SOCIAL MEDIA MARKETING

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Abstract

The goal of the submitted thesis: "Social Media Marketing" is to analyse how the social media marketing strategies focused specifically on the Pinterest platform works for a real e-commerce website. The first part is concentrated on reviewing the existing literature of social media for marketing strategies. The second part of the thesis focuses on the practical part of the social media marketing, analysing the metrics and results of real social media campaigns on Pinterest and their impact on a real e-commerce business.

Keywords

Influencer Marketing, Social Media, Dr

INTRODUCTION

In the old days, advertising was done by conventional, non-targeted, and traditional ways through magazines, television, radio, and direct email. These methods were not very effective as it was hard to target specific buyers (Scott, 2010). The advent of the internet and social media has changed the conventional marketing for good. Social media has changed the strategies and tools for communicating with customers. It has become one of the essential factors in influencing consumer behavior. Companies have always fought for seeking consumer attention, and the advent of social media has provided a new ground for it.

The high competition has forced both companies and marketers to explore new ways to reach their customers leading to the development of social media marketing. Social media has become an integral part of our lives, and it has a significant factor in influencing different aspects of our behaviors regarding purchases, opinions, evaluation, etc. Also, the ease and low cost of internet marketing, as compared to the conventional ones, has enabled businesses of all kinds to reach their target audiences more efficiently. Social media sites like Facebook, Twitter, Pinterest, Instagram, etc. have changed the course of internet marketing. The number of active monthly users on just Pinterest is over 250 million (Pinterest, 2018). This number tells us how useful Pinterest and other social media platforms can be for companies to promote their brand, products, and services. Social media also gives its users the freedom and ability to review products and services that they use. This thing helps in influencing other potential customers and also helps the company in getting useful feedback about their product or service. It ultimately leads to improvement of products/services and better customer experience.

The objective of the Thesis

The main objective of the thesis is to obtain knowledge and find best practices for doing social media marketing focusing mainly on Pinterest. The issues concerning the targeted audience, how to use the
right tools, keyword selection, ad strategies and tactics, etc. are also discussed. The theoretical part consists of literature review and detailed information about Social media marketing.
The second part will mostly deal with the practical application of the knowledge and the experience of the author. Pinterest has been selected as the social media marketing platform for the thesis.
One of the major reasons for selecting Pinterest is its interesting and novice concept (Kohler, 2019).

While there is a large amount of writing about Pinterest in the popular trade and marketing press, there has been little scholarly work so far. So, there is a need for more scholarly work and research on Pinterest, as it is one of the fastest growing social media with a lot of potential (Pew Research Center, 2012). This work will help marketers in planning and implementing Pinterest marketing campaigns successfully. We will discuss Pinterest in more detail in the first section of our thesis. The marketing plan consists of Pinterest advertising campaigns for an e-commerce website. The idea is to use the knowledge and best practices for Pinterest marketing and Pinterest ads and find out how they can be profitable for an e-commerce website. Another important part of the study is the niche of the website. The niche of the e-commerce website used for the study is women clothing and

accessories. With this niche website we got a more precise understanding of the Pinterest audience as 81 percent of the users on Pinterest are women (Pinterest, 2018). The responses of customers were monitored closely

depending upon the type of ads, keywords used, demography and the audience selected. This information collected was then used to find the best practices for making maximum profit and get a higher return on investment, that was the main goal of the website.

Methodology

Both primary and secondary data has been used in this thesis. The main difference between a primary and secondary data is *how, where* and *when* it was collected. Secondary data is the data that already exists and can be used in the investigation process to get more knowledge about the study. The primary data is collected by the person doing the investigation. This data is used for answering any research questions and to resolve any problems related to the study. The first part of our thesis is comprised of data collected through secondary sources including scientific articles, research papers, books, journals and the

Pinterest website.

The second part of the thesis comprises of both primary and secondary data. Primary data is collected from the ad campaigns, performance of the website, customer base, etc. The primary data includes number of saves, clicks, account follows, page views, conversion rate, etc. These data will be collected directly from the e-commerce website used for this study. These data are acquired by using 10 different target audience that were separated according the demographics, interests, etc. The website *gonchas.com* is an e-commerce website build on WordPress and uses the "WooCommerce" plugin

that allows to sell merchandise online. The main idea of the website is to outsource less-expensive, good quality and viral items from Chinese site *Aliexpress.com* and sell it on *gonchas.com* for a profit. The supply chain management method used is known as Drop shipping. In this method the distributor ships individual orders directly to the customer on the behalf of the online shop (Tarn et al., 2003). Detailed information about drop shipping will be provided in the last part of the Literature review.

Figure 2: Number of social media users from 2010 to 2021
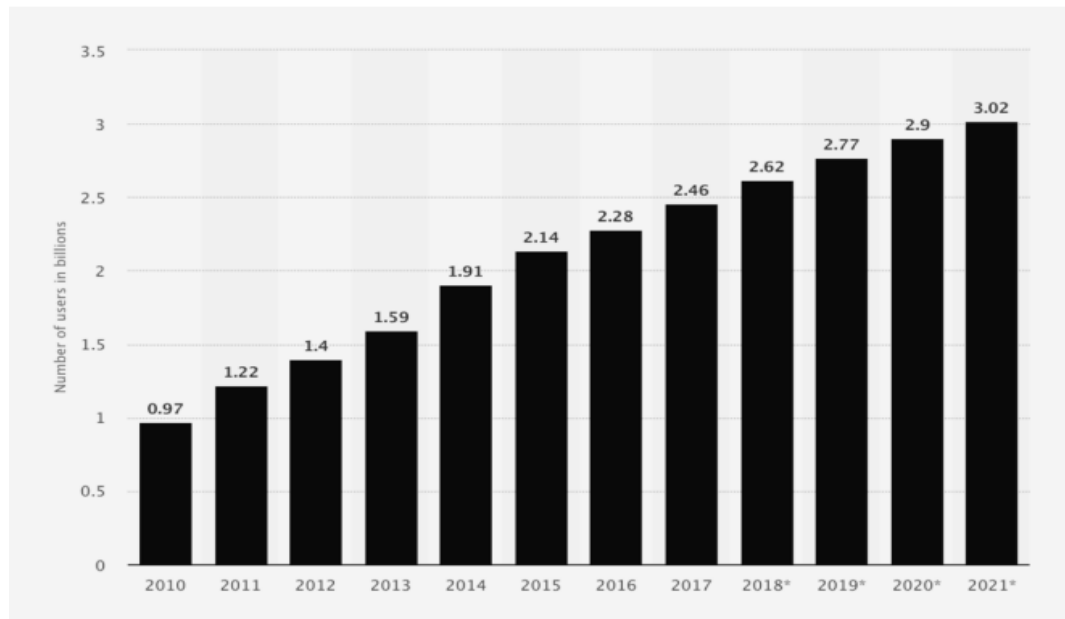
Figure 3: Number of mobile phone users worldwide from 2015 to 2020 (in billions)
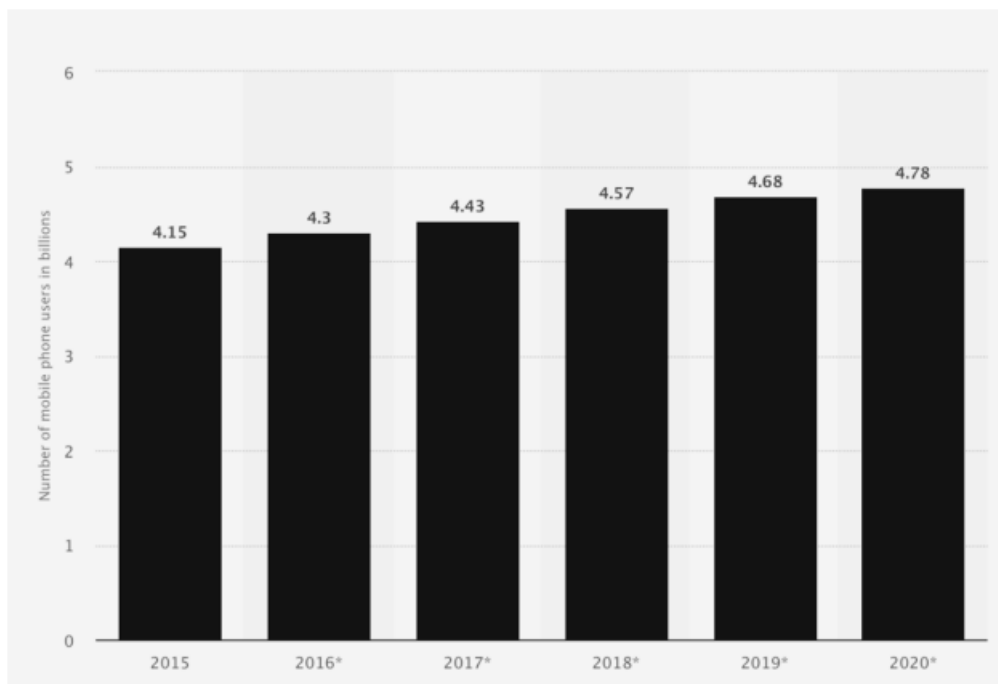
Digital Marketing:

The concept of Digital marketing has expanded and brought more opportunities for companies to reach their current and potential customers. Digital marketing shouldn"t be mixed up with internet marketing. Digital marketing is a broader term as it is beyond internet marketing. In addition to channels like social media, search engines, display, etc. it also includes

other digital media like mobile phones, television and radio (Lexicon, 2017). Digital marketing has been defined as marketing that is done through platforms such as websites, email, apps, and social networks, that are accessible with electronic devices such as computers, smartphones, tablets, etc. (Singh O, 2017). (Smith K, 2012) defines digital marketing as a way of promoting products and services through digital channels by computers, smartphones, mobiles and digital devices. The aim of these platforms is to reach ecommerce transactions and to build a strong customer relationship while retaining current customers and acquiring new ones (Smith K, 2012). Digital marketing is very essential for any company these days as it"s the fastest way to spread any message to any corner of the world with internet access. It"s a two-way communication between a company and its customers, as you not only convey a message or product to your customer, you also can get a direct feedback from them (Leeflang P., 2014). Moreover, the digital channels used frequently by companies are their website, email and social media account

Based on the understanding of marketing, Internet marketing can be defined as the marketing of products and services via internet. Ward defines internet marketing from an application perspective: "Internet marketing refers to the strategies that are used to market a product or service online, marketing strategies that include search engine optimization and search engine submission, copywriting that 29 encourages site visitors to take action, web design strategies, online promotions, reciprocal linking, and email marketing" (Ward, 2000). It is used as a communication channel for doing direct marketing. Since its invention, it has proved to be a very useful and effective marketing tool. In the beginning it was used just a channel to communicate with customers through emailing and getting response from them, but it has evolved from those days. It has helped businesses target their potential customers on a more personal level (Kotler, 2003). Another definition says, „The online marketing is a way of leveraging the internet by conveying a message in order to move people to take some action" (Shama & Brogan, 2012). It is also a means for determining potential product and price structures and this process is understood as internet marketing research. According to (Fishkin, 2017) the most widely used online communication channels are as below:

- Online websites

- Social Media platforms

- E-mails

- Search Engine Marketing – including pay-per-click (PPC) and search engine optimization (SEO)

- Display Advertising

- Online Public Relations

- Affiliate Marketing

Figure 10: US consumer media consumption share
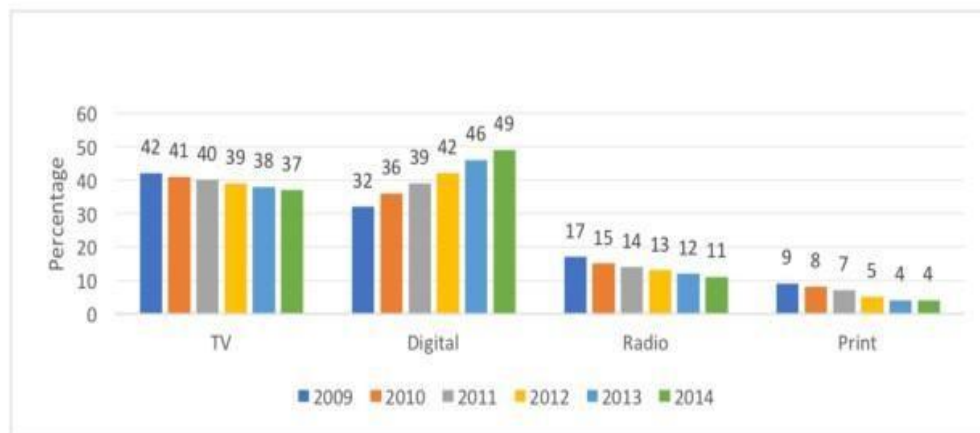
As seen in the above figure, there is a clear shift in the trend from old media to digital media. The old media, television and radio, consumption is showing a decline 31 from the year 2009 onwards while the digital media consumption is showing a steady increase. Also, the print media consumption has shown a steep decline. The shift in the consumption of media has opened new gateways for digital marketers. Because of these changes the world has transitioned into a digital environment and for every business, it is imperative to have a website and use web as a means to interact with their customers. There are some successful traditional marketing strategies, especially if you are reaching a largely local audience, but it is very important to take advantage of digital marketing so as to keep up in today''s world. This information is very useful for any marketers to decide which media platform to focus depending upon the targeted audience and evolution of the media consumption trends.

Figure 11: Media consumption for US consumer
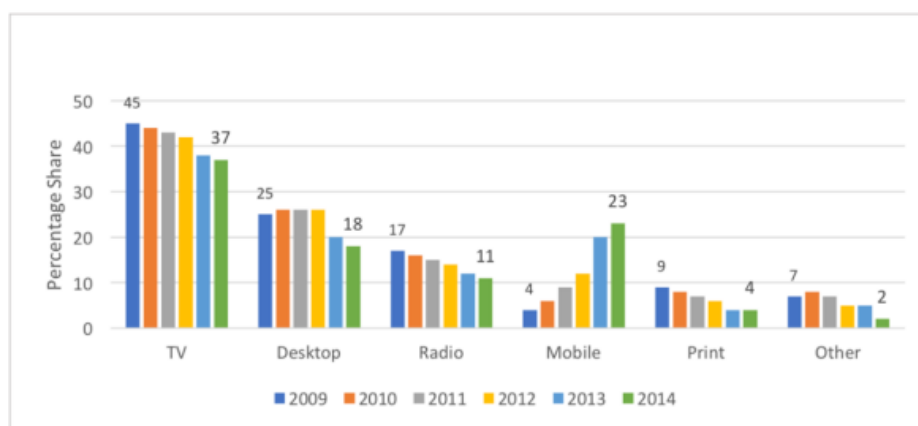
Other important thing to consider, while discussing the media consumption, is the way people access media. As seen in the graph above, the digital segment of media has been divided into Desktop and Mobile. This division clearly shows that there is downward trend for desktop consumption and a sharp increase in the mobile consumption. This gives valuable information for the marketers to plan and optimize their marketing campaigns and advertisements according to the type of devices used. Also, it helps companies to keep up with the rapidly changing trends and media consumption preferences of their consumers

Social Media Marketing :

There has been a shift in the way people use social media (Schaffer, 2013). Nowadays, social media is being used by people and businesses to communicate and seek information for their professional and private uses (Schaffer, 2013). This shift in the usage of social media is a big opportunity for business to learn about the needs of users and influence them to make "purchase decisions" (Rad, 2011). Businesses can actually analyze the growing amount of data that is available to everyone publicly in different social media platforms, the "big data" and learn from it (Schaffer, 2013). This data can give the business very useful information about their customers, markets, partners, costs, competition and operation (Russom, 2011). Social media networking has emerged and expanded over the years and it has provoked marketers and managers to use this networking as a part of their marketing communication (Kim & Wang , 2017). Some researchers have

described social media as way to connect or interact with current and potential customers with the main aim of maintaining or building a relationship (Felix R., 2017). There are many benefits of using social media as a marketing tool as opposed to using traditional marketing tools. One of the benefits is the ability to find your target potential customers and reach them in a personalized way. This is done by targeting buyer"s niche directly with specific information that meets

their needs (Scott, 2013). So, in short, the term "social media marketing" is defined as the marketing technique that involves usage of the social media network and social media website to market some products or services. Social media marketing can also be defined as the use of the platform that makes connection between the brand and the consumers while at the same time providing channel for user-centered networking and interaction (Chi, 2011). Social media marketing provides the companies multiple ways to reach out to a large audience where they are capable of attracting new potential customers and 33 interact with the existing ones (Harrysson, 2012). For reaching their target audience and potential customers, businesses use a wide range of marketing strategies and tactics. These strategies and tactics allow them to reach their potential customers in a more personalized way (Hays, 2013). Through social media marketing companies are able to interact with their audience by choosing the demographics, geography and other personal information that allows them

to reach the audience with specific characteristics. Also, by practicing segmentation of the obtained data, the company can make sure they have reached their target audience

Advantages of social media marketing

Social media marketing offers a wide range of benefits for businesses. These advantages enable companies to get great insights of their customers that can help them in expanding and improving their businesses. Social media marketing allows the businesses to fill the voids left in traditional marketing practices (Okazaki S. and Taylor, 2013). This enable companies to reach a broader audience. On social media platforms, people share the things they like, and companies get huge benefits from these shares. These shares can be a company"s products, services, etc.

E-COMMERCE:

The history of E-commerce is closely related with the history of internet. Online shopping became possible when the internet was opened to public. The first web page in the world was published in August 1991 (Brügger, 2009). It was a simple, text-based web page. It had a few links and the main goal of the page was to introduce World Wide Web to the people. Three years later, in 1994, the World Wide Web Consortium was established, and HTML was defined as the standard language for web pages. Since then the internet has been developing. The latest websites are more colorful, sophisticated and more interactive unlike the older ones. The World Wide Web has transformed the way business is

conducted. It has opened new way of communication for individuals and business, enabling global reach and easy access. According to (Hoffman, et al., 1995), the web has become popular than other internet services because of its ability to facilitate sharing of resources and information globally. Prior to web, Electronic Data Interchange (EDI) was used in the electronic marketplace by owners and buyers to interact electronically. EDI allowed companies to perform varies business functions electronically. Since its arrival, the Web has gradually replaced those (linked with EDI) proprietary networks making it possible for all business, regardless of their size, to access the global market and reach their customers and

other businesses. The web is becoming more important as an infrastructure and a tool that has enabled business to conduct commercial functions (Wen, et al., 2000). In short, Web is providing a medium that facilitates two- 40 way communication between different actors. It has the technology that allows businesses to use it for various purposes: as a sales tool, as a distribution channel, as a customer support portal and as an informational retrieval source. It has established a global commercial marketplace for both suppliers and consumers that can operate internationally without time restrictions.
It has revolutionized the whole commerce and business industry.

Categories of e-commerce

E-commerce is generally classified according to the nature of the relationship between the participants (Laudon & Traver, 2003); (Schneider, 2006) (Turban, et al., 2006). Three most famous ways to categories e-commerce are given as:

Businessto-Business (B2B), Business-to-Consumer (B2C), and Consumer-to-Consumer (C2C). These categories are valid for offline businesses as well.

Business-to-Business (B2B)

When a business sells goods or services to another business, it is known as B2B. It mostly refers to supply chain (Gibson & Edwards, 2004). Before the advent of Web, B2B existed in the form of EDI over proprietary networks. With the arrival of Web, it became possible for businesses to link regardless of their size and location at affordable prices. B2B generally includes wholesale transactions and is characterized by large volumes, fast delivery times and possibly late payments. It generally leads to higher profits through cost savings, reduced transaction costs, lower advertising cost, lesser delivery costs, better supply chain management, and better information exchange (Barnes-Vieyra & Claycomb, 2001).

Business-to-Consumer (B2C)

The practice of selling goods or services from businesses to individual consumers is known as B2C. It is also known as e- tailing (Turban, et al., 2006). The practice of B2C emerged only after the arrival of web and is appealing to both retailers and consumers (Ariguzo, et al., 2006). The basic aim of B2C e-commerce is to acquire new customers, to gain international exposure, to advertise, to overcome location disadvantage, to provide online support, to gain cost savings, and to gather customer information (Golden, et al., 2003)

3.4 Consumer-to-Consumer (C2C) Customers selling goods or services to other customer is known as C2C. Well known examples of C2C are the online auctions and online communities where people can find customers for their goods and services. It can also be called Consumer-to-Business (C2B) when the end user is a business. Both C2C and C2B can be viewed as a kind of B2C (Chaffey, 2011); (Turban, et al., 2006). In conclusion, the rapid growth of the internet and the advent of Web have led to many changes in the way business is done, resulting in the e-commerce phenomenon.

Limitations of e-commerce

There are also some limitations to doing business online for both the businesses and the consumers. For businesses, the technology is still in the process of evolution and lack universal standards for security, law and quality (Schneider, 2006); (Turban, et al., 2006). (Napier, et al., 2003) pointed out some general market issues including language, political environment, and currency conversion as few of the major limitation for a business running e-commerce. Traditional business also faces problems in integrating with e-commerce (Turban, et al., 2006); (Schneider, 2006). Also, the benefits accrued to a company due to use of e-commerce is not clear. This ambiguity may cause many companies to fail or not to

invest in ecommerce (Turban, et al., 2006). The consumers are also concerned about the security and privacy of their personal data and many consumers wants to feel and touch the product before purchasing (Napier, et al., 2003) (Turban, et al., 2006). 3.7 Drop shipping E-commerce and global trade have resulted in increased market competition. As a consequence of this high competition, demands for fast deliveries of low-cost and high-quality products, and services have augmented (Fawcett, et al., 2000). Accordingly, companies must continuously strive towards improving and enhancing the efficiency in the supply chain in order to achieve competitiveness (Chaffey, 2011). This has caused a high competition amongst the supply chains, rather than the end-products (Chaffey, 2011). Consequently, an efficient order fulfilment 44 becomes of great importance, which is considered as one of the most complex tasks for electronic retailers (Ayanso, et al., 2006). Order fulfillment includes all the process that concerns the customers" order; receiving the customer order, managing the order, picking and packing, delivering the order, and additional after sale customer services (Pyke, et al., 2001). The process of order fulfilment for e-tailers is different from a traditional brick-and-mortar retailer (hereafter retailer), due to the larger amount of small orders (Pyke, et al., 2001). Both e-tailers and retailers are pressured by the shrinking product

Figure 13: Traditional order fulfilment versus Drop shipping
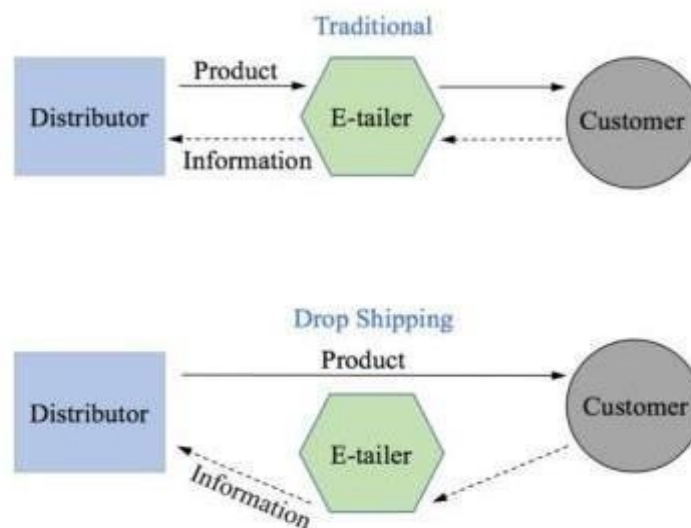
INTRODUCTION OF THE COMPANY

GonChas.com The website selected for the thesis is called GonChas.com. The word "GonChas" is basically a Balti word that means clothing. Balti is a language spoken in the Northern part of Pakistan. The company was launched in 2016 as a dropshipping website. GonChas has generated over $270,000 in revenue since its launch. It also has over 10,000 customers from all over the world with the majority of them from the United States of America. It mainly deals with cheap women clothing and accessories but there are also clothing for men and children. The items for women include bags, dresses, jewelry, shoes, swimwear, tops and bottoms. While for men the e-shop has bags, shoes, tops and bottoms. It also has a small collection of clothing and outwears for children. There are no employees of the company, the author is the sole worker and owner. The website is built on WordPress and uses a plugin called "woo-commerce" that enables online purchases on the site. In addition to that, there are many other plugins that help in the smooth running of the website.

The theme used for designing the website is called Flatsome. It has been personalized by the author. The aim of the website is to outsource cheap clothing items from Chinese ecommerce site aliexpress.com and to sell them on gonchas.com for a profit. The working of the website is discussed in the following sections.

Situation analysis

Situation analysis is a collection of methods used to analyze an organization"s internal and external environment to understand its capabilities, customers, and business environment (Ryan & Jones, 2009). It consists of several methods of analysis. This section will only discuss the five parts of the analysis that includes: company, competitors, customers, goals and key performance indicators (KPIs).

Business

The first part of situation analysis deals with the business itself. In this part the business needs to evaluate its objectives, strategy, capabilities and target audience. Also, the business needs to decide what products to promote and whether

or not those products are suitable for online promotion. In the case of GonChas, the target 48 audience is present online and also the products are suitable for online promotion. Hence the most suitable way to reach the target audience is through online promotion. Also, the site has been running for a few years and has presence on most of the major social networking platforms. This thing is helpful in reaching new potential customers and staying in touch with the current ones.

The shop has been running and is generating some revenue since its launch. An overview of the sales and orders for a selected
period has been shown in the figure below.

Figure 14: Sales of GonChas last year (01.05.2018 up until 31.01.2019)

Customers

For doing the customer analysis demographics (age, education, gender) and psychographics (interests, lifestyle and habits) are used. The data is acquired from google analytics and Pinterest analytics. Pinterest analytics gives very valuable information about the users that interact with the business. This information is of both the people who have done a purchase through Pinterest and other people who have followed, liked, shared or commented on the products from the domain gonchas.com. As can be seen in the graph below, above 80 percent of the people that interact with GonChas are female. The age group also is diverse as GonChas is popular among both young and middle age women.

Goals

Having a well-defined and well formulated goal is important for every business. The method of goal setting used for GonChas is called SMART. Smart is an acronym for Specific, Measurable, Attainable, Relevant, and Time-bound (Macleod, 2013). The first part of this goal setting method is "Specific". GonChas is aiming to double its sales by the end of this year. The measurable part aims at increasing the monthly traffic to 50,000. Keeping in mind the past performance of the site, the attainable part of the goal is to achieve $30,000 in revenue per month. Relevant part of the goal aims at reaching more customers through Pinterest, as it"s the main source of traffic for GonChas. Time-bound part of SMART method is very important as all these goals have to be within a timescale. So, by using the current marketing strategy and improving it further GonChas"s main goal is to achieve all these goals within 1 year. All these goals will help in achieving the final goal, that is to get maximum customer satisfaction and making good profit. The marketing strategy is discussed in detail in the Findings and Discussion section.

Key Performance Indicators

Key performance indicators are the fundamental navigation instruments that are used by managers to understand whether their business is going on the path they planned or its going off grid (Bernard, 2012). The first set of metrics used as KPIs, that will show how the ad is delivering are CTR, CPC, Clicks, Reach and Impressions. They are discussed in the marketing section in detail. The second set of metrics will show the return on investment. It will tell how much of the resources were invested and how much is the acquired benefit. This metrics includes Spending, Revenue, Conversions Rate, etc. The final set of metrics will use the data acquired from the second set (Spending, Revenue) and evaluate the overall financial viability of the marketing campaign. The metrics that include in this set are Gross margin, Profit, Return on Ad Spend, and return on investment (ROI). All these terms will be explained in the marketing section.

Working of the website
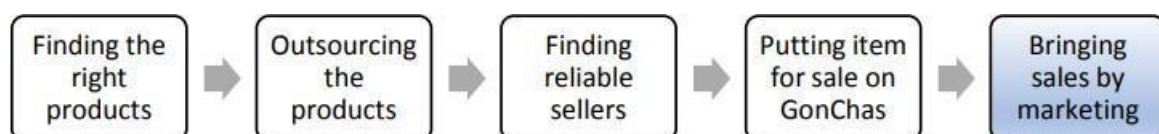
Using google image search

One of the most common methods, used by the author, for finding any visual item on internet is by using google image search (Google, 2019). This option helps in finding most of the websites where an image or item is present. The first step in using this method is to have the image address. Image address is an internet address that points directly to a specific image (Tineye, 2019). The image address can be found by right clicking on the image. Once the image address has been found, it should be copied and searched using the search box on google.com. The below figure shows how to get the

image address. One important thing to note here is that the image address should end with .jpg, .png, or some other image format extensions. Some of the image addresses can have extra characters or numbers at the end that must be removed for getting accurate results.
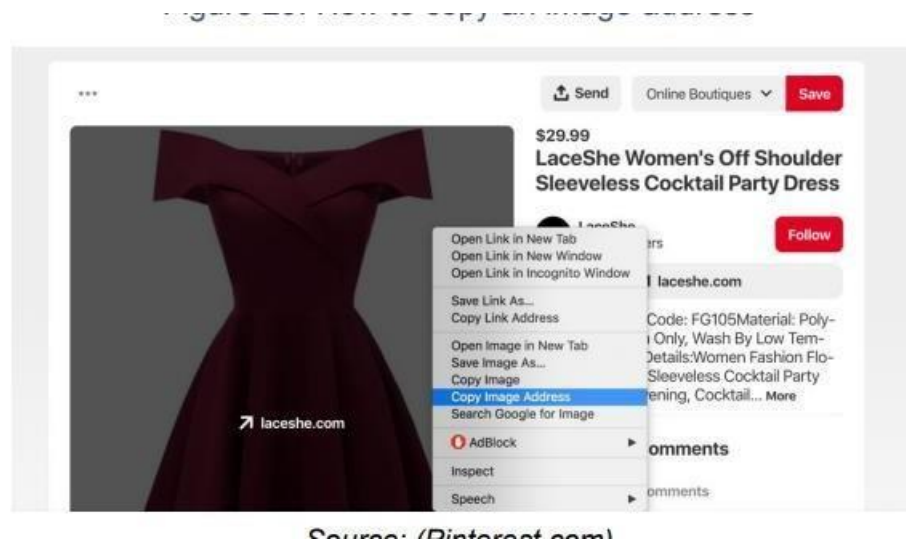
Source: (Pinterest.com)

Once the image URL is searched on google, the option "search by image" should be clicked as shown in the figure below. Once it has been done, google will show all the websites that have this item. These websites don"t necessarily have to have the item on sale. Some of the website are blogs where people use the image for informational purposes but most of the results will have the item for sale.
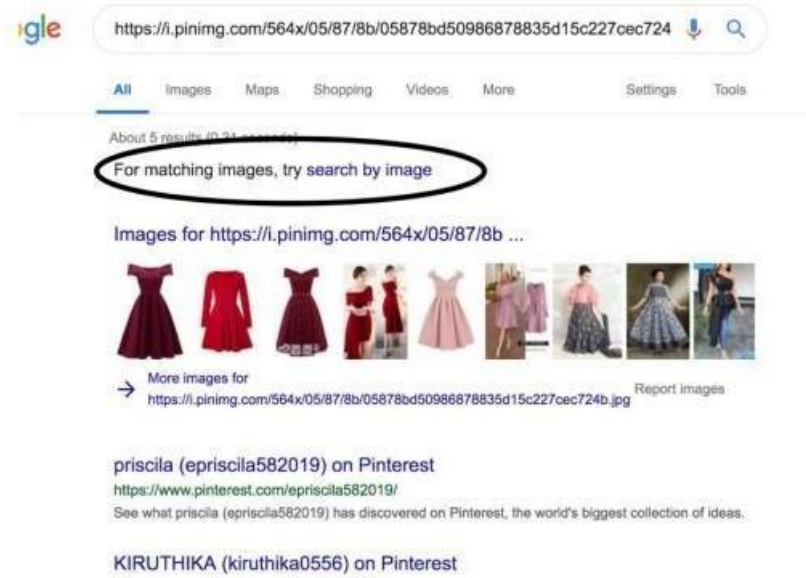
In our case the first page gave two results and their links to sellers on AliExpress.com, as can be seen in the below figure. Although it is not the case every time. Sometimes it does not give any results related to AliExpress and in some other cases tens of pages have to be gone through for finding the desired results. In such a case, different images of the same item are used in the search box until the desired results have been achieved. The search results can also give you valuable information about your competitors, as it also lists other websites that are selling the item and most of the time, they are also drop shipping website. So, it can give some idea about the price of the item and also these websites can be used as a source for finding new best-selling items. In general, this is an easy method and most of the time the items are easily outsourced

Using AliExpress image search option

The other method for finding items on AliExpress is using the image search option. This is a newer and easier method and is only available on AliExpress App. For using this method, the user needs to take a picture of the item, they want to search. The picture can either be taken directly by the phone''s camera or downloaded on the phone from its source and then uploaded to the AliExpress App image search. The below figure shows the home screen of AliExpress mobile App. The small camera sign on the top right is the one used for image search. Once it is clicked, the camera of the phone opens and gives the user option to either take an image or upload one from the phone gallery. Once an image is selected, the App searches for similar items on the shops and displays a list of the closest items to the uploaded image.

Figure 23: Home screen of AliExpress mobile App

Source: (AliExpress Mobile App)
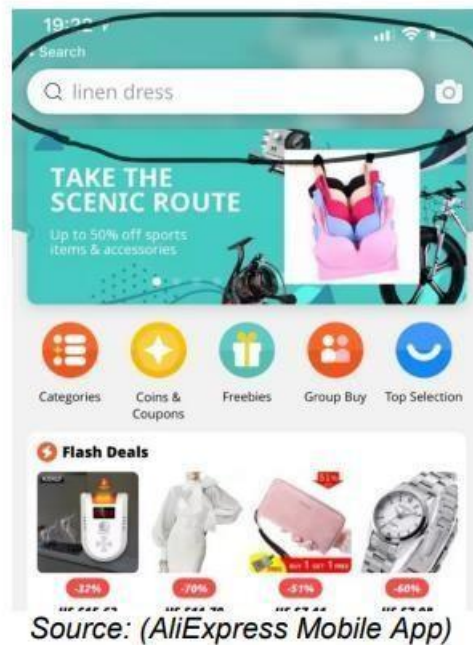
The below figure shows the results for the viral item selected earlier for research. This list shows all the sellers that have the item for sale. One of the most crucial part is selecting the right seller from this list. One of the methods employed by the author for making a selection is to check the ratings and reviews of the sellers and the listed item. The price of the item and shipping cost are also important factors in deciding the seller as the main aim of GonChas is to make a profit. One of the major issues, the author faced, with deciding the seller according to the price of items was that the items listed for lower prices were mostly of very low quality. This thing impacts the whole customer experience and gets a negative feedback to the company. So, for making the right choice of the seller, all the mentioned factors, sellers rating, years the seller is on AliExpress, ratings the item has got, total number of sales the item has got, delivery time, sizes/stocks available, price, etc. should be kept in mind. Other important factors for making the right choice of the seller are

shipping time, buyer protection and positive feedback percentage.

Figure 24: Image search results on AliExpress mobile App

Source: (AliExpress Mobile App)
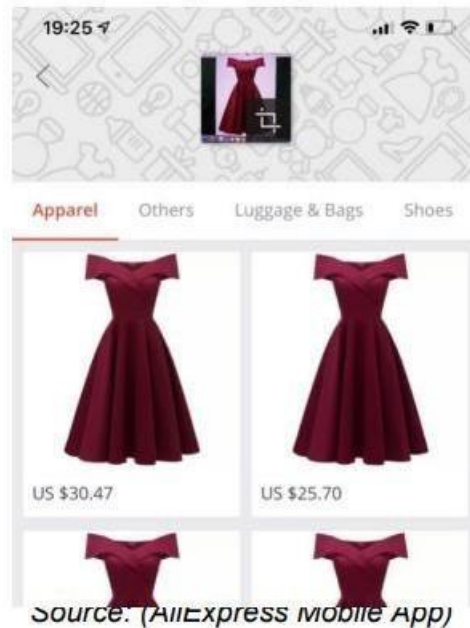
Shipping time is the time duration taken by an item from its point of origin to the point of delivery. This time varies depending on the country a customer resides. It is also very crucial as all the customers are International. So, it has to be made sure that the seller can deliver the items within a reasonable time frame. On GonChas, the average delivery time for USA and EU is 15-35 business days. This is just an average time period decided by the author from his personal experience. Another important thing to remember is the buyer protection. Buyer protection ensures that the customer will receive their order on time and as described. In case, the shipping is delayed, or the item is not as described, the customer gets a compensation (Aliexpress, 2019). Most of the sellers on AliExpress offer buyer protection.

FINDINGS AND DISCUSSIONS:

Planning Marketing Strategy:

Everything related to marketing should start with a careful planning of a campaign. A campaign has to have a well-defined objective. Especially, if social media is going to be used for the campaigns, the marketers need to further plan who they want to reach out to and what kind of social media strategy they are going to execute. During the execution process marketers needs to be ready to adjust the strategy according to the responses (Tuten, 2008). Kaplan (2010) advises marketers to choose social media platforms based on the target group and the message that they want to convey. He also points out that, choosing an existing social media application has many benefits because of the existing user base. The reason why this can be a hard task is the fact that the landscape of social media is constantly changing. The social media networks that were popular a few years ago are not popular anymore and similarly many new social media networks have emerged in the past few years. All these rapid changes in the industry puts a high pressure on marketers to keep their

marketing strategies up to date and bring on changes with the changing landscape. In order to create the right campaign and stay up to date on social media, Tuten (2008) has formed a list of questions for social media marketers that will help them in understanding what they really need, in order to find the right tools for their campaigns. Few important questions are: "Does the culture of social media fit your brand"s positioning or fit with how your brand wishes to be pervcevied? Do you know where your customers and prospects are? Are the relevant communities open and welcoming to brand participation? What opportunities exisit within each community for brand promotion? Do you have resources of time and money to commit to the campaign? Do you have a hook, a conversation starter, a point of engagement – something that will inspire interaction with your brand? Are you willing to take risks?

Once you have answered these questions and selected the right social media platform, it is time to carefully make the communication plan. Kaplan and Haenlein (2010) provide some good principles about being social. First principle is to be active, 63 taking part in discussions and sharing with the community something of value or interest. Secondly you should also understand the nature of the channel and by being interesting with your content, humble with your position and behaving "informally" you should aim to blend in. However, in social media network like LinkedIn, it may still be wise to keep the communication professional. Last principle is to be honest.

Performance Measurement

As mentioned in the situation analysis section, performance measurement is one of the most crucial parts of the marketing strategy. It provides valuable information about the goals and the performances of the ad campaigns. This information can then be used to find out whether the set goals are being achieved or not. In the following section, the metrics available in Google analytics and the Pinterest analytics metrics is discussed.

Google Analytics Metrics

Google analytics is a free analytics service offered by google that gives useful insights into how users find and use a website (Kaushik, 2009). It gets all the data from a unique code that has to be implemented on the website whose data is required. The code is a small JavaScript code that runs when a user opens the website. Precisely, it can be said that Google analytics helps marketers make important decisions based on the data collected from the users. Few of the most used metrics available in Google analytics are as below:

- Users
- Sessions
- Session duration
- Bounce Rate
- Conversion Rate

Figure 25: Google analytics homepage showing common metrics
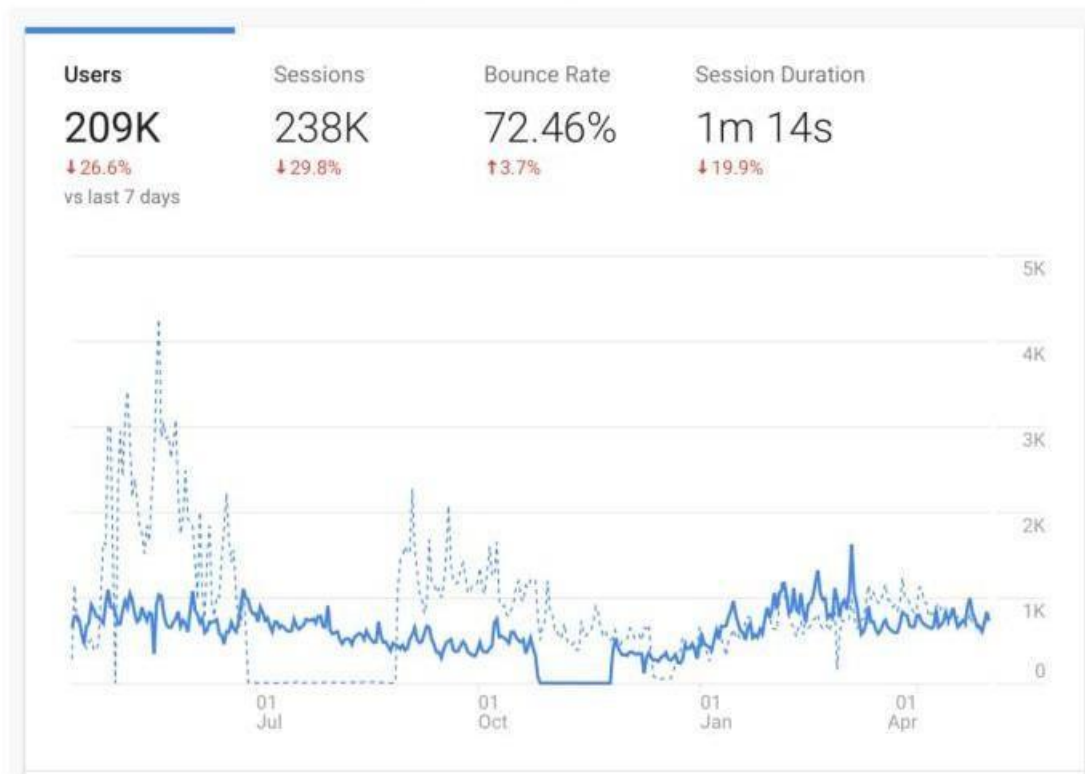
The above figure shows the Google analytics home page for GonChas. The first two metrics; Users and Sessions are the crucial ones, as they are closely related, and their difference has to be understood good. A Session is defined as the time range between a user‟s first request on the website to the last one.
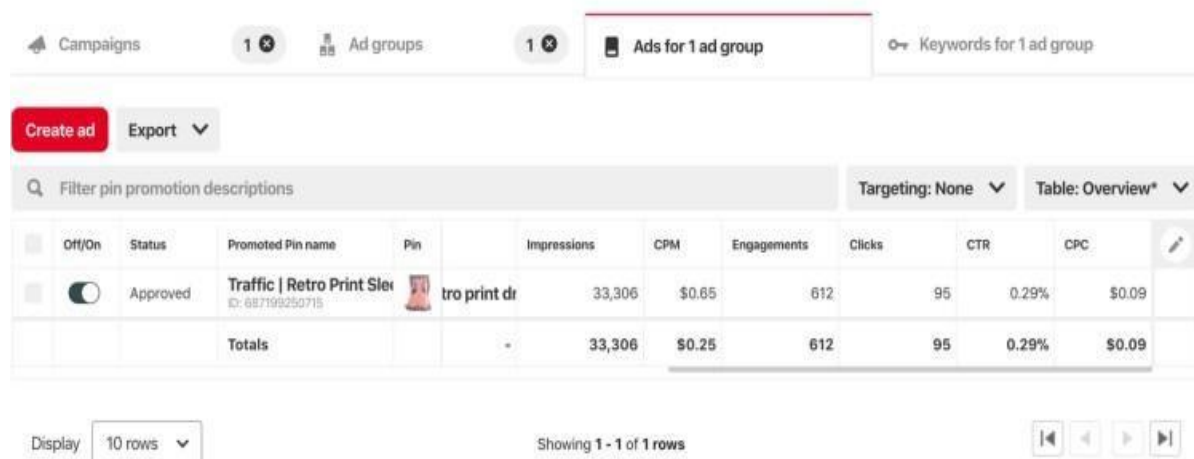
Pinterest Ad Metrics :

A part of the marketing will be done through Pinterest Ads, so it is important to familiarize with the Pinterest Ad Metrics. They can be accessed easily on the Pinterest ads manager page. Pinterest also has the most common metrics like other similar websites. The ones that will be used in our study are as below:

- Click through rate (CTR)
- Cost per click (CPC)
- Cost per mille (CPM)
- Impressions
- Engagements
- Spend

These metrics give valuable information for evaluating the ad campaign. Although these metrics are very useful, it should not be used as a final resource for deciding the performance of a campaign rather more weightage should be given to the conversion and return on investment.

Figure 26: Pinterest ad manager and metrics overview

Click through rate (CTR) gives the percentage of people who click on an ad after seeing it. It is generally calculated by dividing the number of people who clicked, after seeing an ad by the total number of impressions the ad received. Cost per click (CPC) means the amount of money an advertiser pays, every time when their ad gets clicked. Cost per mille (CPM) tells the amount of money spent for getting one thousand impressions of the ad (Louisa, 2008). Impressions means the number of times the ad appeared. Engagement is the total number of engagements on the ad. It includes saves, closeups and clicks. Spend means the total amount of money that has been spent for any given ad or campaign.

Pinterest Advertising strategy:

After carefully going through every step of the marketing strategy, it is time to make the Pinterest advertising strategy. For effectively launching a marketing campaign, it is necessary to have a strategy. The strategy varies depending upon the type of business, as every business is unique. This chapter will deal with the findings and discussions about Pinterest marketing and advertising.

Pinterest Business account:

The first prerequisite for advertising on Pinterest is a Pinterest business account. It is free to sign up for a business account and gives access to tools like analytics and a special business profile. It also gives access to use the Pinterest advertising. Any business can, either, sign up for a new account or if they already have an account upgrade it to a business one. The sign-up process is very easy and straightforward.

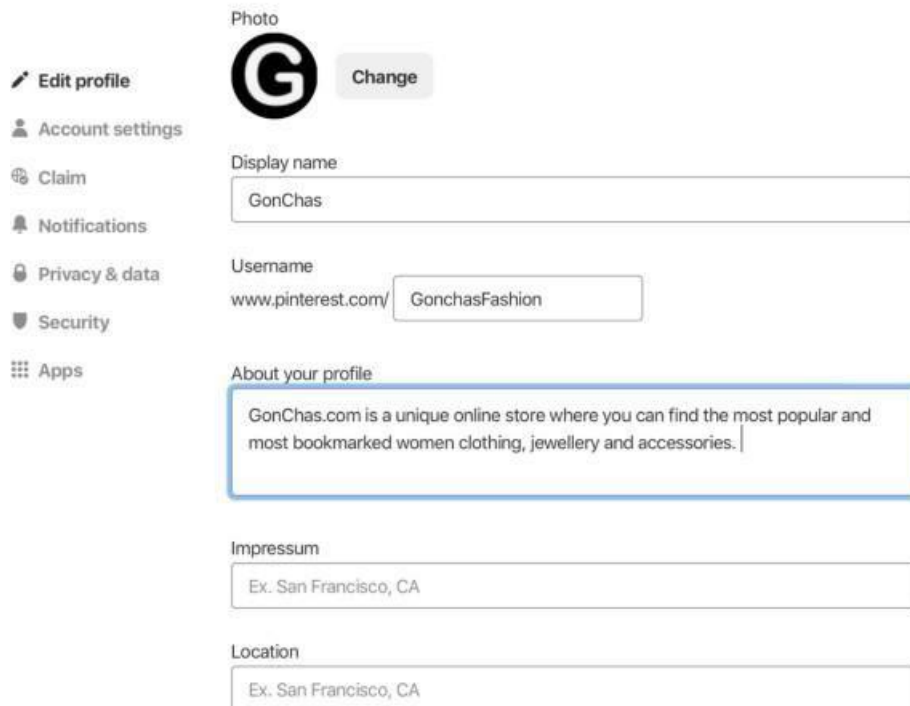Steps to create a Pinterest business account are as below:

1. Go to the Pinterest business homepage and click Join as business

2. On the sign-up page, put your email and password and click create account.

3. On the next page you will be asked to choose a language and country.

4. Next step is writing the business name and select the type of business.

5. There are nine options to select from namely professional, public figure, media, brand, retailer, online marketplace, local business, institution/non-profit and other.

6. Next step is putting down the website address. This step is not mandatory so if the business does not own a website, it can be skipped.

7. The next step gives the option to connect other social media account with the Pinterest business account. Currently only three other social media accounts can be connected, namely, Instagram, Etsy and YouTube. This step is also not mandatory and can skipped for later.

8. Next step asks about that topics that best describes the business. At least one topic has to be selected in this step.

9. The setup process ends here.

Figure 27: The sign-up page for Pinterest business account
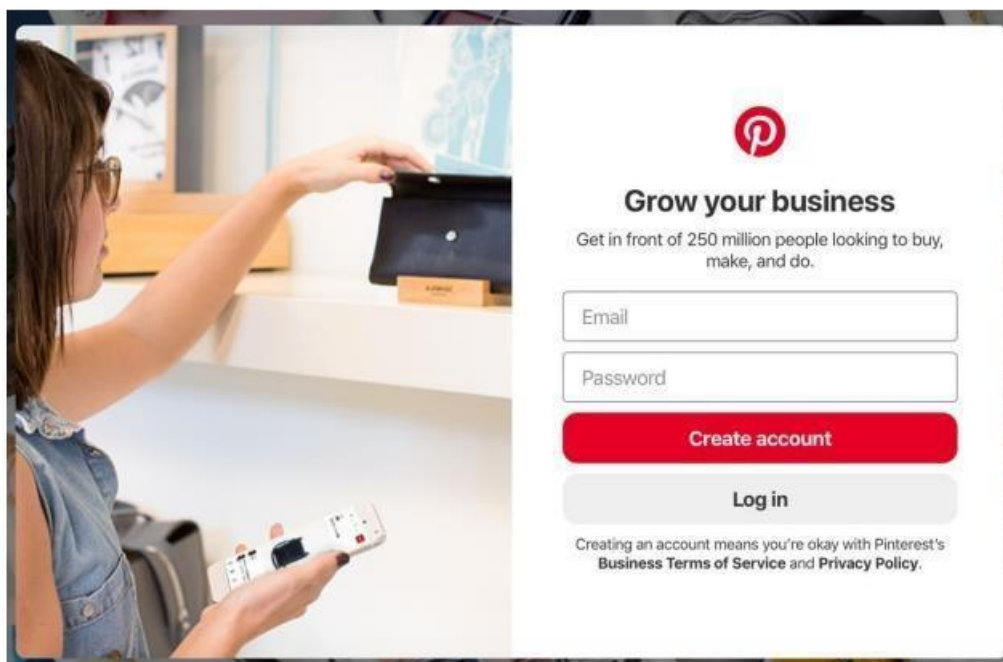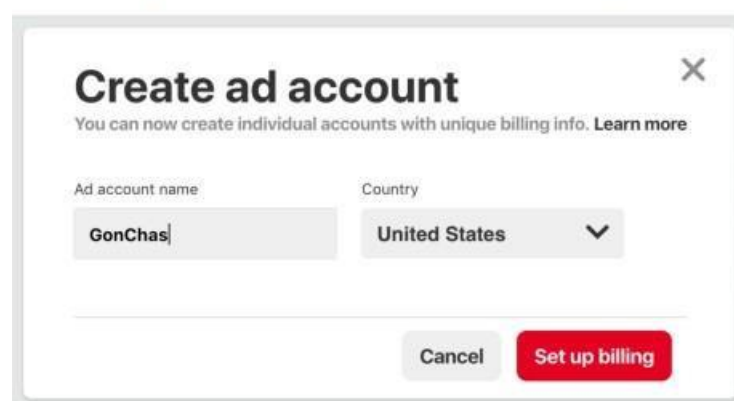
Once the business account has been created it is advisable to take the following steps to optimize it. 68 The next step is adding a profile picture. It can be done by hovering over to the profile icon on the top right and clicking settings. The optimal size of is 165 x 165 pixels. Choose an image that best represents the business. It can be the business logo. Complete the about section with some information about the business. If the business has a physical location, fill it in the location option. Claiming website helps in getting access to analytics and information about the users that interact with the

business.

Figure 28: The account settings page of Pinterest business account

Pinterest ad account Pinterest ad account is an optional pay-for-placement service that offers marketers the chance to reach their targeted audience. It has got all the tools needed for making ad campaigns. In addition to driving awareness, brands using Pinterest ads see results in terms of sales. More than half of Pinterest"s users have made a purchase after seeing some business content of their interest (Pinterest, 2018). The process of creating an ad account is very easy. From the top right of the home page of normal business account the ad account can be accessed. Once the option Ads is selected, the screen below will pop-up. The name of the account and the country is selected depending on the location of business and the billing address.

Figure 29: Pinterest ad account page

After selecting the desired campaign a few more details are required in the campaign details section, as can be seen in the below figure. These details include: Campaign name, Daily spend limit and Lifetime spend limit. As the name suggests, the Daily spend limit is the maximum amount the campaign can spend in one day while the Lifetime spend limit is the amount the campaign is approved to spend in total (Pinterest, 2019). Once these details are filled, the use can go on to next page by clicking the continue button.

Figure 32: Setting up ad campaign step number 1

Figure 33: Setting up ad campaign step number 2

Once the right audience has been selected, the user can move on to next step. This is the final step and here the user needs to select the product for promotion. After selecting the product and making sure the destination URL is working, the campaign can be launched.

Pinterest Advertising Plan:

Out of the gathered data from the above chapters, the following advertising plan has been formed. This part will deal with the preparation, launch, evaluation and other details about Pinterest advertising. The advertising plan consists of the following points:

1.   The company GonChas allocates an investment of $100 for the advertising campaign.

2.   The length of the campaign is one week.

3.   The two buying personas mentioned in chapter 4.5 are used.

4.   The interests and professions for targeting are taken from Google and Pinterest Analytics data.

5.   The main goals are: acquire traffic, increase conversions and increase sales.

6.   The final evaluation is based on total profit made and the return on investment.

Ad Formats and Placements Currently Pinterest offers three ad formats, namely: Promoted Pins, Promoted Carousels, and Promoted video pins. All of these formats have been discussed below.

Promoted Pins

A Promoted pin ad is exactly the same as any other pin on Pinterest. It blends good with the pins on Pinterest and does not affect the user experience. The only difference between a Promoted pin and a normal pin lies in the fact that the promoted pin has the term "Promoted by" under the pin followed by the company or brand name. An example of a promoted pin is shown below

Figure 34: Promoted Pin example
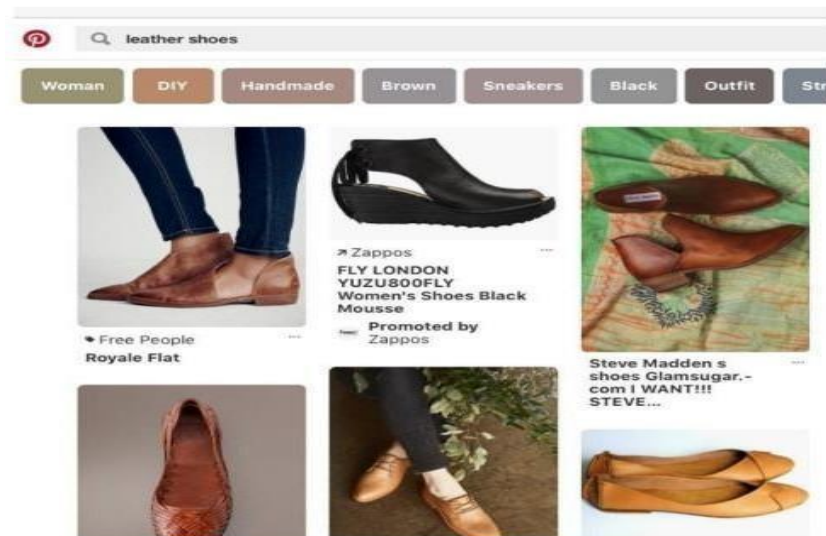
Promoted Carousels

Promoted carousels feature two to five images that pinners can swipe through. These multi-image ads can appear like a normal pin, except for the dots beneath that shows the images can be swiped. Each image in a carousel ad be different with a different title and description. This format is great if the advertiser wants to use different images in the same ad (Pinterest, 2019). Below is an example of a promoted carousels.

Figure 35: Promoted carousel ad

Promoted video Pins

Promoted video pins are the same as Promoted pins except the normal pin is replaced with a video. Just like a Promoted pin, it also appears in the home feed and search results. Promoted Pins has been used in the campaign for the study.

Campaign Launch and Evaluation

The campaign ran for seven days (May 4th, 2019 – May 11th, 2019) and used all the allocated budget. A total of two products are selected for promotion. The products are women summer dresses. The products are chosen according to the current season and demand. The buying persons, already mentioned in chapter 4.5, have been used. If the interests and demographics of these buying persons are as below:

- Women˝s Fashion

- Dresses

- Summer dresses

- Women˝s apparel

- Only USA

Figure 38: Sales overview for the traffic campaign 04.05.2019 up until 11.05.2019
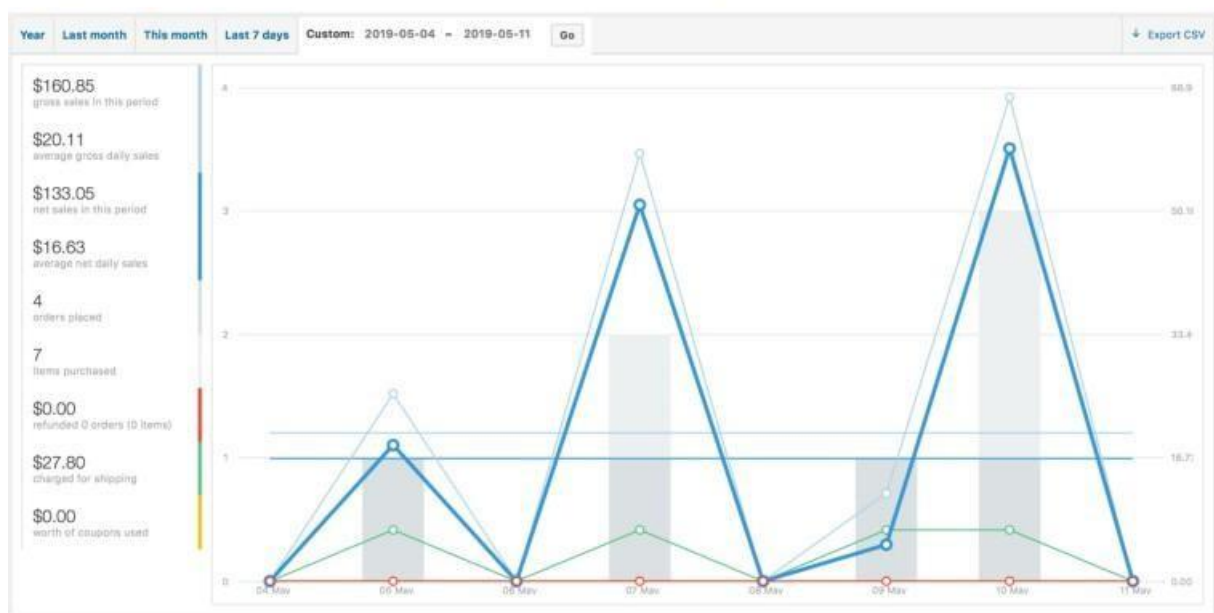
Overall evaluation of the Traffic campaign

The ad campaign as a whole was not profitable. The promoted items received a total of 744 clicks. The total impressions were 32,460. The CPC was $0.18. One of the items got a CTR of 2% while the other got CTR of 1.19%. The total amount spent on the ad campaign was $133.76 for the period of one week. The gross sale during

this period was $160, out of which

$75 went into order fulfillment. The overall loss was $48.76 with a ROI of negative 36%. The campaign was not able to

reach the set goals. The overall CTR was around 1.66% which is lower than the industry standards of 2.69% (Irvine, 2019).

The conversion rate was also very less as only 4 people placed orders out of 744 people who went on the site. It was calculated by dividing total purchases by the total link clicks. The items promoted were two summer dresses for women. Both of them were selected from the viral dresses on Pinterest so a higher conversion was expected from them. The bounce rate was around 63% during the period of Pinterest ad campaign. That‟s higher than the standard bounce rate for e-commerce sites. The optimal bounce rate for e-commerce and retail websites is 20%-40% (Pawel, 2018). There are various reasons for a high bounce rate. Few of them are:

- Slow load time of the page

- Poor site navigation

- Not enough product information

- Poor product photos/description

- Not enough trust signals

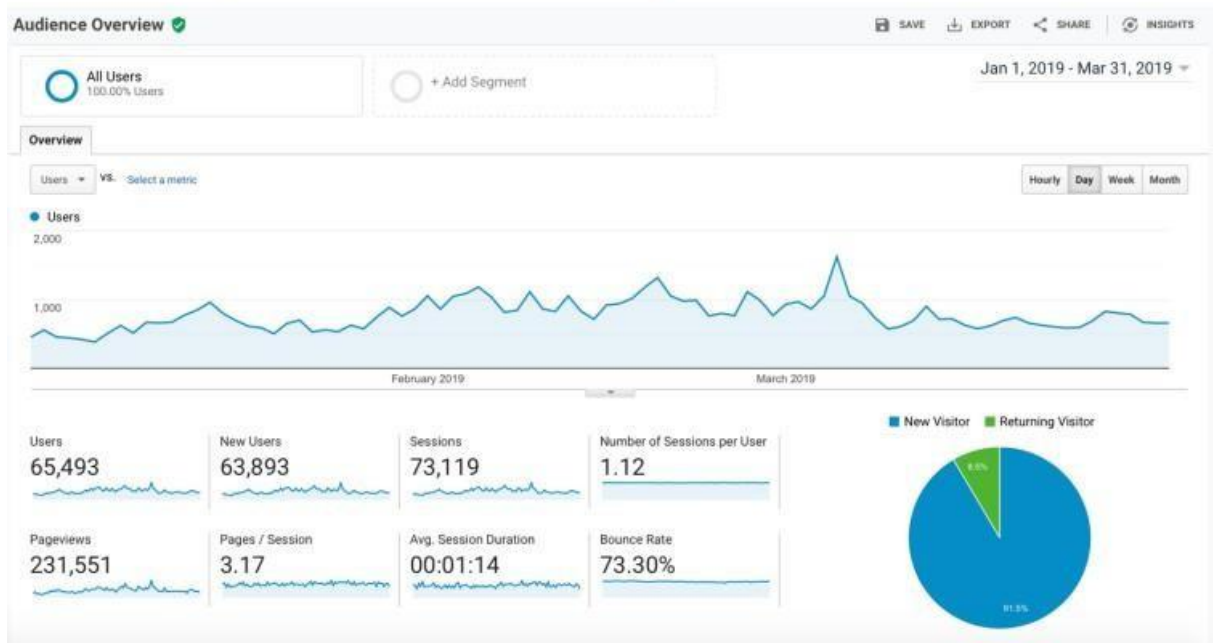## Influencer Marketing Campaign

As mentioned in the previous sections, one of the methods used for promotion of GonChas is influencer marketing. This chapter will deal with the details of evaluations and findings of influencer marketing for GonChas.com.

Campaign launch and Evaluation

The influencer marketing campaign data has been collected for the first three months of 2019 (January 1st – March 31st). The total budget allocated for influencer marketing was $1000 per month. A total of two influencers were used for marketing the products directly from GonChas‟s Pinterest account. One of the influencers has 2.6 million followers and the other one has 2.5 million followers. Both the influencers work in the fashion niche, so it was a perfect match for the products of GonChas. Most of the Items promoted during this period of time were from the following categories.

- Women‟s Dresses

- Women‟s Jewelry

- Women‟s bottoms

- Women‟s tops Every influencer posted 2 pictures of the same or different products every day for three months. The total traffic received during this period was over 65,000 unique visitors and pageviews of over 231,000. The following figure from Google analytics show the stats of GonChas for the selected period of time.

Figure 39: Traffic received during first three months of 2019

A total of 456 orders were placed and 648 items were purchased during these three months. The gross sale amount was

$16,423.

Figure 40: Sales on GonChas from 01.01.2019 up until 31.03.2019
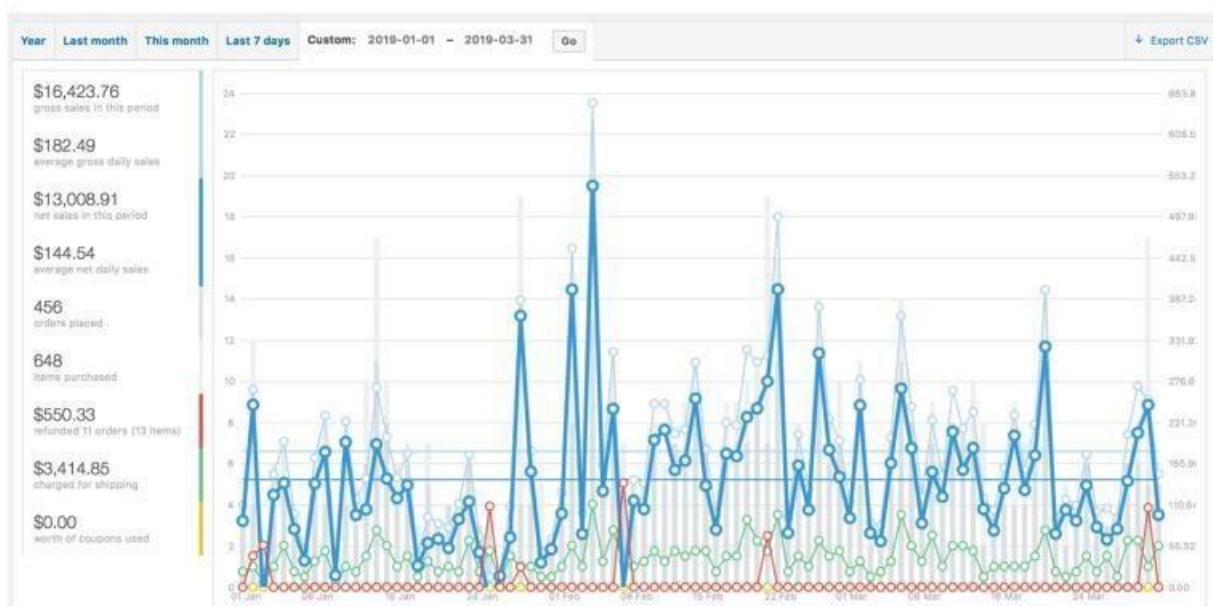
Overall Evaluation of Influencer marketing

The overall influencer marketing campaign was a success. The total amount paid to two influencers for three months was

$3000. The total revenue acquired during this period was $16,423. Out of this amount, $9000 was spent on fulfilling orders,

$3000 was paid to the influencers, and $500 was paid as the site running expenses. The remaining amount was $3923. After deducting income tax, $3334.55 was left as profit. So, by using the influencer marketing on GonChas a total of $3334.55 was made as profit with ROI of positive 111.13%.

Comparison of Pinterest ads and Influencer Marketing

After the careful examination of both the types of Marketing, the results acquired through Influencer marketing were a lot better than the results acquired through Pinterest promoted ads. One of the main reasons for this huge difference is the greater reach of Influencer marketing as compared to Promoted pins, in terms of the amount spent. In Promoted pins, every click the ad gets has to be paid, while in influencer marketing, a fixed amount is paid upfront to the influencer and the clicks/traffic keeps on coming for a long time without any extra payment. In the case of Pinterest ads, the reach stops once the amount has been used. The second reason for the difference in results was the limited budget and the short time allocated to Pinterest ads. The results could have been different if a higher budget and a long period of time was selected.

CONCLUSIONS, LIMITATIONS AND FUTURE PERSPECTIVES

Social media is becoming an integral part of our everyday life. People are spending tens of hours every week on social media, either through their smartphones or computers. This thing has led many companies to spend a significant amount of money on doing social media marketing. But without a proper strategy and understanding, these marketing campaigns do not bring any fruits. The first step in making any marketing campaign is understanding the target audience. All the visitors to a business are not necessarily the same. These visitors fall in different categories. Some of them are there to buy, others are just considering buying while few others are not sure if they want something. So, for targeting the right customers a strong and targeted marketing plan is inevitable. The second step involves creating the marketing strategy. It involves a careful analysis of the business. This analysis includes finding the interest and demographics of the current customers.

Because without knowing these traits of current customers, the business cannot find the potential customers. Setting goals is also an important part of the strategy. These goals have to be specific, measurable, attainable, relevant and timebound. All these points are very important to remember while creating a marketing campaign. Promoted pins/ Pinterest ads are quite new as compared to advertising on other social networking sites like Facebook and twitter. For setting up a successful advertising plan on Pinterest a good marketing strategy has to be made. All the essential parts of advertising like the interests, demographics, etc. of the target audience has to be selected very carefully. Another important type of marketing that works on Pinterest is influencer marketing. By finding the right type of influencers and following the right strategy, brands can make more profit than other types of online marketing. As in the case of GonChas, influencer marketing was able to bring in a good amount of profit and brand awareness. Brand awareness can be measured by a number of KPI"s.

The monthly engaged users are the users that have clicked, liked, shared, commented, or followed the Pinterest account of GonChas. Before the launch of the Influencer marketing campaigns, the number of people getting engaged per month was around 14,400, but after launching the influencer marketing campaigns, the monthly engagement rose to 30,021. Also, the monthly impressions for GonChas on Pinterest increased from 300,000 to 938,000.

One of the most important results achieved through this study was the optimization of influencer marketing. GonChas has been doing influencer marketing since the starting days but those campaigns were not optimized. All the research done during the course of this study, has helped in optimizing the marketing campaigns. During the planning phase of these campaigns a research was done to find the most suitable influencer for the type of products to be promoted. Proper goals were set, and the metrics were analyzed every day to check the performance of the campaign. The type of products used, and the timing of post share were also noted. This optimization proved to be very helpful and the results achieved by these optimized campaigns have improved the overall performance of GonChas, in terms of number of sales, user engagement and brand awareness. The influencer marketing campaigns has also helped GonChas in increasing the number of followers on Pinterest that went from 11,300 to 12,086. Although this paper provides satisfactory results to give interested people guidance to successful Pinterest advertising and influencer marketing, but it has its limitations. To start with, Pinterest is a new form of social media, and there has not been much research work done on it. So, some of the data has been used from

online sources. Secondly, while identifying the characteristics of influencer marketing, the focus has been on influencers working in the niche of fashion and lifestyle, which naturally does not show the whole scope of influencer marketing on Pinterest. Another limitation while running Pinterest ads was the limited budget and time allocated for Promoted Pins. A more extensive and thorough campaign could have been launched with a bigger budget, and more refined results could have been achieved. Nevertheless, one week's campaign gave valuable information about Pinterest ads, and the knowledge acquired can be used in planning future campaigns. Also, Pinterest is rapidly changing from month to month, new features are being added or modified, so readers in the future have to be cautious and need to check whether the presented information is up to date or not. The

information, tactics, strategies, and frameworks discussed in this thesis regarding social media marketing can serve as a good example, but the results are not guaranteed.

Further research in the future can include methods on how to integrate influencer marketing with Pinterest ads. If Pinterest devices a method whereby integrating the influencers and Pinterest ads, it can bring more value to Pinterest, the advertisers and will encourage the influencers to make more quality content. Also, 86 integrating Pinterest ads with other advertising channels such as email, search, etc. can be a part of future research. Although limited by amount of resources and time, this work tried to grasp the topic of Pinterest advertising and Pinterest Influencer marketing comprehensively.

The research contributed to furthering knowledge about Pinterest, as it is a fairly new and does not have much research work done on it. This study also gathered valuable knowledge on how to plan, launch and evaluate marketing campaigns on Pinterest.

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