthy expert; actively use Twitter for industry events and to contact bloggers/journalists; basic metrics: Number of followers/subscribers/likes/shares, qualitative analysis of the sentiment of the comments as well as the partnership potential of those involved in the dialogues.

*SEO:* Continue to keep up-to-date with on-page optimization; add blogs to keep the site fresh and to generate backlinks; promote content through social media marketing and PEM; keep core keywords and helper keywords in mind; basic metrics: Rank, traffic and domain authority score.

**PEM:** A monthly e-newsletter; a mix of interesting content and promotional content; cross-linked between the website and social media channels; basic metrics: Click rate, open rate, bounce rate and lead generation.

Figure 10 is how phase three of the process model would look for Company X:



Figure 10: Company X's new implementation of organic digital marketing

## 6.2 Reliability and validity of the study

Yin (2018, 42) lists four different criteria for judging the quality of case study research designs: construct validity, internal validity, external validity and reliability. Each of these will be discussed in turn and connected back to this thesis. As a reminder, the case study tries to illuminate if Company X utilizes its organic digital marketing similarly to most SMEs, tries to determine the reasons it doesn't do it better and investigates if it can add anything new. Armed with this information – as well as the three-part model created from the literature – the thesis further goes on to recommend concrete ways Company X can develop its organic digital marketing.

Construct validity concerns determining the best operational measures for the concepts being studied (Yin 2018, 42). The most effective method for achieving construct validity is to use more than one source of evidence in a way that tries to pull together all the data in a convergent way (Yin 2018, 44). As mentioned, this study uses three sources of evidence: the research literature, a semi-structured interview with company X's CEO and an assessment of Company X's digital marketing campaign. The triangulation of data thus leads to construct validity in this respect. Great care has been taken by the researcher to objectively follow what the literature and research revealed and to not let subjective opinions cloud judgment.

Internal validity is the degree to which a study shows the cause and effect relationship of two events. If a researcher incorrectly shows that event x caused event y without realizing that, in actuality, event z caused event y, then the experiment has failed. Yin (2018, 45) claims that internal validity is mainly a concern for explanatory case studies. Therefore, internal validity for this thesis only relates to research question 2 (Why aren't SMEs more effective in their organic digital marketing efforts?) Yin (2018, 45) goes on to say that a researcher has to make certain inferences and then show that the inferences are correct, that the evidence supports it, that it considers rival explanations and is as conclusive as possible. He then says four analytic tactics can be used: pattern matching, explanation building, addressing rival explanations and using logistic models.

The inference of RQ2 comes from previous literature and is this: SMEs don't utilize organic digital marketing effectively due to managerial factors, time factors, HR factors, lack of digital marketing knowledge and financial factors. The thesis then uses pattern matching to test internal validity – that is, finding a pattern from the case study findings with the predicted one just mentioned (Yin 2018, 175). If the two are similar, then internal validity is strengthened. As has been noted, the pattern largely held but not entirely. The

researcher freely admits that causality between the inference mentioned above and the substandard digital marketing of SMEs, though persuasive, is not airtight. Rival hypotheses need to emerge and further studies conducted.

External validity is the degree to which the findings of the study can be generalized beyond the study. However, statistical generalization is obviously misguided with the single-case study approach due to the small sample size. Yin (2018, 45) says the focus should be on analytic generalizations and that the theory formed during the research design phase should form the case for external validity. The theories formed from the literature (that is, the accumulation of many past studies) were largely backed up by the case study, thus raising the external validity of the case.

Reliability concerns the extent to which a future researcher, conducting the same study and using the same procedures as an earlier researcher, would arrive at the same findings and conclusions. The nature of this case study makes reliability high. First off, the semi-structured interview (whose questions are in appendix 1) was fairly straightforward and the questions were asked in such a way as to not lead or influence the interviewee. Second, the methods used to analyse Company X's organic digital marketing campaign were either quantitative or unambiguous in nature. The only area where there might have been some ambiguity is in determining if a social media post is promotional or non-promotional, but in Company X's case, even this is straightforward. The researcher followed standard case study protocol. All this combined makes it clear that this is an easily replicable case study.

### **6.3 Learning outcomes**

As the digital marketing efforts of Company X are at a "minimum level", the suggestions in this thesis could prove invaluable to the company in finding some partnership networks. At the very least, the ideas presented could spark some thought-provoking discussions among the founders on how best to implement digital marketing. It's a discussion they need to have. Their current digital marketing consists of networking and spreading the word through industry-specific events. This is effective, but it needs to be supplemented with something else. Even a little bit of time spent on digital marketing (2-3 hours a week per founder) could have huge consequences. The outcomes of this thesis for Company X will depend on how willing they are to invest the time and energy into digital marketing.

On a personal level, the researcher hopes to do more work advising SMEs in the future. Investigating the literature, creating an organic digital marketing process model around the

literature, conducting a case study on Company X then offering pragmatic solutions has been a fascinating and enlightening experience. The researcher has gained considerable knowledge and experience to help other companies in their organic digital marketing efforts in the future.

#### **6.4 Limitations of the study and recommendations for future research**

When thinking about the case study and developing their organic digital marketing, one unfortunate limitation was the researcher's limited access to Company X's information. One semi-structured interview, coupled with access to the considerable amount of digital marketing information that is available online, was sufficient to assess Company X's digital marketing and make suggestions. However, access to, for example, the company's Hubspot and Google Analytics accounts would have been invaluable and led to even more informed suggestions.

Another limiting factor is the thesis doesn't consider alternative digital marketing approaches in non-European and non-North American markets. The CEO of company X has stated that they have global ambitions that are not limited to any geographical area. However, many countries, whether it happens naturally or as a result of government enforcement, have different rules and strategies. China, as an example, has officially blocked Twitter, Facebook and YouTube. In many African countries, WhatsApp serves the same purpose as large social media platforms in Europe. SMEs like Company X have to obviously take this into consideration. One interesting avenue for future research would investigate how digital marketing is done in different areas and countries in the world.

The final limitation is that many SMEs use a mix of both paid and organic digital marketing methods/tools or use services CRM tools such as Hubspot. The process model presented in this thesis is focused only on financially cost-free methods and tools, so it might not present the best alternative for all SMEs. For example, using a fairly cheap automated PEM platform such as Mailchimp saves an SME a lot of time and trouble, and at very little cost. Furthermore, certain situations might require that a company pay a search engine to place an ad. Sometimes paying for these tools is a good investment, and this is not addressed in the model. Another avenue for future study could focus on what would be the ideal balance in regard to SMEs paying for digital marketing and doing it organically.

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## Appendices

### Appendix 1. The semi-structured interview questions

The following is a list of questions set out before the interview:

- 1) Can you describe your company in a nutshell?
- 2) Can you talk about your international ambitions?
- 3) Can you talk about your overall digital marketing plan (both paid and organic, if you use both)?
- 4) Do you actively try to build a brand and create customer loyalty? How does digital marketing help with this?
- 5) Can you give me the ideal customer profile or discuss the customers you are trying to reach with your digital marketing?
- 6) How would you rate your digital marketing so far?
- 7) Can you discuss the strategy you use in the following financially cost-free (organic) areas of your digital marketing plan (if might be that you don't invest efforts at all into these, which is totally common and OK): Content marketing, social media marketing (what type of content?), SEO and e-mail marketing (What type of content)?
- 8) Can you discuss the metrics you use (if any) for each of these areas, and what you do with the results?
- 9) SMEs list the following as common obstacles when trying to implement an effective digital marketing plan. Can you comment on each of these regarding your company: Financial factors, time factors, human resource factors, technical/marketing know-how of your staff, owners interest in marketing/tech matters, how others use tech in your industry.

## **Appendix 2. List of abbreviations used in the thesis**

AMB	Active Magnetic Bearing
B2B	Business to Business
B2C	Business to Customer
CEO	Chief Executive Officer
COO	Chief Operations Officer
CRM	Customer Relationship Management
DCM	Digital Content Marketing
KPI	Key Performance Indicators
OEM	Original Equipment Manufacturers
ORC	Organic Rankine Cycle
PEM	Permission email Marketing
ROI	Return on Investment
SEA	Search Engine Advertising
SEM	Search Engine Marketing
SEO	Search Engine Optimization
SME	Small- and Medium-Sized Enterprise
UGC	User Generated Content