POLITECNICO DI MILANO

Facoltà di Ingegneria dei Sistemi



POLO REGIONALE DI COMO

Master of Science in Management, Economics and Industrial Engineering

B2C Ecommerce Success Model and the Case Study of Retail Company Esse in Turkey

Supervisor: Ing. Riccardo MANGIARACINA

Master Graduation Thesis by : Olgu SENGUL

Student Id. Number : 734318

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ABSTRACT

The fast growth of internet and digital technologies in the last decade created several opportunities for young and dynamic brands which follow the trends timely. Nowadays, many B2C brick and mortar retail brands see the opportunity in online business and jump into the e-commerce world for increasing their customer reach but many of them get disappointed as they don't understand the principals of e-business and can't create a solid e-commerce strategy. A very popular kitchenware retail brand called Esse in Turkey started its e-commerce journey with high hopes in 2010 but failed to meet the expectation of management for 2 years as there was not a defined e-business strategy and B2C e-commerce know-how.

As a person who learned a lot about the principals of e-business world and latest internet marketing techniques thanks to my high interest in online business, I knew I could take the e-commerce business of Esse B2C retail brand to the higher levels. Using all my knowledge about the internet business and analyzing the current situation of Esse e-commerce sales channel in June 2012, I created a B2C e-commerce success strategy, determined several indicators for tracking the progress and reported results monthly for 9 months until the end of March 2013.

The application and execution of the created B2C e-commerce success model generated amazing results for Esse in 9 months and made a business transformation for its e-commerce sales channel. Monthly net revenue of Esse's e-commerce sales channel almost quintupled and its revenue order among Esse stores jumped from 80th to 28th thanks to the created e-commerce strategy and its well application for nine months.

As the success of stated B2C e-commerce success model in this study is proved by the Esse's B2C retail e-commerce case study, I believe that the e-business strategies and techniques presented in this report are invaluable for B2C e-commerce retail companies and e-business professionals.

KEYWORDS: B2C Retail E-commerce, E-commerce success model, E-tailing, Online Communication Strategy, Content Management, Internet Marketing

1 Executive Summary

1.1 Premises and Purpose of This Study

Since the second half of the 1990s there had been high hopes which were placed in internet and e-business. Although there had been lots of dot-com failures in the beginning of 2000s, Business-to-Consumer (B2C) e-commerce has continued to grow steadily. This growth has occurred both in the developed countries and developing countries as well, creating an enormous global community of online shoppers.

Compared to the beginning of 2000s, during the last short period of 5 to 10 years, growth of e-businesses exploited. This amazing growth in online sales also emerged as a new sales channel for retailers selling products in physical stores. But a few of the retailers were able to create real success stories for their B2C e-commerce websites. In the past 10 years, literature suggested many "success methodologies" highly focusing on IT and discussing this subject from Information System point of view, not the internet marketing and online communication point of view which I believe nowadays is the most important key for any kind of e-business.

In this study, considering the latest trends in internet world, I create a B2C e-commerce success strategy heavily from the internet marketing and online communication point of view for the success of an established ecommerce brand website in Turkey, apply the strategy and report the results.

1.1.1 My Purpose: Why I started working in Esse as an Ecommerce Manager

Before I was appointed to Esse as an e-commerce manager, I was highly interested in developing websites, creating e-businesses, e-business success factors and internet marketing techniques. I bought and studied over 50 online courses (including ebooks and video courses) about e-business creation, content management systems, traffic generation techniques, online marketing, social media, search engine optimization and so on.

I thought I was the right person for the position of "ecommerce manager" as I had the experience of how a website works (domain name, hosting), basic knowledge of html for creating simple static websites and understanding of basic programming. Also I had the understanding of content

management systems (CMS) for managing dynamic websites while knowing how to setup and use Wordpress as a CMS was a valuable experience for me. I knew a lot about on-page and off-page search engine optimization (SEO) for online visibility and organic traffic generation. Moreover I had knowledge about email marketing and lead generation for creating repeat customers, social media marketing and paid banner advertisements for traffic generation. I also knew about conversion rate and methods to increase it. Furthermore I had the understanding of general marketing, strategic planning and business principles. I also had understanding of web analytics and how to interpret them. I had intermediate level of Photoshop knowledge for simple graphic operations and understanding of banners for on-page and off page usage and how to implement them. I knew about content creation (text, graphic, video etc.) and online content distribution for traffic generation and customer engagement. I also had the understanding of hyper linking and back linking for traffic and SEO purposes.

I not only wanted to make a career in internet sector but also, as there was a working e-commerce system of Esse (IT is outsourced), I knew I was the right person for this position because I felt that all the missing point of Esse ecommerce channel was an online communication strategy and internet marketing approach.

1.1.2 Purpose of the Esse Company: Why Esse needed new employee for managing e-commerce sales channel

Esse started to its ecommerce operation in June 2010. There were 2 low education profile people taking care of the website and online activities: a high school graduate programmer for content management and a person responsible for search engine marketing (Google Adwords).

Actually, working force choice was apparently wrong, as the IT and programming activities of ecommerce website is outsourced. So, programmer was responsible for what he was not skilled like content management, online advertising, online communication, general business skills etc.

As the need of position and skills of employees didn't match, there was no success and growth in ecommerce channel for 2 years. Management understood that employee selection approach was wrong and after about 20 months since the start of ecommerce operation, management laid off all 2

employees and started to look for a high profile work force who is more educated and has not only understanding of web business in general but also has understanding of marketing and business with high level of English language knowledge for following the fast changing internet trends.

So management appointed me to the position in 25 June 2012, after exactly 2 years later ecommerce sales channel started its operation.

Purposes of Esse Management for ecommerce sales channel and management's expectations from Ecommerce Manager are:

- 1- Better online visibility (web presence) and online communication by good content management in all internet properties of Esse for leveraging both Web-to-store and Store-to-web concepts
- 2- Increasing the turnover of ecommerce sales channel that in 1-2 year, it would be the highest revenue generating store among all Esse stores as it is also the most profitable sales channel.
- 3- As the target demographics of Esse is young people aged between 20-35, Esse management knew that they had to be marketing successfully online for getting attention of this target demographics by following latest trends in internet and continuously developing strategy.

1.1.3 Purpose of the Study: Why this Case Study is so valuable for B2C e-commerce businesses

The purpose of this study is to report the results of an applied "ecommerce success strategy" created mainly from the internet marketing and online communication point of view; and to prove that the online communication and internet marketing oriented approach is one of the most important issues to consider for the success of B2C retail brands' ecommerce operations by a real life Case Study.

1.2 Objectives of the Study

Main objective of this study is to create a B2C ecommerce success strategy for a strong retail brand called "Esse" operating in Turkey by considering both the goals set by Esse management and initial situation of Esse's ecommerce business in June 2012. Another core objective is to manage the application of created ecommerce success model over time. Of course, as in any business, it is important to get results by the applied strategy and prove it by determining and reporting some Key Performance Indicators regularly, for calling the strategy "successful".

So, if I break down the main objective of creating, applying and reporting a B2C ecommerce strategy into small objectives in order, they would be situation analysis considering core e-business parameters, developing an ecommerce strategy, determining some key performance indicators for tracking the performance over time, applying strategy and reporting results which hopefully turns out to be a "success" compared to initial KPI data.

1.3 Methodology of the Study and Success Model for Esse's B2C ecommerce sales channel

When I got appointed as Ecommerce Manager of B2C retail brand Esse's ecommerce business, my main methodology was firstly making a situation analysis and defining the problem, then developing a strategy (success model) according to the initial situation and prioritize the works. And then, I needed to determine some KPIs for tracking the progress over time and implement the strategy.



Figure 1.1: Methodology flowchart for the Esse's B2C Ecommerce Sales channel success

1.3.1 Situation Analysis of Esse's whole Ecommerce Business

When I stated the job as E-commerce Manager, the first thing I needed to do was to understand and identify the e-commerce structure and available tools of www.esse.com.tr IT system. I needed to figure out the positive aspects and the negative aspects of the system that I could leverage the positive aspects, and also make a plan for negative aspects and build them from scratch if required.

The good things about the website on 25 June 2012 were firstly the availability of a content management system in ERP system and secondly a set and working e-business with its storage and packaging department. The delivery system was set and website was able to get payments and orders. So, the basics were set. Another good point of Esse E-commerce website was that it was ranking the first for its own brand name "esse" and there was a good amount of visitors to the website from search engines from to the search term "esse" thanks to its brand power even the website was probably disappointing for visitors because of the poor content. Furthermore, there was a database of customers about 25.000 even it wasn't leveraged for email marketing. Moreover, Google Analytics tool was set from the very beginning of website that I could analyze the traffic.

The bad things were actually a lot which was also an opportunity for me because I knew I could contribute to the business a lot. Firstly, content from all aspects was poor; website was not up to date, announced campaigns were old, many of the product prices were wrong, product photos and details were poor and stocks were not matching with the products displaying on website.

Furthermore, banners were poor and the value and advantages were not successfully communicated to the visitors. Moreover, there was not a photograph studio for taking product photos for presenting them in website. Many products were available on stocks but not available on website, because there was no photograph of the product for displaying on website. So, all those content related problems were the first things to fix for converting the available traffic. Secondly, many internet marketing channels both for online visibility and traffic generation were not leveraged.

There was no social media management, no email marketing, no search engine marketing, no offpage search engine optimization and no display advertising in other website properties. Also, search engine visibility was poor because of bad Meta tag descriptions. Those off-page online communications related problems were needed to be fixed as soon as possible in the short term.

1.3.2 Definition of the Problem

After evaluating Esse's all e-business system, internet activity, 2 years of web analytics data and ecommerce channel sales results in 2 years by a general situation analysis, I came up with the definition the problem: Poor online communication both on-page and off-page internet properties resulted in low sales conversion and low lead conversion rates and caused to miss a lot of traffic opportunities, due to the fact that core free and paid internet marketing tools are not leveraged.

1.3.3 Strategy Development: Model for Success

In this study, I developed an actionable ecommerce success model considering both the results of situation analysis and goals set by management. Examining strong and weak points of Esse ecommerce business in the very beginning helped me to determine which subjects to focus first and which ones to focus later.

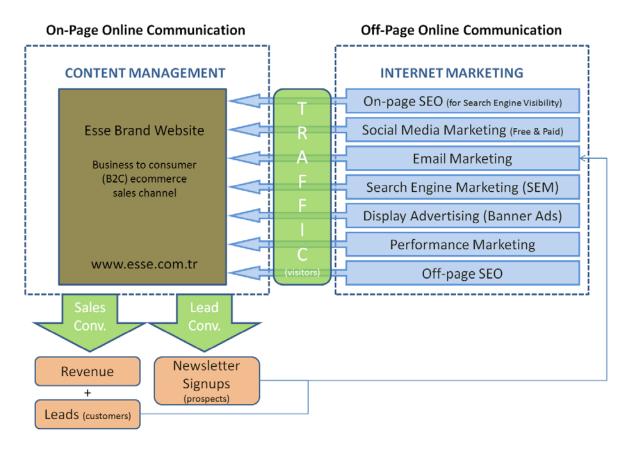


Figure 1.2: Online Communication Strategy for Esse B2C ecommerce sales channel (Success Model)

The core e-business success formula which is "Conversion * Traffic = Revenue" is the basis of the strategy I developed. According to this formula, if traffic (number of website visitors) and conversion

rate of website increases, the Revenue would increase which is the core result expected by the management. Whole point of e-business is attracting visitor to the website (traffic generation), and then converting those visitors into customers, leads and prospects. This could be achieved by a good online communication both on-website (good content management) and off-website channels.

Below chart represents the success model I created for Esse ecommerce sales channel:

The internet marketing mix stated in the success model determined basically considering the internet usage behavior of Turkish people and marketing activity's ROI potential. SEO and SEM are so important because almost all internet users use search engines for what they are looking for. Also according to BKM 2012 research, 72% of people spend time on Social Media and 60% of people use emails which make social media and email marketing activities crucial for ecommerce success.

Moreover, 56% of internet users use internet for reading online newspapers which makes display advertising also very important. Performance marketing increases the sales of website with very high ROI and off-page SEO activities increase organic traffic from non-brand keywords.

1.3.3.1 Action Priority Strategy



Figure 1.3: 1 year action plan on Gantt chart for the success of B2C ecommerce sales channel of Esse

As Esse.com.tr already has a high organic traffic from search engines from brand keyword "Esse" (thanks to its brand awareness power), firstly focusing on creating a converting website, secondly working on free and paid off-page online communication for more traffic would be the right strategy.

Because traffic should be directed to a converting website; if website is not converting visitors into customers and leads, there is no point of traffic generation.

Therefore, firstly I focused on content management and fixed the content; mainly matching the stocks and available products on website for sales, correcting and enriching product details and photos, improving banners on website for better value communication with website visitors.

Secondly, I focused on internet marketing activities according to their importance and if they are free or paid and if they have some obstacles like code implementation etc. I firstly focused on on-page SEO and free social media marketing for better online visibility. Then I worked on email marketing for attracting and inviting current customers to the website again for shopping. Website needed a web analytics system before Esse started to spend money for advertising for tracking the paid internet marketing activities. So I agreed with a company which would not only manage SEM activities but also would set the web analytics system for tracking visitors and sales coming from various internet marketing sources. After having web analytics system, now it is time to leverage other paid sources like display advertising for increasing the traffic. Affiliate marketing was planned as one of the latest traffic source to implement as it requires some code implementation to the website. Off-page SEO activities are planned as the latest traffic source to focus on as it require new employee and a lot of time and budget for long term positive results.

1.3.4 Determination of Key Performance Indicators (KPIs)

Various key performance indicators are determined and tracked for measuring and evaluating the success and progress of the e-commerce activities stated in the success model.

Result (goal) Oriented KPIs: Monthly net revenue, # of orders, Revenue order among Esse stores

Traffic and Asset Oriented KPIs: Number of visitors, Number of unique visitors, Number of newsletter subscribers, Email list growth rate (%), Number of emails sent, Total email reading, Total email clicks, Number of Facebook followers (likes), Facebook subscribers growth rate (%), Number of Facebook posts, Traffic from Facebook

Conversion Oriented KPIs: Revenue per unique visitor, Number of orders per unique visitor (%), Average order value (AOV), Email open rate, Email click rate, Email click through rate (CTR)

1.4 Results Achieved

The defined BC2 E-commerce success model is applied for 9 months from July 2012 to March 2013 and as a result; traffic which is achieved by internet marketing has grown 1.5 times, conversion rate which is basically achieved by content management has tripled and the net revenue grew 4.5 times.

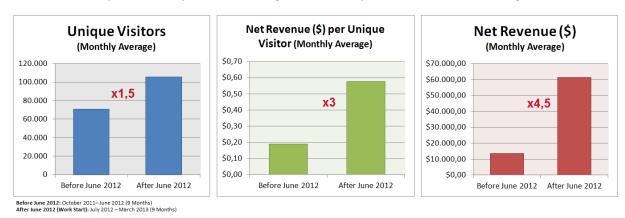


Figure 1.4: Change of Monthly Average values of core KPIs before and after 9 months from job start

1.4.1 Revenue Progress:

The revenue of website reached to \$100.000 from where it had generated maximum \$20.000 before. So, the core parameter which management tracks firstly has grown considerably.

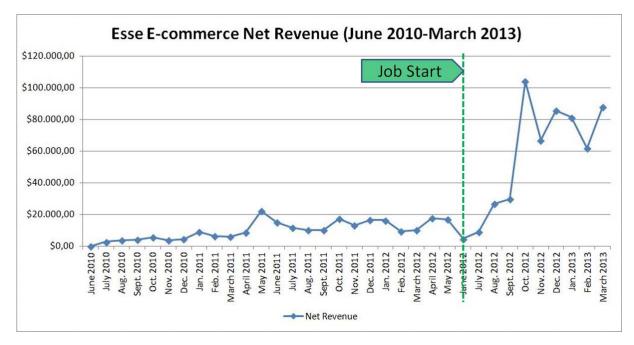


Figure 1.5: Esse B2C ecommerce sales channel net revenue values (June 2010 to March 2013)

1.4.2 Conversion Rate Progress:

Conversion rate of the website has grown thanks to the good content management from the very beginning. Although the result of conversion rate parameter also includes the ups and downs in the market place, it hugely represents the content management success of the website.

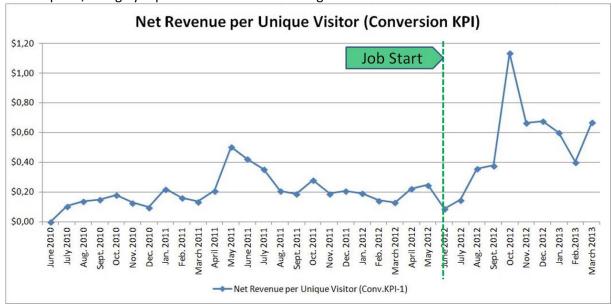


Figure 1.6: Esse ecommerce website conversion rate progress (June 2010 to March 2013)

1.4.3 Traffic (Website visitors) Progress:

The traffic of the website has always grown from the point I started the job until February 2013. The decrease in March 2013 is due to the fact that display ads were stopped on March while it was active on February. Traffic of website has almost doubled compared to previous months before job start.

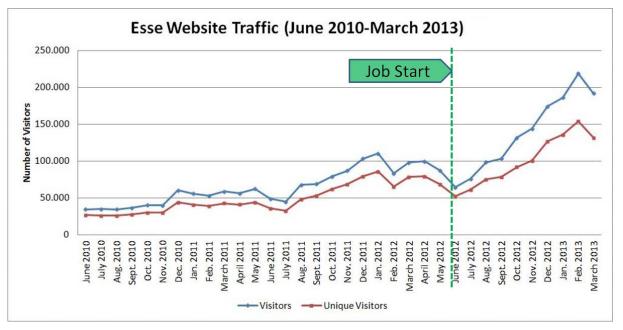


Figure 1.7: Esse ecommerce website traffic progress (June 2010 to March 2013)

1.4.4 Results of Internet Marketing Activities

Until the end of March 2013, email marketing, search engine marketing and display advertising internet marketing channels were leveraged as paid traffic sources. February 2013 was the only month all those paid internet marketing sources were leveraged. As display advertising generated low ROI results, management decided to stop this paid source until May 2013.

Traffic Sources, February 2013 (Google Analytics Data)	Visits	New Visits	Impressions	Revenue	Percentage in Totlal Sales	Cost	CPC	Revenue/Cost
Free Traffic Sources								
Organic (SEO)	75.460	59,92%	-	32.482,53 TL	43,34%	-	-	-
Direct	17.152	71,04%	-	9.210,38 TL	12,29%	-	- 1	-
Referral	6.887	58,31%	-	859,75 TL	1,17%	-	-	-
Paid Traffic Sources								
SEM (Google Adwords)	62.946	54,48%	6.838.528	19.583,25 TL	26,14%	9.041,16 TL	0,14 TL	x2,17
Display Advertising	35.129	83,49%	88.157.830	1.403,90 TL	1,87%	15.000,00 TL	0,43 TL	x0,09
Email Marketing	21.166	36,13%	248.536	11.381,95 TL	15,19%	590,00 TL	0,03 TL	x19,29

Traffic Sources, March 2013 (Google Analytics Data)	Visits	New Visits	Impressions	Revenue	Percentage in Totlal Sales	Cost	CPC	Revenue/Cost
Free Traffic Sources								
Organic (SEO)	77.962	58,31%	-	41.053,95 TL	33,59%	-	-	-
Direct	20.675	71,96%		15.814,75 TL	12,94%	-	21	-
Referral	7.093	64,03%	=	1.324,75 TL	1,08%	-	-	-
Paid Traffic Sources								
SEM (Google Adwords)	71.589	54,58%	3.665.359	52.685,50 TL	43,11%	8.707,90 TL	0,12 TL	x6,05
Email Marketing	14.004	33,96%	199.055	11.343,70 TL	9,28%	590,00 TL	0,04 TL	x19,23

Figure 1.8: Paid and free traffic sources and performance of internet marketing channels on February and March 2013 (Source: Google Analytics Tool)

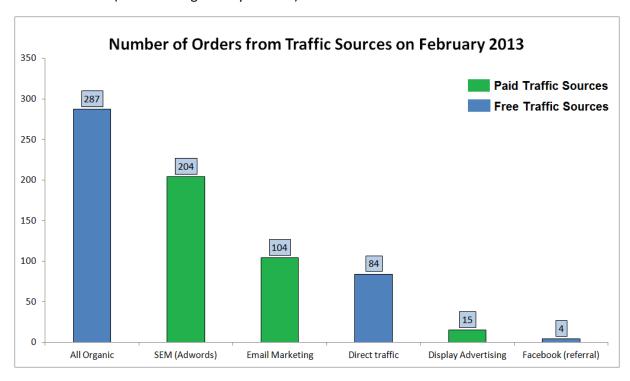


Figure 1.9: Number of orders from free and paid traffic sources on February 2013 (Source: Google Analytics Tool)

2 Brief Description of Ecommerce in Turkey

With the rapid development of Internet and information technologies, not only developed countries but also developing countries witnessing various results and application of information society. E-commerce is also one of those applications. Using internet technology and it's diffusion for trade provide enhanced economic benefits and opportunities for growth. Firms which cannot properly adopt the technologies that enable electronic commerce can be expected to get out of economy soon. So this reality is no different for Turkey and Turkish companies.

As E-commerce can be defined as the exchange of information, goods, services and payments by electronic means, the obvious point is that not only e-business know how, e-business models but also available infrastructure (broadband, logistics, payment etc.) and demand are the core components for the development of e-commerce in a country. From 2000 to 2010, Turkey has eliminated those constraints like technology, e-business know how, e-business finance and human resources for creating an e-commerce economy. By 2010, with the "private shopping" and "coupon" business models which encourages consumers for sales with handsome discounts, a huge demand for e-commerce has also been created for the first time in Turkey and this trend encouraged many B2C Retail companies to jump in to e-commerce economy and open a new sales channel as an e-tailer.

2.1 Internet Demographics in Turkey: Online Consumers

2.1.1 General Demographics

Turkey has a population of 75,6 million (Uçar, 2013) and 17% of this population is young population which makes Turkey a very dynamic country, following all the fast changing trends in the world closely. On average, population in Turkey is almost 20 years younger than the Europe.

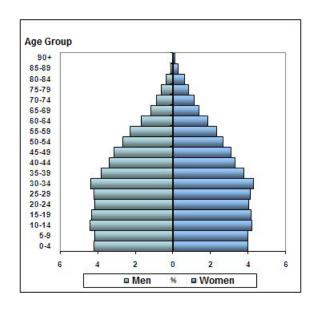


Figure 2.1: Population and age distribution in Turkey in 2012. Source: www.tuik.gov.tr (Uçar, 2013)

2.1.2 Internet Usage, Penetration Rate and E-tailing Interest

From 2000 to 2012, number of internet users has grown almost 18 times in Turkey. As the first quarter of 2012, there are about 36,4 million online users in Turkey which makes about 46% penetration rate for internet usage.

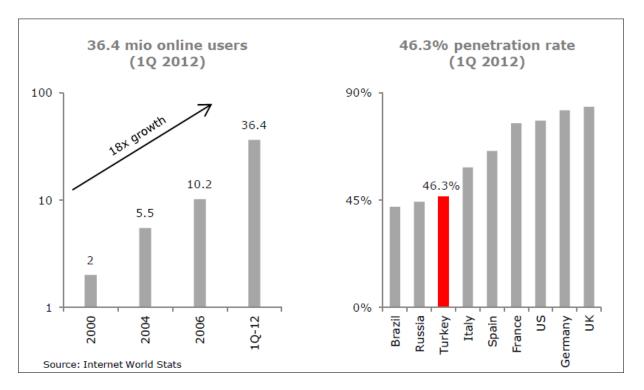


Figure 2.2: Number of online users in Turkey and online usage penetration rate comparison with countries (InternetWorldStats.com, 2012)

Turkish internet users are also very interested in e-commerce retail. Every 80 people out of 100 people have visited an e-commerce website at least once in Turkey which is about 80% penetration rate for e-tailing.

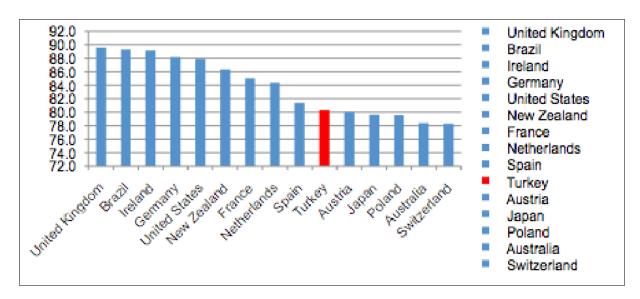


Figure 2.3: E-commerce retail interest of online users in Turkey compared to other countries Source: comScore Media Metrix Sept. 2012 **(Kesten, 2012)**

According to comScore's research, there were about 19 million unique visitors for online retail websites in Turkey on September 2012 which makes Turkey number 13th among other countries for B2C e-tailing visitor volume. So, more than 50% of online users in Turkey visit an e-commerce retail website every month.

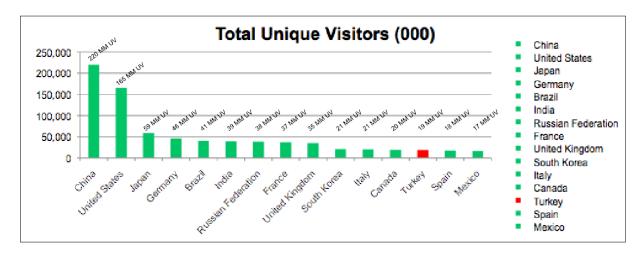


Figure 2.4: Unique visitors of B2C E-commerce Retail websites in countries on September 2012 Source: comScore Media Metrix Sept. 2012 **(Kesten, 2012)**

The visitors of B2C e-commerce retail websites in Turkey is quite young compared to the world.

Although 25-34 years old age group is mostly the visitors of e-tailing websites in the World by 26% percent, 15-24 years old age group is the most interested age group for e-tailing websites in Turkey by 38% percent.

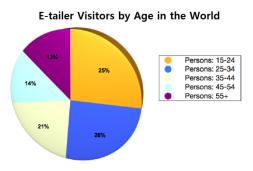


Figure 2.5: Age distribution of B2C e-commerce website visitors in the World Source: comScore Media Metrix Sept. 2012 **(Kesten, 2012)**

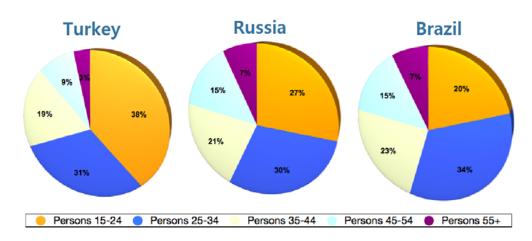


Figure 2.6: Age distribution of B2C e-commerce website visitors in Turkey, Russia and Brazil Source: comScore Media Metrix Sept. 2012 **(Kesten, 2012)**

In the World, e-tailing websites are mostly visited by men compared to women but this difference is higher in Turkey. About 60% of online retail website visitors are male in Turkey whereas 40% are female.

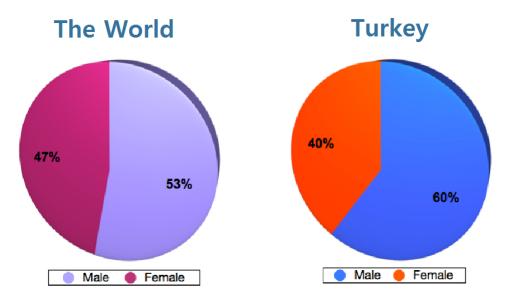


Figure 2.7: Percentage of Female and Male B2C e-commerce website visitors in Turkey Source: comScore Media Metrix Sept. 2012 (**Kesten, 2012**)

According to a survey carried out by Turkish Interbank Card Center (BKM), Turkish people mostly use internet for social media websites which is about 72%. In the same survey, 18% of the people indicate that they use internet for online shopping (B2C e-commerce).



Figure 2.8: Survey carried out by Turkish Interbank Card Center (BKM) to internet users Source: Turkish Interbank Card Center **(Monitor, 2012)**

According to the Turkish Interbank Card Center (BKM), there are about 8 million online buyers among 36,4 million online users in Turkey by 2012 and percentage of online buyers among online users has doubled from 2007 to 2012. 8 million people also makes about 22% online buyers penetration rate which actually correlates well with the above survey.

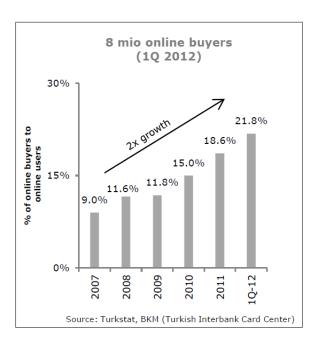


Figure 2.9: Percentage and Growth of online buyers in Turkey from 2007 to 2012 Source: Turkish Interbank Card Center **(www.bkm.com.tr, 2012)**

2.1.3 Consumer Spending and Payment Choices

Turkish B2C e-commerce websites enable many different payment choices like credit card, bank transfer, door payment, payment on phone etc. According to a study carried on 2008 in Turkey, the biggest problem of e-commerce was security concerns by 81%. According to another study carried on 2011 by Turkish Statistical Foundation, security concern for online shopping was 27% (Erkan, 2012). So, although there was security concerns of Turkish people for using credit cards in online shopping until 2010, by the fast development of credit card payment security systems, nowadays credit cards being heavily used by consumers for online shopping because of its instant transactions, high security and payment facilities like payment installment for several months.

The leading online shopping payment choice of Turkish people is credit card by 57% while second choice is bank transfer by 22%. The other online shopping payment choices of Turkish people are 16% cash on delivery, 3% mobile payment and 2% mail order in 2012.

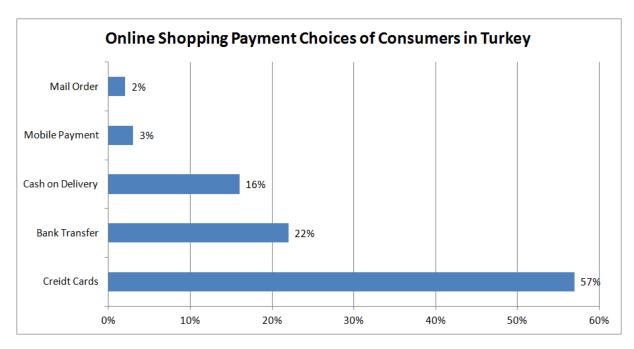


Figure 2.10: Online shopping payment choices of Turkish consumers by percentage in 2012 Source: E-commerce Success Conference (Erkan, 2012)

Not only development of online payment security systems but also huge growth of credit card usage in Turkey is an important factor that make the credit card payments the first choice of Turkish online consumers.

In 2007, there were 33 million credit cards in Turkey and in 2012, this number reached to 54 million by a 65% increase. In 2012, 17 million out of 54 million credit cards were used in online payments. In 2008, every \$5 spending was made online in total of \$100 credit card spending, and in 2012 this number was \$9 for every \$100 credit card spending. This value is estimated to be 18% in 2023. (Monitor, 2012)

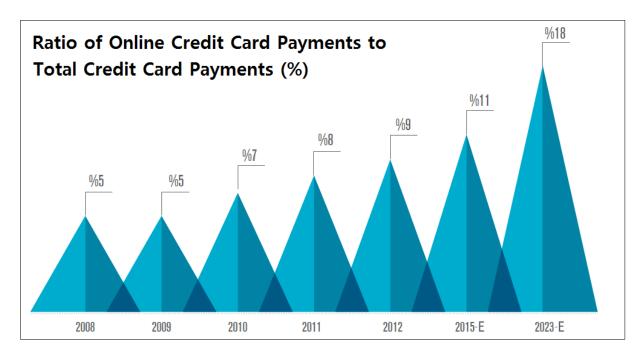


Figure 2.11: Ratio of online credit card payments to total credit card payments in Turkey Source: Turkish Interbank Card Center **(Monitor, 2012)**

According to a survey study carried by Turkish Interbank Card Center, 33% of people indicated that they made online shopping and this ratio is 42% for higher income profile people. Furthermore, the shopping frequency is once in 2 weeks and 82% of survey attendees choose credit card for online payments. Moreover, survey points out that average shopping value is not passing \$110 value and it is about \$107 per order. (Monitor, 2012)

2.2 E-commerce Volume and Growth in Turkey

2.2.1 Total E-commerce Volume and Growth Rate

E-commerce is growing fast in Turkey. In 2012, 157 million online transactions occurred in Turkey and total e-commerce volume including all e-tailing, tickets, quick delivery food etc. was TL 30.6 billion. Also, e-commerce volume has grown 22 times in Turkey compared to 2005. Furthermore, e-commerce volume expected to be TL 64 billion in 2015 and TL 350 billion in 2023. (Monitor, 2012)

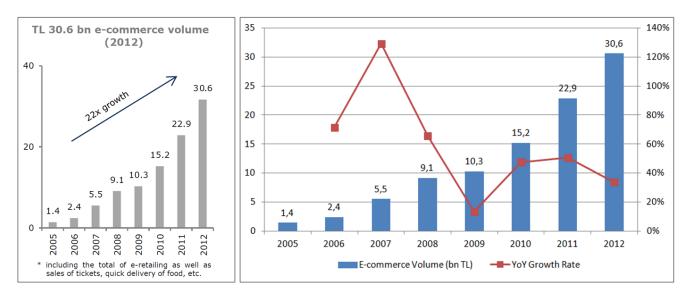


Figure 2.12: E-commerce volume including all online sales in Turkey and year over year growth rate Source: Turkish Interbank Card Center (www.bkm.com.tr, 2012)

Growth rate of e-commerce in Turkey is also quite high compared to other countries in the World. The nearest country is Poland by 24% e-commerce growth rate in 2011 where Turkey has 50% growth rate. Although e-commerce growth rate has slow down in 2012 by 34%, it is still above the average e-commerce growth rate in the World.

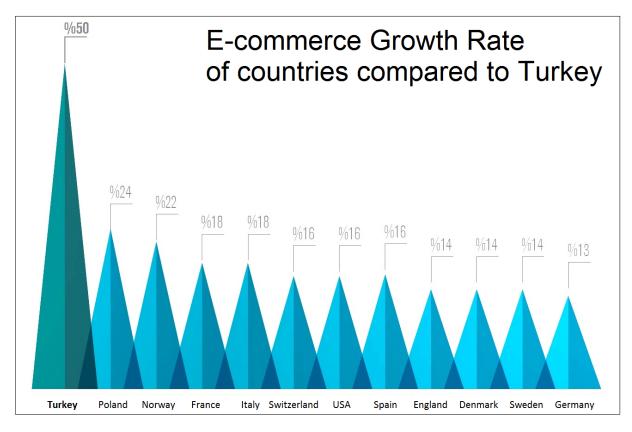


Figure 2.13: E-commerce growth rate of Turkey compared to other countries in 2011 Source: Turkish Interbank Card Center (Monitor, 2012)

The total e-commerce volume of TL 30.6 billion in 2012 includes not only B2C retail e-commerce (e-tailing) transactions but also all other online sales in classifieds, auctions and coupons which are other core online markets people spend money.

2.2.2 B2C E-commerce Retail (e-tailing) and Growth Rate

B2C retail e-commerce which is also called as e-tailing got a sales volume of TL 4.7 billion in total TL 30.6 billion e-commerce industry with a 15% share in whole Turkish e-commerce market in 2012. The growth rate of e-tailing was 11.84% from 2011 to 2012 and this growth rate is expected to be the same for coming years, so e-tailing volume is expected to reach TL 7.5 billion by 2016.

(Euromonitor.com, 2012)

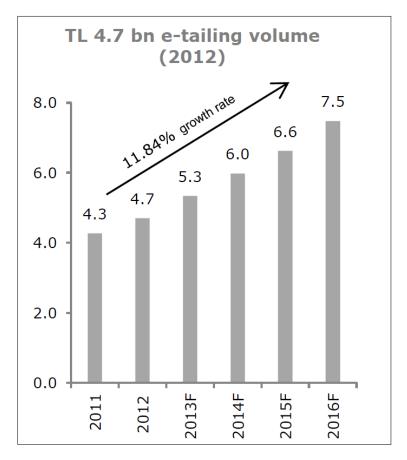


Figure 2.14: E-tailing volume and growth rate in Turkey and forecast for 2013-2016 Source: Internet retailing in Turkey (**Euromonitor.com, 2012**)

The percentage of B2C e-commerce retail in total retail sector in a country is a good indicator for estimating the growth opportunity of e-tailing market. The percentage of e-tailing in total retail sector was 1.9% in 2012 in Turkey. So if Turkey's e-tailing percentage is compared to the e-tailing percentages of countries like USA 5.4% or Brazil 3.4%, it is fair to foresee a huge growth opportunity for B2C e-commerce retail sector in Turkey.

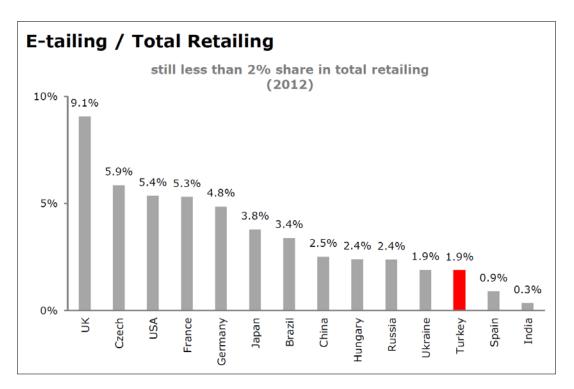


Figure 2.15: E-tailing percentages of countries in total retail market in 2012 and Turkey's position Source: Internet retailing in Turkey (**Euromonitor.com, 2012**)

2.3 Leading E-commerce Sectors and Players

2.3.1 Main E-commerce Sectors and E-tailing Categories

Nearly all of the sectors are going digital for both B2C and B2B payments. If the percentage of online sales volume is compared to total sectoral volumes generated by credit cards, airline industry has by far the highest internet payment penetration rate by 90%. Online payment penetration rate of other sectors vary from 10% to 45% in Turkey.

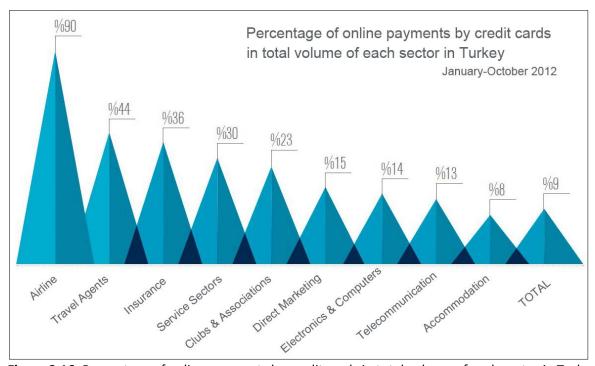


Figure 2.16: Percentage of online payments by credit cards in total volume of each sector in Turkey between January-October 2012. Source: Turkish Interbank Card Center (Monitor, 2012)

Although e-tailing volume is 1.9% in total retail sector in Turkey, consumer interest for categories in e-tailing sector is growing fast. First fastest growing e-tailing category in terms of visitors from 2011 to 2012 in Turkey is cosmetics by 61% consumer interest increase. Second is computer software by 42% and third is home furnishing by 38% which also indicates huge growth opportunity for Esse Company as it sells nearly all kind of home products although its core product line is kitchenware.

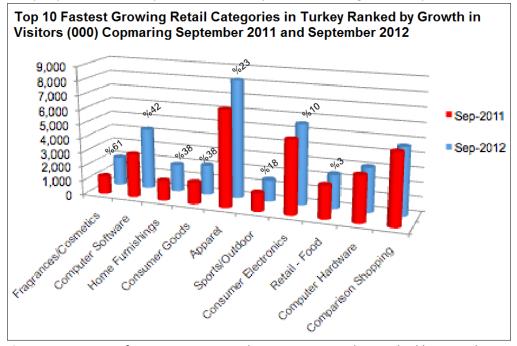


Figure 2.17: Top 10 fastest growing retail categories in Turkey ranked by growth in visitors (000) comparing September 2011-2012. Source: comScore Media Metrix Sept. 2012 **(Kesten, 2012)**

2.3.2 E-commerce Players in Turkish Internet Market

E-commerce has been present in Turkey from the late 1990s. The number of e-commerce websites in Turkey was nearly 160 in 2000 when there were about 2 million online users. (Ar, 2001) There are about 14.000 e-commerce websites and 36.4 million online users in Turkey in 2012 and this numbers are growing fast. (Erkan, 2012)

The oldest e-commerce website in Turkey is www.Hepsiburada.com which is a multi-category e-retailer founded in 1998. Hepsiburada.com was purchased by Turkish Media Giant Dogan Media Group in 2000 which is also the first M&A in Turkish e-commerce sector. (Erkan, 2012)

Hepsiburada.com is still one of the highest revenue generating e-commerce retail website in Turkey.

The same year, another e-commerce website called www.Biletix.com was set up which is still a giant in Turkish internet sector for online ticket sales.

One of the other oldest e-commerce retail website in Turkey is www.GittGidiyor.com which is a C2C auction platform like eBay and was set up in 2001. Gittigidiyor.com is 2nd largest visited e-commerce website in terms of unique visitors and it is still leader in Customer to Customer e-commerce retail in Turkey. Gittigidiyor.com got two large investments from eBay in 2006 and 2011.

The leading e-commerce player in Turkey in terms of unique visitors is www.Sahibinden.com which is a Classifieds platform founded in 2000. Sahibinden.com generates 23 million monthly unique visitors and is ranked 1st in terms of monthly unique visitors as an e-commerce website in Turkey in 2012. Private shopping websites are both the largest unique visitor and revenue generating e-commerce retail websites after those above mentioned 2-3 oldest and well established e-commerce websites in Turkey. The first private shopping e-commerce retail website was founded in 2008 which is called Markafoni.com. Private shopping model and so the sales of Markafoni.com exploited in 2010. Another largest private shopping website competing with Markafoni.com is Trendyol.com founded in 2010. Markafoni.com and Trendyol.com have about 6-8 million registered user by the end of 2012 and they are in the top 10 list in terms of monthly unique visitors in Turkish e-commerce sector.

Other largest e-commerce category after private shopping model is Coupon and deal-of-the-day business model websites featuring discounted gift certificates usable at local or national companies. The leading coupon website in Turkey is www.Sehirfirsati.com which was founded in 2010 in Turkey by worldwide known coupon website Groupon. www.Grupfoni.com and www.Grupanya.com are the two other players in deal-of-the-day e-commerce business model both founded in 2010 in Turkey. Electronics & Computers wholesalers were the first Brick and Mortar retailers to tap into e-commerce in Turkey by their brand websites. www.Gold.com.tr and www.VatanBilgisayar.com are the oldest e-commerce retail brand websites in Turkey which are also selling products in physical stores. Nearly all well known Turkish Brick and Mortar retail brands started to open their e-commerce brand websites by 2010 and www.Esse.com.tr is also one of those B2C e-commerce retail brand websites.

Top E-commerce websites in terms of unique visitors in Turkey, September 2011 • Rank 1: Sahibinden.com Rank 16: Grupfoni • Rank 2: Gitti Gidiyor Rank 17: Cimri Rank 18: Otogazete • Rank 3: Hepsiburada • Rank 19: Kitapyurdu.com Rank 4: Araba.com • Rank 20: Grupanya Rank 5: Trendyol Rank 21: Hizlial.com Rank 6: Arabam.com Rank 22: Istanbul Bilisim • Rank 7: Markafoni • Rank 23: Alalimsatalim • Rank 8: Ucuzu • Rank 24: Intoko Kijiji Rank 9: limango • Rank 25: Tatilsepeti • Rank 10: Elookat Seri Ilanlar Rank 26: Biletix • Rank 11: Akakce.com • Rank 27: Gold Teknoloji Marketleri Rank 12: Sehirfirsati • Rank 28: Yemeksepeti • Rank 13: Vatan Computer • Rank 29: Koctas • Rank 14: Otoaraba Rank 30: Ciceksepeti • Rank 15: Teknosa Rank 31-100 Source: yStats.com, Turkey Top 100 E-Commerce Players 2011 Report

Figure 2.18: Top 30 e-commerce websites in terms of unique visitors in Turkey in September 2011 (yStats.com, 2011)

2.3.3 E-commerce Investments & Investors in Turkey

With the fast growth of e-commerce volume and increasing number of internet users from 2000 to 2005, Turkish internet sector achieved to attract many investors inside and outside of the country. The first world wide known investment in Turkish e-commerce sector occurred in 2006 with acquisition of www.GittiGidiyor.com by one of the world's e-commerce leader brand eBay. The other important foreign investment in Turkish e-commerce sector took place in 2011 with the acquisition of www.CiceksSpeti.com by world's another e-commerce leader brand Amazon. By the explosion of private shopping business model in 2010 by the first mover well know brand www.Markafoni.com in Turkey, especially e-commerce websites that operate basically leveraging "private shopping" business model highly attract both local and foreign investors in 2012 and years to come.

Year	Target	Description	Bidder	Bidder Country
2012	yemeksepeti.com	e-commerce, food	General Atlantic	USA
2012	unnado.com	private shopping, baby products	iLab Ventures	Turkey
2012	hazinem.com	e-commerce, jewelry	212 CP	Turkey
2012	butigo.com	e-commerce, fashion	212 CP	Turkey
2012	hemenkiralik.com	portal	212 CP	Turkey
2012	balerin.com	e-commerce, self care	212 CP	Turkey
2012	gimora.com	e-commerce, accessories	Aksoy Internet Ventures	Turkey
2012	lidvana.com	e-commerce, accessories	RuNet	Russia
2012	evmanya.com	e-commerce, household goods	Doğan Online	Turkev
2012	gezlong.com	e-commerce, travel and leisure	Kima Ventures	France
2012	mackolik.com	online sports and portals	Perform Group PLC	UK
2011	trendvol.com	private shopping, fashion	Tiger Global Management and KPCB	USA
2011	vipdukkan.com	private shopping, fashion	Eplanet	USA
2011	The peak games	online games and portals	Earlybird, Hummingbird and Alpha Invst.	Germany, Belgium, Singapore
2011	ciceksepeti.com	e-commerce, flowers	Hummingbird VC	Belgium
2011	grupanya.com	e-commerce, travel and leisure	Intel Capital	USA
2011	Nokta Medya	various portals	Intel Capital	USA
2011	markafoni.com	private shopping, fashion	Naspers (MIH Allegro BV)	South Africa
2011	ciceksepeti.com	e-commerce, flowers	Amazon	USA
2011	aittiaidivor.com	e-commerce	eBav	USA
2011	bevazkutu.com	private shopping, fashion	iLab Ventures	Turkev
2011	cimri.com	e-commerce, electronics	iLab Ventures	Turkey
2011	grupfoni.com	e-commerce, travel and leisure	Ouants Holding AG	Switzerland
2011	mekanist.net	travel and leisure portal	Pond Ventures	USA
2011	grou.ps	social network portal	Golden Horn Ventures	Turkey
2011	tinypay.me	portal	Aksoy Internet Ventures	Turkey
2011	dakick.com	travel and leisure portal	Aksov Internet Ventures	Turkey
2011	ucakbileti.com	domain only	Norma Internet	Turkey
2011	tatil.net	domain only domain only	Norma Internet	Turkey
2011	e-cift.com	online dating portal	3TS CP and Young Turk V.	Hungary, Turkey
2011	neredekal.com	e-commerce, travel and leisure	iLab Ventures	Turkey
2010	diimecmua.com	digital magazine portal	iLab Ventures	Turkey
	e-cift.com	online dating portal		Switzerland
2010			Brains to Ventures	
2010	tasit.com	automobile portal	CF Partners	UK
2010	grupanya.com	e-commerce, travel and leisure	Young Turk V.	Turkey
2009	limango.com.tr	private shopping, fashion	Otto Group	Germany
2008	cember.net	social network portal	XING	Germany
2008	yemeksepeti.com	e-commerce, food	European Founders and Young Turk V.	Germany, Turkey
2007	gittigidiyor.com	e-commerce	eBay	USA
2007	yonja.com	social network portal	Mynet and Tiger Global Management	Turkey, USA
2006	kariyer.net	recruitment portal	iLab Ventures	Turkey
2006	gittigidiyor.com	e-commerce	iLab Ventures	Turkey
2006	biletix.com germarket. Webrazzi, Individual Announcements	e-commerce, ticket	Ticketmaster	USA

Figure 2.19: Mergers and acquisitions (M&A) in Turkish internet sector from 2006 to 2012 Source: Mergemarket.com, Webrazzi.com and Individual Announcements

3 Brief Description of Esse Company

3.1 Company Overview

Esse is one of the leading and most innovative retailers in the kitchenware and houseware sector in Turkey. Even though the main specialty of Esse is kitchen appliances, it brings together wide variety of products for every household; from kitchen to dinner table, living room to bathroom.

Since the opening of its first store in 2002, today Esse has 95 stores all over Turkey. Esse is not only in B2C market as a retailer, but it also operates in B2B market as a wholesale provider for its franchises and other chain stores. 44 of the existing stores are owned by Esse and the remaining 51 are franchises. In total, all the stores have a surface area over 20.000 m². Since the very beginning of the establishment of shopping malls in Turkey, Esse has always been present in these malls with stores ranging from 200 to 1000 m², along with its stores located on main shopping streets.

There are 81 cities in Turkey and Esse is present in 31 cities of Turkey with minimum one available store. Furthermore, 39 stores out of 95 stores of Esse are located in Istanbul, as the most crowded city in Turkey is Istanbul by its 14 Million populations. Also, most of the shopping malls are located in Istanbul.

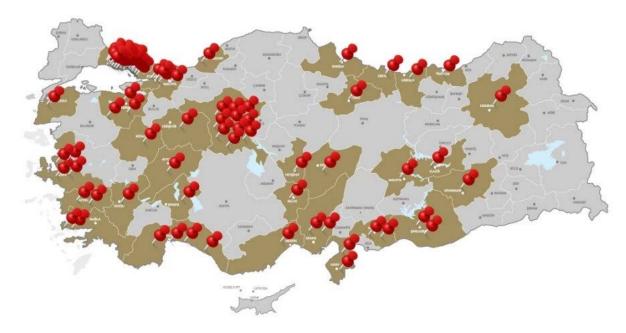


Figure 3.1: Distribution of Esse stores in Turkey, pinned on map. (February 2013)

Leading international brands such as KitchenAid, Zwilling, Le Creuset, Cuisinart and Magimix are sold exclusively in Esse stores in Turkey. As well as these brands, Esse is able to offer many high quality products through its own brands: "Essenso" for small electrical items, cooking pots and pans, "Desir" for tableware, "Double S" for home essentials and "Esse Home" for home decoration. With such a wide variety of products and a structure that always follows newest changes on an international scale, Esse is able to remain leader in innovation and modernism.



Figure 3.2: An inner view of a popular Esse store in Istanbul/Turkey (Kanyon Shopping Mall)

For Esse being a leader doesn't only mean offering a large range of items, but presenting new and special products to its customers. By applying unexpected and innovative retailing techniques and concepts within its stores, Esse is able to create an enjoyable, lively and energetic atmosphere and an exceptional retail experience. This atmosphere renders Esse to be the center of attention among all segments of customers and makes it the most visited store among other brands.

Driving branding message in media communication of Esse is "Ceramic is healthy" and "Expert in kitchenware" which makes Ceramic skin saucepans and frying pans the key, driver and most profitable product category for Esse.

Since the opening of its first store in 2002, Esse has not only increased the number of its stores and sales channels but also its revenue. Esse achieved about \$48 Million net revenue in 2010, about \$70 Million net revenue in 2011 and about \$100 Million in 2012 with about 40-45% yearly growth rate.

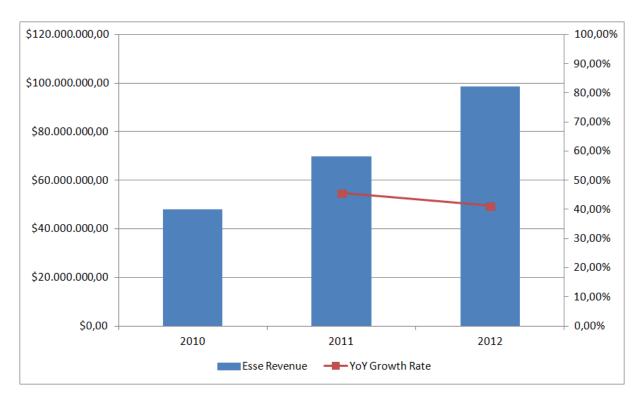


Figure 3.3: Net revenue of Esse including all sales channels from 2010 to 2012 and year over year growth rate

Even Esse has its own brands and products; Esse doesn't own any production facilities.

Manufacturing of its own products are totally outsourced. Esse has one central warehouse located in Istanbul where all the products are collected and distributed to the stores all over Turkey.

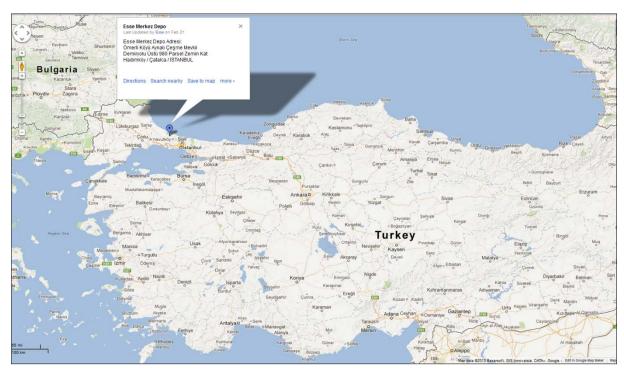


Figure 3.4: Location of Esse's central warehouse (Map Source: Google Maps, February 2013)

Esse has 4 main sales channels including both B2C and B2B:

- 1- Esse stores owned by company (B2C)
- 2- Esse franchise stores (B2B)
- 3- Esse e-commerce brand website www.esse.com.tr for online sales (B2C)
- 4- Wholesale provider to big retailers and private shopping model e-commerce websites (B2B) Franchise stores get Esse products with a certain profit margin and they are responsible for applying all the marketing and pricing strategies same as the original stores of the company. Esse mostly gives its own branded products like Essenso and Double S to big retailers in Turkey such as Media Markt and Boyner. Esse also gives its products to big private shopping model e-commerce brands such as Markafoni.com and Trendyol.com, usually once in a month for each one.

3.2 E-commerce Sales Channel of Esse

As the e-commerce was growing fast in Turkey, Esse management decided to add e-commerce website to its sales channels with the opening of www.esse.com.tr in 2010. The IT of this website is provided by the same company who provides ERP system for Esse.

There were three main reasons for this new business channel:

- 1- The belief in the concept of "Web to store, store to web"
- 2- As Esse targets young people, being present in internet was very important from branding aspect
- 3- Ecommerce sales exploded in Turkey by the effect of Private Shopping business model in 2010

From 2010 to June 2012, website was managed with 2 programmers and 1 online advertisement responsible but it didn't meet the revenue expectations of management. So, management looked for a new Ecommerce Manager who understands all the Digital Marketing and Ecommerce principals for taking the e-commerce business of Esse to the next level. I was appointed to that position because of my internet marketing and webmaster skills on 25 June 2012. From that day, I manage and control all the internet activities from content management to digital marketing and communication of Esse for increasing the success and revenue of ecommerce channel. This graduation project will represent the main activities and growth of a strong retail brand's ecommerce sales channel in Turkey.

3.2.1 E-commerce Objectives of Esse

Management team of Esse believes in "Web to Store, Store to Web" concept so much. So they take ecommerce channel very carefully as it is not only a sales channel but also a very important communication channel and web catalogue for its target demographics.

From 2010 to June 2012, www.esse.com.tr's highest net revenue was about \$15.000/month.

Management's first goal for me was achieving \$55.000/month (100.000 TL) net revenue and it was achieved on October 2012, at the 4th month since I got appointed to the job.

The next goal is making e-commerce sales channel the first one among all Esse stores in terms of net revenue which means achieving about \$280.000/month net revenue. Another objective is increasing the number of newsletter subscribers to 100.000 people, which was about 25.000 when I started job.

4 Activities of Esse E-commerce Manager and Work Done in 9 Months

When I got appointed to the job as E-commerce Manager at Esse Company on 25 June 2012, firstly I tried to figure out the position of esse.com.tr by a situation analysis from various point of views like website traffic, average monthly revenue, conversion rate of website, social media visibility & activity, website SEO situation and so on. Secondly, I tried to understand how the current system works and how the content management system is managed.

After making a situation analysis, I determined the points to focus in order. I didn't need to deal with the programming of the website as the system was working and there was a content management system (CMS) for managing the content. Also, there was a good amount of available traffic coming from search engines from the brand power of Esse by the search term "esse". So, I firstly needed to focus on content for increasing conversion rate of website and then secondly on various traffic sources by internet marketing for increasing the number of visitors to website. At the end of the day, the goal of both good content management for conversion and powerful internet marketing for traffic generation is to achieve better online communication with online users.

4.1 General Duties & Activities of Esse E-commerce Manager

When I got appointed as E-commerce Manager to Esse Company, nearly no one in the company understood how an e-commerce business operates. There was no business process or work packages described for taking care of the website or e-business in general. So nearly all below listed activities determined by me for making the e-business system work and grow.

- Content Management
- Maintaining Product's information from category managers (product details, photos etc.)
- Making product price updates when pricing or campaigns change
- Maintaining Product Photographs (getting it from category managers or taking photo in studio and editing it for cleaning the raw photograph)
- Maintaining Product videos if available from category managers (uploading them to YouTube, embedding videos to website and sharing on social media)
- Keeping track of new products and defining new products to website when they enter to stocks
- Managing and controlling homepage and main category page product display windows.
- Managing labels on products like "New Product" or "Campaign Lable"
- -Improving website banners and design (working with graphic designer)
- Managing and updating the content in static pages like about page, after sales info page etc.
- Digital Communication
- Making announcements of new products, campaigns and new store openings on website
- Making announcements of new products, campaigns and new store openings by weekly newsletters (email marketing)
- Making announcements of new products, campaigns and new store openings on Social Media (Facebook, Twitter, Google+ etc.)
- Digital Marketing and Advertisement
- Email marketing management
- Digital advertising management (Google Adwords, Display Networks etc.)

- Search engine optimization (SEO) control
- Social media management (YouTube, Facebook, Twitter)
- Management and Communication of Outsourced activities (B2B communication)
- Communication with IT service provider of ecommerce website
- Communication with Email Marketing service provider company
- Communication with Digital Advertising agencies
- Reporting
- Reporting daily sales to management team (daily revenue and daily sold products)
- Reporting the progress of determined Key Performance Indicators (KPIs) to management team monthly
- Other Activities
- Helping website's stock management: Cooperation with logistics/product distribution team
- Keeping track of repeat and new products entering/leaving to/from ecommerce warehouse
- Looking forward for other Improvements like enriching payment methods, improving after sales process etc.
- Responsibility for giving confirmation when payment times come for outsourced activities.
- Helping customers on phone when they experience a problem on website like inability to subscribe to website, inability to make the payment ect.

4.2 Situation Analysis and Action Plan

Examining strong and weak points of Esse ecommerce business in the very beginning (June 2012) by a situation analysis helped me to determine which subjects to focus first and which ones to focus later in this study. I evaluated the whole business considering core parameters of e-business and made a "pros and cons" chart.

4.2.1 Pros of Esse ecommerce brand website and e-business on June 2012

Availability of IS and IT of website: Information system and information technology of website is set and it is outsourced to the company which provides ERP system of whole company. It is a good point

as there is a working system and I am not responsible for any programming. System was able to display products on website and get the orders, all integrated with the ERP System. Furthermore, I wouldn't need to plan and set an ecommerce IT system strategy even I would outsource it to another ecommerce system provider company.

Availability of a Content Management System (CMS): There is a content management system for making the responsible person able to manage product details like photographs, product information, product name, pricing, discounts as well as able to control the content (text, banners, video embed etc.) of some core web pages like homepage, main category pages, information pages etc. SEO for product pages are automated, urls are automatically generated as SEF-urls. (SEF: Search Engine Friendly)

Availability of a set and working business system for ecommerce operation: Core ecommerce organization components are set and working:

- There is a private storage for ecommerce products in the main warehouse,
- Stock management of ecommerce storage is handled by the team which is responsible of product distribution planning of all the stores. (But it was not effective as the content of website and stock management didn't match at the beginning and product distribution team didn't exactly understand how the ecommerce works)
- After sales support is provided

Availability of Customer and Newsletter Subscriber Database: There is the contact information (like email addresses, mobile phone numbers, physical addresses) of customers which was collected in 2 years that I could use in digital marketing activities. There are enough leads to start digital marketing activities, mainly email marketing. Lead asset was about 25.000 in June 2012, good point is that it was not zero.

Availability of some organic traffic (power of being brand website): Many websites do not generate any sales or revenue even they are great websites due to the fact that they don't have sufficient number of visitors which is called web traffic. The truth is if there is no traffic, there will be no revenue generation in any e-business. As Esse is a well-known strong brand in Turkey and

www.esse.com.tr is its "brand website", there was a good number of organic traffic coming from Search engines from the search term "Esse". But the problem is; it is the only traffic source of esse.com.tr.

4.2.2 Cons of Esse ecommerce brand website and e-business in June 2012

Poor Content Management on-website: Website is not up-to-date (announcement of campaigns, new stores and products etc.). No availability of a photograph studio for taking product photos.

Poor Value Communication on-website: Product photos are not well-selected and quality, product details are missing or wrong, benefits like "free shipping over 100TL chart", credit card advantages for over certain amounts, fast delivery etc. are not communicated or poorly communicated.

Poor ecommerce Stock Management: The available products on website don't match with the stocks that are held in the ecommerce storage:

- Some products are available in stocks but not available for sale as it is not defined in website
- Product is defined (has photograph and details like category, pricing are defined etc.) for website and visible, but there is no stock (visibility of too many stock-out products: bad customer experience)
- Some products are available in stocks, also defined for website, but not active for sales as they are not visible (they were closed for some reason in CMS).

Poor on-page SEO and irrelevant/bad Meta tag descriptions: Meta tags of homepage and other core pages needed to be redefined for better search engine visibility and search engine conversion.

Poor off-page SEO: There had been no off-page SEO study like back linking etc. which would increase the organic traffic from no-brand keywords.

No social media strategy and activity: Online visibility and activity in off-website internet properties are poor. There is only Twitter and Facebook accounts but those accounts are not well designed for nice first impression and not managed (not up to date), followers are low. There are no other social media channels like YouTube for videos, Google+ and Pinterest.

No email marketing system and activity: There is no inbound or outsourced system for sending weekly newsletters to subscribers which prevents gaining repeat customers. (Previous ecommerce

team were sometimes sending emails by a free spammy software, no newsletter design what so ever; resulting in very low inbox rates and messing the sender IP, esse.com.tr)

No strategy and practice for additional web traffic generation: No email marketing, search engine marketing (CPC campaigns), Display advertisements, Affiliate networks etc. for additional traffic.

No web analytics tracking and interpreting for website improvement: Website is measured by a free web analytics tool (Google Analytics) but this data is not leveraged by tracking and interpretation for improving the website by taking actionable decisions.

No ecommerce and online communication strategy: Management wants to generate more sales and revenue from ecommerce channel but there is no defined ecommerce strategy; neither for managing website nor for online communication.

Poor sales and lead conversion rate due to poor whole online communication: As online communication is so poor, management is not getting the results they are seeking for especially in terms of the ecommerce sales volume. Furthermore, management doesn't know what to do for achieving their ecommerce revenue goals. (Lack of e-business know-how and experience)

4.2.3 Other aspects and Action Plan

The traffic of website is very important for any kind of business. So, I checked the traffic of esse.com.tr from Google analytics tool for better understanding current traffic and current traffic sources. As there was no any internet marketing activity before from 01.06.2012 to 31.05.2012, almost 90% of the traffic came from search engines by organic search mainly from the search term "esse". So almost all traffic esse.com.tr getting was generated by its brand power, none of the digital marketing techniques were leveraged for extra traffic generation. Furthermore, 68% of the traffic was new traffic and 32% was returning visitors. Ratio of returning visitors could be increased a lot by email marketing and remarketing.

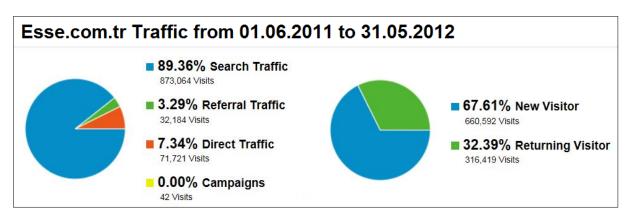


Figure 4.1: Esse.com.tr traffic and traffic sources before job start for one year from 01.06.2011 to 31.05.2012 (Source: Google Analytics Tool)

From my previous knowledge, I knew that revenue and traffic of any e-business are parallel. If the traffic of website increases, the revenue also increases or vice versa. So, for figuring out if this is correct for Esse, I got previous 1 year traffic data from Google Analytics and net revenue for the same time period, plot them on graph. There result had shown me that the knowledge I had was correct.

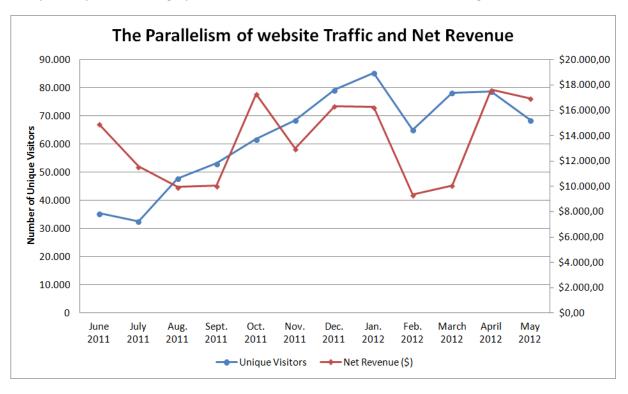


Figure 4.2: The parallelism of traffic and net revenue of esse.com.tr from June 2011 to May 2012, the last 12 months just before the job start

So I knew that, I could not only increase revenue of website by increasing conversion rate with better content (on-page online communication) but also by increasing traffic with internet marketing tools (off-page online communication).

One other interesting point I investigated on Esse's brand website esse.com.tr on July 2012 was that stocks and products displayed on website were not perfectly matching. There were 822 different available products on esse.com.tr stocks but there were only 456 products displayed and available for sale on website. There was not only sale loss here, but also a lot of inventory cost. So esse.com.tr stocks needed to be managed urgently for deciding which ones to stay and which ones to leave the stocks. For this purpose, determination of best selling products on physical stores and availability of them on website was also an important study to make. Also, a photograph studio was apparently needed to set up to get the photos of products for being able to publish them on website.

There were also many other aspect that apparently needed to be fixed. The orders were packaged with non-esse branded packages which would result in a bad customer experience. Also, customers were not able to follow the situation of their delivery online which was again a bad online shopping experience for customers.

After a comprehensive analysis of Esse's e-commerce channel, I was able to come up with a success model for esse.com.tr B2C e-commerce sales channel and an action plan based on this success model.

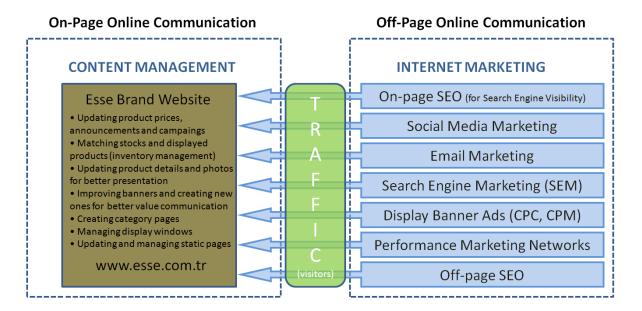


Figure 4.3: Core subjects to focus on Esse B2C ecommerce sales channel for increasing net revenue of website by increasing conversion rate and traffic

From the situation analysis for about one month on July 2012, I determined which points to focus first and which ones to focus later in order. The on-page communication related problems were the first ones to focus for increasing conversion rate, and off-page communication related problems were the other issues to focus later according to the importance order for increasing website traffic.

Action plan and priority is as follows:

- 1- Fixing the content on website:
 - Matching the stocks and non-available products
 - Finding photos of non-available photos from category managers
 - Setting a small photograph studio for taking photos of products which are on stocks and there is no photo at category managers
 - Fixing product prices, details and photos
 - Improving banners on website and adding new ones
 - Creating category pages and updating static pages
 - Updating announcements and campaigns.
- 2- On-page search engine optimization for better online visibility: Fixing meta tags of website
 - Revising homepage meta tags: meta title, meta description and meta keywords
 - Creating category pages meta tags: meta titles, meta descriptions and meta keywords
 - Creating Search Engine Friendly (SEF) urls on product pages
- 3- Starting social media marketing
 - Improving and managing Facebook channel
 - Improving and managing Twitter channel
 - Creating and managing Youtube channel for video marketing
 - Creating and managing Google+ and Pinterest channels
- 4- Starting email marketing
 - Researching and finding an email marketing agency for email marketing system
 - Creating dynamic newsletter design
 - Preparing weekly emails

- Making studies for increasing email database: Pop-up, Email collection on physical stores
- 5- Starting search engine marketing (Google Adwords)
 - Researching and finding a search engine marketing agency for managing Google Adwords account
 - Implementing Web Analytics system
 - Determining budget for Google Adwords account and controlling studies
- 6- Starting display banner advertisement on popular web properties
 - Researching and finding a digital media agency
 - Creating banner set for display ads
 - Determining budget for display ads and controlling studies
- 7- Starting performance marketing (affiliate marketing)
 - Researching and finding affiliate networks
 - Implementing affiliate marketing network codes to IT of website (coordinating this process with ERP system provider company of Esse)
 - Controlling affiliate sales on web analytics system and approving affiliate sales
- 8- Making studies for off-page search engine optimization
 - Creating quality and unique content (text, photo, video) for distributing on high page
 range website for building back links (press releases, blog posts etc.)
 - Starting forum marketing

From my job start on 25 June 2012 until the end of February 2013, first 6 out of 8 listed points were focused on. It is estimated that Esse will start focusing on the 7th and 8th points on May 2013.

4.3 Determination of Key Performance Indicators

After making a situation analysis and creating a success model with an action plan, some key performance indicators are needed to be determined for tracking the results of actions and studies. So, I determined various indicators for exploring the change and compare monthly results. Here are determined key performance indicators, their importance and source.

Monthly Net Revenue:

Monthly net revenue is the core parameter management evaluates the success of e-commerce sales channel according to its increase or decrease. This parameter represents the final result of all the content management and internet marketing activities of the month but it is important to take into consideration the sectoral ups and downs. Monthly net revenue is taken from Esse's Enterprise Resource Planning (ERP) system and reported on excel table with results of previous months so that growth of sales volume is tracked.

Number of Visitors:

Number of visitors is the total count of monthly visits to the website which is also called as website traffic. All visits from the same users are included in this parameter. This parameter represents the final result of all internet marketing activities both free and paid. Amount of the monthly number of visitors is taken from web analytics tool which is free version of Google Analytics for esse.com.tr.

Number of Unique Visitors:

Number of unique visitors is the count of monthly unique visits to the website. All visits from the same users are counted as one. For all calculations and formulas containing traffic value, number of unique visitor parameter is used as traffic value for getting more meaningful results. The value of this parameter is taken from Google Analytics account of esse.com.tr.

Number of Total Orders:

Number of total orders is the count of orders taken from website monthly. This parameter is used both for conversion calculation and average order value calculation. The count of number of total orders is taken from ERP system of Esse.

Net Revenue per Unique Visitor (Conversion KPI-1):

Net revenue per unique visitor is the calculation of monthly net revenue divided by monthly unique visitors. This indicator tells us how much revenue single visitor brings to esse.com.tr monthly and how traffic is converted into revenue. Net revenue per unique visitor is the one of the most important indicator for tracking the monthly conversion rate of website. The increase and decrease

of this parameter not only depends on good managed and marketed content but also the sectoral ups and downs.

Number of Orders per Unique Visitor (Conversion KPI-2):

Number of orders per unique visitor is the second conversion rate indicator which is calculated by dividing total number of monthly orders by the number of unique visitors. This parameter tells us how much different orders website get from single visitors which shows how successfully traffic is converted into sales monthly. It is also called as order conversion rate.

Average Order Value:

Average order value is the total value of orders divided by the total number of orders monthly. This indicator helps to keep track of the average order value not only for the entire site but also targeted email campaigns, untargeted email campaigns, search engine marketing efforts and so on. Based on the customer acquisition efforts, high average order value generating campaigns can be determined and focused.

Revenue Order among Esse Stores:

Revenue order among Esse stores shows the order of esse.com.tr among all physical Esse stores. This parameter is quite important for management as one of the core goals for online sales channel is being the most revenue generating channel among all Esse stores. This indicator is got from Esse's ERP system.

Total Number of Emails (Newsletter signups):

Total number of Emails shows the size of newsletter subscriber list. Reaching a size of 100.000 subscriber list is one of the other core goal set by management for the success of e-commerce channel. By the increase of email list size, the number of repeat and loyal customers increases which obviously has positive impact on revenue.

Email Subscriber List Increase Rate:

Email subscriber increase rate is the month over month increase percentage of email subscriber list.

This indicator shows the success of activities that are made for increasing subscriber list such as publishing a pop-up on website or collecting emails from physical stores etc.

Number of Emailing:

Number of emailing indicates how many emails were sent to subscribe list as newsletter monthly.

This indicator shows the activity of email marketing monthly.

Total Number of Email readings (Email openings):

Total number of email readings indicates how many people opened and read the sent newsletters in a month. It shows the impact of email marketing created on newsletter subscribers.

Email open rate (Emailing conversion indicator-1):

Email open rate is calculated by dividing the number of email readings to total emails sent monthly. It shows the success of some activities like email title and sending time etc. which incite subscribers to open their emails.

Number of Clicks from Emails:

Number of clicks from emails indicates how many clicks were get from sent newsletters in a month.

This indicator shows how much traffic is generated monthly to the esse.com.tr from email marketing efforts.

Emailing Click Through Rate (Emailing conversion indicator-2):

Email click through rate is the ratio of number of clicks from monthly emails to total email opening.

This indicator shows how successfully people are attracted in the email presentation (text, graphics, campaign etc.) to click and visit the website and hopefully make a purchase which is the real goal of email marketing.

Number of Facebook Followers:

Number of Facebook followers indicates the number of people liked the official page of the brand. The importance of this parameter is increasing fast as the impact and usage of social media is increasing amazingly especially starting from 2010. So, every time a new post is made on official Facebook channel of the brand with a link, people see the message and if interested in the announcement, click the link and visit the website which generates traffic to e-commerce website from social media. Same principal is valid for other social media channels like Twitter and Google+.

Facebook Follower Increase Rate:

Facebook follower increase rate is the percentage of the Facebook channel likes increase month over month. This parameter not only shows the organic growth of social media channel but also shows the success of activities which are made for increasing number of Facebook followers.

Number of Facebook Posts (Facebook Activity):

Number of Facebook post indicates the number of announcements or posts about any subject made on Facebook channel. This indicator shows the amount of activity made on social media channel.

4.4 On-Page Online Communication: Content Management

Content management is one of the most important subjects in e-business. Content which is actually digital content for e-businesses can be in many forms as text, audio, video or any other media that communicates the value with website visitors. Content of a website is usually managed by a backend system which is called content management system (CMS). By the help of content management system, person who is responsible for content can create web pages and can upload or update any content on website pages with no programming skills.

As content is the actual presentation of website, it should carefully be taken care of. Graphics and design of website should be handsome, written content should be powerful and videos should be carefully created and published.

Content is also directly related with conversion. If the graphics are poor or product information is missing, people's tendency to buy would decrease. As the presentation of products, value

communication and general look of website get better, which increases conversion rate, visitors more likely buy products online.

When I first started working as Ecommerce Manager at Esse, the first thing I realize about the e-business operation was that content was really poor from many points of view; graphics were not handsome, value was not communicated successfully, campaigns and announcements were not up to date, many prices were wrong, product information was missing or poor, product photos were bad or missing and stock were not matching with the presentation of the website.

So, the first thing I started to focus was the content of website before making any other improvements for e-business of Esse. If the content would get better, the conversion of the website would increase and www.esse.com.tr would generate more revenue with its organic traffic. Also, before spending budget for traffic generation, the content website should be ready that paid traffic would more likely turn into customers and revenue with higher conversion rate than the poor content website.

4.4.1 Homepage

Homepage is the first page of the website and so that the most important page for any e-business for first impression with website visitors. The structure of the Esse's e-commerce website homepage was not bad when I first started, so I didn't make core changes with the structure of the homepage of website. The structure is like that, information and category menus and search box at the top, slider which is used for core announcements is below menus and newsletter signup box is below the slider, product display window is at the middle and sidebar is at the left with various announcements and information, footer is at the down side with several information pages and social media icons.

The core things I needed to fix and continuously update was slider of the home page which includes announcements and product display window which I would select nine products considering product popularity and stocks. If the stocks of a product on home page display window finishes, I would change it with another product. Because it is a bad customer experience to check a product and realize that it is out of stocks. Slider is a flash document and is updated when a new product line comes, when a campaigns starts or when a news store opens.

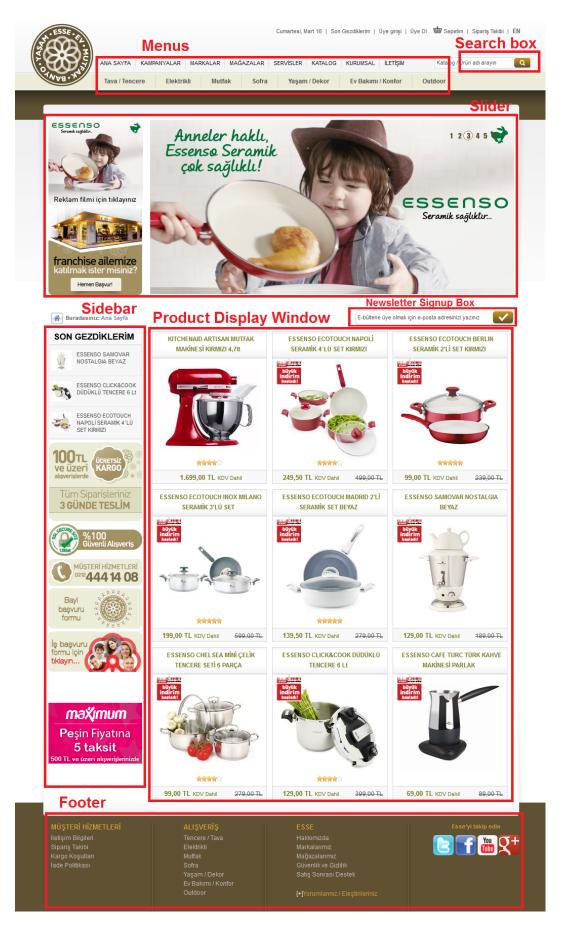


Figure 4.4: Homepage structure of www.esse.com.tr

The first core change I made on homepage is the sidebar banners. Graphics and the left hand side sidebar were looking poor and were not communicating the value well. Old sidebar didn't communicate free shipping over 100TL order amount, didn't communicate the fast delivery which Esse promise to deliver orders in 3 business days and didn't emphasize the secure online shopping which is important for online consumers. So, I made a meeting with Esse's graphic artist and told her to create good looking graphics talking about those subject to put on the homepage of website with the needed size. So the work was done and sidebar was updated which for sure increased the conversion rate of website with better on page communication on the homepage.



Figure 4.5: Sidebar improvements for better online communication (Before and after August 2012)

The second core change I made on the homepage of the www.esse.com.tr is the presentation of products on display window. Firstly, there were 10-11 products on the display window which was making the look of website incomplete, so I fixed the number of products on display window as 9. Also, the display window was not communicating the discounts of the product if available. It was showing the net selling price whether there is a discount or not. So, I did two improvements for better communicating the discounts and product campaigns.

The first improvement for product display window prices was making the system able to show not only discounted price but also the non discounted price with a line on it, so that website visitors would understand from which price it came down. So, I communicated this issue with the ERP system provider of the Esse and they programmed the website for showing both net and gross prices of the products.

Second improvement for product display window was making the system able to show labels on selected products for indicating in which campaign it belongs to or any other announcement. The labels were created by Esse' graphic artist and ERP system provider of Esse would get this label on the related products. Again, the labels are making a better communication of campaigns that products are involved in which makes a better on-page online communication. Labels are managed and changed as the campaigns change.





New look

Figure 4.6: Old look and new look of products on product display window (Before and After August 2012)

Furthermore, hover effect is enabled for display window products that website visitors would get a sense of selection when they would move on the product with their mouse.



Figure 4.7: Hover effect on the new look of the product display window of website

Other improvements on homepage are the addition of the link of English presentation page at the top of the website and the addition of social media channel button at the footer of homepage. There were no YouTube channel and Google+ channel of Esse before, so those channel are created and added to footer of website together with Facebook and Twitter icons.

4.4.2 Product Pages

Product pages are the pages that core product information like product name, product photographs, product details and prices are displayed. Product pages are the final web pages that products are presented to website visitors and final purchase decision is made. So, product pages directly affect the conversion rate of website.

Product pages are created from content management system and when a new product comes in to stocks it needs to be defined to the system. For defining the product to the system it should have at least one photograph, its pricing and category should be determined. Also, as much product information as possible should be available for explaining the product to website visitors.

When I got started to work as e-commerce manager at Esse, product pages were so poor. Many product titles were needed to be rewritten, product information was needed to be enriched and product photos were needed to be changed and product prices were needed to be updated.

Firstly, I updated all the prices of displayed products on website. Then, I tried to find as much information and as many better photographs of products as possible and fixed those issues. Also, I checked all product page links if some of them didn't has search engine friendly links and corrected them for better on page SEO purposes.

Secondly, I added a banner on product pages for better online communication which for sure has a huge impact on the conversion rate of website. I asked the graphic artist of Esse to make a banner for product pages communicating free shipping over 100 TL orders, fast delivery and secure online shopping subjects. I determined it location from content management system and gave the graphic artist precise size needed. I put this graphic to the content management system that it is displayed on all product pages just below the product details section which for sure positively impacted the purchase decision.



Figure 4.8: Presentation of products and product page structure on esse.com.tr

Although I fixed product pages by better product photos and enriched product details, a new website design was needed. Because, photograph photo should be bigger and "Buy Now" and "Add to Chart" buttons needs to be bigger and on the middle of the page with contrast colors that if those buttons can stand out, it could positively impact the conversion rate.

So, after many successful e-commerce websites, I came up with a structure and look of the new product page design and shared it with graphic artist. After new product page design was ready, I communicated it with ERP system provider of Esse for implementing. This new product page design is created for much better conversion rate and planned to be published by April 2013.

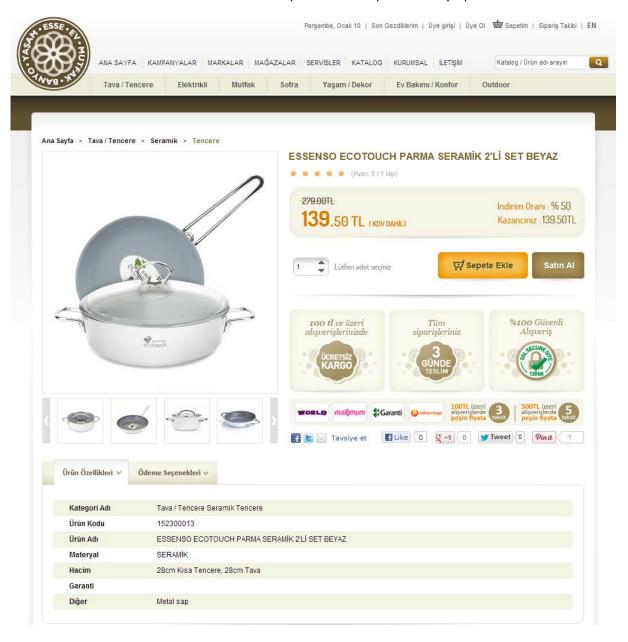


Figure 4.9: New product page look that is designed for better conversion rate

The new product page not only presents bigger photos and bigger "add to chart" buttons but it also allows visitors to rate product on social media channels and see the discount rate as well as the amount of discount as their saving.

When I got started job at esse.com.tr on June 2012, there were about 456 available products for sale presented on website. As of December 2012, this number increased to 720 in 6 months by defining many new products on e-commerce sales channel.

For defining and opening products on website, product photographs were needed. And many times, Esse marketing team didn't have the photographs of products. So I convinced the CEO of the company for setting up a small photograph studio for taking photos of products for defining and presenting them on website. We did open a studio on August 2012 for taking photographs of products which is also a very important element for content management of the website.

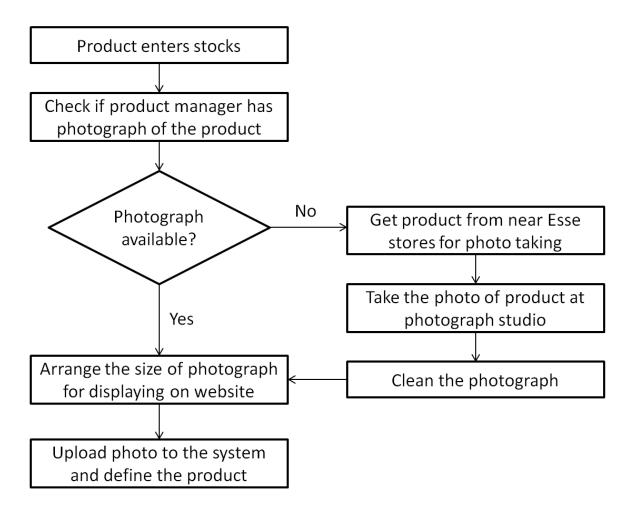
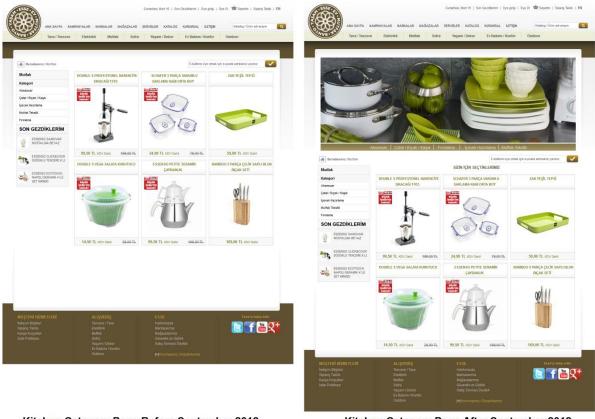


Figure 4.10: Process map for getting product photographs before defining the product on CMS

4.4.3 Category Pages

Esse has seven categories that products are belong to: Pans, Electrical Devices, Kitchen, Table, Home Decoration, Home Comfort and Outdoor. When I got started, although system allowed to managing category pages, it was not managed. CMS is allowing adding some graphics to the main category page and managing the display window of the category page.

I added a related life style photo or a video to the top of each category page for a better presentation. Also, I decided to display 6 products for every category page which are popular for each category and have stocks. Those display windows of category pages are managed daily.



Kitchen Category Page Before September 2012

Kitchen Category Page After September 2012

Figure 4.11: Category page design before and after September 2012

When a popular product is defined to the system this product is displayed on category display window. Also, if stocks of the displayed product become zero, it is changed with another popular product which has stocks. Displaying out of stocks products on display window causes bad customer experience with the website.

4.4.4 Stock Management and Tracking

Stock management is very important for any e-commerce business as the displayed products should be sold according to the stocks. Also, if displayed products are not available in stocks, it should display the message "out of stocks" and disable the product purchase button. When I got started at as e-commerce manager at www.esse.com.tr, there were many problems with the matching of available stocks and the products displayed on website.

Product is available on stocks but not displayed on website (not defined product):

When I matched the displayed products on website with the stocks available in Esse.com.tr warehouse in July 2012, I realized that there are many products available on stocks but not displayed on website because they are not defined in the website system. Those products were not able to be sold and they were becoming an inventory cost.

So, for those types of products, I tried the find the photos of the ones that I can get from category managers or can take a photo at photograph studio, and defined them in the system for sales availability. I took the products out of esse.com.tr warehouse which I was not able to find the photos.

Product is available on stocks but not displayed on website (deactivated product in website CMS):

There were some products which were available on stocks, defined in the system with a photograph but not displayed on website. I realized that, some products were deactivated for some reason on website before but they were not reactivated for presenting on website when they came in to stocks.

So, I activated those kinds of products in the CMS and suddenly they were available for sales.

Out of stocks product but available for sales on website:

There were some products on website that had zero stocks but were available for order in website. Some products were displayed as available even they didn't have stocks, because in CMS they were chosen as open to ordering in any case. Those kinds of products caused to giving back the many to customers, which was not a good customer experience and unnecessary operational work. So I corrected the stock messages of those kinds of products for closing to sales when they didn't have stocks.

Product defined in website system with a photo but not available on stocks:

As I wanted to display and sell as much different products as possible for higher revenue generation, I asked for stocks to the logistics team for the products which were defined in system but didn't have stocks in Esse.com.tr storage. Some of the products were available in main warehouse, so logistics team added some stocks to esse.com.tr storage and those kind of products no were displayed for sales on website. If I was not able to get stock for those kind of products, I closed the visibility of many of those kind of products for lowering the number of displayed products which alert out of stocks as they cause a bad customer experience with the website.

After I corrected the matching of stocks with displayed products on website, I started to continuously check the entering and outgoing products to/from esse.com.tr storage daily. If a new product for esse.com.tr is distributed to esse.com.tr storage by logistics team, I check if the product is defined in the system, if not, find the photo from category managers or take the photograph of product in photograph studio and define the product in the system.

Another important point of checking the stocks of products daily is that product display windows of homepage and category pages are managed considering available stock of products. If a product is presented in the front and doesn't have stock with "out of stocks" message, it creates a bad customer experience with the e-commerce channel of esse.com.tr.

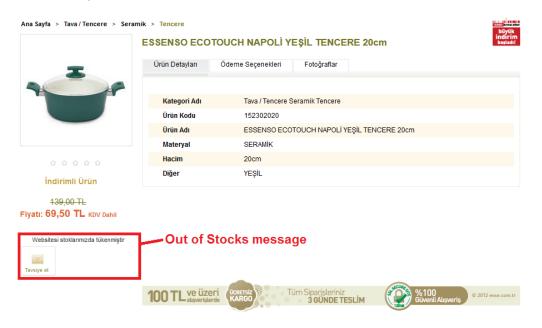


Figure 4.12: Stock-out message for the products which do not have available stocks

4.4.5 Pricing and Campaign Updates

Pricing and the campaigns of Esse continuously change according to the market conditions, so those changes should be correctly presented on the website. When the price of some products is changed, their prices are updated on the website content management system. Also, if there is a new campaign making discounts on some products, the discount rates of those products are need to be defined on the content management system of esse.com.tr.

Pricing and the discounts of the products are both visible on the display windows on category/ subcategory pages and product pages. Campaigns are also indicated with a small label on product if the product is included in the related campaign.

When prices of some products updated, category managers send an email informing about the change. When I get this email, I prepare an excel document with stock numbers of products and their new prices. Then I upload the excel file to the CMS of website in ERP system and update the prices which immediately takes place on website.

4.4.6 Campaigns Page

I made a detailed situation analysis of esse.com.tr when I started to the job. When I checked the web analytics tool of esse.com.tr which is Google Analytics, I found out many interesting facts. One of the findings was that there was a "campaigns" page displayed in information menu just above the category pages menu and this page was one of the most visited pages by website visitors.

5	10.24%
1	
li)	8.41%
3	4.08%
	3.67%
	2.94%
3	2.67%
	2.12%
1	2.08%
	2.02%
	1.80%
6	6 1 5

Figure 4.13: Most visited pages of esse.com.tr from 01.01.2012 to 30.06.2012. (Source: Google Analytics tool)

But the problem with this campaign page was it was made up of single big banner of the campaign and no other banner, detailed information or links for going on the products investigation or sales process for customer. So the old campaigns page was causing a bad customer experience and it needed to be fixed. I informed the graphic artist of Esse about this situation and she prepared a nice design for this page that we could continuously update from content management system as the campaigns change.



Figure 4.14: The new and old versions of Campaigns Page on esse.com.tr (Before and after August 2012)

The new campaigns page design not only includes the written explanation of the current campaign but also banners of category pages that are linked to the related product categories. As the visitors of esse.com.tr land on campaigns page, they can get detailed information about the latest campaigns and then easily go to the product categories she is interested in by clicking the product category banners.

4.4.7 Banners on various pages

Banners are the any clickable or non clickable graphics informing website visitor or getting their attention about something. Banners are very important for value communication for any web based businesses. Banners should not only include the correct message with well selected powerful words but also should have a good looking design with harmonious or sometimes contrast colors according to the general design of website.

When I stated the job and examined esse.com.tr, I figured out that many banners were poor and also many banners needs to be created and added to website for better online communication. I previously explained the banner updates I made on homepage slider and sidebar, product pages, category pages and campaigns page.

I also added some other banner to other pages for better online visibility and conversions. Cart page is one of the pages I added banners for better cart conversion. When people come to cart page, I want to inform potential customers about credit card and free shipping advantages for certain amount of cart value. It increases the tendency of visitors to add more products to their cart for getting free shipping and credit card advantages above certain amounts.

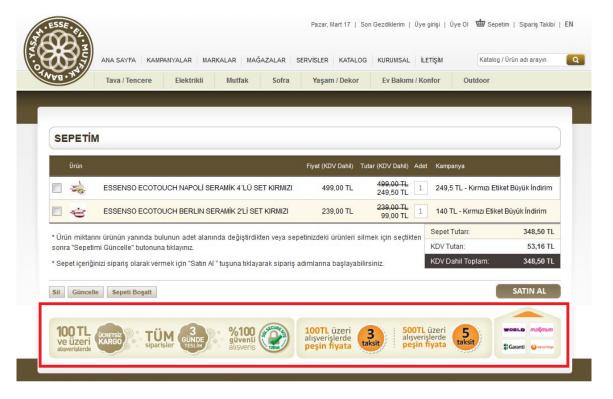


Figure 4.15: Cart page with information banner at the bottom for communicating the free shipping and credit card advantages for certain amounts for better cart conversion

About pages both in Turkish and English are other ones that I added a banner which includes an inner view of the Esse store for leaving a positive impact on and engaging with website visitors who wants to learn more about and investigate Esse.

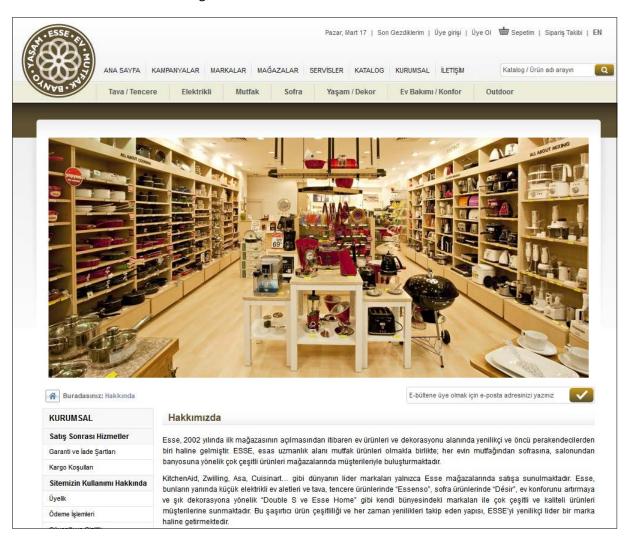


Figure 4.16: Banner of Esse store inner view on about page

4.4.8 Static Information Pages

Static information pages are the pages like stores, services, delivery policy, payment options, contact, after sales information, return policy etc. Those kinds of pages are sometimes updated if any change occurs. I updated many of those website pages just before when a government inspection took place for www.esse.com.tr on December 2012. Government takes very carefully the correctness and sufficiency of information on those kinds of website pages especially informing customers just before the sales and after the sales. Also, sales agreements sometimes are updated by government so that e-commerce sales agreements sometimes are updated according to those changes.

4.5 Off-Page Online Communication: Internet Marketing

On internet, especially with the growth of social media recent years, main e-business website is not the only communication channel with customers. Any activity that is made at other web properties than the original e-business website is called off-page online communication. Off-page online communication is also called as internet marketing. The whole idea of internet marketing is to get attention of people on other web properties and invite them to the original e-business website with a link which is called as back linking.

Internet marketing activities of an e-business website generates visitor traffic to the core e-business website. Traffic generation for sure is the blood of any kind of e-business and so that almost all internet marketing techniques and tools need to be leveraged for increasing the traffic of website.

The internet marketing activities are not only important for traffic generation but also for prestige.

People respect more to the brands which show up in every web property they spend time. Especially with the growth of social media, B2C firms understood the importance of online communication channel on other web properties than their online websites.

There are a lot of internet marketing tools and techniques for off-page online communication for traffic generation. But the most important ones are search engine optimization (SEO), social media marketing, email marketing, search engine marketing (SEM), display banner ads and performance marketing (affiliate marketing).

When I got started to my job at www.esse.com.tr as e-commerce manager, I realized that almost none of the above listed internet marketing tools was leveraged. Almost all the traffic of the website was coming from organic search results by the search term "Esse" which was the traffic generated by the brand awareness power of Esse. So I made an action plan for making studies about the internet marketing tools that need to be leveraged according their importance and if it is free or paid. I basically started to leverage free internet marketing tools and jumped on the paid ones again according to their importance level. On-page search engine optimization and social media marketing tools were the free ones so I made some studies about them first, and then the others.

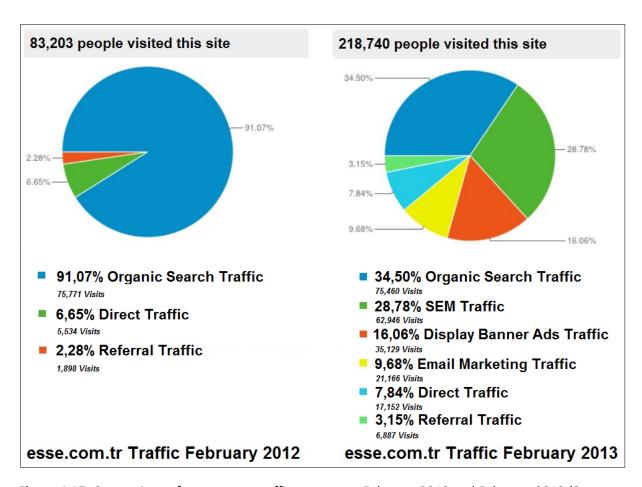


Figure 4.17: Comparison of esse.com.tr traffic sources on February 2012 and February 2013 (Source: Google Analytics Tool)

On February 2012, almost none of the internet marketing tools were leveraged for esse.com.tr. But on February 2013, esse.com.tr did get traffic from many other places to the main e-commerce website by the internet marketing tools social media marketing, email marketing, search engine marketing and display banner ads. As seen from the above chart, esse.com.tr traffic has almost tripled not because of the increase of search traffic which is the same with the previous year but increased thanks to the traffic from other sources achieved by internet marketing. Again as seen on above graphic, ratio of esse.com.tr search traffic was 91% on February 2012 but the ratio of search traffic became 35% on February 2013 which shows the effect and increase of other traffic sources thanks to internet marketing activities. The traffic indicated as referral traffic includes mainly the traffic from social media channels and this traffic has almost sextupled on February 2013 compared to February 2012 thanks to the social media marketing activities. All the increase in traffic by internet marketing activities directly affects the revenue increase of the B2C e-commerce sales channel.

4.5.1 Search Engine Optimization

Search engine optimization (SEO) is the study made for affecting the visibility of a website in a search engine's natural or un-paid search results which generates traffic to the website called organic traffic. Obviously, the more frequently a website appears in the search engine results list for different related search terms called keywords, the more visitors it would receive from search engine's users. Search engine optimization not only makes websites found online but also makes the first impression with visitors before they click and come to the website. So, search engine optimization studies have also very important impact on the conversion rate both for high click through rate and better first impression.

Search engine optimization studies are mainly divided in two categories: on-page SEO and off-page SEO. On-page SEO studies are made for not only getting better rankings on search engines but especially made for better online visibility. It is very important what people see when they see a website on search engines because it is the short description of the company or e-business website that makes the first impression with search engine users. So on-page SEO is very important from online communication and marketing point of view. Off-page SEO studies are mainly made for increasing the website authority for related niche or market that it would increase the search engine ranking of the website for related keywords.

Most of the brands get a lot of traffic from the search term of their brand name as people search for brand names to find them online. So the first goal of any brand which has a website should be ranking 1st on search engines for their brand name and make a nice first impression with search engine user describing its brand and standing shortly on search engines.

Although search engine optimization has a lot of aspects with website programming, nowadays it can be easily managed from the content management system of website which is also the case for www.esse.com.tr B2C e-commerce website. Almost all of the on-page SEO activities of Esse can be managed from the CMS of the website.

4.5.1.1 On-Page Search Engine Optimization

On-page search engine optimization is required for better search engine visibility, better rankings for related keywords and better conversion rates when people see the result of the page on search engines. There are a lot of on-page search engine optimization techniques but the most important ones which I also improved some of them for esse.com.tr are listed below.

Meta Title Tags:

Meta title tag of homepage or other pages of the website is the written content which is seen at the top of search engine results. It should be a strong title telling people what the page is about. Also it is important to include not only brand name in the title but top keywords of the business niche for targeting those keywords. It is important to keep the title under 70 characters for making the title fully visible and also search engines can consider the page as spam if the title is more than 70 characters.

When I got started at esse.com.tr as e-commerce manager, I realized that Meta title of the esse.com.tr needed to be changed. Content management system has a SEO part which lets the website manager to edit the Meta title. I included brand name in the title, core keywords "home" kitchen", "bath" and "life" in Turkish in title which are the core categories Esse sells products. At the end of the title I have put the text "safe online shopping" in Turkish to make the visitors understand that this is not only a brand website but also an e-commerce website selling Esse's products which is very important as there are a lot of brands presenting their products on their website but not selling online. The change of meta title takes 1-2 days for Google for re-indexing the new meta definitions.



Figure 4.18: Meta title and Meta description of esse.com.tr as seen on search results

Meta Description Tags:

Meta description of homepage or other pages of the website is seen on just under the title of website in search engine results as shown in Figure 4.18. Meta description part of the website is short description of the website or brand and telling to search engine users what is the related website or brand is about in some cases shortly brand's vision and mission. The description part should be under 160 characters for being fully visible and not getting considered as a spam websites by search engines. It is again important to include brand name and some keywords in the description part for better ranking in the search engines for related keywords and business niche terms.

It is very important to explain the positioning or standing of the brand in this little box. Description part of the website is also very important from marketing aspect as it summarizes the standing of the brand and the website. When I got started to my job at esse.com.tr, I immediately realized that Meta description of homepage and other pages needed to be changed as they were very poor and made up of poorly selected words. I updated Meta description as seen on Figure 4.18 which is 135 characters below 160 characters, including brand name at the beginning and explaining its core expertise as home and kitchen products emphasizing the quality of its products with powerful words together with some keywords like "home products" and "kitchen products". Meta description of the homepage and other pages are again edited in CMS of the website.

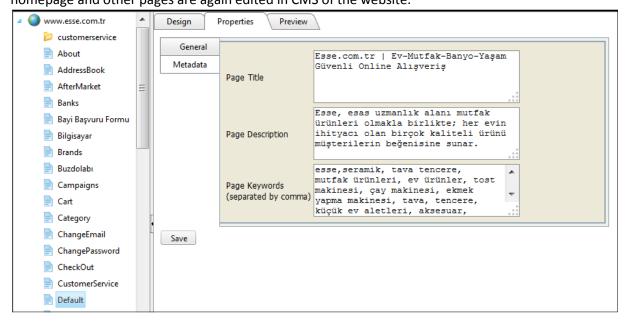


Figure 4.19: Meta tag editor in content management system of www.esse.com.tr

Meta Keywords Tags:

The Meta keywords part of the website is made up of some keywords which describe the website or business. Those keywords should be selected carefully by a niche keyword research discovering what people are searching for about the business you are in or about your products. Meta keywords part is not visible to the search engine users but it tells the search engines what the website is about and what kind of search terms the website should be ranked on search engine. Meta keywords should be around 260 characters as defining too many keywords is considered as spam by search engines.

When I checked the Meta keywords of www.esse.com.tr when I started the job, I was shocked. There were many unrelated and poor keywords defined on the keywords section. I urgently made a keywords research about the Esse's niche which is kitchen and home products and came up with powerful keywords that are Turkish people are searching for and also Esse is about. So, I updated the Meta keywords of Esse for explaining it to search engines correctly and for better rankings with the keywords like Turkish versions of ceramic pans, kitchen products, home products, small home appliances and so on as in Figure 4.19.

Header tags and content on the page:

It is important to include keywords of the content or products in the headline or sub-headline and in the content of the page for on-page search engine optimization. For esse.com.tr, the title of the products which itself contains the keywords naturally is automatically displayed as header on the product pages which is good for on-page SEO purposes. Also, as the product description part includes keywords about the product, it again automatically helps the on-page search engine optimization which makes the finding and indexing of the product pages easier for search engines.



Figure 4.20: Keywords are included in header tag and page content automatically for on-page SEO

Search Engine Friendly URLs:

Search engine friendly urls are the links that include keywords or page title in the page link. Search engines also read the url of the website page for understanding what the page is about for better indexing. Esse's content management system automatically displays the title of the product in the product page link which generates search engine friendly links for product pages and makes it easier to index the page for search engines resulting in better search engine rankings.

When I started to my job, I realized that some of the product pages were with SEF urls but some of them didn't have search engine friendly urls. Those products needed to be re-saved in the system for making their SEF urls activated. I determined the product which didn't have SEF urls and re-saved them for activating SEF urls automatically.



Figure 4.21: Search engine friendly (SEF) url that is automatically generated by CMS of esse.com.tr

4.5.1.2 Off-Page Search Engine Optimization

Off-page search engine optimization techniques are important for getting better search engine rankings for focused keywords by increasing the authority of the website. Off-page search engine optimization is any SEO activity that takes places other web properties rather than the original website.

Off-page SEO is about building inbound links, essentially getting other quality websites to links back to our website which is called back linking. Search engines call this authority or "link juice". The more inbound links a website has, the more important website considered by search engines so they rank the website higher. It is also important to get back links from other websites with an anchor text which is usually selected as the main keywords of the website.

Off-page search engine studies usually increases the organic search engine traffic of website coming from non-brand keywords. For Esse's case, "esse" is a brand keyword which is easy to rank but "kitchen products" is a non-brand keyword which is hard to rank for which requires website authority thanks to the off-page search engine optimization studies.

Off page SEO can be achieved by below listed activities:

- Creating high-quality educational or entertaining content on the website blog: If people like the content on our website, they will naturally want to link to it in their pages.
- **Submitting website to online directories:** Online directories list the websites and give a back link to the website.
- Writing guest posts for other blogs: This is actually a win-win for both web properties.
 Websites will want extra quality content from others with a back link in exchange.

Off-page search engine optimization is a long term study and requires a lot of time, budget and planning. When I got started at esse.com.tr as e-commerce manager, off-page SEO studies never made before. I added off-page SEO studies to my action plan but as the last subject to focus on because other internet marketing tools and studies were much more important and privileged for the beginning. Off-page SEO studies are planned to start for esse.com.tr by June 2013.

4.5.2 Social Media Marketing

Social media is an internet based platform for businesses, organizations, communities and individuals where information and ideas in various content forms like text, photo and video are created, shared and discussed. Social media is based on Web 2.0 technology and allows the creation and exchange of user generated content which enables communication and engagement not only between people but also between brands and individuals. The amazing growth in the usage of social media by almost all internet users in the very beginning of 21th century enforced businesses to take the social media very seriously as a part of their marketing mix weather it is an online or offline business or both.

As of February 2013, the most popular social media channels where people hangout and brands present themselves are mainly Facebook, Twitter, Google+, YouTube, Pinterest, Linkedin and blogs. There are about 2 billion internet users in the world and there are more than 1 billion Facebook users worldwide in the beginning of 2013. Twitter has around 140 million users and those users send more than 400 million tweets per day. YouTube is the second highly used search engine after Google which is used for video search. Those facts make social media channel an essential digital communication platform to be present for brands and businesses to communicate and engage with their fans and customers.

4.5.2.1 Social Media Marketing Importance and Benefits

Social media marketing activities start free by building a presence and increase the fan base naturally. Nowadays it is also possible to target people according their interests and advertise them through social media and engage. There are a lot of benefits of social media marketing and some of them are listed below.

Social media does help get the word out: Firstly, social media marketing does in fact help get the word out about businesses. But even more important than the exposure it provides to businesses is the opportunity it provides to grow the relationship with target audience. Facebook fans and twitter followers are people who knows the brand, have likely used products of the related brand and most likely to tell their friends about the brand and products they are interested in. Social media allows businesses to strengthen the relationships with these connections through social engagement. And

because that engagement is easily visible to the connections of brand's current fans and followers, social media can introduce businesses to a whole new audience and enable to reach new customers.

Social media is highly popular: With over 1 billion Facebook users and 140 million people on Twitter social media has a potential to touch nearly every customer that walks through the door of a brand. For most businesses, Facebook is the jumping-off point for getting started with social media marketing. With its extensive reach and dynamic functionality, there are very few businesses that can't benefit from having a presence on Facebook.

Social media enhances visibility Businesses everywhere have seen this power and these days it's hard to find a business without some kind of social integration, or at least a Facebook fan page. More commonly though, they'll have at least one Facebook profile, a company and project Twitter account, a company LinkedIn, Google +, a blogging account and perhaps a YouTube account if they're also creating company videos. All of this makes them more accessible online to their customers and also more visible to those who are looking for their business.

Social media is great for SEO rankings: Social Media SEO is essentially the concept that social media activity is considered when the search engines like Google rank a website. Because legitimate interaction between businesses and their clients is next to impossible to fake, social media activity is holding more and more weight with the search engines.

Social media sites are free: There's no catch that getting started on social media is completely free. Facebook, Twitter, YouTube, Pinterest, and LinkedIn all offer free accounts to users and businesses and signing up won't require anything more than an email address. Some sites like LinkedIn do offer paid accounts with features that are targeted at more advanced users, but for the purposes of getting started, there's no upfront cost for most of the social networks.

Social media reaches all ages and demographics: Social media has really broken down all of the age barriers that once accompanied the ways people thought about social media. In fact, according to a 2011 study conducted by IBM, Baby Boomers have demonstrated the most growth on social media sites. In 2010, 72% were using Facebook, Twitter, and other networks, up from 50% in 2009. So, no

matter how young or how old target audience may be, chances are most of them are already logging on and waiting for brands they love to get started.

Social media users are active: One important thing about social media users is that when they say they are on social media, they are really on social media. When it comes to Facebook, more than half of its users log on to the network every single day and 60 percent of those users say checking Facebook is one of the first things they do every day. This level of activity isn't unique to Facebook either, today more than 400 million tweets are sent on Twitter each day. While a customer may visit a brand's store once a week, they could see the brand and its products on Facebook or Twitter every single day.

Social media encourages two-way communication: There is no marketing tool available to small businesses today that provides the type of two-way communication that comes with using social media. It has the power to take any of the feedback received from using a tool like email marketing and supercharge it, letting customers share their thoughts, questions, and ideas quickly and publicly without having to take the time to write an entire email. And it allows businesses to respond just as fast, without having to pick up the phone or worry the customer isn't seeing the response.

Social media is perfect for customer service: Providing stellar customer service is likely already a top priority for small businesses. But along with the two-way communication that social media provides, it also offers a unique opportunity to step up customer service game and provide instant gratification to brand's target audience. This will allow businesses to showcase just how much they care about providing a memorable experience and will ensure that no customer inquiry goes unnoticed. And by monitoring social media for customer feedback and offering a response, brands can drive real business results. According to a 2011 InboxQ survey, 64% of respondents said they would be more likely to shop with a business after receiving a response via Twitter. Customer service through social media is quickly becoming an expectation of consumers. If customers are already searching for a business on Facebook or Twitter and not finding the business's official page, this brand may already be missing opportunities to win new customers.

Social media lets brands share a lot about their business and products: Social media sites are becoming the go-to place for consumers who want to learn more about a brand. That's because these sites allow businesses to offer the most up-to-date information about anything from products, services, or upcoming events.

Social media can make a big difference for email marketing: Social media has completely changed the game when it comes to how small businesses think of email marketing. Sharing email newsletter across social networks can open content up to a whole new audience and finally generate the type of buzz the brand has been looking for. Not only that, but brand can also use sites like Facebook to attract more readers by including a "Join My Mailing List" form right on the Page. Together, these two powerful tools have reshaped the marketing landscape and have really leveled the playing field for small and big businesses trying to better connect with current customers and reach new audiences for their business.

Social media is everywhere: Today, more than half of all Americans are smart phone users and more and more businesses are offering mobile-friendly experiences. The benefit of the increased presence of mobile activity in our daily lives is huge for businesses. Every major social network offer free mobile apps that let businesses manage their presence on-the-go. More importantly, these apps let customers connect to their favorite sites wherever they are. For a site like Twitter, 60% of its entire user base is connected via their smart phones, tablets, or other mobile devices. These users aren't just sharing updates from their own lives; they're searching for businesses, products, and services, and connecting with brands through their social channels.

4.5.2.2 Social Media Marketing Best Practices

Brand and business identification: Social channels give a space for all people and brands for explaining themselves. In those places, brand shortly explains its business and standing including its slogan or core marketing message. It is quite important to ensure that representation and message of organization or brand is consistent across all networks and platforms.

Adding Value: Understanding the audience, who's following the brand and what interests them is vital, so the businesses know what to talk about, share and discuss for creating an engaged

community. Adding value is about being the part of the community and listening for opportunities to help others.

Respecting the rights of others: It is important to respect copyright, confidentiality, fair use and financial disclosure laws.

Respecting and understanding the audience: It is important not use ethnic slurs, personal insults, obscenity, or engage in any conduct that would not be acceptable in workplace.

Always pausing and thinking before posting: It is important to reply to comments in a timely manner, when a response is appropriate. When disagreeing with others' opinions, it is important to keep it appropriate and polite.

Posting meaningful and respectful comments: Brands shouldn't post spam that are off-topic or offensive. Customers and prospects should be respected.

Engaging in conversation: Interacting with an audience through various channels is at the heart of social media. Regularly contributing to relevant conversations is key to creating a strong dialogue with stakeholders.

Correcting errors in an open and timely manner: Errors should be always admitted and corrected. It is important to tackle an online crisis as soon as possible to stop it escalating out of control.

Social media presence becomes part of a brand legacy: Posts, pictures, images, tweets, status updates (content in general) can stay online forever. It is important to think carefully about what message to share via social media channels.

4.5.2.3 Social Media Marketing Studies of Esse.com.tr

When I got started working for Esse, only Facebook and Twitter accounts were set up. But those accounts were presented poor; their brand identification and about sections were missing or poorly filled, and most importantly a link to the website was missing. Filling about sections sensitively and including a link to the website not only important for giving the right marketing message at the first touch with followers but also for search engine optimization purposes. Also, there were not social

media cover designs or photos for representing the Esse brand visually in the first touch with customers or followers.

I started the social media studies with fixing the page and improving it. I refilled the identification part with a link to the website. I explained the sizes and best practices of Facebook cover design to our graphic artist and she made a good looking cover design for putting at the top of page. Also, I updated the logo section which included a poor looking logo before.

Also, I spent a lot of time moderating the old posts and comments at Facebook account. I cleaned the old campaign posts and very abusive comments on Facebook page. I still take my time for monitoring and moderating Facebook and other social media channels. I reply comments politely informing the customers and delete if they are abusive. I also answer private messages of customers and direct them to customer service department if they are looking for after sales support.



Figure 4.22: Facebook page look of esse.com.tr after improvements for better presentation (February 2013)

There was also a twitter page but it was also not taken care of. I found a background image and make a cover graphic with graphic artist for Esse's Twitter account again with updating logo with the best version and about section same as the Facebook page with a link to the website for consistency across social media networks. I also moderated old posts and comments on the twitter page.



Figure 4.23: Twitter page look of esse.com.tr after improvements for better presentation (February 2013)

I also created other social media channels for Esse: Google+, YouTube and Pinterest. The importance and popularity of Google+ has increased especially for businesses after Google integrated Google+ with Google Search at the end of 2012. If a brand's official Google+ account is approved by Google, their Google+ channel appears on the search engine results of Google for the exact brand keyword search at the right side of the page which is a very important opportunity for internet marketing managers of companies to take advantage of in 2013 and beyond.

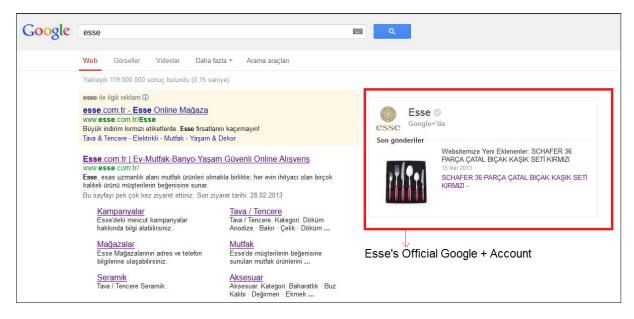


Figure 4.24: Esse's official Google+ account presentation on Esse's brand name search "esse" on Google Search Engine (March 2013)

As seen from Figure 4.24, the importance of social media pages and activities not only increasing for search engine optimization (SEO) activities for ranking higher on organic search results but also for search engines itself. With this application, Google rewards brands and businesses for being present in social media and actively sharing content.

There was no YouTube channel of Esse when I got started to my job. Furthermore, Esse was not able to display videos on the e-commerce B2C website because of hosting limitations and they hadn't considered taking advantage of Yoruba for video displaying. Because YouTube hosts the videos and all Esse needs to do is embedding the video code to the website for displaying the video. So I created the YouTube channel of Esse and uploaded not only advertisement videos but also uploaded other brands sold at Esse and product demo videos. I uploaded those videos to related category and product pages. When I upload a video to YouTube, I carefully write the headline and description sections with a link to website. Because, as YouTube videos are being highly ranked on search engines, it is very important to explain video and take it from search engine optimization perspective. Many of the video views not only come from www.esse.com.tr but also people finds videos by search and watch them. Moreover, when people watch the video, they can click the link below of video and come to the Esse's website which is actually social media traffic. This process is called video marketing in digital marketing world and YouTube has the highest priority for video social media.



Figure 4.25: Esse's official YouTube account for video uploading and embedding website

It is important to have a good looking social media channel but it is also very critical to decide what kind of content to share with followers on social media channels. Esse's current strategy for content generation on social media is making new campaign announcements, new store opening announcements and most importantly making announcements of new products opened on B2C e-commerce sales channel www.esse.com.tr. As followers of Esse love the products, it is also liked by people to see product pictures from Esse on their social media feeds and they like the products and comment if they wish. It is also very likely that they share photograph of the product they like which helps the post go viral in social media. So, I always include a website link to the product on social media posts that followers can come to the website by clicking the link above product picture which generates social media traffic to the B2C e-commerce sales channel.

Increasing the follower number in social media or advertising to the people who are interested in a business niche are also important aspects of social media. Those kind of social media marketing studies are usually paid studies and requires budget. Esse's social media followers increase organically as of February 2013. It is planned to start paid social media marketing activities both for increasing followers and making targeted advertisements to social media users for getting traffic to website on June 2013.

Paid advertisements opportunities for social media marketing is very new for internet and e-commerce businesses. Facebook started their advertisement system in 2011 and Twitter in 2012. Advantage of paid social media advertisements is that they have very sophisticated algorithms for targeting the people according their likes and activities. Social media advertisement is at the testing phase for most of the companies if it will generate a positive return or not. But it is almost obvious that advertisement on social media and social media marketing will be one of the most important parts of digital marketing world in the near future as everyday more and more people use social media, spend more and more time and get addicted to using it both from computers and smart phones. Furthermore, as people use mobile phones for checking their social media channel more and more in the last years, it is fair to consider mobile growth together with social media strategy.

4.5.3 Email Marketing

Email marketing is a kind of direct marketing tool used for sending a commercial message to a group of people using email. Email marketing is one of the most important tools of B2C e-commerce business not only for generating revenue with a high ROI but also for building loyalty, trust and brand awareness. Email marketing is still one of the most cost effective ways to contact prospects and customers. It is far cheaper than traditional bulk postage mail and in many cases can have a much larger impact on immediate sales and long-term relationship strength than traditional advertising. When done correctly, email marketing can be an extremely powerful and effective marketing technique. It's a medium that allows a buyer and seller to freely communicate with one another and build a relationship based on value and trust. When done incorrectly, however, email marketing can be destructive, erode brand equity, and turn happy clients into litigious flamers. Although it is a very cheap and effective channel for marketing, there are many parameters to take very carefully while preparing email marketing campaigns.

The most important parameters of email marketing are basically deliverability, open rate, click rate and sales conversion at the end. The deliverability issue is firstly achieved by choosing an email sending system and company which is regarded as authority by email service provider like hotmail, gmail and yahoo. Also, it is important to stay away from the spam activities in the emails which is the company's mission on email marketing. So, when an email campaign is created, it is important to use right system with the right email preparations like title, html optimization, wording etc. for achieving high email deliverability, open rate, click rate and sales.

4.5.3.1 Email Marketing Best Practices

Email sending system and company identification:

Emails are sent through an email sending system. It is important to send emails from an authorized email marketing company who has agreements with email service providers like gmail, yahoo and hotmail. Authorized companies are regarded as spam safe companies who consult businesses for not sending spam emails. Using powerful web-based email marketing software is not only important for ensuring deliverability of emails but also for managing email database, preparing email system and

reporting. Some email marketing companies integrate their email marketing software fully with the e-commerce website to better analyze the behaviors of website visitors for customized and automated email campaigns. So, the company who provides email marketing system and consults about the important aspects of email marketing is the most important issue of email marketing studies at the very beginning.

Email database:

Whether B2C e-commerce businesses leverage email marketing or nor, they have a customer database and emails of customers. So it is very advantageous to start email marketing with a database of old customers. But if there is no database of people who are interested in the company, the first focus after determining the email marketing system should be list building studies. For example, Esse had around 25.000 emails of customers who had purchased products from esse.com.tr in June 2012 and this was a good starting point for email marketing. As of February 2013, Esse has more than 50.000 subscribers to the newsletter which has grown not only by customer list but also by newsletter subscriber list building studies.

Email design:

Having a standard email design including company's logo and other core things is very important.

Email design study should be made in-house by the designer artist of the company. This study is very critical from branding and conversion rate aspect.

Email template html optimization:

After an email design is completed, it is usually sent to the email marketing service provider company for converting html and making html optimization which is very important for not considered as spam by internet service providers (ISPs).

Email campaigns and content:

When companies have an email marketing system and a database to communicate, compaby can prepare email campaigns. Those campaigns can be announcements, campaigns, discounts, welcome

messages etc. It is important to carefully write the title and written text of the email as well as the graphics in the email. Title should be strong for making people read the emails, graphics should be attractive to have a positive impact on people and email should contain strong call to actions for making people click the links in email visit the website which hopefully ends with a sales. Making all those studies carefully is very important for converting email readers into customers which is called sales conversion. The messages in the emails should have a value like new announcements, campaigns etc. and should not considered as boring or spam by people.

Email sending frequency:

B2C e-commerce companies should be consistent with email sending frequency. This frequency can be weekly, bi weekly or monthly. People get used to the frequency of emails sent as newsletters, announcements or promotions. Email sending frequency may depend on businesses. Esse usually sends newsletter once or twice a week. More than 2-3 emails weekly can bother customers and cause them to unsubscribe from the email list.

Email database segmentation:

As the email list grows, it is better to segment people according to their interest for better and targeted email marketing campaigns. Esse didn't start segmentations studies yet as database is not so huge and not enough data is collected about customer behaviors.

Email customization and personalization:

Many email marketing tools generally have a powerful method of improving open rates and response rates. This method is personalization. Message personalization can be done by inserting what is known as mail-merge fields into email messages. For example, in the title of or content of an email the first name and last name of subscriber can be used for personalized message.

Email list building:

The growth of email list means the increase of loyal customers and increase of traffic to the website which turns into more sales and revenue. B2C e-commerce companies should seriously make list

building studies for increasing the revenue from email marketing. Putting an email subscription field to the homepage of website and having a pop-up for newsletter subscription are some simple but powerful techniques which Esse also leverages for turning website visitors into newsletter subscribers.

Email campaign automation and customer lifecycle communication:

The best way to approach email marketing is to understand customer lifecycle communication and email campaign automation. This kind of study requires a powerful email marketing system integrated with website and very good planning of email campaigns according to customer segmentation and their behaviors.

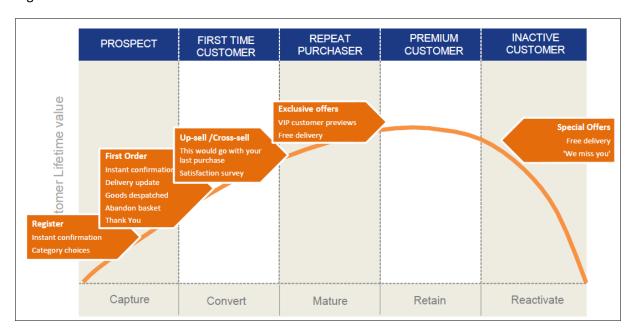


Figure 4.26: Life cycle of e-commerce business's subscribers and automated email marketing campaigns. (Source: Emarsys.com)

The visitors of a website firstly become a prospect by subscribing newsletter of the company. Then, they place their first orders and become first time customer. After that point, it is important to concert those first time customers into repeat customers by powerful emails. It is also important to turn repeat customers into premium customers by exclusive offers. If those customers become inactive customers, regaining and special offer campaign studies can be made.

4.5.3.2 Email Marketing Studies at Esse

When I got started working at Esse as e-commerce manager, there was not an email marketing system and study. Esse had 25.000 customers database that Esse could make email marketing. As I knew that email marketing is one of the most essential components of e-commerce business, I started to look for an email marketing service provider company for sending Esse's weekly newsletters for calling back followers and customers of Esse back to website. Having 25.000 people on the list was a good starting point.

I searched the market and determined 3 email marketing service provider companies for meeting called Emarsys, Euromsg and Apsis. Emarsys was a powerful system with automation tools integrated with website but was an expensive solution for Esse at the starting. Apsis's system was not used largely in the market so I decided to agree with Euromsg for using their system in email marketing activities as its system was powerful and used largely by big companies.

After making the agreement, firstly our graphic artist made a email template design for Esse's weekly newsletter emails. This design was converted to html and made dynamic for multiplaying the components inside the email template by Euromsg company. Then, Esse's email system account opened and I uploaded the email database of Esse to the Euromsg's system.

After several tests, the first newsletter email of Esse was sent on 20 September 2012 with content about announcement of new products. The first email of Esse was read by a 33% open rate with around 50% click through rate. After the first email, Esse went on sending weekly emails to its customers and followers.

The other important aspect of email marketing is growing the email list size. Because as the email list size grows, the visitors from email and revenue increase proportionally. So some studies needed to be made for increasing the number of newsletter subscribers. For that study, we came up with two ideas:

- 1- Collecting emails from physical stores
- 2- Showing a pop-up window on website for newsletter subscription at the first visit to website



Esse'de bu hafta...

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Bu mesaj size e-Katalog listesine kayıt olduğunuz Esse tarafından gönderilmiştir. Bu E-katalogtaki ürünler stoklarla sınırlı olup, Esse Fiyatlarda değişiklik yapma hakkına sahiptir. Fiyatlara KDV dahildir.

Figure 4.27: Email template design of Esse created by graphic artist on September 2012

The second strategy turned out to be very powerful and effective for Esse. There were about 20 people daily subscribing to newsletter before a pop-up window about newsletter subscription. When pop-up activated at esse.com.tr on January 2013, website started to generate around 300 emails daily from website visitors. As of February 2013, Esse has around 50.000 newsletter subscribers.



Figure 4.28: Esse's pop-up which was activated on January 2013 for growing email list size faster

From 20 September 2012 to 28 February 2013, Esse sent 30 emails and achieved around 20% open rate and 10% click rate which makes about 50% click through rate. Spam rate has been always zero up to date time because Esse sent rich content emails to the targeted visitors who indicated that they want emails from Esse. There has never been a spam issue.

Euromsg has an automatic reporting system that after every campaign, it shows the stats like how many people opened email, how many people clicked banners or hyperlink on email, which banners and hyperlinks got the most clicks, from where and which email service people read emails etc.

Those reports makes Esse understand its customers better and prepare more targeted emails according to the behaviors of its customers and followers.

Esse.com.tr website has around 50-100 instantaneous visitors but this numbers increases to 200 just after an email marketing campaign is sent by Esse, because many people open email and come to the website by clicking on banners and hyperlinks on the email which is the core goal of email campaign.

4.5.4 Search Engine Marketing

Although the Search Engine Marketing (SEM) term incorporates search engine optimization (SEO) and so that includes both paid search results and organic search results, especially in B2C e-commerce market, SEM term is generally used exclusively to mean pay per click (PPC) advertising, particularly in the commercial advertising and marketing communications which have a vested interest in this narrow definition. Such usage excludes the wider search marketing community that is engaged in other forms of SEM such as search engine optimization and search retargeting. The core goal of search engine marketing is gaining traffic from or visibility on search engines through paid search advertising.

So in this context, Search engine marketing (SEM) is a form of internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages (SERPs) through pay per click (PPC) advertising. When people search a term on search engines, SERPs not only show the organic results which they archive websites and rank them, but also show advertised results that companies or e-commerce websites bid for the related term called keyword. If people see the advertised search result of a website and click the advertised link, company pays search engines a cost which is called cost per click (CPC) from advertisers' point of view.

When companies advertise to the search engines, there are some key studies that should be made for the search engine marketing studies as listed below:

1- Keyword Research:

For advertising on search engines, firstly keywords that will be bided or in other words targeted must be determined. It is important to show the search engine listing advertisements to related people with the company's products and services. If the keywords are not chosen carefully targeting the related people and search terms of company's products and services, it is very likely that return on investment (ROI) of search engine advertising study becomes so low.

2- Advertisement Text:

The text written on PPC advertisements is also very important for making people click the advertisement and visit the promoted website. The text of advertisement is directly related with the

conversion of the PPC campaign which is measured as click through rate (CTR). If the click through rate is high, it means that search engine advertisement is being showed to targeted people and attracting them to click the link of PPC advertisement. The text is also important from optimization point of view. Search engines got very intelligent that, they award the search engine campaigns that are optimized for the advertised keyword. Search engines rank higher the optimized PPC campaigns in the pay per click listings and decrease the cost per click.

3- Landing Page:

Landing page is the website page search engine users see when they click the pay per click advertisement and visit the advertised website page. Landing page can be the homepage of the company or it can be a special page of website prepared especially for the related pay per click advertisement campaign that when people land on the page, they see a relevant content parallel with the text they read on the paid search engine listing before clicking. Landing pages also should be designed in a way that when people land on the page through search engine advertisements, they can take the desired actions like sales or subscription form complete determined according to the goal of pay par click advertisement campaign. If people are not taking the desired action of the company that is advertising on search engines, there is no point of spending money for the search engine marketing. So, search engine marketing is directly related with return on investment which is based on the desired actions of people received after the PPC campaigns.

Making all those studies carefully and professionally is very important for decreasing the advertisement costs and increasing the return on investment (ROI). Search engines like Google Adwords evaluates every single search engine marketing campaign with a parameter called quality score. Quality score is calculated by a complicated algorithm which evaluates the PPC campaign from several points like click through rate (CTR), landing page, historical performance, various relevancy factors, ad relevancy and keyword relevancy. Every passing day, search engines and search engine marketing getting more and more complicated so that, companies should employ a very talented and educated team for SEM activities or outsource it to a SEM agency which is also the Esse's choice for the start of search engine advertising studies.

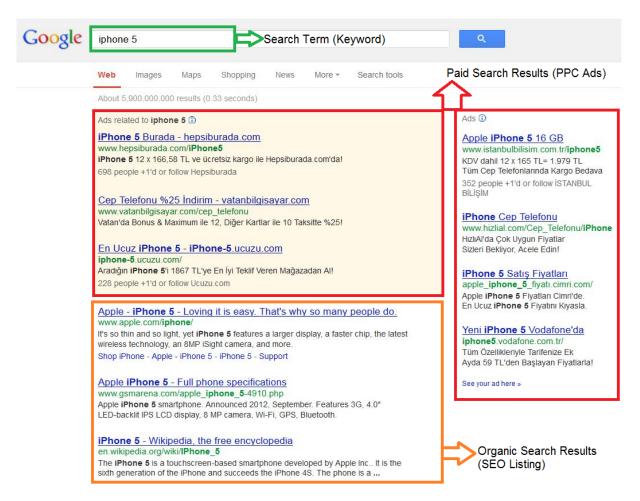


Figure 4.29: The demonstration of a search engine results page (SERPs) with PPC ads and SEO listing

Esse started its search engine marketing studies and investment on December 2012 by signing an agreement with a specialized search engine advertising agency called Clickteller. Esse started search engine marketing with only Google which is made through a tool Google Adwords. Clickteller firm basically manages the Google Adwords account of Esse: makes keyword studies, prepares advertisement text and links, determines related landing pages all based on a determined on a predetermined budget and reports the results.

As e-commerce manager of Esse, I determine the budget for search engine marketing activities monthly and work cooperatively with the search engine marketing agency. I monitor the Adwords account daily and check the data as how much money is spent for how many clicks, where the clicks come from based on campaigns and keywords, how many of the clicks convert into determined goals as sales conversion and subscription conversion. I also check the texts in the PPC campaigns carefully if they include wrong or undesired words and sentences from the branding point of view of Esse.

4.5.5 Display Advertising (Banner Ads)

Display advertising is another way of internet marketing and off-page online communication for advertising a brand and driving traffic to a website. Display advertisement leverages the traffic of other website properties for advertising to and attraction their visitors. Display banner ads not only provide traffic to a website but also with millions of impressions provide a branding power to advertised brand and website. For a banner ads campaign, it is important to create well designed banners with strong call to actions (CTA) according to the goals of related campaign. Furthermore, the study of choosing websites to display banner ads is critical for targeting issue. But in many cases, display banner ads shown to untargeted internet users on web properties like newspaper websites with millions of impressions which increases the branding and cognoscibility power of a brand or an e-commerce website. It is fare to consider display banner ads like showing television advertisement to internet users.

Esse starting display banner ads campaigns for both branding and driving new and fresh traffic to the website on February 2013. Esse agreed with a media planning agency called PlanB for taking care of the display of banners on various web properties. Esse's graphic artist prepared different banner sets for different campaigns. Each banner set was made up of about 17 different banner dimensions for being able to display the banners on different places of websites. Also, I worked together with the graphic artist not only for giving the right message in the banner but also for determining strong call to actions for increasing the success of banners which results in high click through rates and high sales and subscription conversions.

Throughout the display banner ads campaign on February 2013, www.esse.com.tr received 88 millions banner impressions and 51.239 clicks with 0,29 TL CPC value. This campaign's sales conversion was not high as the traffic source was not so targeted and also February was a slow time for the market. But the most important point of this campaign was that the traffic came from display advertisement on February was 84% new traffic while organic traffic of Esse was 59% new traffic and search engine marketing (Google Adwords) traffic of Esse was 55% new traffic. So, display advertising is powerful for feeding the e-commerce website with fresh traffic and new visitors which can potentially turn into prospects and customers in several weeks and months.

Ankara Numune Hastanesi Yöneticisi Zengin, basın mensuplarına yaptığı açıklamada, saat 13.40'da hastanelerine, daha sonra basın çalışanı olduğunu öğrendikleri 38 yaşında bir kadının qetirildiğini söyledi.

Zengin, "Yapılan ilk değerlendirmede baş bölgesinde, özellikle sağ göz bölgesinde travmanın da bulunduğunu bir durum tespiti yapıldı. İlgili branşlardan tüm hekim arkadaşlarımızın ortak değerlendirmeleri halen devam ediyor. Mevcut bulgularla hastamızı yoğun bakımda gözleme devam ediyoruz. Tetkikleri hala devam ediyor" diye konustu.

Zengin, yaralının hayati tehlikesi bulunup bulunmadığına ilişkin soruyu, "Hayati tehlikesi şu an için var ve bu nedenle yoğun bakım şartlarında hastamızı gözlüyoruz" diye yanıtladı.

Olayın oluş şekline ilişkin bir bilgileri olup olmadığının sorulması üzerine de Zengin, "Ailesiyle görüştük, gerekli bilgileri aldık. Zaten gerekli değerlendirme halen yoğun bakımda devam ediyor. Basın mensuplarına geçmiş olsun diliyoruz" ifadesini kullandı.

RICCIARDONE TUNCAY'I ZIYARET ETTI

ABD'nin Türkiye Büyükelçisi Francis Ricciardone, patlamada yaralanan Didem Tuncay'ı hastanede ziyaret etti. Ricciardone hastane çıkışında kısa bir açıklama yaparak, "Dostlar arasında olduğumuzu biliyoruz. Hayatını kaybeden Türk kahramanın ailesini aradım. Didem Tuncay'ın bir an önce iyileşmesini diliyoruz" dedi. Tuncay'ın doktoru da kısa bir açıklama yaparak, halen hayati tehlikesini koruduğunu ancak ilk geldiği andan çok daha iyi durumda olduğunu belirtti





Figure 4.30: Display banner ad of esse.com.tr on one of the most popular newspaper website in Turkey www.milliyet.com.tr on 5 February 2013

4.5.6 Performance Marketing Networks: Affiliate Marketing

Performance marketing is a comprehensive term that refers to online marketing and advertising programs in which retailers and service companies also known as affiliates or publishers are paid when a specific action is completed such as a sales or subscription. In performance marketing, advertisers and marketers only pay for successful transactions. Each transaction is based on a consumer taking a defined action, such as making a purchase from the advertiser or signing up for a subscription. The trackability of performance marketing isn't based on estimates. It's based on actual results, meaning that a marketing program's effectiveness is accurately determined, down to the mouse click.

Affiliate marketing is a type of performance based marketing in which a business rewards one or more affiliates for each visitor or customer brought to the e-commerce website by the affiliate's own marketing efforts. The industry has four core players:

- **1- Merchant:** The merchant is also known as retailer or brand that is the owner of the product or the service and needs advertisement for increasing their sales.
- **2- Affiliate Network:** Affiliate networks are the places where advertisers and publishers meet. Networks contain offers for the affiliates to choose from and also take care of the payments.
- **3- Publisher:** Publisher who is also known as the affiliate is the marketer of the products and services in the affiliate network. Affiliate gets a commission for every sales or subscription he refers to the merchant through his special affiliate links provided by the network.
- **4- Customer:** Customer is the person who is marketed by affiliate marketer and takes a specific action like a purchase or subscription form completion.

Affiliate marketing overlaps with other Internet marketing methods to some degree, because affiliates often use regular advertising methods. Those methods include organic search engine optimization (SEO), paid search engine marketing (PPC - Pay Per Click), e-mail marketing, content marketing and in some sense display advertising. On the other hand, affiliates sometimes use less orthodox techniques, such as publishing reviews of products or services offered by a partner.

Esse also plan to start affiliate marketing studies on May 2013. As affiliate marketing is performance oriented marketing that Esse will pay only if a sales or subscription occurs, there is no risk for the Esse from marketing budget point of view. The B2C e-tailers who sell physical products pay from 3% to 8% of the sold product's price as net commission to the affiliates. Affiliate network also gets its own commission for every product sold.

The obstacle for starting affiliate marketing studies for Esse is that affiliate networks require implementation of some sort of codes to the website for tracking the affiliate traffic and sales or subscriptions. As Esse's IT is outsourced to the company who provides ERP system to Esse, they are slow for that kind of programming issues. Until February 2013, we focused on the on-page developments with Coretech Company for developing esse.com.tr's system. I estimate that Coretech can focus on and take time for code implementation of outer services like affiliate marketing network's code implementation on May 2013

4.6 Other Improvements for E-business

On-page and off-page communication are the core subjects of any e-commerce business but also there are some other elements of the e-business which should also be powerful and carefully taken care of. Powerful on-page and off-page communication generate traffic to website and make people take purchase decision. After purchase decision is made, sales process must be clean and simple, payment choices should be rich and after-sales support should be good for making customers happy and turning them into repeat and loyal customers with great customer service.

4.6.1 Improving Payment Process

After websites visitors decide to buy one or several products at the same time, they follow some steps for making the payment and giving the order successfully. Esse's e-commerce website is made up of four steps order process with two payment options as credit card and bank transfer. The orders steps are as giving delivery address, giving billing address, choosing payment option and confirming order. Esse.com.tr's order process is simple and easy but payment options can be enriched. After May 2013, payments choice enrichment study will be made for esse.com.tr which can be like door payment, mobile payment, PayPal payment etc.

4.6.2 Delivery Service Improvements

After customers place an order they want to receive their products in the shortest time possible with ability to track of their shipment. Esse works with one of the largest logistics companies in Turkey called Yurtici Kargo. By the fast delivery service of Yurtici Kargo, Esse promises to deliver products to its customers in 3 days after the order is placed and achieves this promise almost all the time. But before I started as e-commerce manager at Esse, I realized that customers didn't have a option for controlling and tracking the place and conditions of their shipment. Customers were always calling to learn where their shipment is. So after diagnosing this customer service problem, I agreed with the Yurtici Kargo that, when a shipment is delivered to Yurtici Kargo from Esse Warehouse for shipping to customers, customers receive a tracking code to their mobile phones that they can enter the code to the Yurtici Kargo's website and track their order which for sure provides better customer experience.

4.6.3 Packaging Improvements

Packing is very important not only for preventing products to get damaged while shipment, but also branding point of view. Packages should include a logo of the company for better customer experience. When I got started as e-commerce manager at Esse, I realized by the customers' feedback that the packages of Esse by branded by other company. I investigated the situation and discovered that esse.com.tr orders were packaged by Esse's outsourced Logistics Company called Balnak boxes including their logo as shown on Figure 4.31. I informed the marketing team about the situation and they immediately took action on November 2012 and ordered packages with Esse logo on it. From December 2012, esse.com.tr orders have been packaged with boxes that have Esse Logo on it which is very important from the branding and customer experience point of view.



Figure 4.31: Old esse.com.tr order packages with Logistics Company's logo on boxes

As seen on Figure 4.31, not only boxes were branded as Balnak Logistics Company but also adhesive bands on the boxes were also branded by the same company. So, marketing team also ordered bands branded by Esse logo. E-commerce orders of Esse have been packed by Esse branded bands starting from December 2012 which is obviously making a better positive impact on customers than the older situation.

5 Results Achieved

The 9 months of studies based on the online communication strategy and developed e-commerce success model for B2C e-commerce sales channel of Esse generated positive results for all defined key performance indicators (KPIs) and set goals. Traffic of the website almost doubled, conversion rate of website almost tripled and monthly revenue generated by e-commerce sales channel almost quintupled. Also, the number of newsletter subscriptions doubled and revenue order among Esse stores went forward from 78th among 81 stores in June 2012 to 28th among 95 stores in January 2013 which is a huge jump for that short period of time. Furthermore, the net revenue generated by e-commerce sales channel was 0,27% percent of Esse's total net revenue in the first half of 2012 and this number increased to 0,75% percent in the second half of 2012. For the first quarter of 2013 (January, February, March) the net revenue generated by e-commerce sales channel became 1,23% percent of Esse's total net revenue.

For demonstrating and better understanding the results achieved, If the previous data is available, I will compare the previous 9 months data (October 2011 – June 2012) before I started the job with the 9 months data (July 2012 – March 2013) that I have been working and making studies as ecommerce manager. If the previous data is not available for the related indicators, I will demonstrate the progress of the KPIs in 9 months (July 2012 – March 2013) starting from the time I began working at Esse.

5.1 Progress of Goal Oriented Core KPIs

Monthly net revenue and Number of Orders:

The previous 9 months before I started the job as e-commerce manager at Esse, esse.com.tr's average monthly net revenue was \$13.504,74 and average monthly number of orders was 198. In the next 9 months after I started the job, esse.com.tr's average monthly net revenue became \$61.278,46 and average monthly number of orders became 685. So, average monthly net revenue grew by 4.5 times and average monthly number of orders grew by 3.5 times compared to the previous 9 months before I started the job.

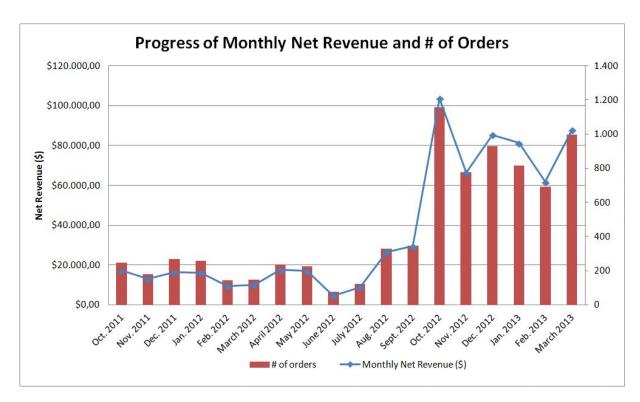


Figure 5.1: Monthly net revenue and number of orders of esse.com.tr plotted on graph for the 18 months time frame: 9 months before the job start and 9 months after the job start

Revenue order among Esse stores:

The management team of Esse wants B2C e-commerce sales channel of Esse become the most revenue generating store among all other physical Esse stores. Before I started the job, Esse.com.tr's revenue order was second or third order just in front of the least revenue generating physical store of Esse. As of first quarter of 2013, e-commerce sales channel of Esse rank in the first 30 most revenue generating Esse stores among 97 stores (Esse.com.tr included).



Figure 5.2: Revenue order of B2C e-commerce sales channel of Esse among all Esse stores

5.2 Progress of Traffic and Asset Oriented KPIs

Number of visitors and Number of unique visitors:

The previous 9 months before I started the job as e-commerce manager at Esse, esse.com.tr's average monthly traffic (total visits) was 90.193 and average monthly number of unique visitors was 70.896. In the next 9 months I started the job, esse.com.tr's average monthly visitors increased to 147.035 and average monthly number of unique visitors increased to 105.965. So, average monthly traffic of Esse.com.tr grew by 1,6 times compared to the previous 9 months before I started the job.

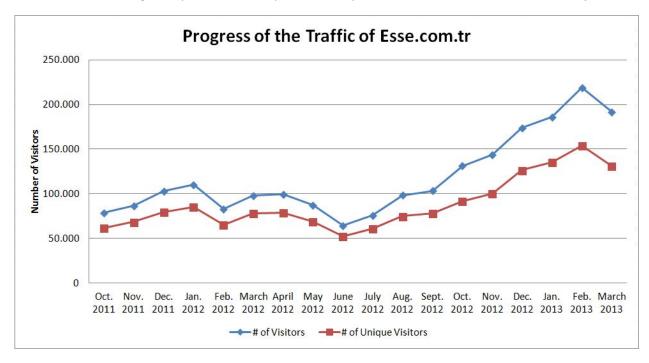


Figure 5.3: Monthly number of visitors and number of unique visitors of esse.com.tr plotted on graph for the 18 months time frame: 9 months before the job start and 9 months after the job start

Number of newsletter subscribers and Email list growth rate:

When I got started working at Esse as e-commerce manager on 25 June 2012, Esse.com.tr had a subscriber database of about 25.000 people with their emails to the website. So I wanted to grow the email list size quickly. I made a meeting with marketing team and asked if there is email data collected from stores and they said yes. I uploaded about 4.000 emails to the system which was collected on Esse stores. That action made 13% email list increase rate on August. The highest email list growth rate was achieved on February and March 2013 which were about 18-19%, thanks to the

pop-up activation on the last week of January 2013 for collecting the emails of website visitors faster. In 9 months after I started working at Esse, email list size of esse.com.tr has almost doubled.

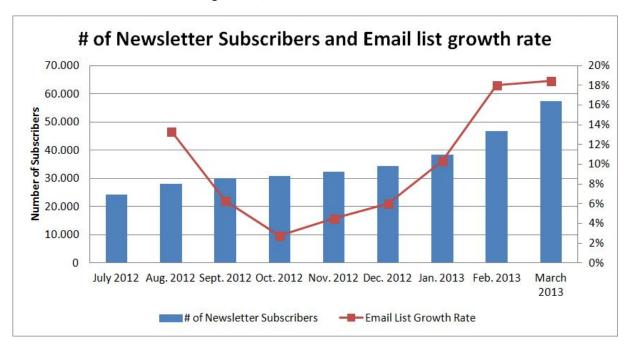


Figure 5.4: Number of newsletter subscribers and monthly email list growth rate

Number of sent emails, Total email reading and Total email clicks:

Esse sent its first email marketing campaign to its subscribers on 20 September 2012. The Figure 5.5 shows how many emails were sent monthly since that time and how much email marketing traffic were generated by the sent newsletters.

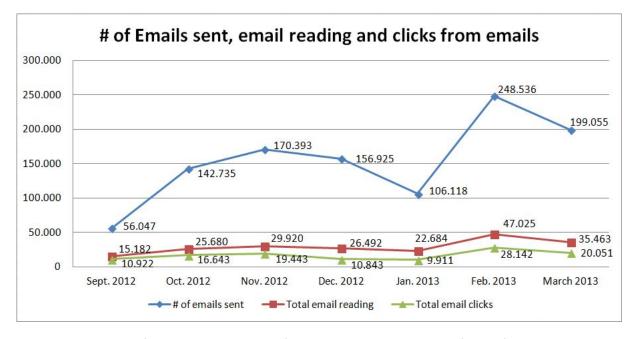


Figure 5.5: Number of emails sent, number of email reading and number of clicks from emails

Number of Facebook followers (likes) and Facebook follower growth rate:

When I got started to work at Esse, there was an official Facebook page of Esse but it was not moderated and there was no activity. I started managing and creating activity on social media on July 2012. All the increase of Facebook followers and Facebook follower growth rate were achieved organically just by the consistent activity. No paid methods were used until March 2013 for increasing the Facebook subscribers. In 9 months, number of Facebook followers almost doubled thanks to the good presentation of company on Facebook with consistent activity and daily posts.

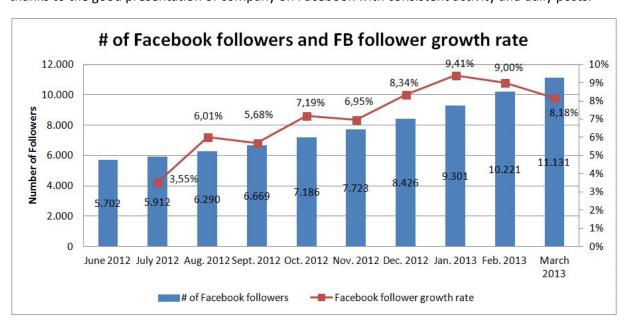


Figure 5.6: Number of Facebook followers and Facebook follower growth rate

Number of Facebook posts and Traffic from Facebook:

I started creating posts on Facebook on July 2012 in the first month I started working at Esse.

Because social media is free and popularity of social media channel like Facebook is increasing very fast that everyday more and more people joining the social media not only for connecting their close friends but also for following brand they love. So, being active on Facebook with announcements and various campaigns is very important for both prestige in digital world and traffic generation to the e-commerce website. By good company presentation on social media and mostly by posting announcements about new products opened on B2C e-commerce sales channel together with a link to the product on website, monthly traffic from Facebook increased from 108 visits to 2.884 visits in 8 months. Esse.com.tr's 95% of social media traffic came from Facebook on February 2013.

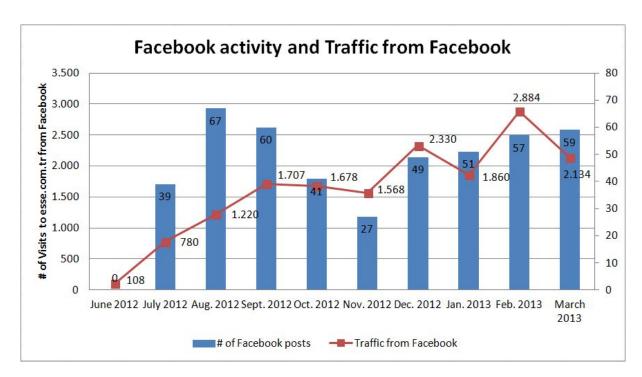


Figure 5.7: Number of Facebook posts and traffic generated from Facebook to esse.com.tr

5.3 Progress of Conversion Oriented KPIs

Net revenue per unique visitor and Number of orders per unique visitor (%):

The conversion rate of an e-commerce business is directly related with the content management and good presentation of the website. When I started the job, I immediately started to fix the content of the website from various points of view for making a good presentation of the website to the visitors who are potential customers.

The previous 9 months before I started the job as e-commerce manager at Esse, esse.com.tr's average monthly net revenue per unique visitor was \$0,18 and average monthly number of orders per unique visitor was 0,27%. In the next 9 months after I started the job, esse.com.tr's average monthly net revenue per unique visitor which is one of the most important sales conversion indicator of the website became \$0,53 and average monthly number of orders per unique visitor which is another sales conversion indicator became 0,60%. So, average monthly net revenue per unique visitor grew by about 3 times and average monthly number of orders per unique visitor grew by about 2 times compared to the previous 9 months before I started the job.



Figure 5.8: Net revenue (\$) per unique visitor and number of orders per unique visitor of esse.com.tr plotted on graph for the 18 months time frame: 9 months before and after the job start

Average order value:

Average order value of an e-commerce business generally a fixed value as this number is related to the price range of the products sold on a website. But it is also possible to increase this number with the conversion increasing studies on website. The previous 9 months before I started the job at Esse, esse.com.tr's average monthly average order value was \$67,82. For next 9 months after I started the job, esse.com.tr's this value became \$86,92 and that is about 30% percent increase for this indicator.

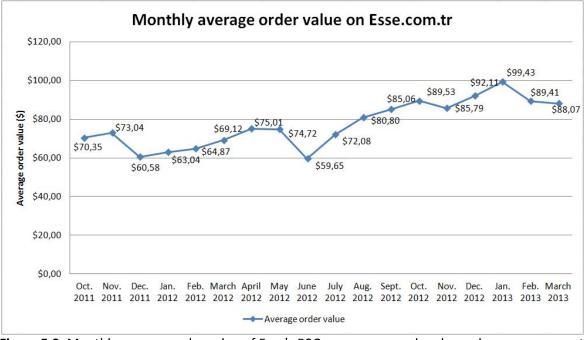


Figure 5.9: Monthly average order value of Esse's B2C e-commerce sales channel www.esse.com.tr

Email open rate, Email click rate and Email click through rate (CTR):

Email marketing studies of Esse started on September 2012 and conversion rate indicators figures out how successfully email marketing activities made. When a newsletter or email marketing campaign is sent to subscribers, it is important to make subscribers open the email, read it and click the links on email; resulting in visiting the website and hopefully ending up with a sale. Email open rate usually indicates if the campaign or newsletter has a value for subscriber and sent with an attractive email title. Email click rate and email click through rate indicates how successfully email content was prepared for making the email readers click the links on email and visit the website.

In the first 7 months of its email marketing studies, Esse achieved 19.66% open rate, 11.46% click rate and 57.5% email click through rate as monthly average. According to the one of the most popular email marketing service provider company, email open rate was 18,76% and email click rate was 10,55% in B2C retail e-commerce sector in the World in 2011 (Emarsys.com, 2012). So, if we compare the email marketing indicators with the average world data for the same sector, Esse's email marketing activities are successful as email marketing conversion values are higher than the world average.

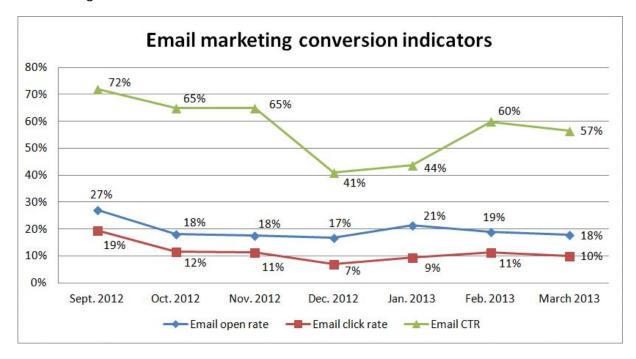


Figure 5.10: Monthly results of email conversion rate indicators: email open rate, email click rate and email click through rate (CTR)

6 Conclusion

In the past decade, the share of B2C retail e-commerce revenue in total retail sector increased fast and the growth of B2C e-taling is still in its starting phase which makes e-commerce one of the main focuses of brick and mortar retail brands. The managers of retail brands operating on just physical stores see the opportunity and understand the importance of going online for creating e-commerce sales channel with a website but those managers rarely experience the success they achieved in physical retail stores on e-business as they do not understand the way e-business works, its principals and the required skill sets for e-commerce operation employees. This study is a fresh approach to B2C retail e-commerce including many core e-business factors in the strategy model for the success of online sales channel of retail brands that makes the principals of e-commerce business clear with a result and action oriented e-business strategy.

Although literature suggested many success methodologies for e-businesses mainly focusing on information system in the past ten years, the positive results of this real life case study proves that the main focus for the B2C e-commerce success must be online communication strategy. The B2C e-commerce success model created in this study focuses on mainly content management and internet marketing aspects of e-businesses for effective online communication and engagement with online audience of the brand. There is no doubt that the information technology is the basis of any e-business, but this subject is not the core issue any more as the technology has grown fast in the last decade and got almost standardized with many tools for managing the website and database. So in today's world, the real focus should be creating a powerful online visibility and communication strategy for a successful B2C e-tailing business which is expected to generate high revenues with lower operating costs and higher profitability compared to physical retail stores.

The first statement this study focuses is the on-page online communication which is achieved by effective and attractive content management that visitors of the website turn into customers by spectacular presentation of the products and the content. Various strategies and methods are stated in the study for managing the content in a way that those strategies increase the conversion rate of the website both from sales and subscription conversion point of view.

Second core statement the study emphasizes is the importance of traffic generation methods which is achieved by off-page online communication strategies. Traffic generation is achieved by various internet marketing techniques and the most important ones are included in the B2C e-commerce success model. The Esse's case study gives many ideas about how to implement and execute those traffic generation strategies successfully.

This study also provides many indicators for measuring and evaluating the success of B2C e-commerce businesses. The progress of determined key performance indicators of Esse's B2C e-commerce sales channel tracked and reported in the study. The positive progress of almost all those indicators in 9 months that I applied the strategy proves that the created B2C e-commerce success model can confidently be used and applied by e-commerce companies who still can't generate the results they seek for.

The amazing growth of smart phone usage in the last 3 years is currently forcing e-commerce professionals and company managers to investigate and try to understand the mobile commerce. So, the further studies for the success of B2C e-commerce sales channels could focus on m-commerce and its successful integration with e-commerce website for increasing the revenue generation from online shoppers.

Finally, I hope the B2C e-commerce success model stated on this study will be beneficial for retail brands and e-commerce professionals. Even the traffic sources that bring visitors to e-commerce website could change or content management and presentation tools could evolve in the coming years, I strongly believe that the main concept of the B2C e-commerce success model stated in this study will remain valid for many years to come.

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