Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
Degree Programme in International Business

Mai Anh Ngo

Content Marketing for Small/Medium Online Retailers: Case Lamnia

Thesis 2015
Abstract
Mai Anh Ngo
Content Marketing for Small/Medium Online Retailers: Case Lamnia, 70 pages, 9 appendices
Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
Degree Programme in International Business
Thesis 2015
Instructors: Lecturer Sami Lanu Saimaa University of Applied Sciences
Managing Director Mihail Pinyasov, PRM – Trade OY.

The aim of the study was to acquire a deeper knowledge of content marketing, its relevance to small and medium online retailing businesses, and to examine the implementation of content marketing strategy by the case company. The research is done in parallel with the case company’s marketing development activities, thus it also determines the effectiveness of different content marketing tactics that were used.

The data for the theoretical part of this thesis was collected from secondary data resources, including literature, articles and the Internet, as the topic is relatively new. The primary data was gathered from the case company’s analytic tools for the empirical part of the research.

The results of the study demonstrate the importance of content marketing for an online reseller, as a strategy to influence online consumer behavior, increase brand visibility and its market share in the digital era. By observing current online shopping trends and the opportunities that content marketing might create for online retailers, the author draws suggestions for the companies on how to start exercising content marketing strategy. Using the research on the case company’s content marketing activities, the effective content marketing tactics for the web stores are revealed. Finally clear guidelines for the case company are given on how to improve the email marketing and social media marketing in order to generate more leads and sales.

Keywords: content marketing, online retailing, online consumer behavior, brand visibility, email newsletter marketing, social media marketing, Lamnia
Table of Contents

1 Introduction .............................................................................................................. 5
  1.1 Background and objectives ........................................................................... 5
  1.2 Delimitations ................................................................................................. 9
  1.3 Theoretical aspects and research methods .................................................... 10
  1.4 Case company ............................................................................................... 10
  1.5 Structure of the study .................................................................................... 11
2 Online retailing as the main Business to Consumer (B2C) concentration in the digital era .......................................................... 12
  2.1 B2C online marketing .................................................................................... 12
     2.1.1 Creating a website ................................................................................ 14
     2.1.2 Placing ads or promotion online ......................................................... 16
     2.1.3 Email marketing ................................................................................. 17
     2.1.4 Setting up online social networks ....................................................... 18
  2.2 Online retailing trends .................................................................................. 19
  2.3 Online consumer behavior ............................................................................ 22
  2.4 Key success factors of small/medium online retailer ..................................... 23
3 Content marketing as the main direct marketing strategy in digital era .......... 25
  3.1 Definition .................................................................................................... 26
  3.2 Content marketing tactics trends ................................................................. 28
  3.3 Content marketing and online retailing ...................................................... 30
     3.3.1 Obstacles ............................................................................................. 30
     3.3.2 Benefits ............................................................................................... 30
  3.4 General discussion on starting content marketing for small/medium online retailers .......................................................... 32
4 Implementing content marketing strategy for the case of Lamnia web store ................................................................................. 34
  4.1 SWOT analysis and TOWS matrix of Lamnia .............................................. 34
  4.2 Rebranding and redesigning the web store .................................................... 36
  4.3 Content marketing plan for Lamnia .............................................................. 37
     4.3.1 Official website: content creation and search engine optimization support .......................................................... 37
     4.3.2 Email newsletters .............................................................................. 39
     4.3.3 Social Media ..................................................................................... 41
     4.3.4 Tone of voice ..................................................................................... 43
  4.4 Data analysis from newsletter marketing ................................................... 44
     4.4.1 General overview .............................................................................. 44
     4.4.2 In-depth analysis ............................................................................... 44
  4.5 Data analysis from Facebook and Instagram marketing ............................ 50
     4.5.1 General overview .............................................................................. 50
     4.5.2 Facebook in-depth analysis ............................................................... 50
     4.5.3 Instagram in-depth analysis ............................................................. 53
  4.6 Further development of Lamnia’s content marketing .................................... 53
5 Summary and discussion ..................................................................................... 54
  5.1 Conclusion ................................................................................................... 54
  5.2 Recommendations for further research ....................................................... 56
References .................................................................................................................. 57
Figures ....................................................................................................................... 59
Appendices

Appendix 1. Infographic: Social media – the root of modern marketing (Zift Solutions)
Appendix 2. Infographic: What influences a purchase decision (Callaway, D., Bigcommerce)
Appendix 3: Infographic: Consumer psychology & the e-commerce checkout (Ben, Vouchercloud)
Appendix 4: Infographic: Inbound Marketing Funnel (FIRST 10 & Smart Insights)
Appendix 5: Lamnia’s old website design
Appendix 6: Lamnia’s new website design
Appendix 7: Lamnia’s old email newsletter design
Appendix 8: Lamnia’s new email newsletter design
Appendix 9: Lamnia’s Facebook posts statistics
1 Introduction

1.1 Background and objectives

With the rapid development of technology and internet influence, many business-to-consumers (B2C) companies are investing in digital marketing to gain market share and win the competition. Although the marketing phenomenon and core theory remain the same, the concepts and methods keep changing towards new opportunities, as well as threats, that the digital age is creating.

According to statistics from Internet World Stats, the amount of internet users has grown from over 360 million users in 2000 to over 3 billion users in the end of 2014 (Internet World Stats 2014). Almost half of world’s population is surfing the internet on daily basis using computers, tablets, and mobile phones. Buyers search for products from the internet instead of going to the stores. As the results, online shopping industry performed an explosive growth during past decades with the online retailing giants as Amazon.com, Ebay, Alibaba, etc. Most traditional “brick-and-mortar” companies have now become “click-and-mortar” companies (Kotler & Armstrong 2008, p.24).

With the internet and new technologies, companies also have several ways to get to know and research about their customers, and different strategies to deliver their values to the targeted audience. The ability to learn new marketing tools and channels has become a competitive advantage. Content Marketing was born in the digital era.

The way customers buy a product, their buying process and consumer behavior has changed rapidly. Traditional marketing is not as effective as it used to be. Customers trust less and pay less attention to glamorous big advertisements on the television, billboards or magazines. The competition is tougher and tougher. Content marketing appears to be a good marketing strategy for the businesses. Business-to-Business (B2B) companies caught the trend of the content marketing and now B2C companies also realize the advantages of it.

is some interesting data that they have collected from companies in North America:

- 90% of B2C marketers are using content marketing, compared with 86% in 2013
- 60% of B2C marketers plan to increase their content marketing budget over the next 12 months (Figure 1)

![B2C Content Marketing Spending (Over Next 12 Months)](image)

Figure 1. B2C Content Marketing Spending estimation in North America for 2015 (Content Marketing Institute/MarketingProfs)

The numbers and facts above show that content marketing is used more and more by B2C companies in North America. However, the concept of content marketing is still new for most of small companies in general, and for online retailers in particular. Especially in Europe, the content marketing statistics in 2013 (unfortunately the data for 2014 was not found) did not show a large development.
Hubspot (Flanagan, 2014) joined forces with Smart Insights (Chaffey, 2014) and surveyed over 2,600 marketers across Europe to find out that:

- 71% of European companies’ adoption of content marketing has been inconsistent or poor (Figure 2)

![Chart showing content marketing usage by European marketers](image)

**Figure 2. Content Marketing usage by European marketers (HubSpot/Smart Insights)**

- 49% of companies were planning to invest between 0-20% of their marketing budget on content marketing (see Figure 3)
Figure 3. Estimated investment in content marketing in European Companies (HubSpot/Smart Insights)

- On the other hand, 93.4% of European marketers see the value and opportunities in content marketing (Figure 4)

Figure 4. Value of content marketing in Europe (HubSpot/Smart Insights)
Moreover, the rapid change in marketing tactics has created a massive amount of unreliable and confusing information; that makes the small retailers face difficulties in choosing the suitable and effective content marketing strategy to increase their sales. The lack of up-to-date reliable literature, and the potential effectiveness of content marketing for online retailers, are the motivational reasons for this study to be conducted. The goal of the study is to answer following research questions:

1) Why is content marketing relevant for small to medium online retailers?
2) How to plan and implement content marketing for small to medium online resellers?
3) How to use content effectively in email newsletter marketing and social media marketing?
4) How to improve content marketing strategy of the case company?

1.2 Delimitations

The study is focused on content marketing for small to medium online retailers. Traditional marketing is mentioned in the correlation with content marketing, but is not considered in the research.

The purpose of the research is to help small online resellers, which are lacking knowledge of content marketing, to be able to create an online marketing plan and win a bigger market share. Therefore B2B companies and services are not covered.

Moreover the case study is taken from a small company located in Lappeenranta. The case company runs an online outdoor gear shop and sells products to the customers all around the world. However, marketing is a new aspect for their operation and they just have started to invest in re-branding and content marketing. Thus this thesis is concentrated on supporting the company’s marketing development. The studies are strongly related to particular type of retailing and certain customer segment. On the other hand, supporting the shop’s international sales, there are no specific geographical segmentation and targeting to practice content marketing in this study.
1.3 Theoretical aspects and research methods

Theoretical framework in the study goes from basic marketing definition and objectives to the new born content marketing of digital marketing era. The concentration goes into a deeper knowledge and practices of content marketing, its advantages and opportunities as well as limitations and difficulties.

As the research is conducted to help online retailers expand their market, the concepts of online consumer behavior and marketing visibility is observed and analyzed. It is important to understand the difference between purchase process of a normal customer and an online buyer. Based on marketing goals and target segmentation, marketing visibility is defined to create the content and the context of marketing strategy. The next stage is to convert the sales funnel into content marketing funnel in order to choose the engagement tools.

A small part of the study is dedicated to the user interface as a part of the company branding. It shows the importance of cooperation with programmers, especially front-end designers, in order to create a user-centered web shop design.

The study is done in parallel with the case company marketing development. Therefore, case study research method is used in order to determine the effectiveness of different content marketing tactics. In the end the conclusion and theoretical suggestions are made based on the results.

To acquire research data, a qualitative research method is used. Secondary data sources about content marketing usage and trends published online by marketing specialist are collected, as well as numbers taken from the case company’s Google analytics data and other analytical tools. Both types of data are combined and compared to find the best practices of content marketing for online resellers.

1.4 Case company

Lamnia is a Finnish outdoor gear web-store, registered under the name of PRM-Trade Oy. The store itself opened in 2007 in Lappeenranta Finland, but the web shop started to be active in 2009. The company is reselling outdoor and hiking equipment, and especially it has a large knives selection, consisting of thousands
of knives. Below are several reasons why Lamnia is a great case company for the current study.

First of all, PRM-Trade can be considered as a young small size company with a rapid international development. At the time the company was found, it mostly served local customers and Russian customers in Lappeenranta area. Today they are selling different products to customers across all the countries in the world: from the United States, to South Korea, South Africa, Australia and all the countries in Europe. The company has built a good reputation as a high quality outdoor equipment shop with excellent customer service.

Secondly, even if the brick-and-mortar store was the first operation of the company, online reselling has become their main business today. Lamnia website supports customers from more than 80 countries with 27 languages. Probably this is one of the winning strategies of the company for the global market share growth, as by far there is no other outdoor gear shop as international as Lamnia.

The third and last reason, for being a good case company, is that PRM-Trade OY just started re-branding and developing company’s marketing in 2014. The goal is to bring Lamnia brand onto the well-known level and win a bigger market share from the competitors.

The company has chosen digital marketing and content marketing for their marketing development strategy and now are in the process of implementing it. They have re-designed their website, have concentrated more on search engine optimization and have joined social media. Lamnia is still only making the first steps into the content marketing world. Thus, it became a great inspiration for the current research.

1.5 Structure of the study

This study consists of the two main parts: theoretical part and empirical part, which lead to the conclusion and the answers of the research questions.

Theoretical part, as mentioned in chapter 1.4, goes deeper into B2C marketing, especially online reselling, and into content marketing and the opportunities it
creates for online resellers. As the result this section explains why content marketing is relevant for online resellers in the current period.

In the empirical part, the case company and its chosen marketing strategy are observed and analyzed. Using collected data, the research gets the results of effectiveness of different content marketing tactics, how it should be done and what works well, what does not work.

The conclusion of the study draws the guidelines and some suggestions of the author for online reselling industry on using content marketing.

2 Online retailing as the main Business to Consumer (B2C) concentration in the digital era

2.1 B2C online marketing

It has been studied and proved that selling to consumers and selling to business need a different strategy of marketing. Businesses usually make big purchases for the identified needs and their buying process takes some amount of time to make a decision, while consumers may purchase something relatively small just in a second that they suddenly feel that they might need the item in the future. Therefore B2C marketing is spending more efforts for the goal of expanding their market share. Usually the market share is gained by brand recognition and loyalty of the customers. Why does a consumer buy exactly that brand of milk each time he/she goes to the supermarket? Why does he/she change from one brand of shampoo to another? Why did a customer decided to buy a pocket knife when he/she never needed it before? Marketers working in B2C companies have always been working hard on gaining market share from their competitors, keeping their loyal consumers and attract new potential customers.

With today’s technology, people use internet for everything. That statement also aligns with their buying process. They go into the website to see how the product looks like, what people talk about it, the prices for the product, etc. The internet
offers companies a vast amount of customers searching for all kinds of information. For the past decade, the internet consumers were different from traditional offline consumers in their approaches to purchasing and in their responses to marketing. However, with the technology development and internet influence these two types of consumers started to merge. In near future probably there will not be any traditional offline consumers anymore, as buyers are checking information online while being physically in the shops or companies. Many people would not buy a product without looking it up in the internet. Companies also tend to prefer selling online to investing fully into brick-and-mortar shops. Hence, internet became a new battle field for marketers. This battle field is tougher and more complex, due to overload of information and different content present in the internet. It is important for a company to excel and differentiate in order to stand out in the competition.

It is interesting how the online marketing strategies have changed in just a couple of years. In the 12th edition of Principles of Marketing, Kotler and Armstrong (2008) introduced a four ways to conduct online marketing module with creating a Website, placing ads and promotion online, setting up or participating in Web communities, or using e-mail. (Figure 5). While in the 14th edition (2012), the authors changed the Web communities into online social networks (Figure 6)

![Figure 5: Setting up for online marketing (Kotler & Amstrong 2008, p.498)](image-url)
2.1.1 Creating a website

The first online identity of a company/ a brand is its official website. “The overall design and mission of a Web site creates the first impression for visitors. A well-designed Web page will balance unity and variety and will support the business’s message without overpowering it. Compare building a Web site to designing it: Building the site is the process of building the customer interface for an entire e-commerce system with architecture that provides automation for process efficiency. The goals are cost-effective sales and ease of use that increase customer satisfaction, retention, and loyalty. The more complete the automation, the more efficient the site in achieving these goals. Designing the Web site takes these principles and adds marketing and branding”. (Korper & Ellis 2001, p. 67-68.) Korper and Ellis defined clearly that building a basic and effective website if the first step to do, but it should also align with branding; and while building a website, a company should not leave out the marketing point of view.

A well designed website should work smoothly, should deliver the right message and should engage the audience. As Smith and Zook (2011) underlined: according to Web usability expert Jacob Nielsen, four basic website factors that keep visitors satisfied and coming back again and again are:

- High-quality content
- Easy navigation
• Quick downloading
• Updated information

A customer will leave the website if it takes too long to load, the links does not work or it has out-of-date content. (Smith & Zook 2011, p. 444.)

Moreover, the website should be easy to navigate, pleasing to viewers’ eyes and it should present useful and interesting content. The visual part is also very important, as it is the first thing that people see.

It is beneficial to have a web developer and designer in-house. But these days many companies seek the help from the third party website developing specialists. That created the problem of integrating a web developer into client’s company culture and vision. It is usually the case that the company representative has no idea how does the information technology (IT) works, meanwhile the IT specialist do not understand what does the audience of the client company seeks for. Some web developers are just building a smooth working back-end and a nice looking front-end, but do not notice that the user interface is complex to use and not user-centered. That is where the term of “Interactive Design” come to use. It is essential for the company director’s board and its marketers to come up with the exact function and image that they want to have on their company website. Only the company knows its customers, its brand identity and the design vision for the website.

In their guide book “Interactive Design: An Introduction to the Theory and Application of User-Centered Design”, Pratt and Nunes suggest to the web designers to collaborate with the client company in defining goals, success criteria for the project, and in creating features and functionality of the website (Pratt & Nunes 2012). On the other hand it is the company’s responsibility to introduce the users and their stores. The communication between the web designers and the company should be continuous with mutual agreement.

The task of the marketers is to make sure that the new design represents the brand identity and it is targeting the right audience. They test and collect the users’ feedback of the website for its further development.
The design of the website should also be created to support its content. The website content may consist of different elements: text, photographs, audios, videos, etc. A well-designed web page will present a content which is simple to find, easy to read, watch, and listen; and it is personalized for its customers.

2.1.2 Placing ads or promotion online

With the increasing number of internet users and the amount of the time they spend online, marketers work a lot on placing their advertisements in the internet. Kotler and Armstrong indicate search related ads, display ads and online classifieds as the major forms of online advertising (Kotler & Armstrong 2012, p. 514).

Search related ads are the ads that appear along with the targeted keywords in search engines such as Google, Yahoo!, Bing, Baidu, Yandex, etc. These ads, also called Pay-per-click (PPC) ad or Cost-per-click (CPC) ad, are provided by search engines. The company only pays certain amount of advertising cost if the customer clicks on the link in the ad. PPC became extremely popular as people look up everything in search engines. According to a 2012 survey made by MarketingSherpa LLC 48% of almost 2,000 marketers use PPC in their online campaigns and 32% of those said it was very effective. However search engine users tend to use the organic search results rather than ads, just as people usually skip TV commercials unless they are very appealing.

Display ads include banners, pop-ups, affiliate ads, etc. They are usually everywhere in the internet, some are even following the internet user. Unless display ads are well targeted, they are considered as less effective type of online advertising, as the users find them annoying. However, nice looking banners might also work well on websites with the relevant content.

Janal noted that classified advertising is the oldest form of advertising started with the first newspapers in 1700s, which consisted entirely of these ads. Classified ads are an effective, low-cost method of promoting products to large numbers of people. (Janal 1995, p.253.) Today, companies can create the tailored classified ads that will not only encourage interested people to an action, but also to share it with other people.
Companies also create different online viral campaigns as competitions, giveaways, social campaigns, etc. that are very easy to spread with the speedy mobile technology.

2.1.3 Email marketing

Email (electronic mail) started with basic messaging systems and networks like AUTODIN, CTSS since 1960s in the United States as the messaging, store and sharing files within a state’s organization or within a university. Today, email is a part of people’s normal everyday life.

A Technology Market Research Firm, The Radicati Group, has published their annual Email Statistics Report, which states: by March 2015 there are

- 4.53 billion worldwide email accounts
- 2.58 billion worldwide email users
- The number of emails sent and received per day total over 205 billion, including 93.1 billion consumer emails

Comparing to the world’s population of 7 billion, the email market is growing enormously. In addition, with the convenient subscription and analytical tools, it is relatively easy to personalize emails and track their effectiveness.

“Email remains one of the best marketing channels for educating and influencing prospects – and eventually long-term clients” wrote Kristy Short in 2012. Email can be especially effective for B2B as the segmentation is smaller, thus more accurate and precise. However, numbers prove that the same statement is also relevant to B2C marketing. For example, if we look into the 2014 UK market, the open rate of B2C retails shows almost as high as B2B sales, and the click rate is higher than the click rate of B2B sales or B2B services. (Figure 7)
Figure 7: Open and click-through rates across sectors in UK 2014 (Sign-Up.to)

Following all the conclusions and guidelines of marketing specialists, email marketing can be incredibly effective if the company concentrates on tailoring the right content for the well targeted segments.

2.1.4 Setting up online social networks

Just recently during past couple of years, internet users witnessed a boom of social networks. The presence and development of the social networks have a big influence on marketing strategies of the companies as well. If before people were using online discussion forums, today it’s Facebook, Twitter, Reddit,
LinkedIn, Instagram and thousands of other interest, background, and professionals specified social-networking sites. Until now, Facebook and Twitter are still dominating other social networks, and companies find that it is almost a “must-do” thing to have an official account in either of these two social platforms, if not in both. Other huge online video and photography networks as YouTube, Pinterest, and Instagram are growing instantly, firstly among internet users and then all among companies and brands.

Social media went from a personal opinion sharing tool and communication, to a customer relationship management tool, brand invisibility developing tool, reviews and feedback channel and it is expected to expand in search engine market. Zift Solutions has collected impressive data about social media and business, and created an interesting infographic (Appendix 1). The data was collected from different sources like Forrester, University of Florida Online MSM, HubSpot, etc. It shows that:

- 87% of all small businesses say social media help their businesses
- 85% of business decision-makers said at least one social media channel is very important when making business technology purchase decision
- 77% of Fortune Global 100 companies have a Twitter account
- Companies that generate more than 1000 Facebook likes also receive nearly 1,400 website visits a day
- 10% of small businesses feel that social media is amplifying word – of-mouth referrals

The trend is new and is growing very fast and all of marketers have started to pay special attention to Social Media Marketing.

### 2.2 Online retailing trends

Online retailing, better known as online shopping, is a part of B2C e-commerce that offers consumers the function to buy products directly from the website or web store. Although online shopping was first introduced by Michael Aldrich in 1979 with a system that connected a domestic TV to a computer via telephone line, the real development on e-shopping started only in the end of 20th century with the birth of Amazon and Ebay.
Online shops offer consumers a range of products with fast online payment and delivery service. Consumers can shop at any time just from anywhere with computers, tablets or mobile phones. On the other hand online shopping eliminates a possibility to physically touch, to try and to observe the product or meeting the seller personally. Therefore traditional brick-and-mortar stores are still playing the main role in retailing business.

Every year PwC conducts a Global Total Retail Consumer Survey. This year report was published in February 2015 with the results from 19,000 online shoppers surveyed. The main numbers conclude:

- 20% of shoppers buy products weekly online via PC, 10% via tablet and 10% via mobile phones; and 36% of shoppers go to the physical stores weekly (Figure 8)
- 56% of shoppers buy products online because of lower prices, 47% because they can shop 24/7 online and 40% buy online because they do not need to travel to a physical store (Figure 9)

![Figure 8: Shopping channels usage rate (PwC 2015)](image-url)
The same survey showed that mobile devices have become critical for pre-purchasing activities; and the presence of the retailer on social media and the interaction with the customers are important. Consequently, consumers prefer to buy a product online, if it is not needed immediately and if they trust the shop, because it is more convenient, cheaper and the product selection in the internet is huge. Of course, the development of online retailing varies from segment to segment, from area to area and it also depends on the product category, but in general online shopping had a stable development even during the economic crisis.

Following the trend, most of the retailers became omni-channel retailers. The traditional stores update their services with online shopping options. On the other hand, click-only companies also try to open physical representatives, as it turned out that customers trust an online store a lot more if they know that there is also a real existing physical store.
2.3 Online consumer behavior

Any marketer should identify their consumer behavior, their decision process and the facts that are affecting their purchase. It’s undeniable that the first keys to success of each retailer are the product range, prices and customer service. However there are plenty of factors that lead a buyer from visiting an online shop, adding a product to the cart and actually proceeding to the payment, to recommending the shop to friends and family.

According to Alton Adams, in a 2014 survey of almost 2,000 shoppers in the USA, 79% said they at least sometimes check reviews before purchasing a product. In the United Kingdom, more than 88% of consumers are influenced by other consumers’ online comments. In Australia, 60 percent of shoppers use the internet to research their purchases. (Adams 2014.)

David Callaway from Bigcommerce collected data from the Forbes, Internetretailer.com, Performics.com, etc. and created an infographic that clearly illustrates what influences a purchase decision (Appendix 2). The takeaway points:

- Top five factors are product quality (56%), free shipping (49%), easy return (35%), customer reviews (33%) and visual search (30%)
- 80% says that the most important store feature is competitive pricing, 62% prefers online purchase, 54% strongly consider delivering speed and 36% pay attention to guides and product demos
- Social media have a big impact: 81% say posts from their friends directly influenced their purchase decision and 40% of people are most likely to engage with branded content that contains status updated.

Another interesting infographic was made by online savings code hub Vouchercloud. It collected the data on the reasons for the customers to abandon their buying cart (Appendix 3). These impressive numbers show:

- After more than three seconds of waiting for a website to load, 57% of online consumers will leave the site (“bounce”). Among these people 80% will never return again to the site.
• 92.6% of people said that the visuals are the top influential factor affecting a purchase decision. But more than 25% of consumers said that they returned the product because it was not as expected from the pictures.

• More than 80% of shoppers feel safer seeing trustworthy credit card logos prominently displayed within an online store. 59% will abandon a transaction if their preferred payment method is not in place.

2.4 Key success factors of small/medium online retailer

Based on the information about online consumer behavior listed above, seven core key elements that influence online customer buying decision can be formulated (Figure 10):

![Figure 10: Seven core influential key elements for online consumers](image)

The range and quality of the products, the prices, the shipping methods and the payment methods are the fundamentals of online store operations. If these factors are not working well, the retailer should better concentrate on them before planning to expand and develop their marketing strategy. The website speed highly depends on the technical part. Visual materials belong to content creation. Reviews and recommendations are earned by the customers’ loyalty. Assuming
that the operational and technical parts of the online retailer work fine, the questions that remain always important to a marketer are: how to attract buyers and how to turn them into loyal customers?

The marketing visibility model built three types of media that can be used to get new people to become first customers and then loyal consumers (Figure 11):

**Figure 11: Owned, paid and earned media**

The first and most important owned media is the official website. It represents the brand and is fully controlled by the company itself. Social media pages are the extension of the owned media. The owned media should consist of valuable content in order to attract and keep the audience. The audience can get to the owned media through the paid media, which could be paid advertisements as search engine paid keyword ads, display ads, etc. It is a good starting point to lead the traffic to the official website or the other channels. The most rewarding is the earned media that is created not by the company itself but by the customers. If the buyers were satisfied with the service and the products, they might give a good feedback or reviews and recommend the brand to their friends. Earned media have a huge power because it creates trust for the brand. The trust that will help the customer to answer the question “Should I buy this item from this particular web shop?” (Newman 2014.)
Base on the facts above, an online retailer can increase its market share by employing the following process:

![Diagram](image)

**Figure 12: A simple process to gain market share**

It is crucial, for a web shop to perfect its operations, including products, prices, etc., and optimize its owned media, that is representing the brand. Because even using brilliant paid campaigns that cost a lot, the customer will leave the first second they see bad quality products, terrible service or poor content. But people would recommend the same excellent experience that they had, or they would like to share an awesome piece of content with others.

So how can an online retailer optimize their owned media?

### 3 Content marketing as the main direct marketing strategy in digital era

“Content is where I expect much of the real money will be made on the Internet, just as it was in broadcasting” – Content Is King, Bill Gates, 1996.
3.1 Definition

It has been a long debate recently if there is such a marketing concept as content marketing? Should marketers define it as one of the marketing strategies and exercise it in their business world? The founder of Content Marketing Institute, Joe Pulizzi, who considers himself the poster boy for content marketing, had a long and not easy journey on bringing up content marketing into the marketing world and spreading the knowledge about it since 2007. Pulizzi raised a huge amount of discussions, arguments; he also became an inspiration for many marketers and for people who are interested in marketing. He defines content marketing as follow:

“Content marketing is 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 2015.)

Michael Brenner from B2B Marketing Insider wrote that “Content marketing is about delivering the content your audience is seeking in all the places they are searching for it. It is the effective combination of created, curated and syndicated content”

According to Amanda Maksymiw, awarded Content Marketing Tactician of the Year 2012, content marketing is the process of developing and sharing relevant, valuable, and engaging content to target audience with the goal of acquiring new customers or increasing business from existing customers. (Pulizzi 2012.)

Julie Fleisher, the Director of Kraft Foods, thinks of content marketing as connecting around utility or education, information, community or entertainment. (Content Marketing Institute 2015.)

Extracting the keywords from the formulated definitions, content marketing can be summarized in a figure below (Figure 13):
Figure 13: Content Marketing

Noticeably, content marketing is not a new concept in marketing. In fact it is a core approach of basic marketing, the way marketing is created with a specific idea, campaign, and content for a targeted customer. The new thing is that today, the marketers can mold content into a strategy including strategic planning, content creation, distribution, and metrics for multiple stages of the buying cycle to multiple customer personas. (Pulizzi 2011.) Moreover, the vital component is the aim to create the content which is really valuable. The demand in valuable content probably comes with the digital era. The audience started to have more power. If before people were happy to watch any shows the television offers, read and believe the news that were printed in newspapers and magazines; in this era, they can select the information they want, follow the channels they like; and above all they can freely give their opinions about any piece of information that caught their attention.

Therefore content marketing might be nothing new; as a matter of fact, the idea of content marketing has been already there through all the online marketing part of this study. Content management also has always been an important part of marketing. Keith Forsyth wrote an article about Digital Marketing with the title “Content management: A prerequisite to marketing and sales effectiveness”; where he states that content management plays a critical role in marketing and
sales effectiveness as an enabler to improve access to relevant and timely information (Forsyth K. 2004). In this chapter of the study, content marketing is defined as a concrete strategy to support online marketing in general and direct marketing in particular. Content marketing is a great strategy for direct marketing as it is supposed to target and speak to the audience with exact interest in the exact area.

3.2 Content marketing tactics trends

Content can be anything created by the company. The next figure shows the implementation rates of content marketing tactics by B2C companies in North America (Figure 14):

Figure 14: B2C 2014 Content Marketing Tactics Usage in North America (Content Marketing Institute/MarketingProfs)

As the current study is examining online retailing, the concentration also lies within online channels and tools. According to Figure 14, the most popular con-
tent marketing tactics are social media, articles on the official website, e-newsletters, blogs and videos. Social media, the official website and email marketing have been already observed under the chapters 2.1.1, 2.1.3 and 2.1.4.

In the book about inbound marketing Halligan and Shah mentioned that starting a blog is a great way to create lots of remarkable content (Halligan & Shah 2010). Indeed blogging became a favorite channel not only for bloggers, but for companies to share their information and insights in a less formal way about the topics that their audience is interested in.

Because the digital era is all about what we can see and hear, videos gained a huge attention from the brands because well-made videos are attracting the audience the most. A video with an interesting concept can go viral easily and can stay popular for a very long time. Unlike television, a video can be found in the internet any time and can be replayed as many times as needed. The most popular internet video channel, YouTube has more than 1 billion users and everyday people are watching YouTube hundreds of millions of hours and generate billions of views (YouTube Statistics). One of the best things about internet video content creation is that the users do not need to have a professional studio or hire a filming agency to make this type of content. Most of the videos on YouTube are homemade by individuals. Moreover, coming back to the infographic made by VoucherCloud (Appendix 3), 31% of consumers bought the product after being influenced by the video and one in two customers have more confidence in a product after watching an online video. Those numbers explain the great influence that a video can have on the viewer.

Content marketing has no boundaries for its appearance, tactics and channels that can be created and used. Some companies find a good strategy to implement as much tactics as possible or to be present in as many social media channel as possible in order to increase their brand visibility. However content marketing requires a lot of time and resources and very good ideas, if its goal is to create truly valuable content that the customers would seek for, would share it and would come back to it whenever they need it.
3.3 Content marketing and online retailing

In the previous chapters, the compelling arguments have been raised around the topics of optimizing the owned media for an online retailer and increasing the trust of consumers in the web store brand. After looking deeper into content marketing, its tactics and trends, the safe conclusion can be drawn that it might be a suitable marketing strategy for online retailers.

3.3.1 Obstacles

As already mentioned, content marketing has already been implemented and successfully executed by many B2B companies. However, it seems like there are still many obstacles in using content marketing for B2C business, especially for the retailing department. The reasons probably are that the larger range of products, and the bigger amount of customers, consequently the harder it is to target the audience. One more issue that should be noticed, is that the retailers are not selling their own products, but the goods of other brands and companies. Thus the remarketing is more complex and the retailers are often investing less in promoting other brands.

Moreover content marketing requires resources and a huge amount of time. In reality a nice piece of content might bring profit only after several months or even years after its creation. Also a retailer might have thousands of products and brands, hence it is impossible to have information and deep knowledge about every single product. So resources and time might be among the main reasons why it is so hard to practice content marketing for an online retailer. Especially for the small and medium size online retailers with three to ten employees, sometimes there is simply no time to dedicate for a promotional video or to create an article that will be interesting and valuable, that will help the company to stand out among the competitors.

3.3.2 Benefits

Instead of interrupting the audience to pitch about the product, content marketing focuses on delivering information that helps the customer to understand issues, to simplify complex constructs or otherwise adds value by providing useful and
relevant information. If traditional marketing is about selling, content marketing is about helping with a valuable information that the customer is seeking out (Gattis 2014). This reduces the annoying image that sellers have created about pushing the products to the consumers; as content marketing lets the customers find out about the products or the brands themselves. Customers feel that they are more powerful themselves on one hand, on the other hand they trust the selling company more because they can find the valuable information from the web store.

Content marketing is great for brand building. Rather than promoting the supplying brand and its product, why not create valuable content about the retailer brand itself and its excellent services? As a long-term strategy, content marketing is an organic and authentic way to spread the company brand awareness.

Content marketing is a good way to create the customer needs. Through educating the audience about the product and its usage, the retailer can create the demand for that product. After reading how useful was the particular item was for others, one might think that the same item can also be of great use for him/her even though before finding out that information he/she lived just fine without the item. Thus it would be an effective approach to get new customers.

Content marketing is an ultimate method for a brand to communicate with its customers. With the help of social media, blogs and forums, tons of discussions can be created, which later on can also become a great source of content for the company.

Finally, by creating invaluable content, a web shop can nurture its loyal customers that will keep coming back to the shop and recommend it to the people they know.

Through content marketing, an online retailer could send out different messages to the targeted audience in order to educate, inspire or sometimes entertain them (Figure 15).
General discussion on starting content marketing for small/medium online retailers

Below are some observed conclusion on how a small/medium online retailer might start exercising content marketing, based on the current trend in digital marketing world:

1. Start with defining: What is the unique selling proposition of the particular online shop? What is special about the company brand, what makes it stand out from other competitors? Those unique facts should be the base for the content creation. Investing in the content which will nurture customers about the brand value is the priority of content marketing. Use content to demonstrate that the web store is not only a dealer of the other brands, but also it is ran by the specialists in the particular area that the customers are interested in.

2. Pay special attention to creating content for the official website of the company from the very early stage of content marketing strategy. As the most important owned media, company website, which is the web shop itself in most of the cases, should become the hub of information, where the customers can find all the valuable information they need. The content quality on the website also helps the search engines to rank the website and direct the traffic to the company’s site.
3. Generate ideas for the epic content campaigns. The idea can start from any point of content marketing process (Figure 15); either to promote a special product from the web store; the inspirational message from the store; or the idea of the content that target a particular segment. After coming up with an idea, check the other factors: what is the target group of this content? What are the objectives? Is it educating or inspiring or entertaining?

4. Create the Tone-of-voice for the web store and implement it for the whole brand communication. Tone-of-voice is the way the company or the organization writes and speaks, what they talk or write about and how they write about it. What content the company is creating should be dictated by the principles, the mission and the vision, and how they communicate is informed by their brand. (Zinsser.) The same Tone-of-voice should be used everywhere: in the website content, in the emails, in the social media, in the banners, etc.

5. Choose the main content tactics that the consumers of the web store are using actively. It is inadvisable to try and use all the tactics, especially if the company does not have enough resources and time for it. Choose the most useful social media channels for the company and develop them little by little.

6. Take advantage of reviews and feedback that the customers left to increase the trust of other customers and also for the web shop improvement.

7. Awesome giveaways and competitions always attract a lot of attention from the audience and activate the customers.

8. Visual content is always important. Impressive photographs and videos are the most effective types of the content.

9. Learn from the competitors, but never copy them.

10. Set key performance indicators for each content creation campaign. Use the analytics and the tracking tools to measure the performance of the campaigns.

11. Follow the technology development and trends. For example, nowadays it is essential to create mobile-friendly content, as a large part of the audience check internet through the mobile phones and tablets.
When choosing the channels for the content marketing and its key performance indicators, the Inbound Marketing Funnel infographic, developed by Smart Insights and FIRST 10 can be used for the directions (Appendix 4). Inbound marketing is about getting found online, through search engines and on sites like Facebook and YouTube and Twitter – sites that hundreds of millions of people use to find answers each day states Scott in preface for Halligan & Shah (2010). Creating a valuable content and promoting it, is the best way to lead customers on the way to find the company and its products in the internet.

The simplest principle of content marketing is creating only valuable content and its promotion. There is so much of different content in the World Wide Web, hence the company should help the customers to find their unique content. The content might be integrated throughout all the channels and at the same time it should be optimized for each of the channel and its audience’s characteristics.

4 Implementing content marketing strategy for the case of Lamnia web store

As mentioned in the introduction, this research includes a case study based on the Finnish outdoor gear web store Lamnia. The company is observed before its rebranding and its investment in marketing as well as during its process of implementing the content strategy in the purpose of the market share consolidation.

4.1 SWOT analysis and TOWS matrix of Lamnia

The SWOT analysis was conducted to look into the external and internal environment of the company before its rebranding. The TOWS matrix goes deeper into identifying the fit between the strengths of the company and its brand with upcoming opportunities in order to find a chance at developing a competitive advantage. Also the matrix tries to find out the possibilities of overcoming the weaknesses with those opportunities, or using strengths to avoid the threats. The TOWS matrix can be proposed as “a conceptual framework for a systematic ana-
lysis that facilitates matching the external threats and opportunities with the internal weaknesses and strengths of the Organization” (Weihrich 1982).

**Figure 16: SWOT analysis and TOWS matrix of Lamnia**

Both the SWOT analysis and the TOWS matrix demonstrate that Lamnia had a good base of strengths in terms of the web shop operations such as product selection, prices, customer services, etc.; also the main weaknesses are low awareness of the brand and poor content presence. It is safe to draw the conclusion that there are possibilities for Lamnia to increase its sales and increase their market share, if the brand could be widely brought out to compete with the bigger online retailers.

There is a high competition in the same retailing business from all around the world, many wellknown outdoor gear resellers like Blade HQ – the USA, Knife Center – the USA, ToolShop – Germany, Heinnie – the UK, Thegoodstuffshop – Denmark, Mökkimies – Finland, and many others. Most of these stores are older than Lamnia, they have strong presence in social media and have gained a certain popularity among the customers around the world. Many online shops also offer international shipping, however Lamnia is the only one with a website in 28 languages and an automatic currency converter.
4.2 Rebranding and redesigning the web store

The first thing with which Lamnia started with its marketing development is rebranding, from the brand name, the logo to the domain and the official website. To emphasize web shop’s international retailing activities, its name changed from Lamnia.fi to Lamnia and the website moved from the Finnish domain moved to a “.com” top-level domain. The new logo was also designed for the brand (Figure 17).

![Old and new logo of Lamnia](image)

Figure 17: Old and new logo of Lamnia

The new logo of Lamnia is based on the meaning of the brand in Latin. Lamnia means metal sheet or knife blade, which is symbolized by the first and the last letter of the logo.

The old Lamnia web store was built in house and developed little by little by the store managers. At first the website was created as a digital business card for the store, so customers can look it up on the internet and see what kind of shop it is and the products it offers. It was improved with each stage of the online shopping development (Appendix 5).

The new Lamnia website is built by a third party web designing company Atflow Oy. The new design has better visual effects with the main colors being dark grey and orange, which also became the Lamnia brand colors. It is designed for more content and functions (Appendix 6). The project of developing the website is ongoing with a strong cooperation between Lamnia and Atflow. Although, the new site is slightly slower than the old one, with a lot of functions and corrections being on the list of improvement, the feedback from the customers was positive and the average number of website visits has also increased.
4.3 Content marketing plan for Lamnia

Because of the limited resources, at the beginning stage of implementing content marketing Lamnia chose to invest in the following channels: the official website of the web store itself, the email newsletters and social media. Each content creation campaign required written down plan with the schedule, the main target group, the objectives and the measuring indicators.

4.3.1 Official website: content creation and search engine optimization support

After redesigning the Lamnia web shop, the most difficult part is to make sure that every detail is working well. This consists of thousands of products, different languages, different payment methods, different delivery service options, the Lamnia website being very large and requiring a lot of time for testing and checking. Going through all the texts to make sure that there are no mistakes and watching all the pictures so there will not be any low quality photos is a brutal first stage of the process. The second stage is to bring out and highlight the most unique selling propositions of the web shop, which make Lamnia different and better than its competitors. In this case, the most valuable information that customers should be reminded of all the time is that Lamnia offers free international shipping, secure shopping and good customer care (Figure 18 and Figure 19). These competitive advantages are the factors that affect the online customer’s purchase decisions. The short and clear explanations would help to nurture the customer and increase their trust in the shop. It is a good example of displaying the ratings and

![Figure 18: Lamnia's competitive advantage A](image-url)
reviews of the web store in the customer care section as the testimonials.

Figure 19: Lamnia’s competitive advantages B

The next stage is building up the content inside the website: information about the web store, and descriptions of the products. Due to the fact that the website is large, the content for the selected more popular products is created first and the text translation is done for the most important languages. Using the statistics from the Google Analytics, the biggest audiences of Lamnia pages speak Russian, English, Finnish, Swedish and German languages. Therefore these languages are the priorities for completing the content, and the information in other languages can be updated later. Included in the product information are the photos, the description, the specifications, the related articles from other sites, and if available the videos and the guides. The customers should be able to find all the information that they need about the product. Reviews and ratings from the customers who bought the product are a valuable content in this category. Good comments will give a customer the courage to buy the product.

Throughout the entire official website content creation it is recommended to keep in mind the content that would support search engine optimization, as customers usually start with searching for the needed product in the search engines. It is most likely a win for the online retailer to be on the first page in search results. Although that depends mostly on the algorithm and the page authority that is ranked by the search engine; there are simple things that can be considered to support the search engine’s ranking process. The keywords should be optimized and they should appear in the title, the headings, the text and the meta description
of the web page. The external links, from the other websites that have high ranks, should also help the search engine to better recognize the webpage. It is certain that the websites that have a good content and are chosen by the major audience will also be granted a higher ranking in search results.

The blog and article section is also in the plan to be added on the official website. This section will be used for the stories, product reviews, from the web store itself or from partner writers as well as the stories from the customers of Lamnia.

4.3.2 Email newsletters

Thanks to its excellent retailing operations and good customer care, Lamnia has attained a certain number of loyal customers. These customers are mostly outdoor lovers, knife collectors, who purchased the products from the online store and who are satisfied with the whole experience. Some customers are fond of browsing the Lamnia web store from time to time to check on what is new or what is on sale. In fact, according to Google statistics almost 60% of the website audience are the returning visitors. Although, this also includes the visitors, who are returning again and again before they would make a purchase. But from the contacts with the customers, it shows that a lot of customers are willing to follow the Lamnia news, and would like to communicate with the web store. Therefore email newsletters are selected as a channel to keep the customer updated and also a reminder of the web store and the products.

Lamnia had used email newsletters earlier to inform customers about the promotion sales and new arrivals, new brands. The design was simple with pictures and not much of content. The different languages versions were all in one email, starting from Finnish and English. This made the email fairly big, inconvenient and not optimized, as readers from different countries should scroll down for their own

![Figure 20: Lamnia's website visitors returning and new](image)
language (Appendix 7). These emails were created manually and there were no tools to measure the results rather than the increasing number of page visits or some sales with the coupon codes if they were included in the newsletter.

The new newsletters are created using the MailChimp email marketing service provider. MailChimp features flexible templates designs and advanced analytics along with other services, which fits Lamnia at this early stage. In the future there might be a program developed for Lamnia’s emails, but for now MailChimp works well for sending newsletters.

Six main languages of Lamnia’s customers are chosen for the email newsletters: English, Finnish, Swedish, German, Russian, and Italian. The subscribers are divided into these languages and the customers from other countries are grouped in the segment for English emails. Thus each newsletter has six different templates and is targeted for the specific segment. The newsletter template is designed with the brand colors and specific layout, which stays the same for each newsletter (Appendix 8). The unique selling propositions (free international shipping, secure shopping and good customer care) are highlighted and call-to-action buttons are inserted throughout the template. Each newsletter is planned to have a certain theme with the sections being: special offer, competitions and giveaways, new arrivals, coming soon and interesting products.

The key measuring indicators for the email newsletters are: open rate, click rate and certainly sales generation from the emails. The increasing number of the website visitors also shows the effectiveness of the newsletters (Figure 21).

![Graph of website visits influenced by newsletters](image)

**Figure 21**: The increasing number of the Lamnia website visitors influenced by newsletters
The peak points of the charts appear on the same dates as the email newsletter sending date. The newsletters are sent twice each month.

4.3.3 Social Media

Observing a big number of fans in the social media of the competitors, it is a decisive step for Lamnia to join the social media world to increase its brand visibility and bring the company closer to the customers. One of the reasons why Lamnia did not have a presence in social media before, is because it requires a lot of time and attention. It is crucial to keep the social media of the companies alive, with a lot of content such as pictures, post updates, discussions, etc. It is also vital to respond and react fast to the comments, feedback and messages of the audience. Each content posted in social media also requires planning and analyzing.

Looking into the social media trends and the customer demographics, Facebook and Instagram were decided to be the first social media channels to bring the brand Lamnia into. While Twitter also has a huge popularity, and there are plenty of other social media, Facebook is widely used all over the world, especially in Europe, by the people of all ages. The Facebook Inc. offers different services as analytics and advertisement options to companies and business, meanwhile Instagram is rapidly growing as the social media for photography lovers. It has a big impact with visual content and is easily integrated in Facebook.

The disadvantages of Facebook is that the social media is entirely controlled by the corporation. There is a long list of terms and conditions that are applied to the business pages as well as rules and restrictions for the promotion activities. For example it is prohibited to advertise knives; or run the competition with the “Like our page” rule on Facebook. It is important to be aware of the restrictions, as Facebook can remove the company page, or set a permanent followers limit. Facebook algorithm selects which posts are appearing on the followers’ news feed, therefore not all the posts are showing on the followers’ news feed.

As for Instagram, the program is developed entirely for mobile devices such as mobile phones and tablets, thus it is not a convenient marketing tool to run using a personal computer.
The objective of social media marketing is to bring the existing customers closer to the brand as a communication tool and also as the tool to reach the new customers and to increase the brand visibility. Facebook supports the audience’s trust in the web store as well, due to the feature where the customers can rate and give the company a review (Figure 22). As for Instagram the channel could be used as a product display, with more artistic pictures than in the web store itself (Figure 23).

The content of social media is planned to be integrated with the official website and email newsletters.

Figure 22: Lamnia’s Facebook page
4.3.4 Tone of voice

The main customer segment of Lamnia is men, hence the content should address and target the male audience. From the very beginning the online retailer has had a reputation of having clear, short and precise responds and communication, which are preferred by the customers. To make sure that the content creation and the communication with the customers are all following the same style that represents the brand, a small model is created for the “tone of voice” of Lamnia (Figure 24):

![Figure 24: Simple model for Lamnia's "tone of voice"

The first block is how the content is styled and formulated. The second block is the way to activate the audience, as the men usually tend to respond to the challenges rather than just marketing text. Instead of “Buy this hunting knife”, “Do you
think you can hunt a deer with this knife?” would attract more attention. And the third block is the way to bring the customers closer, to make them trust the store which is run by the Lamnia people. By giving the opinion about the products, the sellers show that they are not only selling the products, but they also know their products and care about their customers. Finnish culture is what makes Lamnia different from other outdoor gear retailers around the world. Finnish products, Finnish people and Finnish nature are the factors that might attract the customers from around the world to make purchases from a Finnish web store.

4.4 Data analysis from newsletter marketing

4.4.1 General overview

At the time the study was conducted, Lamnia had in total over 12.5 thousand newsletter subscribers including almost 4.5 thousand subscribers in the English segment, over 3.5 thousand Russian subscribers, 1.9 thousand Finnish subscribers, 1.7 thousand Swedish subscribers, 9 hundred German speaking subscribers and 4 hundred Italian subscribers. So far six new email newsletters with different themes have been sent since January 2015.

According to MailChimp analytics the average retail industry open rate is 15.1% and the average click rate is 1.9%. With total of six email campaigns sent, Lamnia has the average open rate of 49.3% and the average click rate of 22.2%. Both numbers are three to eleven times higher than the industry average, which shows that the target audiences for Lamnia newsletters were well optimized. The open and click rates were dropping slightly as the amount of subscribes increased, but in general they have an impressive performance.

4.4.2 In-depth analysis

For the deeper email content evaluation, it is relevant to look into the clicks; assuming that customers might open the email when they see it, but they only click on the link if they find the content interesting.

4.4.2.1 Different segments are interested in different content

Figure 25 shows the chart of the click rates for all six sent newsletters based on the language of the newsletter. The click rates are moderately high for the first
newsletter. However, after a drop at newsletter 2, the clicks rate stays stable with the lowest clicks coming from Finnish subscribers and about 20-25% clicks for other languages.

**Figure 25: Lamnia newsletters’ click rate**

The lower click rate of Finnish newsletters can be explained by the lower interest of Finnish customers in the products and offers introduced in the newsletter comparing to the customers from other countries. The main products presented in the newsletters are knives and backpacks, while the products that Finns buy the most are paracords and axes.

Although Swedish newsletters have high click rates in almost all the campaigns, there is a visible drop in Newsletter 5. Only 11.9% clicked on the content of the
email, which is a half number of clicks comparing to the other newsletter campaigns. The theme of the fifth email newsletter was “Scandinavian knives” (Appendix 8), which attracted a lot of customers from the United States, Australia, Germany, Italy, etc.; but had low popularity among Finns and Swedish people.

The same assumption can be drawn from the Newsletter 3 campaign, which had the theme of backpacks. There is a decline in the click rate of German and Italian subscribers, who purchase mostly different kinds of knife models.

### 4.4.2.2 Special offers, raffles and new arrivals generate the most clicks

Another interesting factor is that, except for the first newsletter where the customers just got to know the new Lamnia newsletter template; the first links that are clicked the most are usually the main concentration of the email: the sales, competitions, etc. The second most clicked link is the “CHECK HERE TO SEE ALL NEW ARRIVALS” button which is in the end of each newsletter (Appendix 8).

The link [https://www.lamnia.com/*|HTML:LLINK|*/?pid=22](https://www.lamnia.com/*|HTML:LLINK|*/?pid=22) that comes on the second place as the link with most clicks (Figure 26, Figure 28) stays the same in every newsletter and directs the readers to the Lamnia’s page with all the newly arrived products. The subscribers are already familiar with the newsletter template and are interested in new products, thus they immediately scroll down until the end of the email to find the button that they need.

It is essential that the first most clicked link is the primary focus content of the whole newsletter campaign. Otherwise the main content might not be valuable and interesting enough for the customer and a different type of content should be planned.
4.4.2.3 A/B split testing for email subject line

The A/B split testing was conducted to test the email subject line in the Newsletter 6 campaign with the two segments chosen being English segment (4,518 recipients) and German segment (914 recipients).
The subject line for Lamnia newsletter is always created as follows [Lamnia Newsletter] + the main content of the newsletter (mostly the brand names, or special product names). It was interesting to see if it makes a significant difference if the subject line reveals the content of the email or not.

Thanks to the MailChimp A/B split test feature, it is possible to run the test on a certain amount of the subscribers and after a winning version is defined, the program will send the better version to the remaining list of recipients.

The version A of subject line was [Lamnia Newsletter] ZT0392, Tasmanian Tiger, Böker Decade Edition. The version B was just [Lamnia Newsletter]. The test was ran on 25% - 1,129 English recipients, and 30% - 274 German recipients. The results were measured based on the open rate.

Surprisingly the results revealed that in English segment version B had the highest open rate (Figure 28) and version A was most opened in the German segment (Figure 29). However, the difference in the open rate between two versions was not significantly large. It is safe to assume that the subscribers of the Lamnia newsletters tend to open the emails even not knowing what the content inside is. The sending time might also influence the results as the recipients might be from places in completely different time zones.

Figure 28: Subject line A/B split test English segment
Although A/B split test gives some results on what is more effective and what is not, the test is rather narrow and could not be exact. The results also depend on different situational aspects like timing, human behavior and mood, etc. It is recommended to experiment this kind of test a lot of times before forming a final conclusion and strategic direction.

4.4.2.4 Some customers open the emails a lot of times

In the analytics of MailChimp, there are statistics of “subscribers with most opens”. It is observed that a lot of customers might open the email from Lamnia 9-20 times during different hours of separate days. This might bring to one of the online consumer behavior. A customer might not buy a product immediately, most likely he/she would come back to the shop to check on the product again and again, search for the reviews and wait to see what other people talk about it.

Therefore it is advisable to have a short time period for the special offers, competitions, etc. To motivate customers and convince them to act fast, it is important to have “call-to-action” content with a visible time limit.
4.5 Data analysis from Facebook and Instagram marketing

The Lamnia Facebook and Instagram pages were established recently: Facebook came out on the 12th and Instagram on the 17th of March 2015. Thus it is hard to come up with any precise analytical results, but some observation might be carried out.

4.5.1 General overview

At the time the study was conducted, the Lamnia official Facebook page had been published for a month and less than a month for Lamnia_webstore Instagram account. The Facebook page was announced in Newsletter 4 and it started with a big Giveaway campaign. In total there are over 900 Lamnia followers of the Facebook page and 62 of them left five-star rating all with positive comments. Ninety one percent of Lamnia’s fans are men and seven percent are women. The biggest competitor of Lamnia on Facebook is the American online retailer BladeHq that started using Facebook in 2010 and at the moment they have 39,5 thousand page likes.

There were no specific campaigns dedicated to Instagram as of yet and the page is generating followers through the natural method: posting pictures, inserting hashtags and just letting people with the targeted interest find the pictures themselves. Some fans may come from Facebook as the Instagram page is connected with the Facebook page. There are 100 followers of the Lamnia_webstore Instagram page.

4.5.2 Facebook in-depth analysis

4.5.2.1 Start with a superb piece of content

The starting point is very critical as is it requires first page followers. They can be generated from the existing customer database (newsletter subscribers, loyal customers, friends and family). They can also be generated from paid advertisement, but it might be more effective after gaining several hundreds of “organic” fans.
The content used for generating Facebook fans, should be the one which can go viral. In Lamnia’s case, a giveaway campaign was used. The prize is an expensive item that a lot of customers would love to have (Figure 30)

![Lamnia's giveaway campaign](image)

**Figure 30: Lamnia’s starting Facebook campaign**

Running a giveaway or any type of campaigns on Facebook, it is suggested that a company or business page carefully follow the Facebook terms and conditions as it is really easy to violate Facebook rules.

Lamnia’s starting campaign was set to generate Page likes, but as it is against Facebook rules setting a promotion campaign based on “Like our page”, the target of the giveaway needed to be changed. Therefore it is essential to create such a content that would motivate the audience to like the page even if it is not required. Out of 595 people who liked the Lamnia giveaway post almost everyone also liked Lamnia Facebook page.

**4.5.2.2 Interesting pictures and interactive content are the most popular posts**

Using the insight analytics provided by Facebook (Appendix 9), the exact performance of each post can be examined. The number of the posts created by Lamnia is big enough to have a good comparison, but it demonstrates clearly that some posts reach a bigger audience but activate them less than the posts which are visible for fewer people.
So far the most successful content is the picture with different products and a question to recognize all the products (Figure 31). The post appeared only on 451 people’s news feed, but it gained in total 65 likes and comments; comparing to the post that reached 808 Facebook users but generated on 16 likes and comments. It is safe to make a conclusion that the post which intends to activate the audience gets more attention from the Facebook users.

Figure 31: Most audience activating Facebook post example

However there is still a questions on how does the Facebook algorithm selects the posts to show on fans’ news feed. It might be assumed that the social media company advises business to use paid adverts as Facebook’s intention is to develop and expand to the search engine market.

4.5.2.3 Facebook is a good channel for collecting reviews and rating

Only within three weeks, Lamnia Facebook page received over sixty reviews. Meanwhile the web shop got less than ten reviews from the price comparison third party websites as Idealo.uk, Priskjat.nu, Hintaseuranta.fi, etc.
These reviews can be a valuable content to increase customer trust. However Facebook does not provide a tool to use those feedbacks and ratings outside Facebook, for example on the company’s official website.

4.5.3 Instagram in-depth analysis

As mentioned above, Lamnia have not launched any special Instagram campaigns and let the “organic” audience grow. Instagram’s network is strongly built on the hashtags, thus if the Instagram user follows a certain hashtag, he/she will see the picture with that hashtag even if he/she does not follow the user that posted that picture. This way the Instagram algorithms have smaller influence on the posts and photos’ visibility.

In general the Instagram post generates more likes than Facebook post (30 likes in average for each photo) and less comments or shares, as it requires the separate reposting program for the shares.

The hashtag function is a good tool to use for running the competitions in Instagram as well as collecting visual content for the brand, as many companies are already using Instagram for this.

4.6 Further development of Lamnia’s content marketing

The further suggestions for Lamnia’s content marketing strategy for the following year are

- To create as much valuable content on the topics that will differentiate Lamnia the most
- To collect the content from the audience and utilize it as the brand content
- To cooperate more with other bloggers and writers in creating a valuable content for Lamnia
- To create unique video content and create an account on YouTube channel
- To develop a mobile phone application of the web store, as the customers tend to increasingly use mobile phones and tablets for shopping.
5 Summary and discussion

5.1 Conclusion

The constant development of the digital technology supports and influenced the development of online retailing and online shopping. However the process of getting found by the customers, to make them trust in the provided service enough to do the purchase, to keep them as loyal customer is long and complex for online stores. Great prices and good operation is the basis to become a successful online retailer, but it is not enough if the company wishes to develop and increase the market share. This study demonstrated that the content marketing strategy might be a good strategy for small and medium online retailers to expand their business.

As it has been studied, buying products online is convenient and time saving, so many people prefer to purchase online as the prices are also usually better. Nevertheless, customers may miss the personal communication with the sellers, the talks and suggestions from the store employees that raise the trust and the confidence of the buyers toward the store and the product. As the educating and interacting strategy, content marketing might substitute the personal contact that is missing from online shopping, thus it could be a great marketing strategy for online retailers.

Moreover content marketing is a great way to increase the brand visibility of a small/medium online retailer. The key points are the concentration on the web store’s strength and its unique selling proposition, investing on creating a great and valuable content for the products that make the brand stand out from its competitors, and bringing out the special culture of the brand and the company.

The most important place where the valuable content should be created first is the owned media, particularly the company’s official website. The main website represents the company and its brand. An interesting content would attract the customer and keep the customer on the website enough that he or she would like to try to buy something from the web store.
There are many tactics and forms of content marketing, it is advisable to choose and develop the ones that suit the company the most. Newsletters, blogs and social media might benefit small/medium online retailers.

The study proves that email newsletters are effective on generating leads for an outdoor gear retailer. Customers are interested in receiving information about special offers and new products or brands the most. If the store sells collectible products, most of email subscribers signed up for the newsletter to receive the information about new products. On the other hand, as observed in the newsletters’ analytics, different segments are attracted to different product categories and offers. It is suggested that optimizing the newsletter for each target segment would increase its effectiveness and generate more sales.

Social media is a great tool for keeping in touch with the customers as well as reaching out to the new customers. It is also effective as a brand testimony, as customers prefer to leave their rating, reviews and opinion on social media. Social media can be used to motivate customer to create the valuable content that would be beneficial for the online retailer. One of the fastest ways to generate followers on social media is by creating competitions or giveaways. Visual and interactive content seems to be the most popular content in the social media.

It is important to establish the measurement indicators to follow and analyze each content creation and promotion campaign. Different platforms provide a variety of useful analytical tools and data reports. Yet those third party tools might be inaccurate or affected by different factors. The best way to select the suitable strategy is to try every type of content and conduct different testing versions. Only through experiences, the best way for optimizing content can be defined.

Finally, the current study emphasizes that a small/medium online retailer can increase its brand visibility, gain new customers and nurture the loyal consumers by optimizing and integrating the content through owned media, paid media and earned media.
5.2 Recommendations for further research

The study is conducted on an up-to-date, highly popular topic and there is a demand for more studies around the concepts of content marketing for B2C businesses. The current research is limited in several ways and it deeper observed the owned media, email newsletters and social media which are implemented by the case company. The results of the empirical research are based on outdoor gear retailing business and might or might not be suitable or might be not to other retailing business areas. Therefore there is still a lot more that can be researched and improved for the further studies. For example deeper examinations can be done on different content marketing tactics that can be implemented for online retailers as blogs, videos, online presentations, different social media channels, etc. Another study can be conducted on researching which type of content can actually be used to increase brand visibility and which one directly generates sales.
References


Gattis, S. 2014. Content Marketing. Credit Union Executives Society


PwC 2015. Total Retail 2015: Retailers and the Age of Disruption. PwC’s Annual Global Total Retail Consumer Survey

Short K. 2012. Email marketing – remains top channel for turning leads into clients. CPA Practice Advisor


Figures

Figure 1. B2C Content Marketing Spending estimation in North America for 2015 (Content Marketing Institute/MarketingProfs) ..........................................................6
Figure 2. Content Marketing usage by European marketers (HubSpot/Smart Insights) ..............................................................................................................7
Figure 3. Estimated investment in content marketing in European Companies (HubSpot/Smart Insights) ...........................................................................8
Figure 4. Value of content marketing in Europe (HubSpot/Smart Insights) ...........8
Figure 5: Setting up for online marketing (Kotler & Amstrong 2008, p.498) .....13
Figure 6: Setting Up for Online Marketing (Kotler & Amstrong 2012, p.513) ....14
Figure 7: Open and click-through rates across sectors in UK 2014 (Sign-Up.to) ..................................................................................................................18
Figure 8: Shopping channels usage rate (PwC 2015)........................................20
Figure 9: Reasons to buy online (PwC 2015) ....................................................21
Figure 10: Seven core influential key elements for online consumers ..........23
Figure 11: Owned, paid and earned media .........................................................24
Figure 12: A simple process to gain market share .............................................25
Figure 13: Content Marketing ........................................................................27
Figure 14: B2C 2014 Content Marketing Tactics Usage in North America (Content Marketing Institute/MarketingProfs) .........................................................28
Figure 15: Content marketing process for small/medium online retailer ......32
Figure 16: SWOT analysis and TOWS matrix of Lamnia .............................35
Figure 17: Old and new logo of Lamnia ............................................................36
Figure 18: Lamnia’s competitive advantage A .................................................37
Figure 19: Lamnia’s competitive advantages B ...............................................38
Figure 20: Lamnia’s website visitors returning and new .................................39
Figure 21: The increasing number of the Lamnia website visitors influenced by newsletters ..................................................................................................40
Figure 22: Lamnia’s Facebook page .................................................................42
Figure 23: Lamnia’s Instagram page .................................................................43
Figure 24: Simple model for Lamnia’s "tone of voice" ....................................43
Figure 25: Lamnia newsletters’ click rate .......................................................45
Figure 26: New arrivals generates second most clicks, A ..............................47
Figure 27: New arrivals generates second most clicks B.................................47
Figure 28: Subject line A/B split test English segment.................................48
Figure 29: Subject line A/B split test German segment.................................49
Figure 30: Lamnia's starting Facebook campaign........................................51
Figure 31: Most audience activating Facebook post example .......................52
Appendicies
Appendix 3: Infographic: Consumer psychology & the e-commerce checkout  

INBOUND MARKETING FUNNEL

1. PLAN
   - Content is marketing's last opportunity for creativity.
   - Relevant content earns permission to sell. Content is the fuel that drives the inbound effect from partner sites and outposts, content is the conversation starter and problem solver in social media and it's the only way to develop a strong presence in search engines.
   - Key Measures:
     - Fans / Followers
     - Visitors
     - Inbound Links

2. REACH
   - Search engines, social networks, publishers and blogs
   - Key Measures:
     - Time on site
     - Shares / comments / likes
     - Leads / Lead conversion

3. ACT
   - Your web site, blog, community and interactive tools
   - Key Measures:
     - Orders
     - Revenue
     - Average Order Value

4. CONVERT
   - E-commerce process, product, price and promotion
   - Key Measures:
     - Repeat Purchase (Lifetime Value)
     - Referral

5. ENGAGE
   - Customer Advocacy
   - Thrilled customers are key to social media marketing, social proof, repeat sales and referral. Start your marketing here!

Brought to you by
FIRST 10 & Smart Insights
Appendix 5: Lamnia’s old website design
Appendix 6: Lamnia’s new website design [https://www.lamnia.com]
Appendix 7: Lamnia’s old email newsletter design
Appendix 8: Lamnia’s new email newsletter design
Appendix 9: Lamnia’s Facebook posts statistics

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Post</th>
<th>Engagement</th>
<th>Likes</th>
<th>Comments</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/02/2015</td>
<td>02:43</td>
<td>[DIY QUIZ] Can you name all these 3 knives? * And enjoy Sunday! **</td>
<td>238</td>
<td>34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/02/2015</td>
<td>14:12</td>
<td>The little flower that was hiding since Sunday is finally out! And oh yASSs! We built a lamnia that is so cool and stylish! 😍</td>
<td>420</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>06/02/2015</td>
<td>11:42</td>
<td>Let’s welcome the new member of our amazing product group: Tahanorn Tiger! It’s available now! 🎉</td>
<td>342</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/02/2015</td>
<td>14:37</td>
<td>Lamnia’s cover photo</td>
<td>304</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>07/02/2015</td>
<td>03:05</td>
<td>Check out this very cool project created by our team: Lamnia’s Original Posts! 🎈</td>
<td>304</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>06/02/2015</td>
<td>23:59</td>
<td>[DIY QUIZ] What knife is this? * Happy Easter! ** Enjoy a happy Easter holiday with our Lamnia! 🐣</td>
<td>342</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>05/02/2015</td>
<td>03:36</td>
<td>And… you are going to be an Easter bunny this Friday (April 3) and Monday (April 6)! 🐇</td>
<td>277</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/02/2015</td>
<td>23:23</td>
<td>Are you ready to have a Easter? It’s getting pretty hot, so you need to be cool! Get one of these! 🐣</td>
<td>718</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29/01/2015</td>
<td>02:56</td>
<td>Hot news! Friday after a long break, we’ve got a surprise for you! Say hello to our latest Lamnia! 🎈</td>
<td>808</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28/01/2015</td>
<td>01:43</td>
<td>In门前 we are ready for spring! Yes, we are having a warm winter! So, let’s share a selfie! 😊</td>
<td>688</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27/01/2015</td>
<td>00:43</td>
<td>If you can’t believe your eyes, our amazing Lamnia will have a surprise for you! 😍</td>
<td>328</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26/01/2015</td>
<td>01:50</td>
<td>MLB: Many thanks for your awesome comments on our first giveaway! The lucky winner! 🎉</td>
<td>612</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26/01/2015</td>
<td>15:03</td>
<td>Happy Sunday! We would like to remind you that our giveaway is ongoing! 🎉</td>
<td>612</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25/01/2015</td>
<td>15:03</td>
<td>Thanks for joining us! We survive the ECLIPSE! 🎉</td>
<td>697</td>
<td>37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24/01/2015</td>
<td>09:50</td>
<td>Let’s share our latest news! Check out our awesome product! 🎈</td>
<td>616</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18/01/2015</td>
<td>09:21</td>
<td>Some pictures from our trip to a vacation this year 🎉</td>
<td>792</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17/01/2015</td>
<td>13:10</td>
<td>Announcement: We are now offering delivery with UPS to the following countries: Netherlands, Belgium, France, Germany, and Denmark! 🎉</td>
<td>590</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16/01/2015</td>
<td>13:10</td>
<td>Good morning! Have a great day! 🌅</td>
<td>481</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15/01/2015</td>
<td>13:00</td>
<td>Ever since you explained our large knife collection, I’ve been thinking about getting one! 🎈</td>
<td>600</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13/01/2015</td>
<td>14:20</td>
<td>Did today want to know some of our most popular products, enjoy! 🎈</td>
<td>343</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13/01/2015</td>
<td>13:17</td>
<td>Wow! You are having such a great weekend! You should be proud of yourself! 🎉</td>
<td>583</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/01/2015</td>
<td>10:55</td>
<td>Lamnia 🎉</td>
<td>7</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/01/2015</td>
<td>14:40</td>
<td>Welcome to Lamnia! 🎈 As a welcoming gift, we are giving away a 2.5” hammer for you! 🎈</td>
<td>3</td>
<td>111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>08/01/2015</td>
<td>13:10</td>
<td>Want to be the lucky one? Take part in our coffee gift set on our Instagram page! 🎈</td>
<td>3</td>
<td>111</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>