

Matthias Hebben

Digital Content Marketing in the Global Environment. Evaluation of Global Companies in the Chemical Industry

The Markets of China and USA

Master's Thesis

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The potential Role of Digital Content Marketing in the Global Environment. Evaluation of Global Companies in the Chemical Industry in the Markets of China and USA.

Master Thesis

Master of Science in International Management

Author:	Matthias Hebben
Place, Date:	Basel, 30.11.2018

EXECUTIVE SUMMARY

Purpose. This study explores the phenomenon of Digital Content Marketing (DCM) by evaluating if content marketing and its tools have a positive impact on global companies in the chemical industry. Rapid globalization and the development of new markets at an increasingly global scale have made DCM more important. However, global companies are facing new challenges, like new technological developments and trends and a changing consumer landscape that requires new marketing approaches. Strategies are required to overcome these challenges, adopt DCM techniques and use current techniques to gain competitive advantages. However, there are still companies that have not included digital content in their marketing strategy. Others have difficulties making their marketing content unique and powerful. The main issue is often measuring the effectiveness of one's digital content to determine whether DCM has a positive impact. This study focuses on the chemical industry, which mainly focuses on business-to-business (B2B). Many companies in this industry are still progressing through their digital transformations. As intercultural differences have become important in the globalized world, international employees need to comprehend foreign cultures. Therefore, this study compares China and the US to investigate the influences of cultural differences in content marketing strategies.

Design/Methodology/Approach. This study uses a qualitative method. The different perceptions of global organizations in the chemical industry are evaluated. First, this study reviews secondary data, mainly consisting of published survey reports, complemented by online information and selected secondary sources for evidence. Based on this secondary data, a literary synthesis is built. In addition, qualitative interviews were conducted with marketing managers as well as managers involved in the digital content environment as candidates to improve the theoretical framework of stage one of this study. In order to limit the number of companies, a sampling strategy and criteria were developed to identify and specify candidates from global companies. These requirements were determined based on online research and based on the judgment of the researcher. Moreover, this study produces relevant knowledge on the field of DCM and identifies cultural influences on each company's content strategy.

Keywords. Content Marketing, Digitization, Content Strategy, Global Companies, Chemical Industry, Cultural Influence, Business-To-Business (B2B) Environment, KPIs, Content Tools

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1 INTRODUCTION

This chapter provides information about the research gaps as well as a background on content marketing. The derived research objectives and questions, which give insight into the empirical part of this study, are subsequently presented. Finally, the key terms of this topic are defined.

1.1 BACKGROUND AND PROBLEM STATEMENT

As the significance of digital content in business and society grows, it is important to seek companies' perspectives regarding Digital Content Marketing (DCM). With increasing digitization, the influence of companies' key performance indicators (KPIs) internationally has become more relevant (Rowley, 2008). The first examples of content marketing date back to 1895 when the first prints of magazines were advertised (Gabriel, 2018). In 1996, the term *content marketing* was used for the first time by the American Society for Newspaper Editors (Patruti Baltes, 2015). From 2004, a new era of content marketing began with the introduction of content types like e-books, articles or reports (Fleiss & Bassetti, 2017). In the year 2009, the first social media channels emerged, and with that, new challenges and opportunities in terms of how to attract target audiences arose (Allen, 2017). In recent years, content marketing has taken on an important role in organizations, requiring marketers who understand their target audience and know which content has to be delivered. These marketers use certain designs and analytical tools to assess which content is most optimal for an organization (Sweetwood, 2016). The focus of this research is on the global business-to-business (B2B) environment. E-commerce between B2B companies refers to two different organizations exchanging products or services with the support of online tools. This can have economic advantages for both parties in supply chain activities and can increase efficiency in their value chain (Chong, Shafaghi, & Tan, 2011). Content marketing facilitates the purchase process and creates a richer availability of information for B2B customers. According to a recent survey, 89% of those in the B2B environment are using content marketing, but only 41% have clear sense of their content marketing success (Content Marketing Institute, 2017). Many B2B organizations are planning to increase their budgets for content marketing in the next 12 months (Content Marketing Institute, 2018; Maddox, 2015). On the other hand, half of B2B marketers still do not have a documented strategy and are struggling to measure the effectiveness of their content marketing (B2B Technology Marketing Community & Crowd Research Partners, 2016; Content Marketing Institute, 2018).

This study explores the phenomena of DCM and some of the controversial questions that have been discussed in recent years. Pulizzi (2015, p.25-27) previously explained how important DCM has become for brand publishers and argues that B2B companies find difficulties building

their target audience. Moreover, he explains that many companies face the challenge of not knowing how content tools can be effectively implemented. Companies are uncertain about how to produce the appropriate amount of content and are concerned about having enough financial resources. In establishing a content strategy in particular, companies are faced with the challenge of coordinating a strategy that is in line with their business objectives (Wuebben, 2011, p.236-237).

This study explores the cultural influences of China and the US, investigating literature on the cultural influence of content marketing tools. The connections between content marketing, culture and social media are investigated through an analysis of content marketing communication tools (Copuš & Čarnogurský, 2017). Moreover, the concept of cultural background in content marketing practices is discussed (Kus, 2016).

According to the knowledge of the author, there are few empirical studies that discuss how content marketing strategies (CMS) apply in the chemical industry. This study aims to explore the applications in which cultural influences might drive content marketing.

1.2 RESEARCH OBJECTIVE AND RESEARCH QUESTION

The study aims to discover whether DCM has a beneficial influence on a global company's environment. In this context, the term *global business environment* is defined as "the environment in different sovereign countries, with factors exogenous to the home environment of the organization, influencing decision making on resource use and capabilities" (ICMR, 2018, overview). This means that if DCM has a beneficial influence, it has an impact on a company's decisions, capabilities and use of resources. For this reason, the global markets of China and the US were chosen to investigate DCM.

Based on the background information and problem statement presented, this study focuses on the following objectives:

1. Assessing the current status quo of DCM and content strategy choices in the chemical industry
2. Exploring current trends and developments in the chemical industry regarding the potential and advantages of content marketing tools
3. Deriving the cultural influences of China and the US on CMS and performance as well as how to adapt CMS depending on cultural backgrounds
4. Evaluating how global organizations in the chemical industry can overcome their challenges and become successful

The following larger question and sub-questions guide this thesis, research and analysis. The larger question is as follows:

How can DCM be advantageous for a global company's achievement of KPIs in the chemical industry in the US and China? To answer this question, further sub-questions have been identified:

1. Which DCM strategies can be applied to achieve the KPIs of a global company in the chemical industry? Which content types do B2B marketers implement for their CMS?
2. What are the benefits, opportunities, risks and challenges of DCM tools in the US and China?
3. How do the key outcomes of DCM apply in the chemical industry?
4. Which cultural similarities and differences between the US and China exist, and how do they drive different applications of DCM?

1.3 RELEVANCE OF THE RESEARCH OBJECT

The findings of this study aim to illustrate, validate and broaden existing theories of content marketing and their application in the business context. The motivational factors of content marketing as well as other aspects, e.g., challenges and risks, are examined in order to validate the application of content marketing by companies and industries dealing with increasing digitization. In particular, companies that have a high demand for online presence place an emphasis on content marketing. A recently published survey of business decision makers argues that 80% of companies prefer to research information by looking for appropriate articles instead of advertising. Another 70% of the respondents can identify better with a sponsoring company, and 60% say content marketing supports the realization of better decisions (Smith, 2018). In an additional survey, the majority of marketers (90%) and agencies and consultants (93%) responded that content marketing will become more important in their organization in future. (Econsultancy, 2012). The Content Marketing Institute (CMI) describes content marketing as an integrated part of a multiplying strategy. Almost every enterprise (96%) is having difficulty integrating their digital marketing efforts with products, sales channels or regional subsidiaries. Another 85% of the companies are "frustrated" about not having a well-documented strategy or with the fact that digital efforts overlap with some business functions (Rose, 2018).

To summarize, the present study investigates the business strategies of global companies with regard to content marketing and the cultural influence of foreign markets, particularly in China and the US. Currently, the US has the largest economy, valued at \$20 trillion USD, while China

follows at \$14 trillion USD. However, the U.S. lead is slowing, as China is expected to experience economic growth in 2018 and 2019, and the value of its economy is expected to become twice as large as the US economy (R. Smith, 2018). China and the US represent the two largest economies worldwide. The researcher investigates the cultural differences and similarities between the US and China as well as the usage of digital content tools and the perspective each global company on how to tackle challenges and opportunities in the field of DCM.

1.4 DEFINITIONS

1.4.1 Content Marketing

The term *content* itself is defined as a publication that aims to communicate a message to a target audience (Business Dictionary (a), 2018). However, the notion of content is perceived differently. One group of marketers understand it as a written, audio or video form that entertains and teaches an audience. A second group thinks it is a message that conveys useful information through storytelling. A last group indicates that a definition cannot be determined because the word *content* is generic and could mean anything, depending on how someone is interpreting it (Odden, 2013). For example, Handley and Chapman (2011, p.21) define content as “anything created and uploaded to a website: the words, images or other things that reside her.” Halvorson & Rach (2012, p.28) suggest that content is “the critical information the website, application, intranet, or any other delivery vehicle was created to contain or communicate.” Wuebben (2011, p.251) thinks, “content tells the story of your product or service and propels it into the hearts and minds of your prospects, customers and others.”

However, as global managers have different conceptions of what content marketing is about, clear definitions are needed. One of the earliest descriptions of content marketing was provided by Pulizzi & Barrett (2008, p.8): “the creation and distribution of educational and/or compelling content in multiple formats to attract and/or retain customers.” Later, Rose and Pulizzi (2011, p.12) suggested that “content marketing is a strategy focused on the creation of a valuable experience.” Chaffey and Smith (2013, p.587) define content marketing as “the management of text, rich media, audio and video content aimed at engaging customers and prospects to meet business goals, published through print and digital media – including web and mobile platforms – which are repurposed and syndicated to different forms of web presence such as publisher sites, blogs, social media and comparison sites.” Burgess (2016) says that “content marketing is a strategic marketing technique that aligns business and consumer information needs with relevant content. Content can act as a means to attract, engage and convert a specific targeted audience.”

1.4.2 B2B Marketing

The business relationship between at least two different companies is defined by B2B marketing. Therefore, B2B differentiates itself from the relationship between company and customer (Weis, 2018). In particular, B2B marketing is the commercialization of goods or industrial assets that are used from other organizations (Deutsches Institut für Marketing, 2017; Kirchgeorg, 2018). The Business Dictionary (2018) proposes that B2B marketing is “the process by which businesses employ a multi-layered strategy consisting of web communications, email, media campaigns, and relationship management for the purpose of converting targeted business prospects into customers.” One of the main aspects of B2B marketing is a dependency on market demand and its related economy. Additionally, collective purchasing behavior is used to gain power in negotiations. Few B2B companies exist. Rather, these companies have a high concentration of customers. There is direct interaction between companies, and marketing instruments are used differently depending on the consumer goods industries (Deutsches Institut für Marketing, 2017). In terms of sales, B2B enterprises have a sales funnel, “which might be well organized” (Pulizzi, 2015, p.105). As a traditional B2B market, the automobile industry is a prime example of how the manufacturing of industrial parts is facilitated by the company and its suppliers (Uzialko, 2017). Regarding content marketing in the B2B environment, new brands with tools have emerged and have experienced high market growth. These brands include Eloqua, HubSpot, Smart Insights and Sales Force (Chaffey & Smith, 2013, p.13).

2 LITERATURE REVIEW

The literature review introduces the concept of content marketing and discusses the related core of Content Marketing Strategy (CMS), providing definitions and reasons for why it is important for companies to follow a documented content strategy. The focus then shifts to the types of content marketing and tools. In this section, the study discusses the attributes of types and the effectiveness of the most common tools. Then, the benefits, opportunities and challenges are argued. Later, the cultural influence of China and the US are measured and compared, and their results are discussed. Next, organizational goals in the B2B environment as well as future trends are identified. Lastly, a literature synthesis merges the main points of each subsection, and these points are argued from the researcher's point of view.

2.1 CONTENT MARKETING STRATEGY

A CMS is part of a marketing plan and contains any tangible visual media, available in written form or as a download (McGill, 2018). Pulizzi defines a CMS as the “marketing and business process for creating and distributing valuable and compelling content to attract, acquire, and engage a clearly defined and understood target audience—with the objective of driving profitable customer action” (Pulizzi, 2015, p.5).

In a survey by Econsultancy (2012), 654 in-house marketers working for a brand and 513 agencies and consultants were asked about how their companies and clients defined CMS. Only 38% of in-house marketers working for a brand and 13% of agencies and consultants agreed that they had a CMS for their company and clients. However, the majority of respondents answered that they were in the process of designing a CMS. Few in-house marketers (8%) and 29% of agencies and consultants reported that their clients were not planning a CMS and that their clients have no plans in terms of defining a strategy (Econsultancy, 2012).

In a more recent study from 2016 about B2B Content Marketing, 54% of managers responded that they have no documented marketing strategy, while 50% responded that they have no data-driven strategy (B2B Technology Marketing Community & Crowd Research Partners, 2016). About 75% of those who had no strategy yet responded that they would build their own CMS within the next 12 months. The majority of B2B marketers who responded that they had not planned any strategy for the next 12 months argued that they did not plan because they had a small working team or lack of time (Content Marketing Institute, 2018).

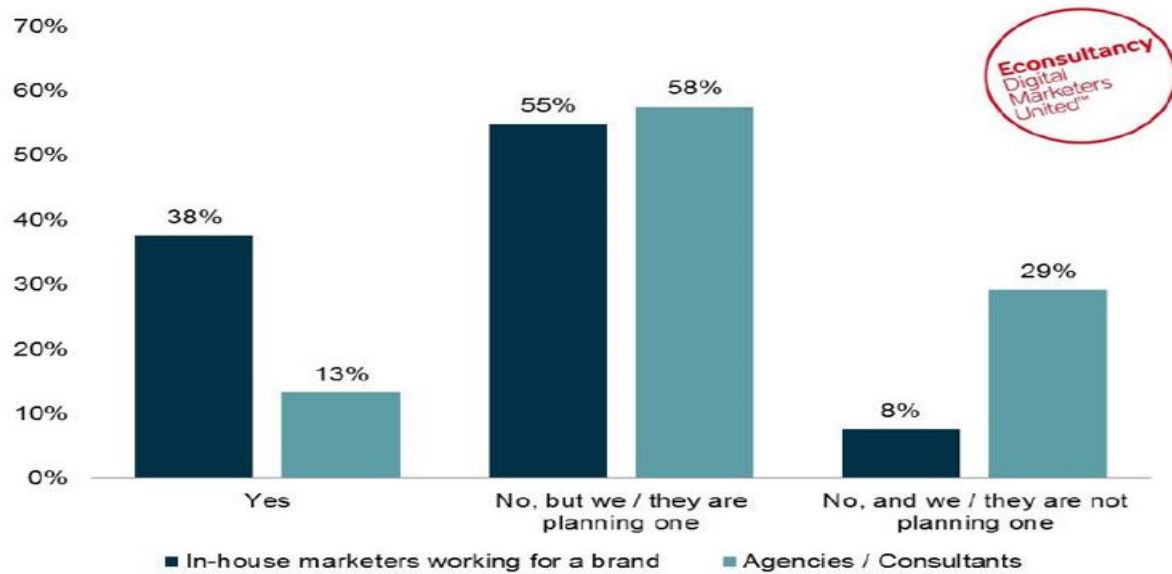


Figure 1: Do companies have a defined CMS?, (Econsultancy, 2012)

When discussing a strategy, it is important to define the elements in order to realize success and attract higher leads, sales or web traffic. The content marketing agency *The Optimist* developed a framework that consists of five key components. The framework starts by defining realistic business objectives, which is essential for subsequent processes. When the targets are set, KPIs have to be defined for the measurement of the success rate of the content strategy. The metrics are based on business objectives. The audience is another important element. The behavior of the target customers has to be well understood in order for a company to deliver relevant content appropriate to clients' needs. For the delivery of this content, different channels, like forums, communities, social media channels, etc., can be used, depending on which channel is used by the target audience (Cain, 2013; Hakes, 2017). A last key element, tactics, also appears in the business strategy. Once the CMS is established, tactics are used to refine channels or other key components, thereby establishing long-term relationships with the target audience (Hakes, 2017).

In a recent survey by the CMI (2017), the following key components emerged:

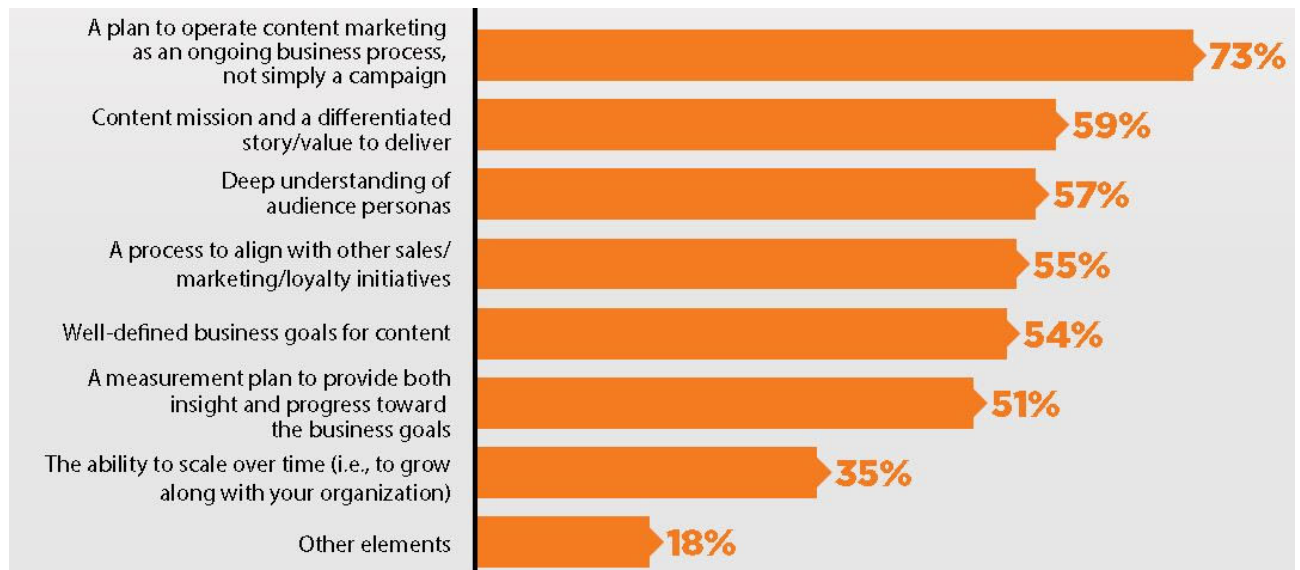


Figure 2: Key aspects that managers involve in their CMS, (Content Marketing Institute, 2017)

Based on the graph, 73% of respondents said a key component in a CMS is a long-term plan for a content strategy. Then, in second place, 59% responded that valuable content has to be delivered, and 57% argued that a deep understanding of the target audience is essential. More than half of the participants (55%) identified a key component as a well-structured business process, including the sales department and other business departments. Furthermore, 54% responded that key components were well-defined targets, which need to be measured to rate the progress of each target (51%). A company's scaling ability to refine the business strategy and increase long-term success as mentioned from more than one third of the B2B marketers (35%) (Content Marketing Institute, 2017).

As stated in this subsection, the slight majority of B2B marketers still do not have a documented strategy. The majority of those without a strategy are planning a documented CMS for the next 12 months. When this strategy is ready to be initiated, several key components have to be considered. Data has demonstrated that a CMS needs to be operated like a business process. Realistic business objectives have to be defined. Metrics need to be based on these objectives to measure progress. The needs and desires of the target audience have to be recognized and comprehended in order for a company to deliver valuable content. Different channels should be considered for companies to reach the audience in the most suitable way. Once the content strategy is completed, tactics are used to scale over time, with the aim of achieving positive long-term growth.

2.2 CONTENT MARKETING TYPES AND TOOLS

2.2.1 Types

Different types of content marketing are available for companies today. These types support building relationships with target customers. An ideal balanced variety is important to approach a target group. Apart from social media channels, there are eight ways to provide content (Gotter, 2017):

- **Blogs:** Blogs are part of every CMS. They save time as they are short and can be implemented simply. As they can be found easily online with any search engine and offer accurate information, people are more likely to read it. Moreover, via a share function, the blogging is able to reach a high amount of readers. Blogging offers a high value compared to the low cost.
- **Longform Content:** This type of content is a longer document, which contains detailed information, comprising approximately 5,000 to 15,000 words. It is free and available online, guiding the input of necessary information so users do not have to switch to other websites.
- **Case Studies:** Case studies cover information of a specific context or example. They have the advantage of being unique and providing some specific knowledge about the case.
- **White Papers:** Inform readers precisely about a complex issue and provide a text with a philosophical approach to help readers understand a topic or solve a problem. White Papers contain a lot of crucial information and are well structured, with an introduction and summary to keep the reader's attention high.
- **E-books:** The digital form of books take more to create and require more financial investment. E-books can be outsourced to freelancers to save time. They need to provide a certain value to their readers to convert them into long-lasting customers.
- **Infographic:** In this type of content, information is all integrated in the form of an image. The image provides easy-to-read information like statistics, charts, visualizations and diagrams. The design should be kept simple and should not be irritating to readers. A backlink is integrated into each infographic, presenting the value of the company's content marketing.
- **Template and Checklist Downloads:** Templates provide structured information or automated data processing. In combination with checklist downloads, lead marketing can be increased. Documents have to be written in a well-organized way and include the company's branding.

- **Video:** In comparison with readable documents, videos offer a positive alternative for content users who feel more comfortable with a combined audio and visually driven medium. Videos are used particularly for those with visual studying techniques to refresh their knowledge or to watch tutorials. Videos are strong in content marketing, as users are four times more likely to watch a video about a product than to read about it. Although videos are more time-consuming to produce, they are simple to implement and can be spread widely to an audience in social media channels (Gotter, 2017).

Gotter's (2017) arguments were confirmed in another survey on B2B content marketing. The recently published study covers the region of North America and surveyed B2B marketers about the newest trends and benchmarks. These B2B marketers were asked what types of content marketing they prefer. Almost every person responded (94%) and argued that social media posts (excluding videos) were their favorite type of content marketing. Case studies (73%), videos (72%), e-books, white papers (71%), infographics (65%) and illustrations and photos (56%) all followed (Content Marketing Institute, 2018).

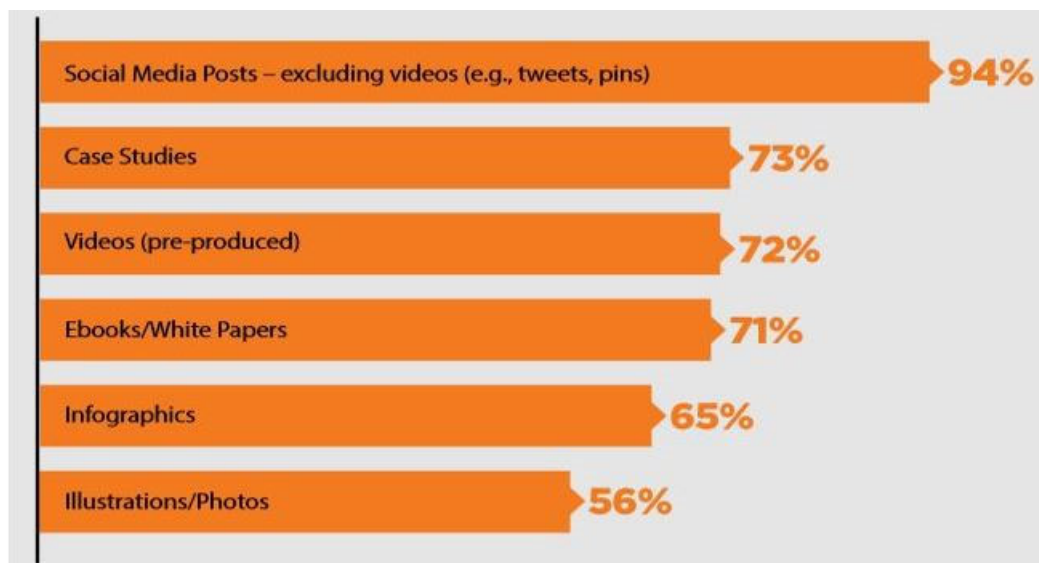


Figure 3: Types of content marketing B2B marketers use for content marketing purposes, (Content Marketing Institute, 2018)

Another question asked which formats were used for companies to share content for content marketing purposes. Different social media platforms (e.g. Twitter, Facebook) received similar ratings, around 92%. One format that was still more highly rated were e-mails (e.g. newsletters, welcome mails), with the highest majority at 93%. Behind these two favorite formats, people identified Blogs (79%), In-Person-Events (56%) and Webinars and Virtual Events (Content Marketing Institute, 2018). E-mail content still matters because the majority of people still check their e-mails every day (IZEA, 2017). A survey from Pew Research Center resulted in more