

**Inhouse vs outsourcing digital marketing to B2B
customers for a company operating in the industry of oil
refining and marketing.**

Case Company: X

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<p>This research-oriented bachelor's thesis goal is to provide insightful information for Case Company X regarding digital marketing, specifically in terms of in-housing and outsourcing. The objective is to give Case Company X pros and cons of the orientation of digital marketing internally and externally.</p> <p>The thesis comprises theoretical and empirical sections with the focus in B2B digital marketing. The theory section includes an overview of the differences of B2B vs. B2C digital marketing, Marketing Mix, types of Digital marketing, B2B strategies, Inhouse and outsourced digital marketing, and omnichannel marketing. The empirical section focuses on the interview of the Case Company X contact person done to answer the research question.</p> <p>The research involved a qualitative email interview, which comprised of a set of open-ended questions. The email interview was sent to the Case Company X Contact person and the answers were translated from Finnish to English and scripted by the author.</p> <p>The interview answers suggested outsourcing digital marketing functions to be convenient and cost efficient as well a way to access industry talent and expertise.</p> <p>Key findings and recommendations of this research could be adhered by companies seeking information regarding digital marketing, and the advantages and disadvantages of in-housing and outsourcing.</p>	
Keywords Digital marketing, business-to-business, in-housing, outsourcing, data-ownership	

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1 Introduction

Research based thesis has been conducted concerning the subject of digital marketing for a company operating in the industry oil refining and marketing. More specifically, the topic has focused on whether the company should inhouse or outsource digital marketing, or only parts of it. The goal has been to give the Case Company X insight into the advantages and disadvantages regarding in-house and outsourced digital marketing as well as some recommendations. The targeted audience was B2B customers of a company operating in the industry of energy production and marketing.

1.1 Background

The case company for this thesis is a Finnish is an oil refining and marketing company which produces, refines, and markets oil products, provides engineering services, and licenses production technologies. The case company has operations in 14 countries. For this thesis the focus is on the Case Company X's marketing operations.

1.2 Research problem and research questions

The research question is as follows; "What are the benefits of in-housing and outsourcing B2B digital marketing in the industry of energy production and Marketing & Services?". This topic has been given by a Finnish based company operating in the industry of energy production which will remain confidential.

RQ: What are the benefits of in-housing and outsourcing B2B digital marketing in the industry of energy production and Marketing & Services?

IQ1. What are the advantages and disadvantages of inhouse B2B digital marketing?

IQ2. What are the advantages and disadvantages of outsourced B2B digital marketing?

IQ3. How is case company X currently conducting B2B digital marketing?

IQ4. How should case company X be conducting B2B digital marketing?

1.3 Demarcation

The main goal for this research is to figure out a good strategy in terms on digital marketing configuration to recommend to the case company. The aspects being analysed are inhouse and outsourced digital marketing. As in the investigative questions, advantages, and disadvantages of both above mentioned aspects are looked at. In addition, a look into the case company's current state of digital marketing is analysed, and recommendations based on research is given. The analysis of the Case company X's

state of digital marketing is limited due to the information type being word-of mouth. The information is gathered from a contact person via email interview due to covid-19 and schedule limitations, in addition to the Case Company X's wishes to remain anonymous.

1.4 Thesis objective, Goals & International aspect

The objective of this research has been to figure out how the case company could form its digital marketing inhouse or outsourced. The goal for the research was to get a comprehensive understanding of how to configure digital marketing within an organization. Though the case company is Finnish, as mentioned, it has operations in 14 countries, therefore fulfilling the international aspect.

1.5 Definition of Key Concepts

- 1. Digital marketing** Digital marketing can simply be defined as achieving marketing objectives through applying digital media, data and technology integrated with traditional communications (Chaffey 2019).
- 2. Business-to-Business marketing** refers to the marketing of products and services to other businesses and organizations (Lessard 2018).
- 3. Multichannel Marketing** Can be defined as communicating with and marketing to prospecting customers across multiple channels both online and offline (Acunzo 2020). In other terms, customer communication and product distribution are supported by a combination of digital and traditional channels at different points of a path to purchase (Chaffey 2019.)
- 4. Omnichannel Marketing** is defined as a lead nurturing and user engagement approach in which a company gives access to their products and services to customers or prospects on all channels, platforms, and devices (Fontanella 2021). Omnichannel marketing is essentially like multichannel marketing, with the differentiation of mobile and IoT touchpoints (Chaffey 2019.)

1.6 Benefits

This part of the introductory chapter focuses on the benefits which the thesis aims to provide for four different stakeholders. The stakeholders this thesis will provide value for are the Case Company X, companies seeking information on digital marketing, other marketing professionals, and my own academic and career aspirations.

As the digital age is moving forward, it is becoming more and more important for businesses to shift focus from traditional marketing activities to digital marketing activities, while also keeping the consumers and customers in mind. This is even more true now

than ever due to the Covid-19 pandemic. The aim of this thesis is to provide insight into how business-to-business digital marketing can be formed in a company.

Other marketing professionals and companies may benefit from this thesis, as it provides insight into business-to-business digital marketing functions and formation. This thesis aims to aid marketing professionals' decision making regarding whether to inhouse or outsource digital marketing activities.

For me, this is an interesting subject area. Digitalization has always been a source of interest to me, and I have been a part of lower-level digitalization projects before. This topic has other benefits for me as well besides the overall interest. I am currently working in finance but am hoping to apply to a master's degree at some point in time with the focus on digital marketing and communications. Doing the bachelor's thesis of this topic increases my interest for future studies and career in digital marketing and business development.

1.7 Risks and Risk Management

This subchapter views possible risks regarding the thesis process as well as plan to mitigate the risks. The risks identified are related to data collection, information access, analysis, and presentation.

Since Case Company X has wished to remain anonymous during this thesis, data collection and information access have been identified as risks. Acquiring enough data from the company will prove difficult due to no NDA signed. This will risk will be attempted to be mitigated by interviewing a contact person to acquire information needed to conduct the research. However, the information is coming from one contact person alone, thus the validity of the information may be compromised.

The analysis of the gathered information is another risk identified. The risk of this is connected to interpretation of the information on behalf of the author. Because the information is gathered via email, and has been conducted in Finnish, the translation of the email interview is tied to the interpretations of the author. To mitigate the risk of misinterpretations in translating the email interview the text must be proofread multiple times.

Lastly, the presentation of the information gathered presents a risk. The risk of this will be mitigated also with proofreading by the author and the contact person of the Case Company X.

2 Theory of business-to-business digital marketing

This chapter presents the theoretical framework for the research. The theory researched includes differentiation of B2B and B2C marketing functions, overview of the marketing mix, theory of the different types of digital marketing, B2B digital marketing strategy models and advantages and disadvantages of in-house and outsourced digital marketing. The goal of the theory is to give insight to the reader and the Case Company X regarding digital marketing, in addition to lay grounds for further analysis of the Case Company Interview answers and further recommendations and conclusions.

2.1 Business-to-business digital marketing vs. Business-to-consumer

Compared to the consumer market, business markets generally consist of fewer but larger customers, and purchases involved are of significantly larger value with complex economic, technical, and financial considerations. Business marketing is depicted as the process of pairing the capabilities of the supplier with the desired outcome of the business customer. Essentially, business marketing is the creation of value for the business customer (Vitale et al. 2011, 3-4.)

In addition to fewer buyers, the market structure for business-to-business marketing is more geographically concentrated compared to business-to-consumer which is dispersed. Business markets are often more saturated with competing offerings, whereas consumer markets have fewer or only one competing product or service. Business-to-business products are characterized as technically complex, customizable and for non-personal use with the definite option for service, delivery, and availability. Business-to-consumer are close to total opposite, with standardized products and purchase for personal use (Vitale et al. 2011, 8-9.)

Business buyers are often professionally trained purchasing personnel, with functional involvement on many levels with organizational task motivators behind the purchasing decision. Comparing to the above mentioned, buying for individual use, and the involvement and influence of family with social and psychological motives characterize the consumer market buyer behavior (Vitale et al. 2011, 8-9.)

Business buyers seek out technical expertise, and often form stable, long-term relationships with the seller. Interpersonal relationships between buyer and seller are more common, with significant informational exchange on a personal level between participants. On the other side of the coin, consumer markets can be characterized as

less technical, with nonpersonal relationships and little informational exchange. The relationships can often be described as short-term and changing, with high risk of switching of loyalty (Vitale et al. 2011, 8-9.)

In terms of communication, channels on which consumer markets communication happens are indirect and often spread across different platforms, in which the customer supply chain has little involvement. Business-to-business communications are shorter and more direct with organizational involvement. Business-to-business markets are characterized as emphasizing the role of personal selling, and dialogue between the participants. Business-to-business communications are often invisible to the end consumer; therefore, the business-to-business brands and companies are seldom known by the consumer. As a comparison, the consumer markets put emphasis on advertising, and the communication can be described as monologue. Companies compete for visibility; thus, the consumer markets are often aware of the companies (Vitale et al. 2011, 8-9.)

Consumers market prices are mostly predetermined list prices, whereas business markets have a complex purchasing process or competitive bidding, depending on the purchase type (Vitale et al. 2011, 8-9.)

Business-to-business buying is often derived, which is the demand experienced by the chain of suppliers and producers that contribute to the creation of a total offering. The market is also described to be inelastic. Elasticity of demand refers to the percentage change in quantity demanded relative to the percentage to the change in price. The demand is said to be inelastic, when a change in price produces a change in demand that is less in percentage than the percentage price change. These characteristics of demand are the opposite to consumer market demands. Furthermore, business-to-business derived demand can be characterized as volatile, simply put, meaning greater swings in demand than in consumer markets (Vitale et al. 2011, 8-10.)

2.2 Marketing Mix

This chapter comprises of the marketing mix in the viewpoint of Business-to-Business marketing. Hence, it is important to note, that the characteristics of the 4Ps of the marketing mix differ in terms of the market, meaning Business-to-Consumer & Business-to-Business (Vitale et al. 2011, 4-5.)

For companies and organizations diving into or restructuring digital marketing, rethinking the marketing mix is essential. The traditional marketing mix, or the 4Ps, consists of

Product, Price, Place & Promotion originally proposed by Jerome McCarthy in the 1960s. This theory however left out an important aspect customer service, resulting in the 7Ps. In addition to the above mentioned 4Ps, three additional elements were added; People, Process & Physical evidence coined by Booms and Bitner in the 1980s (Chaffey & Ellis-Chadwick 2019, 190-191.)

Generally, in marketing theory the term product refers to a core product or service that can be built up with additional features and options which will appeal to different buyers. In business-to-business markets, the products are often defined and developed to match the buying organization's prerequisite on the grounds that products are often subsumed into the buying organization's offering to its own customers. The products are often developed in partnership with the buying organization and the marketers, which produces a product which is precisely to the buying organization's needs while optimizing the value creation capabilities of the marketer (Vitale et al. 2011, 4-5.)

Just as in any transaction, the mutually agreed upon amount is the price which satisfies both sides of the exchange. Determined by the market, price is the measure value traded, and not by the costs correlated with the creation of the offering. For business customers, pricing often varies from fixed price, includes more special discounts and allowances, and involves complex financing. Business-to-business pricing can also call for forms other than one-time price payment or fee, such as commissions or profit sharing (Vitale et al. 2011, 5-6.)

As for place, it is important to understand what economic utility is. Economic utility comprises of form, time place and possession. For business-to-business markets, economic utility is a necessary part of the concept of value, which often takes on the form of supply chain management, inventory services, and material resource planning. Marketing channels are designed to maximize value creation to the customers all the while minimizing the costs associated with achieving economic utility (Vitale et al. 2011, 6.)

Business-to-business marketers' place different significance on characteristics of promotion mix, than is commonly found in consumer marketing. Business-to-business promotions are often more intimate and the relationships with customers are often long lasting (Vitale et al. 2011, 7.)

As for the 3 additional Ps; People, Process and Physical evidence are often viewed as 'the service elements'. These elements are significant due to the perceived level of service impacting customer loyalty and likeliness to recommending the service (Chaffey & Ellis-Chadwick 2019, 221.)

2.3 Types of Digital Marketing

This subchapter will be reviewing different types of digital marketing, namely the ones which Case Company X is engaging in. The division for this thesis for the types include Internet marketing, Search Engine Marketing (SEM), Display Advertising and Mobile advertising.

Internet Marketing – SEO, social media & email marketing

Internet marketing refers to the strategies used to market products and services online and through other digital means. The tools for conducting this type of marketing can include various online platforms and content delivery systems, such as website content and design, email marketing, social media marketing, blogs, video and podcasts, online ads, and sponsorships & paid promotions (Small Business 2021).

Search engine optimization (SEO) is only a part of an entire process called Search Engine Marketing (SEM), which will be picked apart in more detail below. Search engine optimization refers to the process of designing a website and its content through which search engines find the site without being paid to do so. SEO can be described as a process of editing a website's content and code to get more visibility within one or more search engines (Roberts & Zahay 2013, 200.)

When the website content is focused, matching with the terms and keywords which your desired customers search for, can result in click-throughs, which can in turn lead to new prospecting customers, and hopefully paying customers (Miller 2012, 124-125.)

Social media is essentially characterized as websites, services, and platforms on which people share experiences and opinions with each other. Compared to traditional media one-way conversational manner, social media communications are two-way. Social media is interactive, conversational between multiple parties, meaning it is a participatory activity. Due to these characteristics of social media, the interest of Business-to-Business marketers has been captured (Miller 2012, 214-215.)

There is a wide variety of social media platforms existing currently, but not all of them are of relevance to business-to-business marketers. According to Statista survey "Most

important social media platforms for global B2B & B2C marketers 2021”, B2B marketers have ranked Facebook as the most important platform with 40 percent. Other platforms such as LinkedIn with 35% and Instagram with 16% are steadily behind Facebook. The business-to-business marketers surveyed Youtube 5% and Twitter 3% in terms of importance (Statista 2021.)

According to a worldwide study conducted by Statista “Leading social media platforms used by B2B and B2C marketers worldwide as of January 2021”, Facebook (89%), LinkedIn (81%) and Instagram (72%) were ranked the top three most used platforms by B2B marketers. Following with Youtube (57%) and Twitter (54%), it can be safe to say that approximately half of the target group of B2B marketers are utilizing these platforms. Lastly, TikTok (7%) and Snapchat (3%) are the least in use (Statista 2021.)

Since business-to-business marketing is focused on establishing and maintaining customer relationships online, email marketing proves to be of use. Once a relationship with a customer has been established, email can be applied to get across weekly or monthly emails regarding reordering or current specials, in addition to newsletters covering industry or company specific information. Email marketing is utilized to push the message of a company or organization directly to buyers (Miller 2012, 13.)

Email marketing offers a variety of advantages compared to tradition direct mail marketing and was initially viewed as a cost-effective alternative to direct mail. Emails can be developed quickly, tested, revised on the spot based on practically immediate feedback, and can reach many internet users in a short period of time (Roberts & Zahay 2013, 173.)

According to a survey carried out by Statista “Change in email marketing effectiveness according to marketers worldwide in 2020” 38 percent of the respondents stated that their email marketing effectiveness has increased, whereas 23 percent of the respondents stated that they had experience a decrease in effectiveness (Statista 2021.)

Search engine marketing

Search engine marketing, or SEM can be viewed as a process of getting listed on search engines for consumers to find a company and or organizations web pages. The two basic aspects of SEM are search engine optimization (SEO) and Pay-Per-Click or PPC. Search engine optimization was looked at in the above section of this chapter. PPC is essentially paid advertisement and involves text ads targeted to keyword search results on search engines, through programs such as Google AdWords, which can also be referred to as

Cost-per-Click (CPC) advertising. The paid aspect of SEM can also be called paid search, which is based on an advertising model where companies seeking to rank high in specific search categories will bid on keywords in hopes of getting a lucrative search ranking (Roberts & Zahay 2013, 200.)

According to ThinkWithGoogle article by Kelsey Snyder, 71 percent of B2B researchers start their research with a generic search, and 90% of B2B researchers who are online use search specifically to research business purchases (Snyder 2015.) In addition, 77% of B2B Buyers stated that they did not talk to a salesperson until they had conducted their own independent research (Hubspot 2017.) These numbers can be interpreted in a way, that most Business-to-Business buyers are initially turning to the internet to find information of possible purchases to be made. This would in turn mean, that companies should place efforts into SEM and SEO.

Display & Mobile Advertising

Display advertising is generally described to include text and images in any channel of choice, movement, and interactivity in channels in which offer that functionality. Display advertising is often viewed as the creative standard to which other types of advertising is compared to (Roberts & Zahay 2013, 151-152). Display advertisements provide a possibility for businesses to monetize their website traffic, in terms of advertisers paying to have their promotion displayed alongside the content of a webpage (Hubspot 2021.)

When creating a Display ad, marketers must decide the destination of the click-throughs. In addition, the purpose of the ad must be determined; collect information or provide it, or to simply provide a logical path from the ad content to the transactional page (Roberts & Zahay 2013, 151-152).

As years pass, mobile technology continues to advance. More before, reaching business-to-business buyers has happened through work computers. It is safe to say, that business-to-business buyers are becoming more mobile, and thus marketers are rethinking their web page designs in addition to considering ways to better connect with the mobile users (Miller 2012, 18.)

2.4 Business-to-business digital Marketing strategy and strategy models

When viewing marketing strategies in general, it is important to divide it into the two clear existing scopes of Business-to-consumer (B2C), Business-to-business (B2B). These two clearly differ in their respective strategies and applications, as they do in audience and communications (Hubspot 2021). This thesis is concentrated on the viewpoint of

business-to-business digital marketing; thus, the strategy and strategy models will align with on this specific viewpoint.

To name a few distinctive Business-to-business buyer characteristics, B2B customers are focused on Return-on-Investment (ROI), efficiency and expertise. The motivation to purchase derives from logic and financial incentive. In addition, customers want to be educated and oftentimes like to work together with salespeople and or account managers to come to a purchase decision. Business buyers usually must consult with company decision makers as well as other members before coming to a final decision in terms of purchasing. As per the purpose of purchase, long-term solutions are favoured, which in turns results in a longer sales cycle, longer contracts and longer relationships with companies (Hubspot 2021). For this research into digital marketing, the focus is on B2B customers.

When developing an effective strategy, which leads to higher performance, considerations on several elements is required: Mission, goals, objectives strategy and tactics (Vitale et al. 2011, 106.) By aligning the above-mentioned elements with a corporate communications strategy, which gives direction to the organization and describes the activities undertaken by communication practitioners, strengthens and maintains the reputation that the organization has amongst stakeholders (Cornelissen 2020, 109.)

Simon Kingsnorth states that no digital strategy can work independently of an organization without aligning with the overall business strategy if it is to truly succeed (Kingsnorth 2016, 30-31.) Due to rapid technological advancements, new opportunities arise monthly, and with-it digital strategy should evolve as well (Kingsnorth 2016, 31.)

Similarly to the above mentioned, a digital marketing strategy should provide direction for an organization's online marketing activities with channel integration. The goal of digital marketing strategy is to integrate digital with other marketing activities and ultimately support overall business objectives (Chaffey & Ellis-Chadwick 2019, 169.)

According to a Forbes article 100 Stats On Digital Transformation And Customer Experience by Blake Morgan, 70% of companies surveyed have a digital transformation strategy in place or are working on one. Only 27% percent of companies have also stated that digital transformation is a matter of survival (Forbes 2019).

The ways of creating a digital marketing strategy are numerous. Identifying different strategies and reviewing the standards of each option, is key to selecting the best fit for a

company's environment of operations, resources, and capacity (Chaffey & Ellis-Chadwick 2019, 160). Kingsnorth notes that an idea without a plan, is merely an idea Kingsnorth 2016, 67.) Early adaption, co-ordination, and integration of an effective plan of strategy are key drivers towards a successful Digital marketing strategy (Kingsnorth 2016, 68.)

There are various ways to approach strategy or strategic planning for digital marketing. For this thesis we will be looking at Vision-based & Real-time strategy planning model, and the generic digital marketing strategy development process.

Vision-based Strategy Planning Model

This is the process of creating a vision and following a clear six-stage process of fulfilment. The six-stages of this model are as follows:

(Adapted from Kingsnorth 2016, 68–69)

1. Identification of vision statement
2. Production of mission statement
3. Establishment of primary goals
4. Creation of specified objectives and strategies to reach goals
5. Implementation of action plans for strategy fulfillment
6. Evaluating and evolving.

The vision-based strategy planning model is viewed as a great way to organize the delivery of a strategy with clear guidance but is more structured and rigid than what some organizations are willing to implement (Kingsnorth 2016, 68.)

Real-time Strategy Planning Model

This is a plan which retains its elasticity to the planning process to ensure pliability to the circumstances. It can also be describes as being a casual version of the vision-based strategy planning model. Though criticized for its lack of structure, the reason why this was developed is due to the rapid evolving of the modern world. Therefore, this real-time model keeps the planning process open as an ongoing project. The plan is reviewed in regular intervals in meetings and evolves alongside current issues and developments internally and externally (Kingsnorth 2016, 70.)

The key advantage of this model is that the strategy remains highly relevant and can be adapted to match evolving insights. Though the flexibility and adaptability of this model is favored, there are some disadvantages (Kingsnorth 2016, 70.)

Firstly, due to lack of documentation it can be challenging to articulate the strategy to the company and can thus lead to confusion and lack of synergy in case the communication is

not excellent. Secondly, sharing a concise document of the company strategy is difficult, due to lack of documentations. This, unless the strategy is efficiently and clearly communicated verbally, can be viewed as unprofessional by stakeholders (Kingsnorth 2016, 70.)

Generic digital marketing strategy development process

The formation of this specific strategy model demonstrates the key activities and the dependencies, which are commonly involved in the creation of a digital marketing strategy (Chaffey & Ellis-Chadwick 2019, 24.)

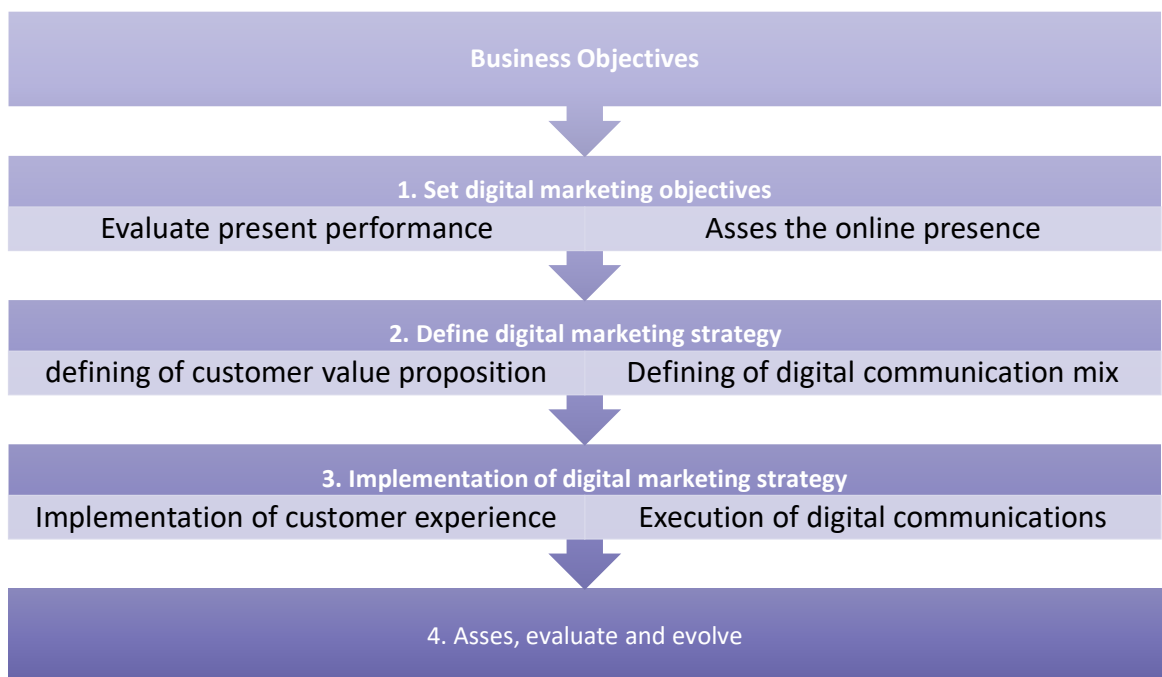


Figure 1. Generic digital marketing strategy development process model (adapted from Chaffey & Ellis-Chadwick 2019, 24)

A core phase of the above figure is objective setting to define the potential of the coming strategy development. The set objectives lay grounds for evaluation of the online presence and current performance (Chaffey & Ellis-Chadwick 2019, 24-25.)

When defining the digital marketing strategy, it is important to keep the predetermined objectives in mind. Furthermore, the definitions of value proposition and digital communication mix should align with the overall selected strategy (Chaffey & Ellis-Chadwick 2019, 24-25.)

The implementation of the digital marketing plan includes online activities such as website, mobile app and email marketing communications which form the form the

customer interactions. Monitoring, managing, and improving these online communications throughout various channels encourage usage of the online services and support customer acquisition and retention (Chaffey & Ellis-Chadwick 2019, 24-25.)

Digital Channel Strategy

Due to increasing number of digital platforms and a wide range of utility options, companies can experience difficulties in directing their efforts to the right platforms and content. Engaging with customers and forming relationships can prove challenging due to the complex environment of the platforms (Straker, Wrigley & Rosemann 2015, 124.)

A digital marketing strategy, for an existing company, is to have a channel marketing strategy. This defines how a company sets its channel specific objectives and develops different roles for the digital channels of the business. The goal is for organizations and companies to stand out from competition when using digital channels to communicate with relevant target audiences (Chaffey & Ellis-Chadwick 2019, 24-25.)

2.5 In-house and outsource digital marketing

In terms of how marketing is conducted within a company, it is key to consider whether to keep it in the company or have it done elsewhere. Keeping the marketing organ fully within the company is in-house marketing, which essentially means hiring and building a team, one person or more of experts to carry out marketing activities. When considering in-housing marketing, it is important to consider the cost of hiring and training new and existing staff, in addition to all the costs which come with employing in-house marketing talent, such as paid holidays, overtime rates and tools for doing the job. After going through the above-mentioned costs, companies can also face the cost of mis-hiring (Rock Solid Marketing 2020).

In the case of many companies, having the digital marketing organ within the company is just logical. The utilization of a broad range of channels to interact with the consumers is often more result-based and data-driven than traditional marketing approaches. This means, an in-house digital marketing team can own the end-to-end digital process, determining strategies from owned data to create for example Google display ads, blogs, whitepapers, Facebook campaigns and email shots, and analysing all the activity in real-time. With the company visions and values in mind, an in-house team can also present as more cohesive and aligned with the overall business strategy, in terms of more streamlined communication channels and greater creative control over the end-to-end digital process (EMR 2021).

Additional reasons for organisations in-housing digital marketing functions include cost, control, and culture. In-house marketing teams allow for more flexibility and freedom excluding additional costs, meaning an organization can re-strategize, adopt new tactics, and give new ideas a try without incurring any extra costs. In terms of control, in-housing digital marketing functions gives stakeholders the opportunity to oversee work in real-time. The level of control and collaboration is few and far between in comparison to working with an outsourced agency. As for the culture aspect, the familiarity company employees experience with the company culture, vision and overall goals can be seen as a great advantage. In-house digital marketing teams tend to have a deeper understanding of the products and services the company is offering and can also be personally invested in seeing them succeed. Additionally, the in-house team is more aligned with the sales functions and key business stakeholders, enabling for freer collaborations (EMR 2021).

According to Bannerflow's report State of In-housing 2020, the top five benefits of in-housing digital marketing include increased transparency, cost-savings, greater agility, greater control over brand messaging and control over creativity. Increased transparency means control over the costs, targeting and data. For some, the spend is integral to their overall in-house strategy, for example Lidl (Bannerflow 2020). [5] Lidl is utilizing a hybrid model, meaning they have in-housed some parts on digital marketing, but still employ different agencies for some functions (The Drum 2019.)

As an example, for cost savings, Getty Images CMO Gene Foca reported, that when seeking to increase the in-house talent and performance to achieve risk elimination, they managed to lower external spend organically, because they found that they could manage their needs in a more cost-effective manner while achieving strong results. Having a well-rounded in-house marketing team is considered agility. Essentially, by eliminating the agency between a company and the ever-changing market conditions, means to be able to make rapid decisions and put them into action immediately. (The Drum 2019.)

In the context of digital marketing, outsourcing is the purchasing of part of company's continuing digital marketing operations rather than investing in the infrastructure to accomplish the tasks internally (adapted from Vitale et al. 2011, 12.) The decision to outsource digital marketing is a strategic decision deriving from economic, competitive, and environmental considerations (Hutt & Speh. 2010, 189.)

In terms of communications, marketing outsourced partners are often viewed as an extension to the company. Despite this, the reality of it might prove not to be the case. Although companies operate in a digital age of interconnectivity, efficient lines of

communications can be difficult to form. In turn, an in-housed team of marketers most likely operate out of the same office under the same line of objectives, values, and goals of the company. In the light of this, managing and resolving potential issues can lead to better success in terms of marketing efficiency (O'Rourke 2019.)

On the other side of the coin, marketing agencies usually specialize in certain areas of marketing. This in turn prevails as deeper expertise when it comes to a specific role or industry. Most agencies specialize in one or more aspects of marketing, such as content marketing or performance advertising. In addition to the above mentioned, when hiring an agency, a company gains a diverse set of skills. Diversity enables viewpoints from different perspectives, and ability devise creative solutions (Neil Patel 2021.)

When considering hiring outsourced partners to conduct digital marketing, it is important recognize possible conflict of interest. Often the outsourced partners might have existing relationships with competitors or might establish one in the future. Therefore, in-housing marketing activities can mitigate possible conflicts, and ensure that marketing activities are being conducted with dedication to the end-cause (O'Rourke 2019.)

In contrast to the latter, Neil Patel states that when outsourcing digital marketing activities to a partner, a company is getting a dedicated partner in return (Neil Patel 2021.) A digital marketing agency is often result-driven, meaning if there are no results, the working relationship might not continue for much longer. In addition, outsourced partners investigate the company and its activities from a different viewpoint, and that can be very beneficial in terms of strategic insight (Neil Patel 2021.)

As noted before, in-housing marketing activities can prove to be cost-effective in the long run. On the other hand, O'Rourke states that in-housing can also result in no economies of scale (O'Rourke 2019.) Large marketing agencies are usually benefitting of economies of scale, with lower costs for industry tools, advertising costs and business overheads. Due to these sorts of savings, it might sometimes mean that working with an outsourced partner can prove more cost-effective compared to in-housing the activities (O'Rourke 2019.)

Neil Patel discusses scenarios, in which in-housing marketing team can be favourable; In case the company has received a large amount of capital inform of investment, the geographical location has close access to talent, or in case the market is difficult (Neil Patel 2021.) In terms of significance to the thesis topic, geographical location to talent and difficulty of market are the most relevant.

2.6 Omnichannel Marketing

Considering the digital era, customers are becoming increasingly mobile and sceptical of the channels they use, switching between channels, online to offline, expecting seamless cross-channel transitions without noticeable disconnect. As for traditional marketing channels, they are not necessarily organized, and often seem segregated from organizational goals and strategies (Kotler et al. 2017, 137.)

Omnichannel Marketing is the practice of integrating multiple channels to create a seamless and consistent customer experience. This requires organizations to break channel silos and merge their goals and strategies. Omnichannel marketing ensures a concentrated effort across various online and offline channels to steer customers into making an educated and committed purchase decision (Kotler et al. 2017, 137.)

Customers and clients have become increasingly selective of the brands they choose to engage with due to immense brand messaging. Utilizing an omnichannel approach can yield as a differentiator in the eyes of clients due to its customer centric nature.

Omnichannel marketing can be beneficiary in terms of better user experience, cohesive brand strategy & identity, increased revenue, and better attribution data (Marketing Evolution 2021.)

Because omnichannel is focused more on the user, customer/client, instead of the platform itself, companies can increase sales and better retention rates. Linking the overall experience to the brand guidelines to target each channel, the brand strategy will appear as more comprehensive and translate into increased loyalty and more targeted messaging (Marketing Evolution 2021.)

Customers are encouraged to engage with companies across multiple touchpoints and channels, meaning increased and diverse engagements at each stage of the buying journey which can help increase revenue. Research shows that customers who engage with multiple touchpoints tend to be 30 percent more valuable. The more targeted messaging also increases customer loyalty, making it more likely for a customer to purchase from the same company again (Marketing Evolution 2021.) According to Marketing Evolution, repeat customer account for 40 percent of revenue despite being a smaller portion of the customer base (Marketing Evolution 2021).

In addition to bettering customer service, going omnichannel should better a company's data analytics. Tracking engagements across channels, companies get a better view of

the customer journey, and where the customer chooses to engage. The data can be redirected to the strategy to build more targeted campaigns and optimize media spend (Marketing Evolution 2021.)

According to McKinsey's research on B2B decision makers states that omnichannel is not only a trend or a pandemic loophole, rather it has become a critical fixture for B2B sales globally (Harrison et. al. 2021.) Due to the pandemic, omnichannel interactions are the predominant path for business-to-business interactions and sales. Though in-person engagement is slowly becoming an option, buyers prefer a cross-channel mix, choosing in-person, remote, and digital self-serve interactions in equal measures (Harrison et. al. 2021.)

Due to the COVID-19 Pandemic, omnichannel has been irreplaceable in terms of moving forward. According to McKinsey's research eight in ten business-to-business leaders state that omnichannel is as or more effective than traditional methods which is a point of view which has increased from 54 percent in the beginning of the pandemic to 83 percent in February 2021 (Harrison et. al. 2021.)

According to McKinsey's article 'Embracing the B2B omnichannel opportunity in 2021' the three key success factors are speed, transparency, and expertise. Customers get instant access to information when, how and wherever they want it, with additional video and live chat along all touchpoints. Customers experience convenience and simplicity, such as one-click purchases and shortcuts for repeat orders. Transparency aids the customer understand all the options and the total value of a solution, including costs and benefits. As for the expertise, customers value getting answers beyond online information, regardless of the time or day (Stanley & Köstring 2021).

3 Research and analysis of Case Company X B2B Digital Marketing

This chapter consist of a generalized description of the Case Company X's digital marketing, its formation, and analysis of it based on the Case Company X contact persons intel and answers to predetermined questions. The information for this chapter is gathered through an interview and Case Company X's web pages, while remaining anonymous.

3.1 Research methods

This research utilizes a mono method qualitative research design. The below figure demonstrates the research design of this thesis, which is a descriptive design. Descriptive research is utilized to answer to questions such as what, how, where, who and when, thus the research question and investigative questions fall into this criterion (Saunders, Lewis & Thornhill 2019, 187). The method of data collection is based on research theories regarding digital marketing and non-standardized one-to-one internet mediated interview (Saunders, Lewis & Thornhill 2019, 443).

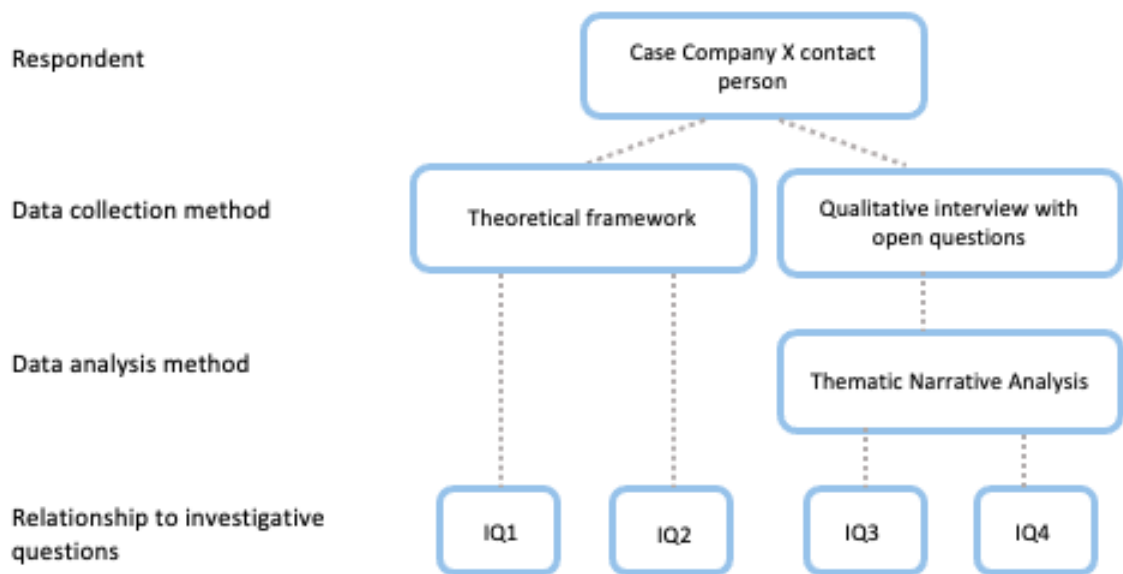


Figure 2. Research Design

The goal of the research and the research question as well as the investigative questions are explained in the introductory chapter. The following subchapter presents an overview of the Case Company X contact person's interview.

3.2 Overview of Case Company X interview

The script of the interview can be found in the attachments.

Case Company X marketing organ operates in Finland and the Baltics. The marketing teams include 1-8 persons, without a distinct separation of traditional marketing and digital marketing activities, though each team has their own team specialized and in charge of marketing communications, which also conduct digital marketing activities. Case Company X's marketing team works in cooperation with other chapters, such as sales, product management, data & analytics, and web & app designers.

In addition to the above mentioned, there is an Agile-style team which consists of people from various teams and titles such as marketing manager, content creator, data analyst, and marketing technology person. Such a team is particularly formed for digital marketing campaign creation and analysis. A separate team for data management and simulations are formed from outsourced consultants, a project manager from IT, a data scientist, and a marketing technology person. This team oversees the digital marketing back-end systems, and those operations are working and continued to be developed.

Specific titles for Case Company X employees working with digital marketing are social media and Content Manager & Online Manager. The social media and Content Manager mainly oversees the contents of the website and social media by guiding the outsourced partners. Online Manager oversees the B2B customer sales development through the website, and the marketing manager oversees marketing technology naturally as a sort of digital marketing specialist.

Case Company X's retains email marketing, website updates, app push notifications as their functions to carry out. With the guidance from the case company social media & content manager or the marketing manager, social media activities are, for the most part, in outsourced partners hands. Display advertising is also outsourced, though guided by B2B and B2C marketing managers. In addition, SEO and SEM activities are also outsourced to partners.

As stated previously, the Case Company X utilizes email, in app push notifications, and additionally Facebook & LinkedIn. The outsourced partners use Instagram & TikTok but mainly for B2C customers, Display Advertising and SEO & SEM, in addition to also using Facebooks and LinkedIn.

Case Company X has outsourced operations with various operators. Marketing communications such as social media marketing, display advertising, and SEM is conducted by an outsourced advertising agency partner in Finland. A separate social media agency which oversees the daily upkeep of social media channels of the Case

Company X. Additionally, a consultant agency has been hired to implement project-based marketing technology advancements. As for SEO, an outside agency also participates in the implementation and development alongside the Case Company X.

In addition to the above mentioned, Case Company X has partnered up with a company specializing in large scale technology services which are in support of the app and online team operations. Data analytics also has a large consultancy company supporting daily tasks. In terms of the Baltic operations, each country has their own Advertising agency as a partner working alongside with display advertising, social media, SEO & SEM. The digital marketing functions have been divided and outsourced based on expertise.

In terms of the reason for outsourcing, convenience is a fitting adjective. The Case Company X contact person speculated that the initial reason is due to lack of knowhow and or people, and after a while the partner model has become the norm. Another attributing factor stated was recruitment, being time consuming, expensive, and uncertain. Hiring an outsourced partner with proven knowhow and expertise is viewed as convenient and cost effective, as the contact person states that there is usually always room in the budget for a partner, but not for new employees.

Case Company X stated that working with partners has been deemed useful, due to them usually being professionals at what they do. Some issues such as transparency and communications have been resolved by taking the partner onto the Case Company X's payroll, though it is very expensive. Work with partners usually happens as project based, which is cheaper, but less controllable due to lack of transparency and communication. Some projects are conducted using agile methods, but in turn, the meetings drain the budget reserved for the initial project. Though this method is more expensive, it comes with added transparency.

Case Company X's contact person stated that operations in developmental or others can be started faster with a partner than with a new employee. This is due to the partners being professionals at what they do and coming to an agreement on a project is faster than the recruitment process. After the partner has completed a project, the Case Company X can evaluate the result and the future need for the partner, whereas a hired employee is naturally still working for and costing the company.

3.3 Case company strategy

As seen in the interview of Case Company X's contact person there is no separate strategy for digital marketing and that it follows the entire company's strategy. The Case

Company X's strategic goals are to come up with new creative and sustainable solutions in renewable and circular solutions to better aid their customers forward in the evolving world of sustainability. The company's strategic aim is to achieve a business model with which they are able to be competitive in their respective field and in order to reach the climate commitments, in addition to continually growing financially and as a whole (Case Company X 2021.)

3.4 Conclusions

In terms of data ownership, it is safe to say that Case Company X's data is mostly in the hands of the partners, based on the email interview answers. For the most part functions relating social media, display advertising, SEO & SEM, and digital developments and data analysis are outsourced. In other words, the more advanced functions are outsourced, and the lower tier functions such as email marketing, social media, and app push notifications kept inhouse. Management and supervision of the functions is also kept inhouse utilizing agile and project-based methods.

The Case Company X has hired outside partners initially to get a head start in digital marketing. It has been easier to hire outsourced parties due to the ready knowhow and availability. The partner model has stayed due to it being convenient.

Also, hiring a new employee instead of a partner is usually more costly, time consuming and unguaranteed. Budgetary means are usually readily available to hire a partner, but less so in terms of hiring a new employee. Fundamental issues which arose regard communication and transparency, which is combated by hiring the partner inhouse which in turn is also expensive.

Cooperation's with the partners happens as project based in which the controllability and transparency is sacrificed for a lesser cost, which in return means that the result is uncertain. To combat this the Case Company utilizes an agile method, which in turn drain the project budget.

A key take-away, is that operations in developmental and other projects can be started faster than with a new employee. The outsourced partners have more knowledge and coming to an agreement with a partner is much faster than the recruitment process. In addition, that after the project has been done the Case Company X can evaluate the need for further cooperation's.

All in all, speed, convenience, and cost arise as key reasons for outsourcing marketing functions in the case of Case Company X.

4 Conclusions and Recommendations for Case Company X

This chapter concerns recommendations and conclusions for Case Company X made based on researched theory and data collected from the Case Company X contact person in chapters 2 & 3. In addition, advantages and disadvantages of inhouse & outsourced digital marketing is analyzed using in-depth SWOT analysis. According to Skye Schooley, a SWOT analysis is a compilation of a company's strengths weaknesses, opportunities, and threats (Schooley 2021.) For this this thesis, the SWOT analysis is adapted to analyze the above-mentioned factors of in housing and outsourcing business functions.

4.1 Inhouse digital marketing

Based on researched theories and the Case Company X contact persons email interview, core internal strengths of in housing predominantly relate to the end-to-end ownership of the digital process and data, improved communication and transparency, cost control, real-time access to and assessment of functions, as well as improved company culture, vision, and strategy.

It is often more effective and cost efficient for large and complex companies to have one or more marketing executives, and multiple marketing staff for frequent and ongoing marketing functions (Modern Marketing Partners 2020.) Hiring an in-house digital marketing team means submerging the employees into the company's culture. Each of the in-housed employees can unite to strengthen the company's story. This is especially true for companies built around passion for example Apple or Ducati (Lieback 2018.)

In addition, In-housing digital marketing means eliminating an agency or partner as the middleman and transferring the control over for example ad spend and targeting to the hands of the company. According to Bannerflow in-housing report The State of In-Housing 2021, 59% of in-house marketers state that in-housing has improved transparency (Bannerflow 2021.)

Based on researched theories and the Case Company X contact persons email interview, key internal weaknesses prevailed relating to financial and time cost of hiring, the overall cost of one employee, in addition to the tools and equipment used to conduct the work as well as speed of implementation.

When in housing a digital marketing team, the cost is going to be more expensive. The company takes responsibility of hiring, training, and turnover. The hired employees might not possess the same skills as highly diverse and experienced agency. In addition, scaling can be slower, due to the slow process of hiring and training, meaning missing an opportunity to take on a new marketing trend for instance (Parsons 2021.)

Based on researched theories and the Case Company X contact persons email interview, external opportunities predominantly revolved around increasing company value, training of employees for the company's needs, lower costs in the long run, and faster and improved decision making.

In-housing means initial investment, but many brands experience that the investment is made up for in the long run. With reduced costs as well as increased work speed and transparency it is likely to experience an increase in ROI, Return on Investment (Bannerflow 2021.)

Based on researched theories and the Case Company X contact persons email interview, external threats such as risk of mis-hiring, lack of resources for recruitment and lack of interest from top tier talent where mentioned.

Hiring the wrong person, can cost a company a substantial amount of money, even up to 24 times that of the first year's compensation when considering total hiring costs, compensation, time in role, severance costs, morale, disruption, lost opportunity, and mistakes. Additional data consistently proves mis-hiring costing a company up to 15 times their annual salary (Barnes 2019.)

Demand for skilled, qualified people outpaces supply. With so many enterprises competing for to tier talent, it is harder for companies to stand out and attract the best people. In addition, not only are the companies competing for the best, but also the most qualified. Today employees seek for more from their work benefits than insurance. Young professionals tend to view employment more as steppingstones than as long-term careers (Klazema 2021.)

Table 1. Inhouse digital marketing SWOT analysis.

Strengths – Internal	Threats - External
<ul style="list-style-type: none"> - End-to-end ownership of the digital process and data - Greater communication, agility, and transparency - Cost control - Real-time assessment of functions - Company culture, vision, and strategy closer to employee 	<ul style="list-style-type: none"> - Risk of mis-hiring - Lack of resources to hire - Lack of interest from top tier marketers

Opportunities - External	Weaknesses – Internal
<ul style="list-style-type: none"> - In housing talent and increase company value - Train employees to fit the need of Case Company X - Lower costs in the long run - Make decision making and agility faster due to elimination of an agency 	<ul style="list-style-type: none"> - Cost of hiring - Time used for training new employees - Overall cost of employee - Tools & equipment used to conduct work - Slower implementation

4.2 Outsourced digital marketing

Based on researched theories and the Case Company X contact persons email interview, core strengths regarding outsourced digital marketing involved decreased recruitment costs, diverse pool of marketing professionals at disposal, economies of scale, and ability to start a project faster.

Outsourcing marketing to an agency gives access to advanced marketing skills and expertise which could otherwise be difficult to recruit inhouse. In addition, this sort of specialized talent can be used for infrequent marketing requirements or singular projects. Marketing agencies often enjoy economy of scale due to their concentrated offering and large number of clients. Additionally, the ability to implement quickly without recruiting, training and supervision is a pro in terms of outsourcing marketing (Modern Marketing Partners 2020.)

Based on researched theories and the Case Company X contact persons email interview, defining weaknesses of outsourced digital marketing includes loss of transparency and communication, lack of control and ownership of digital processes and data, as well as uncertainty of outcomes.

Outsourcing has some downsides to it, such as loss of management control and the inability to control operations of activities or processes which are outsourced. Outsourcing may also impose hidden or unexpected costs by creating lengthy contractual agreements with lots of fine print. In addition, lack of quality control leaves the company uncertain of the end results, due to agencies often being profit oriented rather than focused on the job itself (CFI 2021.)

Based on researched theories and the Case Company X contact persons email interview, key opportunities of outsourcing digital marketing arose as access to wide range of skills and strategic insight as well as increased reach.

Outsourcing brings along greater competitive advantage in the form of knowledge and skills provided by the agencies hired. It lets the company itself focus on core competencies and future strategies. Outsourcing also gives access to capabilities and facilities otherwise not accessible or affordable. Outsourcing can help a company be more flexible and agile, able to adapt to changing market conditions and challenges (NIBUSINESSINFO.CO.UK 2021.) Hiring an agency provides a wider perspective, as a diverse team can solve problems faster and bring new insight and creative solutions to the table (Neil Patel 2021.)

Based on researched theories and the Case Company X contact persons email interview, threats of outsourcing include conflict of interest, alignment of needed outcome and quality control.

Outsourcing involves handing over control over a business function or process to a third party. This means it does not come without risks. Agencies often have multiple clients and thus might have existing relationships with a possible competitor. This can result in conflict of interest (O'Rourke 2019.) Even though outsourced agencies are often views as an extension of the company, it can be difficult to ensure efficient lines of communication and result in scattered results (O'Rourke 2019.)

Table 2. Outsource digital marketing SWOT analysis

Strengths- Internal	Threats – External
<ul style="list-style-type: none"> - Little to no cost of recruitment - Marketing professionals at disposal - Economies of scale - Work can be started faster 	<ul style="list-style-type: none"> - Conflict of interest - Alignment of needed outcome - Quality control
Opportunities – External	Weaknesses – Internal

<ul style="list-style-type: none"> - Access to diverse set of skills - Company and its activities viewed from a different viewpoint → strategic insight - Increased reach 	<ul style="list-style-type: none"> - Lack of communication, transparency, and control - Data ownership - Uncertainty of end results
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4.3 Suggestion to the company

This chapter consists of ideas and suggestions for the Case Company X concerning whether to inhouse or outsource digital marketing functions.

A Forbes article by Allison Lowrie, CMO of HomeAdvisor proposes a framework for considerations regarding in housing and outsourcing marketing. This framework is called the “three C’s”. The C’s stand for competency, capacity, and cost. Competency relates to the people and skillset required to satisfy the objective, whereas capacity is the amount of output and productivity required to satisfy the objective. The cost regards the overall cost to satisfy the objective while considering the saving and spend (Lowrie 2016.)

My own view is that the Case Company X is currently utilizing a mix of in-housed and outsourced methods to conduct marketing, where the more traditional marketing functions are concentrated in the Case Company X, and digital marketing is for the most part in the hands of the partners. This can be compared to a so-called Hybrid strategy, which is a mix of both internal and external execution of marketing efforts (Rock Solid Marketing 2020).

The hybrid strategy in many cases requires an in-housed marketing manager or project manager developing the strategy. Expertise such as research or creative execution can be outsourced to an agency, and tasks can be divided according to terms and objectives. Advantages of this strategy is flexibility and performance, in addition to control and outside perspectives. On the other side of the coin, the strategy can be time consuming. The key to executing the hybrid strategy is to understand the company’s core strengths and leaving the rest for outsourced partners. To ensure an efficient workflow a content, meeting and or objective calendar can be shared between the company and agency, with additional sharable open communication channels (Rock Solid Marketing 2020.)

In concern to ownership of the digital process and data, it is important to note that in-housing the digital marketing functions is a way to achieve just that. An idea which arose while conducting this thesis was acquisition. An acquisition is where a larger company absorbs the business of a smaller one (CIF 2021). The Case Company X could add a new conglomerate by acquiring an agency which has the digital marketing knowhow it needs.

Acquisition is a speedy way to grow a business, especially when targeting new markets. It also minimizes retaliation from existing companies. The initial motive for acquisitions is creating value, meaning the benefits are higher than the price paid. The value creation can take several forms, such as increasing market power through more significant market share and more domination over the supply chain, cost reduction through more significant economies of scale and economies of scope, business diversification if it involves the acquisition of an unrelated business, avoiding the concentration of risk in one business, and lastly synergize core competencies and skills such as in the production technology, financial control, or distribution (Penpoin 2021.)

4.4 Conclusion

Both inhouse and outsourced digital marketing functions have their advantages and disadvantages. The goal of this chapter is to give insight to the Case Company X's as to what their possible route might be, and which advantages and disadvantages they are willing to except.

The Case Company X is currently dealing both in-house and outsourced. This is also a good path to take, but measures to ensure transparency and increased communication is good to consider. This however does not lead to ownership of the digital processes and data which is important to note.

What stood out is that in housing digital marketing seemed to be a trend, not only due to the pandemic, though the Covid-19 pandemic has evidently given a push for companies to become more involved and evolved in the digital processes of business.

5 Discussion

This chapter includes the discussion regarding key findings regarding the research objectives. The key findings represent the most relative findings which answer the research question. Reliability and validity of the research will also be discussed in addition to recommendations for companies and future research. Lastly, I will reflect on my own learning during the process of this research.

5.1 Key Findings

The objective for this research was to give insight to the Case Company X in regards inhouse and outsourced digital marketing advantages and disadvantages. The research question was formed with in-house digital marketing, outsourced digital marketing, the benefits and risks of each method and effects on the Case Company X. This this subchapter will include the contents of chapters 2 & 3.

What was interesting to find out, is that majority of the digital marketing functions have been outsourced to partners by the Case Company X regarding business-to-business operations. App push notifications, email marketing and some social media marketing has been kept inhouse. Outsourced partners are in control of SEO, SEM, Display advertising, LinkedIn and Facebook.

The reasoning behind outsourcing digital marketing has at first been due to lack of available talent and knowhow, but over time the partner model became stationary. In addition, the cost of recruitment, both financial and time wise was viewed as another drawback of in-housing a digital marketing team. Hiring an agency to conduct digital marketing functions was also deemed advantageous due to the access to industry talent and expertise.

Key issues which stood out regarding the outsourced partner model were lack of transparency and communication. Work with partners is usually conducted in a project manner, which is cheaper, but in turn lacks transparency and control, meaning uncertain results. In addition, some projects are conducted in an agile method, meaning more meetings and discussions regarding the project, which drains the project budget but comes with added transparency.

In-housing digital marketing entirely, or in the Case Company X case in-housing more digital marketing functions, combat the above-mentioned issues of transparency, communication, and cost. In-housing was found to aid in cost control, by eliminating hidden costs. In addition, freedom and flexibility regarding re-strategizing and adaptation of new tactics is seen as a upside to in-housing digital marketing. In-housing digital marketing also enables better cross-department collaborations, meaning digital marketing team can work together with for example the sales or IT departments.

When it comes to a company which is passionate about their brand and field of operations, it is important than employees are immerged in the company culture. In-

housing digital marketing means employees are more entuned with the company vision, mission, and strategy, which translates into their work results and is aligned with the overall strategy of the company.

What is interesting to see, is that outsourcing digital marketing is common, due to convenient access to diverse industry talent and expertise. The outsourced partners look at the company from outside in, which can result in creative solutions and different viewpoints in addition to strategic insight.

Interestingly, a key driver in cost is that outsourced agencies also often enjoy economies of scale due to lower costs in industry tools, advertising costs and business overheads.

Due to the covid-19 pandemic, it is important to note a key finding regarding omnichannel marketing. Business dealings have been shifting from traditional to online. Clients are constantly expecting seamless cross-channel transitions and engagement. Interestingly, shifting to a more omnichannel approach can aid companies in receiving enhanced data-analytics.

5.2 Reliability and Validity

This subchapter discusses the methods used to ensure the reliability and validity of this research. Firstly, since the methodology of this thesis is based on one-to-one internet mediated interview the trustworthiness of the qualitative findings is in question. Trustworthiness in qualitative research is discussed using dimensions of credibility, dependability, and conformability (Carson et. al. 2001.)

The interview has been conducted as an email interview in Finnish, after which it has been translated into English and assorted into a table, which can be found in the attachments, in addition to the email interview narrative in subchapter 3.2. Because there is only one respondent to the email interview the validity of the answers received cannot fully be relied upon.

The interview questions are supporting of the framework of investigative questions and justified by the theoretical literature in chapter 2. The interview questions were formed during the development and design, to ensure correct interpretation and understanding of the questions by the interviewee.

5.3 Recommendations for Companies

This subchapter focuses on supplying recommendations to companies interested in digital marketing and the ways to go about it based on the findings of the research. The recommendations are made based on the theoretical framework, interview answers and interpretations thereof, in addition to key findings.

The first recommendation is for companies to evaluate their current state of digital marketing capabilities. What was evident from the interview results, was that outsourcing has initially been done due to lack of expertise in-house as well as an unwillingness for recruitment due to financial and time cost. Also, by outsourcing digital marketing functions, a bonus is access to industry experts and thereby industry tools.

The second recommendation is for the companies seeking to improve transparency and communications within the organization. In-housing digital marketing functions enables for open and flexible collaborations between different organization departments, which results in more streamlined communication through the digital channels viewed by customers due to alignment with organization strategy, vision, and mission.

5.4 Recommendations for Future Research

In continuum to the previous subchapter, this subchapter will comprise of different aspects that could be researched further in the future.

For future research, additional qualitative data collection methods could be utilized. Because this research relied solely upon one respondent, the validity and reliability of the information received is not necessarily the most accurate. In addition, quantitative research method could be applied, to receive answers from B2B buyers to understand the clients and potential customers viewpoint.

What could not be done for this thesis due access restraints for information and data, understanding the overall numbers and financials of in-house and outsourced digital marketing would be an interesting aspect to approach this topic. Also seeing the potential in both in the short and long run.

5.5 Reflection on Learning

This thesis process has been educational and interesting for me. Conducting this research gave me an opportunity to deepen my understanding of digital marketing and marketing

management. The research opened my eyes to new possibilities for my future academic and professional career.

Conducting this research has been an opportunity to broaden my already existing understanding of digital marketing as well as in-housing and outsourcing business functions. There is a lot of literature about digital marketing, but less in terms of in-housing or outsourcing benefits regarding marketing. Materials and literature were available in abundance online and in the library sources. Sorting through the most reliable and relevant sources was an experience.

Due to the Covid-19 pandemic, utilization of the spaces and materials was not constantly possible. To combat this, I turned to eBooks, which for the most part were readily available. This has taught me patience and adaptability.

Due to personal occurrences and resulting topic change, my thesis schedule has been long overdue. I have been working full time for the most part while conducting this thesis process. Thus, the issue has been maintaining a healthy writing schedule, but the overall process has taught me to be persistent.

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Appendices

Appendix 1. Interview

1. What are the countries of operation?	- Finland and the Baltics.
2. How are the marketing teams formed?	<ul style="list-style-type: none">- The teams are of 1-8 people. There is not a separate digital marketing team, but each country has their own team in charge of and specialized in marketing communications, who then conduct digital marketing. The marketing teams also work with others, such as sales, product management, data & analytics and, web & app designers.- In addition, there is a team which has been built of people from different teams, which are sort of Agile-styled, and consist of the marketing director, content creator, data analyst, and marketing technology person. This team has been formed for digital marketing campaign creation and analysis.- There is a separate team for data management and simulation, which consists of outside consultants, project manager from IT, data scientist and marketing technology person. This team oversees digital marketing prowess and systems work and that they are developed.
3. What are the titles working in digital marketing?	- Social media and content manager & online manager. The social media and content manager is mostly in charge of contents of the website and social media and guiding the partners. Online manager is mostly in charge of B2B customer sales development through website. Then the marketing manager who oversees the marketing technology and is naturally a sort of digital marketing specialist. The team in Latvia has a marketing coordinator, who oversees social media and the website.

<p>4. Does the company have a separate marketing/digital marketing strategy?</p>	<ul style="list-style-type: none"> - There is no specific strategy for marketing, marketing and digital marketing falls in line with the overall strategy of the company.
<p>5. Which functions of digital marketing have been outsourced and which remain within the case Company?</p>	<ul style="list-style-type: none"> - In all countries, the email marketing is in the hands of the case company. Website updating, app push notifications are also done by the case company. - Social media is, for the most part in the hands of partners, but are guided by the case company social media and content manager or the marketing manager. - Display advertising is also outsourced to partners, and they are guided by B2B and B2C marketing managers. - SEO and SEM are also handled by outsourced partners.
<p>6. What are the tools used to monitor and control customers?</p>	<ul style="list-style-type: none"> - The case company utilizes Google cloud-based platform to control marketed customer needs. Other digital marketing tools which are used include Salesforce Marketing Cloud and Adform DMP (has not been utilized yet).
<p>7. What channels for digital marketing does the case company and partners use?</p>	<ul style="list-style-type: none"> - The case company uses email, in app push notifications, Facebook and LinkedIn. - The partners also use Facebook and LinkedIn, but also Instagram, tiktok, Display advertising and SEO & SEM. Instagram and tiktok is only utilized to market to B2C customers.
<p>8. How many Partners do you work with? And are the marketing functions such as social media, SEO, SEM and Display advertising divided based on expertise?</p>	<ul style="list-style-type: none"> - In terms of marketing communications, there is one advertising agency in Finland who does social media marketing, display advertising and SEM for the case company. Then there is one social media agency, which oversees the daily upkeep of the case company's social media channels. In addition, there is a consultant agency which implements project-based marketing technology advancements. For the website, there is a media agency which

	<p>participates in SEO and development.</p> <ul style="list-style-type: none"> - There is also a company who specializes in big technology services which supports the app and online team. And for data analytics there is one large consultancy company supporting daily operations. - The Baltics countries each have their own Advertising agency as a partner, which do display advertising, social media, SEO and SEM. - Especially in Finland, the functions have been divided based on expertise.
<p>9. For what reasons have the marketing functions been outsourced?</p>	<ul style="list-style-type: none"> - At first probably because there has not been enough people or know-how. After a while, the case company has gotten used to the partner model and have not seen any reason to lessen their workload. - New employees recruiting is hard, expensive and time consuming. And suitable employees are hard to come by, and the expenses used to hire new employees and train them would be more costly than hiring an outside partner to do the job. There is usually always room for partners in the budget, but not for new employees. - Usually, in case there is a need for some new function, you don't hire a new employee for that, but utilize a partner. This is because you have to commit to a new employee, without knowing is the new function going to be something you will be doing in the future as well.
<p>10. Has working with partners been viewed as useful? Has there been any troubles working with the partners?</p>	<ul style="list-style-type: none"> - Working with partners has been deemed as useful, due to them usually being professionals at what they do. Meaning oftentimes the case company gets what it pays for as long as specific goals have been set well. - Issues which arise from working with partners are transparency and communications. This resolve by in housing the partner, so taking them

	<p>onto the payroll of the case company. This is of course very expensive.</p> <ul style="list-style-type: none"> - Usually working with the partners happens as project base, so called Waterfall method, which is much cheaper. In turn, the controllability and transparency are sacrificed, and the result is uncertain working like this with the partners. - The projects can in turn be conducted with agile methods, but then the meetings drain the budget reserved for the project. Though more expensive, this comes with the bonus of transparency. The case company has ongoing and project-based operations with the partners depending on the nature of the work. - Because the case company rather cuts the budget, than lays people off, often the budgetary cuts are taken from reserves for partners. This means, that some function might get forgotten about even though the budget might be increased at some point. The consultant for the job could at that time be working with some other company. <p>—</p>
<p>11. What advantages and disadvantages are there when working with outside partners?</p>	<ul style="list-style-type: none"> - It should be mentioned that operations in developmental or others can be started faster than with a new employee. This is since partners often have more know-how to begin with and coming to an agreement with a partner is much faster than the recruitment process. When the job is done, evaluations of whether the partner is still needed or not can be done, where as an employee is naturally still working for and costing the company. <p>—</p>

