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MOBILE COMMERCE'S POTENTIAL IN THE NETHERLANDS, THE UK AND GERMANY- CASE STUDY SIMICART

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Commissioned by SimiCart

Abstract

The aim of this study is to analyze, understand and evaluate the market potential of the case company in order to develop a business strategy for SimiCart as a global firm on the UK, Dutch and German markets. The research will provide a general overview of the markets, business cultures and business practices, as well as the current situation of mobile commerce in these three countries, to readers and possibly to decision makers. Based on this, possible market entries are studied and proposed.

The implementation of the research was conducted by using both secondary and primary data. Primary data was obtained from qualitative research, meaning phone calls and Skype calls to professionals and quantitative research as a survey to E-merchants using the Magento eCommerce platform in each particular market. The secondary data is extracted from reliable sources of previous market studies on big firms in the same industry, books, journals and up-to-date newspaper articles related to the field.

The study has provided answers to the research questions. The outcomes should deliver SimiCart a clear picture of the market situation in order to decide whether the three countries are potential markets to enter, or if the company should find alternative solutions. Additionally, the author provides recommendations and possibilities for further steps.

Language	Pages
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Ecommerce, mobile commerce, digital marketing

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APPENDICES

1   INTRODUCTION

The aim of this study is to analyze, understand and evaluate the market potential of the case company in order to develop a business strategy for SimiCart as a global firm on the UK, Dutch and German markets. The research will provide a general overview of the markets, business cultures and business practices, as well as the current situation of mobile commerce in these three countries, to readers and possibly to decision makers. Based on this, possible market entries are studied and proposed.

1.1   SimiCart

1.1.1   Company background

SimiCart is an international company specializing in mobile commerce markets with Magento experts. The team used to be a part of a Magento eCommerce development firm. When envisioning the potential of mobile commerce in this digital era, the current CEO, Max Ta, decided to develop SimiCart as a separate company, founded in 2016. Particularly, the company provides a complete mobile solution and customization service for merchants all around the world. Although the company has customers in every continent, traffics mostly come from the USA and India. SimiCart is planning to expand their market to Europe.

1.1.2   SWOT Analysis of SimiCart in the European Union market

Table 1 shows SimiCart's most significant strengths, which are its knowledge base, great services and its synchronized solution. Magento, the biggest e-commerce platform in the world, has been chosen as the core platform based for SimiCart. To compete with competitors, the company offers great customer service and a support team as a huge strength, which brings customers satisfaction. In addition, being born with a global approach will likely be advantageous to the company in the future. Unlike many other firms in the in-

dustry, only focusing on Magento native apps is the long-term goal of the company. Magento native apps provide a great synchronized solution and a deeply customizable app for customers.

In terms of weaknesses, SimiCart is a new company in the field of mobile application builders. This means that the company does not have a previous customer and partner base and they lack experience. Despite having already done some kinds of digital marketing activities such as SEO, social media marketing and email marketing, it seems that the company has not really had a specific digital marketing plan yet.

With the necessity of digital marketing in the case of SimiCart, opportunities would be the most significant part of a SWOT analysis. So far, SimiCart has got a lot of website traffic from the USA and India (SimiCart 2017), while only some comes from Europe. Penetrating the European market would be a huge opportunity to gain a new market share and meet new potential clients. Additionally, in comparison with competitors, the company has been staying behind in taking advantage of social media for raising brand awareness and promotion. At the same time this creates a chance to get started.

Table 1: SimiCart SWOT Analysis.

	Opportunities - Growth potential - Gaining new market share - Develop social media promotion - Potential clients in Europe	Threats - Competitors' presence - New market creates new competitors - Competitors' social media
Strengths - Strong knowledge of current products and the market - Customer-oriented approach - Great customer service and support team - Born global - Great synchronized solution - A great number of features provided - Deeply customizable - Only focus on Magento native apps	SO Strategies - Remain strongly knowledgeable to attract potential clients - Keep providing great services to retain valuable customers	ST Strategies - Provide great services and solution to compete with other rivals
Weaknesses - New in the field - Lack of digital presence interaction - Lack of digital marketing skills - Only focus on Magento native apps	WO Strategies - Improve social media to increase digital interaction - Make more videos	WT Strategies - Benchmark and learn from the leading companies in the industry

Besides all the opportunities ahead, the company faces a few threats that might affect its business at the beginning. Almost all the products and services provided by other companies in the field are global, just like SimiCart, which has already owned a part of market share. In addition, when penetrating the European market, there will be a lot of strong competitors in the area. SimiCart will need to make effort to strive for its market share.

1.1.3 Product Analysis

The core service offered is Magento iOS/Android m-commerce with a global approach. The provided service allows to synchronize a Magento website with a mobile application. The biggest brands love Magento because of the open source and its flexibility (Magento 2017). So far, SimiCart has received website traffic from the USA and India, while only some of them are from Europe. Therefore, the company desires to create and develop a new package for Europe's marketplace. Currently, the company is offering four global packages: Mobility, Community Advanced, Community Lifetime and Enterprise Editions, which contain and provide an ascendant number of features and support respectively at different prices. Simultaneously, the company is launching the Magento 2 application to convert Magento 2 websites to a mobile platform. The app was released on Google Play and App Store in April 2017. There is only one package provided. In general, the Magento 2 solution is still in the process of development towards becoming fully functioning.

SimiCart has recently launched the Simi Sales Assistant, which allows users to follow and track their e-store's sales statistics through a mobile application.

Despite being new in the field, SimiCart has created a good brand image among consumers, and the brand is quite easily recognizable. In the market are there many companies in the field, such as SimiCart such as Jmango360, ShopGate and NewStore. However, it seems like the company's products and services are quite competitive, even deeper, and more focused since the company only concentrates on the Magento base.

1.2 Aim of the thesis

The aim of the thesis is to explore the market potential of mobile commerce in the Netherlands, the UK and Germany and to develop a business strategy so as to penetrate the market. SimiCart is eager to know how its products and services can stand out in the target market.

The project aims to clarify the following matters:
- The possibility and potential of a target market;
- Competitors in the target market;
- Potential market entry methods.

1.3   Outline

Firstly, the thesis describes the mobile commerce situation in Europe, more specifically in the three target markets: the Netherlands, the UK and Germany. Additionally, the general target market is analyzed to achieve a better understanding of the potential of Simi-Cart's products and services.

Next, the opinions towards mobile commerce and the importance of digital marketing are explained with the help of a survey and interviews. The market preferences are shown with figures extracted as the survey results.

Lastly, the relevant market entries and digital marketing strategies will be discussed. The new strategy and digital marketing plan is presented with the help of the company's previous strategies and professional consultants.

1.4   The case of SimiCart

SimiCart views the Netherlands, the UK and Germany as high potential markets for delivering a complete mobile commerce solution. The rapid development of the Magento community and the forward moving trend towards mobile commerce in the three target markets notably catch the company's attention. Although SimiCart has only a few customers from these regions, the manager has confirmed that traffic coming from there do contain a high rate committed to a sale. This opens the possibilities for the company to enter the markets with a complete mobile commerce solution. Thus, the company would like to conduct a market research in these markets in order to examine the feasibility, the possible mode entries and a digital marketing strategy for these markets.

In fact, all the merchants in the European Union who use Magento e-commerce platform to build their sites could be considered as SimiCart's potential customers. However, the whole of Europe as a target market seems too complicated and difficult to cover. Thus, it would be better to focus on the Netherlands, the UK and Germany.

2   E-COMMERCE AND RELATED SERVICES FROM SUPPLIERS' POINTS OF VIEW

2.1   E-Commerce

Electronic Commerce, known as E-Commerce, E-Comm or EC, revolves around selling and purchasing products or services via the Internet, especially via websites. E-Commerce is based on several technologies and activities such as electronic payments, supply chain management, Internet marketing, online trading processes, electronic data interchange (EDI), inventory systems, and file transfer protocol (Wikipedia 2017). It has rapidly grown over the past years and been predicted to be endlessly stable or even accelerate in the next years. In the near future, the barrier between traditional commerce and electric commerce will be reduced, since more enterprises and businesses are moving their operation forwards to Internet (Thietkeweb 2017).

There are many different models of ecommerce in which B2B (Business to Business), B2C (Business to Customer) and C2C (Customer to Customer) ecommerce are the most popular forms that already have succeeded (Viblo 2015). B2B ecommerce is based on the relation among businesses where suppliers provide ecommerce solution for others selling products or services. A typical example could be Alibaba. With websites such as Alibaba.com and Taobao.com, Alibaba (by Jack Ma) has created marketplaces for enterprises to sell their products. Another model of electric commerce is B2C ecommerce, which is between businesses and consumer. This means companies sell goods and services via the Internet, and customers can see products' information and images, place orders, and receive products via digital products and shipping methods (in terms of tangible products). C2C ecommerce is another successful model. This can be simply understood as an online auction in which sellers upload their products on a website and buyers can "bid on" or "buy now" desired products. Ebay.com and Amazon, the two largest ecommerce companies in the USA (Recode 2017), can be excellent examples to illustrate this form.

With the growth of ecommerce, the limitations of time and geographical distance are eliminated. Additionally, ecommerce makes businesses and systems more efficient and effective as well as helping them to lower costs such as the cost of maintaining and managing inventories.

2.2   Related fields of Ecommerce

On some other forms such as M-commerce (mobile commerce) and F-commerce (Facebook commerce), the growth of ecommerce is able to potentially explode.

M-commerce or mobile commerce is quite similar to Ecommerce but happens via mobile devices. The rapid penetration and development of mobile devices with increasing Internet access has created new avenues for E-retailers and e-shoppers (The Balance 2017).

F-commerce or Facebook commerce is also another form of Ecommerce but a bit simpler. It is actually more like a strategy on designing ecommerce content and storefront sites within the Facebook network. Facebook now allows users as businesses and retailers to set up Facebook storefronts with the "add to cart" function on a page. Additionally, with the popularity of Facebook, F-commerce is an advantageous form to drive leads or sales to Ecommerce site as well as promote the company's products and services.

3   MOBILE COMMERCE IN EUROPE, THE NETHERLANDS, THE UK AND GERMANY

3.1   Mobile commerce in the European Union

The European Union is the second largest economy in the world with estimated GDP of €16.5 trillion according to the International Monetary Fund (Wikipedia 2017). In addition, it boasts many of the world's top ports, such as Antwerp and Rotterdam, and airports. These developments have turned EU into an international region and an important trade gateway to other areas of the world.

The European Union is a diverse market with 24 official languages, but the most popular one is still English which is understood by 51% of adults (William Yates 2016). French ranks second. However, due to Brexit, English will be no more the official language of the EU (Senior MEP). Thus, the official working languages of the EU - identified by the European Community as Dutch, French, German and Italian, might become even more popular.

Ecommercenews (2015) states that Europe has the highest mobile penetration rate in the world, and it is increasing rapidly. Mobile commerce is a global business, so as a potential market, Europe has attracted many businesses in and out of the continent. Some countries in the European Union, such as the UK, Germany, France and Netherlands, are in the top ten e-commerce markets. The most growth can be forecasted in the Nordic countries. Thus, mobile commerce in the European Union will develop and innovate at a fast pace.

3.2   Regulations in mobile commerce sector

Countries in non-European Union zone usually have their own legislation on mobile commerce. Countries which are parts of the EU will need to follow the European legislative framework. To get permission to run a business, companies have to fulfill several standards including mobile payments, consumer protection and data protection (European Parliamentary Research Service 2015).

Mobile commerce is mostly based on e-commerce. Therefore, challenges for e-commerce also make challenges for m-commerce. Data protection and customer policies across Europe are either limited to some countries or defiant towards others' laws. In addition, another challenge that needs to be addressed is language barriers in which "there is no concurrent movement towards a single European language" - Edwin Jacobs (2015). There are other challenges companies in Europe might face including applicable law and jurisdiction, and e-Payment.

3.3   The Netherlands

In accordance with Ecommercenews (2017), the popularity of online shopping via smartphones and tablets keeps increasing in the Netherlands. Compared to 2015, using smartphones to commit online purchases has grown by 68 percent. Now in the Netherlands, online purchases via smartphones and tablets make up 9% and 14% in total, respectively. In 2016, 174 million online purchases happened in the Netherlands. In research by Thuiswinkel (2017), iDeal has been stated as the most popular payment method, and its market share has increased from 56% to 57% (Figure 1).
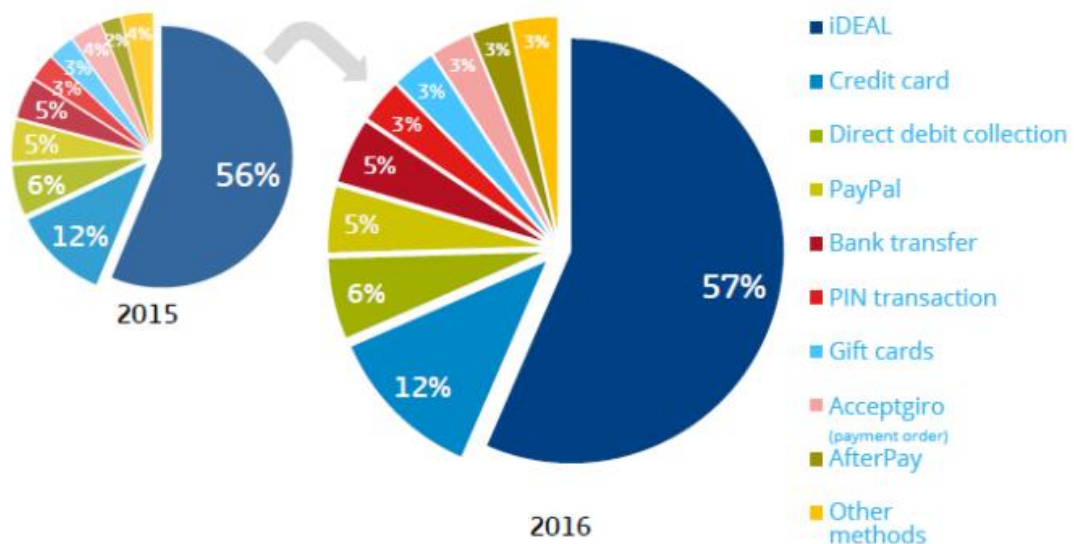

Figure 1. Payment methods are used for online purchases in the Netherlands (Source: Thuiswinkel.org).

Although online purchases in the Netherlands were highly made via a laptop or desktop computers (74%), making online purchases via smartphones continued to rise in 2016 (Thuiswinkel 2017). The number of online purchases on smartphones increased from 8.9 million online purchases in 2015 to 14.9 million in 2016. The share of tablet remains stable at 14% of all online purchases.

3.4 The UK

The tenth annual 'e-Merchant profile', a study conducted in November and December 2016, confirms that mobile is fast becoming a key sales channel (Payments Cards & Mobile 2017).

Mobile is going to become the most popular mode of online purchasing in the UK, and according to the IMRG Capgemini eRetail Sales Index (2017), customers are making online purchases increasingly via smartphone. An increase of 47% in online purchases via mobile was made from 2015 to 2016. However, as researched by Ecommercenews (2016), most m-commerce sales come from tablets. In 2016, online customers spent about 19.1 billion euros via tablets, representing more than 62% of all m-commerce sales.

The number of people making online purchases via a mobile platform in the UK expanded by 39% in 2016, including 86% of UK online customers. Retail m-Commerce sales reached a total of £31.42 billion (€35.53 billion) in 2017. Online stores now understand the importance of mobile channels so that 76% of them even provide a mobile version of their sites.

3.5 Germany

In the three target countries, Germany seems to be a bit behind in making online purchases with a mobile device. Cash remains king for most forms of purchasing (eMarketer 2017). However, consumers are also moving to digital buying and online payment options.

EMarketer (2017) predicts that 29.1 million mobile device users in Germany will make at least one online purchase via mobile platform this year, an increase of nearly 15% from 2016. By 2020, it is predicted that nearly two-thirds of digital buyers in Germany will make purchases via mobile devices at least once per year. EMarketer also expects that greater comfort with the concept of m-commerce as well as larger screens and other improvements to the m-commerce user experience will help this prediction come true.

4 TARGET MARKET ANALYSIS

4.1 Overview of market opportunities

Magento is the worldwide leader and the most popular e-commerce platform used in Europe (Magento 2016). Ecommercenews (2015) states that Europe has the highest mobile penetration rate, and it is increasing rapidly. In addition, online retailers are more focused on mobile. As per Trends.Buildwith, the number of Magento customers has been at the bottom since February 2016. In June 2016, the brand got back on track and remains stable until now.
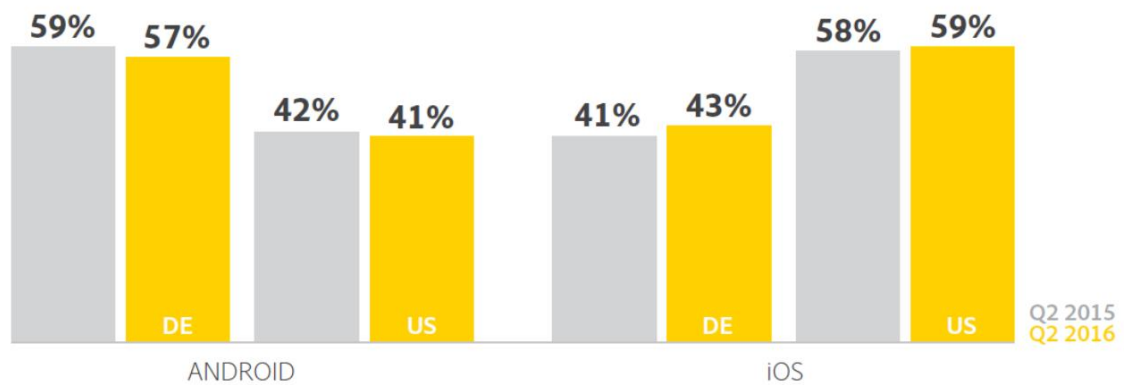

Figure 2. Smartphone operating systems share in Germany (Source: Adobe Analytics 2016).
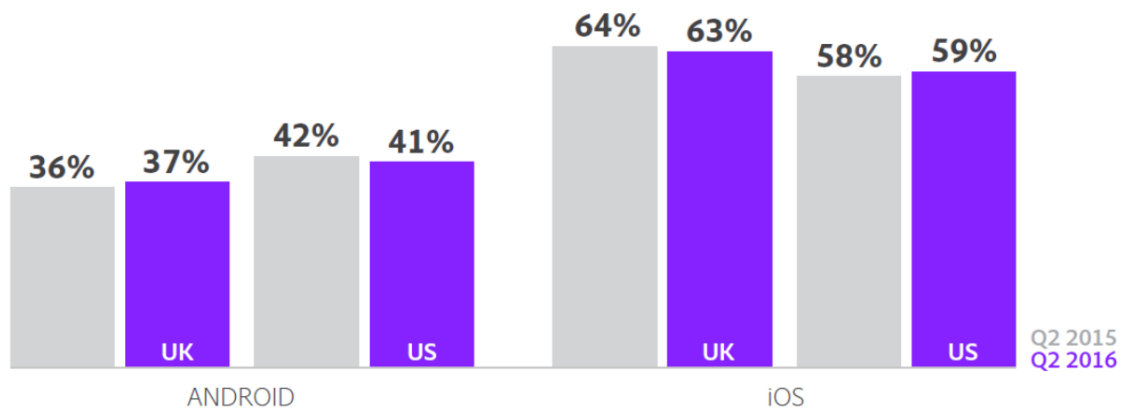

Figure 3. Smartphone operating systems share in the UK (Source: Adobe Analytics 2016).
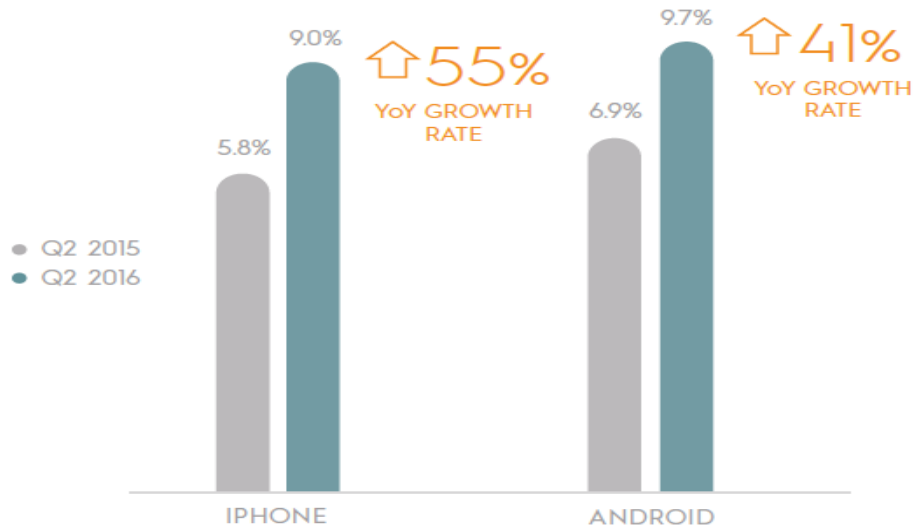
Figure 4. Share of transactions in the Netherlands by device (Source: Criteo 2016).

Figure 2, 3 and 4 shows that the three countries in the European Union having the most number of Magento websites base are United Kingdom, Germany and Netherlands. Some figures from Criteo also illustrate those three countries comprise the top three of mobile retail in the European Union. The year 2016 sees Android systems outgrow iOS with 57% of the operating system share in Germany (Figure 2) and 9.7% of the transactions share in the Netherlands (Figure 4). Nevertheless, Figure 3 shows that in the UK, iOS makes up 63% of system shares while 37% belongs to Android. In general, the iOS operating system share is still higher than Android and has a tendency to grow (Adobe Analytics 2016).

4.2   Search Engines

Leading search engines are distinguished by countries and continents. For example, Yandex is produced only for the Russian market and takes the market share over Google as well as other search engines. Although Google is leading the US and Japanese markets, other search engines such as Bing and Yahoo are competing, with 34.2% (Bing) of market share in the US (Statista 2016) and Yahoo Japan with 40% of market share in Japan (ReturnOnNow 2015).
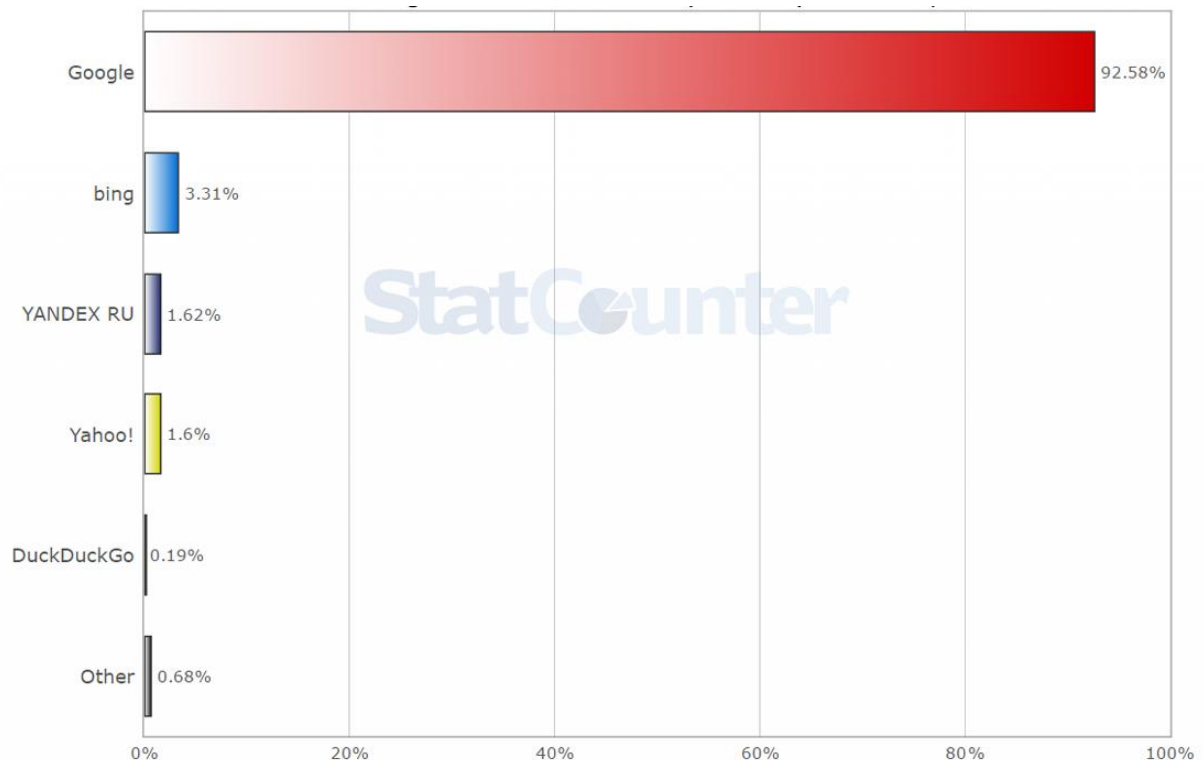
Figure 5. Search Engine Market Share in Europe Apr 2016 - Apr 2017 (Source: StatCounter Global Stats).

The dominance of search engines in Europe has belonged to Google for many years. The search engine's market share is over 92% (Figure 5). Bing's search market share has been increasing a little bit, but Google's search market share loss to Bing means next to nothing. According to Forbes, the biggest challenge of Google in Europe is the antitrust concerns regarding to its dominant share. Even if losing market shares, Google could hardly be defeated and locked out of the market.

4.3   Competitors analysis

Shopgate

Shopgate, located in the USA, Germany and Poland, offers one of the leading mobile commerce platforms. The company aims at retailers of all sizes to produce, sustain and optimize extraordinary mobile shopping experience. Integrating with some of the most popular ecommerce platforms in the world, such as Magento, Shopify, PrestaShop and BigCommerce, makes the company a strong competitor in the field. (Shopgate 2017.).

Shopgate has profiles in Twitter, YouTube and LinkedIn that are in English, and Facebook in German. The company's website is in both English and German.

Website: The website integrates with all the social media, which can be found at the bottom of the front page. All the essential information about the company and services are delivered on the website. In addition, the site is particularly designed in English and German with different outlooks. Customers retain the possibility to make contact via phone calls and emails.

Facebook: There two Facebook pages available. One is in English and targets international visitors, and one is in German targeting German speaking consumers. The company keeps the page active and publishes new posts and contents that integrate to Shopgate's blogs, almost every day. The contents and posts consist of tips, tech articles, customer stories and videos.

Twitter: The company' Twitter feed has more than 2,000 tweets, 1,173 followers and is active every day. Tweets include industry insights, the company's features and magazine, tips and events.

LinkedIn: Shopgate has reached 1,871 followers and 459 updates. The LinkedIn page's contents are similar with to the company's Twitter account. In addition, it includes company information and jobs vacancies sometimes.

YouTube: Subscribers have opportunities to follow Shopgate's customer stories, tips and company events. However, it seems like the Shopgate Germany channel is more active: it was established one year ago.

NewStore

NewStore is another leading mobile commerce platform provider with offices in the USA and Germany. The NewStore Retail App platform is a powerful tool for sales. The purpose of the platform is to bring customers the best experiences with exceptional features and

components to build a direct customers relationship. (NewStore 2017.). The company has a website and makes use of social media such as Facebook, Twitter, Pinterest, YouTube and Instagram.

Website: The company's website contains basic information, services and a blog as well. All the social media channels are integrated in the homepage. E-mailing and phone contacts are available. Every page on the site comes with a huge and eye-catching header, and the rest of the page is very clear and simple. One of the outstanding points on NewStore's website is the header integrated with a narrative story video, which turns up on the first page.

Facebook: The Facebook page is not so active, 481 total likes and only a few posts per week. The publications are the company's activities, industry news and mostly integrated with NewStore's blogs. However, those posts do not get much interaction.

Twitter: NewStore tweets quite often, almost every day. The account has had 2,883 tweets, 896 followers and 569 likes. Tweets are retweets, industry insights and blog shares.

Pinterest: It seems like there is a lot of great content on NewStore's Pinterest. There are pictures of customers' shows and collection, infographic about the future of retail, and events and industry's shows.

Instagram: The Instagram account has 109 posts with less than 200 followers. It focuses on the company's workplace, activities, events, and events in which customers can get involved.

YouTube: The YouTube channel is quite passive. There are only two videos uploaded two years ago.

JMango360

JMango360 is another company providing Magento mobile commerce solutions. Its offices are in Australia, the US, Hong Kong, the Netherlands and Vietnam. Always updating the latest innovative features, the company guarantee to offer the best-in-class mobile commerce experience both today and tomorrow (JMango360). In addition, it seems like JMango360 focuses on making beautiful apps. Social media such as Facebook, Twitter, LinkedIn and blogs are used.

Website: On the home page, the site shows basic information, outstanding achievements and customers' opinions. Social media integration can also be found on the front page. Emailing and phone calls are available. Besides, visitors can sign-up for the free newsletter.

Facebook: The Facebook page is mostly in Dutch and not really active, only a few posts per month and 243 likes in total. Publications are shared posts of business insights and the company's blogs.

Twitter: With only 448 tweets (both in Dutch and English) after almost four years of joining Twitter, the company has not used this much. The tweets consist of retweets, business insights, the company's activities, events, customers' app overviews, and blogs integration.

LinkedIn: The contents are the same as Facebook and Twitter.

Table 2. Competitors' online performance analysis

Competitor	Strengths	Weaknesses	Outcomes
Shopgate	- Active social media - Lots of tip videos on blog and business insights on press - Website in English and German	- Lack of infographics	- Make post contents more interesting by using videos and infographics. - Keep blog updated
NewStore	- User-friendly website - Great contents and infographic on blog	- YouTube	- Keep YouTube channel updated frequently.
JMango360	- Simple and friendly site	- Blog	- Multi-language on the site and social media.

4.4 Digital marketing objectives

The main digital marketing objective of SimiCart is to penetrate a new market and increase brand awareness among consumers and partners. In order to do that, the company must get as much attention as possible from Magento users within its European target market.

The detailed plan will be based on two key points that the company needs to achieve. The first one is to optimize the search engine and get more traffic to the website. The second one is to improve brand interaction on social media and blogs.

5 RESEARCH ON MARKET PREFERENCES AND THE IMPORTANCE OF DIGITAL MARKETING IN THE MOBILE COMMERCE INDUSTRY

5.1 Study on eCommerce users' preferences towards mobile commerce

5.1.1 Methodology

Quantitative research

The survey was conducted in May 2017 in order to make an understanding of consumers' opinions and demands on mobile application platforms. The questionnaire was established and designed on Google Forms. Data was automatically collected and summarized on Google Forms.

The survey is to get a general idea on m-commerce in which target customers are all ecommerce users, including Magento merchants. After getting the leads from the company, the author sent the online questionnaire via email to all the customers.

There are 19 questions in total regarding personal and company information, respondents' opinions on and interest in on mobile app commerce and related factors.

Participant profile

In 40 responses, there are 36 male participants and 4 female participants in which only two of them chose not to give their name and personal email address. In addition, 33 respondents were willing to reveal their companies' names. Around 37.5% of the respondents operate in a field relating to online retail (comics, cosmetics, electronic, homeware, fashion, photography and design), while the rest represented coding and consultant services, copywriting, marketing, web and mobile app developers. Directors accounted for 32.5% of the respondents (CEO, CIO and CTO), and 17.5% are owners and founders. The others are responsible for different positions such as Administrator, Android Developer,

Programmer, Software developer and engineer, Project Manager, E-Marketing Manager Sales Manager and Magento Expert.
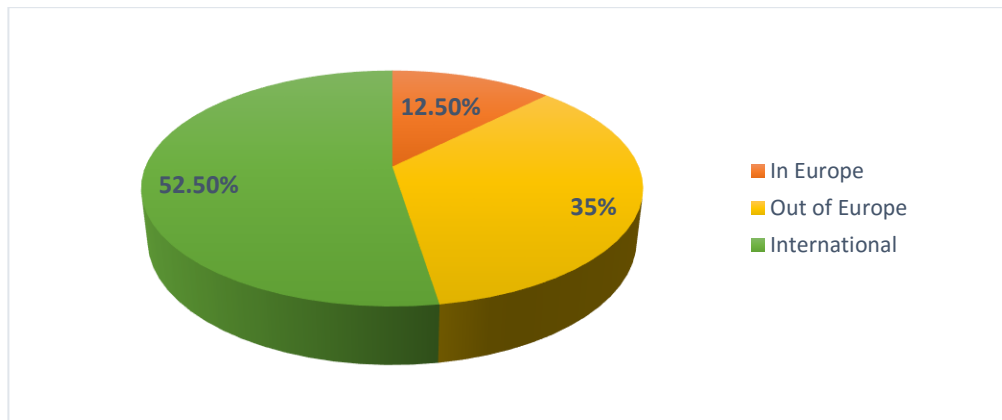

Figure 6. Operation Scale of the Respondents' Business.

The last question regarding participants' profiles was about their operation scales. Many of the respondents operate internationally (52.5% of respondents), while 35% are out of Europe and only 12.5% in Europe.

5.1.2   Survey results - preferences on eCommerce platform and opinion towards mobile commerce

Usually, before upgrading to mobile commercial apps, merchants already have a site with an e-commerce base. The type of platform needs to be seriously considered when a business goes for e-commerce. Therefore, the initial question regarding this was what kind of e-commerce platforms the websites are based on. The author has chosen Magento, Prestashop, Shopify and WooCommerce as the four major platforms that are appropriate choices for the case. The options of Magento exceed all the others and came in first place with 71.5% of the whole pie (Figure 7). Shopify stood in second place with 7.5% (Figure 7), whereas WooCommerce and Prestashop reached 5.8% and 2.5% respectively (Figure 7). The other options including Cs-Cart, Laravel, OpenCart, custom platforms and private platforms, took 12.7% as the rest of the pie (Figure 7).
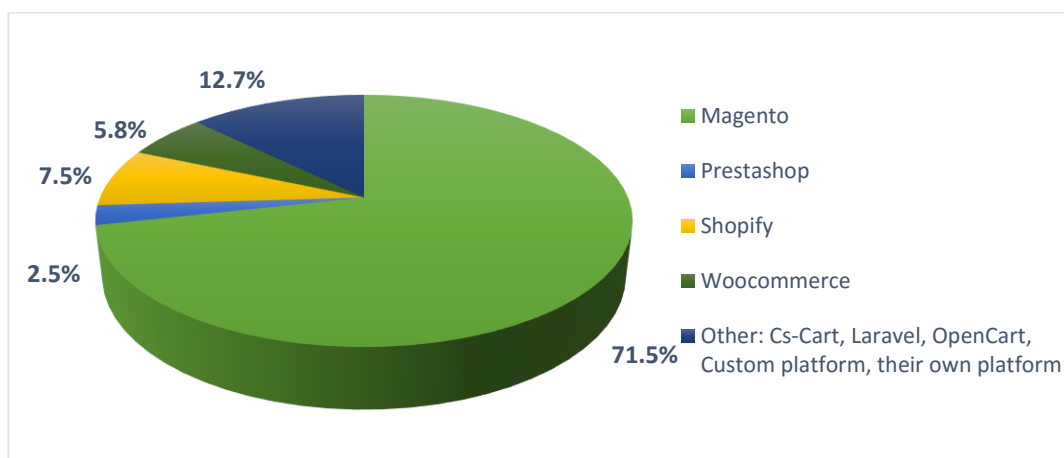
Figure 7. Different e-commerce platforms used by respondents.

Figure 8 has illustrated that respondents attract the most traffic from Asia, followed by Europe. However, the point is that companies in Europe do get traffic either from North America and Europe if they operate internationally (London, Belgium and Spain) or only from Europe if they regionally do (Romania, Spain, Switzerland and the Netherlands).
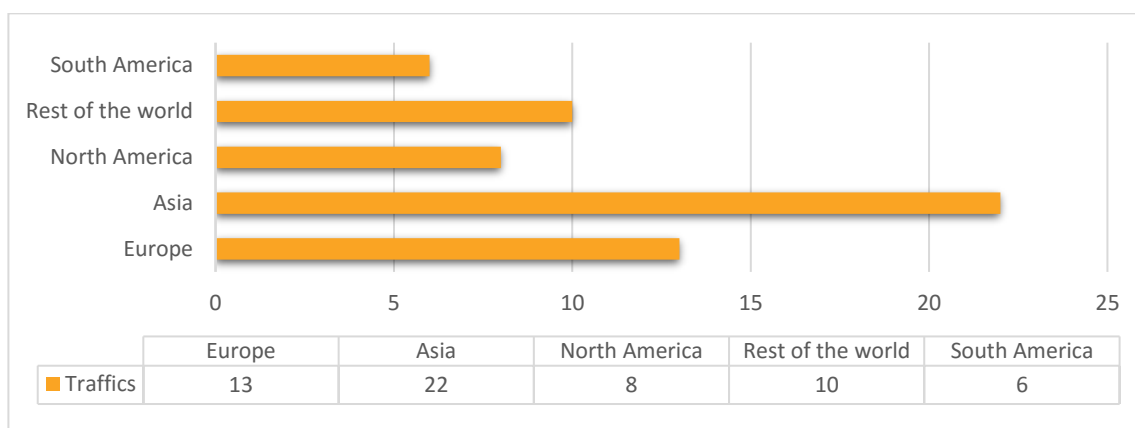
Figure 8. Traffic all around the world.

Regarding respondents' opinions towards m-commerce, the results vary. Respondents who have never used m-commerce before and do not plan to do so make up 10% of the respondents. A notable 27.5% of them stated that they have never used e-commerce before but are thinking of trying it. This is the same percentage of respondents that use m-commerce as one of their distribution channels and have sites with a mobile browsing version (Figure 9). Twelve and-a-half percent of the participants chose "yes", and the platform

they use provides a mobile browsing version, and 20% said they have their own applications (Figure 9).
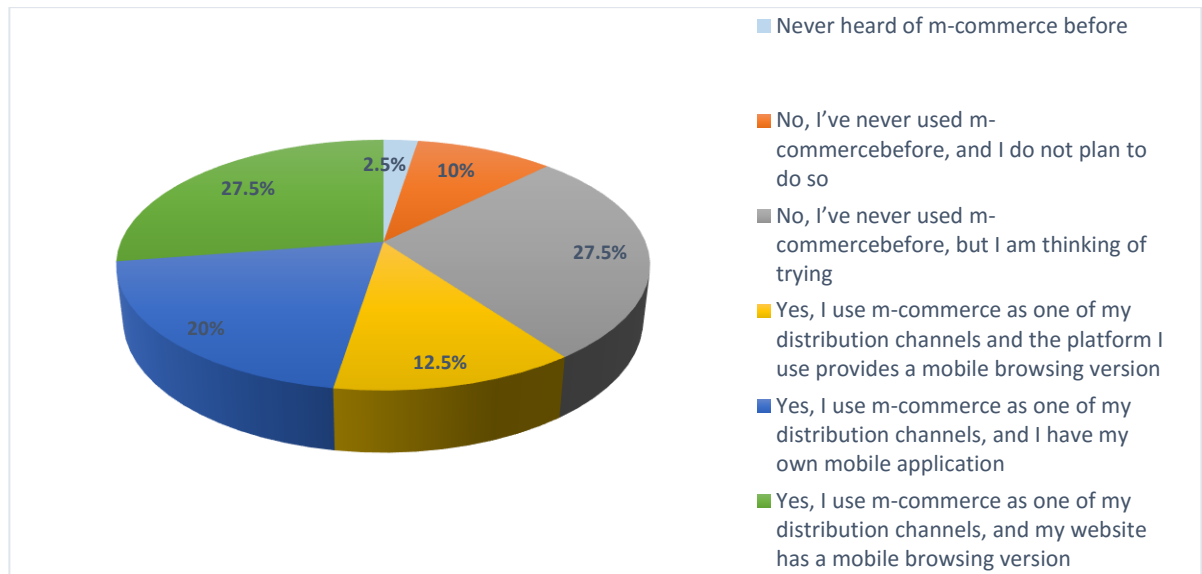
Figure 9. Respondents' opinions towards m-commerce.

Only one respondent admitted that he/she had never heard of m-commerce before (Figure 9). When speaking of high quality service, all the businesses coming from Europe stated that what they care about is customer service, including fast support and response, friendly service, a relationship with clients, and how to provide the best experience for the customer. In addition, they prefer user-friendly apps, nice templates and ease in customization.
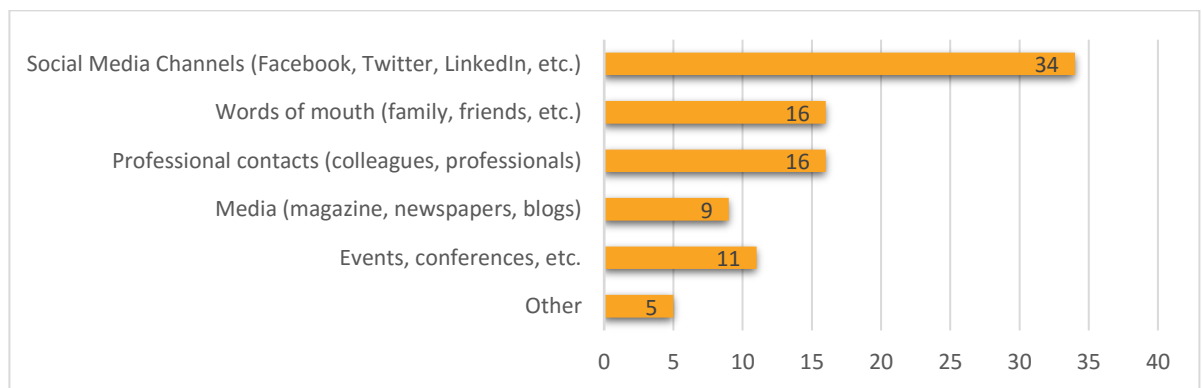
Figure 10. Source(s) to look for m-commerce companies.
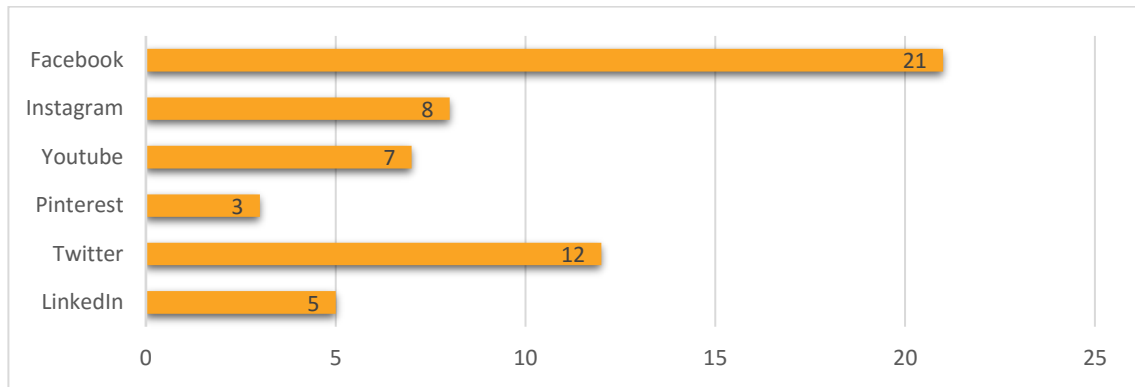
Figure 11. Most used social media channels.

The results show that 34 out of 40 respondents have chosen social media as their prior channels to look for m-commerce providers, while there were less than 16 people picking other channels (Figure 10). Among the most popular and trending social media platforms, Facebook ranked first with 21 votes, followed by Twitter with 12 (Figure 11). LinkedIn is known as a professional social media platform but apparently was not often chosen by respondents. Regarding the impacts of providers' social media activities on customers, 77.5% of the respondents agreed that social media activities actually influence their buying decisions. Besides, most of the respondents (95%) thought that digital marketing was important to providers (Author's survey result).

Additionally, the author also consulted respondents for suggestions and recommendations for entering the regional market. Unfortunately, not many European respondents gave answers related to the question. An audience from Amsterdam suggested that the company had better focus on customer service and prioritize it. "Be polite to the customers and deliver promises" was what the respondent from London said. Spain has been suffering from a financial crisis over the past few years, so that the respondent recommended not to enter the regional market until the crisis ends.

5.2   Study on the importance of digital marketing in mobile commerce industry

5.2.1   Methodology

Qualitative research

A qualitative research was conducted to gain an understanding on the importance of digital marketing. In order to get the general ideas on digital marketing, the author has decided to choose three types of prospective interviewees: e-merchants, professionals and employees of the company itself.

The interviews were carried out via Skype calls.

There are three set of questions for each group of interviewers, including merchants (buyers), digital marketing consultants and employees from SimiCart. Questions are subject to digital marketing in general, social media marketing, paid ads, contents and videos.

Interview results

For merchants - buyers

As a potential m-commerce buyer, Salvador Esteban from K-tuin - Tiendas Apple said that he used mailing to look for mobile commerce providers but not social media. The company sells Apple devices and related accessories. So far, K-tuin has 17 stores all over the country and also operates online. Although Facebook and Twitter are the company's most used social media channels, "Providers' social media activities do not influence our buying decisions", said Salvador. However, he still agreed that digital marketing was important to providers.

Digital marketing consultants

SimiCart desires to know how digital marketing could help them to attract more customers from the European market. The company wants to develop its digital marketing activities, but they have not had a specific plan yet. The qualitative research seeks to find out what the opinions of people in the same field are as well as the current company's insights. In addition, the opinions of digital marketing consultants are provided. Interviewees' advice and knowledge will be very valuable to the company.

The consultants suggested that SimiCart should focus on organic searches, SEO key words and content. It is important to be where customers are, to know how to reach B2B decision makers and determine what they read since digital marketing might differ from country to country. Kati Saario, a Finnish social media consultant for entrepreneurs, pointed out that despite its popularity, Facebook might not be the right environment everywhere.

> **Digital marketing varies from country to country. Facebook is big everywhere, but is it the right environment? In some countries LinkedIn is an important media, like Denmark and the Netherlands. (Saario 2017.)**

In terms of managing social media efficiently, Thang Tran, a marketing coordinator from a Finnish company, Meeting Package, stated that first thing is to know is which platforms users have been using. This allows having a specific plan and schedule for each type of platform.

> **For example, the essence of Twitter is in its instant interaction with followers, so you should schedule numerous Twitter posts and re-tweet others. (Thang 2017.)**

Additionally, paid ads have become popular on all kinds of social media platforms. These should be taken advantage of. Thang also suggested using metrics to figure out how followers and fans react to posts and at what specific time of the day for rescheduling purposes. On one hand, it is important to shape a strategic decision regarding where to put a marketing budget. "If you're managing everything in-house, start with one media per country and learn how it works, if you don't know already.", Saario said, "You have to do

testing all the time. It's easy to do (sic) any changes in digital marketing.". Some suggested applications help to manage and improve social media efficiency are Hootsuite and Buffer.

Speaking of Google AdWords, Thang said that the company could run AdWords to bid on high conversion keywords; however, the main point was to focus more on creating content to increase sessions and attract more traffic to the site.

> **Content is king. Educational and inspiring content will make you stand out as a reputation source of information and reliable partners for your customers. More and more companies now are focusing on inbound marketing instead of bidding for AdWords. (Thang 2017.)**

Thang emphasized that content marketing is a long run. To make an efficient content plan, a company must be resilient and have a proper road map to create organic content. Besides, the consultants said Facebook Ad campaigns with giveaway or contests would be fun ways to reconnect with existing followers. The effectiveness of the ads depends on if Facebook is the right environment and the target group is using it.

The author also got consulted on how important video marketing is. According to what they said, video is the most watched type of content and growing fast. Short videos are informative, easy to digest, and easy to spread out on social media.

6   RECOMMENDATIONS

This chapter considers if SimiCart should penetrate the mobile commerce sector in the Netherlands, the UK and Germany or come up with alternative plans for each market. At the same time, the author provides relevant market entries in case the company would like to enter the markets.

6.1   Previous strategies

SimiCart's marketing activities are executed based on an inbound marketing strategy. With each tactic of the inbound marketing strategy, the company has a particular group of digital activities.

Search engine optimization has been quite successfully used. This helps a company gain quite a lot traffic and clients from the USA and India. Google AdWords has also been applied. This set the USA and India as target markets. Social media channels such as Facebook, Twitter and YouTube are brought to use, but the results do not seem too impressive.

Recently, SimiCart has made contracts with two technology firms. The deal is to expand its market share. Involving the partnership opportunities, those two companies will act as the company's resellers in order to provide and distribute its product and service to their own clients.

6.2   Marketing Mix (4P's)

6.2.1   Product/Passion(Service)

According to SimiCart's CEO and Head of Marketing (2017), they are working on bringing app plugins back to business and completing all the features of the new version. Additionally, the company is continuing to develop new packages to keep customers' interest and attract new customers. However, companies nowadays do not only sell products, but

services are considered seriously. Especially for mobile commerce app builders, the core products are global and quite similar. This makes the uniqueness in provided services significantly important. In the case of SimiCart, the core product offering is the Magento mobile commerce application with extraordinary services and support team. Communication channels, such as Zopim, Intercom Chat and live chat box on the site, are available to support customers and maintain customer relationship. A lot of customers have already given 'satisfied' reviews and have highly recommended the app on Magento store.

6.2.2   Price

SimiCart has already had a pricing strategy. There are four main packages offered in which the more features requested, the more expensive the package.

6.2.3   Presence

So far, SimiCart has published all the apps on Google Play and App Store, and core apps on Magento Store. To get traffic and raise brand awareness, the company runs Search Engine Optimization (SEO) and creates a lot of content on the blogs. A lot of efficient keywords have been optimized and placed on the first page. Besides, social media platforms, such as Facebook and Twitter, have been taken into use but it seems not really active and effective. Hence, this is an opportunity for the company to create a promotional strategy that integrates these communication channels to reiterate and reinforce its messages.

6.2.4   Pedagogy (Education)

Big and expensive ads are used to help companies rule and scream out brands' names. Being new in the field, running those kind of ads, such as Google Ads, might be tough for SimiCart to compete with bigger competitors and even cost the company a huge amount of money without any benefits. For this reason, a powerful and more cost-effective option might be to educate customers that the company is knowledgeable and can be trusted.

With the same channels used for raising brand awareness, educational content and messages could be produced.

6.3　Market entry strategy

Developing a market entry for SimiCart should focus on inbound marketing. The way to enter is to raise brand awareness, gain contacts and promotion for their products.

Search engine optimization has brought the SimiCart a lot of traffic and leads. In addition, one of the professionals from interviews emphasized that content was king. Therefore, designing and creating new content on SimiCart's blogs would get the company higher rank on search engines. This is an excellent way to raise the company's awareness, which is not only very effective but also very economical.

Social media channels and blogs are always effective ways to raise brand awareness. Related to the marketing mix, a powerful and cost-effective method is to educate customers that the company is knowledgeable and can be trusted. This factor is presented in the best way on social media and blog. Besides, based on competitors' online performance analysis, the author has come up with a few solutions that might help to improve SimiCart's online performance:

- Making post contents more interesting by using videos and infographics;
- Keeping SimiCart's blogs updated with educational and knowledgeable articles such as business insights articles and a comparison with another rival;
- Keeping the YouTube channel updated frequently with "How to" videos and videos that introduces the company;
- Providing a multi-language site and social media (this would require resources to make it work).

Also, there are many group regarding Magento on Facebook and LinkedIn, specifically for the Netherlands, the UK and Germany that SimiCart should join to raise brand awareness, make contacts and promote its product.

The company should attract potential customers who are searching information online for their problem via search engines like Google, Bing, Yahoo! Search engine optimization is one compulsory activity. In the case of SimiCart, Google should be optimized the most, as shown in Figure 5, in order to have high traffic from organic searches. The company should come up with a document of keywords to have great content on the site that help to increase the company's visibility on Google. With important and top keywords, Simi-Cart can think of applying Google AdWords in the near future. This effective way could be also a risk for the company since the method can be expensive if the plan does not work out.

In terms of using social media as a method to attract customers and partners, there are a couple of activities should be thought of: knowledge sharing (educational activities), business insights and promotions. SimiCart should be more active on Facebook and LinkedIn. Throughout the research making process, the author himself has realized that only being active on a Facebook page does not actually get much attention from clients. Even Shopgate - a huge company, which is really active on Facebook, does not get many reactions on their page. Therefore, a better solution here is looking for a Facebook group with members in the same field. There are two types of groups: those open to all kinds of post and those which ban all kinds of self-promotion. Promoting and sharing videos and blogs about business insights and the company itself can be used for the former. Sharing knowledge on Magento and being a part of topic discussions would be great with the ladder. The same sorts of activities could be carried out effectively in a LinkedIn group.

7   CONCLUSIONS

The research has provided an overview of three potential markets for SimiCart and proposed as a preliminary plan for SimiCart in figuring out the potential and possibilities for entering target markets. Based on the research, SimiCart could make a decision on whether to penetrate the market with the author's digital marketing strategies or keep exploring other alternative solutions.

In the three target markets, SimiCart could enter with its mobile commerce solution. Although there are challenges regarding huge competitors as well as regulations, Germany, the UK and the Netherlands have revealed their potentiality which is something that SimiCart should take into account. The author suggests that it might be costly and ineffective for SimiCart to go with marketing methods similar to its competitors such as running Google AdWords at the beginning. Instead of that, the company should focus on further creating and designing new suitable content to have better SEO on Google.

Due to the popularity of social media such as Facebook, the author additionally advises improving and optimizing SimiCart's page. The company could also join Facebook and LinkedIn groups specialized for Magento users and developers. This could raise brand awareness, share knowledge, and also look for partnership opportunities.

The thesis has answered the main objectives of the project. The work provides general information on the markets, the current situation of mobile commerce in Germany, the UK and the Netherlands, and possible digital marketing strategies for the three markets. In case the target markets do show their potential to SimiCart and the company would like to proceed further, digital marketing and partnership activities could be made. This ultimately could lead to forming business connections and forecasting outcomes.

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Survey to Ecommerce users

1. What kind of e-commerce platform is your website based on?

2. Where is your headquarters?

3. Where is your business mainly operated?

4. Where do your traffic mostly come from?

5. Does your business employ m-commerce?

6. When speaking of high quality service, what comes to your mind?

7. From which source(s) will you look for a m-commerce company?

8. Your most used social media channels?

9. Do providers' social media activities influence your buying decisions?

10. Is digital marketing important to providers in your opinion?

11. Do you have any suggestion/ recommendation regarding entering your regional market?

Interview for Content & Designer

1.   Have you had marketing strategies and activities? (If yes, specify)

2.   Have you had digital marketing activities? (If yes, specify)

3.   How do you get to your clients?

4.   How do you think digital marketing could help your business?

5.   What are objectives and goals?

6.   What kind of content do you publish and want to publish on digital marketing platforms?

7.   What kinds of social media platforms do you use and what for?

8.   Are there any good websites or social media pages you would like to bench-mark? And why?

9.   Budget on digital marketing?

Interview for digital marketing professionals

1.   What would be your advice for an app provider starting its digital marketing?

2.   How to manage social media efficiently?

3.   Should the AdWord be used in this case?

4.   How about Facebook ad?

5.   Additionally, are email marketing and creating blogs effective way to educate consumers since doing Ads is highly-cost and might be tough to compete with other "big guys"?

6.   Is video marketing an important tool in mobile commerce sector? Why?

7.   What kinds of videos are the most effective?

8.   What kinds of videos do people like to watch online nowadays?