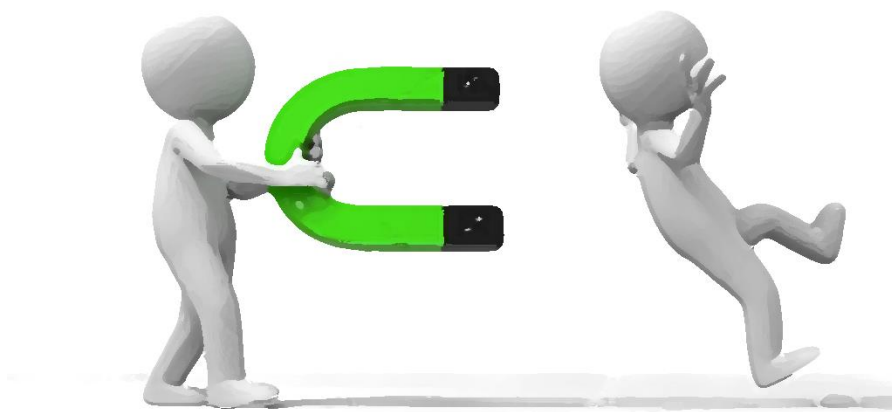# Marketing Automation

Care about your customers

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Preface

This thesis is submitted as completion of the four- year study program of European studies at the Hague University of Applied Sciences. This report is written for educational purposes, in the interest of marketers and any other parties that are interested in marketing automation. This study is based on Hub spot's model and is analysed within the fashion industry.

I would like to express my gratitude to everyone who has supported me in finalising this thesis. First and most important of all, I would like to thank my supervisor Ms. Szabo for the great guidance, advice and availability during the final project. Ms. Szabo encouraged me to keep going till the end. She also made me become a better researcher and I am very thankful for that. Additionally, I would like to thank Ms. Stavleu for revising my English.

Finally, I would like to thank Mr. Konar, founder of Local Marketing Stars from New York City, to provide useful information about marketing automation by giving an interview.

Executive Summary

Recently, a new marketing trend has entered the market. This new software is called marketing automation. It consists of using different marketing tools put together and thereby aiming to collect and analyse all data from an input database. Marketing automation provides organizations the opportunity to attract new prospects and to hold on to satisfied customers at the same time. Additionally, the software brings revenues to the company. An interesting fact is that most marketers have underestimated this new trend. The problem is that most marketers do not know how to implement marketing automation. If the software is implemented in the wrong way, this could mean that the benefits of marketing automation get lost in the process. This study is intended to give marketers a clear description of the influences of marketing automation and how this software is used in the apparel industry. The central question, which is thereby this report's aim to answer, is: how is marketing automation used as an online marketing strategy in the fashion industry? This will be supported with the case studies on H&M and Zara, analysed by Hub spot's marketing automation model.

In this study, three qualitative methods were used in the process of this research report, namely: desk research, literature and one interview. Qualitative research has been carried out into which extent marketing automation has influenced the apparel industry and how the four pillars of Hub spot's model are visible on websites from fashion companies. This research consists of a theoretical framework, the results and analysis. In the theoretical framework, the concept of marketing automation is introduced. The results are described using two comparative case studies based on desk research. These case studies are done within two different companies' websites namely, H&M and Zara. These websites are analysed by using Hub spot's model. Furthermore, the interview provides confirming information by Oguz Konar, who is an expert in the field of marketing automation, about this research report.

This examination has led to the conclusion that the two leading players of the apparel industry applied the marketing automation model correctly. The attract pillar is the most visible pillar on both H&M and Zara's websites. The fashion companies are very active in blogging, the SEO of the website and social publishing and monitoring. By social monitoring, both companies create awareness of its engagement with the customer. The biggest difference between the two companies is that H&M expresses their appreciation towards the new customer in order to build a customer relationship, whereas Zara does not do anything about the customer relationship, besides the customer services with existing customers. Most fashion companies use the same pattern because it is of proved evidence that H&M and Zara are very successful.

Further research is advised to get a better insight of how marketing automation is used in the whole world of the fashion industry. Gaining more information from the customers, for example by the use

of a survey, could be a possible continuation of this research. This could be conducted among Dutch customers about a certain fashion brand. Another interesting perspective is created when inside information is shared in order to see how marketing automation works from a fashion company's perspective. Finally, small- medium businesses may not have the same amount of money to spend in the software and therefore the results will be different, so this is also a window of opportunity for further research. Unfortunately, these questions go beyond the extent of this work, so these recommendations could be used for further research.

Table of Contents

1. Introduction

1.1 Introduction

Nowadays, the Internet and thereby the database of companies has become huge and it has become difficult for both companies and consumers to manage all information. Therefore, a new concept and trend is developed and created, which is called marketing automation. This tool is constructed by using different marketing tools together and thereby aiming to collect, analyse, and present all data by extracting input data from an input database. It is a technology that automates marketing tasks and workflows so that they can increase operational efficiency and grow revenue faster. This tool is a fast growing trend among organizations. For them, marketing automation is a time saver and, as a result of using this tool, they are able to generate more revenues. There is also an advantage for customers: the software is able to easily guide them through the website based on their previous buyer behaviour and helps them to find their needs and interest in just a couple of clicks. Therefore, the customer is more likely to buy something and the organization will gain more revenues. However, most marketers, especially in small organizations, do not know how to implement the software efficiently. As a result, the organization wastes a lot of money. This study is intended to give marketers a clear description of the whole concept of marketing automation.

Marketing automation is implemented in two sorts of industries. The first example of such an industry is Business to Business (B2B), for instance, high-tech/software, manufacturing, and business services. The second example of such an industry is Business to Consumer (B2C), for instance, healthcare, financial services and retail. The software is getting more popular within these industries since the economic recession of 2008. The biggest difficulty for the apparel industry is managing demand uncertainty and controlling strategic consumer behaviour. For the retail environment it is important to know how consumers will react to products well before they are launched (Petro, 2012). Therefore, this research report will study how to manage big data within the online retail industry.

The organization's approach to generate and measure revenue has permanently changed. The buyer behaviour is changing and therefore the industry is forced to change how they sell on the market. Marketing automation unlocked many new sales opportunities (Marketo, The Definitive Guide to Marketing Automation, 2015) and therefore brings a lot of benefits for organizations. For instance, marketing automation makes lead nurturing easier. In this way, the organization is able to increase the chance that a customer will actually buy something. However, the challenge is to find new customers and to keep the existing customers satisfied. On the other hand, when an organization implements the software incorrectly, the automation will be a useless and expensive tool. This is a commonly made mistake by many companies.

1.2 Problem definition

Due to the new software, the way organizations manage all data and approach new and existing customers has changed drastically. Consequently, not all marketers are aware of how the implementation of marketing automation works. The majority of marketing leaders report dissatisfaction with the results of marketing automation. The objective of this problem is to get insight in which way fashion companies implement marketing automation by analysing the world's leading fashion industries using Hub spot's model and comparing the approach from the different companies.

1.3 Research question and sub-questions

This research report will focus on the implementation of the marketing automation software in the retail industry and to what extent foreign companies use the marketing automation in the Dutch market. The central question, which this report's aim to answer is:

- How is marketing automation used as an online marketing strategy in the fashion industry?

Furthermore, the central question will be supported by six sub questions. These sub questions are:

- How is online marketing discussed in the literature?
- What are the different marketing automation definitions?
- What are the advantages and disadvantages or risks of using marketing automation?
- What are the most commonly used models in marketing automation?
- What are the most popular marketing strategies used in the fashion industry?
- What are the similarities and differences between H&M and Zara within the Dutch market?

1.4 Research methodology and limitations

In the research methodology the mission and limitations will be described.

1.4.1 Mission

The mission of this report was to study how marketing automation is implemented within the fashion industry. Therefore, three qualitative methods were used to carry out research. The study began with desk research by surfing on the Internet searching for articles, reports and other sources that provided relevant information related to marketing automation. For instance, the different marketing automation models were found on the website from the two leading marketing automation providers Hubspot and Marketo. Both case studies are based on this source. Furthermore, an introduction into the online marketing world is retrieved from literature such as, Marketing an introduction from Armstrong G. and Kotler P. and Internet marketing from Chaffed D., Ellis- Chadwick F., Mayer R., and Johnston K. Secondly, an interview that adds credibility to the information is processed into this report. These methods are used to answer the main question. In this research report, it is decided to make use of comparative case studies supported by Hub spot's model. A case study is an example of how an event, problem, or activity in real life influences decisions (UNSW Australia, 2013). The comparative case

studies are concerned with the two leading players in the apparel industry namely, H&M and Zara. These two companies are chosen because H&M and Zara are from origin a Spanish and Swedish company trying to succeed internationally and therefore also on the Dutch market. The decision to use Hub spot's model is because the organization is one of the leading marketing automation providers and therefore the most used model among organizations. Furthermore, this model clearly shows the stakeholders who are involved. Hub spot's model consists of four pillars: attract, convert, close and delight. *Figure 1.1 Hub spot's marketing automation model* is the model shown where the case studies are based on.
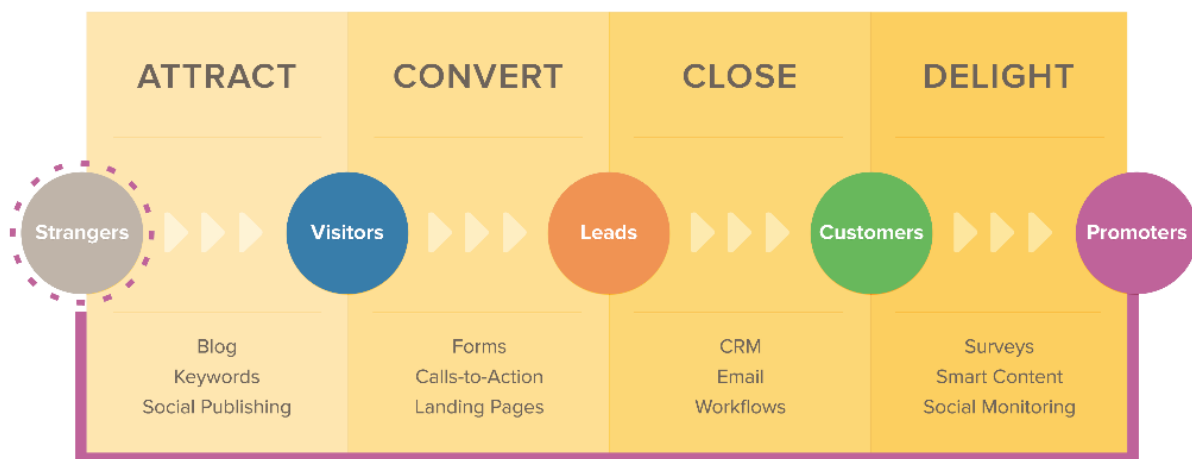

Figure 1.1 Hub spot's marketing automation model (HubSpot, 2016)

Case studies are being used in this examination because of the small numbers of companies who are investigated. Moreover, the outcomes of the case studies are compared with each other and therefore it is considered a comparative case study. The interview with Mr. Konar adds confirming information about the theories in this research report.

In the analysis, the two different fashion companies, H&M and Zara, are compared and discussed based on Hubspot's model. The website of H&M and Zara are studied in detail through desk research. The focus for the analysis is how the marketing automation model is implemented on the website of these two companies. The apparel industry is chosen because marketing automation is a new phenomenon within this industry and the researcher was curious about the implementation of the software within this industry.

1.4.2 Limitations
This examination faced some limitations during research. Marketer managers, from fashion company H&M and Zara, were not able to schedule time in their agenda for an interview with the researcher. According to them, they receive a lot of requests and decided to put all available information on their website. Although, not all the needed information was on the website. The reasons for this is because those fashion companies will not expose their marketing strategy with outsiders. The researcher has emailed 13 diverse fashion companies namely, Zara, Pull and Bear, Bershka, Stradivarius, H&M,

Mango, Only, Villa, River Island, GAP, and Primark, without any results. All companies responded with sort of the same answer as shown below.
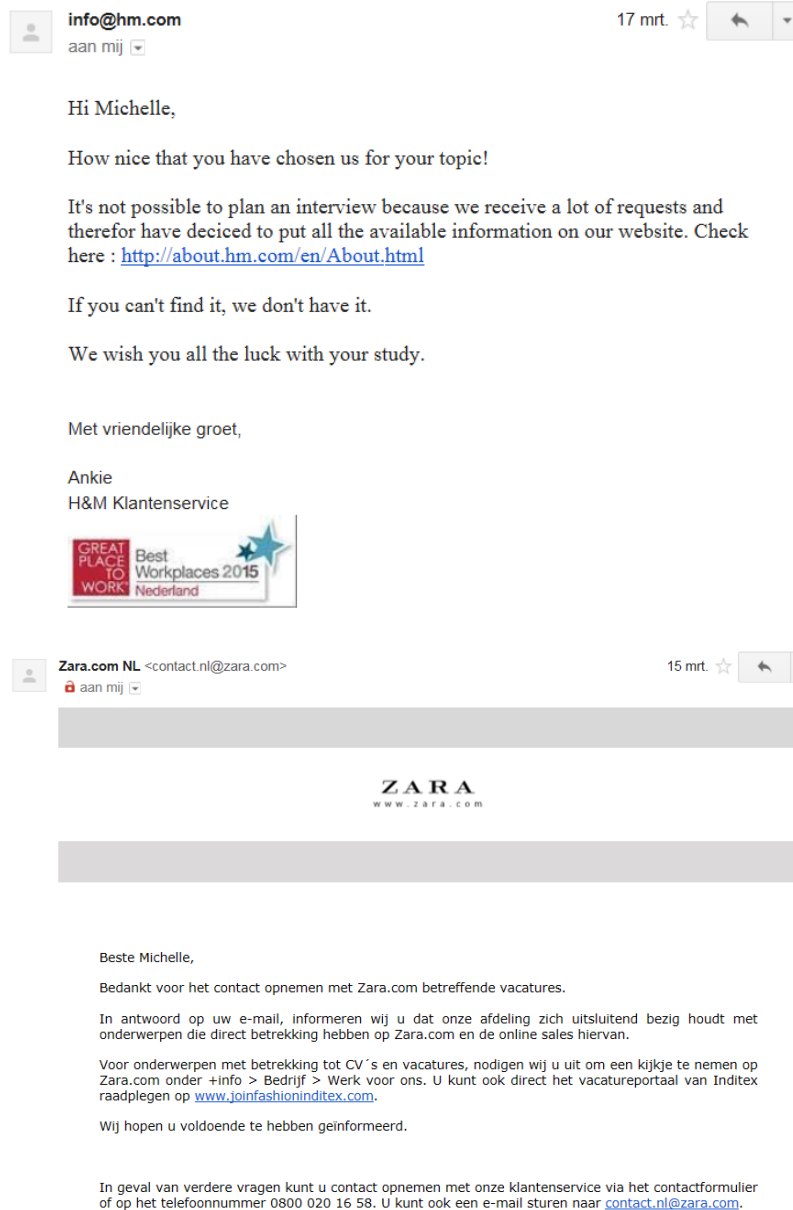
Additionally, another limitation was the limited time the Hague University of Applied Sciences provided to accomplish this research report and therefore the researcher did not have enough time to conduct a survey or to have another interview to strengthen this study. This research only studied two case studies while more case studies would have given a better impression how marketing automation is implemented within the fashion industry.

1.5 Report structure

This research report consists of four chapters. The structure of this report is as follows: the first chapter is an introduction. In this chapter an overview of the research will be given. The introduction contains the problem definition, the research question and sub-question, methodology and limitations, and finally the report structure. The second chapter is the theoretical framework, which is divided into four parts. The first part is an introduction to the online marketing world. The second part will introduce a new trend within the online marketing world, which is called marketing automation. In here, different definitions of marketing automation will be discussed. The third part contains the benefits and risks of marketing automation. This will be supported by images to give a clear view. The last part consists of different models of various marketing automation providers in the B2B industry and B2C industry. The third chapter of the research is the results, which will be supported by two case studies. The case studies explain how the two biggest fashion companies implement marketing automation within the organization. The first case study is H&M and in the second case study Zara will be studied. The fourth chapter entails the analysis, which contains the similarities and differences of the results. Finally, a conclusion will be given based on this research report.

2. Theoretical Framework

2.1 How is online marketing discussed in the literature?

As a result of technological advances and improvements over the last couple of years, we currently live in a digital age. The web of computer networks is called the Internet. This phenomenon connects all types of users over the world to each other and most importantly, it gives access to a huge amount of information. Worldwide, the Internet has a huge impact on both buyers and marketers, who on their turn serve the buyer again. For customers, it provides information about a much wider choice of products, services and prices from different suppliers. The customer's opinion about for example convenience, how fast the product is delivered, price, other general product information and total service can now be shared on the Internet. Hereby, other customers can read this information and gain information by the use of an online search. As a result, marketers are now able, more than ever, to understand and to respond to their customer's needs (Armstrong & Kotler, 2011). It gives organizations the opportunity to expand into new markets, offer new services, and apply new online communication and to compete with larger businesses (Chaffey, Ellis- Chadwick, Mayer, & Johnston, 2009).

In 1998, the Internet was introduced for commercial use and from then on, online marketing has grown rapidly. One of the most important reasons for the success of online marketing is that with this single tool, a large group of customers that can be reached. This is because the number of users accessing the Internet has increased explosively. In addition, the time people spend on the Internet has enlarged as well. In 2005, 68% of the Internet users worldwide used it daily. However in 2011, there was a rise of 18% namely, 86% of the people used the Internet daily (Tadema, 2012). The Millennials generation, a term that is used for the generation that has reached adulthood around in the 21th century, uses digital media daily and have the ability to communicate with each other and buy from a supplier anywhere in the world. For marketers, this particular group is the driving force in online shopping (Smith, 2010).

Since the last decade, online marketing has become a huge phenomenon. According to Mr. Armstrong and Mr. Kotler, online marketing is "to market products and services and build customer relationship online" (Armstrong & Kotler, 2011). Nowadays, online marketing is the fastest- growing form of direct marketing. Online marketing is also known as Internet marketing. The Internet is, as explained before, deeply integrated in society. For this reason, a good marketer should examine the possibilities of the Internet at strategic level. Mr. Chaffef, writer of *Internet marketing*, defines online marketing as 'the application of the Internet and related digital technologies in conjunction with traditional communication to achieve marketing objectives' (Chaffey, Ellis- Chadwick, Mayer, & Johnston, 2009). This includes any media available via smartphones, mobile phones, computers or digital

outdoor sign (Tadema, 2012). To conclude, the general agreement about the definition of online marketing is achieving marketing objectives through applying digital technologies.

The Internet is one of the many digital technologies with other examples as, e-mail or other digital media such as wireless or mobile and media for delivering television. Internet media co- operates with companies' websites to purchase online promotional techniques. Techniques such as email marketing and interactive advertising, aim to obtain new customers and provide service to existing customers that help develop the customer relationship (Chaffey, Ellis- Chadwick, Mayer, & Johnston, 2009). However, according to Rogier, Web manager of Webmonnik, online marketing goes much further than just the above. A marketer must be aware of implementing the correct online activities, which contributes to the realization of the strategy goals (Rogier, 2016).

Each strategy has guidelines. This also applies to the online marketing strategy. In *figure 2.1 strategy process* the strategy process is shown. First of all, marketing penetration: this means that Internet is used to sell more of existing products in existing markets. Secondly, market development: the Internet is used to sell in new markets using the low advertising costs. Thirdly, product development: the Internet is used to develop new (digital) products or services that can be delivered over the Internet. The final strategy is diversification, meaning that the Internet is used to develop new products that can be delivered in new markets (Tadema, 2012).

Figure 2.1 Strategy Process (Tadema, 2012)

"The key question is not whether to deploy Internet technology- companies have no choice if they want to stay competitive- but how to deploy it" (Chaffey, Ellis- Chadwick, Mayer, & Johnston, 2009).

Diverse organizations market online. On one hand, we find click- only organizations, which only operate on the Internet. Organizations such as Amazon and Expedia sell products or services directly to the final buyer via the Internet to search engines and portals (Yahoo, Google), transactions sites (eBay) and content sites (New York Times). A lot of these organizations are successful in today's online marketspace. On the other hand, we find click-and- mortar organizations. These organizations had to add online marketing to their operations. They were former traditional businesses and had to set up their own sales and communication channels. In fact, click- and- mortar companies have more success than their click- only competitors (Armstrong & Kotler, 2011).

Online marketing can be classified into whom initiatives and to whom it's targeted. In *figure 2.1.2 online marketing domains* the four major online marketing domains are shown. First of all, there is business- to- customers (B2C). In this domain, the business sells goods and services online to customers. In the present day, consumers are able to buy everything online - clothing, kitchen gadgets, electronic gadgets or airline tickets. In addition, 35% of the total retail sales comes from online shopping. Most attention is drawn to this domain. Secondly, there is business-to-business (B2B).

Organizations who use B2B websites are more likely to reach new business customers and are often more effectively in service, price and influencing their buying behaviour on the Internet. B2B websites contains e-mail, online catalogues, online trading networks, and other online resources. These businesses do this by offering product information, customer purchasing and customer-support services online. This domain is more than simply selling products online. The companies also care about building a stronger relationship with their customers. Thirdly, there is consumer-to-consumer (C2C). Over the Internet, online marketing and communication occurs between interested parties over a wide range of products and subjects. This domain is about the online exchanges of goods and information between customers. Online discussing forums exist all over the Internet. People are able to share information and discuss certain topics and thereby giving each other advice about specific products. For instance, a place on the Internet where one can find this is blogs or online journals. This can be used for commercial and non- commercial purpose. Nowadays, more and more marketers have applied this new approach. Marketers tap to address carefully targeted customers. The advantage of this approach is that markers can offer a fresh, original, personal and cheap way to enter into customers' web conversations. However, those blogs are hard to control. Blogs are a very large C2C medium. In other words, customers value the words of other customers more than the words of managers from an organization. As a result, 'word of web' or 'word of mouth' has a great influence on customers buying

behaviour. Finally, there is consumer-to-business (C2B). Thanks to the Internet, customers can easily communicate with organizations. Customers can send suggestions and/or questions via the organizations website. Moreover, customers can use websites such as getsatisfaction.com or complaints.com to ask questions, offer suggestions, present complaints or deliver compliments. To conclude, C2B is about online exchanges in which customers search out sellers, learn about their offers, and initiate purchase, sometimes even driven transaction terms (Armstrong & Kotler, 2011).

Figure 2.1.2 Online Marketing Domains (Armstrong & Kotler, 2011)

A study has shown that customers searching through the web are more likely to buy products online (Smith, 2010). Marketers start to reach customers more by online advertising as a result of the increase in customers who use the Internet to buy and sell goods and services. The growth of the Internet has a huge impact in many countries, particularly in terms of online retail. Consumers are influenced by fashion and a desire to show social status. Therefore, the demand for clothing is growing. According to Schulman, E-commerce will grow in the USA and even faster in Europe and developing countries (Schulman, 2008). The online retail industry has grown rapidly. For instance, take an example as India. The revenues have been estimated around 6.6 billion dollar in 2011, a growth of nearly 400% since 2007. Worldwide, customers have easily access through the web. The average American spends six hours per week on the web. The advantage of the web is that customers can do research about certain products. They are able to compare organizations, prices, qualities, perhaps colours of products and opinions; basically whatever they can think of. The average Dutch man spends four and a half hours per week on the Internet (Donavan, 2013). The web is supposed to be used for emailing and surfing on the web.
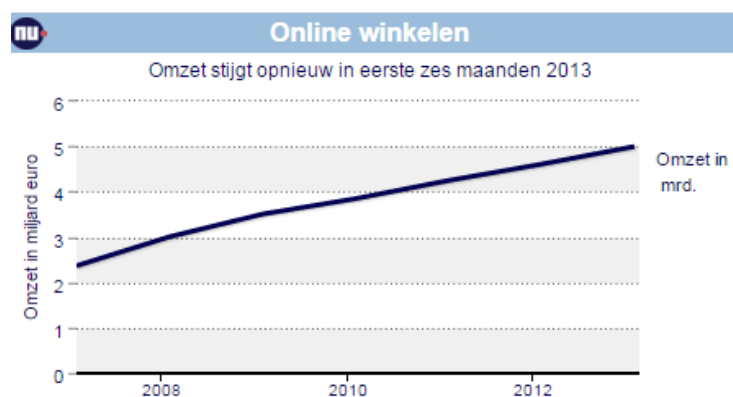

Figure 2.1.3 Online Shopping (Hoek, 2013)

However, at present day 80% of the Dutch uses the web for online shopping. *Figure 2.1.3 online*

shopping shows the revenue from all web shops in the Netherlands from 2008 to 2012. The total revenue was EUR 46 milliard and the average was about EUR 109 per order (Hoek, 2013). Almost 70% of the Americans shop online regulary and nearly 50% of the Americans take advantage of free shipping (Hulkower, 2015). One example of how online stores can affect the competition within the fashion industry can been seen in the case study *Zara*, which highlight the power of online marketing.

Case study Zara

Zara, which belongs to Inditex, managed to become one of the world's largest fashion retailers because, first of all, they are aware of the latest trends. Inditex owns their online webstore in 23 markets. By launching their online webstore in China, they competed with main competitor namely, H&M. Besides, both the Internet and social media networks, have become the main measuring device of customers satisfaction of all the brands in the Inditex Group. For instance, Zara's webstore has over a million visitors daily and Inditex's Facebook page has over 21 million followers (Marketline, 2013). In addition, Inditex has close interaction between customers, stores managers and designers. This is also known as word of mouth marketing. Therefore, their advertising costs are only 0,3%. Above all, numerous celebrities have been spotted in a dress of Zara. As a result, the dress was sold within an hour in all online stores of Zara (Marketline, 2013).

At the moment, the Internet, social media channels and interactive technologies enable Millennials to be more active in the creation and developments of products and brands. Nevertheless, all the glitter is not gold. Despite the fact marketers would like to understand the customer's needs and build a better relationship over the Internet, some forms of digital marketing are found annoying or intrusive by customers. Customers are agitated by a brand when messages interrupt the customer's online activities. A research has been done that identifies what digital marketing strategies could be applied to attract and engage customers, rather than annoy them. In the study, the Millennials were asked to name the marketing strategies that should be avoided on the Internet. Research, with 571 participating Millennials, showed that pop-ups, flashing items; links to sponsors; required software download and un-closable browser windows are found annoying *(Smith, 2010)*. To give a brief summary of the research; results indicate that some of the Millennials prefer certain forms of digital marketing while other Millennials find that annoying. This negative perception can influence the image of the brand. Earlier research has shown that online advertising is ineffective, intrusive and uninformative. Sixty-nine percent of the customers thinks the pop- ups are annoying and 23% would not return to their website *(Smith, 2010)*.

Marketers are finding a way to pull customers towards their website and create a relationship with them. The development of a brand community would be one successful method to implement. They are popular venue for connecting with consumers who favour a certain product and create their own opinion about the brand. At present, marketers are joining communities online, for instance, in their social media networks and search engines. In addition, one of the most valuable benefits of using digital media is their capacity to build a relationship. One way is to personalize their online recommendation. The online recommendation could come from other customers or from personalized recommendations provided by recommender engines or systems. These systems are systems that provide personalized information to consumers *(Smith, 2010)*. As a result, marketers benefit from providing recommendations to online consumers, especially if the source is providing a personalized recommendation.

Since the advent of the Internet, the possibilities of channels that can be used continuously have expanded for online marketing. Developments within the Internet create new goods and services capable for both organizations and consumers. The services in online marketing consist of: affiliate marketing, behavioural marketing, email marketing, social media marketing, search engines marketing and marketing automation *(Tadema, 2012)*. In the next chapter, this research will focus on marketing automation. Marketing automation is linking customer relationship (CRM) to content management system (CMS). With this link, the organization gets insight into which customers and prospects (out of CMS) are interested in fashion and – clothing. Applying this method will make it much easier for the sales department to get the right calls to the right customers.

2.2 What are different marketing automation definitions?

Overall, there is an agreement that online marketing has greatly impacted the way a marketer reaches today's customers. However, most marketers face difficulties in converting the big data into significant content for customers. Therefore, this study will focus on one of the most important developments, namely, marketing automation. Basically, the software automatizes repeatable tasks and is often seen as a subset of customer relationship management (CRM). Marketing automations' focal point is the definition, scheduling, segmentation and tracking of marketing campaigns. Marketers use demographical factors such as gender, age, and education to divide and classify customers. The aim of marketing automation is to make potential customers aware of business products and services. In addition, it creates a large target population for marketers and it measures the efficiency of allocated resources (Times, 2015).

First of all, this study will explain the link between marketing and marketing automation. The goal of marketing is to retain customers (or prospects) and to build a relationship with them. Also, the sales department is heavily integrated. When an organization first launches, the organization consists of the builder and the seller. The builders are building the product, while the sellers are selling the product 1:1 to potential customers. The bigger the organization becomes, the more difficult it is to maintain an 1:1 relationship with the customers. For this reason, the organization is forced to hire a marketing director who can build performance- drive, conversion programs. Eventually, the organization is unable to manage everything such as, Outlook, Word and Excel. The organization will waste money in emailing new customers or in building a new social media platform. At this point, marketing automation comes in (Quicksprout, 2013).

Numerous organizations, both big and small, are interested in applying the marketing automation tool. These organizations are examining how marketing automation can help to strengthen their businesses. Foremost, an organization must understand why marketing automation is essential to business development and customer service. The organization must understand how the buying pattern (or the purchasing behaviour) of the customer has changed with the start of the digital age. To start, it is a fact that everyone is connected to each other day in and day out. Therefore, marketing automation can be used to strengthen the tools needed to handle all the communications and interactions that create the digital footprint of the customer. These tools are used by marketing teams to understand and interpret the data that is created by all of us through our daily searches and clicks on the Internet. The

Email Marketing
Landing Pages
Campaign Management
Prediction/Scoring
Lead Management
CRM Integration
Social Marketing
+ Marketing Analytics
_____
Marketing Automation

meaning of the data is important for the organization's marketing goals (Estrada, 2015).
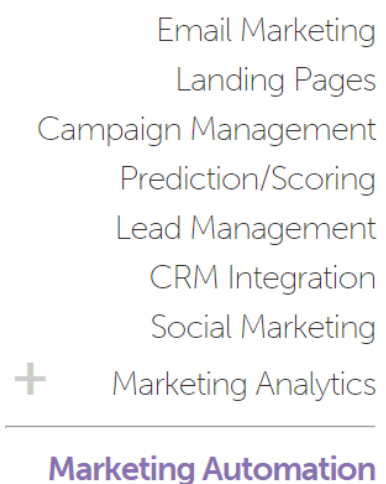
Organizations use many tools to manage the data. However, marketing automation makes it easier for marketing teams to handle all data at once. For instance, how all of the information is related to each other. It is used to see the pattern more clearly and it shows how organizations can reach its target audience more efficiently. However, the tool will not provide feedback or generate information based on what happens when a representor interacts with customers or prospects, while it does when the tools are connected to a CRM platform. The lead flow of the organization cannot be fully optimized without the integration of marketing automation (Estrada, 2015).

"The goal is to have marketing and sales work together, not in spite of each other" (Estrada, 2015).

This study has given the reader a small indication of what marketing automation means. The following definitions descend from trustworthy sources explaining marketing automation from their point of view.

"Marketing automation is a category of software that streamlines, automates, and measures marketing tasks and workflows so that companies like yours can increase operational efficiency and grow revenue faster".

(Marketo, What is Marketing Automation?, 2015)

"Marketing automation is the use of software to automate marketing processes such as customer segmentation, customer data integration, and campaign management. The use of marketing automation makes processes that would have otherwise been performed manually much more efficient, and makes new processes possible. Marketing automation is an integral component of customer relationship management".

(Rouse, Marketing Automation, 2007)

"Marketing automation is the use of software and Web-based services to execute, manage and automate marketing tasks and processes. It replaces manual and repetitive marketing processes with purpose-built software and applications geared toward performance".

(Techopedia, 2016)

"At its best, marketing automation is software and tactics that allow companies to buy and sell like Amazon – that is, to nurture prospects with highly personalized, useful content that helps convert prospects to customers and turn customers into delighted customers. This type of marketing automation typically generates significant new revenue for companies, and provides an excellent return on the investment

(HubSpot, 2016)

In short, marketing automation is a technology that consists of multiple marketing tools that enables an organization, big or small, to manage all data.

Figure 2.2.1 fact vs. myth will explain the myth of marketing automation versus the actual fact:

Marketing Automation Fact vs. Myth

A customer may find the organization through search engines. Afterwards, the customer might like the Facebook page of the organization. The customer would like to be inspired by the organization and start reading blogs posted by the organization on their website and even share one of the blogs. The content of the blog may be so good that the customer subscribes himself for the e- newsletter.

Conversion path are unique visitors. It would be very exciting for the organization if they had hundreds of them.

Fact: One of the main goals is to make sure long-term prospects will be achieved, which means it goes beyond sales. It connects multiple channels including social media, email marketing and content marketing.

Myth: Marketing automation is inhuman and impersonal. It is just another way to spam people.

Fact: Yes, it could be used as bad marketing. However, it can also be used as exceptional marketing that connects people. The tool makes communication stronger. This tool makes it easier to send personalized, targeted messages. By having this part automated, the organization can focus more on the quality of the campaigns and messaging.

Myth: A fancy name to email marketing.

Fact: Not even close. Marketing automation includes multiple channels, such as campaign marketing across all channels- phone campaigns on the social media platform or direct email. The tool is the friendliest marketing channel there is. It leads the customer to their personalized interests (Quicksprout, 2013).

Myth: A solution that only benefits marketing.

Fact: Of course, the marketing department benefits from marketing automation, but also the usage of marketing improves and sales alignment. As a result, increase of revenues.

Myth: A solution that delivers without effort.

Fact: Marketing automation requires the right content, people, data and more. So, it is more complicated than just to sit back and watch the results appear (Marketo, What is Marketing Automation?, 2015).

Figure 2.2.1 Fact vs. Myth (Marketo, What is Marketing Automation?, 2015)

Not only large organizations use marketing automation, also small and mid-sized organizations use the tool. Likewise, organizations in all different kinds of industries are using it. The high-tech/software, manufacturing and business service (B2B industries) were the first to implement marketing automation. Later on, also the business-to-consumers (B2C) industries applied this method such as, healthcare, financial advice, media – and entertainment and retail (Marketo, What is Marketing Automation?, 2015).

As mentioned before, the Internet has had a huge impact in many countries, particularly in terms of retail. If an organization would like to succeed in the fashion industry it is necessary to keep up – to – date with the latest trends. For instance, ASOS, a global fashion destination, introduces 2750 new product lines each week over the Internet. In the case study *ASOS* it is shown that online marketing is the key to success of the company (MarketLine, 2015).

Case study ASOS
ASOS is an online retailer in fashion and beauty products through localized mobile and web platform. Due to the success of their online web store, ASOS has grown 26,8% in their revenues. Their key to success is its commitment to the fast and all time changing fashion industry. Furthermore, the organization has used marketing automation in various ways. First of all, they used it in the segmentation of customer groups. Second, the organization has added a number of features to its website to make it interactive and attractive to shoppers. Finally, the organization has invested in search engine optimization. As a result, ASOS has created a greater demand. (Marketo, The Definitive Guide to Marketing Automation, 2015).

In *table 1* the global positioning of ASOS with their online web store is shown. ASOS is one of the most visited online shopping sites compared to the countries mentioned in the table below, according to ComScore (MarketLine, 2015).

Country	Ranking in the Retail Apparel Category for monthly visitors aged 15-34
Australia	1
UK	1
France	6
Germany	8
Italia	8
Russia	7
Spain	10
China	43
US	6

Table 1: ASOS Global positioning (MarketLine, 2015)

However, the online market has become increasingly crowded in the UK market and the competition has risen with rivals such as Boohoo.com and more apparel retailers entering the online platform. In terms of business models, ASOS and Boohoo are equals. For instance, both operate exclusively online and both are reaching out for the Millennials to embrace social media. Boohoo has invested 50 million pounds in the IT systems and warehouse of the organization. As a result, Boohoo recorded sales of 139,8 million pounds by the end of February in 2015, while ASOS is still experiencing a challenging period. Besides the UK retail market, ASOS and Boohoo have a range of established international player with traditionally stores such as GAP, Inditex and H&M. However, these international players are now also competing in the UK market through their own dedicated online platform. In the following case study *GAP* it is shown why online retailers rely on the Internet for revenues (MarketLine, 2015).

Case study GAP

In present time, GAP has its online webstore in 90 countries. For this reason, the organization has changed their responsive design to make it more clear and easier for the customer to scroll through the website on a mobile phone or a tablet. As a result, the turnover of GAP was $2,5 billion. GAP had an increase of 21.5% from 2012 till 2013 and one year later an increase of 8.7%. This demonstrates a fixed increase in the organization's online sales (MarketLine, 2015).

Due to convenience, most customers prefer online shopping. Therefore, the online retail industry is growing fast. To manage all data, online retailers are using marketing automation. For instance, they interact with their customers through social media platforms. For example, they ask customers if they like certain outfits/products: *"DO or DON'T"*. As a result, the retailer is able to respond to the customer's needs. Plus, online retailers are able to see how the customers search through their

webstore. Although, the retailer might be aware of the customer's needs, the key to success of companies such as Inditex and H&M is the fast fashion model. According to successful fast fashion organizations such as Inditex, the success to apply this model is that the organization bases production largely on customer demand and has close customer interaction (MarketLine, 2015). This strategy has advantages but disadvantages as well. In the next chapter, this study will have closer look at the advantages and disadvantages (risks) of the implementation of marketing automation within the fashion industry.

2.3 What are the benefits and risks of using marketing automation?

In the previous chapter, the different definitions of marketing automation were discussed. To summarize, marketing automation is one of the most important developments in the field of e-commerce and online marketing. The purpose of marketing automation is to automate marketing tasks, processes and workflows targeting potential customers and prospects and to send personalized messages at the right time. Many organizations implemented marketing automation because of the revenues it brings, but also for the measurability, scalability and cost contributors. When the tool is implemented properly, marketing automation can ensure the return on investment (ROI) of the campaigns of an organization (Oud, 2015). As mentioned in the previous chapter, numerous of organizations consider implementing marketing automation. Therefore, the organization first must understand what marketing automation is. Moreover, this includes the advantages and risk coming with it. This study will closely look at the benefits of marketing automation and to the risks (disadvantages) afterwards.

Like any other marketing tool, the results of marketing automation are influenced by the execution and implementation of the tool. When the software is installed correctly, the benefits of the tool are great. In addition, it brings multiple benefits for the marketing team as for the sales department, but also for customers. To start with the fact that marketing automation is a time saver for the marketing department. The organization is able to manage social media campaigns by scheduling social media posts and campaigns ahead of time. First of all, the marketer has multiple accounts in one. In this way, the marketer is able to manage all of the campaigns within one dashboard. Furthermore, the organization can make it even more powerful by connecting this tool to the same system that the organization use to track leads. Besides, the marketing automation tool makes it possible for the organization to schedule the campaigns and social media posts ahead of time. The organization does not have to send one message to their whole database, but is also able to send it to different segments. As a result, the message will be more personalized to the needs and interests of their customers.

Figure 2.3.1 Schedule Social Media Posts and Campaigns (Taylor M. , 2015)

Figure 2.3.1 social media posts and campaigns is an example of how a schedule may look like (Taylor M. , 2015). Also, because of the automated posts the social media accounts stay up-to-date which make customers aware of the activities and engagement of the organizations (Taylor V. , 2014). Moreover, the marketing tool gets even greater by the fact that the tool enables organizations to create their email campaigns landing pages and social media campaigns, without any technical expertise

required. In short, it helps the marketing team save time and to create their campaigns very insightfully (Taylor M. , 2015).

In order to respond to the results, the marketers must track their social media posts and campaigns continuously. Marketing automation provides detailed graphs, statistics and other data reports, which the organization can use to analyse in order to optimize their campaigns. It simplifies collecting the essential data. In addition, the tool also tells the organization what type of customer the campaign worked for. As a result, the organization has a greater understanding of where they should focus their effort on (Taylor V. , 2014). *Figure 2.3.2 database* shows how a database of an organization might look like and what sources were useful or not.
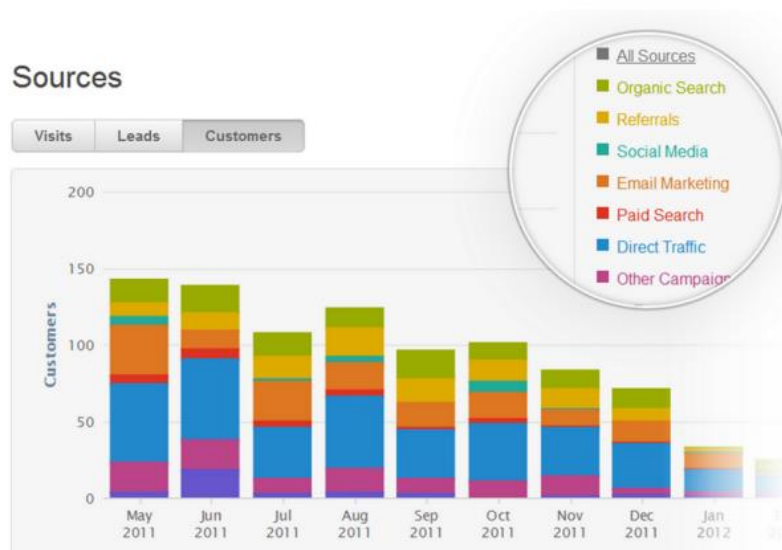
The annual detailed report enables the organization to predict the numbers of the coming year. Therefore, the organization can measure if a campaign will be profitable or not. For instance, the amount of money an organization invests, would be much higher when the organization has the guarantee to receive the full investment back plus 20% (Oud, 2015).

Marketing automation makes lead nurturing easier in several ways. In the orientation phase, the tool enables leads and prospects to meet the organization, what is the organization like and where does it stand for? Secondly, to influence, why would the customer do business with the organization? Thirdly, segmenting, what is the customer looking for? This is essential information for the sales department. Fourthly, how far is the customer in the purchase process? Finally, to educate, providing the right information in order to make the right decision. The just mentioned activities enlarge the chances that the customer will order something from the their website and to accelerate the purchasing process (Oud, 2015). The first interaction a customer makes on the website can contribute to reach out to potential leads. For example, if a customer subscribes to the newsletter of H&M the marketer is able to

connect with them right away by using the automated marketing solution (Taylor V. , 2014). *Figure 2.3.3 example of automated message by H&M* shows how H&M shows their appreciation towards new customers who have subscribed to their newsletter. Besides, the organization also mentions the advantages for subscribing to their newsletter.

Figure 2.3.3 Example of automated message by H&M (Michelle Bloemendaal, 2012)

Lead nurturing is one of the most valuable benefits of marketing automation because the organization receives a stable inflow of leads, which is relevant for the sales department (Oud, 2015).

By using marketing automation the organization receives an amount of data. With this data, the organization is able to follow the journey of the customer through the website. As a result, the organization sees where leads are falling off in the nurturing process, and make refinements in those areas. The ability to reach customers with personalized messages across different channels is one of the most powerful advantages of marketing automation. The tool sends out a personalized message as soon as the customer has reached a certain stages in the journey (Oud, 2015). *Figure 2.3.4 marketing sequence* shows how the process goes.
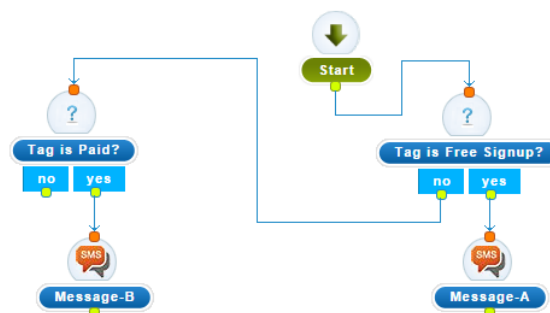

Figure 2.3.4 Marketing Sequence (Oud, 2015)

In addition, marketing automation helps the organization to build a detailed customer profile. The tool gathers information based on the customer purchases. Plus, the tool also looks through the emails opened by customers and selected preferences. This data will be used for future use in order to reach out more effectively to each customer. Another marketing strategy exists, called relationship marketing. This is a form of marketing aiming to achieve high customer satisfaction, hence better retention rates. This means finding a balance between acquiring new customers and to keep existing customers. It takes a lot of effort to keep existing customers. Therefore, marketing intelligence provides information with the customers' intent. As a result, the organization can predict the customers' needs and decisions without wasting time (Sedrati, 2015). So, marketing automation enables to personalize their relationship with every customers or prospect that include digital footprint analysis, lead scoring models, qualification, trigger campaigns, sales and the most important one marketing alignment (Sedrati, 2015).

Now that all of the above is said, there is still a gap between marketing and sales. These two units operate separately and do not co-operate enough. The marketing team focuses on the brand's awareness, branding and lead generation while the sales departments has to convert the leads into orders (Oud, 2015).
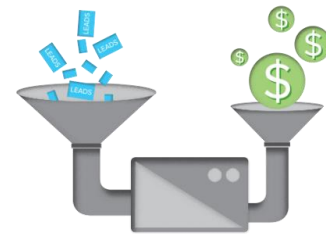
These two departments discuss a lot about the fact that the sales team does not receive enough leads, while the marketing team finds that the sales department underestimates the degree of qualification of the leads. However, marketing automation is the solution. When the marketing team gained hundreds of leads, but a few or none are sales- qualified, then the software sends feedback to improve their campaigns. This not only reduces discussion on the workplace, but also improves the accountability of staff and departments to ensure that their part of the system is performing effectively. *Figure 2.3.5 30-days performance* shows that there is a decline of 26.3% of new opptys - number of new opportunities created the last 30 days is (Taylor M. , 2015). Marketing automation brings the two departments together. By having a common automated lead scoring and lead nurturing plan, both departments could stand out in what they do best. Because this process is automated, it is easier to optimize and therefore the sales and marketing department are able to optimize the process in cooperation (Oud, 2015). Eventually, they share the same goal: revenue (Johnson, 2014).

Figure 2.3.5 30-Days Performance (Oud, 2015)

Another advantage is that the marketing tool reduces staffing costs. This is because most of the organization staff becomes resources. With this tool, the employee is able to connect with many more customers than would be possible manually (Taylor V. , 2014). After the installation of the software the organization might be sending out thousands of personalised emails each day on autopilot (Taylor M. , 2015). As a result, the organization will have an intensive relationship with their customers (Oud, 2015).

By using marketing automation, several manual processes will be eliminated and replaced by automated solutions. Therefore, employees of the marketing department are able to focus on tasks that require more stringent manual monitoring. As a result, increase of productivity (Sedrati, 2015). Although the tool is very handy, it is not cheap. As mentioned before, when the installation of the software is done correctly, it brings a lot of benefits. One of them is justifying the upfront investments. Research has shown that B2B marketers achieve approximately a 20% increase in sales opportunities with reporting the lead-nurturing program successfully (Sedrati, 2015). In addition, 78% of the marketers think that marketing automation is a key contributor to improved revenues. Also, 84% of top-performing business is using or is considering using marketing automation between 2012 and 2015. According to Gartner, 85% of the businesses are able to manage customer relationship without human interaction by 2020 (Sedrati, 2015). *Figure 2.3.6 marketing automation trends* shows the trend predictions for 2014.
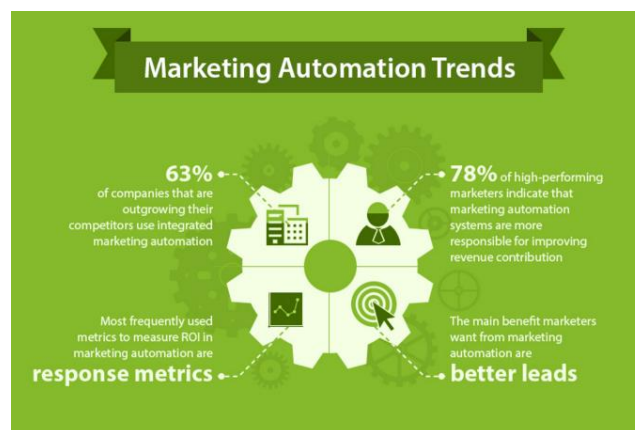

Figure 2.3.6 Marketing Automation Trends (Sedrati, 2015)

If we can find benefits, there are also disadvantages or risks to find. An organization is nothing without a clear strategy. Strategy is the direction and scope of an organization over the long term, which achieves competitive advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. The same goes for marketing automation. The moment the organization has considered to apply marketing automation the next step is setting up a business plan with a clear strategy and goal for the marketing program. Probably the most common mistake organizations make is applying marketing automation without a plan of action. As a result, marketers start wondering why the software fails. Simply put, marketing automation software enables a marketing strategy, but if there is no strategy the software has nothing to enable. To conclude, a disadvantage for an organization could be putting technology in front of a strategy and ending up with a poor strategy (Schaeffer, 2015).

The alignment between the marketing team and the sales department could be a great advantage. However, the lack of it could result in the opposite. No technology solution will be achieved as a long as the sales and marketing cannot bridge the gap between the two departments and align their objectives and processes (Schaeffer, 2015). According to research of Mr. Schaeffer, 32% of the surveyed markets find the adaption and the implementation of the software taking too long and find the costs more than expected. Another 24% find the total cost of ownership higher than expected. In addition, the software requires more technical skills and resources than expected, says 24% of the surveyed markers. Also 21% find that the software requires more resources than said. These negative reactions make it harder for the organization to apply marketing automation correctly and give the organization a deployment challenge (Schaeffer, 2015).

Furthermore, the organization must not assume that the software runs itself. It is designed to save time, to reduce workload and to make their marketing campaigns more effective. The software cannot function only by itself. One the biggest advantages of marketing automation is that it gathers a lot of data. Therefore, it is highly important that marketers analyse the results of the automated marketing campaigns, otherwise the organization does not know how to optimize their campaigns and does not know what their customers' needs are. Without analysing the data, organizations could ask themselves what the point is of using marketing automation (Taylor V. , 2015).

As mentioned in chapter 2, *Figure 2.2.1 Facts vs. Myth*, marketers who do not know enough information about the software assume marketing automation is another way to spam customers. If marketing automation is being used incorrectly, it could come across as spam, while the aim is to build a strong and more loyal relationship with customers. The most difficult part is to send the right messages at the right time; otherwise the organization could lose potential leads. To summarize, the organization must focus on nurturing leads with excellent content. The content must consists of educated and entertainment information for customers. So, relevant information that does not push the

customers to buy a product or service from the website. The organization must show that they are willing to connect with customers. As a result, with excellent content, the organization builds on a reputation as an expert in a certain industry (Taylor V. , 2015).

"Content is King" (Steg, 2015).

Marketing automation is a large and powerful tool, yet not many businesses use its full capabilities. Overall, people are likely to stick with the familiar, just like some organizations. They use marketing automation the same way as they used their previous email-marketing tool. In this way, the organization will never achieve the results it has hoped for. However, marketing automation is more than email marketing because is about sending personalized text messages as well as, running campaigns and target each customer personally based on their needs and interests. The organization will not see the return it hoped for if they do not use it fully otherwise the software would be a pointless and expensive tool (Taylor V. , 2015).

Finally, this study claims that marketing automation is about sending personalised messages. However, the software is not a robot and does not answer all your customers' questions. Neither, it eliminates and manages all data of the organization, optimizes their campaigns, and responds to customer messages. It is important that the organization still puts a personal touch into their customer communication and marketing. When the customer receives an email with a personal touch it gives the customer the feeling that the organization engages their customers (Taylor V. , 2015).

"You never want customers to feel like they are communicating with a robot" (Taylor V. , 2015).

Chapter 3 showed that there are more benefits than risks using marketing automation. Marketing automation is a time-and money saver. It also improves the alignment between marketing and sales. The tool attracts more lead nurturing, which leads to an increase of revenues. Finally, it provides relevant and personalized information that improves the customer relationship. However, it is highly important to use the software properly and to make sure that the marketing and sales teams are on the same page, otherwise marketing automation would be a pointless and expensive tool. Unfortunately, many jobs can disappear due to the automation of the whole system. In the next chapter, this study will discuss the most commonly used models in marketing automation.
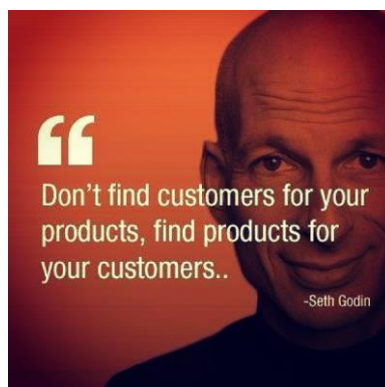
2.4 What are the most commonly used models in marketing automation?

When a marketer has decided to use marketing automation, it is useful to compare the many options within the market. The marketer is free to choose individual features of marketing automation, but there are also a lot of different providers to consider (Stantion, 2015). Despite of the many providers, this chapter will only study the two biggest ones namely, Marketo and Hubspot. Furthermore, the different features of marketing automation and the B2B and B2C model will be discussed.

Features of marketing automation

Figure 2.4.1 features of marketing automation shows each vendor on the marketing automation platform, which provides broad functionality.

Figure 2.4.1 Features of marketing (Jon Miller, 2013)

This study will have a closer look at each vendor, starting with web analytics. This vendor will tell why prospects visit the website, what pages they visit and how often they come back. The organization can even follow the unknown visitor: meaning visitors without registration. The software can send daily alerts to the sales department, so that they know which customers are interested in a certain product or service. At the end, if the customer registers, the sales department has an overview of their complete history on the site and their prior web activity. Secondly, lead capture, also known as landing page, will be discussed. This stage is an essential part of many marketing campaigns. Marketers can significantly improve their rates by directing clicks to a landing page, adapted for a specific email, rather than a generic home page. Thirdly, there is lead scoring. The organization is able to automatically qualify leads based on demographics and the prospect's behaviour. The organization gets a broad view of their prospects interests and engagement by tracking these two and assigning appropriate weights to each. Fourthly, there is list management. As mentioned in sub-question 3, one of the advantages of marketing automation is planning campaigns and social media posts ahead of

time. With this vendor, the organization is able to manage marketing campaigns and programs across multiple channels, including online ads, video campaigns, mobile, virtual events and social media. As a result, the organization might have a return on investment (ROI) by tracking the program objectives, results and costs. Fifthly, there is lead nurturing and multi- touch campaigns. The capability of this vendor is to send relevant messages to its customers over time based on their behaviour and the pre-defined campaigns steps. The next one is email and online marketing. One of the most important online marketing channels is email marketing. This tool is even more powerful when it is combined within a single platform with landing pages and forms. Usually, the automation can replace an email service provider. The last subject is customer relationship management (CRM) integration. First of all, the marketer must understand the needs and the vendor's capabilities because CRM integration offers various solutions. Some systems require manual mapping of fields while others do this automatically and maintain the connection over time (Jon Miller, 2013).

An advanced vendor is social marketing. This function consists of several vendors each with a different set of functionalities. Again, the marketer must understand the needs of its customers to implement this function in the right way. The various vendors consists of: social listening, tracking and monitoring what leads and contacts say on sites such as on the social media platforms. Share buttons are added onto the organizations' campaigns in order to share this campaign and raise more awareness for the product or service the organization offers. These campaigns are automatically scheduled a head to be posted on one or more social media channels. Finally, by using social analytics, the organization is getting more insight into who shares their content by adding tracking social sharing application (Jon Miller, 2013). *Figure 2.4.2 marketing automation process* shows how all features of the software are connected and used.
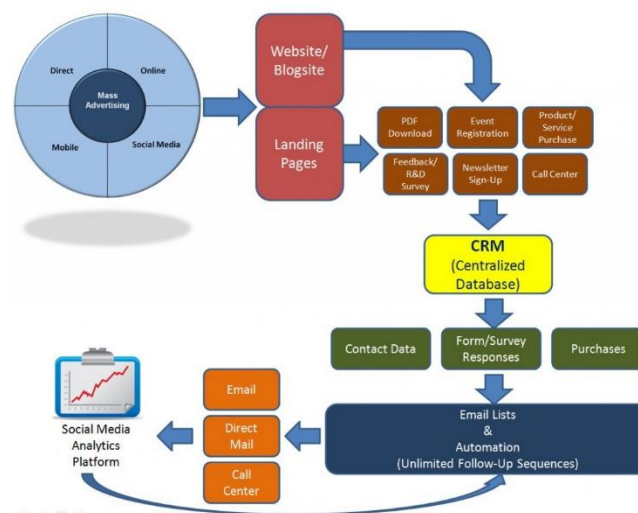

Figure 2.4.2 marketing automation process (Jon Miller, 2013)

Now, this study has explained the vendors, the marketing automation models should be more understandable. This study will focus on the most commonly used marketing automation models. However, it depends on what business the organization is in. Firstly, the B2B marketing automation model will be discussed and afterwards the B2C marketing automation model. In both cases an example will be given.

2.4.1 B2B Marketing Automation Model

This study will argue about a B2B model from the two biggest providers namely, Marketo and Hubspot. First, what is a B2B model? B2B stands for business- to – business meaning that an organization is focused on selling products or services to other companies. The aim of this model is to facilitate the transfer of raw materials, parts and components from which additional profit is derived, through manufacturing or final sales to consumers (Arline, 2015). According to Mr. Gallivan, employee of Marketo, organizations in Marketo use B2B marketing in 4 pillars (Galliven, 2016).

Drive more Awareness

Engage with your customers

Align with Sales

Measure your Succes
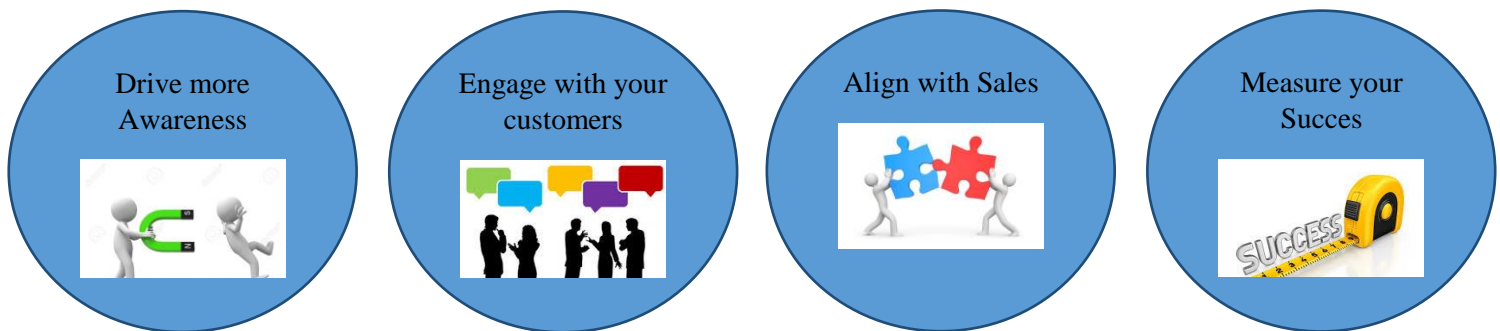
The first pillar is about creating more awareness, which includes three different tools. Firstly, search optimization (SEO) which helps marketers without specialized knowledge drive more quality traffic to the organizations website and landing page. Secondly, social promotions. This tool makes it easier for customers to share the organizations message. According to Forrester research report, 70% of consumers trust recommendation from a friend. Finally, there is personalization. This tool creates meaningful, real-time interaction with targeted individuals across various channels such as, email, web, and ads (B2B Marketing , 2016).

The second pillar is about engaging with Marketo's customers. This pillar consists of six tools. The first one is automate. This program use triggers that provide the ability to respond to their customers such as sending an email or alerting a sales rep. Secondly, batch. This is an easy- applied email program. The organization is able to define their audience, choose their content and schedule the batch email program in minutes. A real time saver! Thirdly, drip, this is a series of emails sent over a specified period of time. Fourthly, nurture. In here, it is all about building relationships with their customers across various channels. Marketo aims to provide the right content so the customer's journey will be encouraged. The next tool is events, which gives the organization the unique

opportunity to engage directly with their customers or prospects. Finally, calendar. An organization must coordinate a lot of data. Therefore, the calendar makes it easier to efficiently plan, coordinate and share their performance. (B2B Marketing , 2016).

The third pillar is the alignment between the marketing and sales department. This pillar consists of two tools. The first one is lead scoring. The results are based on the interest that customers show in the company and their current stage in the buying cycle. However, the two departments must align because this is a share-based methodology. Secondly, sales notification. This tool has the same function as automate in the second pillar; responding immediately to your customers or prospects (B2B Marketing , 2016).

The final pillar is measuring success, which consists of three tools: executive dashboard content analysis and flexible reporting. Marketo enables the organization to calculate end-to-end- engagement of their content. Normally, software does not identify opens and clicks, which makes it a challenge to see what drives a successful conversion. Flexible reporting identifies how the marketing of a certain organization is performing and to analyse their performance from different perspectives (B2B Marketing , 2016).

The case study of the George Washington University shows the positive results by implementing the marketing automation software correctly by Marketo's B2B model.

Case study George Washington University (B2B model)

The George Washington University objectives were to enhance staff productivity. This means that the university wanted people to get more done in less time. Furthermore, the university wanted to focus on the prospects that really mater. Finally, to develop a marketing strategy that focuses on targeting and engaging with students who are best fit for the university. The results were very positive. Using Marketos' software brought them 4% more open rates, the click-through rates increased by 300% and the 57% conversions. The university quoted: *"Marketo empowers us to create a seamless, engaging, and interactive experience, which is critical for attracting high-caliber students. That experience differentiates us from other business schools and enables us to do a better job of showing them the opportunities available at George Washington University School of Business"* (Marketo, 2015).

On the other hand, there is Hubspot. Hubspot also uses a four-pillar method. In *Figure 2.4.3* the four marketing action of Hubspot are shown. Moreover, Hubspot uses the same model for both B2B and B2C marketing automation.
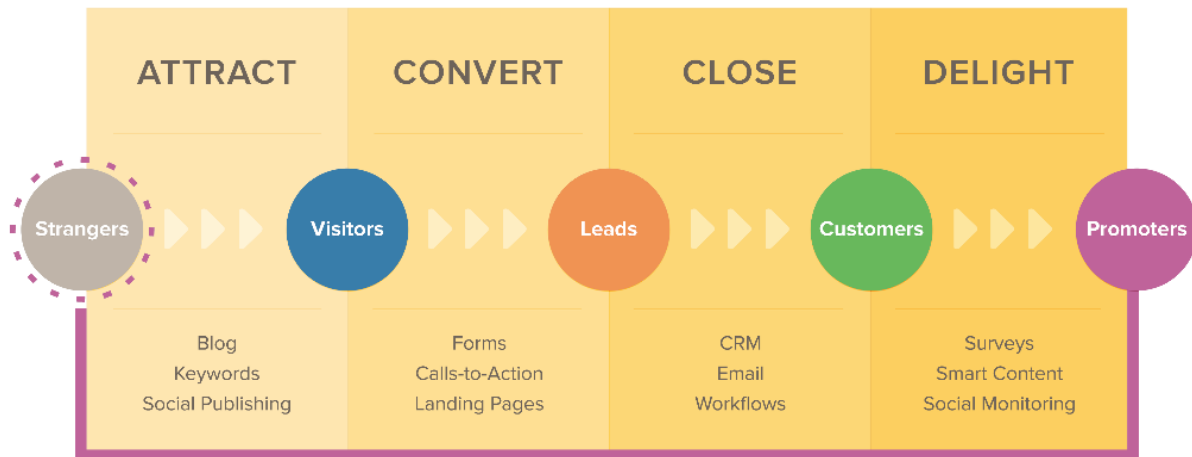
The first pillar is about attracting people. Hubspot would like to attract the right people. According to them, the right people are also known as their buyer personas. The most important tools to attract the right customers are blogging, because a blog is often the most attractive way for new visitors. Furthermore, SEO, an organization must make sure that when a customer has a question the organization appears prominently when and where they research. Also landing pages, the organization must put their best face forward. Finally, social publishing; it is necessary to interact on the networks to see where their ideal customers spend their time (Hubspot, 2015).

The second pillar is converting. This pillar includes four tools. The first one is forms. In order to become a lead, a visitor must register his or herself by filling out a form and submit their information. Then, it is time for action. The second tool is calls- to – action, these are button or links to encourage visitors to buy from their website. Afterwards, you end up on the landing page. When a visitor clicks on the calls-to-action button, the customer arrives on the landing pages. In this stage the sales department is able to interact with the customer. Finally, contact. The organization must organize and track all data of all leads and prospects. The organization is able to communicate by email, a landing page and through social media (Hubspot, 2015).

The third pillar is closing. The organization is doing well. The strangers on their website are leads now and are on the right track to become customers. The first tool is CRM: keeping track of the data about all contacts, companies and making contact with the new prospects. Furthermore, closed-loop reporting. This means the alignment between the marketing and the sales department. An organization is able to know what marketing efforts bring the best leads when these two departments are working together. Secondly, email. In order to build trust by the customer an organization must focus on relevant, useful content that helps the customer to become more enthusiastic to buy. Finally, marketing automation. This process is the most interesting one because it involves creating email marketing and lead nurturing combined with the needs and lifecycle stage of each lead (Hubspot, 2015).

To finalize the process the fourth pillar is delight. The organization could send surveys asking the customer whether they liked the product or not. Furthermore, the surveys help the company to achieve customer's goals by tracking their needs and interests. Also, the social conversations. The organization must consider itself as one big ear listening to their customers. Finally, it is necessary to show appreciation towards the customer by including a small present or gift card for the next purchase (B2B Marketing , 2016).

Case study TUI

TUI used a different tool for each business unit. Therefore, they wanted to have a software in which several business units became one platform. By using Hubspot's software, each applicable brand has increased. TUI's social media traffic increased by a minimum of 213%. Furthermore, web visitors increased with 20% and in Canada specifically, website traffic increased with 25% and leads are up to 128% YoY (year-over-year). Besides, TUI wanted to create more personalized experiences for their prospects and customers. After applying the software, the results were huge. TUI has seen a 106% increase in revenue (HubSpot, 2016).

2.4.2 B2C Marketing Automation Model
A B2C model (Business-two – Consumer) concerns the supply of goods and services from businesses to individuals. The provider of products and services focus in this case on business to consumer. So, exclusively or principally at target groups within the consumer market (Brafton, 2015). Also in this business, Marketo has a three pillars model.
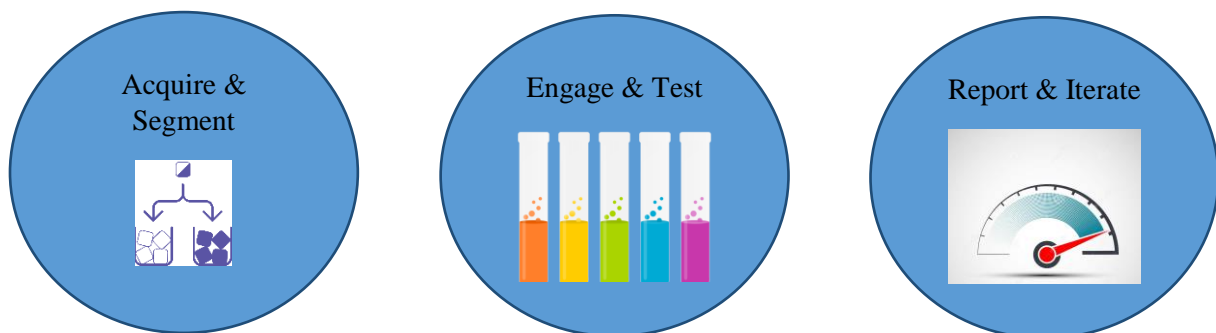
The first pillar is acquire and segment, which consist of three tools. Similar as B2B model, the first tool is SEO. Secondly, adbridge. This means that the marketer can connect with the right potential customers with meaningful and relevant ads by connecting Markto's behavioural data with advertising platforms. Finally, segmentation. In this stage, the organization has a view of each consumer across all channels. This includes demographical information and transactional data (Marketo, Consumer Marketing, 2015).

The second pillar is engage and test. This pillar also consists of three tools. The first one is engagement engine. This tool is capable to send relevant content to each customer. The software also checks whether the content is relevant for the customer before sending the text messages. This will be
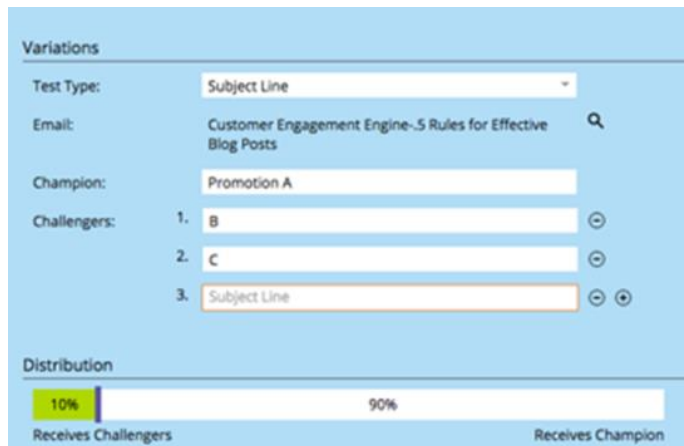

done by message test, which is the second tool. A/B/n test your content based on your subject line, from name, time sent or template as shown in *figure 2.4.4 variations*. The purpose of an A/B/n test is to determine what version of the website attracts more conversion and the n refers to the number of versions tested (A/B/n Testing, 2015). Finally, engage test. The organization must split their audiences into different campaigns and nurtures. As

Figure 2.4.4. Variations (Marketo, Consumer Marketing, 2015)

a result, the organization will have an overview about their performance and optimal measure for each set of messaging. The third and final pillar is report & iterate. The pillar consists of three tools. The first tool is email performance. By using the email performance dashboard the organization is able to analyse common email metrics. For instance, opens, clicks, and unsubscribes. Secondly, test reporting. This is about understanding all of the companies' test results from the A/B/N/ test. Finally, the campaign reporting. This is a clear and understandable overview for marketers to see which campaigns and channels are working best for them (Marketo, Consumer Marketing, 2015). An example is given in the following *figure 2.4.5 campaign analyser.*
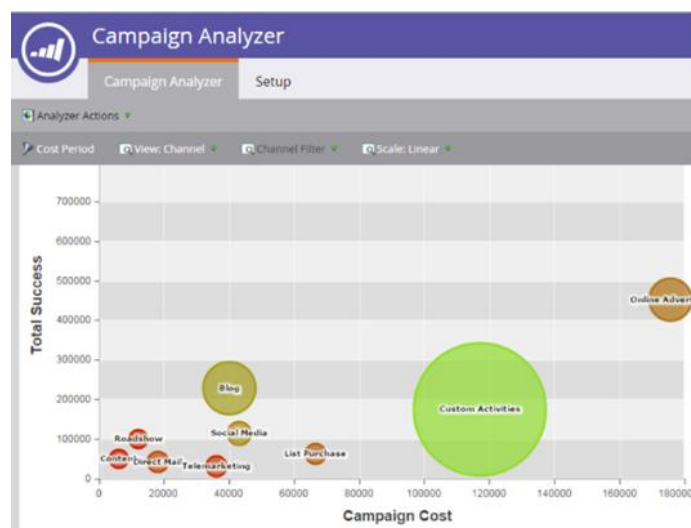

Figure 2.4.5 Campaign Analyser (Marketo, Consumer Marketing, 2015)

According to Mr. Gallivan, Marketo works with fashion company Hugo Boss based in Metzingen, Germany. Unfortunately, Mr. Gallivan was not allowed to share any further information about the performance of Hugo Boss while using their software. However, the case study of James Allen shows the valuable results for the company using marketing automation.

Case study James Allen
James Allen, an online high-end retailer, offers diamond rings and more exceptional product. The organization wanted to understand their online audience. By targeting these profiles and sending the right messages and offers, James Allen wanted to develop a buyer personas. The organization applied the software and as a result customers had a more positive experience on the site, more conversion and the organization was able to send more relevant content targeted to the right online visitor. The organization finds that they are capable of giving more customer value with marketing automation (Marketo, 2015).

2.4.3 The differences between B2B and B2C marketing automation
In *table 2 are the differences between B2B and B2C* marketing automation shown:

	B2B	B2C
Focus	Lead generation Customer engagement	Brand building
Method	Automate marketing programs to manage prospects interactions in order to improve customer acquisition.	Automate marketing programs to centralize customer data and improve campaign engagement
Goal	Increased volume of qualified prospects, higher lead quality, fast sales cycle	Frequency compression, better loyalty program, increased brand capital, higher redemption rates.
Features	CRM integration, Email Marketing, Lead Scoring and grading	Email and Social Marketing, in-store capture, loyalty nurturing, reputation management
Endgame	More revenue	More revenue
Vendors	Eloqua, Pardot, Acto-on, Marketo, Silverpop, Hubspot	Brdig, Privy, Belly, ExactTarget, Marketo, Five Stars

Table 2 differences between using B2B and B2C model (Cook, 2015).

As mentioned before in this study, marketing automation is very big software. The marketer should apply marketing automation combined with the strategy and features that are useful for their goal. Again, the marketer must understand what each feature means and what the results are. In the appendix II, *how to speak marketing automation,* the picture describe what marketing automation is in an easy language, so that everyone can understand it. In the next chapter, this study will analyse what models are used in the fashion industry.

3. Results

Case study I: H&M

This chapter constitutes of the analysis of two different fashion companies, H&M and Zara. The analysis is done based on Hub spot's model, which is briefly explained in chapter 2.4 what are the most commonly used models in marketing automation? This research chooses Hub spots model because the four pillars give a clear overview of how marketing automation could be applied. Furthermore, Hub spots model is one of the leading marketing automation providers and therefore the most used model among organizations. Also, the stakeholders are clearly involved within the process. H&M will be analysed in each stage of the pillars: attract, convert, close and delight, to get a clear image of how marketing automation is used within the fashion industry. This study will be done in the Dutch market, in which H&M is active. Therefore, the results will be supported by the view of a Dutch customer in order to get a clear image of how Dutch customers experience H&M's website, customer service, and marketing.

3.0 H&M

Hennes & Mauritz (H&M) pursue to design fashion apparel, cosmetics, accessories, and shoes. The company designs her products for children, teenagers, woman, and men. The products are being sold through various channels. For instance: sales stores, web stores and through a network of franchises stores (Marketline, 2015).

H&M is a from origin Swedish fashion company and has opened her first store *Hennes* in 1947 in Vasteras. The definition of Hennes is 'for her'. In 1960, Hennes expanded her company with *Mauritz Widforss,* a men's clothing store. This is how Hennes & Mauritz has emerged (Nicolette, 2010). The organization has over 3216 affiliates in 55 different markets with approximately 132.000 employees. H&M also offers their products online in 13 different countries namely; Sweden, Norway, Denmark, Finland, The Netherlands, Germany, Austria, the UK, the US, France, Italy, Spain and China. H&M outsources their manufacturing to 850 independent suppliers, mainly in Asia and Europe (Marketline, 2015).

H&M has two factors which diverse them from their competitors. The first factor is the broad product portfolio H&M offers. The company do not only sell clothes, accessories, cosmetics and shoes for children, teenagers, woman and men but also home accessories such as, blankets, and throws; candles and candle holders; curtains; porcelain; vases and pots; and rugs. Furthermore, H&M expanded its product range over the years, for example, H&M sport and H&M Beauty. The advantage of having a broad product portfolio is meeting the requirement of its various customers segments. The second factor is diversified geographic presence. H&M has a strong presence in the global world. The company operates in 3216 stores in 55 countries. The advantage is that H&M can boost its top-line growth as well as reduce its dependence on developed markets. In summary, wide geographic

presence enables H&M to diversify its business risk and expand into new territories (Marketline, 2015).

H&M's main competitors are GAP, Marks and Spencer Group, Otto, Arcadia Group Limited, Abercrombie & Fitch co., and fast retailing co., for instance, Inditex.

3.1 Attract

First, H&M will be analysed in the first pillar attract. As mentioned in chapter 2.4, this pillar is about attracting the right people by using the most important tools. For instance, how does H&M make use of blogs and why is that attractive? How is the SEO of the organization so customers are able to find H&M's product or services easily on the Internet. Finally, what channels does H&M use to interact with their customers?
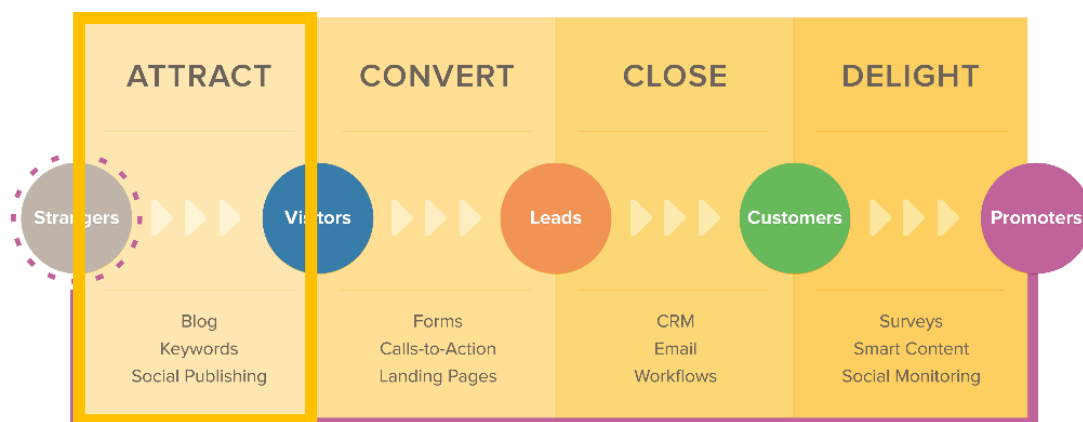
3.1.1 Blog

One of the key successes of H&M is their collaboration with international designers and style icons from Karl Lagerfeld to Beyoncé. Nowadays, most people would like to dress fashionable. So, seeing famous style icons in clothes of H&M is inspiring. Therefore, the blog attracts many new visitors for H&M. Fashion blogger Joumana Souffi, wrote an English blog about the collaboration between Balmain and H&M which is shown below in *figure 3.1 Blog H&M. Figure 3.1.2 H&M blog in Dutch* is written by H&M itself for Dutch customers and therefore in the Dutch language. The Dutch H&M blog is easily to find on the Dutch H&M's website among H&M life where visitors can find more blogs about fashion, beauty, culture and inspiring videos about sports. Visitors are able to like and share blog post as shown below. In this way, H&M is able to reach and attract even more new visitors (Soufi, 2015).

MAY 18, 2015

Designer Announcement: Balmain and H&M Call For #HMBalmaination

BALMAIN × H&M

H&M just announced its autumn guest collaboration with the Parisian house of Balmain! A veritable bastion of French luxury, under the creative directorship of young Olivier Rousteing, Balmain has grown into a global pop-culture phenomenon. Last night, Rousteing himself and his friends Kendall Jenner and Jourdan Dunn, walked the red carpet at The Billboard Music Awards revealing the first pieces of the collection. Through social media H&M and Balmain invited their fans to join a movement of togetherness with: #HMBalmaination.

"I want to talk to my generation: this is my main aim as a designer. H&M allows me the unique possibility of bringing everyone into the world of Balmain, getting a piece of the dream and creating a global #HMBalmaination: a movement of togetherness, fuelled on a hashtag. The collaboration felt extremely natural to me: H&M is a brand that everybody connects to. It calls for unity, and I am all for it", says Olivier Rousteing.

Available from November 5, in around 250 stores worldwide and online, the collection will feature clothing and accessories for both women and men.

Can't wait for this one! x

Vanessa Hudgens in H&M bij de Vanity Fair Oscar Party. Getty Images.

CELEBRITY LOOK

VANESSA HUDGENS DROEG H&M NAAR DE VANITY FAIR OSCAR PARTY

De actrice en zangeres kwam in glamorous én duurzame kleding naar het feest.

29-FEB-2016

De legendarische Vanity Fair Oscar Party is misschien wel hét glamourevenement van het jaar. Wat je naar dit feest draagt, is bijna even belangrijk als je outfit op de rode loper bij de Oscars. We zijn dus erg blij dat Vanessa Hudgens voor een special edition-jurk van H&M Conscious Exclusive koos.

De jurk is gemaakt van biologische zijde en houtvezels, en is uniek. Hij is gemaakt met de komende Parijse tentoonstelling *Fashion Forward* in gedachten: dé inspiratiebron voor de Conscious Exclusive-collectie van dit jaar. Met andere woorden: deze jurk is niet verkrijgbaar in de winkel, maar als de H&M Conscious Exclusive-collectie op 7 april in de winkels en op hm.com verschijnt, kun je wel vergelijkbare jurken shoppen.

Dit is niet de eerste keer dat een beroemdheid in H&M Conscious Exclusive verschijnt bij de Vanity Fair Oscar Party – in 2014 droeg *Zoolander 2*-ster Penelope Cruz een flamencojurk van gerecycled polyestercrêpe, en vorig jaar koos Jessica Chastain voor een jurk van gerecycled polyester met schitterende gerecyclede pailletten en kralen. Recycling is dus cool en duurzame fashion is echt glamorous genoeg voor een Oscar-uitreiking.
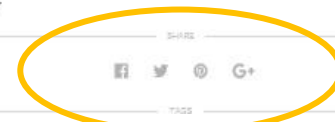
SHARE

TAGS

Figure 3.1 Blog H&M (Soufi, 2015)   *Figure 3.1.2 Blog H&M in Dutch* (H&M, 2016)

Share this:

[f Facebook 2]   [Twitter]   [Email]   [Print]

[★ Like]

7 bloggers like this.

Posted in Fashion | Tagged Announcement, Balmain, collaboration, Designer, H&M, Hennes & Mauritz, Hennes&Mauritz, hennesandmauritz, HMBalmaination | Leave a comment

In addition, H&M blogs keep the customer aware of the latest information and trends of H&M (Hoefman, 2014).
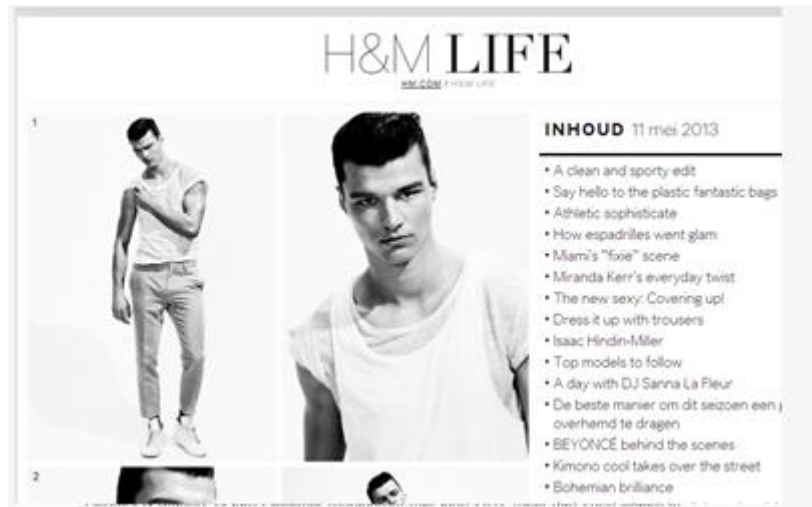

3.1.2. Keywords

Search Engine Optimization (SEO) can be defined as optimizing the organizations (mobile) website and apps for people using the search engine. As a result, the website scores high in the organic search results of a search engine by using relevant keywords for the webpage or keyword combination (s) (EdWords, 2015). In case of H&M, every country has a different server. For instance, .fr, .es, .nl (Hoefman, 2014).

(H&M, 2016)

When someone types H&M into Google, then the country's website immediately appears in the language in which that person is located at the moment. If the language is Chinese the characters will be adjusted as well (Hoefman, 2014). However, in this case the Dutch website appears.
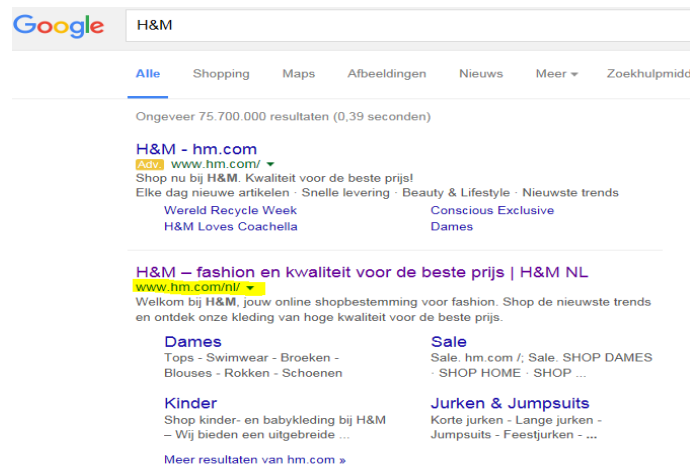
In addition, there is also a Google translate available on the H&M website. In contrast, the customer is able to choose in what language he or/she wants to work with, so this is not really necessary, but can been seen as an useful extra tool (Hoefman, 2014).

H&M does not use a list of key words. The only keyword they use is named within the title, H&M. This is powerful because in this way the organization keeps it short while using its own brand name (Hoefman, 2014). Therefore, the Dutch market does not have a specific list of keywords the Dutch customers use while finding H&M on a search engine.
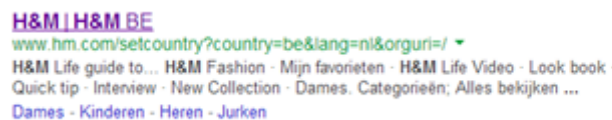
H&M is the most used keyword and therefore used in the URL including the country extension (Hoefman, 2014).

Furthermore, a metadescription also stimulates the SEO of an organization. The metadescription is adjusted to the server the customer is on. For instance, in the example below a Dutch customer has find H&M with a Dutch written metadescription. H&M does this with promotional videos which includes well- known models. For instance, H&M refers to the name of the model, what information the video contains, and in some cases where the video is taken.
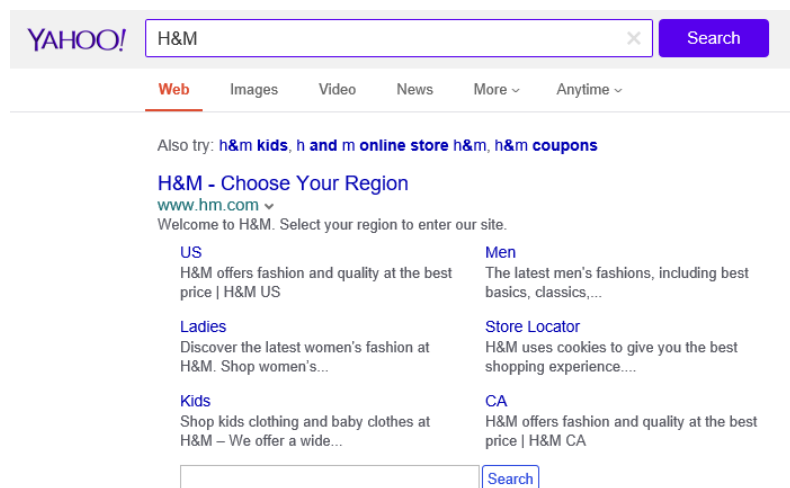
Moreover, H&M can not only be found by Google but also other search engine such as Yahoo. However, Yahoo does not automatically come up with the Dutch H&M. First you have to choose the region and afterwards the search enginge guides the Dutch customer to the Dutch H&M's website.

When a person types H&M into the search engine, they see more than just the website of H&M namely blogs, videos, and social media channels of H&M. The Dutch customer will immediately be aware of the fact that H&M is active on various social media channels.

All websites of H&M are constructed with the same letter type, same size, and same colour. The website is simple, which makes it easier for the customer to look fast and efficiently through the site. Furthermore, the data is adjusted for each country. Also, customers are able to pay in their own currency which is also shown on their website (Hoefman, 2014). For the Dutch market, this is the same as for any another country. The Dutch customer can choose in what currency he or she would like to pay as shown below.

3.1.3 Social Publishing

H&M has diverse social media channels to interact with their customers. H&M makes visitors aware of their social media channels on their website as shown below. This is shown on the Dutch website although it is written in English language.

What also needs to be mentioned is that H&M uses a separate account for each country.

Twitter

Figure 3.1.3 H&M accounts shows the diverse account they have. However, they have many more. For instance, H&M Australia, Saudi Arabia, Singapore, Kuwait, Indonesia, Ireland, Canada, Philippines, South Africa, Luxembourg, South Korea, Suisse, Malaysia, and Japan.

With the focal point on the Dutch Twitter account, H&M has 27,300 followers and has 20,700 tweets posted. The Dutch H&M account sends - on average - 5 tweets a day. So, H&M is very active on Twitter. They twitter many posts about the new trends and hypes but also about celebrities seen in H&M clothes resulting in a lot of re-tweeted posts by Dutch customers. Furthermore, the company tweets about discounts given in the sales and web stores. Consumers are also able to talk about H&M whether they complain or give compliment and H&M tries to respond on most of their customers (Hoefman, 2014).

Besides, H&M uses hashtags to promote their new collection, new trends, and promotions. By using hashtags, it attracts many more new customers worldwide (Hoefman, 2014).

Instagram

H&M has an Instagram account in the following countries: H&M España, France, Nederland, Deutschland, U.S.A, Italia, Ukraine, Russia, Indonesia, Kuwait, South Africa, Ireland, Malaysia, and Canada. With the focal point on the Dutch Instagram account, H&M has 13,6 million followers and 2,251 messages posts.
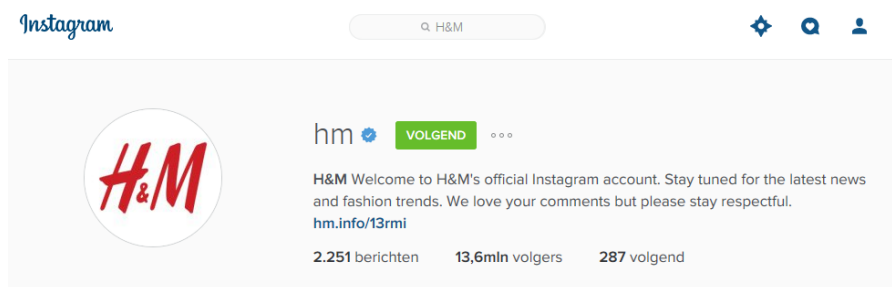
Facebook

Facebook does not only make use of diverse accounts depending on the country but also on where they are located. However, H&M is not very active on the H&M Nederland Facebook account. It only has 274 likes and 4 Facebook posts. H&M makes more use of the international H&M account.
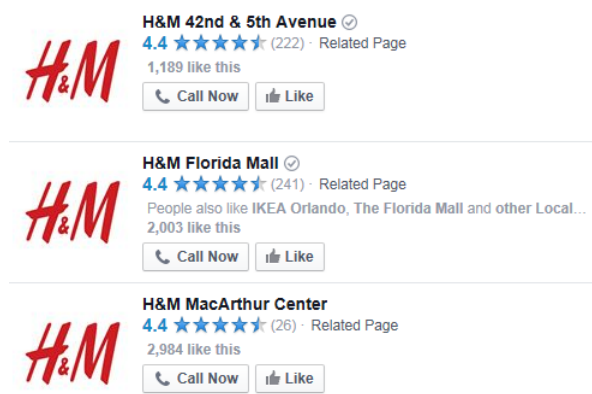
Facebook also refers to H&M on other social media channels (Hoefman, 2014).
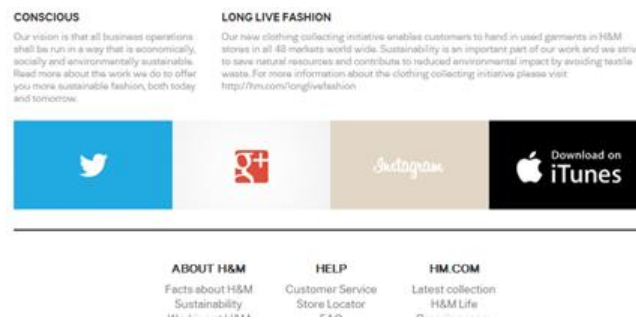
H&M posts are almost the same on every social media channel. So, also on Facebook H&M is aiming to make the customer aware of their latest activities, trends and promotions.
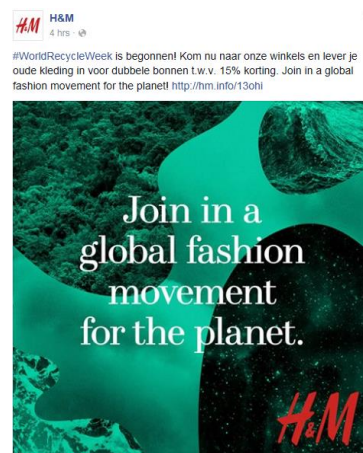
Pinterest

H&M has different categories on Pinterest that customers can be inspired with, for example, H&M fall/winter or spring/summer. Furthermore, H&M Sweet home or get sporty with H&M. H&M does not make use of a separate account for the Dutch market.
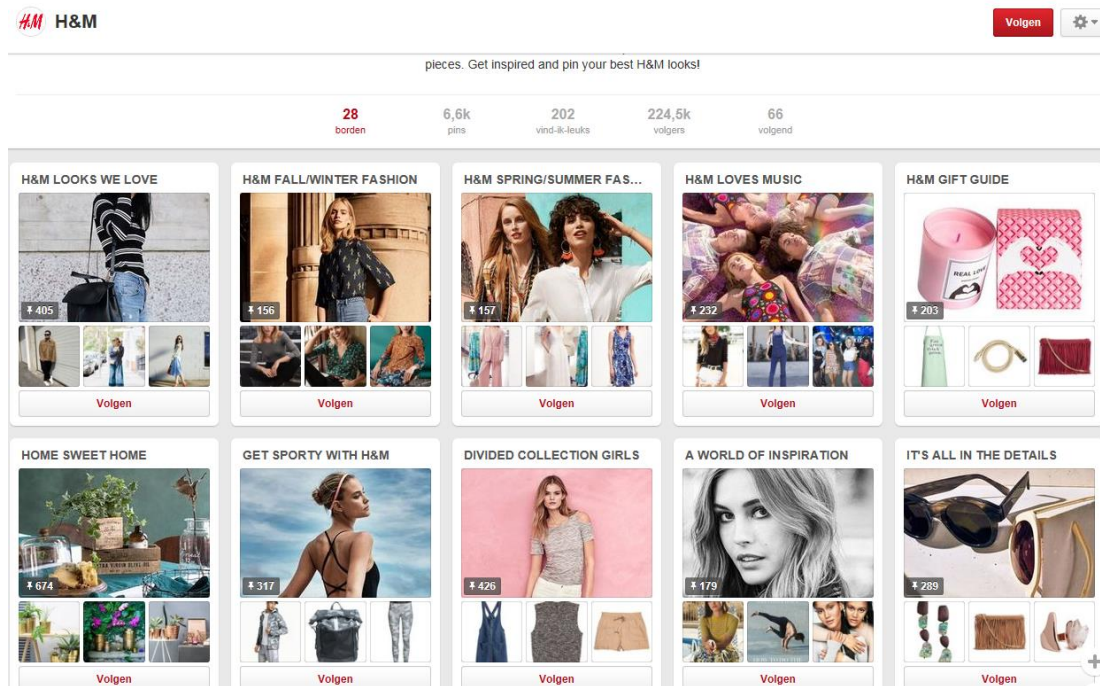
Nowadays, people love to be inspired. Therefore, social media, blogs and videos are the best way to find inspiration. Every social media user is able to like and share H&M posts. As a result, H&M is able to reach out to more prospects. People like to wear the latest trends and like being fashionable. Consequently, H&M make use of style icons, celebrities or models, who encourage customers to buy H&M clothes. Besides, H&M has a good SEO. They are easy to find on diverse search engine. In addition, Dutch customers find the website efficient and fast and are therefore more likely to buy something. The just mentioned factors are aimed to attract new prospect and customers.

3.2 Convert

The second pillar is converting. Converting could be defined as to change (something) from one use into another purpose (Houghton Mifflin Harcourt Publishing Company, 2008). In case of H&M, when people visit their website H&M must take action in order to create new leads. The pillar consists of three tools namely, forms, calls- to- action, and landing pages.
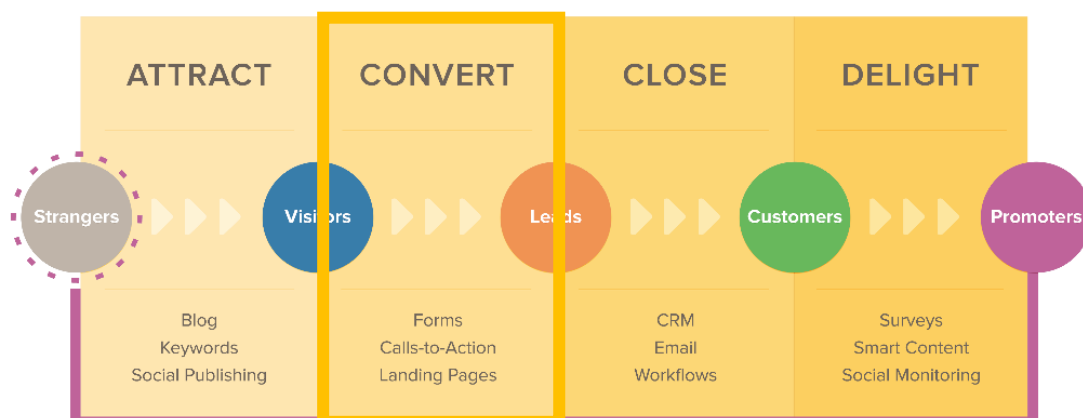
3.2.1 Forms

In this pillar, a visitor must register his or herself by filling out a form and submit their information as shown below. By doing this, H&M can track the whole journey of the lead on their website. As a result, H&M is aware of the needs and interest of her lead and is able to respond correctly.

Afterwards, the visitor receives a thank you email by H&M and encourage them to buy something in their website by providing 20% discount as shown below.
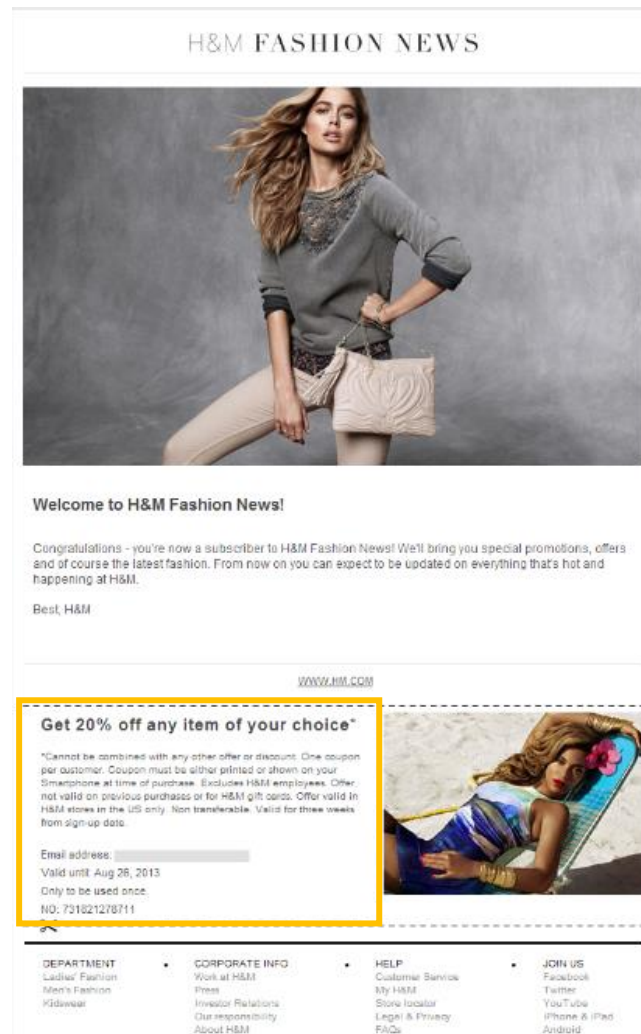
A Dutch customer experiences H&M's appreciation by mentioning their happiness about the registration of their new customer.

3.2.2 Calls-to-action

The second tool of the converting pillar is calls-to- action. The following product is chosen by a Dutch costumer shopping on H&M's website. Calls-to-action are buttons or links to encourage the visitor to buy from H&M's website. For instance, the Dutch customer was interested in the jumpsuit below. The customer is able to zoom in to have a closer look on the product. In some cases, the customer can choose what colour he or she would like to have and afterwards they can choose their size. When they have decided to buy the product the customer can put the product into the shopping bag, which is the calls-to-action button.

The Dutch customer has decided to buy the item and pressed the calls- to action button. After doing this, the customer arrives onto the shopping bag page as shown below. This is a summary of all products the customer would like to buy and the total amount. Again, there is a calls- to- action button in order to pay.
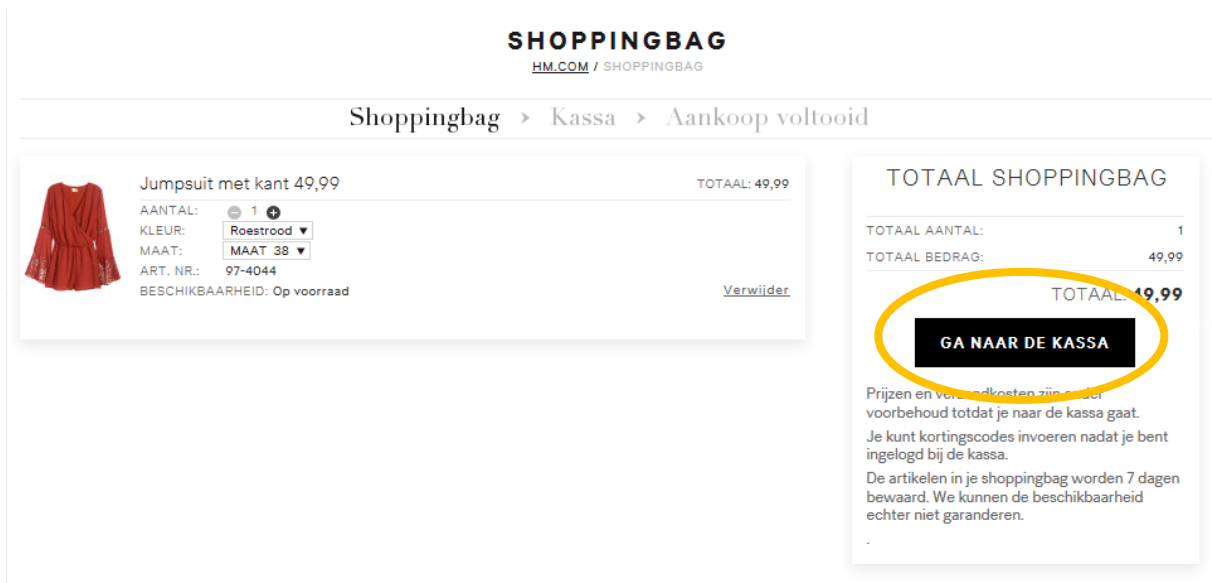
3.2.3 Landing pages

The last stage is the landing page. The Dutch customer has decided to buy the product and arrives onto the landing page in order to make the order complete. Once you have created an account the visitor never has to fill in their personal information anymore. H&M saves all data which is linked with the visitor's account. At this stage, the sales department is able connect with their customer by email and by social media.

The customer receives an email with the confirmation of the order. Again, a summary is given including the delivery date as shown below. This information tells H&M the gender, the region and the address of the Dutch customer. Furthermore, H&M can tell the average price the Dutch customer would like to pay, what size she wears, how much the Dutch customer ordered and that she was aiming to buy new tops.

Jouw gegevens

Gebruikersnaam:	miichelle1994@hotmail.com	Huisadres:	Spoorlaan 99
Naam:	Michelle Bloemendaal		2215KR VOORHOUT
Betaalwijze:	Acceptgiro bij je Bestelling	Bezorgadres:	Je bestelling wordt thuis afgeleverd
Besteldatum:	15042012		

Overzicht bestelling

Levering	Art.nr.	Omschr.	Maat	Kleur	Aantal	Prijs
16 - 20 Apr	85-0212	Top	S	Cerise	1	4,95
16 - 20 Apr	86-0145	Singlet	38	Zwart	1	4,95
16 - 20 Apr	86-3443	Singlet	38	Beige	1	4,95
16 - 20 Apr	86-6591	Top	S	P.roze	1	4,95
16 - 20 Apr	87-8843	Top	M	Slang	1	9,95
7 - 11 Mei	90-4261	Top	38	G.wit	1	12,95
11 - 15 Jun	86-6490	Top	S	Zwart	1	4,95

Totaal alle artikelen:	47,65
Verzendkosten:	4,90
Totaal te betalen:	**52,55**

The converting pillar is very important in order to gain revenue for the company. H&M must make sure that the website is easy to navigate and that there is the possibility to pay in different ways, for example, credit card, MasterCard, PayPal, or after pay. In this stage, strangers become leads. The just mentioned factors are aimed to convert needs into revenue. However, the following pillars are aimed to remain consisting customers and to attract new prospects.

3.3 Close

The third pillar is closing or also known as closed-loop reporting. This stage is all about the alignment between the sales and marketing department. The best results will come out when these two departments are working together. This pillar consist of three tools namely, customer relationship management, email, and workflows. The organization is doing well and their leads almost become customers.
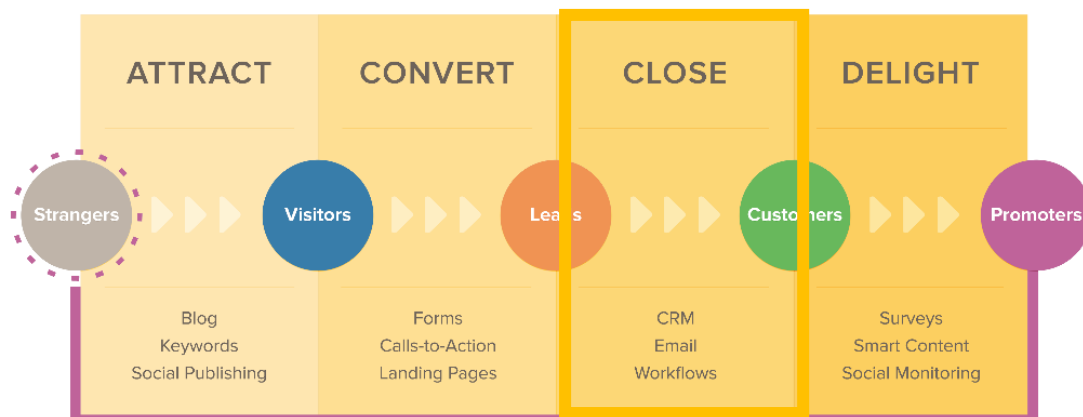
3.3.1 Customer Relationship Management (CRM)

Customer relationship management can be defined as an approach in order to manage interaction with the current and future customers of a company. Furthermore, the company also analyses the customers' data throughout the customers lifecycle aiming to improve business relationship with customers and finally to drive sales growth (Rouse, SearchCRM, 2014). The necessary data for a proper CRM can be divided into three segments analytical, operational and communication.

The first two components H&M uses for analytics are personal data and shopping habits.

<div>

Personal data:

- Gender
- Age
- Income
- Region
- Email address

</div>

<div>

Shopping habits

- Preference
- How often
- How much
- Where
- When

</div>

(Kim, 2016)

On one hand, H&M collects personal data while visitors register themselves on the website. This personal data tells H&M the gender of the customer in order to respond correctly. H&M would not send messages with clothes for girls to boys and vice versa. Moreover, this data will also tell the age of its customers so H&M will not send girl clothes to an older woman. The region is also important in order not to send messages about discount in Barcelona while you live in Amsterdam. Finally, the messages cannot be send without having the customers e-mail address.

On the other hand, by collecting shopping habits data, H&M is able to see what for example the preferences are of its customers. What price is the customer willing to pay? Or what colour is the customer looking for? Is the customer often seeking for a skirt or jeans? Furthermore, how often does the customer visit the H&M's website? Once a week or maybe only once a month? If the customer visits the website, does he or she actually buy something and how many products does the customer buy on average? Also, this data tells H&M the geographic location of its customers; where does the customer buy its products? In the Netherlands or maybe in Spain? Customers could buy products from H&M Spain because the collection might be different and the customer could possibly have a preference towards the Spain collection.

The second segment is operational. The main goal of this segment is to drive membership of the H&M club. For instance, by a mobile marketing campaign to promote the latest collection (Kim, 2016).

The third segment is communication. H&M communicates through different social media channels as mentioned in chapter 4.1.3 social publishing (Kim, 2016).

3.3.2 Email

With the collected data, H&M can build trust by the customer by focussing on relevant, useful content that helps the customer more enthusiastic to buy. This information will be send to the customers.

3.3.3 Workflows

The last tool is workflow. During this process, email marketing and lead nurturing will be combined with the needs and lifecycle stage of each lead. This research was not able to prove how H&M works within this stage.

3.4 Delight

The final pillar is delighting. H&M is at the end of the marketing automation process and their customers will be soon promoters. This pillar consists of surveys, smart content, and social monitoring.
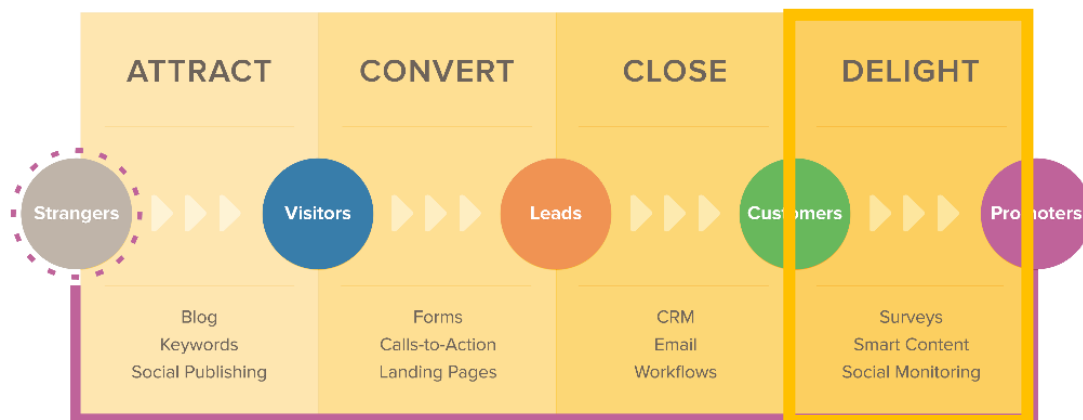
3.4.1 Surveys

After buying a product, the customer will receive an email with the satisfaction rank of the product. Does it meet the customers' expectation? Does the product fit well? Would the customers buy again at H&M? By collecting all data from all customers, H&M is trying to improve their products and quality all the time. However, H&M is aware of the fact that most customers will not take their time to fill in the survey. Therefore, H&M reward its customers who fill in the survey as shown below. H&M does this for each market, so the Dutch market cannot specifically be studied.

3.4.2 Smart content

In the smart content stage, H&M provides content tailored to their customers' interests and challenges. H&M does this by helping to achieve their goal, as well as introducing new products and features that might be of interest to them. As showed below, H&M is introducing new products to an existing Dutch customer. This stage is almost similar as the email stage in the closing pillar. However, smart content provides information to customers who already bought something from H&M and the email stage is to make the customer more enthusastistic to buy from H&M.
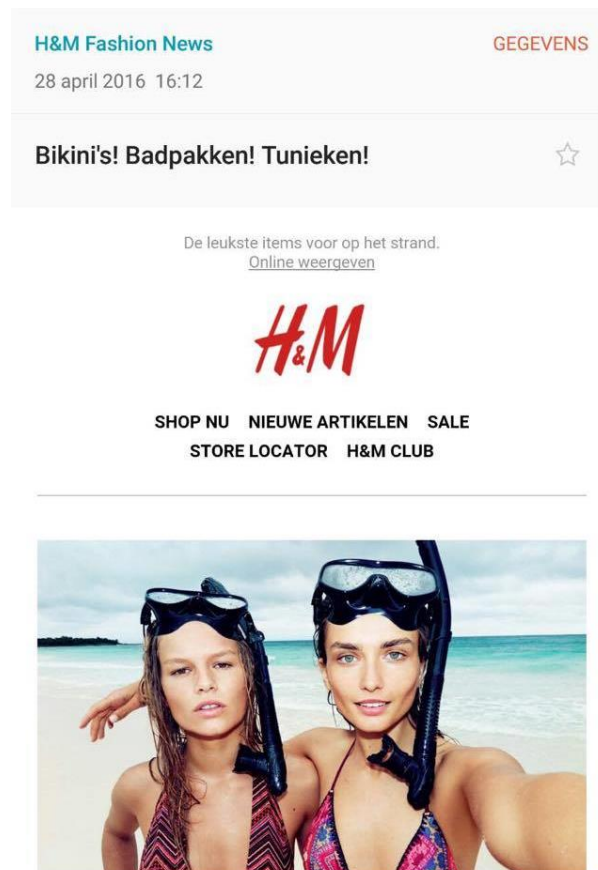
3.4.3 Social monitoring

The final pillar and tool is social monitoring. This tool is about communicating and interaction with the company's customers. It is very important to keep in touch with customers so they are aware of the engagement from company to customer. The conversation does not always have to be about clothes. For instance, the image below shows that Ms. Wilson does not agree with the fact that H&M throws clothes away. However, H&M was not aware that H&M located in New York City did that.

Another example on Twitter within the Dutch market is shown below. H&M Nederland makes sure to engage with their customers by responding on @hm_custserv in order to keep the customers happy.

In this chapter, the four steps of Hub spot's model are studies in fashion company H&M namely, attract, convert, close and delight. Using marketing automation has helped H&M to learn a lot about their customers' needs and interest. As a result, H&M is able to meet the requirements of its customers. The next chapter will study how marketing automation applies for fashion company Zara in the Dutch market.

ZARA

4. Case study II: Zara

In the previous chapter, it is discussed how H&M uses Hub spot's model. This chapter will show how Hub spot's model is applied within the fashion company Zara. As in the previous chapter, Zara will be analysed in each stage of the pillar: attract, convert, close and delight. This study will be done in the Dutch market, in which Zara is active. Therefore, the results will be supported by the view of a Dutch customer in order to get a clear image of how Dutch customers experience Zara's website, customer service, and marketing. However, first an introduction about Zara will be given.

4.0 Zara

Originally, Zara is part of the Inditex group. Zara is founded in 1974 in Spain. The fashion company sells clothes for both men and women. Zara provides new clothing especially designed by new and upcoming designers. Moreover, they also sell junior fashion, shoes, cosmetics, and accessories. The products are being sold through different channels such as, sales stores and web stores (SuccesStory, 2015).

Inditex has opened its first Zara store in 1975. Zara has opened her first store in A Coruna, Spain. Zara started producing for men and women. In 1988, the company expanded with the opening of a store in Portugal. Soon after, the US and the UK became the next markets. Now, the company operates in Spain, Portugal, the UK, the US, Puerto Rico, Jordan, Ireland, Luxembourg, Czech Republic, Italy, Serbia, mainland of China and Tunisia. At the moment, Zara has over 6.500 stores located in 88 markets in major cities throughout the world. Recently, the fashion company started specializing in junior fashion and opened 174 stores recently. Also, the products are being sold through different channels such as, sales stores and web stores (Marketline, 2013).

Although H&M and GAP are the main competitors of Zara and the leading players in the apparel industry, Zara's key to success is the 'fast fashion' model. This has changed the fashion industry. Zara's approach, which makes them stand out to their competitors, is fashion-creativity design and rapid turnaround to adjust changing market demands. Inditex, and thereby Zara, choose to sell-by period of four weeks. However, if a production is doing well the store manager can request for further production of this certain product. The advantage for Zara is that they created the possibility to expand internationally at a fast pace and that they have generated a great public response to their retailers collections. In addition, Zara has a strong logistic system that improves operational efficiency (Marketline, 2013).

4.1 Attract

Zara will be analysed in the first pillar of Hub spot's model. As mentioned before, the first pillar is about attracting customers. For instance, how does Zara attract new customers by its blogs? Does Zara have a SEO and can people find the company easily on the Internet? Finally, what channels does Zara use to communicate with its customers?
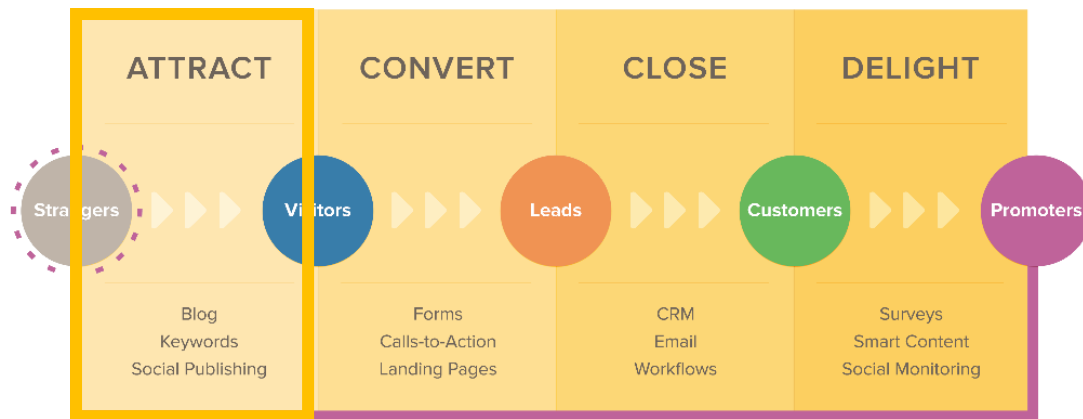
4.1.1 Blog

According to Wugly, which is a blogger site, the average score of Zara is a 7.4 and has in total 454 reviews (Wugly, 2015). Some comments of Dutch customers are shown below.

One of the key successes of Zara is the fast fashion model. According to the comments of the Dutch customers, they see Zara as a style-icon fashion company for the Netherlands. They also love the fact that the assortment changes fast and has a lot of diversity. Besides, Zara itself provides several blog themes on the website. The blogs are easy to find among editorials including Zara's themes.

For instance, Zara publish Monday to Friday editorials for men and women. The description below of the women's editorial is in Dutch. Plus, Zara added the share button. Customers are able to share the look on Pinterest, Facebook and Twitter.

On the other hand, the editorials for men are written in English. Here as well, Zara added the share button and customers are able to share the look on Pinterest, Facebook and Twitter.
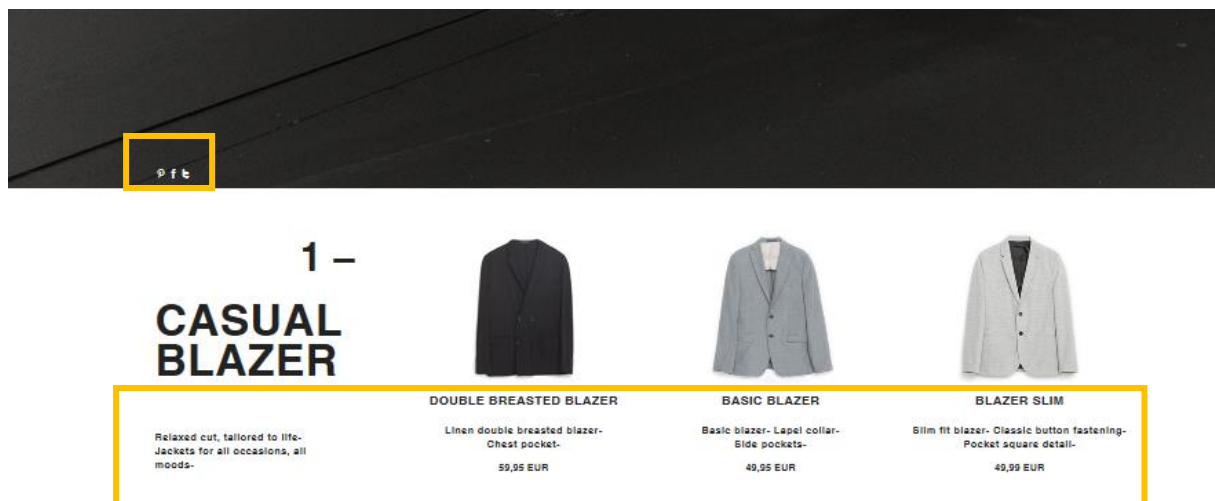
Also other blogs are written in the English language although the Dutch customer was surfing on the Dutch website of Zara. This is an interesting fact, because Zara does not adjust the language for the Dutch customer and at the same it is being more international focused.

4.1.2 Keywords

Zara uses two tools in order to improve lead generation. The first tool is SEO which helps Zara with ranking through search engines and helps to get visits to their website. The second tool is Google AdWords. This tool uses popular words to help generate customers to their website. Zara's AdWords consists of fashion, clothing, young adult, teenager and more. The top four search engines keywords of Zara in the Netherlands are as follows:

Keyword	Percent of Search Traffic
1. zara	49.03%
2. zara kids	2.89%
3. zara online	1.90%
4. zara home	1.33%

(Snapjesite, 2015)

Zara is the main keyword Dutch customers use while looking for Zara on the Internet. Also, Zara uses its own brand name as keyword. Furthermore, Zara has an online shop in many different markets such as: Spain, Portugal, Monaco, Italy, Germany, Poland, Austria, Switzerland, Greece, Malta, Romania, Bulgaria, Croatia, Slovenia, Hungary, Czech Republic, Slovakia, Estonia, Latvia, Lithuania, UK, Ireland, Belgium, Holland, Luxembourg, Sweden, Norway, Denmark, Finland, Russia, USA, Canada, Mexico, Japan, Taiwan, Macau, Hong Kong, South Korea and China. Therefore, it is very important that the website is available in multiple languages (Zara, 2015). Zara browses in languages and dialects such as, English, Spanish, Catalan, Galician, Basque, Portuguese, French, Italian, German, Polish, Greek, Romanian, Bulgarian, Croatian, Czech Republic, Slovak, Estonian, Latvian, Lithuanian, Dutch, Swedish, Norwegian, Danish, Russian, Korian, Japanese and Chinese.

Moreover, every country has a different server. For instance, .nl, .es, .fr. When the Dutch customer tries to enter the Spanish website, Zara automatically asks the Dutch customer in what store and language the customer would like to continue.

However, this is not necessary most of the time, because normally the country of origin appears in the search engines in order to land on the right website. For instance, when the Dutch customer searches for Zara; the Dutch Zara store appears immediately.
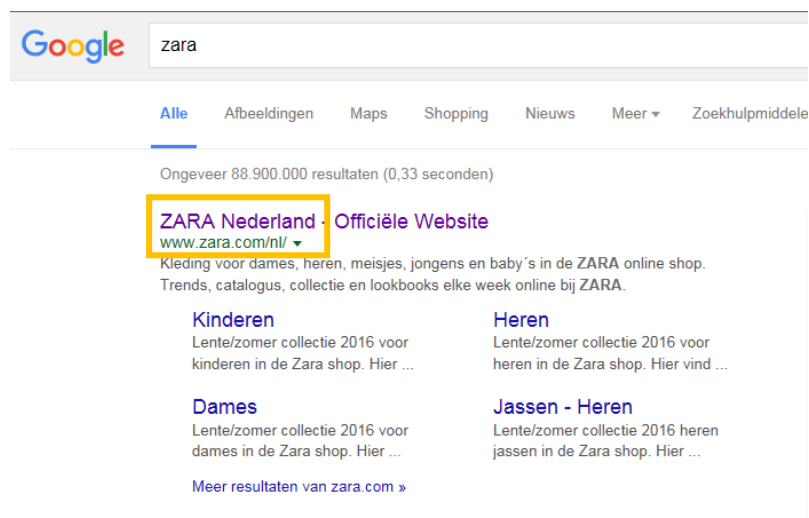
Zara is the most used keyword and therefore used in the URL including the country extension.
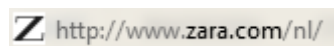
Furthermore, as mentioned in the previous chapter, a metadescription stimulates the SEO of an organization. Zara adjust each meta description to the country of origin. First, the Spanish Zara is shown including the metadescription written in the Spanish language and below is the Dutch Zara is shown including a metadescription written in Dutch.

Spanish Zara

Dutch Zara

Zara is findable by several search engines such as: Safari, Opera, Internet Explorer, Google Chrome, Yahoo, Bing, Mozilla Firefox and more.

When the Dutch customer types in Zara into any of the search engines, the customer sees more than just the official website. The customer finds various social medial channels. In this way, the Dutch customer will be aware of the fact that Zara is active on social media.

All Zara's websites are in the same letter type, same size, and same colour. Also, according to the Dutch customers comments, Zara's website is easy to navigate and fast. This makes it more attractive for customers to buy something from their website. As a result, the revenue of Zara will increase. However, Zara does not show clearly in what currency the customer is able to pay. All countries are able to pay in their own currency. From the moment the customer clicks on a product the customer will see the currency.

GUIPURE BOMBERJACK
49.95 EUR

4.1.3 Social publishing

Zara uses multiple social media channels, for instance: Facebook, Instagram, Twitter, Pinterest and YouTube. Zara makes customers aware of their social media engagement by mentioning the social media channels below on the website.

VOLG ONS

NIEUWSBRIEF
FACEBOOK
INSTAGRAM
TWITTER
PINTEREST
YOUTUBE
::APPS::

Twitter

Zara uses one official Twitter account for global citizens. This account has 1,12 million followers and has tweeted 1274 posts. Besides this, Zara has a Zara Care and a Zara Home Twitter account. The official Twitter account promotes new trends and provides the latest information about Zara.

ZARA ✔
@ZARA
For Customer Support please refer to bit.ly/MHC8IG

ZARA CARE ✔
@ZARA_Care
Monday to Friday 8:30 am to 7:30 pm and Saturdays 10:00 am to 4:00 pm. House Rules: bit.ly/1t3MxGC

Zara Home
@zara_home
Zara Home. Moda para tu casa. zarahome.com

With the Zara Care account, the company employees try to respond and to help customers with their questions. This is an international account. As shown below, Zara answers in different languages such

as: Dutch, German, English, Spanish, Italian, and French. This account has 8212 followers and 40,600 tweets. The huge amount of tweets is because they respond on every question from the customers.

ZARA CARE @ZARA_Care · May 2
@MarJoYa77 Hoi, het spijt ons om te horen over uw ontevredenheid. Stuur ons alstublieft (1/2)

Dutch

ZARA CARE @ZARA_Care · 5h
@pinokw Hallo Manuel, wir entschuldigen uns für die Unannehmlichkeiten. Bitte teilen Sie uns in einer privaten Nachricht (1/2)

German

ZARA CARE @ZARA_Care · 4h
@andoandy Thanks for your message, Andrea. Over 60% of Inditex's production is made by suppliers located close to its head offices and (1/3)

English

ZARA CARE @ZARA_Care · 2h
@blogdenotasazul Hola, Fina. Por el momento, las tiendas de Madrid que disponen de este contenedor son las de las calles Gran Vía, (1/2)

Spanish

ZARA CARE @ZARA_Care · 33m   View translation
@PietroPace Ciao Pietro, grazie per il tuo feedback in quanto ci aiuta a migliorare. Ci scusiamo per gli eventuali disagi causati. Grazie.

Italian

ZARA CARE @ZARA_Care · 6h
@honopoly Vous pouvez consulter la section Nouveautés de notre site afin de trouver un article similaire. Merci. (2/2)

French

Finally, the Zara Home account inspires customers with home decoration and promotes its own products. This account has 76300 followers and tweeted 1910 tweets. The image below shows that Zara Home is an international account by mentioning worldwide.

Zara Home
@zara_home

Zara Home. Moda para tu casa.
zarahome.com

Worldwide

zarahome.com

Joined March 2010

Instagram

Zara uses a different account for each customer segment, for example, Zara men, Zara kids, Zara woman, the official Zara (worldwide), Zara Home and Zara daily. With the focal point on the official Zara account, it has 10,7 million followers and has 1010 messages posted.

Facebook

In this case, Zara has multiple accounts for different markets. Again, they have one general account for global citizens, a Zara home, and a Zara Cara. In addition, the company uses Zara Sliema Malta, Zara Tunis city, Zara Uruguay, Zara Brazil, Zara Kids, Zara Travel. Zara Homes, Zara Woman, Zara Macedonia, Zara Shoes, Zara Home Malta and Zara Melbourne. However, the company is not very active on these specific accounts and has posted in 2014 for the last time. With the focal point on the official Zara Facebook account, it has 23,959,056 people who like the Facebook page. As a result, all posts are written in the English language so all global citizens are able to understand the posts. Zara posts the same information on every social media channel. For instance, as shown below Zara promotes chapter 3 of denim looks. Zara uses hashtags in order to reach more social media users and bring more awareness among the brand.
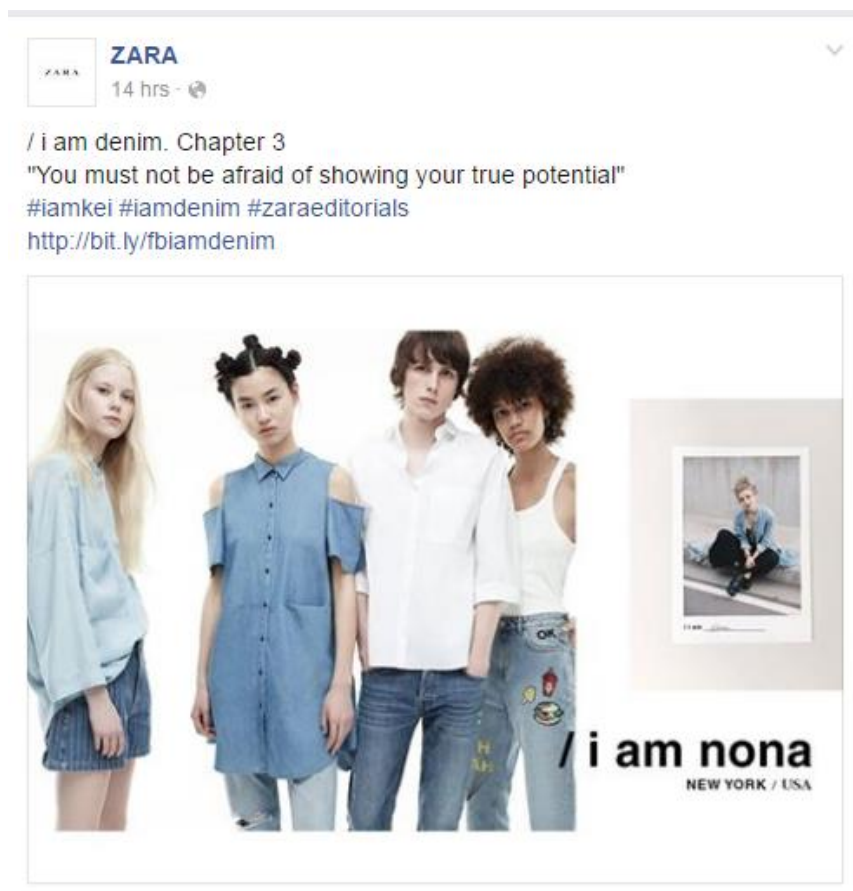
Each account has its own function and they do this on each channel. Therefore, this research cannot study Zara specifically in the Dutch market.

Pinterest

Zara has one official account including several themes as shown below. With these different themes Zara is able to reach various segments of customers. Most of them are campaigns with a seasonal theme.
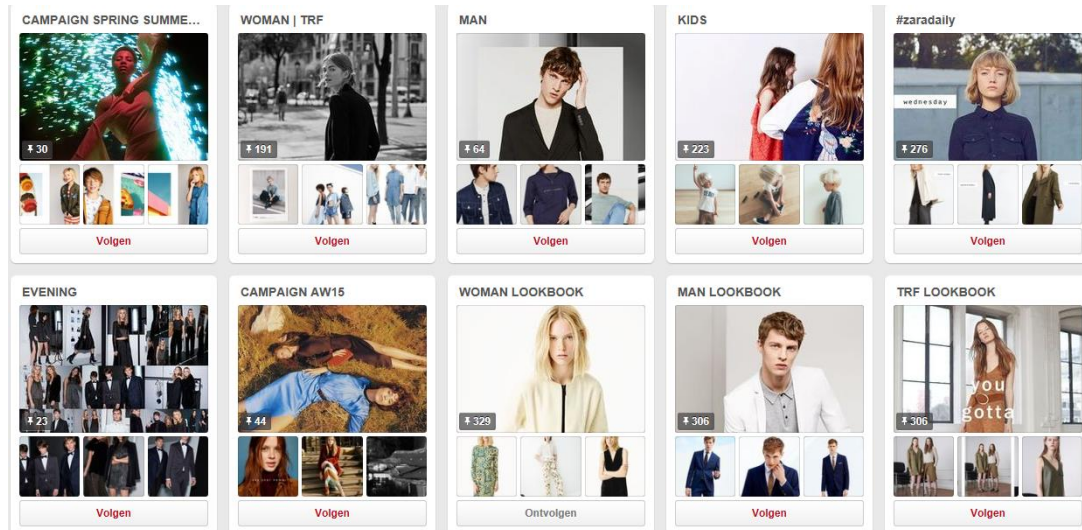
To conclude, Zara uses an international account for each channel to promote the brand and to provide information about the latest trends and information. Zara does not specifically target one market. However, each channel has a Zara Cara where the employees are capable of answering the customers' questions in various languages. In this way, the customer can see the company's engagement with them. Besides, Zara is easy to find on diverse search engines and according to Dutch customers the website works perfectly fine. As a result, customers are more likely to buy something and gain revenue for Zara. The just mentioned factors are aimed to attract new prospects and leads.
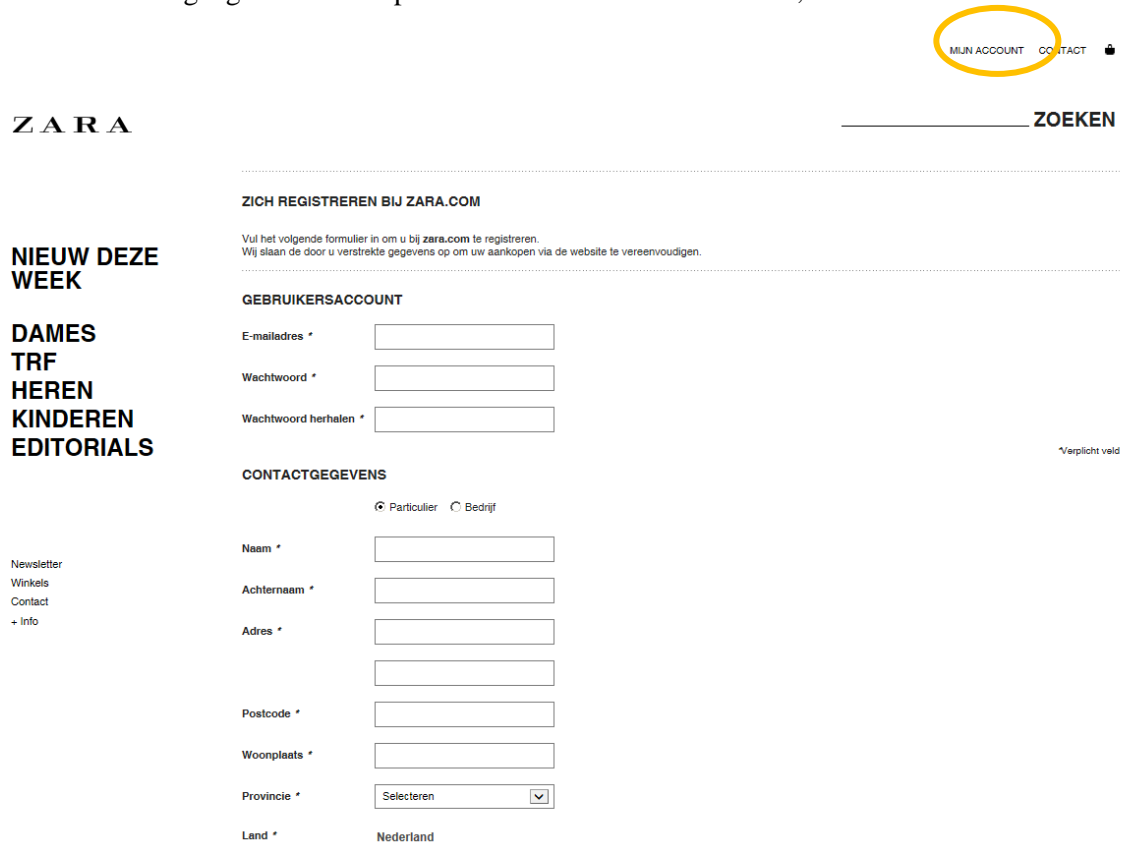
4.2 Convert

The second pillar is converting. Converting could be defined as; to change (something) from one use into another purpose (Houghton Mifflin Harcourt Publishing Company, 2008). In case of Zara, when a prospect visits the website, Zara must take action in order to change the prospect into a lead. The pillar consists of three tools namely, forms, calls-to- action, and landing pages.
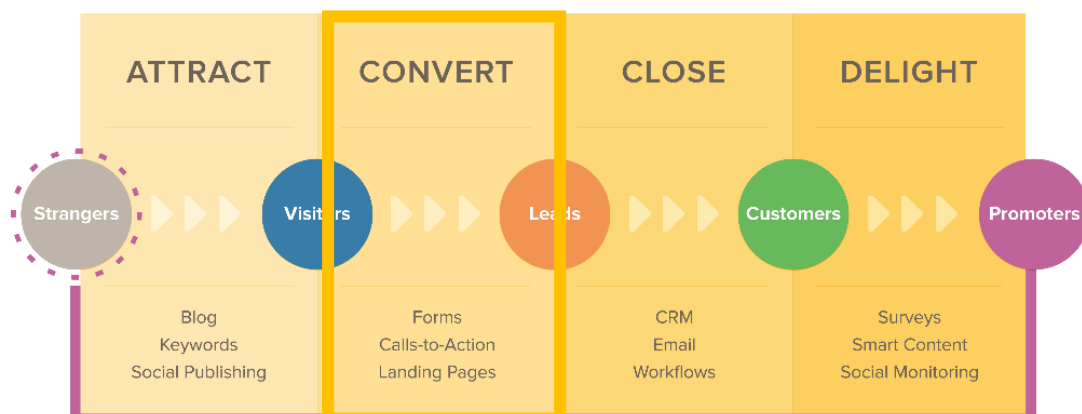
4.2.1 Forms

In this stage, the visitor must register his or herself in order to become a lead. The form to register is very easy to find. In the upper right corner is a title with *mijn account*. When the visitor goes to *mijn account* he or she is able to create an own account by filling in the form below. Each market these forms in its own languages. From the point of view of a Dutch customer, the form is written in Dutch.

Afterwards, Zara does not send any email as confirmation of the registration. Therefore, Zara does not show any appreciation towards the new lead.

4.2.2 Calls- to- Action

The second tool of the converting pillar is calls-to-action. The following product is chosen by a Dutch customer shopping on Zara website. Calls-to-action are buttons or links to encourage the visitor to buy from Zara's website. For instance, the Dutch customer is interested in the red dress, as shown below. On the Zara website multiple pictures are shown from each side of the dress and also close- ups of the material. The customer nearly feels like if she was sales shopping instead of web shopping. On the right side, the customer is able to choose her size. In this case, the dress is not available in another colour. Another plus point is that Zara provides additional information such as the composition, the shipment and retour information. After the Dutch customer did her research she decides to call for action and has put the product in the shopping bag by clicking on *toevoegen aan winkelmand.*
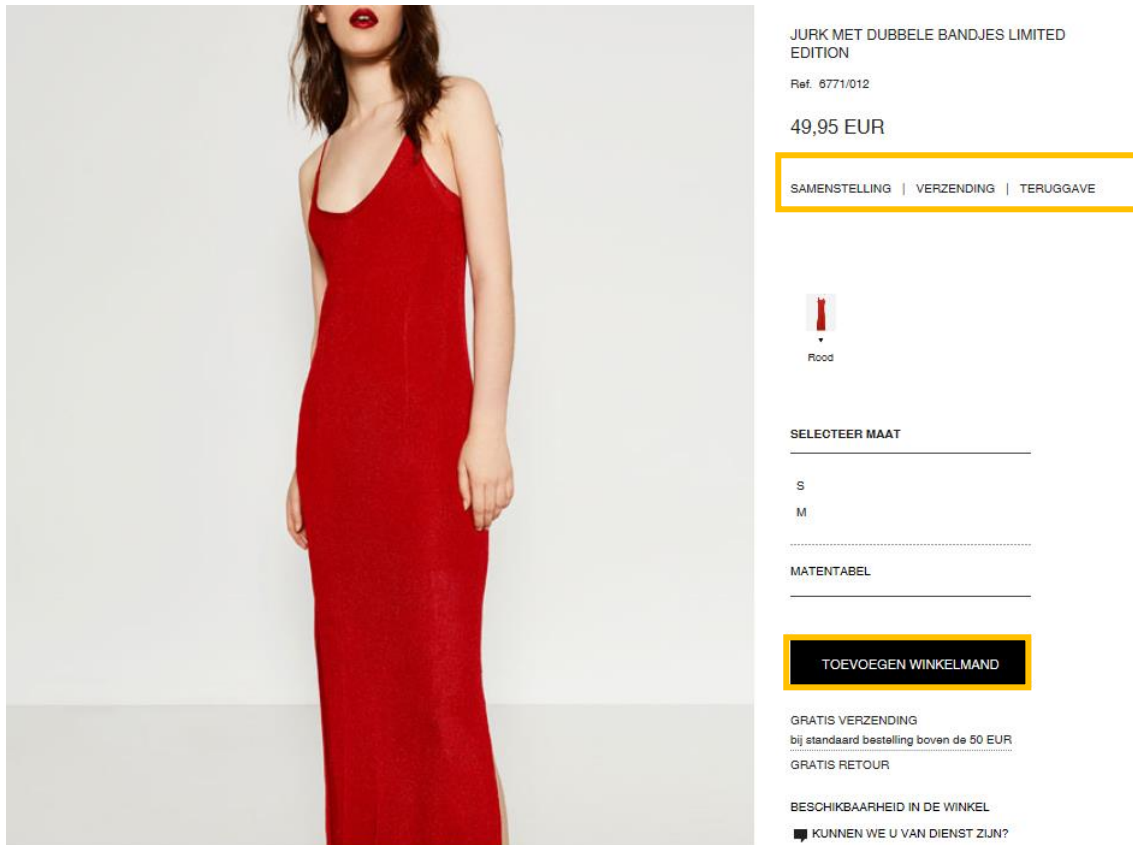
After the Dutch customer pressed the calls-to-action button the customer receives another option. Does she want to continue shopping or finish shopping and receive the order?
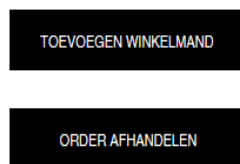
The Dutch customer decided to order only the dress and continues with *order afhalen.* The next page the customer sees, is a summary of her order including the colour, the size, the amount and the amount of money she has to pay.
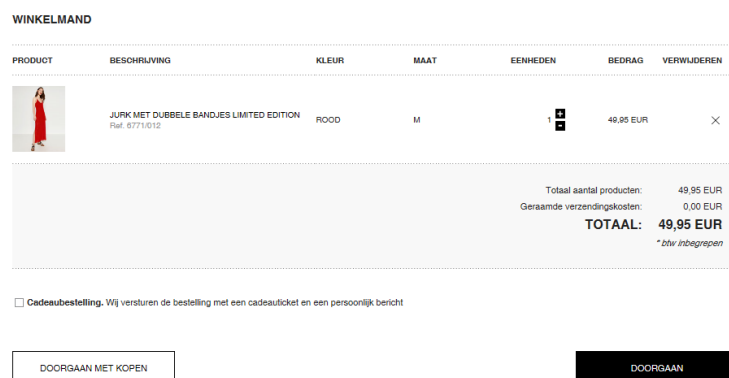
4.2.3 Landing page

The Dutch customer decides to buy the product and arrives on the landing page. The customer receives a summary with her personal information, which she filled in while she registered, and where the product will be delivered. This information is saved in the database of Zara and has never to be filled in by the customer again. In this way, Zara makes it easier for the customer to shop because it saves time.

ORDER AFHANDELEN

1. VERZENDING   2. BETALING

VERZENDMETHODE

- ⦿ **Afhalen in de winkel:** In de winkel van jouw keuze binnen 3-5 werkdagen. **Gratis**
- ○ **Standaard:** Binnen 3-5 werkdagen. **3,95 EUR**   GRATIS (BESTELLINGEN BOVEN DE 50 EUR)
- ○ **Express:** Binnen 24-48 uur (werkdagen) . **9,95 EUR**

FACTURATIE-ADRES

Michelle Bloemendaal
Spoorlaan 99
2215KR Voorhout
ZUID-HOLLAND
Nederland
Mobiele telefoon: +31 647330857

ADRES BEWERKEN

ZARA-WINKEL WAAR U DE ORDER AFHAALT

- ⦿ HOOFDDORP - MARKTLAAN, 1-4   Kaart bekijken
- ○ HAARLEM - GROTE HOUTSTRAAT, 93   Kaart bekijken

ANDERE WINKEL KIEZEN

DOORGAAN

After the order is finished, the customer receives an email in her mailbox. This information holds the customers' order number in case something goes wrong. For instance, wrong delivery or when the customer would like to contact customer service then she needs an order number. Furthermore, it tells the delivery date and method. Did the Dutch customer want to deliver the product at her home address or did she want to pick it up in a sales shop of Zara? The Dutch customer chooses to send the product to her home address, which is also given in this email. Plus, this email tells the customer what product she ordered in what size and the amount of products. Finally, the total amount of money she has to pay is given.

ORDERBEVESTIGING

Beste Natalija:

Dank u voor het winkelen bij Zara.com. Dit is een bevestiging dat wij uw Bestelling hebben ontvangen met de volgende gegevens.

Wij willen u informeren dat als u onze Klantenservice dient te contacteren, uw case geregistreerd zal worden onder het referentienummer 219434796. In geval van verdere vragen kunt u onze Gebruiksvoorwaarden bekijken.

ORDERNUMMER: 219434796

DATUM VAN DE ORDER: 4-5-16

VERZENDMETHODE: STANDAARD

FACTURATIE-ADRES	VERZENDADRES
Natalija Randjelovic	**Natalija Randjelovic**
J.W.Frisodreef 14	J.W.Frisodreef 14
2224BG Katwijk	2224BG Katwijk
ZUID-HOLLAND	ZUID-HOLLAND
Nederland	Nederland
Telefoon:	Mobiele telefoon: +31 0623605144
Mobiele telefoon: +31 0623605144	

BESCHRIJVING	REFERENTIE	MAAT	EENHEDEN	BEDRAG
BOMBERJACK	0/0706/499/401/05	XL	1	39,95 EUR

Totaal producten:		39,95 EUR
Verzendingskosten:		3,95 EUR

It is important that the website navigates easily, fast and clearly. In this way, Zara makes it easier and clearer for the customer to shop and as a result the customer is more likely to buy something. In short, the converting pillar is able to gain revenue for the fashion company if the converting stage is implemented well. Besides, Zara shows clearly different methods the customer is able to pay in at the end of the order. The pillar is aimed to remain consisting customers and to attract new prospects.

SELECTEER EEN BETALINGSMETHODE

VISA   MasterCard   AMERICAN EXPRESS   PayPal   iDEAL

Achteraf betalen Klarna

4.3 Close

The third pillar is closing also known as closed- loop reporting. This means the alignment between the sales and the marketing department. If the cooperation between these two departments goes well, the results will be magnificent. The pillar consists of three tools namely, customer relationship management, email, and workflows. In this stage, the organization is doing well and their leads almost become customers.
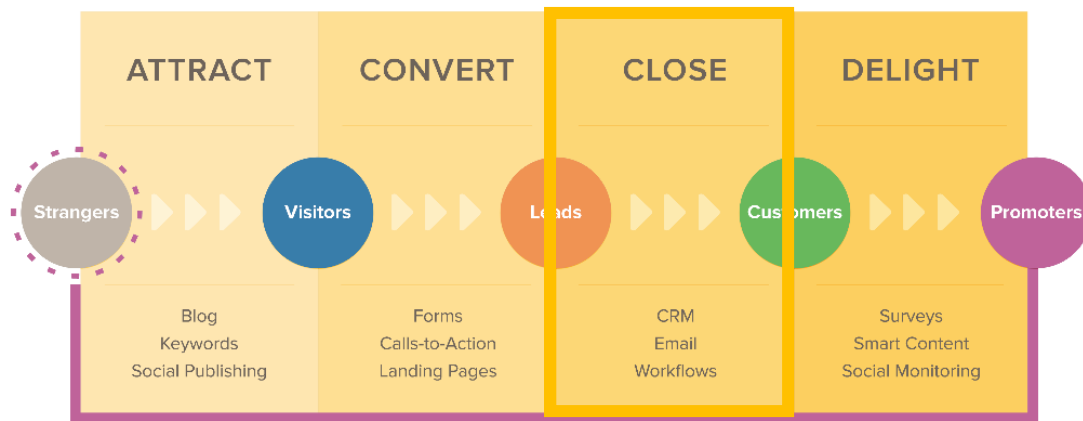
4.3.1 Customer Relationship Management (CRM)

Customer relationship management can be defined as an approach in order to manage interaction with the current and future customers of a company. Furthermore, the company also analyses the customers' data throughout the customers' lifecycle aiming to improve business relationship with customers and finally to drive sales growth (Rouse, SearchCRM, 2014). Zara understands the benefits of CRM software to help them understand the needs of their customers.

On average, Dutch customers visit a sales store four times a year. However, in case of Zara, the sales stores are visited 17 times a year per customer. Their customers are very dedicated and loyal to the brand. Zara uses CRM database to study what products are favourable by its customers, including the colour. With this data, designers are able to produce new products quickly, based on the latest trends and styles preferred by their customers. As a result, Dutch customers are very positive about Zara as shown in the Dutch customers comments in the attract pillar (CRMSystems, 2015).

Another way Zara makes it products more attractive is by ensuring that the product items available only in limited quantities, which makes the product more exclusive, and more desirable for customers. Zara is a leading player in the fashion industry because the company listens to their customers. The majority of the company's clothing sells at full price, what other retailers can only dream of . The fashion company is a great example of CRM data used effectively in order to improve the brand and stay ahead of its competitors (CRMSystems, 2015).

4.3.2 Email

With the collected data, Zara can build trust by the customer by focussing on relevant, useful content that helps the customer more enthusiastic to buy. This information will be send to the customers.

4.3.3 Workflows

The last tool is workflow. During this process, email marketing and lead nurturing will be combined with the needs and lifecycle stage of each lead. This research was not able to prove how Zara works within this stage.

4.4 Delight

The final pillar is delighting. Zara is at the end of the marketing automation process and their customers will be soon promoters. This pillar consists of surveys, smart content, and social monitoring.

4.4.1 Surveys

In 2013, a research report of Zara conducted a survey related to the quality, fast fashion, value for money, wide range of design, exclusivity and stylish of Zara. This survey is taken in Singapore. The following results came out:

	Strength	Favourability	Uniqueness
Quality	Moderate	High	Moderate
Fast-Fashion	High	High	Moderate
Value for money	Weak	High	Weak
Wide range of designs	High	High	Moderate
Exclusivity	Weak	Moderate	Weak
Stylish	High	High	Moderate

(Zarafashion, 2013)

According to Zara's research report, the stylish and the wide range of design has scored high in strength and favourability. This could be due to little differentiation between fashion brands within these associations mentioned above. On the other hand, the quality and the value for money is underperforming. As showed in the table above, the quality is favourable so there are some improvements to make and strengthen this part of the brand. Consequently, Zara need to position better in strategic communication in order to provide a better value proposition to the customer. Again, Zara does not show their appreciation by filling in the survey. The customer does not receive any value in exchange. Unfortunately, this research was not able to find more specific results on the Dutch market.

4.4.2 Smart content

In the smart content stage, Zara provides content tailored to their customers' interest and challenges. Zara does this by helping to achieve their goal, as well as introducing new products and features that might be of interest to them. As shown below, Zara is introducing new products to an existing Dutch customer. This stage is almost similar as the email stage in the closing pillar. However, smart content provides information to customers who already bought something from Zara and the email stage is to make the customer more enthusiastic to buy from Zara.
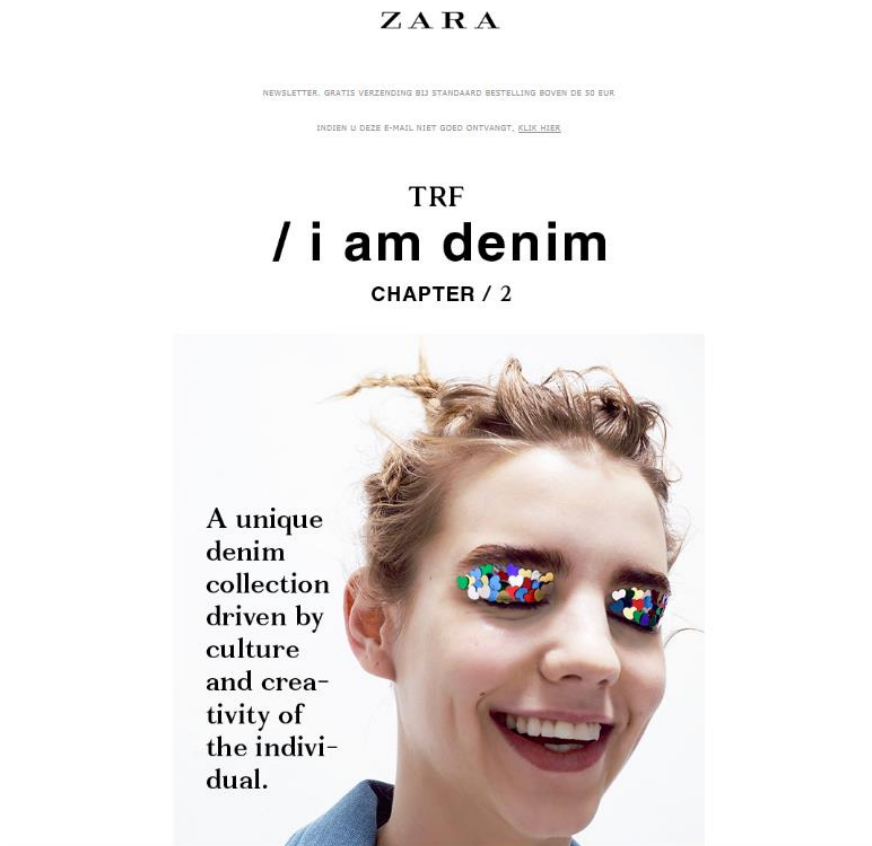
4.4.3 Social monitoring

The final pillar and tool is social monitoring. This tool is about communicating and interaction with the company's customers. It is very important to keep in touch with customers so that are aware of the engagement from company to customer. The conversation does not always have to be about clothes. In the example below is a conversation on Facebook about the customer service between customers and Zara Care. According to this conversation, customers are not pleased by the customer service Zara provides and turned to the social media channels in order to get in touch. All companies want their reputation to be good and so Zara cannot afford this kind of messages on their social media channels and therefore they respond immediately.
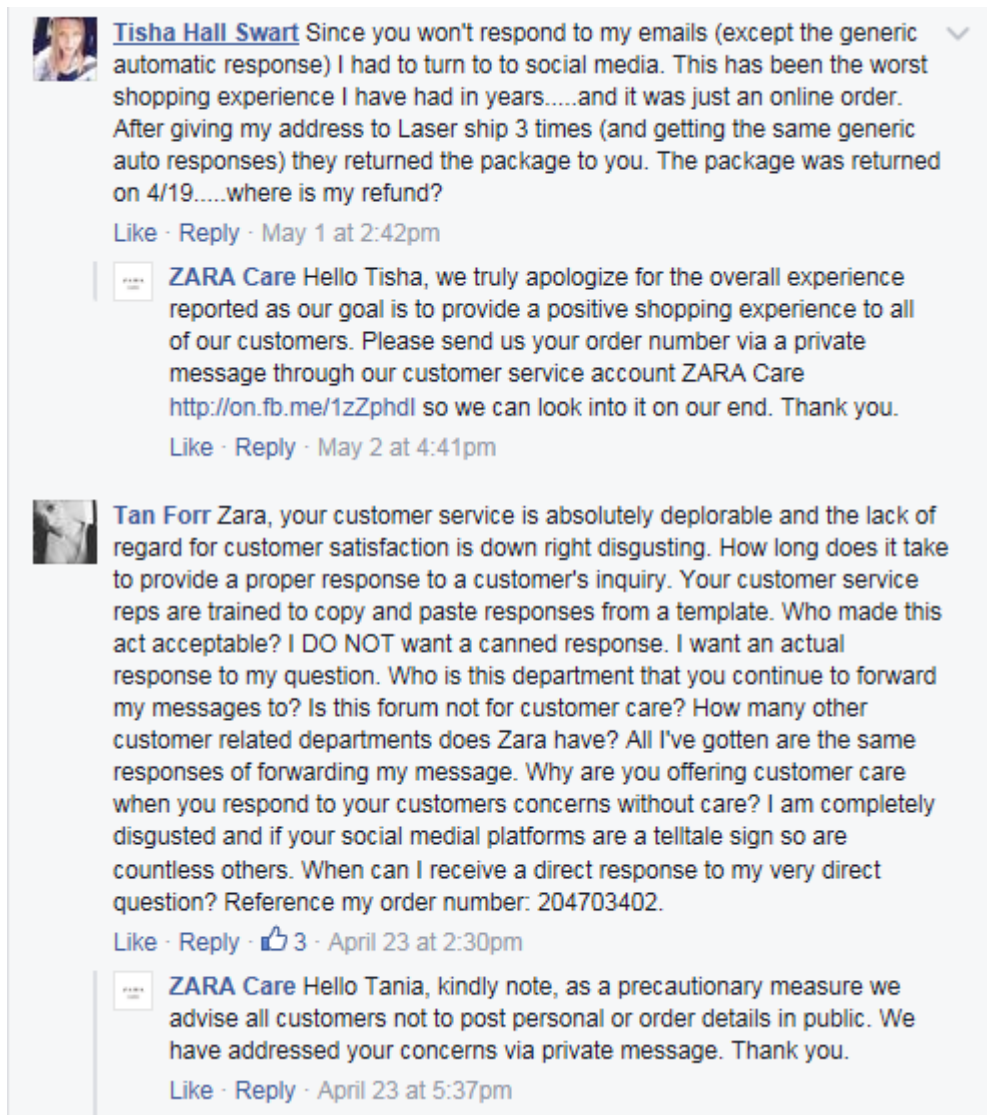
Another example on Facebook within the Dutch market is about the customer service Zara provides and the quality of Zara's products. As shown below, the conversation is in Dutch.

Coco Leek Hallo zara bedankt voor het reageren en toch wordt er niet goed naar gekeken sorry
Like · Reply · June 12, 2015 at 4:29pm

ZARA Care Hallo Coco, Wij willen u adviseren om een winkel te bezoeken als u een terugstorting of omruiling wilt hebbben, zo kunt u geholpen worden door een winkel medewerker. Bedankt.
Like · Reply · June 12, 2015 at 7:10pm

Coco Leek Hallo zara heb net klantenservice gebeld goed geholpen maar moet dit toch even kwijt in maart een jasje gekocht voor onze kleinzoon leuke jas maar de kwaliteit is puur slecht de gaten vallen er in en ik vind waarom moet daar iemand naar kijken je ziet zo hoe slecht hij is vind dit wel erg jammer jullie hebben zulke leuke dingen maar die jas echt zonde van het geld
Like · Reply · June 12, 2015 at 10:57am

ZARA Care Hallo Coco, bedankt voor uw vraag. Het spijt ons om dit te horen. Al onze artikelen ondergaan een strenge controle. Wij willen u informeren dat de artikelen nagekeken moeten worden in de winkel, zodat het op een correcte manier geëvalueerd worden. Wij hopen u hiermee voldoende geïnformeerd te hebben. Bedankt.
Like · Reply · June 12, 2015 at 3:04pm

Social media channels are not only used to complain. However, it is more useful to do so because then the customer will get Zara's attention. Another example on Twitter is about a woman from the United States who finds the customer service of Zara shameful.

Gail @gailyoung60 · 14h
@ZARA You should be ashamed of yourself Zara - worst customer service ever and will tell everyone I know

ZARA CARE ✔
@ZARA_Care   ⚙ 👤 Follow

@gailyoung60 Hi Gail, we are sorry to hear this. Please send us a DM with further details so that we may address your concern. Thanks.

2:39 PM - 5 May 2016
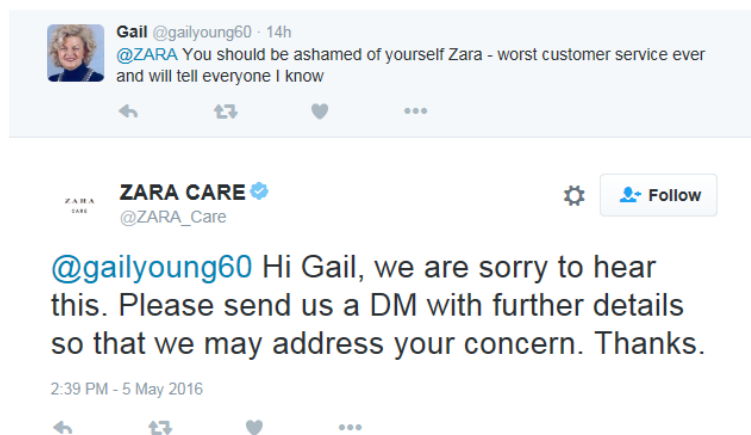
As mentioned before, it is more common to complain. However, the following example shows a Dutch customer mentioning the kindness of the customer service. Although, the problem is not solved yet and the customer hopes Zara will help her out.

In this chapter, the four steps of Hub spot's model are studied in fashion company Zara namely, attract, convert, close and delight. Using marketing automation has helped Zara to learn a lot about their customers' needs and interest. As a result, Zara is able to meet the requirements of its customers. The next chapter will analyses both results of H&M and Zara and study the similarities and differences between the two companies.

5.0 Discussion and Conclusion

What are the similarities and differences between H&M and Zara within the Dutch market?

In the previous chapter, two case studies have been described. Hub spot's model was studied within the two fashion companies H&M and Zara with the focal point on the Dutch market, where these two companies tries to succeed in. In this chapter, the results will be analysed. This research will argue the similarities and differences between H&M and Zara of each pillar of Hub spot's model. Afterwards, a conclusion will be given. However, first the general information from both companies needs to be discussed.

5.1 General information

In this part of the analysis the general information about both H&M and Zara will be discussed. The analysis consists of: the product both companies offer, their target group, the market size, how many countries they are active in and the location where they operate, the total amount of stores, the competitive advantages and their main competitors. *Table 3 general information* gives an overview of the factors mentioned above factors.

General information		
	H&M	**Zara**
Origin:	Vasteras, Sweden	A Coruna, Spain
Established:	1947	1975
Product:	Fashion apparel, cosmetics, accessories, and shoes	Fashion apparel, cosmetics, accessories, and shoes
Target group:	Children, teenagers, woman, and men	Junior fashion, woman and men
Market size:	55 different markets	88 different markets
Country:	13 different countries	14 different countries
Location:	Sweden, Norway, Denmark, Finland, the Netherlands, Germany, Austria, the UK, the US, France, Italy, Spain and China	Spain, Portugal, the UK, the US, Puerto Rico, Jordan, the Netherlands, Ireland, Luxembourg, Czech Republic, Italy, Serbia, mainland of China, and Tunisia
Total stores	3216 stores	6500
Competitive advantage:	Broad product portfolio and diversified geographic presence	Fast fashion model and has a strong logistic system
Main competitors:	GAP, Marks and Spencer Group, Otto, Arcadia Group Limited, Abercrombie & Fitch co., and fast retailing co.	GAP. H&M

Table 3: general information

H&M and Zara are not without a reason each other's competitors. Both companies operate and compete within the apparel industry. Moreover, they do not only produce and sell clothing but also cosmetics, accessories and shoes. This makes them even more competitive because they both offer a broad product range targeting children, teenagers, woman and men. H&M and Zara even share the same competitor GAP. Although, H&M also competes with Marks and Spencer Group, Otto, Arcadia

Group Limited, Abercrombie & Fitch co. On the other hand, Zara is active in 88 markets in 14 different countries while H&M is only active in 55 different markets in 13 different countries. So, they operate approximately in the same amount of countries, though Zara has a bigger market size. As a result, the company has 6500 open stores while H&M has only 3216 open stores. Zara is different from their competitors because of its fast fashion model. Every four weeks, Zara offers a new product line. Consequently, customers are more likely to check out the sales- and web store and buy new items. By applying this model, Zara gains more revenue. In case of H&M, their competitive advantage is not very useful towards Zara because Zara also offers a broad product range and has even a bigger geographic presence than H&M.

5.2 Attract

In this part of the analysis, each pillar of Hub spot's model will be discussed. First, the similarities of both companies will be given and afterwards the differences. The first pillar is about attracting customers. This pillar consists of: blogging, keywords and social publishing.

Blog

The first tool of the attracting pillar is blog. H&M and Zara both make use of blogging. These blogs are easy to find on the website among H&M Life and editorials on Zara's website. These blogs can be shared by readers, in order to reach and attract a larger public. However, the content of the blogs from both companies is not the same. Zara's purpose is to give customers inspiration for women and men sharing Zara's looks while H&M does more than that. They provide information about, for instance, newspapers in which celebrities wear H&M clothes. In addition, they share videos about sports, they share blogs about culture with diverse topics, for instance, travelling, and much more. Besides, in case of H&M, a Dutch customer sees the blog on the Dutch website in Dutch while the Zara Dutch customer sees one blog in Dutch and all the other blogs in English.

Keywords

The second tool of the attracting pillar is keywords. In case of both companies, every country has a different server, for instance, .nl, .fr, .es. They use the same structure and lay-out for each country. For instance, same letter type, same size, and same colour. When someone types H&M or Zara into a search engine, the website appears in the server/language of the country where the customers find themselves in. Both fashion companies use their own brand name as keyword in the search engine. Not only the official website appears, but also their social media accounts. In addition, the meta description adjusts with the server. For instance, the Dutch customer sees the website including the meta description in the Dutch language. Moreover, they make use of several search engines such as, Google, Yahoo, Opera, Mozilla Fox. On the other hand, on Zara's website in not clearly shown in what currency the customer is able to pay in until the moment the customer clicks on a product line. However, H&M shows the possible currencies in the top right corner of the website.

Social publishing

The third tool of the attracting pillar is social publishing. Social media has grown to a new world wide hype recently. For organizations, the fastest and smartest way to reach new prospects and customers is by using social media. Also H&M and Zara make use of various social media channels such as Twitter, Instagram, Facebook, Pinterest, YouTube, newsletters and Google +. They make visitors aware of their social media channels by mentioning it on their website. In addition, both companies make use of different social media accounts for different segments of customers. However, both companies do this on their own way. H&M has a separate account for each country meaning that each account posts in that language. On the other hand, Zara has one official account on each social media channel written in the English language. Furthermore, Zara has a Zara Cara, Zara home and a Zara daily account where messages will be posted related to that account. For instance, Zara Care is a customer's service where advice will be given to customers in the language that the customer speaks. In addition, Zara home inspires customers with home inspiration. The Dutch market cannot be compared between H&M and Zara, because Zara uses one official account while H&M uses a separate one for each country.

In summary, the main similarities are that both companies make use of blogging. In this way, the customers get inspired by the looks of H&M or Zara. As a result, the customer desires to buy the product. Additionally, the multiple social media channels are also common use in the fashion industry. This also counts for H&M and Zara. Social media channels are there to promote and interact with its customers. By doing this, the company creates awareness of its engagement with its customers. In contrary, the main difference between H&M and Zara is that Zara uses one official account for each social media channel while H&M uses diverse accounts for each social media channel. On one hand, using diverse accounts could be an advantage because H&M promotes in the language of the market, which customers appreciate. On the other hand, if H&M is not active in one market but has created awareness in that another market, than the visitor is not able to understand H&M messages on the social media channels because it is not communicated in one common language. Moreover, by having multiple social media channels the company must put more effort in translating one message into various languages, which costs time and money. To conclude, Zara performs better in the attract pillar than H&M.

5.3 Convert

The second pillar is converting which consists of: forms, calls-to action and landing pages. First the similarities of both companies will be given and afterwards the differences.

Forms

The first tool of the converting pillar is forms. In this stage, the visitor must register his or herself in order to become a lead. The form is easy to find on the top right corner of the website from both companies. From the Dutch customers perspective, at H&M's website the form can be found among

inloggen and at Zara's website among *mijn account.* The registration form is written in the Dutch language. For each country, a different language counts. Whereas H&M sends a confirmation email to the customer, Zara does not. So, H&M shows their appreciation towards the customers by mentioning their happiness with the customer's registration and offers a discount sometimes for the customer's first purchase. Zara does not show any appreciation towards the newly registered customer.

Calls- to action

The second tool of the converting pillar is calls-to-action. Calls-to-action are buttons or links to encourage the visitor to buy from the website. H&M and Zara must make use of it otherwise the customers cannot order products from their online web shop. The whole process from deciding to buying for the customers on both websites is the same. The Dutch customer is able to zoom- in to the product, is able to change the colour of the product, choose the size and finally to add the product to the shopping bag. Afterwards, the Dutch customer sees a summary of its products in the shopping bag including the product itself, the colour, the size, the amount of one certain products the customer would like to order and finally the total amount the customer has to pay. All of this information is written in the Dutch language. There are no differences in this stage of the pillar regarding H&M and Zara.

Landing page

The Dutch customer has decided to buy the product and arrives on the landing page. The customer receives a summary with her personal information ,which she filled in while she registered, and where the product will be delivered. This information is saved in the database by H&M and Zara and has never to be filled in by the customer again. In this way, both companies make it easier for the customer to shop because it saves time. After the order is finished, the customer receives an email in her mailbox. This information tells the customers' order number in case something goes wrong. For instance, wrong delivery or the customer would like to contact customer service then she needs an order number. Furthermore, it tells the delivery date and method. Did the Dutch customer want to deliver the product at her home address or did she want to pick it up in a sales shop? Plus, this email tells the customer what product she ordered in what size and the amount of products. Finally, the total amount of money she has to pay, is given. Also, all of this information is written in the Dutch language. There are no differences in this stage of the pillar regarding H&M and Zara.

In the convert pillar H&M performs better than Zara. The main similarity is that both companies use a registration form in order to collect data from its customers. This is an advantage for both companies and customers, because companies are able to track the buyer's lifecycle and respond to its needs and interests. For customers, it is useful because, first of all, they receive useful content regarding their needs and interests from the company and secondly, its saves time during the purchase process. Afterwards, H&M sends an email expressing their appreciation towards the customer by sending the new customer a welcome discount. Whereas, Zara on the other hand, does not do this. The company

shows no appreciation towards the newly registered customer. First of all, the customer could wonder if the registration was completed successfully, because the customer did not receive any confirmation email and secondly, with a welcome discount it is more encouraging to buy a product but Zara does not encourage the customer at all.

5.3 Close
The third pillar is closing or also known as closed-loop reporting. This pillar consists of: customer relationship management, email, and workflows.

CRM – Customer relationship management
The first tool of the closing pillar is customer relationship management. H&M and Zara collect personal data information from their customers. This collection already starts while the customer registers his or herself by filling in the form in the second pillar during stage one forms. H&M and Zara receive information about the gender, the age, the address and so thereby the region where the customer lives and the e-mail address. Furthermore, the fashion companies also collect and analyse the customers data through the customer's lifecycle. H&M's and Zara's database tell the preferences of the customers. For instance, what sort of product is the customer looking for: skinny jeans or boyfriend? What colour: light blue or dark blue? The size of the customer and how much is the customer willing to pay? In addition, how often does the customer shop? And how much does he or she buy? Furthermore, does the customer buy her clothes on the web shop or in a sales store in Amsterdam or the Hague? The company is able to see this information by previous orders from the website or with the membership card that the buyer can use in the store by each purchase. What both companies do differently is that Zara mentions how exclusive a certain product is, so the customer desires the product more. On the other hand, H&M's goal is to drive membership of the H&M club by mobile marketing campaigns promoting their latest collection. There is nothing that distinguishes the two markets in this stage. Both companies use the same system for each market. For this reason, this research, can in CRM stage, not focus on the Dutch market.

Email
The second tool of the closing pillar is email. With the collected data from the previous stage the fashion companies send useful content which helps the customer more enthusiastic to buy. Both companies do this in every market. There are no differences in this stage of the pillar between H&M and Zara.

Workflows
This research was not able to find the workflow process of H&M and Zara. Therefore, no similarities or differences can be made.

In short, both companies collect a lot of data from its customers. With this data, the company segment each target group by gender, age and region. In this way, companies are able to send personalized

messages to its customers. The customer will not receive useless content and therefore is more willing to open and read the email. As a result, the customer might like a product promoted in the email and buy the product. Nowadays, a lot of social media users share their new purchases and hashtag (#) the brand name. In this way, the product will be promoted to another audience and the fashion company reaches an even larger public. The main difference in the closing pillar is that Zara mentions its exclusivity of its products, which makes customers desire that certain product more. On the other hand, H&M aims to drive membership by promoting its products by one of its key successes: mobile marketing campaigns by celebrities and style icons. Nowadays, the world is about fashion. Everyone has to look fashionable, otherwise people will gossip about them. Using celebrities wearing H&M clothes is a big inspiration for global citizens. This will make the customer more enthusiastic to buy the product because it is fashionable because it is worn by a style icon. In this pillar, H&M or Zara do not perform better or worse than the other. They simply both use different strategy to attract its customers.

5.4 Delight
The final stage of the marketing automation process is delighting. This pillar consists of surveys, smart content and social monitoring.

Surveys
The first tool of the delighting pillar is surveys. By conducting surveys, H&M and Zara can improve their business and their customer relationship by listening to their customers. Both companies research the quality, the value for money, and research if their products meet the expectations of their customers. Besides, H&M offers a gift card in exchange for the effort customers deliver. However, Zara does not. This allows Zara to assume that customers are not willing to participate filling in the survey or do not take the time for it. Surveys are conducted in all markets by both companies and cannot be researched specifically on the Dutch market.

Smart content
The second tool of the delighting pillar is smart content. Smart content is providing information related to the interest and challenges of H&M's and Zara's customers. Both companies provide Dutch customers, and any other customer, with the latest trends and introduce new products. The Dutch customer receives an email with this information from the company. In this way, H&M and Zara promote their company and express their engagement with their customers by sending personalized messages. There are no differences in this stage of the pillar between both companies.

Social monitoring
The final tool of the final pillar is social monitoring. This tool is about interaction with the customers whether it is a positive comment or complaining. Within this stage, H&M and Zara are very active on Twitter and Facebook. Zara even created a separate account, Zara Care, to interact with their customers. Zara uses one official account and interact in the language the customer speak. H&M does

this as well, but H&M has a different social media account each market, so obviously H&M must communicate in the language from the customer.

Briefly, H&M performs better in the delight pillar than Zara. The main similarity is that both companies conduct research and therefore can improve their business. With these surveys they can research which products were preferred and which were not. How come? Did the customer service provide good service? Does the customer receives value for their money? H&M and Zara can improve their business by the answers of the just mentioned questions. However, to fill in a survey takes time and the effort of a customer. So why would the customer do it? In exchange, H&M provides a gift card. Therefore, H&M is able to receive more feedback from its customers than Zara, which does not provide any gift in exchange.

Overall, H&M's performance are slightly better in Hub spot's model than Zara's. However, both companies follow almost the exact same pattern. The main difference is that Zara uses one official social media account while H&M uses various social media accounts and communication in the language of that certain specific market. Additionally, H&M express their appreciation more towards its customers than Zara does. In the following *table 4 summary overview,* a summary is given about the similarities and differences between H&M and Zara. Afterwards, a conclusion will be given based on the research.

Marketing automation - Hub spot's model		Influencers	
Attract			
Blog			
Easily to find on the website		H&M	Zara
Editorials		-	Zara
Diverse themes		H&M	-
One language		H&M	-
Multiple languages		-	Zara
Keywords		-	-
Different servers (.nl/.fr/.es)		H&M	Zara
Same structure and lay-out		H&M	Zara
List of Keywords		-	Zara
Using own brand name		H&M	Zara
Findable by various search engines		H&M	Zara
Clearly shows what currency to pay in on website		H&M	-
Social Publishing		-	-
Twitter		H&M	Zara
Facebook		H&M	Zara
Instagram		H&M	Zara
Newsletter		H&M	Zara
Pinterest		H&M	Zara
YouTube		H&M	Zara
Google +		H&M	Zara
Each segment different social media account		-	Zara
Each market different social media account		H&M	-
One language		H&M	-
Multiple language		-	Zara
Convert			
Forms			
Easily to find on the website		H&M	Zara
Sending confirmation email		H&M	Zara
Showing appreciation towards the customer		H&M	-
One language		H&M	Zara
Multiple languages		-	-
Calls- to action			
Button		H&M	Zara
Link			
One language		H&M	Zara
Multiple languages		-	-
Landing Page			
Sees a summary with personal info. on website		H&M	Zara
Receiving a summary with personal info. in mailbox		H&M	Zara
One language		H&M	Zara
Multiple languages		-	-

Close			
CRM			
Personal Data		H&M	Zara
Gender		H&M	Zara
Age		H&M	Zara
Income		H&M	Zara
Region		H&M	Zara
Email address		H&M	Zara
Preferences		H&M	Zara
How often		H&M	Zara
How much		H&M	Zara
Where		H&M	Zara
When		H&M	Zara
Exclusivity		-	Zara
Membership		H&M	-
Email		H&M	Zara
Workflows		-	-
Delight			
Surveys			
Making use of surveys		H&M	Zara
Gift card / showing appreciation towards the customer		H&M	-
Smart content			
Sending personalized messages		H&M	Zara
One language		H&M	Zara
Multiple languages		-	-
Social monitoring			
Active on social media		H&M	Zara
Twitter		H&M	Zara
Facebook		H&M	Zara
Instagram		-	-
YouTube		-	-
Pinterest		-	-
Google+		-	-
One language		H&M	-
Multiple languages		-	Zara

Table 4 summary overview

Conclusion

Marketing automation is software that organizes and divides all data for both Internet users and companies. As a result, Internet users receive, from their point of view, useful content and companies are able to understand the customers' needs and interest. Furthermore, this software could bring new customers to the company and gain more revenues. Therefore, most marketer managers are interested in this software. The software is already known in the B2B industry, but recently it has become more popular among B2C industries. However, marketing automation is complex software and most organizations underestimate it. Providing excellent content alone does not result in new customers and revenues. This study, with the focus on the Dutch market, has analysed how marketing automation is used as an online strategy within the fashion industry.

On one hand, marketing automation is very beneficial and an important tool for organisations. However, the results of marketing automation are influenced by the execution and implementation of the tool. To start with the fact that strategy is the direction and scope of an organization over the long term. The most common mistake is implementing marketing automation without a plan of action. As a result, the organization could end up with a poor strategy. In addition, all employees must agree with the strategy otherwise it could result in a lack of cooperation between the sales and marketing department, which on its turn could also influence the results of the software.

On the other hand, marketing automation is a huge time saver for the marketing department. All social media posts can be scheduled a head of time. Furthermore, marketers can also track the buyers lifecycle and therefore respond with personalized messages on their needs and interest. As a result, the customer will become more enthusiastic to buy. Marketing automation also ensures relationship marketing, meaning that a company aims to achieve high customer satisfaction, gain new customers and keep the existing ones at the same time.

The aim of this research report was to answer the following question: how is marketing automation used as an online marketing strategy in the fashion industry? This study has researched H&M and Zara supported by Hub spot's model. Each stage of the pillar of Hub spot's model has been analysed and this research has come to the conclusion that:

Firstly, fashion companies are big fans of promoting their products through social media channels. During the case studies it has come forward that H&M and Zara, with the support of blogs, videos, newsletters and promotional posts on social media channels can stimulate the desires of its Dutch customers. On the other hand, Zara uses one official social media account while H&M uses seperate accounts for each market. Therefore, H&M must put more effort and time in translating all messages in various languages. H&M wants to be different from their competitors by showing their engagement towards its customers communicating in the language from its customer. Nonetheless, H&M must not exclude visitors from an unknown market.

Secondly, it has clearly come forward that fashion companies collect and analyse the buyer's lifecycle. Fashion companies collect personal data and shopping habits in order to send personalized messages through email to their customers and as a result improving their customer relationship. Both companies start collecting data from the moment the customer registers his or herself on the website. H&M sends its new customer a confirmation email and expresses their appreciation for their registration towards the customer. Zara on the other hand, does not send any confirmation email or any sort of appreciation to the customer. This could confuse the customer if the registration was successful or not.

Finally, for the evaluation of its products, fashion companies send surveys to its customers in order to improve the business. H&M and Zara are not without reason leaders from the apparel industry. Both companies listen to their customers and actually do something with this information. Additionally, H&M and Zara interact with its (Dutch) customers by social monitoring. In this way, the company creates awareness of its engagement with the customer. As a result, the Dutch customer shows their loyalty towards the brand. Despite, Zara does not provide a gift card or other gesture to thank the customer for their time and effort to help the company improve, while H&M does. Zara might assume that the customers are less likely to help Zara improve their business.

Currently, marketing automation is the new trend to succeed in the business world. The reason why most fashion companies use the same pattern is because H&M and Zara succeeded and as result they became the leading players within the apparel industry. Therefore, fashion companies copy their strategy in the hope to be as successful as H&M and Zara.

Further research is advised in order to get a better view of how successful marketing automation is within the fashion industry on the Dutch market. This gives the researcher a better insight of how the Dutch customer experiences marketing automation. First of all, this could be done by conducting a survey among Dutch customers about a certain fashion brand. For instance, did the customer register his or herself to the newsletter of a certain fashion brand? Does the customer receive useful information? How many times a week or month? Do these emails inspire and encourage the customer to buy something from the fashion company's website? Is the customer satisfied with the customer service the fashion company provides? Is this customer service done by social media (in order to get an excellent image among other customers), or in private? What does the customer think about the social media posts of the company? And if the company does not make use of any social media channels, how does it promote itself? Secondly, inside information is required to get a better view of how marketing automation is implemented in a fashion company. This could be done by interviewing a marketer manager from a fashion company about their marketing strategy. Although, it is difficult to schedule an interview with a marketing manager, because they hardly share any information with an outsider about their marketing strategy. This research report is based on the leading players in the

apparel industry. Small- and medium businesses might not have the same amount of money to spent in the software. Therefore, further research could give a better insight of how marketing automation is used in the whole world of the fashion industry.

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Appendices

I.   Transcript of Interview

Interview with Oguz Konar
Date: 24 of March, 2016
Time: 17.00 pm, Amsterdam
Time: 12.00 pm, New York
Place: Skype

Oguz: Hi there, how are you?

Michelle: Hi, I am fine and how are you?

Oguz: I am fine thank you.

Michelle: So let me first introduce myself. My name is Michelle Bloemendaal. I am from the Netherlands. I am 21 years old. Currently, I am a student at the Hague University of applied sciences in the Hague. I study European studies. During European Studies I study the politics, the cultural and the economic side of Europe. In addition, I study marketing and management in the public and private sector. Also, I am required to study intercultural communication and foreign languages such as English, French and Spanish. So, uhm… I also have been to Athens for six month and I studied my minor over there. I studied courses such as Managerial Decision Making, and Advertising and Communication Management, so I am really focussing on the business side.

Oguz: that is a load of a resume, great job!

Michelle: Hihi, thank you. Right now, I am working on my thesis. Like I told you, I am working on marketing automation and I found you actually by LinkedIn.

Oguz: How is marketing automation related to what all the other things you are doing? Because there is a little distance right?

Michelle: Well, I am studying and focussing on the marketing and I think marketing automation is something new these days. That is why I would like to study it and maybe if my thesis is good enough I can apply to companies and show them my thesis; I have done this and this, this could be an output for you…

Oguz: That is definitely a great observation. Definitely, I don't want to say brand new, but it is a new topic. Usually a company focus on one or two aspect on marketing and not the entire marketing automation and if you figure it out you can pretty much write your own check.

Michelle: yes, right! Haha.

Oguz: That is pretty cool. So yeah whenever you are ready I am ready and we can get started.

Michelle: Oke, well I am ready so let's do this.

Oguz: So you want me to start introducing myself first?

Michelle: Yes please.

Oguz: Oke. So my name is Oguz Konar. I am in the marketing for about seven years. My formal education is biology and chemistry double master.

Michelle: haha

Oguz: Haha I know, I got into sales and I really liked sales so I got away from science although I still have a passion for it. And I sold creation I was pretty much on the street, knocking on doors to sell products and services. Then I though there should be a better way to sell products. Instead of knocking on 40 doors a day which is not really pleasant. You get a lot of no's and then one yes once in a while. I got into marketing and online marketing and finally the past two years on marketing automation. So I did not start out with marketing automation first it was just you know building websites, SEO, and other things. I am the founder of local marketing stars. We are in New York based company. In the middle of New York city pretty much and we work with different companies who have a least ten plus employees and a million dollars or more revenue so they have a great product but they are not really aware of how to get predictabilities in sales they are just relying on their sales forces or their trying things such as, so let's send out emails or let's build a better website. So we come in and figure out what is broken in their system and just create a system for them so they can automate that the entire process so they get predictabilities. I am also the author of two books, two best-selling books. On lead generation. One was published three years ago for healthcare professionals because I know that people in the healthcare industry including, not including but similar in the field of lawyers, doctors or dentist they do not really get formal marketing or sales education. Open your practise and patience will float your path. Now it is really competitive. So that was the first book and the second book was the ultimate guide to online marketing that was targeting towards smaller business who are just getting started and they do not have a lot of budget to spare for marketing but they need to get going so I dedicated that book to those people. I speak quit often in region's shows, chamber of commerce events, and I am also an international speaker and this May I am actually going to Ukraine to speak to a big group of entrepreneurs. So, that is shortly my resume in lead generation.

Michelle: It is a definitely good one. Okay, well let's start with the first question.

1. **How would you define marketing automation?**

Oguz: I think the definition of marketing automation is different like it depends on who you ask. Every company defines it differently. For me, marketing automation is having the systems and processes place than when you know that you can spend a dollar and you know in return you will get 10 dollars that is how predictable our systematic it is. You need to know your numbers. Every dollar you spend the company is going to make 10 dollars than the question for your company is not how many clients will survive but the question is how many client can I handle? Then you can literally turn on and off your marketing depending on your needs and your revenues and how much your team can handle. So that is my definition of marketing automation. That is why I was trying to build for the company we worked for including my own companies. I have multiple companies so that is one the first things you go in. You look at the process they have if they have a process because many times they don't. Their marketing model and what can be done so when you feed one thing from one hand and on the other hand you get revenue. So that is my definition of marketing automation.

Michelle: So, without having a marketing strategy the marketing automation software cannot be applied? Because it is feeding from the strategy?

Oguz: Exactly. Let's say the company marketing system can have 15 steps to 250 steps depending out the complication of your company product. If you have pieces broken in between even though no matter how many people you bring in through lead generation, you are not going to have the end results. That is the risks not building your correct marketing automation system. System needs to works seamlessly regarding of what you do. You look at the four step process. First we look at the service. All the products customers offer is your product on demand because you cannot push a product or service. That is not needed by the customers no matter what you do. You are going to have bottom link. If your product or service is good how well do you get your product in front of your ideal customers how do you define your product? Does your customer really understand what your product does? That is the system part. The second part is process. If someone comes to your website and they

are interest what is next? You make a phone call or do you have a complete system specific follow up such as email and if they respond what happens if they are interested? They should receiving separate material as when they are not interested. This was the second piece. The third peace is technology. How are you automating this? Do you have any email author responder? Do you have automatic voicemail that is going out? Do you use direct mail? Or other technologies out there? Do you do visual marketing because it is not for every company right? That is the process. The final part is people. The other day, no marketing automation company can sell your products. If you own a business for 10 years it is not possible for me to know your product better than you do. So sells is on your hand, you need the right people to close the sale and to turn the prospect into a client. So that is how the complete marketing automation model works or if it doesn't work those are the pieces to look for if it is broken.

Michelle: do you think people see marketing automation as a spam? You are sending people all the time messages to bring them in.

Oguz: if you considered sending random messages to people then you do not have an automation in place. We believe in permission based market. You make your offer really really attractive so people actually come to you instead of you spamming them. Or sending thousands of email to them. If you are trying to compete with people they pull back. When you are chasing someone they pull back. If you are pulling away from them and you offer something really unique they will try to find you. And it works this way in our personal life, love life, and business life, it is sort of physiology. It works that way in business too. When someone comes to me and tells me and bust a list of ten thousands email. How do we automate these? Then I know they do not have a system in place. They are pretty much looking for sending massive email to everyone. In the hope, they can get a couple clients. And even though they do get clients, the clients they get are usually price specific because they just pretty much found the online randomly. You came across as an email or they will leave within the first opportunity. As a company you should not focus on competing but on dominating the market. How do you dominate the industry? That is not just based on price. You really need offer and they need to be chasing you. That is what the automation does instead of correcting.

Michelle: Oke, so they are basically spamming your company instead of the other way around.

Oguz: haha exactly. You get to choose who you want to work with instead of you start qualifying them. This is a process that we teach people in the sales process. You should tell : "" oh buy it from me. I am the best. We are around for 25 years. You get the best price, service guaranteed". They are all shift . Then we say: you know what, you really your system and we apply this in our company today. Before I take a client, I get them on the phone for 1.5 hour for a strategy session basically I ask them tons of questions without really talking about our company so for me to understand if their interested in working with us. We teach the bottle to the clients because at that point you work with that kind of clients that make you happy. Not having clients is a problem but having too many of them where you are not happy with is a major problem too. They can make your life really really miserable. When I first started out in one of the companies the first thing I did is I fired 10% of clients. I told them we are not able to work with you anymore because they were treading our staff hardly, they took thing for granted. They kind of ask for everything unreasonable and there was just no reason to serve this people because they pretty much bring no benefits to the company and they are destroying the companies culture.

Michelle: and also the image of the company?

Oguz: uhh.. yeah yeah, because they talk to their friend who are most likely similar to them and of you attract that kind of persons than the thrills you will get from them are quite similar. So if you do not want to type of customers than you have to eliminate it and spend a lot of time on the one who you want to keep.

Michelle: So you are actually also targeting your own customer group as well?

Oguz: yeah, if you look at Apple, you should look at the customers from Apple and if I ask you what Apple's make you think of ? and this is a question asked to many people of young age, the first turn that came into mind is : yeah cool. That is what it is. They are not in the business of laptops or phones, it is more than that. They have a certain customer profile. Apple is never in the macro competition. They have their target market and they oversell before the image is coming to the market.

Michelle: 2. **What do you think are the biggest risks or disadvantages and benefits of marketing automation?**

Oguz: benefits are obvious. So, when you have a system on place you can pretty much grow and place where you are comfortable with and control all your outputs or your efforts. Unfortunately, especially in the USA, 85% of the businesses fails within the first five years. So, that is a huge number. It is like gambling knowing that you are going to most likely fail and the main problem is that they do not have a hard system in place. So having that systems almost guarantees that you are economy improving yourself, if the economy is going to stress or what not but cut you lose customers you have other ways to generate customers for you company. For stability and grow purposes it is amazingly useful. The risk is as I said at the beginning. If it is not done properly than it might end up costing you a lot of money to build a machine and you think it is going to work and it fails. If your judges is lying on that than you put your business out of business. If you hire any marketing manager and paying that person it should happen before a quarter million dollars hoping that this person know where he is talking about and they spend your valuable money dollar right or left and promising this and promising that and soon you are out of fund and you are gone unfortunately. That is the only risk what you can have because you control everything.

Michelle: **and what do you think about the alignment between the marketing and sales department ? Do you think it is a risk if there is a lack of cooperation between these two departments?**

Oguz: There is definitely connection between these two. When you introduce a marketing platform that is going to feed them leads than it might have different of its gusting. Before you automate anything you need to be sure that your sales 100% accord with this because marketing, all marketing is doing is putting you an offer and find the right audience and when that audience respond someone have to sell it and if your sales people are not ready for this or they do not want to change how they have been doing things than you are in trouble. All that effort of marketing, finding people and bring it to your side is become useless. So you are going to have hire people who are a little technology shabby or most importantly they follow directions. So marketing automation, you need to follow the script. We cannot rely on that sales person mood for the day. They need to have a system in place.

So if I unplug that sales person from their role it is a lot easier for me to replace that person because when they sit out that table they know exactly what to do. There needs to be an alignment and that is a culture problem and if there is not so you have to work on that first before you continue marketing automation.

Michelle: so customer relationship is a benefit from marketing automation but you are actually saying that you are attracting the customers by giving them a good offer but you just give them an offer but it is not like you are building a customer relationship. So how do you that? Because it is not personalized.

Oguz: well that depends on the company. It can be personalized depending on your offer. So what we do on the marketing automation is find potential clients, start having a conversation and offer whatever is the valuable product for this company and tell them why it is the best company to work for and then they book the appointment then you pass that lead to the sales person than they will enter the field of

finishing the sale. So that is the automated system. Marketing automation is customized for each company.

Michelle: Each company has a different strategy, so the whole system will be different. I also read that a lot of companies use only email marketing. The software costs a lot of money and they are only using the email marketing. However, it is an automated system so how is it not like not working at all stages?

Oguz: Well then you have to adjust your system because if you are doing the same as your competitor than you will fail. It is not unique. It is so easy for anyone to buy a software or pay a monthly fee and blast out emails to get results. It is easy for another competitor to do the same thing. Marketing automation when you customize for your own company it is really difficult to replicate for another company. The entire system is so difficult for them to do the same thing and get more customers.

Michelle: Do you think companies might not be ready for the software?

Oguz: Yes, especially if you are starting out that is one of the reasons we do not recommend the whole marketing automation to someone who is really not sure about their product. They should adapt and test it in the market first. If you are not confidence that your market is a demand than you do not want to go through the whole system creating and all that because the initial problem is that it could be that your product is not a demand. No matter what you do, if the market is not ready than you are just keep paddling in the results.

Michelle: **What models do you prefer while using marketing automation? In a B2B industry or a B2C industry or both? Or what is the difference?**

 Oguz: It could work in either market. It does not really matter. We are a company that work with B2B clients but it could be customized and work for B2C clients. What matter is if your product is hot and in demand and if there is any way to differentiate yourself from your competitors.

Michelle: and what is then exactly the model? For instance, an example in the fashion industry.

Oguz: Yes let me give you an example related to the fashion industry. In New York City, we had a client who owns a night club. They owned the biggest nightclub in Europe. They opened their first location in New York City. They make a name for themselves. There are so many nightclub in New York and a lot of competition and you want to attract a certain age group. So they wanted to sponsor for a fashion show in New York city. They had a list of people, a list of 14.000 emails from their prior to the fashion show. Their goal was to send a mass email to those 14.000 people to hopefully sell some tickets to the fashion show they were sponsoring. They came to us and we told that the staff need their own strategy to send mass of emails. First of all, they had those emails for 6 months and did not send anything to them. People did not know what company this is maybe they know them six month ago there is no continuous effort. They wanted to sell a minimum of 600 tickets for the fashion show that they are sponsoring. So, we came in and the first thing we did is: the nightclub is open 2 days a week and they had on average 14.000 people to find. So we wanted to grow the email list and make it really fresh. When people entered the night club we simply asked if they wanted to provide their email address and a full name. People do not think twice about it. Everyone was like: yes sure, why not ? They gave their emails and within one month their list of 14.000 went off to 30.000 emails. So, the list became enormous. Then we build an email system, like 6 emails are going out to that people and it is not spamming anymore because they gave their email address to receive content from us. We started sponsoring this fashion show. We also started a Facebook campaign to shows people: hey there is a fashion show in your area. We target only the people within the 5 miles radius. In New York City, there is no reason to target someone who is out of the states they are not going to make the trip to come to New York City for that fashion show. The people who sees the ads on Facebook they went often in and become part of the email. When they receive the email and click on the link, they go to

the website and buy the ticket. If they buy the ticket, they receive a separate email with thank you. When they go that far and decide not to buy a ticket they receive a separate email with: hey you checked out the website but for some reason you did not buy the ticket so let us offer you something else. This automatic system is really really difficult to set up. In the end, instead of 500 tickets they sold a total 10.000 tickets for the show. It was a massive massive success for them. They do not only have a growing list of people, 15.000 right now, from this point on for every event they want to promote they can just pretty much follow the same system. That is a specific example that went really really well for them.

Michelle: So how do you set up such a system?

Oguz: well that is the secret right, you set it up for them haha.

Michelle: like when people buy the system, they can see what pages they visit and send separate emails. That is really complicated.

Oguz: yes, that is what I meant on the beginning. When you have a system that complicated it is not replicated. What happens is that you go to the page where you are going to buy the ticket so you change your mind because it is a little more expensive and at that time your cookies is placing your browser which is legal stuff, every company does that. The next stage you go, for instance facebook.com, you see the ads on your newsfeed saying: hey you did not complete your transaction. You will be reminded again. If you are branding and you are not apple or any other big brand, than it takes 16 times before people start to recognize your brand. With this system, we do not only sell tickets but we make people aware of the brand.

Michelle: technically, you have to integrated each page on your website with yes and no into the system.

Oguz: yes. At each stage of the buying process there is a yes or a no. In the meanwhile, they also calculate how long someone stays on the page. Sometimes people do not know what to do and then we can pull up a pop-up : hey you might have some questions?

Michelle: like an online chat?

Oguz: yes exactly. Maybe there is a problem with the website, who knows... we do not know what they are seeing on their screens. That would identify what the problem is and also figure out the consumer behaviour. For instance, there was a company who was surprised many visitors came to the payment but did not really buy the ticket. Then we found out that there was no button to go to the payment. Although, we saw the button from our side for some reason they did not see any button. So, when you fix that you fix all problems. Things like that is really monitoring each activity.

Michelle: do you maybe have one more example or case study what went wrong or good during marketing automation?

Oguz: yes sure, we can talk about one last example. I got introduced to an international event company. So what they do is they bring international stars from different companies. So this company wanted to bring a comedian from Turkey. I am originally from Turkey. So we had this cultural background there and there first attempt and felt miserable and only sold 50.000 dollars of tickets while they pay 100.000 to the comedian so they definitely lost money. The second time we came in and after our conversation we figured the best way to reach our audience would be through Facebook. We build a Facebook page and bring people to their website and as I said they were having problem last stage where people buy their ticket. We fixed that problem because we were not aware and they sold a half million dollars of tickets in 45 days.

Michelle: This is the end of the interview and I am very thankful for the information you provided. Are you interested in my thesis afterwards? Because if you are, I can send it to your email.

Oguz: I would love to, if you could send it over I would love to.

Michelle: I will send it through email. So thanks again.

Oguz: It was good talking to you. If it was beneficial to help then I am happy I could help.

(Konar, 2016)

II.   How to speak marketing automation?

Figure 4.5 how to speak marketing automation (Überflip & Marcomator, 2015)