

Can fintech startups lower conversion costs with content marketing?

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How digital companies can lower marketing costs with content marketing

Abstract:

This thesis explores the viability of a content marketing strategy as a means of lowering conversion costs for digital startups prior to commercial launch. It does so by first giving a background into the subject of content marketing by covering types of content, content distribution channels and content strategies. Psychology and marketing theory is used as a framework for an experiment with an actual startup. A field experiment is conducted where an e-book is marketed using Facebook ads, and measured against a benchmark campaign. The benchmark campaign does not have a content focus but instead promotes a newsletter. Comparing generated leads and the cost per conversion between the campaigns, the e-book-based ad showed significantly better performance than the benchmark ad, when measured as cost per conversion. However, the benchmark ad performed better as measured by total reach, cost per click, cost per 1000 impressions, and click-through rate. In the discussion we present some potential explanations and implications of these results using in depth data points and performance statistics on the two campaigns. Present authors generally find supporting evidence for the viability of using content marketing and especially e-books as a way to help struggling fintech startups get leads at lower costs.

Key words:

Digital marketing, Content marketing, Marketing strategy, Conversion costs, E-book

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Table of contents

| | |
|--|-----------|
| 1. Introduction | 5 |
| 1.1 Problem area | 5 |
| 1.2 Purpose and Research Question | 5 |
| 1.3 Delimitations | 6 |
| 1.4 Expected Contribution | 6 |
| 2. Background | 6 |
| 2.1 Types of content | 6 |
| 2.1.1 Blog articles | 7 |
| 2.1.2 E-books | 7 |
| 2.1.3 Videos | 7 |
| 2.1.4 Images and infographics | 8 |
| 2.2 Content distribution channels | 8 |
| 2.2.1 Owned content distribution | 9 |
| 2.2.2 Earned content distribution | 12 |
| 2.2.3 Paid content distribution | 12 |
| 2.3 Content strategies | 15 |
| 2.3.1 Content optimization | 15 |
| 2.3.2 Delivery optimization | 16 |
| 2.3.3 Content personalization | 17 |
| 2.3.4 Competitive intelligence research | 18 |
| 3. Theoretical framework | 18 |
| 3.1 Psychological Theory | 18 |
| 3.1.1 Reciprocity | 18 |
| 3.1.2 Information-gap theory | 19 |
| 3.2 Marketing theory | 19 |
| 3.2.1 Resource-Based Theory | 19 |
| 3.2.2 The Elaboration Likelihood Model | 20 |
| 3.2.3 The AIDA Model | 20 |
| 3.4 Hypotheses | 21 |
| 4. Method | 21 |
| 4.1 Randomized controlled trials | 21 |
| 4.2 Execution | 22 |

| | |
|----------------------------------|-----------|
| 4.4 Data Analysis Test and Tools | 24 |
| 4.3 Content Campaign Design | 24 |
| 4.3.1 Advertisements | 24 |
| 4.3.2 Landing Pages | 25 |
| 4.3.3 Offers | 25 |
| 4.4 Limitations | 26 |
| 4.4.1 Validity | 26 |
| 4.4.3 Reliability | 26 |
| 4.5 Literature Review | 26 |
| 5. Results | 27 |
| 5.1 Campaign outcomes | 27 |
| 5.2 Conversions | 28 |
| 5.3 Click-through rate | 29 |
| 9. Discussion | 29 |
| 10. Conclusion | 32 |
| 10.1 Implications | 32 |
| 10.2 Limitations and Critique | 32 |
| 11. List of references | 33 |
| 12. Appendixes | 37 |
| 12.1 White Swan Campaign | 37 |

1. Introduction

1.1 Problem area

With the emergence of the internet, a digital business model is becoming the new norm. Digital marketing is an important part of almost every business, and is an essential tool for generating revenue and growth. However, with an increasing amount of competition marketers are now facing increasing advertising costs, lower conversion rates, and higher customer aversion towards digital marketing.

This is a big problem. Many online companies that generate millions in revenue often spend about the same amount in marketing costs to acquire that business. Without exploring alternative marketing strategies to acquire cheaper traffic, small to mid-sized online companies will be pushed out of the market by incumbents with deeper marketing budgets. Due to the auction-based pricing mechanics involved with paid advertisement, advertising costs will continue to rise as long as merchants can still turn a profit on the sale. Eventually, prices stabilize, usually where only the merchants with best margins can afford the spot and where the resulting profit margins are low. This is an advertisement race to the bottom of profitability that is too expensive for most digital companies to participate in.

1.2 Purpose and Research Question

In this study, we will study the effects that content marketing can have on lowering conversion costs for fintech companies in an early stage, prior to commercial launch and revenue generation. We aim to explore how the winners of this digital economy use content marketing as a way of creating long-lasting traffic sources, increasing engagement and loyalty, and generating higher revenues and profits.

We will create a framework for understanding the best performing tactics and strategies of content marketers, their benefits for business growth, and their execution strategies. The form of our background is optimized to give an overview of a range of aspects related to the content marketing process while giving insights into the best practices for using content marketing as a scalable growth strategy. With this foundation, we will execute an experiment using a pre-launch fintech company called White Swan, which is about to launch a digital marketplace for permanent life insurances in the United States. The objective of this experiment will be to compare the results of running a content campaign with the results of running a campaign without a content focus. The experiment will aim to answer the following research question:

Can a fintech startup use content marketing to lower conversion costs?

The structure of the thesis is as follows: the reader is first introduced to the general concepts of content marketing, as well as the theoretical framework which we use to form two hypotheses. After that, a suitable experiment is devised and explained in the method chapter, with information about how the campaigns are set up and how our benchmark campaign differs from our content campaign. This is followed by a depiction of the test results along with a discussion and conclusion.

1.3 Delimitations

The study is limited to the restricted advertising budget of White Swan and the industry it resides in, which is the life insurance industry in the United States. Only one content marketing type and one benchmark campaign are tested. While it would be interesting to test all content types, channels, and strategies presented in the next chapter, this was not done due to a lack of time and resources. The campaigns were run on the Facebook network, and one should be careful to generalize the study's findings about the effectiveness of content marketing to other channels and ad formats (even though large-scale studies by Hubspot (2019) and SEMrush (2019), among others, point to content marketing's key role in many businesses). The campaigns' target groups are geographically limited to users in the United States. Cultural differences may have an impact on the perception and value of content in marketing, but this is beyond the scope of the study. Furthermore, the advertised product is a free e-book, not a good or service that is sold. White Swan is in a pre-launch stage and the study cannot directly measure purchases or purchase intentions, only clicks and generated leads as a fraction of exposures and in relation to advertising investments.

1.4 Expected Contribution

With this study, we hope to contribute to the marketing community by exploring the feasibility of running content campaigns, what type of results can be expected, and what tactics work best for executing this strategy. While advertising has been theorized for decades, content marketing's connection to scientific theory is rather weak. We hope to connect the use of content in marketing to human psychology as well as established marketing theory, in order to create a stepping stone for further research on the topic of content marketing's effectiveness.

2. Background

2.1 Types of content

In this section, five types of content are presented in detail: blog posts, e-books, videos, images and infographics. It is explained how they are helpful to companies and which objectives they are suitable for along with relevant statistics from global marketing reports.

Other content types include e-courses, case studies, webinars, podcasts, interactive content, checklists and press releases.

2.1.1 Blog articles

Blogging is an effective way of driving traffic to a website. Blog posts gain three times more leads than paid ads (Hubspot, 2019) and companies who run blogs have been shown to achieve higher search engine rankings than their competition (Techclient, 2015). As much as 52% of marketers view blogging as the most critical content marketing tactic (Content Marketing Institute, 2017). Blog content is especially effective for companies selling products in existing markets with large amounts of recurring search traffic, usually selling information-intensive products or services.

Apart from the tangible goal of driving traffic, marketers use blogging as a means to connect with customers and build their brand. While blog posts may require a high level of consumer engagement, they pose an opportunity to regularly convey informative messages related to the company's product or service, establish credibility, and build a brand.

Articles of 3000 + words gain at least twice as much traffic, shares and backlinks than articles of 900 to 1200 words. The same relation holds for articles with headlines of over 14 words compared to those with 7 to 10 words. Moreover, articles with three levels of subheading perform better than unstructured articles (SEMrush, 2019).

2.1.2 E-books

Blog articles can serve as components for creating an e-book. With e-books, marketers can dive deep into a subject and share more information than through the average blog post. Easier to digest than a white paper, and more serious than an infographic, e-books are a helpful tool to educate consumers, project expertise and build brand trust. Their most important sections are often converted into blog-posts, promotional emails, videos and infographics, hence serving as a foundation for the content marketing mix (Digital Marketing Institute, 2020).

When it comes to complex topics, there is usually a demand for substantial, information-packed texts. An e-book's long length warrants high levels of perceived value and effort, thus increasing the chance that consumers share contact details to gain access to a copy (Digital Marketing Institute, 2020). This information can then be used to build email marketing lists of high-quality leads and to develop personalized advertising.

2.1.3 Videos

Video marketing is commonly used to present customer case studies and product demos, as well as for the purpose of brand storytelling, product or service promotion, and social engagement (Hubspot, 2019). Further examples of video marketing are advertising videos,

live streaming, short animated explainers and vlogs. A study conducted by Adélie Studios in 2017 found that 52 % of marketers achieve better return on investment by video marketing than any other content marketing form (Adélie Studios, 2017).

Live streaming seems to be the most captivating form of video marketing. On average, users view live videos three times longer than traditional videos (Marketing With Ethics, 2019). Furthermore, mobile optimization and subtitles have become increasingly important components of video marketing. More than half of all video plays are on mobile devices and 85 % of Facebook-users watch video without sound (Adélie Studios, 2017).

2.1.4 Images and infographics

Images are an important part of content marketing. Just a fraction of words on websites and ads are actually read while images naturally grab people's attention. They are processed significantly faster and are more easily remembered than text. The use of relevant images in blog posts has been shown to improve view counts by up to 94 %, and Facebook posts containing photos have higher engagement rates than both text-only and video posts (MDG Advertising, 2018).

Infographics are visual representations of information and data. They usually contain images and charts along with short explanatory texts in order to make complex pieces of information digestible for the consumer. Eye-tracking studies show that images presenting information are paid closer attention to than decorative images. Moreover, infographics can increase website traffic by up to 12 % (Demand Gen, 2014).

2.2 Content distribution channels

Once a digital marketer has created content, there are several ways of distributing that content. Having a distribution strategy is as important as having a content strategy, as content performance can vary greatly depending on the distribution channel mix pursued.

In this chapter, we will go through each of the major distribution channels that can be used for distributing content. In general, content distribution channels can be divided into three high level categories: namely **owned**, **earned** and **paid**.

Owned distribution refers to distribution channels which are owned and controlled by the company itself, such as the company website, social media profiles, or email systems.

Earned distribution refers to distribution channels which are owned by external parties, where exposure is not paid for, but rather achieved through strategies like public relations, guest blogging, or forum promotion.

Paid distribution refers to distribution channels which are owned by external parties and where exposure is paid for, through strategies like sponsored posts, native advertising, search or social advertising, and influencers.

Most companies choose to cross-promote content over different categories and channels of content distribution systems. Social media is the most commonly used channel for content distribution among marketers, followed by email marketing, paid advertising and guest blogging (SEMrush, 2019).

2.2.1 Owned content distribution

Company website

One of the first choices for distributing content is the company website, especially within a blog or research section. Not only will this distribution channel boost traffic to the company website and generate new leads, but it can also increase the website page rank on search engines and backlinks.

Another strategy that can be employed through the company website are push notifications, where companies can send notifications about new content directly to the web browser of their subscribed users. Some companies offer white papers, e-books, or research as gated content, meaning that they require an email address to view the content. The advantage of this is that the content can collect more leads than ungated content, that can be viewed freely online.

Social media

Because of the huge amounts of daily visitors in social media sites, it is one of the most popular channels of content distributions. Social media can be a great distribution channel to generate and sustain long term customer relationships. In comparison to paid advertising on social media, content marketing on social media is focused less on conversions and more on building trust and connection with the target audience.

The standard way of publishing content through social media is by using organic posts. These are free but have a limited reach that is affected by the size and quality of the followers that the company has in a certain channel. This is a great way to reach customers that are already following the company's page, and build enough trust with these customers to get them to convert.

However, there is a large amount of different social media channels out there, each with different levels of potential reach, audiences, and time required. Online marketers' most commonly used social media for content distribution is Facebook, but other channels like Youtube, Instagram, and LinkedIn are not far behind (Hubspot, 2019; Decker, 2019). The most successful content types are photo content, the second is video content, and the third is text based posts.

In the rest of this section, we will look more closely on the main social media channels, as well as cover some alternative social media channels.

Table 1: Social media channels and their organic potential

| Social Media Channel | Monthly Active Users | Average organic reach/followers | Average engagement rate per post |
|-----------------------------|-----------------------------|--|---|
| Facebook | 2.5Bn | 2.2 % - 5 % | 0.09 % |
| Youtube | 2Bn | 14 % | 4.74 % |
| Instagram | 1Bn | 2.2 % | 1.60 % |
| Tik tok | 800M | N/A | 29 % |
| Twitter | 335M | N/A | 0.048 % |
| Linkedin | 293M | N/A | 0.054 % |
| Snapchat | 255M | N/A | N/A |

(Statista et Al, 2019)

In evaluating the number of users a social media website has, it is also important to take the frequency in consideration. When it comes to frequency, Facebook also takes the lead, with 51 % of users using it several times per today, followed by Snapchat at 46 % and Instagram at 42 % (Chenn, 2020).

Facebook is the largest social media and allows companies to post many different types of content. Because of its size and global presence, it is a good choice for most digital marketers. The demographics of Facebook users are broad, and includes users in most ages, locations, educational levels, and income levels. However, organic reach has over the past few years been consistently lower for businesses, and the average reach per post is only 2.2 % (Omnicores, 2020). Also, with a large amount of users comes a lot of noise, and the average engagement rate of organic posts is only 0.09 % (Statista et Al, 2019).

Youtube is the largest social media for videos, and the second largest search engine after Google. The demographics of Youtube users are similarly to Facebook very broad, covering most ages, locations, education levels and income levels (Omnicores, 2020). It is the most widely used online platform amongst US adults, with 73 % of the population having used it (Cooper, 2019). An average organic reach of 14 % and engagement rate per video of 4.74 % is considerably higher than Facebook. However, the dynamics are different since 70 % of what people watch on Youtube is determined by its recommendation algorithm.

Instagram is a social media for photos and videos which is owned by Facebook, but can unlike Facebook and Youtube not be used to spread external links without using paid advertising. Half of Instagram's users are younger than 35 years old, and the majority live in an urban or suburban location rather than a rural area, but they are fairly equally distributed

over education levels and income (Omnicores, 2020). Similarly to Facebook, Instagram's reach and engagement rates are declining, with an average organic reach of 2.2 % and an average engagement rate per post of 1.6 % (Feehan, 2019).

LinkedIn is a business social media where marketers can post many different types of content. LinkedIn's users are primarily in the ages 18-49, living in urban or suburban locations, with a college education, and with higher income levels (Omnicores, 2020). When it comes to engagement rates, LinkedIn has an average engagement rate of 0.056 % (Forrester, 2014). LinkedIn is especially effective for B2B marketers and companies looking to reach a highly educated, high income audience.

Twitter is a social media platform for sharing 180 character text posts, also known as tweets. Marketers usually use it as a reactive medium for commenting on current events in the world, as well as customer support. It's users are primarily in the ages 13-49, living in urban or suburban areas, and with a college education (Omnicores, 2020). When it comes to engagement, the average engagement rate is 0.048 % (Feehan, 2019).

Other notable social media channels include (Statista et Al, 2019):

Pinterest, with 335M monthly active users, mainly consisting of females. It focuses on photo content.

Tik Tok, with 800M monthly active users, is a quickly growing social media for posting videos up to 60 seconds long, with a high average engagement rate of 29 %.

Snapchat, with 255M monthly active users, is used to share ephemeral pictures and videos. It is the most popular social media amongst teenagers and children (Statista, 2020)

Tumblr, with 642M monthly active users, is a platform where users can post pictures, texts, and videos. It has seen a heavy dropoff in usage the past few years.

WeChat, with 1Bn monthly active users, is a very broad social media platform used mainly in China.

Medium, with 100M monthly active users, is a platform to publish articles, and can be a good platform for repurposing blog articles.

Email

Email is another popular channel for content distribution, where companies can promote content as a way of nurturing leads and maintaining existing customers as loyal. In comparison to publishing posts on social media, email has on average a very high opening rate, as the customers are already aware of the company.

With emails, most types of content can be distributed or linked to, making it a versatile tool for most content distribution. It can be automated in sequences to lower maintenance and still achieve a high lead engagement using pre-produced articles, videos, or images.

2.2.2 Earned content distribution

Earned content distribution requires social engineering, and is contingent upon outreach to relevant publishers in channels like newspapers, magazines, or blogs. It can have powerful effects for awareness, credibility, and SEO. Having links pointing to the company website from other credible and relevant websites will increase rankings of the owned website. Further benefits with these channels is that they give free exposure for the brand, which can be especially meaningful with bigger publications.

Public relations

Public relation content distribution usually takes the form of a press release that is pushed out to a big group of journalists, and then pitched until a certain amount of journalists agree to publish a story similar to the press release. This is an effective strategy for companies to distribute company-related news like a fundraising or the launch of a new product.

Guest blogging

Guest blogging content distribution is when a person in the company writes a guest article for another blogger in the same niche. It is an effective strategy for cross promoting to a targeted audience and can also have a positive effect on business networks.

Forum Promotions

Forum promotion is when marketers promote content as an answer to a discussion in an online forum. This can be an effective way to increase the reach, perceived relevance, and SEO of content, and can be done on sites like Reddit, with 430M monthly active users, or Quora, with 300M monthly active users. (Statista et Al, 2019)

2.2.3 Paid content distribution

Paid content distribution is a good way of not only increasing the reach and results of organic social media posts by sponsoring them, but also to get additional exposure with targeted audiences through advertising campaigns. Overall, there is still ROI to be found in most paid content distribution, however, with increasing competition and auction based pricing, costs are rising, which are making it harder for companies without an efficient funnel or strong cash flow to compete. Overall, however, it is a popular channel choice amongst content marketers, with the majority of marketers saying it's very important or extremely important to their overall marketing strategy (Hubspot, 2020).

In paid marketing, CPC stands for cost per click, and represents the cost the company has to pay per person that clicks a certain ad. CPM stands for cost per mille, and represents the cost per thousand impressions, regardless of whether they click the ad or not. CTR stands for click-through rate, and represents how many percent of the people who saw the ad that clicked on it.

Sponsored posts

To sponsor a post means to pay the social media channel to boost the reach of organic posts. It can be a good way to capitalize on the best performing pieces of content shared on the company's social media, and has the advantage of not looking like an ad.

The three most popular networks for sponsoring posts are (Teicher, 2015):

- **Facebook**, with an average CPC of \$0.50
- **Twitter**, with an average CPC of \$1
- **Linkedin**, with an average CPC of \$6

Native advertising

Native advertising refers to advertising that does not look like an ad, but rather fits into the format of the publication in which it appears. Three fourths of big publishers use native advertising as a revenue source. It is also popular amongst companies and marketers, as studies show that native ads are seen 53 % more than display ads (Outbrain, 2020).

The three most popular networks for native advertising are (Teicher, 2015):

- **Nativo** - with a CPM of \$12-20, is a network of publications like Newsweek and Entrepreneur, that even lets marketers publish their articles onto publishers' sites.
- **Outbrain** - with a CPC of \$0.3, and a network of publishers like Time, Mashable, and CNN, but lacking tracking and optimization abilities.
- **Taboola** - with a CPC of \$0.25, and a network of publishers like Business insider and Bloomberg, and a focus on video distribution.

Advertising campaigns

Pay per click campaigns are traditional social or display ads linking to content. They are usually used in conjunction with a funnel; for example, an ad might lead to a landing page that promotes a free e-book which the customer gets if he or she enters an email. It can be an effective method of content promotion, given that the content distributed has a clear monetization strategy that produces more revenue than the ad spend.

Table 2: Advertising networks and their potential

| Advertising Channel | Average CPC | Average CPM | Average CTR |
|---------------------|-----------------|-------------|-------------|
| Twitter | \$0.49 | \$4.20 | 0.84 % |
| Instagram | \$1.41 | \$8.39 | 0.52% |
| Facebook | \$1.72 | \$11.20 | 0.9% |
| Youtube | \$3.21 | \$9.86 | 0.33 % |
| Linkedin | \$3.72 | \$7.57 | 0.26 % |
| Tik Tok | Min \$500/month | \$10 | N/A |
| Snapchat | Min \$3K/month | \$2.95 | N/A |
| Google Search | \$2.69 | \$116.91 | 3.17 % |

| | | | |
|---------------------------|--------|--------|--------|
| Google Display Network | \$0.63 | \$2.80 | 0.46 % |
|---------------------------|--------|--------|--------|

(Statista et Al, 2019)

Over the long term, followers from owned social media channels can be used in paid advertising to achieve lower acquisition costs and higher likelihoods of converting. Overall marketers see the highest ROI on Facebook and Instagram, and considerably lower from alternative channels like Snapchat and Tik Tok. (Hubspot, 2019; Decker, 2019)

Influencers

Influencer marketing is an effective way to reach targeted audiences and gain validation through association with a person well regarded within the target audience. Instagram is one of the most utilized platforms for influencer campaigns, and by connecting with the right influencers brands can connect with a highly engaged audience to increase brand awareness. Influencer rates are more expensive the more followers an influencer has, the more permanent the post (posts that last for a day are cheaper than posts that last forever), and the more demanding the content is to produce (videos on Youtube are the most expensive) (Klear, 2019).

Many influencers are also active outside of social media. There is a large number of influencers running blogs that are willing to feature sponsored content, usually averaging a CPM of \$60 (WebFX, 2020).

When it comes to compensating influencers, there are five main pricing models:

- **Pay-Per-Post** - the most common pricing model, where influencers are paid a flat fee per piece of content that they create and post. Although most top tier influencers only accept this pricing model, it can be risky.
- **Product or Travel Compensation** - sometimes brands can get influencers to post content for them with free products or travel packages. The disadvantages of this model is that it is cost-prohibitive, and is thus ideal for smaller influencer programs.
- **Pay-Per-Click** - this model compensates influencers based on how well their content performs in terms of clicks to the companies website. The advantage of this model is that it creates an incentive for the influencers, but also comes with risk of fake traffic.
- **Pay-Per-Acquisition** - this model is similar to the Pay-Per Click model but compensates a higher amount only once the customer has made a purchase. This compensation model is the least common.
- **Pay-Per-Engagement** - this is similar to the previous two models but with the difference that influencers are compensated per engagement (such as likes, comments, or shares of a piece of content).

2.3 Content strategies

Search engine optimization

Search engine optimization, often abbreviated SEO, is the process of maximizing traffic to a certain website by improving website visibility, also known as SERP-ranking, in search engine results (Kritzinger & Weideman, 2013). A website's SERP-ranking is determined by the search engines algorithm that assesses the websites accessibility, user experience, content optimization and mobile friendliness, among other factors (Thompson, 2020).

SEO efforts can generally be divided into three categories:

- **On page optimization** - optimizing the content visible to the reader on the screen to be more readable and well structured, while including more relevant keywords that potential customers might search for.
- **Off page optimization** - building so-called backlinks, which are links to the company website from other credible websites that can be attained through doing earned content distribution.
- **Technical SEO** - the technological infrastructure that composes the site, including things like improving page speed and mobile user experience.

Although SEO is an increasingly competitive arena, 64 % of marketers are actively investing time in it, as organic traffic from search engines can be a great way of getting qualified leads at lower acquisition costs (Hubspot, 2020).

2.3.1 Content optimization

Content optimization refers to experimentation related to the creative content that is used. This can include techniques such as on-page keyword optimization or conversion oriented techniques such as A/B testing and Dynamic Ads.

Keyword optimization involves researching which questions people are asking related to the service or product that the company sells, and then including these questions in blog articles, using the same keywords as searchers are using.

A/B testing can be done on many different types of contents and is a type of experiment where two different variants of a piece of content is shown to two randomly assigned groups. By doing this, companies can test their way to the highest performing content.

Dynamic ads are related to paid content distribution and is a process where several different elements of an ad are tested at the same time, with a large amount of different combinations. This can be used to find the best combination of things like advertising picture, headline, and subtext.

Best practice is to also create content with a funnel in mind. A simple way to model this is to divide potential customers into three stages:

- **Oblivious** - this is the first point of contact with customers, and at this stage marketers can't ask for too much commitment from people. During this stage, the mission of the marketer is to get the attention of qualified clients as well as their email address or other type of subscription. The type of content that can be suitable for this stage is easily consumed content like an article, video, or online assessment.
- **Consideration** - during this phase, customers are already aware of the company, and might be reached through channels like retargeting ads or owned content distribution channels. Here, the mission of the marketer is to educate the customer and establish trust for the company and its product or service. The type of content at this stage can be a bit more in depth, including things like an e-book, video course, or comparative article.
- **Decision** - at this stage, customers are actively looking to make a purchase as they already understand that they need the product and have the trust necessary to go through with the purchase. During this stage the mission of the marketer is to get the customer to go through the sales process and buy the product or service on offer. The type of content at this stage should be focused on conversions, and can be things like sales pages, webinars, or strategy calls.

Throughout these three stages, the tone and form of the content will differ. Usually, in the beginning of the funnel, content will be more informational and short. Later in the funnel, the content can be more focused on conversions, as well as more long form content. When creating content to be matched with search keywords, content intended for the oblivious stage of the funnel should target broad keywords (such as “life insurance”), while content intended for the consideration stage should target more long-tail keywords (such as “best websites to buy life insurance from”). Finally content intended for the decision stage should target even more long tail keywords (such as “buy life insurance white swan”).

2.3.2 Delivery optimization

One of the biggest advantages of digital marketing is the targeting abilities that comes with connected devices and data points on each user. By optimizing targeting and delivery of content, marketers can ensure that each piece of content reaches its full potential, and that the marketing budget is spent effectively.

The first step to advanced targeting is to implement a Facebook pixel on the company website that will collect data points on customers which have interacted with the webpage in a certain way.

This data can later be used for retargeting, which are ads that are shown only to customers that have already interacted with your brand in some way. The data can also be used for lookalike modeling, which is a targeting approach where a subset of an audience is used to create an average persona, which is then used for targeting. The more qualified subset of users that are used for lookalike modelling, such as those further down the funnel, the better the results will be, as the lookalike algorithm will identify the common characteristics amongst those who convert rather than simply those who have visited your website or clicked on an ad.

Traditionally, a company would start with optimizing the creative in the content and ads on a broad target audience, and then by analyzing the results from that optimization, the company can then start experimenting with niching down towards smaller audiences. Once the best performing smaller audience is found, the content can then be further optimized to fit the new audience. In this way, content optimization and delivery optimization happens continuously in a synchronized fashion.

2.3.3 Content personalization

With the progression of technology, consumers are increasingly expecting personal experiences online, and 92 % marketers are using it in some way (Evergage, 2020). The majority of marketers using personalization reports that it is more effective than content that isn't personalized (Instapage, 2020). In fact, 90 % of US adults say that they find personalized marketing content appealing, and personalized calls to actions have been proven to be 200 % more effective than generic call to actions (Statista, 2017; Vocell, 2020). Marketers have been using personalization strategies for a long time, and 94 % of them believe that it is critical or important to reaching customers, while 68 % of marketers say that personalization based on behavioral data has a high impact on ROI (Vorlova, 2017).

The most common channel for using personalization is email, followed by the company website and mobile apps. The most common types of content that gets personalized is email content, home pages, and landing pages. The most common data points for personalization are email address, name, location, cookies and demographics.

Marketers can personalize at different depths - both through segmentation, where content is adapted to a group of people, or through individual personalization, where content is specifically adapted to a specific person. Global businesses should consider using segmentation to automatically show content in the reader's local language, prices in the local currency, and for showing content related to that geography.

Marketers can create personas from the segments and use these personas to produce content specifically suited for that persona. With each persona, marketers can create customer journey maps and build associated content and distribution mechanisms to lead a certain segment through that customer journey.

Companies can also pursue individual-specific personalization. By using AI-driven content personalization marketers can use both first and third party data to make intelligent decisions with each customer interaction across channels, delivering hyper relevant content over landing pages, special offers, product recommendations, and emails. However, there is a fine line between serving customers better and being over-familiar and creepy when personalizing content, such as welcoming a user by name on a web page, and marketers should handle more advanced solutions with care.

A good example of using a highly personalized approach that greatly benefits marketers with more customer data while creating value for the customer is to use assessments linked to personalized reports. This was done by financial services company Fidelity in their financial checkup that takes customers through an interactive online quiz to generate personalized tips and strategies for their financial plans. Not only does this save the customer time and provides them with essential strategies for managing their finances better, it also helps companies generate more first hand data that can be used for future personalization.

2.3.4 Competitive intelligence research

Content marketing strategies should be supported by competitive intelligence. Generally, competitive research is done in three steps:

1. **Taking inventory of competitors' content** means to catalog the content types and distribution channels that competitors are using, which gives insights to what types of content and channels that have worked in a certain niche.
2. **Evaluating content quality and quantity** means to evaluate what type of engagement different content gets, as well as how many channels are pursued, which helps marketers assess which types of content and channels that performs the best.
3. **Tag and analyze content topics** means to map out which subjects are being written about and which keywords are being targeted. A marketer can either start by creating content for the topics which their competitors are not, or by creating content in topics where competitors' content is not so strong.

3. Theoretical framework

3.1 Psychological Theory

3.1.1 Reciprocity

The issue of content marketing and its value in advertising can be seen through a lense of human psychology. For instance, reciprocity means that people are generally more cooperative and less driven by motives of self-interest in response to friendly actions. (Fehr & Gächter, 2000). Falk and Fischbacher (2000) formulated a theory of reciprocity that

defines reciprocity as dependent on experienced kindness among other variables. They state that there is strong evidence from earlier research on the importance of reciprocity in a wide range of economical situations.

Although this research does not include the topic of content marketing, a commonly performed experiment to measure the effect reciprocity is the gift-exchange game (Falk & Fischbacher, 2000). Drawing comparisons between the nature of gifts and free content, present authors recognize the offering of content as a way of increasing the likelihood of recipients taking a desired action. In other words, if the content offer is seen as a friendly action, the theory indicates that it should have a higher chance of generating leads.

3.1.2 Information-gap theory

Information-gap theory (Loewenstein, 1994) proposes that curiosity is a matter of cognitive deprivation derived from a perceived gap in knowledge and understanding. It serves as a powerful motivator to acquire new information and close the information gap. The theory further states that by providing recipients with small amounts of information, one can greatly increase their curiosity. It is difficult to make predictions about general content marketing performance on the basis of information-gap theory. Present authors wish to note, however, that if content is presented in a way that makes consumers feel like they are not “in the know”, the theory predicts that curiosity itself may drive them to indulge in content. It is not unreasonable to believe that a perceived gap in knowledge is more likely to appear if content is provided versus if no content is provided.

3.2 Marketing theory

3.2.1 Resource-Based Theory

Resource-based theory argues that firm profits are dictated by internal factors, that is to say firm resources and capabilities (Wernerfelt, 1984) (Kozlenkova, Samaha, & Palmatier, 2013). The prominent view before the development of resource-based theory mainly considered industry-level factors as influential for firms’ potential profits (Porter 1979). Barney (1991) outlined the core elements and definitions of resources and competitive advantages. Firm resources are deemed valuable if they enable strategies that can lower a firm’s net costs and/or increase net revenues (Barney and Arikan 2001).

A firm’s sustainable competitive advantage depends on the imitability of resources, as well as if they are rare or not easily replaced. Furthermore, resource-based theory assumes resource heterogeneity, stating that some firms have unique resources and more skill in performing certain tasks. Heterogeneous resources can generate benefits consistently over time (Barney and Hesterly 2012).

Since present authors struggle to recognize content as rare and hard to imitate or replace, resource-based theory is not used to support the hypotheses of the experiment. Worth noting, however, is that if content marketing proves to be an effective marketing strategy, content can in turn be deemed a valuable resource.

3.2.2 The Elaboration Likelihood Model

The Elaboration Likelihood Model (Cacioppo & Petty, 1984) proposes that the receiver of an advertisement can take two different processing routes: the central route and the peripheral route. The central route requires that the receiver has sufficient levels of motivation and ability to truly think about the advertising message. In instances of low motivation and ability, the peripheral route is taken, and the advertising message is assessed based on factors other than the strength of its arguments and ideas. These factors include whether or not the sender of the message appears to be an expert, as well as the attractiveness of the message.

Similarly, the Consumer Decision Model defines problem-solving as either extended or limited (Bray, 2008). Extended problem solving is used in new or complex purchase decisions of a high involvement, while simpler, low-involvement purchase decisions are subject to limited problem solving. The nature of problem solving determines how much external and internal information a consumer is inclined to gather before a purchase. Cacioppo and Petty (1984) connected high involvement purchase decisions to central route processing, stating that higher involvement equals higher personal relevance, which in turn increases the probability of central route processing. Present authors recognize purchase decisions in the fintech industry as high involvement, hence increasing the likelihood of central route processing. Logically, content marketing has the potential to be effective if consumers have high motivation and ability to process information.

3.2.3 The AIDA Model

The AIDA Model (St Elmo Lewis, 1898) is a way of theorizing personal selling and has since been widely adopted by marketing and advertising theorists alike (Oxford Reference, 2020). The model outlines four linear steps that a consumer takes to advance from an initial stage of ignorance to an eventual purchase, namely attention, interest, desire and action. After capturing the attention of the consumer, the seller must spark interest by addressing the special needs of the consumer. Often, this implies the promise of reward or satisfaction. The challenge then lies in creating a desire to purchase, where the benefits of the product or service are successfully linked to consumer needs.

While this is difficult to achieve, present authors recognize the addition of a content marketing component in the marketing mix as a possible way of stimulating this process. Not only could it spark interest by promising the reward of useful, extensive information, but the information itself could perhaps convince consumers that their needs will be satisfied by the product or service, in turn leading to the final step of action. The notion that interest can be

sparked by a promised reward is nonetheless the sole component of the AIDA Model that present authors use to support the hypotheses.

3.4 Hypotheses

On the basis of reciprocity and information-gap theory, and because present authors believe that

- purchasing decisions in the fintech industry are high involvement decisions, increasing the probability of central route processing where the receiver has the motivation and ability to intensely process information in accordance with the Elaboration Likelihood Model.
- content works as a form of promised reward that can create interest in accordance with the AIDA Model.

On the basis of these believes, the hypothesis for this study are:

H1. *A content campaign for a fintech company generates more leads than a similar campaign without a content marketing component.*

H2. *A content campaign for a fintech company gets a higher click-through rate than a similar campaign without a content marketing component*

Cost per conversion is directly calculated as a quota of advertising spending over the number of leads. The first hypothesis is therefore designed to answer the thesis' research question: Can a startup in the fintech industry use content to lower conversion costs? Present authors also see value in testing for the difference in click-through rate, as it is an important component in the performance, hence the addition of the second hypothesis. This way, the experiment tests for two separate levels of ad performance.

4. Method

4.1 Randomized controlled trials

Gordon and Zettermeyer (2018) at the Kellogg School of Management compared two contrasting approaches to measuring advertising effectiveness: randomized controlled trials (RCTs) and observational methods. A randomized controlled trial implies that the target audience is randomly split into a test group and a control group prior to the test. Members of the test group are exposed to the experiment's focal ad, while the control group is shown an alternative ad in place of the focal ad. Causal effects are then estimated by comparing outcomes in the test group to outcomes in the control group. Observational methods, on the other hand, rely on ad campaigns in which the entire target audience is made eligible to see

the ad. When the campaign has run its course, only a part of the target audience has actually been exposed to the ad, and causal effects are estimated by comparing the exposed group to the unexposed group.

Gordon and Zettlemeyer analyzed 15 large-scale randomized controlled trials on Facebook. RCT estimates were replicated through several common observational methods, such as exact matching and regression adjustment, resulting in corresponding observational estimates. On average, the observational estimates were found to exaggerate the causal effects of advertising, although in some instances, they substantially underestimated effects.

Research by Lewis and Rao (2015) supports the claim that RCTs are a superior strategy to observational methods for measuring ad effectiveness. Their findings showed that while RCTs estimates are imprecise, observational methods tend to generate considerable biases. They pointed to the problem of selection bias in commonly used observational methods, rooted in the fact that online advertising, by default, is targeted. Likewise, Gordon and Zettlemeyer (2018) discussed the problem of selection bias in online advertising as a consequence of targeting-induced endogeneity, as well as user-induced and competition-induced endogeneity.

Present authors recognize the issue of targeting-induced endogeneity as particularly relevant in the context of our study. As explained by Gordon and Zettlemeyer (2018), advertising platforms are designed to maximize conversion rates by optimizing ad exposure. As a campaign progresses, the users of the target group who are deemed to have a higher chance of meeting its objectives are more likely to be exposed. Comparing the outcomes between these users and those who are left unexposed will subsequently overstate the causal effects of an ad.

Random assignment, however, neutralizes the selection bias imposed by targeting-induced endogeneity (Gordon & Zettlemeyer, 2018). This is because the test group and control group are subject to the same targeting process. Until the very moment of exposure, in which the focal ad is replaced by an alternative ad, members of the control group are “up weighted” and “down weighted” as if they are to be shown the focal ad. In the eyes of advertising platform algorithms, the probability of conversion among users in the control group is equivalent to that of the treatment group.

4.2 Execution

White Swan is yet in a pre-launch stage, so we are unable to measure purchases. Facebook Business Manager (Facebook, 2020; Facebook Business, 2020a; Facebook Business, 2020b) lets you choose from a wide variety of conversion goals and accompanying metrics. By defining a conversion as one obtained email address - as opposed to, for instance, one click or one page visit - Facebook still let's you apply a control group and measure the incremental

conversion lift, meaning the additional conversions contributed by the ads. This is because potential conversions made from other sources than the tested ads are accounted for thanks to the control group.

The ads are thereby designed to fulfill the same conversion objective of obtaining the email addresses of its recipients. The focal ad promotes an e-book while the benchmark ad promotes a newsletter. The thought process behind choosing these particular items goes as follows: e-books are effective when it comes to generating leads. As stated earlier in the paper, their long length warrants high levels of perceived value and effort, thus increasing the chance that consumers share contact details to gain access to a copy (Digital Marketing Institute, 2020). The fact that lengthy articles have been shown to spark more engagement than shorter texts is a reassuring detail (SEMrush, 2019).

Since the aim of our research is to test whether the implementation of a content marketing strategy can lower conversion costs, the e-book-based (content) ad must be assessed in relation to an advertising strategy without a clear content marketing component. Recipients must, however, be incentivized to share their email address. With this logic, present authors see a newsletter-based ad as a reasonable compromise. Users who share their email address agree to sign up to a company newsletter. It offers consumers minimum amounts of content compared to the e-book while simultaneously functioning as a specific incentive for sharing information, hence serving as an adequate baseline point of comparison. More detailed information about these ads is presented further below.

Preferably, both of these ad strategies would have been run simultaneously in a split test, where all variables were held constant except for the promised reward of either an e-book or newsletters in exchange of a given email address. In this case, the experiment would consist of two treatment groups and one control group, where the control group amounts to 10 % of the total sample (as is Facebook's standard for conversion lift tests) and the remaining 90 % of users who receive treatment are split in half and randomly assigned one of the two ads. Such randomized split testing, however, will not be conducted in this study due to budget-related reasons.

Prior to the study, a newsletter-based ad campaign was run by White Swan with poor conversion results. Only one sign-up was made, even though the ad was shown to over 12,000 people. Running the same campaign a second time would not make sense from a financial standpoint. Further, considering that White Swan is a newly established startup and that the first campaign had a low conversion rate, we could safely assume the control group would have no uptakes.

Thus, the advertising campaign is in practice run without a control group, while all the campaign conversions during the test period can be assumed to be contributing to the

campaign lift. For larger, more established companies where conversions are made through several sources, a control group would be needed to isolate the incremental lift.

Present authors understand that non-simultaneous testing of the two ads is not the optimal method from a scientific standpoint, as other variables than that of the promised reward will influence the relative performance of the ads. These variables include the factor of time and the difference in design of the two ads and are discussed below as negative influences on the internal validity of the paper. Still, present authors argue that the chosen research method can answer the question of whether or not the implementation of a content marketing strategy can lower conversion costs. For startups who also struggle to get leads with other marketing strategies, the results of this experiment can be of interest even without randomized, simultaneous testing.

4.4 Data Analysis Test and Tools

Experiment data is measured and collected in Facebook Business Manager where detailed data about campaign performance is automatically tracked. To test for significance relevant data points are imported and processed in Python. Under the assumption of unequal variance, Welch's T-tests are performed to test respective hypotheses. The test has two binary variables, conversions and clicks. Facebook does not provide data about their standard deviation, but because they are binary, variance is easily derived.

4.3 Content Campaign Design

For our content campaign, we decided to set up a pay-per-click campaign using advertisements, a landing page, as well as a downloadable e-book. This campaign is similar in structure to our benchmark campaign, where advertisements were driving traffic to a landing page that featured a newsletter signup.

4.3.1 Advertisements

Our advertisements were run on the Facebook ads network, where we could advertise on Facebook, Instagram, as well as Facebook's Display Network. Facebook uses machine learning to optimize things such as creative, distribution format, and targeting, and is using a utility function for this optimization that is decided by the advertiser as a "Campaign Objective". We chose the conversion objective, which optimizes towards more conversions, seen as signups, since this is the main KPI of the campaign. We set a budget of \$100, and ran the ads for one day each. We set up the ads with several different headline texts, which Facebook's algorithms tested to find the best converting one. We choose a custom built audience which has been derived from previous advertising experiments, which was defined as follows:

- **Location:** United States

- **Age:** 25-45
- **Education:** College
- **Income:** Top 25 % earners in the US
- **Family:** Parents with kids between 0-17 years old

The above configuration was the same both for our benchmark advertisement and our content advertisement. However, there are a few key differences. Firstly, the content advertisement featured a 21 second video advertisement, while the benchmark advertisement featured a picture. Secondly, the call-to-action on the content advertisement was “Download”, while the call-to-action of the benchmark advertisement was “Learn More”. For the actual advertisements, see Appendix 12.1 - White Swan Campaign.

4.3.2 Landing Pages

We built landing pages which the advertisements linked to. The purpose of using landing pages is to limit the amount of options a visitor has to click on to make it simpler for them to convert. While both landing pages collect subscriptions, the benchmark landing page did so by generally selling White Swan as a company, while the content landing page did so by selling an e-book containing financial advice for handling a market crisis. The benchmark landing page featured more wording, while the content landing page had a more simplistic information structure. Further, the benchmark landing page featured mainly public domain pictures from the internet, while the content landing page featured custom marketing pictures made specifically to promote the e-book. For the actual landing pages, see Appendix 12.1 - White Swan Campaign.

4.3.3 Offers

The biggest difference between the content campaign and the benchmark campaign is the offer promoted. In the benchmark campaign, a newsletter subscription is offered, which features educational emails that promotes articles on topics related to White Swan. In the content campaign, a 47 page e-book is offered called “A Step-by-Step guide to Limit Losses and Create Profits in the COVID-19 Financial Crisis”, which teaches the reader how they can rearrange their finances across assets, investments, debts, cash flow and insurance to achieve the best financial result in the current market crisis.

While the newsletter in the benchmark campaign only markets White Swan, the e-book in the content campaign markets several different Fintech companies to provide a broader value to the reader. In general, the intention behind the newsletter offer is to nurture leads to entice them into investing with White Swan, while the intention behind the e-book offer is to establish credibility and help people handle their finances better in challenging times.

4.4 Limitations

4.4.1 Validity

The research method is not a true experiment, since it lacks control over the scheduling of experimental stimuli, that is, control over who is exposed and when they are exposed and the ability to randomize exposures (Donald & Stanley, 1959). In a true experiment, participants must be randomly assigned to conditions or orders of conditions. This raises internal validity issues.

Present authors acknowledge the high possibility that content marketing is more advantageous in the fintech industry than in many other industries. In comparison with apparent low-involvement industries, purchase-making decisions in the fintech industry are likely to be perceived as complex, as the market offers a great number of investment opportunities of significant variation. They are also likely to be perceived as high-risk; not only in the case of high prices, but also due to the volatility of the financial market. This impels extensive information searches. Presumably, as the opportunity to provide the consumer with potentially valuable information increases, so does the ability for content marketing to lower acquisition costs. Along these lines, the outcomes of content campaigns in industries of contrasting characteristics to the fintech industry are likely to differ from the results obtained in the experiment. This raises concerns about the paper's external validity.

4.4.3 Reliability

It is possible that the impact of content marketing related to market crashes are exaggerated by the current state of the world. In the wake of a pandemic, the financial market has plummeted at record pace. White Swan pitches life insurance as an alternative investment to stocks, bonds and securities, with its guaranteed and tax-free returns. When they lose value, many investors look to place their holdings elsewhere, and life insurance guarantees constant returns. In fact, many life insurance providers in the US have already seen boosts in sales, such as the online broker Haven Life which saw a 42 % uplift in sales in April (Scism, 2020).

Content produced by White Swan is thus sure to be of greater interest to consumers during a crisis than in a time of financial stability. Hence, the confounding variables relating to the current state of the market are likely to raise reliability issues. As does the fact that the two campaigns differ in more ways than that of the e-book component. The treatment effect can also be attributed to the presence of a video in the content ad and other deviations in overall ad appearance. The large sample size increases the study's reliability.

4.5 Literature Review

Rancati and Gordini (2014) described content marketing as a configuration of three distinct elements: content, customer engagement, and goals. The content produced must be able to

create interest and educate consumers while still being coherent with the values of the company. Customer engagement, in this context, refers to tailoring content according to the needs of consumers. Preferably, content should be continuously adapted on the basis of a constant exchange of information between companies and consumers.

Regarding the goals of content marketing, Rancati and Gordoni suggested that they should not be limited to solely one objective or marketing operation. All of these three elements are more or less considered by present authors in the creation of the content campaign. First of all, the e-book educates readers about the opportunities and threats of the current financial market, while projecting company values about life insurance and its superiority to other investment alternatives. Secondly, the content of the e-book is built upon material that has already been tested and assessed in other content marketing forms, such as articles. Finally, while we only measure lead generation, the content ad is also seen as a way of building awareness and customer loyalty.

The topic of advertising disguised as content was examined by Wojdyski (2016) through an online experiment, where participants were asked to read an online news article and answer a questionnaire aimed to measure their reaction to the content. The study found that participants who recognized the article as advertising had lower perception of its quality and attitudes towards the brand. On the other hand, recognition did not negatively affect participants' willingness to share the article. Present authors have not made any deliberate attempts to disguise the content ad as content. White Swan's logo is clearly shown at the end of the ad next to the call to action, and unlike the sponsored article in Wojdyski's study, our content ad is not a native ad designed to match the appearance of unsponsored posts. It can not be ruled out, however, that the majority of users do not recognize the sponsored content as advertising. The content ad endorses the e-book more so than it endorses the White Swan as a company. Furthermore, even with the presence of a logo, the sponsored article in Wojdyski's study was only recognized as advertising by 23 % of participants. While it is difficult to believe that such a small fraction of participants in our experiment fail to recognize the content as advertising, present authors still see this phenomenon as an interesting point of consideration. Further research could perhaps examine content marketing performance in the context of display and social ads versus native ads.

5. Results

5.1 Campaign outcomes

The content campaign did indeed generate lower cost per conversions and more leads. However, the performance of the ad as measured by CPC, CPM, and CTR was worse in the content campaign than the benchmark campaign. The conversion-related differences were however large, and the campaign was able to decrease the cost of conversion with as much as 96 %.

Table 3: Comparison of results between content and benchmark campaign

| | Content Campaign | Benchmark Campaign |
|----------------------------------|------------------|--------------------|
| Cost per click | \$1.75 | \$0.38 |
| Cost per 1000 impressions | \$15.85 | \$9.17 |
| Click-through rate | 1.24 % | 4.75 % |
| Cost per conversion | \$4 | \$100 |
| Reach | 6,006 | 12,010 |
| Landing page views | 46 | 325 |
| Sign-ups | 25 | 1 |

This data was gathered from the Facebook business manager and was collected during the course of the different campaigns. The reason that reach data differs slightly from what would be derived from dividing the campaign budget with the cost per 1000 impressions is that impressions include those instances where an ad has been shown to a single person several times, while reach only includes the amount of people that has seen the ad once or more times. The reason that landing page views differ slightly from what would be derived from dividing the campaign budget with the cost per click is that cost per click also includes when someone likes, shares, or comments an ad rather than follows the ad link. The reason that landing page views differ slightly from what would be derived by multiplying the reach by the click-through rate is that the click-through rate is calculated using not only clicks to the landing page but also likes, comments, and shares, and then dividing that by impressions.

5.2 Conversions

Under the assumption of unequal variance, Welch's T-tests are performed to test respective hypotheses.

Table 4: Welch's T-test on campaign type's effect on conversion rate

| Campaign | N | Mean | SD | t | p |
|------------------|--------|----------------------|----------------------|------|---------|
| Content | 6,006 | $4.16 \cdot 10^{-3}$ | $6.44 \cdot 10^{-2}$ | 4.89 | <0.0001 |
| Benchmark | 12,010 | $8.32 \cdot 10^{-5}$ | $9.12 \cdot 10^{-3}$ | | |

With a significance level set to 0.01, the null hypothesis that there is no difference in conversion rate between the two campaigns is rejected.

H1. *A content campaign for a fintech company generates more leads than a similar campaign without a content marketing component.* **Supported**

5.3 Click-through rate

Table 5: Welch's T-test on campaign type's effect on click-through rate

| Campaign | N | Mean | SD | t | p |
|-----------|--------|----------------------|----------------------|--------|---------|
| Content | 6,006 | $1.24 \cdot 10^{-2}$ | $1.10 \cdot 10^{-1}$ | -14.60 | >0.9999 |
| Benchmark | 12,010 | $4.75 \cdot 10^{-2}$ | $2.13 \cdot 10^{-1}$ | | |

The null hypothesis that there is no difference in click-through rate between the two campaigns is rejected. If the alternative hypothesis was reversed, it would have significant support.

H2. *A content campaign for a fintech company gets a higher click-through rate than a similar campaign without a content marketing component.* **Not Supported**

9. Discussion

When interpreting the results, it is clear that while the content campaign was better at achieving the main business objective of getting sign-ups, it did not, seen purely as an ad, perform as well. The benchmark campaign had lower cost per clicks, lower cost per 1000 impressions, a higher click-through rate, and a higher reach.

One reason for these differences in ad performance could potentially be found in the creative of the ads, and how it related to the offer on the landing page. While the benchmark ad more generally promoted the value proposition of the company, the content ads specifically promoted an E-book. This gave the benchmark ads more creative margin to address the audience's pain points in the message, which should lead to higher click-through rates. The content campaign, on the other hand, was confined to only marketing an e-book, and did not have the same ability to adapt the messaging to entice the viewer to click.

The point of coherency between ad and landing page might also be the reason that the content campaign converted so much better than the benchmark campaign. As the landing page was in line with the expectations set in the ad, the audience should be more naturally inclined to convert on the landing page. Compare this to the benchmark ad, where the audience might have been enticed to click because of a value proposition communicated in the ad, but without the ability to instantly seize that value proposition in the ensuing landing page, conversions were less effective.

Another factor in the difference between ad performance could potentially be found in that the benchmark ad used an image ad while the content ad used a video ad. A video takes longer to view and extract information from than a photo, even though it is a richer

experience. Because of this reason, most viewers will not consume the entire video, and will thus not be exposed to the entire messaging contained within the video.

Table 6: Content advertisement video play time statistics

| | N | % of reach |
|---------------------------|----------|-------------------|
| Reach | 6006 | 100 % |
| Video Plays | 5095 | 84.83 % |
| 3 sec viewed | 1252 | 20.85 % |
| 5.25 sec viewed | 695 | 11.57 % |
| 10.5 sec viewed | 319 | 5.31 % |
| 15.75 sec viewed | 162 | 2.70 % |
| 19.95 sec viewed | 103 | 1.71 % |
| Full 21 sec viewed | 92 | 1.53 % |
| Average view time | 00:03 | |

As we can see in the table above, the average view time of the video is only 3 seconds, while the entire video ad was 21 seconds. However, when comparing the percentage of the reach that has viewed the whole video, 1.53 %, with the click-through rate of 1.24 %, it seems to provide some proof that the people who actually viewed the full ad usually also clicked the link.

In general, the time commitment required to consume the ad and the offer differed between the two campaigns. In the content campaign both the ad, as a 21 second video, and the offer, as a 50 page e-book, were more long form than the picture ad and the newsletter offer of the benchmark campaign. This might have influenced the lower click-through rate of the content campaign. However, it also might have influenced how qualified those people clicking through were, as seen in the difference in conversion rates.

The most significant performance improvements came from the landing pages. One reason that the content landing page might have performed better than the benchmark landing page could be related to the information-gap theory (Loewenstein, 1994). While the benchmark landing page communicated most value propositions directly on the landing page, over several sections, the content landing page communicated much less information. Rather, it used wording such as:

Plus more than 25 uncommon financial strategies that let you conquer the crisis and use it as an opportunity to start your journey towards financial independence.

As this makes consumers feel as if they are not “in the know”, according to the information-gap theory, it might have triggered a curiosity that drove them to enter their email to get the book. Additionally, as suggested by the reciprocity theory, the fact that the

e-book was offered for free even though it could have been offered with a price should have increased the likelihood of visitors going through with the conversion due to the perceived effort and friendliness (Fehr & Gächter, 2000).

The differences in the quality between the traffic generated from the benchmark ad and the content ad is important to consider. While the benchmark ad generated more traffic in absolute terms, the content ad generated more qualified traffic, as measured in the amount of conversions derived from the campaign. To drive long term business performance it is important to plan, execute and optimize marketing efforts according to the right KPIs, and in this case it is the conversion rate, as the converted customers will be an asset for the startup in raising funds and growing commercially.

The study hypothesized that the content ad would generate more leads and a higher click-through rate with the support of marketing theory in addition to the previously mentioned psychology theories. With the results at hand, a reevaluation of the Elaboration Likelihood Model can explain the unexpected click-through rate outcome. The ability to process information is dependent on motivation levels, and to simply click on an ad requires less motivation than to read and understand the advertising message (Cacioppo & Petty, 1984). We suppose that for most conversions, the user truly understood the message hence showing signs of high motivation. Otherwise, they would have not shared their personal information. Since the content ad gave more conversions, we can assume that the group of people that clicked on average showed higher levels of motivation than the group of people that clicked on the benchmark ad. Logically, under the assumption that the benchmark ad requires less motivation to click on, it is not surprising to find that it outperformed the content ad in this metric.

The AIDA Model (St Elmo Lewis, 1898) was also used to support the hypotheses. The content ad did indeed create more interest, and the landing page was enticing enough to create desire which motivated action, but it did not perform as well as the benchmark ad in the attention stage of the model. Present authors therefore maintain that content can spark interest by promising the reward of useful information, but avoid making further connections to the model.

With this in mind, it is important to realize that the most important metric is the conversion rate, and that the click-through rate should come only as a second order priority. This is because without a strong conversion rate, a high click-through rate just means driving traffic to a site without a mechanism to monetize that traffic, which will not be profitable over the long term. With a strong conversion rate, however, click-through rate optimization can be an effective strategy of increasing the economic efficiency and effect of the campaign.

10. Conclusion

With regards to the study's research question - "can a fintech startup use content to lower conversion costs" - present authors conclude that a content marketing strategy has the potential to improve lead generation at lower costs. Of course, one must consider opportunity costs of producing content as well as lead quality with respect to purchase intentions before implementing such a strategy. Nevertheless, present authors recommend fintech startups to try content marketing if they struggle to get leads with traditional social ads. Interestingly enough, the content campaign had a significantly lower click-through rate than the benchmark campaign. When the goal is to maximize clicks, present authors recommend using a strategy separate from content marketing, such as dynamic ads or A/B testing.

10.1 Implications

As an implication of these results, it can be said that while content marketing can be a great way of acquiring leads and increasing conversion rates, it needs to be supplemented by other marketing strategies to achieve maximal effect in terms of ad efficiency. While the results of this study are not old enough to gather any data on ensuing propensity to make a purchase, it could be assumed that someone that has read the e-book will be more likely to make a purchase once the company is operating commercially. This implies that especially in industries with high customer lifetime value, there might be value in spending resources and effort in creating free content that can be used to acquire cheaper leads which can later be monetized through other marketing strategies.

10.2 Limitations and Critique

A central critique to this study is that it did not conduct randomized controlled testing. As described by Gordon and Zettelmeyer (2018), randomized testing with a holdout is essential for accurately measuring advertising effectiveness. Since no conversions were made from other sources than the tested ads, the absence of a holdout group made to engage in an alternative ad is not a big issue. However, running the campaigns in different time periods instead of conducting a single randomized split test raises both internal and external validity issues. This is due to the risk of selection biases caused by targeting-induced endogeneity as well as user-induced and competition-induced endogeneity. Furthermore, the measured treatment effect cannot only be attributed to the content marketing component, but also to the presence of a video in the content ad and other deviations in the overall ad appearance. Present authors understand that this is a problem, while arguing that the content component has the greatest explanatory value for the significant difference in the conversion rates of the ads.

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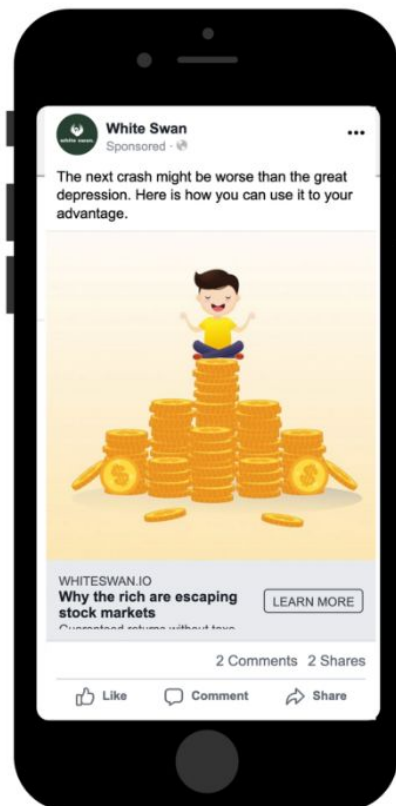
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12. Appendixes

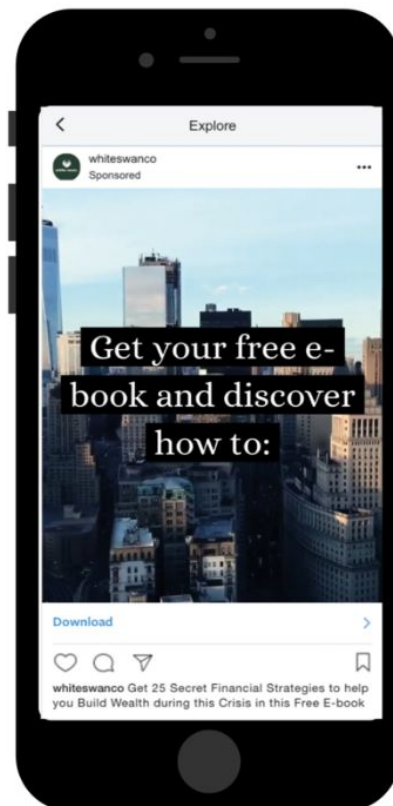
12.1 White Swan Campaign

The advertisements

Benchmark Advertisement




Content Advertisement



[The Video advertisement](#)

The landing pages

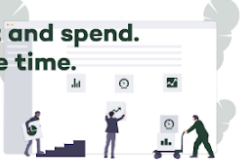
Benchmark Landing Page




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