Frederique's Choice in the German market.

The relevance and use of Social Media and Search Engine Marketing in the context of building brand awareness.

Bachelor Assignment Business Administration
University of Twente

Autor: Rick Bramer (s0193720)
First Supervisor: Dr. Efthymios Constantinides
Second Supervisor: Drs. Patrick Bliek
External Supervisor: Dhr. Paul Roetenberg

life in full bloom

Management Summary

During the past few decades, the competition between traditional- and online markets has intensified. With the rise of the internet, a whole new concept in retailing strategies has emerged. Organizations have felt the growing importance of integrating an online presence into their competitive strategy. This has led to a booming new industry of online advertising, professional website services and domain name retailing. In addition to organizations, society and its individuals have also been radically influenced by these developments. The internet has become a completely new global environment for a tremendous amount of activities. Nowadays, the web can be used for providing everything to make a complete living. From purchasing clothes, to picking out a new house, people are increasingly using the internet to replace traditional activities and one can imagine the impact of these developments on the existing retailing market. On a parallel level, the internet has also brought about a shift in the social existence of individuals. Through chat rooms, personal pages and online discussion blogs, people are intensively using the web for social activities. Social Media or Web 2.0 has enabled the opportunity of building an online social network and at the same time the possibility for organizations to exploit this network. Online marketing has reached a new dimension with the rise of Social Media. Consumer information, from demographic figures to individual preferences, has become public and easy to find, providing a pool of useful information for organizations. The conversation between business and customer has reached higher levels, ranging from simple information exchange to complete product co-creation.

In this report, an online flower retailing organization is elaborately analyzed based on the developments mentioned above. The organization is used in a case-study to elucidate how organizations can effectively cope with the rising world wide web and all its effects on the corporate world.

Frederique's Choice, an online flower retailing firm, is beginning to expand internationally by entering the German market. To achieve success in this process, the organization has to form an e-commerce strategy to attain market share. In the context of e-commerce, marketing tools like Social Media and Search Engine Marketing are to be accounted for when formulating and implementing a strategy. Frederique's Choice has to find the most effective ways of using these marketing tools for building brand awareness.

Social Media, or Web 2.0, is a new generation of online tools, applications and approaches such as blogs, wikis, online communities and virtual worlds (Constantinides et al., 2008). Organizations can engage in Social Media as a marketing tool to influence the customer's decision-making process and the tool can be used both passively (i.e. listening and gathering information) and actively (i.e. direct marketing, customer advertising concepts, co-creation, etcetera), depending on organizational characteristics and the long- and short-term goals. There are many ways of using this e-commerce tool and many combinations to form a campaign. For Frederique's Choice, possibilities lie in costless showing, advertising, co-creating and combinations of these three, all of which have specific tools for effectiveness.

Search Engine Marketing, just like the use of Social Media, is a form of internet marketing as well. The main aim of Search Engine Marketing is to make business websites more visible on search engine result pages. Search Engine Marketing can be divided into two approaches. Search Engine Advertising and Search Engine Optimization. The first concerns placement of advertisements additional to the main result links. Advertisers pay a fee to Internet search engines to be displayed alongside organic (non-sponsored) Web search results (Ghose & Yang, 2009). The latter deals with optimizing the ranking of web pages in search engine result pages by means of figuring out the details of search and ranking algorithms used by these search engines (Olsen et al., 2010). This can also be done by Link Building, which consists of generating optimal backlinks from external web pages to promote the main website.

In the field of Search Engine Marketing, just like Social Media, there are many tools and ways of reaching organizational goals. By analyzing the website, its visitors and the characteristics of the website traffic, organizations can give consideration to certain actions. In the last chapter of this report, this will be described more elaborately.

Acknowledgements

Chapter 1: Introduction

1.1. Research Background

Frederique's Choice is an organization that is active in the online retailing branch. It specializes in flowers and products associated with flowers. (e.g. Vases, watering cans, flower bulbs, etcetera). The organization was founded in 2008 and has grown ever since. One of the founders is Frederique van der Wal, a well-known fashion model and the face of Frederique's Choice towards the outside world.

The office of Frederique's Choice is situated in Hengelo (ov) in the Netherlands. The workshop, where the flowers are bound can be found some two kilometers from the office, which ensures a close relationship. The focus of the organization is differentiation in quality and as the first known flower brand in the world it is striving to deliver the best quality of flower bouquets to the customers. The flowers come directly from the grower and are bound in the same workshop and shipped the same day. These value chain characteristics increase quality and speed as well as consistency. With these quality driven aspirations comes a certain segment of customers. Frederique's Choice aims to reach customers who place quality above price and who feel connected to the brand image of Frederique's Choice and the lifestyle of Frederique herself.

To reach a significant amount of customers with an online web shop, a lot of effort has to be put in Search Engine Optimization, Social Media initiatives and Link Building. These terms are elucidated in further chapters of this report. The website has to become well known to the public and highly ranked in search engines like Google to achieve higher sales and a bigger market share. At Frederique's Choice, search engine optimization is outsourced to another organization with expertise in this area. The Dutch version of the web shop has already been optimized and for most common searching terms it can now be found on the first search engine result page of Google.

As for Social Media, Frederique's Choice has accounts on popular platforms like Facebook, LinkedIn and Twitter.

Frederique's Choice has used the online marketing tools mentioned above to gain more recognition among Dutch customers. Additionally, Frederique's Choice is planning to enter the German market as well. With a market size that is the fivefold of the Dutch market, entering this market could be the key to becoming a widely known flower brand across Europe. However, Frederique's Choice has been coping with problems on achieving brand recognition and sales in Germany. Throughout this report, the possibilities in the field of online marketing to assist the organization in achieving better brand awareness in Germany are mapped out. By actively using the marketing tools mentioned above and by monitoring the steps Frederique's Choice is initiating better knowledge of the subject has been attained as well.

In the following chapters, an internal and external analysis of the organization is conducted, followed by an elaborated explanation of the marketing definitions to shape a better image of online marketing for the readers.

1.2. Research Problem

The situation described above gives reason to conduct a research study for Frederique's Choice in the field of brand awareness through the use of internet marketing tools. As a new entrant in a market, organizations experience problems with attaining new customers, for the brand name is fairly unknown. Nowadays, consumers can retrieve a lot more information about products through the use of the internet. This brings along both threats and opportunities for starting organizations. By effectively using the internet, both actively and passively, as a strategic marketing tool, an organization can reach a great number of consumers in relatively less time than a decade ago. However, by making the wrong decisions in this context, it can also drive away possible customers, who in turn can spread the bad news faster than ever before. The eventual goal of this study is to form an effective strategy in the internet context and to create a unique competitive advantage on the internet by using internet marketing tools.

The research question to support the study can be best formulated as following:

How can Frederique's Choice strategically implement online marketing tools to attain higher turnover rates and a bigger market share in the German online flower retailing market?

1.3. Sub Questions

Below a list of sub questions can be found to support the main research question and this report in its totality. With every sub question comes a list of most important subjects in its context.

1. What are the main characteristics of Frederique's Choice and its environment?
   - Internal.
   - Website.
   - External (i.e. German online flower retail market).
   - Online marketing.
2. What are the possibilities in the field of Social Media?
   - Definition and current features and trends.
   - Useful platforms for the organization.
   - Context of usage of Social Media by target consumers and competitive organizations.
   - Recommended actions and initiatives.
3. What are the possibilities in the field of Search Engine Optimization?
   - Definition and current features and trends.
   - Applicable networks and how to reach them.
   - Recommended actions and initiatives.
4. How can overall progress be graded and sustained?

1.4. Methodology

In a methodological context, the findings in this study are mainly attained by desk research. Consequently, this assignment can be seen as a case study, in which most information comes from academic literature and the internet as a whole. There has been consideration of conducting a survey among German consumers. However, there have been more students that have used this methodology at Frederique's Choice in the close past.

The aim of this study is to enhance the understanding of the relevant functions of e-commerce and to bring up ideas that have proven to be effective in academic literature. Additionally, extensive use of academic literature has had a positive effect on the knowledge on this subject and the use of internet alongside of the literature can result in giving proper recommendations based on both theory and practice.

This desk research was mainly situated at the office of Frederique's Choice. The everyday activities and the organizational culture were therefore taken into account.

In addition to the above, some extra activities have taken place. First of all, there are trading fairs throughout the country that Frederique's Choice participates in. Taking place in these fairs has lead to a better understanding of the customers reaction to the products and even though they are not situated in Germany, they still enhance the understanding of the organization and its brand in particular.

In addition to the trading fairs, a Social Media workshop has taken place. This workshop was conducted by DHL and was situated at their headquarters in Bonn, Germany. During this workshop, Frederique's Choice was used as a case and a Social Media strategy was formed based on the expertise and knowledge of the specialists of DHL. The relevance of this workshop is that the findings in this assignment can be compared to the findings in the workshop. Based on the similarities and differences, a more solid strategy can be formulated.

1.5. Theoretical Background

1.5.1. Internal analysis

The internal analysis consists of an analysis of the objectives, the culture, the structure and the strategy of the organization. In addition, a web-marketing analysis is conducted to describe the website of Frederique's Choice and its position within the organizational context. The chapter is concluded by summing op strengths and weaknesses. The literature that is used for the first part of the chapter is the book of David Boddy (2008). This book contains relevant models and theories on analyzing organizations and is therefore useful for this part of the assignment. In addition, the brand manual of Frederique's Choice is used to attain extra specific brand information. The web-marketing analysis is conducted by using the 4s-Web Marketing model proposed by E. Constantinides (2002). This model identifies the critical elements of an organizations website and the importance of this website for online marketing and E-commerce.

1.5.2. Environmental analysis

The environmental analysis consists of a micro- and a macro-environmental analysis. The micro-environment is analyzed by using the five-forces-model of Porter (1985). This model is chosen because it uses all the critical elements of the organizations market to determine the profitability. The model can be used for practically every market and is therefore also applicable for the micro-environmental analysis of Frederique's Choice. For the macro-environmental analysis, the PESTEL-model is used. This model maps the important factors outside the market that can influence organizational decision making. The model was thought to lead to a well founded insight in the organizations macro-environment and is therefore

chosen. Searching the internet for specific competitor and market characteristics has an aiding role in the analysis.

1.5.3. SWOT-analysis and confrontation matrix

To form conclusions about the internal- and external environment and their connections, a SWOT-analysis is conducted. Strengths, weaknesses, opportunities and threats are summed up and a strategy is formed by using a confrontation matrix. This matrix can give shape to core problems by analyzing the relations between internal and external factors. The essence of this chapter is to find the core problems and the ways to deal with them. Forming tactics to enhance overall performance are centralized in this process.

1.5.4. Social Media analysis

To analyze the Social Media characteristics of Frederique's Choice, the concept must first be investigated by using literature. In this chapter, multiple articles are used to enhance the understanding of Social Media and its role in modern society and markets. In special, the Web 2.0 applications model, proposed by Constantinides (2008) is used to ensure the use of all Social Media functions. The actual Social Media strategy of Frederique's Choice and the practical possibilities are analyzed by using the internet and the Social Media platforms themselves. Conclusions in this chapter are formed by a scenario-analysis. Different scenarios ask for different efforts and outcomes. It is therefore wise to look at the possible strategies and the outcomes that are likely to be observed.

1.5.5. Search Engine Marketing analysis

This analysis is conducted in a similar fashion as the Social Media analysis. The core concepts are discussed by using different scientific articles and the actual issues are brought to light by using the internet (e.g. site analytics, user demographics and search engine outcomes).

Chapter 2: Internal Analysis
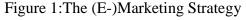
2.1. Internal analysis overall

The aim of this internal analysis is to shape a better image of the organizations characteristics. All elements within an organization have an effect on the results of that organization and to fully shape this chapter, the following elements are analyzed (D. Boddy, 2008):

- *Objectives:* The desired future state of the organization.
- *Culture:* Norms, beliefs and underlying values that characterize the organization.
- *Structure:* How tasks are divided and coordinated to meet objectives.
- *Strategy:* Set of decisions and actions intended to improve the long-run performance of the organization.

2.6. Web-Marketing Analysis

For online retailers, the website is the first product the customer comes in contact with. Unlike conventional (physical) shop owners, online retailers should account for other factors that can influence customer buying behavior. Whereas traditional strategic models, designed to convince consumers to purchase the organizations products, consider the well-known 4Ps[1] model, online retailers have to account for the Web Experience[2] as the factor most likely to influence online consumers (Constantinides, 2002).

Before implementing Social Media (or Web 2.0) initiatives into the strategy of an organization, it must first be sure to have a functional website that effectively advocates the organization and its products to the online consumer, as can be seen in the figure below, proposed by Constantinides (2002).

Figure 1:The (E-)Marketing Strategy

As can be seen in this figure, successful online retailing is concerned with progress levels. To reach the top and be able to successfully implement a Web 2.0 or Social Media marketing strategy, which is eventually the core of this report, an organization must first address all issues in this pyramid. In this chapter the Web site of Frederique's Choice will be elaborately assessed by using the Web-Marketing Mix model proposed by Constantinides (2002). This model identifies the critical elements for online marketing and E-commerce strategy on three different levels. The issues concerned with each level can be categorized into the four groups mentioned in the next paragraphs:

---

[1] Product, Price, Place and Promotion.
[2] The consumer's impression about the online company (Constantinides, 2002).

- o *Strategic* level: Identifying issues for building up a flexible, value adding and potentially successful E-Commerce organization. In this context, online activities should be seen apart from the corporate ones when it comes to strategic objectives.
- o *Operational* level: Concerned with developing an effective and market-oriented online presence through Web marketing planning.
- o *Organizational* level: Improving the overall organizational efficiency through integration of the virtual business into the corporate infrastructure.

Chapter 3: Environmental Analysis

3.1. Environmental analysis defined

The external environment consists of elements beyond the organization. It combines the competitive (micro) environment and the general (macro) environment. It is a constantly changing source of threats and opportunities that can affect the performance, profitability and overall image of an organization. In this section, the aspects of the competitive- and general environment are analyzed and in the next section, the German market itself is elaborately described.

The main purpose of this research is achieving more brand awareness in the German market. The German market environment is therefore the main information source of the analysis. Possible differences between the German and Dutch markets are also described.

3.4. The German Market

Forces outside the own market can also shape an organizations policy. This chapter is meant to describe the general and online flower retailing market of Germany. For a new entrant in the German market, it is important to create a well formed picture of the market in terms of size, demographics, consumers and competitors. In this section, the general market characteristics will be described, followed by a more elaborated description of the market itself and the current activities of Frederique's Choice. In this context, one should keep in mind that the actual market of the organization is based on the internet and online retailing, which differs fundamentally from the conventional market.

3.4.1 General Market

Germany is the fifth economy of the world and the first of Europe (https://www.cia.gov/, January 2012) and with a population of over eighty-million, it receives interest from many international organizations. According to market research, Germany shows a growing percentage of organizations that purchase flowers and plants for decoration. Consequently, Frederique's Choice is starting its first initiatives to enter the German online flower retailing market and hopes to achieve higher sales and a bigger market share in the long term.

The internet in Germany accounts for almost half of the revenues in the retail sector (http://www.fact-finder.com/, January 2012), which makes Germany one of the most developed countries in the field of e-commerce.

Chapter 4: SWOT-Analysis and confrontation matrix

4.1. SWOT-Analysis

A SWOT-Analysis is a tool that is often used by organization to evaluate whether their strategy is still in line with the changes and developments in the market. From an internal analysis, strengths and weaknesses of the organization are brought to light and by analyzing the environment, opportunities and threats are detected. If these factors are identified, the organization can choose a strategy that best fits these internal and external characteristics. In the last two chapters, the internal- and external analysis have been conducted, from which strengths, weaknesses, opportunities and threats have been identified. Frederique's Choice can use these characteristics to follow four kinds of strategies:

1. Grow: Using the internal strengths to exploit the opportunities in the market.
2. Retreat: If there are significant weaknesses and the market has a lot of threats, profitability is not likely. Retreating from the market might be the only option.
3. Defend: Using the internal strengths to shield the organization from harming effects of upcoming market threats.
4. Reinforce: Strengthen the organizations weaknesses to increase the chance of exploiting opportunities.

If a choice has been made considering the scope of the organizations strategy, the confrontation matrix can be useful to identify the organizations options for further shaping its strategy. In the confrontation matrix, the four factors of the SWOT-Analysis are brought together to see which relationship exists between them (e.g. how significant is the effect of a strength on the probability of exploiting an opportunity).

4.2. The confrontation matrix

The confrontation matrix is conducted based on the findings from the SWOT-Analysis. As said before, the confrontation matrix can be used for shaping a specific strategy based on relations between internal and external factors.

In the confrontation matrix below, these factors will be linked to each other by using the following grading system:

++   Both factors reinforce each other very positively
+   Both factors can reinforce each other positively
        Both factors do not influence each other significantly
-       Both factors can reinforce each other negatively
--   Both factors reinforce each other very negatively

Chapter 5: Social Media

5.1. General

During the last two decades, the internet has experienced a phenomenal growth in both size and importance. It has become a major source of information for both businesses and consumers. Many different web-based applications give consumers the ability to easily attract more information about products and services and screen alternatives. On the other hand, it gives organizations the ability to attain information about customer behavior, preferences and taste. The internet and in particular its Social Media aspect are elaborately described in this chapter.

5.1.1. Definition

Social Media, or Web 2.0, is a new generation of online tools, applications and approaches such as blogs, wikis, online communities and virtual worlds (Constantinides et al., 2008). The internet has become an interactive communication environment, and businesses and consumers all over the world use the internet to attain information about products, markets and consumer behavior. As one can imagine, Web 2.0 applications are an interesting aspect for marketing initiatives. Consequently, organizations are starting to use various forms of Web 2.0 applications in their marketing strategies. A fundamental element of Web 2.0, known as Customer-Generated Content (CGC), contains the principle of generating, reviewing, editing and disseminating content by users of Web 2.0 applications. In this context, users add value to the web as well as they extract value. The result of this development is that organizations use Web 2.0-based approaches to extract value from CGC. Some organizations even outsource their product development to their customers to improve relationships and increase customer loyalty (Constantinides et al., 2008; O'Reilly 2005). As for now the term Social Media or Web 2.0 has not received a universal definition. However, Constantinides/Fountain (2008) proposed the following:

''Web 2.0 is a collection of open-source, interactive and user-controlled online applications expanding the experience, knowledge and market power of the users as participants in business and social processes. Web 2.0 applications support the creation of informal users' networks, facilitating the flow of ideas and knowledge by allowing the efficient generation, dissemination, sharing and editing of informational content.''

5.1.2. Current features and trends

For online retailing, Social Media can be a very important source of information on consumer behavior. Moreover, these consumers have the possibility to access more information on products and services and compare these with products and services of many different organizations. This concept brings along the empowerment of consumers in the process of product development. Additional options like product customization are widely appreciated amongst online shoppers and could lead to an increase in sales.

Frederique's Choice, as an online retailer, also experiences the effects of Web 2.0 applications. Consumers that plan to purchase a flower bouquet online are able to access a rich pool of information on the variety of online flower retailers and their products. They have the possibility to compare prices, quality features and service aspects of many different retailers.

Research has shown that the online retail sales in Germany has grown in the last years and has become one of the top three sales volumes of Europe (Forrester Research). As a result of this raise, more and more consumers are seeking and adding information about products online, expanding the information pool in Social Media platforms.

Nowadays, before the actual purchase takes place, customers demand a certain amount of information to reduce uncertainty and risks. The fact that consumers attract, add and share product- and service-related information from, to, and with the web does not only have implications for consumer knowledge and influence, but can also be very useful for organizations. There are many ways in which organizations could use this interactive platform for marketing-related purposes. This will be elaborated in the following section.

5.1.3. Implementation

Organizations can engage Social Media as a marketing tool to influence the customer's decision-making process. The way in which this tool can be best implemented depends on the characteristics of the organization itself, its products and its objectives. In this section, two principle ways of implementation are described, using the figure proposed by Constantinides et al. (2008) that can be found below. The figure shows the different application types and their suitability in a variety of marketing objectives.

Figure 3: Web 2.0 Applications as Marketing Tools

Marketing Objective / Application Type	Passive	Active			
	Listening in	PR and direct marketing	Reaching the new influencers	Customer advertising concepts and product reviews	Customer as co-producer
Web logs	XXX	XXX	XXX	XX	X
(Content) communities	XX	X		XXX	XXX
Social networks	X	XX		X	XX
Forums/Bulletin boards	XXX	X	X	XX	XXX
Content aggregators		XX	XXX		

Note: XXX: very suitable; XX: suitable; X: suitable sometimes.

The Passive Way

The passive way of implementing Web 2.0 applications as a marketing tools is concerned with listening to the customers opinion and using the web as an intelligence source. For an organization like Frederique's Choice, with the need for a good brand image, listening to customers can be vital. Attracting information about market experiences, possible dissatisfaction and new market needs can be useful for building a brand that corresponds with customer expectations and demands. Moreover, because of a restricted financial budget, analyzing the market in traditional ways (e.g. through surveys or focus groups) might not always be financially recommendable for Frederique's Choice.

To attract the opinion of customers, organizations could use several applications. As can be seen in figure 3, Web logs[3] and forums[4] are very suitable for passive implementation of Web 2.0. In these online interactive platforms, people exchange information and opinions about certain products, services or even random events. Regularly screening these blogs and forums might help an organization in shaping a clear picture of recent developments in customer demands and opinions.

---

[3] Online Journals, often combined with Podcasts and Videocasts (Constantinides et al., 2008).
[4] Sites for exchanging ideas and information, usually around special interests (Constantinides et al., 2008).

The Active Way

In addition to listening to the consumer's voice, organizations can also use Web 2.0 applications to actively integrate the attracted information in their product development process. As opposed to just screening blogs and forums, organizations could launch their own interactive environment and invite customers to participate in decision-making. Figure 3 shows four different marketing objectives related to active implementation of Web 2.0 as a strategic tool. Every marketing objective has a different degree of customer influence, starting with expressing ideas and suggestions and ending with making customers co-producers through offering online tools that allow full product customization. For Frederique's Choice, this could for example be the creation of an online tool that enables customers to customize flower bouquets to their own taste.

The active use of Web 2.0 requires the development of an intelligence system and network for online PR activities and the creation of Web 2.0 applications allowing for product customization and co-creation (Constantinides et al., 2008). Additionally, the time and costs required to effectively integrate these systems might be a threshold for organizations like Frederique's Choice.

In the following sections, the above information and assumptions will be applied to the organization and its market (i.e. German Market).

5.3. Usage among German consumers

The internet users in Germany in 2011 represent 79.9 percent of the total population and with over 50 million unique visitors it has one of Europe's biggest internet usage. Over 38 million of the internet users aged between fourteen and seventy years have bought goods or services online in 2010. According to recent analysis the websites eBay, Facebook and Google have the biggest market share in terms of total usage time of all internet surfers with respectively 38 million, 33 million and 30 million hours a month (http://www.newmediatrendwatch.com/, January 2012). Social networking sites and gaming sites enjoy a high average usage time in Germany and the biggest age group is between twenty and forty years. Some other statistics on internet usage among German consumers can be found in appendix C.

Chapter 6: Search Engine Marketing

6.1. Introduction

Search Engine Marketing, just like the use of Social Media, is a form of internet marketing. The main aim of Search Engine Marketing is to make business websites more visible on search engine result pages (SERPs[5]). Being one of the first sites consumers find when entering certain search terms, brings along a huge amount of publicity. For online shops like the site of Frederique's Choice, this publicity usually leads to an increase in sales and brand awareness, but other sites also seek publicity to attract advertising organizations to their website. Search Engine Marketing can be divided into two approaches. Search Engine Advertising and Search Engine Optimization. Both approaches are used to achieve the overlying aim, which is an increase in the visibility of web sites, but the means of achieving this aim differs. These two approaches are described in the following sections.

6.2. Search Engine Advertising

This approach to Search Engine Marketing concerns placement of advertisements additional to the main result links. Advertisers pay a fee to Internet search engines to be displayed alongside organic (non-sponsored) Web search results (Ghose & Yang, 2009). Advertisers usually only pay for every consumer that clicks on their sponsored links. The position of the ads is determined by an auction, where the bid by the advertiser is taken into consideration while computing the final position of the advertisement (Abhishek & Hosanager, 2007). The central idea behind this concept is that the display of advertisements leads to a bigger reach in terms of consumers.

6.3. Search Engine Optimization

Search Engine Optimization deals with optimizing the ranking of web pages in search engine result pages by means of figuring out the details of search and ranking algorithms used by these search engines (Olsen et al., 2010). The aim of this tool, much like the advertising tool, is to increase the number of website visitors and conversions. Altering the websites content and HTML[6] source code is one way of achieving higher rankings in search engines. However, efficient alterations require specific knowledge of the algorithms. Consequently, the majority of organizations outsource this process. Because algorithms are constantly changed, optimizing a website is a never ending process that requires a lot of effort.

Another way of achieving higher rankings is by Link Building. This approach is concerned with generating optimal backlinks from external web pages to promote the main website and is therefore often called off-page optimization. Search engines have algorithms concerning backlinks to rank websites according to the link structure of the graph. The engines consider the number and relevance of links from external sites to the target site (Malaga, 2008). If a website has a significant amount of high-quality backlinks, it will achieve a higher ranking in search engines and therefore a bigger amount of visitors. The figure in Appendix D gives an impression of the importance of backlinks by linking the amount of links (table 2) to the amount of visitors to that particular website (table 1). One can see that the websites with a high amount of monthly visitors also have a high amount of backlinks. The correlation is not totally linear because of differences in other marketing strategies.

---

[5] The listing of web pages returned by a specific query on a search engine
[6] HyperText Markup Language; Markup language for websites.

<u>References</u>

Abishek, V., Hosanager, K., 2007, *Keyword Generation for Search Engine Advertising using Semantic Similarity between Terms.,* ACM Magazine, New York, retrieved December 8. 2011 from http://opimweb.wharton.upenn.edu/.

Alba, J., Lynch, J., Weitz, B., Janiszewski, C., Lutz, R., Sawyer, A. and Wood, S., 1997, *Interactive home shopping: consumer, retailer, and manufacturer incentives to participate in electronic marketplaces.,* Journal of Marketing, Vol. 61, July, pp.38–53, retrieved December 12, 2011 from http://faculty.fuqua.duke.edu/.

Boddy, D., 2008, *Management, an Introduction* (4th edn), Pearson Education Limited, Harlow.

Constantinides, E., 2002, *The 4s Web-Marketing Mix model,* Electronic Commerce Research and Applications 1, pp. 57-76, retrieved January 12, 2012 from http://www.utwente.nl/.

Constantinides, E., Lorenzo C., Gómez M.A., 2008, *Social Media: A New Frontier for Retailers?*, European Retail Research, vol 22, issue I Springer, retrieved November 1, 2011 from http://www.utwente.nl/.

Constantinides, E., 2010, *Survival in the era of the empowered customer: Turning the Web 2.0 menace into a strategic opportunity,* Working paper, retrieved January 11, 2012 from http://files.meetup.com/.

Currim, I.S., Andrew, R.L., 2004, *Behavioral differences between consumers attracted to shopping online versus traditional supermarkets: implications for enterprise design and marketing strategy.,* Int. J. Internet Marketing and Advertising, Vol. 1, No. 1, 2004, retrieved November 29, 2011 from http://web.merage.uci.edu/.

Ghose, A., Yang, S., 2009, *An Empirical Analysis of Search Engine Advertising: Sponsored Search in Electronic Markets.,* Management Science, articles in advance, pp.1-18, retrieved December 7, 2011 from http://citeseerx.ist.psu.edu/.

Jain, A., Ganesh, J., 2007b, *Harnessing the Power of Web 2.0 in Online Retail. Part II: An Implementation Roadmap for Retailers.,* White Paper Infosys, retrieved December 7, 2011 from www.infosys.com.

Kaplan, A.M., Haenlein, M., 2009, *Users of the world unite! The challenges and opportunities of Social Media.,* Business Horizons (2010), No. 53, pp. 59-68, retrieved April 10, 2012 from http://michaelhaenlein.com/.

Malaga, R.A., 2008, *Worst Practices in Search Engine Optimization.,* Communications of the ACM, Vol. 52, No. 12, retrieved December 8, 2011 from http://perleybrook.umfk.maine.edu.

Moschis, G.P., 2003, *Marketing to older adults: an updated overview of present knowledge and practice.,* Journal of Consumer Marketing, Vol. 20 Iss: 6, pp.516 – 525, retrieved March18, 2012 from http://www.emeraldinsight.com/journals.htm.

Olsen, M., Viglas, A., Zvedeniouk, I,. 2010, *A Constant-Factor Approximation Algorithm for the Link Building Problem.,* Lecture Notes in Computer Science, 2010, Volume 6509, retrieved December 8, 2011 from http://cs.au.dk/~mo/cocoa2010/cocoa2010-final.pdf.

Porter, M.E., 1985, *Competitive Advantage: Creating and sustaining superior performance,* Free Press, New York.

Schein, E., 2004, *Organization Culture and Leadership* (3rd edn) Jossy-Bass, San Francisco, (CA)

Vermeire, R., Meeder, A., 2008, *Bedrijvenmarkt Intern & Extern: Onderzoek naar het interne en externe gebruik van bloemen en planten in Duitsland, Oostenrijk en Zwitserland,* Productschap Tuinbouw, Zoetermeer.

Internet sources

1. http://www.squer-magazin.de/
2. https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/Bevoelkerung/Bevoelkerung.html
3. http://www.rolandberger.com/expertise/functional_issues/marketing/2008-08-14-rbsc-pub-Brand_loyalty_on_the_wane.html
4. https://www.cia.gov/library/publications/the-world-factbook/geos/gm.html
5. http://www.fact-finder.com/blog/2011/02/03/ecommerce-in-europe-trends-and-outlook-part-iii/
6. http://www.bitkom.org/de/markt_statistik/64038_63892.aspx
7. http://www.nationmaster.com/graph/peo_ave_siz_of_hou-people-average-size-of-households
8. http://www.heimwerker.de/heimwerker/heimwerker-beratung/heimwerker-test/blumenversand-test/blumenversand-test-sieger.html
9. http://www.floraking.de/
10. http://www.proverde.net/2009/10/eu-cut-flower-imports-2008-eurostat-figures/
11. http://www.newmediatrendwatch.com/markets-by-country/10-europe/61-germany
12. http://www.ignitesocialmedia.com/social-media-stats/2011-social-network-analysis-report/#Flickr
13. http://latimesblogs.latimes.com/technology/2011/09/facebook-f8-media-features.html
14. http://www.socialbakers.com/facebook-statistics/
15. http://www.alexa.com/siteinfo/frederiqueschoice.com
16. http://urlinformatie.nl/
17. http://www.facebook.com/
18. http://www.twitter.com/
19. http://www.flickr.com/
20. http://www.sitetrail.com/
21. http://www.gfk.com/imperia/md/content/presse/pressemeldungen2010/100329_pm_oss_2010_efin.pdf
22. http://www.muenchnermedien.de/die-20-beliebtesten-sozialen-netzwerke-deutschlands-2011
23. http://digitalstrategies.blogspot.com/search?q=technographic+segmentation

Appendix E

Dutch Summary

Frederique's Choice is de eerste organisatie ter wereld die een merk verbindt aan bloemen. De strategie van Frederique's Choice is om door het differentiëren op het gebied van kwaliteit en service een groot marktaandeel op te bouwen. Naast de Nederlandse markt wil Frederique's Choice ook zijn kansen gaan zoeken op de Duitse markt. Het penetreren van de internationale markt brengt echter moeilijkheden met zich mee. Omdat het merk in Duitsland nauwelijks herkend wordt, moet er een strategie gevormd worden om deze naamsbekendheid te vergroten. In dit rapport wordt door het analyseren van de internetwereld en haar Social Media en zoekmachine marketing aspecten een strategie geformuleerd die ervoor moet zorgen dat Frederique's Choice een vast marktaandeel gaat innemen op de Duitse markt.

Social Media, of Web 2.0, is een nieuwe generatie van online tools en applicaties waarbij zowel de consument als de producent toegang heeft tot een nieuw gebied aan informatie. Organisaties kunnen Social Media gebruiken als marketing tool om het koopgedrag van de consument te beïnvloeden. Het is zowel passief (i.e. verzamelen van informatie) als actief (i.e. directe marketing e.d.) te gebruiken, afhankelijk van de bedrijfskarakteristieken en de doelen op korte- en lange termijn. De vele applicaties nemen met zich mee dat er veel combinaties mogelijk zijn bij het vormen van een online marketing campagne (e.g. kosteloos tonen van het merk, adverteren en samenwerken met de consument).
Zoekmachine marketing, net als het gebruik van Social Media, is een manier om naamsbekendheid op te bouwen via het internet. Bij deze tool gaat het vooral om het vindbaar maken van de bedrijfswebsite. Door het plaatsen van advertenties naast de gebruikelijke linkresultaten (Search Engine Advertising) of door het optimaliseren van de inhoud van de website en/of het plaatsen van backlinks om andere websites om de ranking in zoekmachine algoritmes te verhogen (Search Engine Optimization) kan Frederique's Choice ervoor zorgen dat het aantal hits van de website stijgt en daarmee de conversie omhoog gaat. Ook op dit gebied zijn er veel mogelijkheden en veel combinaties voor het vormen van een strategie.