

Development of a Digital Marketing Plan for UAB CGTrader to the United States

A Thesis

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by

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### Summary

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*Research goal:* The aim of the research is to develop a digital marketing plan for UAB CGTrader to the US market that would help to attract more 3D designers living in the US to the platform.

*Research objectives:* 1. To analyze the current situation of UAB CGTrader in the US. 2. To collect data regarding 3D designers living in the US and identify the appropriate tactics and media channels that would help to reach and attract 3D designers living in the US. 3. To suggest managerial solutions for UAB CGTrader regarding the digital marketing plan for the period of 2019.02.01 – 2020.01.31.

*Research methodology:* The qualitative research method was chosen for this empirical research. Semi-structured in-depth interviews were conducted by interviewing seven 3D designers living in the US that currently use CGTrader to sell their 3D models. The interview questions were prepared by using the 6M marketing communication model, as well as the RACE and Hierarchy of Effects frameworks. The data collected during the empirical research was used to develop a digital marketing plan for UAB CGTrader to the US market.

*Research results:* Findings of the research identify the main factors affecting the target markets' decision-making process, as well as the appropriate digital tools and channels that should be used to reach 3D designers living in the US.

*Keywords:* CGTrader, digital marketing plan, 3D, marketplace. Words: 16995

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## **Introduction**

### **Relevance of the topic**

UAB CGTrader is an online 3D model marketplace. It serves as a marketplace for 3D models, where 3D designers can upload their models and sell or share it, and 3D model users can purchase it. While the headquarters of the company are in Vilnius, Lithuania, it technically operates worldwide since it is purely an online – based business. However, despite that, it is important to adapt the digital marketing techniques in accordance to specific countries that the company targets, as the target markets in different countries can have different perceptions and put emphasis on different needs. This thesis specifically focusses on 3D designers living in the United States and refers to them as potential customers or the target market throughout the entire thesis.

The CGTrader platform was founded in 2011 and has been constantly growing ever since. In 2016 CGTrader was announced as the largest online 3D model marketplace in the world. However, since then, other platforms of such type managed to overtake the leading position of CGTrader by increasing the number of 3D models that they host. This number is one of the most important success factors for online 3D model marketplaces and is highly dependent on the number of 3D designers that use such platforms.

Currently, CGTrader is mostly used by 3D designers from Russia, Ukraine and India. While USA is not one of the biggest markets of 3D designers of UAB CGTrader, it is the biggest 3D model buyer market of the company. Attracting more 3D designers from the US can be beneficial to 3D model buyers, as it would be more convenient for them communicate with local designers. The company would benefit from that as well, as the number of 3D models hosted by the platform would increase, thus improving the position of the company in the market.

Therefore, attracting more 3D designers living in the US market and making it one of the largest 3D designer markets is an aspiration of UAB CGTrader.

Analyzing the internal and external factors that affect the company and knowing where the company wants its' marketing efforts to bring it, puts the company in the perfect position to realize what will most likely work for it and what will not (Ryan, 2016). Since UAB CGTrader is an online – based business and 3D designers mostly use digital tools while creating 3D models, they can be reached more easily and effectively when approached with digital promotion techniques. Moreover, as the company has never used country-specific targeting, marketing effort adaptation could be beneficial for the company, since adapting marketing efforts to target potential customers in a specific country could possibly help to attract more 3D designers living in the US. Therefore, a digital marketing plan can be an effective tactic for UAB CGTrader to attract 3D designers from the US market and is prepared in this thesis.

### **The research problem**

The problem of this thesis is rendered by the question: What should be the digital marketing plan to attract more 3D designers living in the US market to CGTrader?

### **Aim of the thesis**

The aim of this thesis is to develop a digital marketing plan for UAB CGTrader that would help to attract 3D designers in the US market for the period of 12 months, starting in 2019.02.01 and ending in 2020.01.31. In order to achieve this aim, the following **objectives** are specified:

- To conduct an internal and external analysis of UAB CGTrader in the US market to better comprehend the current position of the company and what threats and opportunities might arise.

- To perform an empirical research in order to determine the most important aspects that would ensure an effective digital marketing plan to attract 3D designers in the US market.
- To provide managerial solutions for UAB CGTrader in implementing the digital marketing plan for the US market for the period of 12 months.

### **Research methods**

A qualitative research method is used by conducting a total of seven semi-structured in-depth interviews via Skype, WhatsApp or email. 3D designers from the US that currently use CGTrader are interviewed. Moreover, theoretical saturation is used to determine the appropriate sample size for the research by observing if the collected data is recurring. Additionally, several secondary data sources are used and analyzed in order to develop a digital marketing plan for UAB CGTrader to attract 3D designers in the US market.

### **Practical value of the thesis**

The findings of the empirical research will suggest managerial solutions for UAB CGTrader that will help make to make appropriate decisions when implementing the digital marketing plan and in turn help spread brand awareness among 3D designers living in the US, attracting more of them to sign-up to the platform and start selling their 3D models. This would help the company to even out its' 3D model seller and buyer markets in the US, as well as benefit the companies' overall position among other 3D model marketplaces.

### **Logical sequence of the thesis**

- The introduction of this thesis explains the relevance of this topic, research problem, aim and objectives, research methods and the practical value.

- The situation analysis provides a deeper understanding of the internal and external factors affecting the company, as well as a theoretical background of the topic.
- The empirical research methods and findings are presented and explained in detail.
- The managerial solutions are suggested for UAB CGTrader in implementing a digital marketing plan.
- The conclusions provide a brief overview of the findings and resolution of the research.

### **Situation Analysis**

#### **Internal situation**

The CGTrader platform was founded in 2011 by Marius Kalytis, a 3D model designer. The company headquarters are in Vilnius, Lithuania, while the company technically operates worldwide, since it is purely an internet-based business. It is financially backed by UAB “Practica Capital”, Intel Capital Corporation and Karma Ventures OÜ, all venture capital companies. CGTrader is one of the biggest 3D model marketplaces in the world with over 1,700,000 users in the community and over 730,000 3D models available. The users of the platform are 3D designers and 3D model buyers. CGTrader provides an opportunity for 3D designers to show their work and sell or share it, and buyers to purchase the models. The designers are not employees of UAB CGTrader; rather they are freelancers or 3D design studios that use CGTrader as a tool to display their models. While buyers, like different businesses, use the marketplace to purchase already created 3D models in order to minimize time spent, as well as the resources used on developing them on their own. Other buyers use this platform to purchase different types of 3D designs because they are simply not 3D designers themselves.

The CGTrader marketplace hosts all types of 3D models (CGTrader, 2018). The first type is computer graphics that are extremely detailed and are widely used in the film and video industry, animations, architectural planning and advertisements. Such brands as Nike, Adidas, LG and Peugeot among many other brands, have been using 3D models in their advertisements (Alexeev, 2018). Another type of 3D models is low polygon models that are not as detailed and are used in gaming, virtual reality (VR) and augmented reality (AR). The low polygon count is necessary in gaming and VR because it saves processing power which helps save data storage capacity, therefore the content delivery of these games and VR is faster (Coughlin, 2018). The last type of 3D models is used in 3D printing. Designers specifically create 3D models that are printable and high quality. These models range from simple miniatures and jewelry to complex parts used in engineering or even drugs and prosthetic parts used for medical purposes (Real, Camacho, Barberis & Palma, 2018).

The CGTrader platform works as a tool for both 3D designers and buyers. First of all, the designers and buyers, become users of CGTrader by signing up to the platform and creating their personal profiles. Designers upload their 3D models on to the platform and specify the prices depending on their own opinion. CGTrader recommends for 3D designers on the platform to upload as much models as possible to become more visible, and to determine their pricing based on the current market situation. 3D designers pay UAB CGTrader a percentage of the determined average price of 3D models multiplied by the number of models sold. Buyers on the other hand, use the platform to purchase 3D models and are charged for the service when paying for 3D models. The business is solely based on transactions between 3D designers and 3D model users; one cannot exist without the other.<sup>1</sup>

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<sup>1</sup> Information in this section is taken from internal data provided by UAB CGTrader

**USA.** As mentioned before, the CGTrader 3D model marketplace is a platform that technically operates worldwide, since it is purely an online business. However, it can be seen that currently approximately 19 percent of users, both designers and buyers, are from the USA (Appendix 1), which suggests that this market is the largest among all the countries that CGTrader serves. As revealed previously, the US market is the largest 3D model buyer market of UAB CGTrader. However, it is at the bottom of the top 10 3D designer markets of the company. This shows that 3D model buyers from the US have a smaller variety of 3D models sold by local designers and are pushed to purchase models from foreign designers. The designers are most often from Europe, since it is the second largest user market of UAB CGTrader<sup>2</sup>. As different time zones can be an obstacle for quick communication, the buying process can be very lengthy and inconvenient.

The company aspires to increase the number of 3D designers specifically living the US on the platform, thus, serving 3D model buyers form the US with local sellers and their 3D models, as well as a more convenient purchase process. Moreover, as mentioned previously, by increasing the number of 3D designers living in the US the company can benefit, as it would increase the number of 3D models hosted by the marketplace, thus, benefiting the overall position of the company in the market.

In order to attract specific target markets, it is highly important to adapt the digital marketing efforts accordingly, as the company would be more likely to attract the target market by utilizing marketing techniques and approaches that are specifically applicable and effective in that target market.

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<sup>2</sup> Information in this section is taken from internal data provided by UAB CGTrader

**Marketing mix.** The marketing mix model includes product, price, promotion and place. However, in the case of UAB CGTrader, since it is purely an online – based business, the marketing mix element describing the physical place cannot be as thoroughly discussed as the other elements.

**Product.** The product of UAB CGTrader is the platform itself and can be seen here <https://www.cgtrader.com/>. The platform is used by 3D designers and 3D model buyers. Customers sign-up on the platform and use it either to sell or share their 3D models or to purchase them. 3D designers are able to bulk upload their 3D models or to upload each model separately, add thorough descriptions of the 3D models and provide preview images or videos. The platform shows 3D designers their personal sales and reputation statistic. Furthermore, CGTrader also enables sellers to communicate directly with the buyers and vice versa. Buyers can purchase 3D models that are already showcased on the platform or order tailored 3D models. Moreover, they can provide feedback on the products that they purchase and negotiate 3D model prices with 3D designers.

**Price.** The price for using the platform is relatively low, comparing it to the price that the major competitors charge. CGTrader offers 3D designers a royalty rate of 70 to 80 percent of the sales the 3D model seller generates. Sales are calculated by multiplying the average price by the number of 3D models sold by a 3D designer. The remaining 20 to 30 percent are payed to the company as a fee for the platform. As mentioned before, buyers use the platform to purchase 3D models and are charged for it when paying for 3D models.

**Promotion.** UAB CGTrader mainly focuses on digital advertising. The marketing team is currently focusing on increasing organic search results and several projects are already launched for that purpose. Recently, the biggest project was the Digital Art Competition, where 3D

designers could upload their art to a specific category and participate in the contest. Impartial judges are selected and will decide who will be the winner of the competition and receive a monetary prize for it. This project was employed in order to increase brand awareness and customer engagement. Monthly sale – offs are also organized by the marketing team, each having a specific topic in mind, like a major milestone of the company or a holiday – specific sale – off. Moreover, several paid marketing campaigns were used in the past as well, like Google and LinkedIn ads. According to a marketing team representative, display marketing showed to be ineffective, as the target market was too narrow for such type of paid marketing. Social media marketing is not as effective for the company as it would be expected as well, since it is quite a niche business and the company does not spend a lot of time focusing on social media marketing. UAB CGTrader has Facebook, Instagram, LinkedIn, Pinterest and Google+ accounts, and posts mostly weekly. Furthermore, the CGTrader website has a new feature that was recently launched, where guest blog posts are allowed. These marketing efforts are currently not adapted for different countries by the UAB CGTrader marketing team.

*Place.* UAB CGTrader has an office in Vilnius, Lithuania, where all main processes of the business are worked on. The marketing, sales, customer support, business development, IT and other teams all work in the same office. It is the only office that the company has, however, since it is a digitally – based business, the platform works in over 180 countries and is accessible at all times. Moreover, in digital marketing, the online marketplace that generates commercial value from selling the goods of a manufacturer is considered to be a distribution channel (Patrutiū Baltes, 2016). Hence, the CGTrader marketplace can be considered as a place in the marketing mix as well.

## **External Analysis**

**PESTEL.** For the purpose of conducting an external marketing environment analysis of UAB CGTrader, the PESTEL framework is used.

**Political.** More recent news regarding governmental regulations for e – commerce in general is that according to Liptak, Casselman & Creswell (2018) the Supreme Court of the US decided to allow all states to require companies that have no physical presence in the country, but make sales in the US, to adhere to the states' tax policy for sales. It is said that the country is missing out on billions of tax income. This implies that there is a possibility that more and more states will require 3D designers on CGTrader to pay taxes for every sale they make. This might discourage designers from selling to US buyers, thus minimizing the buyer base in the country. Moreover, some states have passed laws that place online retailers under an obligation to collect third – party sales taxes (Faggiano, 2018).

**Economic.** After personal tax reduction, disposable income has risen in the US (Chandra, 2018). The savings rate has increased up to 3.2 percent, which means that spending on goods and services should increase as well. This implies that CGTrader might expect an increase in user base and sales.

**Social.** 3D models are trending in industries like architecture, fashion, automotive, interior and landscape design among a number of others (Design training, 2018). A lot of companies already use 3D technology as powerful tools in their work routines. Architects and interior designers use 3D modelling to show their customers how their end – result will look like and easily suggest adjustments without having to try and imagine how it should look. Moreover, the fashion industry is now able to utilize 3D print – ready models and print their designs, which makes it easy and quick to produce. Jewelry producers also started using 3D printers to actually

print their products which saves them time and costs (Richardot, 2018). 3D designers follow these trends in order to better understand the current demand for types of 3D models and decide on what to design next. Hence, an increase in the number and variety of models uploaded on the platform might attract new customers and increase sales, which in turn would attract more users to the platform, making an opportunity for CGTrader to grow.

***Technological.*** According to Finch (2018), since the year of 2017 a number of advancements have been made in 3D printing. One of which is new and more complex combinations of materials used in 3D printing, meaning that 3D printed object users can introduce new products for different uses. And another being new mechanical techniques for 3D printing, which enabled the development of more complex 3D printed parts, like vaccines for medical purposes and parts used in construction. These technological advancements might attract more high – skilled 3D designers to CGTrader because of the potential in demand growth for more complex 3D print – ready models. Or it might encourage current CGTrader users to create new models and expand their portfolio.

***Environmental.*** One of the uses of 3D designing for environmental purposes is for mistake prevention in construction planning (Hedmond, 2018). By using 3D technology, urban planners are able to easier predict any negative effects that the construction might have on the environment. This technology can help foresee such factors like solar potential of buildings, in other words, the radiation effect that buildings might have on the environment. People are now increasingly aware of the effect that human actions have on climate change and are becoming more socially responsible. Therefore, this can have a positive effect on the demand for 3D models for environment protection purposes, increasing CGTraders user base.

**Legal.** Since 1998 the work of different artist is protected in the US by the Digital Millennium Copyright Act (U.S. Copyright Office, 1998). This act applies to 3D artists as well, by protecting their copyrights from infringement, meaning that no one else can create the same model and present it as his or her own. Therefore, by protecting the rights of 3D designers, this act can have a positive effect on CGTrader, thus, increasing customer satisfaction.

All in all, some factors are more important in the 3D industry than the others. In this case, the political, social and technological factors have the biggest effect on UAB “CGTrader”, while the economic, environmental and legal factors do not have as big of an impact on the business of UAB CGTrader.

**Four risks of international business.** In order for CGTrader to prepare for any challenges it might face while conducting business in foreign markets, an internationalization risk analysis is made.

**Country risk.** The political stability of the US has worsened over the last few years, with President Donald Trump in charge (Bagenal, 2018). Continuing global trade protectionism is a risk that the country faces and more restrictions are predicted in the future (Marsh, 2018). Since President Trump took office, the US policy became somewhat unpredictable, as he has not laid the specific steps he is planning to take regarding the trade policies (Irwin, 2018). Thus, it puts any foreign business that has sales in the US at an erratic risk, including UAB CGTrader.

**Cross – cultural risk.** By conducting business in the US specifically, CGTrader might not face extreme cross – cultural risks, since the platform itself is constructed in such a way that it would be convenient for all the biggest CGTrader markets of different cultural background. The language used in the platform is English, therefore there is no issue for US based users, however

it might not be as convenient for non – English speaking users. This might pose a risk of losing customers who want to use CGTrader, but are unable because of the language barrier.

**Commercial risk.** The main commercial risk that CGTrader might face is the competitive rivalry in the US. As mentioned before, two biggest competitors of CGTrader are situated in the US. The first one is called TurboSquid, and the second – Sketchfab. US customers might perceive them as local, hence, they might be more prone to trust and use them. Therefore, this situation can put UAB CGTrader at a disadvantage, since it is a Lithuanian company.

**Currency risk.** The financial risk that UAB CGTrader might encounter in the US market, as mentioned before, is the taxation decision recently made by the Supreme Court of the United States (Liptak et al., 2018). 3D designers might have to oblige to state tax laws for sales, which might discourage them from selling to US based buyers. Therefore, CGTrader might face a decrease in the number of returning or new users from their biggest market country – wise.

**Market segmentation.** In order for CGTrader to better target and attract their audience, it is important to segment the market clearly. In the online 3D model market consumers and are generally divided into two major segments based on behavioral criteria. The first segment is 3D model buyers who use the platform to purchase 3D models. The second segment is 3D designers who utilize the platform for sharing and selling their 3D models.

For the purpose of this research, only the 3D designer segment is taken into account and is analyzed in more depth. 3D designers that use CGTrader in general are people who are 18 years old or older and can sign up to the platform. They are also people who have the knowledge and the skills to design and create at least one of the three types of 3D models hosted by the marketplace. Lastly, they use online 3D model marketplaces to sell, showcase or share their

work with the community. These characteristics apply to the three types of the 3D designer segments that are identified by the company according to specific distinctions.

The first type of 3D designers is the beginner segment. These designers are non – high skilled 3D modelers that have recently started the learning process. The models that they upload to the platform are usually of a relatively low quality, basic shape and format. Their models are also often shared for free or sold at a relatively cheap price.

The second type is the freelancer segment. These 3D designers are more skilled than beginners and have approximately up to 200 models in their portfolio. Their models are of higher quality and complexity than the models of beginners. 3D modeling is usually not the core business of a freelance 3D designer.

Lastly, 3D design studios are one of the 3D designer segments. This segment is distinctive from others because of its' high skills in 3D modeling, as it is their core business. 3D design studios often have their own stores in addition to using marketplaces like CGTrader. Moreover, they have large portfolios and are usually specialized in a particular niche.

**Competitor analysis.** In order to understand the position of CGTrader better, a competitive advantage analysis has to be made. The two platforms that are distinguished by UAB CGTrader to be the companies' major competitors are TurboSquid and Sketchfab. As the headquarters of both companies are in the US (Sketchfab, 2018; TurboSquid, 2018), it can be easier for them to target the US market, therefore, it is important to assess the position of CGTrader among its' competitors and take action in the future.

UAB CGTrader emphasizes the two most important indicators of success, which are the number of 3D models on the platform and the gross merchandise value (GMV). Since there is no data available about the competitors' segment – wise, as well as sales volume, the analysis is

made taking into account the whole customer base as well as the total number of models that the companies host.

Table 1

*Competitor analysis*

	<b>Number of 3D models</b>	<b>GMV (US dollars)</b>
<b>CGTrader</b>	730,000+	~5.7mln
<b>TurboSquid</b>	500,000+	~3.9mln
<b>Sketchfab</b>	3mln+	~23.5mln

*Note.* GMV is calculated by using the total amount of 3D models on the platform instead of the total amount of models sold. The table was created by the author.

Table 1 shows the number of 3D models each company has, as well as a rough estimate of the GMV. The number of models shows that Sktetchfab has by far the most models among the companies (Sketchfab, 2018), with CGTrader in the second place with over 730,000 models, and TurboSquid with over 500,000 models (TurboSquid, 2018). This implies that Sketchfab is in the leading position.

Furthermore, the GMV value is roughly estimated by multiplying the number of models a company hosts (since there is no information regarding competitor's sales volume) by the average price of the models, which is 26.1 US dollars<sup>3</sup> (it is estimated according to the average price of models on CGTrader, because there is no data specifying the average price on other platforms) and multiplied by the maximum percentage that the companies receive (30% for every company). This approximate estimate shows the value of the companies at the moment. As it can be seen, the positions are the same as when comparing the number of 3D models.

To sum up, these indicators show that among its' major competitors CGTrader is in the second place. The company can improve its' value, by attracting more 3D designers to the

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<sup>3</sup> The information in this part is taken from internal data provided by UAB CGTrader

platform, thus increasing the number of 3D models on the platform as well as the value of the company.

**SWOT analysis.** In order to evaluate in internal factors that affect the performance UAB CGTrader such as the strengths and weaknesses of the company, as well as the external factors, like the opportunities and threats that the company faces, a SWOT analysis is conducted. This analysis combines the information that was previously mentioned, as well as the information provided by UAB CGTrader and personal insights.

Table 2

*SWOT analysis of UAB CGTrader in the US market*

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Convenient website design</li> <li>- 24/7 customer support</li> <li>- Highest royalty rates for 3D designers in the US</li> <li>- Direct communication option among 3D designers and buyers</li> <li>- All level 3D designers from the US can use the platform</li> <li>- Loyalty program offers</li> </ul>	<ul style="list-style-type: none"> <li>- Relatively low number 3D models hosted by the platform compared to competitors</li> <li>- Low number of 3D designers form the US</li> <li>- Low brand awareness among 3D designers in the US market</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>- Growing 3D industry</li> <li>- High 3D model buyer base in the US</li> <li>- Growth of disposable income in the US</li> </ul>	<ul style="list-style-type: none"> <li>- Competitive rivalry in the US market</li> <li>- E – commerce regulations in the US</li> <li>- Unpredictable political situation in the US</li> </ul>

*Note.* Created by the author.

Table 2 shows that one of the strong sides of UAB CGTrader is the user-friendly website design. The sign-up process, as well as navigating through the website is convenient and quick. The user-friendly website enables 3D designers to upload their 3D models faster. The second strength of the company is customer support that is available 24 hours per day. It is an important strength of the company, since Lithuania and USA are in different time zones, thus the issues that occur to users form the US can be solved in a timely manner. Moreover, 3D designers like to

use the CGTrader platform because it provides the highest royalty rates among platforms of such type in the US. 3D designers can earn up to 80 percent royalties from their sales on CGTrader. Another strong suit of the company is that 3D designers of any level of advancement can join and use the platform, thus, all tier 3D designers from the US can sign-up and use the platform to sell their 3D models. Lastly, UAB CGTrader offers loyalty programs for both 3D designers and 3D model buyers from the US, which is a good incentive to attract more users to the platform.

Moving on to the weaknesses of UAB CGTrader, currently, a major weakness of the company is the relatively low number of models that the platform hosts, in comparison with its' competitors. This is a big concern for the company, since it weakens the company's position in the market. The next weakness is the number of 3D designers from the US that use CGTrader. This is a major issue for the company at the moment as the number of 3D model buyers from the US is significantly higher, thus, it is underserved by local 3D designers. The last disadvantage is the low brand awareness among 3D designers in the US. The low number of 3D designers from the US signifies that the brand awareness among these people is low. It is important to spread brand awareness to be able to attract more 3D designers to the platform.

As mentioned before, one major opportunity for the company is the rapid growth of the 3D industry, making it attractive for 3D modelers from the US to expand their portfolios and start using online 3D model marketplaces like CGTrader for seeking profits. Furthermore, a high 3D model buyer base in the US provides an opportunity for CGTrader to attract more 3D designers from the same country by applying appropriate marketing techniques, since buyers tend to trust local providers more because of the absence of cultural dissimilarities. The third opportunity for UAB CGTrader is the growing disposable income in the US. As disposable income grows, spending in general increases as well. Therefore, 3D model buyers from the US

would likely be willing to spend more on high-quality 3D models. This could potentially attract 3D designers from the US to start using CGTrader, as they would see the potential of generating more profit.

Lastly, two major threats for UAB CGTrader is the strength of competitive rivalry, new regulations on e-commerce businesses, as well as the unpredictable political situation in the US can become a burden for the company. As mentioned before, both major competitors of UAB CGTrader have headquarters in the USA, thus, making it more convenient for them to arrange meetings with and attract potential customers. Moreover, the regulation on e-commerce businesses that do not have physical presence in the company while making sales there can be a threat for the company as

### **Literature review**

In order for any company to keep a competitive supremacy in today's rapidly changing and refining business environment, preserving a close relationship with the customer is a must (Todor, 2016). Marketing, as defined by Pride & Ferrell (2010), is used to alleviate satisfying relationships with the customers. Since marketing plans are now increasingly customer – oriented, by preparing a written marketing plan, that summarizes what was learned about the marketplace and outlines the steps that have to be taken, the company can achieve its' objectives more easily (Kotler & Keller, 2012).

In the case of UAB CGTrader, the vast majority of customer relationships as well as other business interactions are maintained via digital means, i.e. email, web pages, social media and calls via phone or computer applications. This implies that customers of the company can be more easily reached through the mentioned digital means.

Digital marketing is defined as a form of marketing that uses digital technologies in order to achieve certain objectives of the company (Chaffey, 2018; Todor, 2016; Wymbs, 2011).

According to Chaffey (2016), mobile and desktop web sites as well as e-mail are the digital technologies used to achieve company objectives. These objectives include increasing sales and brand awareness, shaping customer perception of the brand and ultimately reaching and retaining customers (Todor, 2016; Wymbs, 2011). Attracting more 3D designers to the platform and preserving good relationships with them is a major objective of UAB CGTrader, which is why a digital marketing plan can be very useful.

Furthermore, according to Sin & Dimitrova (2018), companies that has conducted business for under ten years are considered to be start – ups. Since UAB CGTrader has been in the market for over seven years, it still falls under this category of companies. Start – up companies often lack resources; thus, it is important to search for cost – efficient solutions that would help to cultivate the business. Todor (2018) believes that cost efficiency, among many other, is one of the most important advantages of digital marketing. Digital marketing does not require a lot of resources in comparison with traditional marketing, since it technically does not take any physical space and can be easily tailored and changed to reach specific target markets if need be (Bång & Roos, 2014)

Considering the mentioned theoretical justification and the purpose of this thesis, a digital marketing plan suits the purpose well and the company should implement it to reach its' goal by not exceeding its' budget frames as well.

### **Empirical research**

An empirical research is conducted in order to get a deeper understanding of the needs, wants and behavior patterns of 3D designers from the US, when using online 3D model marketplaces. The research provides an analysis of the collected information and the findings that will be applied to prepare an effective digital marketing plan in order to attract more 3D designers living in the US to CGTrader.

#### **Aim and objectives of the research**

The aim of this empirical research is to determine the factors affecting consumers when deciding to start using online 3D model marketplaces to sell their 3D models and to decide what digital marketing tools are the most effective in order to attract more 3D designers who live in the US, to the CGTrader platform. In order to achieve this aim, the key objectives are defined as follows:

- To choose the appropriate theoretical frameworks by analyzing the relevant literature, in order to create a semi – structured questionnaire for one – on – one interviews.
- To conduct one – on – one interviews with 3D designers living in the US, in order to understand what factors are important to them when deciding to start using online 3D model marketplaces and to determine the appropriate digital marketing tools for promoting CGTrader in the US market.
- To analyze and assess the collected data from one – on – one interviews, in order to be able to apply the relevant findings in the development of a digital marketing plan.

### **Theoretical foundation of the research**

In order to create an appropriate digital marketing plan for UAB CGTrader to the US market, it is important to get to know what is important and preferable to the customer. Appropriate frameworks have to be chosen and used in order to be able to extract information that is relevant for the research problem. For this particular research, three theoretical frameworks are applied.

The first model is used as a base for the questions of the interview and is called the 6M marketing communication model presented by Dolan (2000). The model consists of six key facets of marketing communication - market, mission, message, media, money and measurement. D'amico (2015) and Mehling (2007) define them as follows:

- Market – the proper pool of people to whom the message is specifically crafted.
- Mission – the objective of the message. The messaging should not stray too far from the end goal of the campaign.
- Message – the specific points that have to be communicated to the target audience. It is important to provide only the necessary information.
- Media – the proper communication channels that are used to spread the message.
- Money – the estimated budget to prepare, launch and preserve the marketing campaign.
- Measurement – the factors and tools used to assess the performance of the marketing campaign.

The second theoretical framework used in this research is the RACE model presented by Chaffey (2017). This model is specifically applied for digital marketing and is comprised of four major steps – reach, act, convert and engage. These steps are defined in Figure 1.

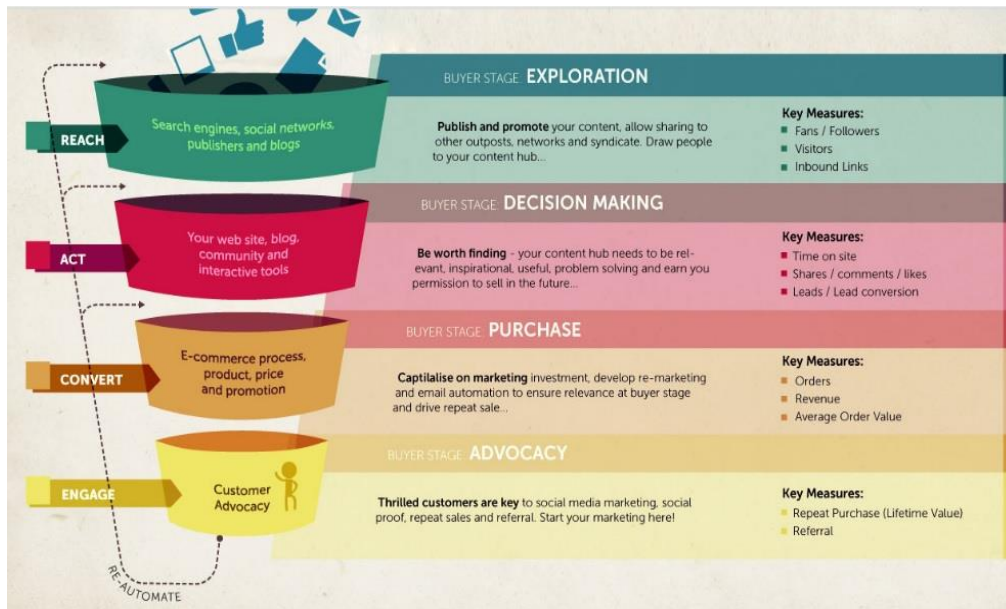


Figure 1. The RACE planning system. From Chaffey (2017).

The third theoretical framework used in this research is the Hierarchy of Effects model created by Robert J. Lavidge and Gary A. Steiner in 1961 (Wijaya, 2011). Both of them believed that advertising is a long – term investment that pushes customers through several behavioral stages. These stages are group in to three major categories: cognitive, affective and conative. MBASKool (n.d.) describes them as follows:

- Cognitive – A company has to make sure that consumers are aware of the existence of such a brand and make sure that consumers have easy access to information about the brand.
  - Affective – A company has to make sure that consumers like the product.
- Additionally, uniqueness of the brand has to be well communicated to the target audience in order to develop brand preference.

- Conative – A company has to convince consumers that they desire the product by providing them with free samples or trial runs and ensure an easy purchase experience.

Parts of these three theoretical frameworks are combined to form questions for the empirical research and finally use the findings to prepare an effective digital marketing plan.

### **Research method and data collection method**

According to Mack, Woodsong, MacQueen, Guest & Namey (2005) the qualitative research method explains people's experiences in a specific research problem, as well as their actions, beliefs and opinions. This research method can provide additional and useful information outside the boundaries of the prepared research questions (Mack et al., 2005). The qualitative research method is especially helpful, when the researcher is not a specialist of a specific industry or field in which the respondent is specialized. In this case, the respondents can provide additional and valuable insights about the 3D modelling industry and their experience with 3D model marketplaces, therefore, the qualitative research method was chosen for this empirical research.

Furthermore, a primary data collection method was selected. Since the 3D model marketplace industry is still in a relatively early stage (the major online 3D model marketplaces appeared in 2005 and are still in development) (Groenendyk, 2016), a sufficient number of resources for secondary data collection does not yet exist, thus, primary data is more valuable in this case. By using primary data, the empirical research can be tailored according to the research topic which is company and country – specific, and the researcher can be completely in control of how and from where the data is collected, thus making the data more consistent and reliable (LITTEACHER8, n.d.).

Lastly, the primary data is collected by conducting semi – structured in – depth interviews. It is especially convenient having in mind that the interviewer is not a specialist of the 3D modeling industry, while using semi-structured interviews enables the interviewer to adjust the sequence and the style of the questions in order to gather more insightful information (Qu & Dumay, 2011). A total of 20 questions were prepared and the interview instrument can be seen in Appendix 2. Two screening questions were prepared in order to assure that the respondents belong to the group of people relevant to the research. The interview questions were organized and the interviews were carried out in the English language, since all respondents were English speakers living in the US. Because of the geographical constraints, the interviews were conducted via Skype, WhatsApp calls or email, depending on the preference of the respondents. The question-answer matrix of the interviews can be seen in Appendix 3. The audio recordings of the interviews as well as email conversations can be provided if requested.

### **Research samples and sampling procedure**

The non – probability sampling technique was used in this research due to limited resources and geographical constraints. Furthermore, purposive sampling was employed, as screening questions were used to find the appropriate respondents.

As the purpose of this research is to develop a digital marketing plan to attract 3D designers from the US, the target population for the research are 3D designers of any professional tier who use the CGTrader platform to sell their 3D models. The reason for targeting current users of the platform is that these people already have experience with the platform and can provide valuable insights about their past expectations and current opinions regarding the platform, as well as identify effective marketing approaches that were already used and new approaches that could be effective in the future. Furthermore, 3D designers of any professional

level are sought for the research, since the fundamental needs of a 3D designer who wants to sell his or her work are fairly similar, thus, a joint digital marketing plan can be effective in order to attract 3D designers of different specialization levels.

The concept of a theoretical saturation point is commonly used to determine the appropriate sample size in a specific qualitative research (Guest, Bunce & Johnson, 2006). According to Mack et al. (2005), theoretical saturation is the point when new respondents no longer render any additional information to the research questions. However, the concept of saturation does not provide practical guidelines for determining the appropriate sample size before starting the research (Guest et al., 2006). According to Guest et al. (2006), study shows that data saturation within a relatively homogenous sample from two countries can be spotted after interviewing the first six respondents, and is definitely evident after the first 12 interviews. Taking this information under consideration, as well as the course of the data collection process, the sample size of seven respondents is estimated to reach the saturation point.

A total of 48 3D designers were contacted during the research. Majority of the representatives were reached via email, others were contacted either through their personal websites or social media accounts. Nine people responded and agreed to participate in the research, however two respondents did not reply later on. Thus, six interviews were conducted via Skype or WhatsApp calls and one respondent answered the questions via email making it seven respondents in total. The data saturation point was reached since the answers of respondents identified similar influences and factors.

### **Explanation of the research instruments used**

In order to conduct semi – structured in – depth interviews, questions representing several topics were prepared and used as a research instrument. Table 3 represents the interview

questions according to the theoretical logic of it and does not represent the sequence of the interview. The sequence of the questions is shown in the interview instrument that can be seen in Appendix 2.

Table 3

*Theoretical background – question matrix*

<b>Theoretical background</b>	<b>Additional theories</b>	<b>Nr.</b>	<b>Question</b>	<b>Objective</b>
6M model - Market		1.	Do you live in the US and have you ever created a 3D model of any type? If no, are you planning to create one in the near future?	A screening question, to understand whether the interviewee belongs to the group of people relevant to the research.
		2.	Are you planning to use any 3D model marketplace to sell your work?	A screening question, to understand whether the interviewee belongs to the group of people relevant to the research.
	6M – Mission Hierarchy of Effects - Cognitive	3.	What 3D model marketplace do you currently use to sell your work?	To understand what 3D model marketplace the interviewee currently uses and is aware of.
6M model – Mission	6M - Message	7.	What is your motivation for using 3D model marketplaces?	To understand what motivates 3D designers to start using 3D model marketplaces.
	6M - Media	10.	Do you personally share any 3D industry - related content on the mentioned media channels?	To understand whether 3D designers share 3D industry - related content on media channels.
	6M - Media	13.	Do you look up to opinion leaders of the 3D industry?	To understand whether 3D designers look up to opinion leaders of the 3D industry.
6M model – Media	RACE - Reach	5.	Where did you first hear of CGTrader?	To understand through what channels has the interviewee heard of CGTrader.
		8.	What would you type in a search engine to find a 3D model marketplace?	To understand what a 3D designer is most likely to type in a search engine to find a 3D model marketplace.
	RACE - Reach	9.	What media channels do you mostly use as a 3D designer? E.g. Social media, web sites, search engines or other.	To understand what media channels are mostly used by 3D designers.

	RACE - Reach	14.	If yes, who are the opinion leaders you look up to?	To understand what kind of influencers 3D designers look up to.
	RACE - Reach	15.	Where do you find these opinion leaders?	To understand through what channels 3D designers find or follow influencers.
6M model – Message	RACE - Act Hierarchy of Effects - Affective	4.	Why have you chosen to use this specific marketplace instead of other marketplaces?	To understand what are the perceived strengths of the chosen marketplace in comparison with other marketplaces.
	RACE - Act Hierarchy of Effects - Affective	6.	What are the most important factors for you when choosing a 3D model marketplace? (E.g. Royalty rate, popularity, types of 3D models hosted, direct communication with buyers, etc.)	To understand the most important factors when choosing between 3D model marketplaces.
	RACE - Act	11.	If yes, what kind of content do you mostly share?	To understand what 3D industry - related content 3D designers mostly share.
	RACE - Act	12.	What kind of 3D industry – related content would you find interesting enough to share/repost?	To understand what kind of 3D industry - related content 3D designers would be willing to share/repost.
		16.	If no, what would make you look up to an opinion leader of the 3D industry?	To understand what would make a 3D designer look up to a certain opinion leader and communicate it to the target market.
	RACE - Act	17.	What are the success factors you perceive as a 3D model seller?	To understand the perceived success factors of 3D model sellers.
	RACE - Act Hierarchy of Effects - Conative	18.	What problems do you mostly face as a 3D model seller?	To understand what problems 3D model sellers mostly face to communicate the solutions that CGTrader offers.
		19.	What is the first thing you notice in an advertisement that offers selling solutions of 3D models?	To understand what captures attention in advertisements of 3D model marketplaces.
6M model - Measurement		20.	Would you be willing to participate in a similar interview, or fill out a questionnaire one year from now?	To understand whether the interviewee is willing to participate in a similar research in the future.

*Note.* Created by the author.

It is evident that five marketing communication facets of the 6M model were used for the development of the interview questions. The money factor was not used, as the required budget can only be defined after all other marketing facets are known (Mehling, 2007).

In addition to the 6M marketing communication model, the reach and act steps of the RACE framework were used in the preparation of the interview questions, since they can be well adjusted to fit into the 6M marketing communication model and provide a more in – depth understanding of the digital marketing plan.

The affective and conative categories of the Hierarchy of Effects model are used in this research. Cognition is assured in advance, since the respondents of the interview are users of CGTrader, thus, are familiar with the brand.

All in all, the 6M marketing communication model was used as a basis, while parts of the RACE model shift the focus of the research to the digital aspect of the marketing plan, and finally, the Hierarchy of Effects model provides a more in – depth understanding of how the target market can be better approached through proper messaging in accordance to a specific behavioral stage of the consumer.

### **Data analysis methods**

The main purpose of this qualitative research is to identify the key factors that are central in order to attract more 3D designers to the CGTrader platform. In order to derive clear meanings from the data collected by conducting semi – structured in – depth interviews, the deductive qualitative data analysis approach is used in this research. The collected data is analyzed by using the three step qualitative data analysis framework created by Miles and Huberman in 1994. According to National Science Foundation (n.d.), the collected data that does not provide value to the research is removed without depriving it of meaningful information and is later marked

properly. Subsequently, the remaining and valuable data is displayed in a question – answer matrix (Appendix 3). Lastly, the data is analyzed by grouping it according to the interview questions in order to identify important patterns and draw conclusions. The findings of this analysis are used in order to provide managerial solutions.

## **Results**

This section represents the third step of the Miles and Huberman framework and provides an analysis of the collected data after reduction and display in a question – answer matrix. The data is analyzed question – wise by identifying patterns and drawing conclusions.

**Screening questions.** The first two questions are screening questions that help to identify the market according to the 6M marketing communication model, as well as identify whether the respondents belong to the group of people relevant to the research. The responses of the interviewees are unanimous.

- 1. Do you live in the US and have you ever created a 3D model of any type?*
- 2. Are you currently using any 3D model marketplace to sell your work?*

All respondents answered affirmatively to both of the screening questions, which indicates that the sample is eligible for the research and can be further questioned. Moreover, the market is identified as 3D designers who live in the US and use online 3D model marketplaces to sell their 3D models.

**Research questions.** The queries following screening questions are prepared in order to be able to recognize comparable data and patterns of expressed views of the sample in regard to online 3D model marketplaces. The collected data is analyzed hereafter.

- 3. What 3D model marketplace do you currently use to sell your work?*

All of the interviewees responded that they use CGTrader to sell their 3D models. Meaning that all of the respondents are aware of and have experience with the CGTrader marketplace and can provide eligible insights that can be used in order to develop a digital marketing plan.

Moreover, six out of seven respondents identified other online marketplaces that they use to sell their work. This implies that the vast majority of respondents are aware of and have experience with other online 3D model marketplaces, and are able identify points of difference between CGTrader and other marketplaces.

The second most common answer is TurboSquid, which is one of the two major competitors of CGTrader. Five out of seven respondents said that they use or have used TurboSquid to sell their work. This shows that the respondents perceive TurboSquid as an alternative to CGTrader. Thus, as CGTrader might be facing the threat of substitution, proper actions have to be made.

Three out of seven respondents identified CGTrader as the preferred or the main platform for selling their 3D models, even though they were not asked to do so. This was discovered after R1 referred to CGTrader as “*the nicest ones*”, as well as after mentioning only the CGTrader platform as a means to sell the respondents’ 3D models. Furthermore, R3 said “*I mainly use CGtrader*” over other marketplaces. R7 identified three marketplaces currently used for selling 3D models, however, specifying that “*I’m gradually transferring my models and efforts to CGTrader*”. These insights show that some of the respondents prefer CGTrader over other marketplaces, meaning that CGTrader positively differentiates, in some factors, from other marketplaces used by these respondents.

4. *Why have you chosen to use this specific marketplace instead of other marketplaces?*

The majority of the respondents identified the interface of the CGTrader platform as a point of difference from other marketplaces in one way or another. R3 identified that “*CGTrader is much simpler*” in regard to the interface which is easy and “*user – friendly*” as stated by R4, and similarly by R3 and R7. This shows that the CGTrader platform is easy to use and it is perceived as a primary advantage of CGTrader over other platforms of such type.

Moreover, the second most common answer was the royalties that the 3D designers receive for each 3D model sold. Three out of seven respondents identified that CGTrader has a “*very good royalty rate compared to the other stores*” as stated by R2. This implies that the profit that 3D designers make from selling their work is also very important to them and CGTrader is able to fulfill the need.

Lastly, the popularity of the platform is also acknowledged as an advantage of CGTrader. As stated by R5 “*there are a lot of users contributing*”. It seems that the number of buyers on the platform is important to some respondents as it means that their models are exposed to more potential buyers, thus, increasing the chances of generating more sales.

##### *5. Where did you first hear of CGTrader?*

Four out of seven respondent replied that they first heard of CGTrader by specifically searching for an online 3D model marketplace. This implies that the majority of respondents were not exposed to any advertisements of CGTrader through other media channels, resulting in the respondents needing to search for a marketplace like CGTrader on their own. This shows a lack of marketing efforts through the use of other marketing tools and media channels in order to build brand awareness, prior to having to be searched for.

Moreover, two respondents answered that they first heard of CGTrader when they were directly contacted by a company representative. This is also an indicator of lack of marketing efforts in order to build brand awareness and attract more 3D designers to the platform.

*6. What are the most important factors for you when choosing a 3D model marketplace?*

Five out of seven respondents identified the interface of the platform to be an important factor for them when choosing an online 3D model marketplace where they could sell their 3D models. These respondents believe that an easy interface is important, so that they could easily navigate the website. R2 states that *“some stores are really complicated to upload to and I just don't have the time to deal with their upload process”*. Since it takes time to upload the models to any platform, an easy upload process is very important for 3D designers when using 3D model marketplaces.

Two other factors were both mentioned by four respondents. One of them is the royalty rate that the marketplace offers. The percentage of the price of the item sold is important, since, as stated by R2, *“if a marketplace takes a lot of the total price then it's less valuable to me”*. Naturally, respondents want to give away as less of a revenue cut as possible to the company in order to gain more profit from selling their 3D models.

Another important factor identified by four respondents out of seven is exposure, or in other words, the positive popularity of the platform. R3 states that *“if nobody knows about the site, you're not going to sell any models”*. 3D designers want to use marketplaces that are more widely acknowledged in order to increase the chances of their models being exposed to a wider audience of buyers. Others perceive popularity of a marketplace as a positive factor, since if a lot of people use it, it means that it is a good marketplace and it will not put the designers name

down. As R1 said *“I didn’t want to put my stuff somewhere that was going to put my name down.”*.

*7. What is your motivation for using 3D model marketplaces?*

The main motivation to start using 3D model marketplaces is additional income. Five out of seven respondent answered that generating money is their main stimulus to use 3D model marketplaces. Four out of these respondents specified that selling 3D models on online 3D model marketplaces is not their main source of income, therefore, they mainly use it to generate additional money. R4 revealed that the motivation is *“mainly sales, because I never got any jobs”*. This may imply that the respondent uses online 3D model marketplaces at least as one of the main sources of income, since individually he was not able to generate enough sales.

Another stimulus to start using 3D model marketplaces is exposure, which was identified by four out of seven respondents. R1 says that *“I thought I would get to reach out to more people, I really wanted to expose my project to the people”*, which demonstrates that being able to reach a wider audience is an important stimulus to start using online 3D model marketplaces.

*8. What would you type in a search engine to find a 3D model marketplace?*

Four respondents out of seven indicated one keyword that was the same among all four respondents. These respondents would type word combinations into a search engine -which would include the keyword *“3D”*. Two respondents mentioned the keyword *“model”* or *“models”* as part of the word combination. Lastly, the keyword *“sell”* and combinations of this word would be used by two respondents as well, to type in to a search engine in order to find a 3D model marketplace.

*9. What media channels do you mostly use as a 3D designer? I.e. Social media, web sites, blogs, email, search engines and other.*

The most commonly used social media site is Facebook, which is identified by four out of seven respondents. R4 says “*I mainly use the Facebook groups, because a lot of people are on Facebook still*”, this implies that the respondent perceives Facebook as the most popular social media site and uses this social media site the most. Furthermore, another social media site used by the respondents is Instagram. Three respondents identified that they use Instagram in their professional routines.

Four out of seven respondents recognized that Google is the main search engine they use. This shows that the majority of respondents can be approached by using Google – related marketing tools. The remaining respondents did not answer what search engine they use.

*10. Do you personally share any 3D industry – related content on the mentioned media channels?*

The majority of respondents indicated that they do share 3D – industry related content on the media channels they use, indicating that they are active users of different media channels and can be approached through them.

*11. If yes, what kind of content do you mostly share?*

The follow up question to question 10 tries to identify what specific content is mostly shared by the respondents that previously replied to be sharing 3D – industry related content. All of the respondent who do share content, replied that they mostly share their 3D designs. Either previews of their models, finished products or packs of 3D assets. This demonstrates that the respondents are mostly interested in sharing their own products for marketing purposes, or simply for people to see and enjoy.

*12. What kind of 3D industry – related content would you find interesting enough to share/repost?*

The vast majority of respondents seem to be interested in innovative techniques and tutorials that would help make their process more efficient and easier. Six out of seven respondents believe that they would repost something that would portray relevant and interesting innovation. R3 says that *“one of the things that usually interests me is something that’s going to make my process more efficient”*, while R6 states *“I like to know about the new technologies”*. This implies that the respondents are mostly interested and would repost content portraying innovation, different techniques used and informative tutorials that would help to learn more about how to use these technologies and innovations.

Unique and beautiful 3D models is another thing that three respondents identify to be interesting enough to repost. R1 recognizes that *“a really cool, different creature could be worth to share”*, however, the respondent rarely reposts something because *“everything is the same these days”*. Furthermore, R5 also says that *“if it’s something profound for me and I feel like everybody should know then I probably will find a way to post it”*. Therefore, uniqueness and quality are important criteria in order for a 3D model that was created by another 3D designer to be worth reposting.

*13. Do you look up to opinion leaders of the 3D industry?*

All of the respondents replied that they do look up to opinion leaders of the 3D industry. Two respondents replied with hesitation. R7 responded that *“in general, no, but there are exceptions”*, while R6 answered that *“there are a few, but those are personal that I’ve met through school. But not really.”* However, later on these people indicated specific people that they do look up to, thus, indicating that they in fact do look up to some opinion leaders of the 3D industry.

*14. If yes, who are the opinion leaders you look up to?*

This is a follow up question that asks to identify specific opinion leaders of the 3D industry that the respondents look up to. The answers of respondents show that who they look up to is highly dependent on the specific field that they work in or the techniques they use, since all of the respondents identified different opinion leaders of the 3D industry. Some of them represent the video game industry, the movie and animation industry, others are experts of special effects or other techniques.

*15. Where did you find the opinion leaders of the 3D industry that you look up to?*

Three respondents indicated that they either follow or met the opinion leaders of the 3D industry that they look up to through Facebook. This does not show a definite pattern of opinion leaders of the 3D industry using Facebook more. However, there is some evidence, since it is the only pattern that is spotted among responses to this question. Other respondents indicated different web sites or social media sites.

*16. If no, what would make you look up to an opinion leader of the 3D industry?*

This follow up question is asked if a respondent replies to question 14 that he does not look up to opinion leaders of the 3D industry. As two respondents out of seven did mention that they do not really look up to opinion leaders, only with exceptions, these two respondents were asked this question. Both respondents indicated that they would be interested in a representative of the industry if they were to share content that would provide some tips on what technologies can be used or what steps can be taken in order to benefit their work process.

*17. What are the success factors you perceive as a 3D model seller?*

Six out of seven respondents recognized that sales, in other words money, is their perceived success factor. While it seems straightforward, three of the six respondents who said that sales are a major success factor for them, specified that being able “to sell at a price that

*you're comfortable with" indicates success for a 3D model seller. These respondents believe that "if you can sell something for a high price like \$600 – 1000 I say you're doing great".*

Two respondents out of seven also identified exposure or popularity as a success factor for 3D model sellers. Either having their models more exposed when used by customers after purchase, or their models being popular among buyers because of its' specific characteristics.

*18. What problems do you mostly face as a 3D model seller?*

Exposure in general is identified by four respondents as a problem that 3D model sellers face. These respondents expressed a need for more product exposure, indicating that they expect more marketing efforts by online 3D model marketplaces in order to increase the chances of being reached by potential buyers. R5 voiced that CGTrader does some marketing but not enough. The respondent said that one company promotes some 3D models of some artists individually for a yearly fee and *"there are more eyeballs seeing that"*. R1 also expressed that *"I really want them [3D models] to be presented well and be approached to as many people as possible"*. This demonstrates that product exposure is a common problem for the majority of the respondents.

*19. What is the first thing you notice in an advertisement that offers selling solutions of 3D models?*

The vast majority of respondents answered that they first notice a high – quality, interesting 3D model used in an advertisement. R6 states that *"I like to see the best work put up first"*. Moreover, R5 expresses that *"the quality of the model that is being promoted"* is important in order to catch the attention of 3D designers. The use of high – quality interesting models can be useful for capture the attention of 3D designers looking for an online 3D model marketplace,

since it depicts that the marketplace hosts 3D models of good quality, thus, is used by experienced 3D designers and has a good reputation.

*20. Would you be willing to participate in a similar interview, or fill out a questionnaire one year from now?*

The responses to this question were unanimous. All respondents replied that they would be willing to participate in a similar research one year from now, showing that the results of the digital marketing plan could be assessed and findings compared, if necessary.

### **Limitations**

The sequence of the interview questions differed throughout some interviews. The sequence was adjusted in accordance to the course of the conversations. Furthermore, some questions were tailored in accordance to the answers the specific respondent provided to the previous questions. This might have had a leading impact on the answers. Lastly, some questions were answered beforehand as a result of an elaborate answer to another question, therefore, they were not asked.

### **Managerial solutions**

This part of the thesis suggests managerial solutions in accordance with the evidence collected during the empirical research as well as the current situation analysis of UAB CGTrader. A digital marketing plan to attract 3D designers living in the US is developed. This digital marketing plan is scheduled for the period of 12 months, starting in 2019.02.01 and ending in 2020.01.31. Managerial solutions are suggested by following the 12 steps of effective marketing tactics created by Khorev (2018). Five of the 12 steps are used for the suggestion of managerial solutions, as some of the tactics are irrelevant based on the findings of the empirical research. These five steps include content marketing, search engine optimization (SEO), search engine marketing (SEM), social media marketing and influencer marketing.

The possible characteristics of the target market that were discovered during the empirical research are discussed at first, as it is important to establish any unpredicted features of the target market in order to prepare managerial solutions with regard to the new information that was gathered. Subsequently, content marketing is suggested, since the messages established in this part are used throughout the following digital marketing techniques that are recommended to be used. Furthermore, SEO and SEM are discussed, as these digital marketing techniques are planned to be launched throughout the whole period of the planned marketing schedule and have to be decided on in the beginning. Later on, social media marketing is recommended and the steps that are suggested to be taken are investigated in more depth. Moreover, specific influencers are suggested to be approached for marketing purposes. Lastly, after discussing the tactics to be used, the budget is established and the measurement points of effectiveness of the digital marketing plan are prepared.

**Goal**

The goal of the managerial solutions is to suggest a digital marketing plan that could be followed by the marketing team of UAB CGTrader. This digital marketing plan would help UAB CGTrader attract more 3D designers from the United States, thus, increasing the number of 3D models hosted by the platform and ultimately improving the platforms' position in the online 3D model marketplace market. In order for the plan to be effective and generate valuable outcomes, the SMART principles have to be followed.

**Specific.** To perform digital marketing by utilizing digital marketing techniques. To share relevant content on social media platforms that 3D designers mostly use in order increase existing and potential customer engagement with the online activities of UAB CGTrader. Moreover, to utilize paid media, i.e. search engine marketing in order to reach potential customers from the US, and to optimize the search engine in order to increase the organic search ranking of the company website. Finally, collaborate with opinion leaders of the 3D industry in order to increase brand awareness and reach potential customers. Ultimately, to attract 3D designers living in the US to start using the CGTrader marketplace to sell their 3D models.

**Measurable.** Social media marketing is measured by the engagement rate per post and the number of new followers from the US. Additionally, effectiveness of Facebook ads is measured by the conversion rate. Search engine marketing and search engine optimization success are measured by the click – through rate, organic search traffic increase and search engine ranking, respectively. Influencer marketing success is assessed by the number of times the company is mentioned per post.

**Attainable.** In comparison with the main competitors of the company, it is evident that some competitors have more social media subscribers, as well as more users on the platform in

general. This shows that the goal is achievable and UAB CGTrader should keep up with their competitors.

**Relevant.** The managerial solutions provide guidelines of a digital marketing plan for UAB CGTrader to the US market that addresses the issue of this thesis.

**Timely.** The digital marketing plan is scheduled for the time period of 2019.02.01 – 2020.01.31. The situation analysis and empirical research took place in the Fall of 2018.

### **Market**

The empirical research has to be considered in order to better predefine the actual target market. Research shows that the respondents are predominantly male. This shows that the target market is very likely to be mostly male 3D designers from the US. This information can be used when deciding on what visuals can be used for marketing purposes, depending on male interests. Furthermore, findings of the research demonstrate that the majority of respondents use other 3D model marketplaces as well, however, some indicated preference of CGTrader. This implies that CGTrader should emphasize its' differentiation points as well as advantages among other marketplaces of such type for the target market. Moreover, most of the respondents identified that using 3D model marketplaces is only a source of additional income. This implies, that the target audience might want to use 3D marketplaces that would be easy and quick to use, since it is not their main job or source of income, thus, they would not be willing to take a lot of time to use a time – consuming platform.

### **Content marketing**

Content marketing is the use of consistent, relevant and valuable content in order to attract a specific target audience that will turn into loyal customers, and finally, drive profit to the company (Content Marketing Institute, 2018). As UAB CGTrader is aiming to attract more 3D

designers living in the US to the platform, sending a relevant and valuable message to the target market has to be an essential part of the digital marketing plan. The relevant content should be used throughout other digital marketing tactics in order to reach and attract the target market.

3D designers identify three major factors that are important when choosing a 3D model marketplace where they could sell their 3D models. These factors include the interface and the popularity of the marketplace, as well as the royalty rate that the company offers. The interface has to be clear and easy to navigate as it is essential for the upload and download process of the 3D models. Furthermore, the number of users on the platform is highly important, as the bigger the buyer base, the higher the chances are of a product to be sold. Lastly, high royalty rates are essential, since the artists want to generate as much profit from selling their 3D models as possible. Findings also show, that 3D designers that have used CGTrader identified the mentioned factors to be the advantages of the platform among other platforms of such type, therefore, it is suggested for these major points to be communicated to the target market.

Moreover, 3D designers identify that an interesting, high – quality model hosted by the 3D model marketplace used in and advertisement would most likely capture the attention of a 3D designer. A quality model would portray that the platform has a good reputation because it is used by experienced 3D designers, as well as show that the platform provides product exposure of certain artists. This could not only capture the attention of professional 3D artists from the US to start using the platform, but beginners as well, as they might get the idea that they would become a part of an elite 3D designer community. Therefore, it is suggested to use that type of 3D models in advertisements where visuals can be used together with a written message. The use of visual representation as well as the messages is further specified in the following sections describing digital marketing tactics that are suggested to be used.

In order to have a more thorough content plan, the Hierarchy of Effects framework is used as a guideline. As mentioned in the empirical research section, the framework is divided into three major categories of consumer behavior, thus the content is prepared in accordance to these behavioral categories.

**Cognitive.** The first major step of the customer decision making path is making the customer aware of this specific CGTrader platform in the online 3D model marketplace segment and provide valuable information about how the platform functions. 3D designers living in the US that do not use CGTrader yet have to be well introduced to the existence of the platform. This can be achieved by using a message that would capture the attention and would be short and easy to understand in order not to overwhelm the potential customer, however, more information about the marketplace should be easily accessible. The popularity, or the number of users on the platform has to be communicated, as it is one of the advantages of CGTrader. Furthermore, a link has to be provided in order to lead the customer to a landing page where it is clearly and thoroughly explained how the platform functions, what benefits it provides to its' customers and how it differentiates from other 3D model marketplaces. This should be done in order to spread brand awareness and help the potential customer make a well assessed choice among the possible 3D model marketplaces he or she can use. The message in the cognitive behavioral category should be *“Learn more about CGTrader and become a part of a 1M+ 3D enthusiast community!”*.

**Affective.** At this stage, the customer has to be persuaded that he or she likes the marketplace and build brand preference. CGTrader should emphasize its' major advantage and provide the customer with a personal experience that would build a positive connection between the customer and the 3D model marketplace. As the major advantage of CGTrader is identified

to be the easy and user – friendly interface, it should be communicated to 3D designers living in the US, and a link leading to the website should be provided in order to lead the potential customer to a CGTrader landing page where he or she can navigate through the website and personally experience how clear and easy the interface actually is. This personal experience would build a liking of the potential customer toward the brand and establish brand preference. It is suggested that the message for the affection stage should be *“Looking for user – friendly 3D model selling solutions? Try CGTrader [hyperlink to the landing page inserted]!”*.

**Conative.** This step is about convincing the customer to take the ultimate step and assuring an easy and seamless sign-up process on the marketplace. In order for a customer to take the next step, a proper incentive has to be used. The message should include the royalty rate that the company offers, as money is identified to be the main motivator to start using 3D model marketplaces in the first place. Since CGTrader offers the highest royalties of up to 80% in the market, it is suggested to be emphasized in the message. Moreover, a call to action is suggested be used as a link leading to the sign-up page, to assure an easy and almost seamless transition from the ad to the sign-up landing page of CGTrader. Therefore, the message used in the conative customer behavior category is suggested to be *“Use CGTrader to earn the highest royalties in the market. Sign up now!”*.

## **SEO and SEM**

SEM stands for search engine marketing, while SEO means search engine optimization. The main difference between the two is that SEM includes using paid advertising to appear at the top of the search results on a search engine, while SEO is earned media (Optimizely, 2018).

**Search engine optimization (SEO).** Search engine optimization is about activating specific factors that affect the standing of a particular web page in a search engine (Ward, 2018).

According to Ward (2018), the main goal of using SEO is to make specific web pages appear at the top of the search engine results by taking actions that would increase the search engine ranking of the web page. Since SEO is an effective and a free tool of marketing, it is important for start – up companies like UAB CGTrader to utilize these tools in order to save money.

Potential customers would save time and effort to find a relevant web page, since it would appear at the top of the search results. This can be achieved by using relevant and effective keywords.

According to the research results, 3D designers living in the US mostly use the Google search engine, thus, it is suggested that UAB CGTrader should optimize this specific search engine. Moreover, findings show that 3D designers living in the US are most likely to type word combinations that include “3D”, “*model*” or “*models*”, as well as “*sell*” or “*seller*”, when searching for a 3D model marketplace. The company already uses these keywords for SEO, however, other important keywords have been identified and are recommended to be used to increase the companies’ organic search engine ranking. The keyword that is suggested to be used for SEO is “*popular 3D marketplace*”. Findings of the empirical research show that 3D designers living in the US believe that marketplace popularity, or the number of buyers on the platform is important in order to gain more product exposure. Another keyword that is recommended to be used is “*3D store*”. Competitors do appear at the top of the search results when this keyword is typed into Google, CGTrader is far behind, even though it was identified to be typed in by 3D designers from the US. It is recommended for UAB CGTrader to use these keywords in order to generate a higher search engine ranking and appear at the top of the search results. This would provide the company with more exposure for 3D designers living in the US, as it is likely to be typed by them when searching for a 3D model marketplace.

**Search engine marketing (SEM).** Search engine marketing is believed to be one of the most effective paid tactics of marketing (Optimizely, 2018). However, according to a representative of the marketing team at UAB CGTrader, paid search engine advertising showed to be not as effective as reckoned. On the other hand, as the company has never tried country – specific marketing, SEM can be helpful in order to target specifically 3D designers living in the US, since SEM enables the choice of specific geographical locations where the advertisements appear. It is suggested to use pay per click (PPC) as a search engine marketing tool.

**PPC.** This type of search engine marketing enables the choice of a specific country to which the paid advertisement is shown, thus is recommended to be used by UAB CGTrader to target 3D designers in the US. Moreover, PPC is mainly designed for conversions, since it can be very expensive, as the company has to pay each time the ad is clicked on, hence, the name pay per click. Mostly, if a 3D designer from the US is searching for a 3D model marketplace, it is to find a place where he or she could sell their 3D models. Therefore, it is suggested that UAB CGTrader should use PPC with a call to action message. The message that should be used for this paid ad is the slogan from the conative category of the content marketing section. The slogan that is recommended to be used is *“Use CGTrader to earn the highest royalties in the 3D market. Sign up now!”*. As the royalty rate that the company offers is an important factor for 3D designers living in the US when choosing a 3D model marketplace where they could sell their models, it is likely to be typed into a search engine when searching for one. Therefore, it is suggested to emphasize the keyword *“highest royalties in the 3D market”*. Another keyword that could be used is *“sell 3D models”*, since it was identified to be likely typed in by a 3D designer from the US when searching for a marketplace of such type. These keywords would appropriate for PPC, since, when typed in a search engine, it implies that the potential customer is

specifically looking for a place to sell his or her 3D models and earn more money. It is recommended to start out slowly with PPC and test out how this paid advertising is working for the company, later on in the year, the PPC should be used more often with the keywords that are identified to be effective. The time of the day that PPC should be scheduled for the first month is around 5PM (GMT+2) until around 9AM (GMT+2), in order to reach 3D designers living in the US and to test out, at what time of the day are they most active and later adjust the hours accordingly.

### **Social media marketing**

Social media marketing involves creating content on different social media platforms and sharing it in order to drive audience engagement (WordStream, n.d.). Social media marketing can help to increase website traffic and engagement with the key audience, as well as raise brand awareness and create a positive brand image. Moreover, posting on social media is convenient since there are tools that can be used to schedule when the posts go out, thus, it can be adjusted to the specific time zone that the target market is at. Social media marketing is especially helpful for start – up companies like UAB CGTrader as it can be used for free. On the other hand, for quicker and more effective results, paid social media marketing can be used as well. In order for CGTrader to increase potential customer engagement, relevant and interesting content has to be used and communicated through the appropriate social media platforms. Research shows that the social media platforms that are most commonly used by 3D designers are Facebook and Instagram, therefore, these social media channels have to be used in order to reach the target audience. Furthermore, according to the findings of the empirical research, respondents identified innovation and tutorials of techniques that would benefit their process to be the most interesting and engaging content for them as 3D designers.

**Facebook.** According to Statista (2017), the projected number of Facebook users in the US in 2019 is over 211mln. This shows that Facebook is very popular and is widely used in the US. Facebook is an effective advertising tool as it can help to reach specific audiences at specific times. Currently CGTrader mostly shares content targeted at 3D model buyers. This content mostly includes announcements about sale offs or posts of 3D models hosted by the platform that is for sale in order to encourage buyers to purchase it. It can be seen that there is a lack of content that would engage 3D designers more. Therefore, in order to be able to increase engagement of 3D designers that currently use the platform, it is important to post content that is relevant to them.

As mentioned before, research shows that 3D designers from the US would be most engaged in content about innovation and tutorials of techniques that would make their work process easier, thus, CGTrader should share more content involving this information. Facebook posts or articles prepared and shared on Facebook by the CGTrader copywriter or a hired third party regarding new technologies used and trends foreseen in the future regarding the 3D industry is suggested to be shared on the CGTrader Facebook page. 3D designers who want to be successful or are enthusiasts of the industry want to keep up with the news and inform their colleagues, which would result in more comments, likes and reposts, thus, increasing the engagement rate per post. Tutorials of different kinds of techniques or tips on how to make the work process of 3D designers easier is suggested to be reposted. These tutorials could be prepared by current users of the marketplace, since there are some 3D designers who create and share this type of content. This would increase existing follower engagement and provide more visibility for the content that CGTrader shares, thus, increasing the chances that current follower connections that could be potential customers would see these posts and the CGTrader Facebook

profile where they could be referred to the CGTrader platform to sign-up. Since this is a more difficult content to produce, these post regarding innovation and tutorials should appear every fourth week, while tutorials and tips should appear on a different week than innovation-related posts.

Later on, it is suggested for UAB CGTrader to use paid Facebook advertising to promote their posts that generate the most engagement in order to reach a wider audience by using Facebooks' option of detailed targeting. Moreover, the CGTrader Facebook page should be used to push potential customer to actually sign-up to the marketplace through sponsoring posts that are prepared for the conative customer behaviour category as mentioned in the content marketing section. It is recommended to include a picture of a high – quality 3D model chosen by the marketing team with the slogan *“Use CGTrader to earn the highest royalties in the market. Sign up now!”* with a provided link to the CGTrader landing page where the customer could sign-up. Detailed targeting enables businesses to reach a target audience based on the advertisements they click on, pages and activities they engage in on and off of Facebook. These options should be adjusted so that people engaging in activities, pages and ads regarding 3D model selling or 3D design would be targeted. The ads that generated the most engagement should be promoted one week per month in order to reach 3D designers living in the US without overwhelming them with sponsored information. While it is suggested to promote the call to action post two week per month.

Furthermore, another way to engage more 3D designers living in the US who are not followers of the CGTrader Facebook page, is for the company to utilize its' owned media to be active in different 3D industry related Facebook groups like *“3D”*, *“3D World”*, *“3D designers”* and other groups. These groups host thousands of 3D enthusiasts among which could

be 3D designers living in the US who could be potential customers of CGTrader. Commenting and liking posts in these pages is suggested, as it could increase visibility of the CGTrader Facebook page. It is recommended to be done two times per day on average every fourth day of the week, at least five hours apart in order to reach 3D designers living in the US in different time zones.

**Instagram.** Instagram is used by many businesses these days. According to Facebook (2018), 80 percent of Instagram accounts follow different businesses, which shows that it can be an effective way to promote your business. As for now, CGTrader mainly posts the same content on Instagram as on Facebook, however, the number of followers on these platforms differ significantly.

In order to increase Instagram engagement and attract more followers that could be potential customers, it is important for CGTrader to be active outside their own Instagram profile. It is recommended for the company to focus on searching for Instagram accounts of 3D designers living in the US that they could follow. Commenting and liking their posts can highly increase business profile visibility. While there are tools that help to do so, it is not recommended, as Instagram users can easily detect if someone took the time to comment, or an automatic tool has been used. Depending on how often the followed designers post content related to 3D modelling or the 3D industry in general, it is recommended to like every post regarding this information, and comment on every third post per account.

Moreover, it is important to be constantly active on Instagram. It is suggested to share at least two posts per day in order to engage more followers. Sketchfab, one of the major competitors of CGTrader, post three times on average on Instagram and have almost five times more followers than CGTrader. It is important to provide a constant flow of content for the

followers in order to be remembered. These posts should include a 3D model of the day, preferably of different styles each day and should be marked with a hashtag #3Dmodel and #3Dmodeling. An interesting, quality 3D model is identified to be most attention capturing in advertisements, thus, it can be an effective way of engaging followers. Another post should include company milestones or sale off announcements, with hashtags #milestone or #sale, depending on the post that day. Lastly, the third post should to include an interesting fact, trend or new development of the 3D industry with the hashtag #innovation. Following the mentioned posts, it is recommended to include hashtags like #3D and #CGTrader. Hashtags are used to increase post exposure and reach the target audience or potential customers, as well as to increase post engagement. It is suggested to schedule the posts at least three hours apart, as the target audience form different US time zones would be more likely to be reached.

Lastly, it is suggested to invest in sponsoring Instagram stories. In order to increase profile exposure, spread brand awareness as well as reach and attract more potential customers, Instagram stories should be sponsored and targeted at an interest group of the 3D industry. As Instagram only allows to add a call to action or a swipe-up link to Instagram stories only when an account has over 10000 followers, currently it is recommended to use Instagram stories to spread brand awareness. These sponsored stories would also refer the viewer to the company Instagram profile where they would find the link to the CGTrader website. The slogan from the cognition category of consumer behaviour, which is *“Learn more about CGTrader and become a part of a 1M+ 3D enthusiast community!”*, should be used together with an interesting, quality 3D model chosen by the marketing team of UAB CGTrader in the background. Instagram offers the option to create a campaign in order to achieve a specific goal and to target a specific audience (Facebook, 2018). The target audience should be in the 3D industry, 3D modelling and 3D

design interest groups, as well as the location of these Instagram account owners should be the United States. Moreover, the age of the target audience should be 18 years and over. By using this Instagram marketing function, brand awareness could be spread to the actual target market. It is suggested to promote the sponsored Instagram stories two weeks per month.

### **Influencer marketing**

Influencer marketing is a type of marketing that mostly involves businesses partnering up with people that have a lot of followers on social media. However, there are influencers who are actual specialists of a specific field or industry and are well known for the industry – related content they share. In this case, opinion leaders of the 3D industry are very widely spread, as the 3D industry in general is big and has a variety of different industry branches. For example, the video game industry is a part of the overall 3D industry, as the characters and environments used in video games are in the 3D format and are created by 3D modellers. Furthermore, opinion leaders can also be divided in accordance to what 3D modelling techniques they use. Research shows that 3D designers also look up to opinion leaders of a specific technique or field that they are in. While this might seem as an issue for UAB CGTrader when choosing the influencers that they should partner up with, it actually gives the company some freedom of choice. It is recommended for UAB CGTrader to choose three influencers that would mention CGTrader in two of their posts or videos. These posts should appear every other month, since it can be expensive. These influencers should mostly be posting 3D innovations or tutorials. The partnerships would include influencers creating their content and mentioning or referring to CGTrader. By using influencer marketing UAB CGTrader would get more exposure, thus, it could be used to spread brand affection. Influencers could mention that CGTrader is a user – friendly platform and show them how it looks. The slogan that is suggested to be used is

*“Looking for user – friendly 3D model selling solutions? Try CGTrader!”*. However, the slogan is not mandatory as long as the company itself or the feature of CGTrader is mentioned, since influencers tend to have their own styles of voicing out their opinions. Some examples of the influencers that CGTrader could buy service from is Steve Lung or CG Geek who has over 166000 subscribers on YouTube and gets tens to hundreds of thousands of views on his computer graphics (CG) tutorial videos, and also shares them on his social media pages like Facebook. Another person that could be approached by the company goes by the nickname Jayanam on YouTube. He has over 53000 subscribers and shares tutorials of new technologies used in 3D modelling as well as tips and tricks on different 3D modelling techniques that get around 3000 views on average. He also shares his YouTube content on Facebook as well. The third person that could be approached goes by the nickname Remington Graphics on YouTube and has over 42000 subscribers. He posts tutorials on special effects as well as other techniques and gets around tens of thousands of views on these videos.

### **Budget**

As money is not a part of the 12 steps of effective marketing tactics presented by Khorev (2018), estimating the budget for a digital marketing is an essential part of the plan. It is highly important to allocate and plan out the budget of the digital marketing plan. Especially for start – up companies like UAB CGTrader, an effectively distributed budget is a must, since such companies cannot afford expensive marketing tactics, thus, they try to get the maximum results that they can by not overspending.

Since all of the marketing activities are done or arranged by the marketing team of UAB CGTrader their salaries are not included into the budget. SEO is presented to be for free as the company has a SEO manager that has a fixed salary, therefore, no additional spending is

required. Furthermore, the estimated budget is presented in Euros, as the company is Lithuanian and the currency of Lithuania is the Euro. The total budget is presented together with the schedule of the marketing activities. The budget was allocated by consulting with a representative of the marketing team of UAB CGTrader and using external sources. The estimated budget for the digital marketing plan is 12755 euros.

MEDIA CHANNEL	MONTHS												BUDGET
	2	3	4	5	6	7	8	9	10	11	12	1	
SEO													0
SEM													
PPC advertisign	100	100	100	150	150	200	200	200	200	200	200	200	2000
Facebook													
Content creation for innovation posts	80	80	80	80	80	80	80	80	80	80	80	80	960
Innovation posts													0
Tutorial and tip posts													0
Call-to-action post promotion	150	150	150	150	150	150	150	150	150	150	150	150	1800
Innovation/tutorial post promotion		75	75	75	75	75	75	75	75	75	75	75	825
Influencer marketing	1000		500		1500		500		1000		750		5250
Instagram													
Daily posts 3X per day													0
Story promotion	160	160	160	160	160	160	160	160	160	160	160	160	1920
													<b>Total:</b> 12755

Figure 2. Digital marketing plan budget for UAB CGTrader in the period of 2019.02.01 – 2020.01.31 (in Euros). Created by the author.

Such activities as commenting and liking posts on social media platforms are not added to the presented schedule and budget plan, and they do not cost any money for the company. How these activities are scheduled is mentioned previously in the social media marketing section.

## Measurement

It is important to measure how effective are the digital marketing tactics used in the digital marketing plan in order to improve some of them or stop using them in the future, if need

be. The digital marketing tactics used, measurement points of these tactics and key performance indicators (KPI) are presented in Table 4. These KPI's were based on the thesis issue and the nature of each marketing tactic.

Table 4

*KPI's of the digital marketing plan for UAB CGTrader for the period of 2019.02.01 – 2020.01.31.*

<b>Digital marketing tactic</b>	<b>Measurement</b>	<b>KPI</b>
SEO	Organic search engine traffic increase Ranking in the search engine results	25% per month Appear in the top 3 of search results
SEM (PPC)	Click – through rate	2% per ad
Facebook	Engagement rate (reactions, comments and shares) Number of new followers from the US Conversion rate (sign-up)	2% per post 10% per month 2%
Instagram	Engagement rate (likes, comments and reposts) Number of new followers from the US	1.5% per post 15% per month
Influencer marketing	Mentions of CGTrader (user-friendliness, logo, company name)	2 mentions per post

*Note.* Created by the author.

## Conclusions

After conducting an investigation of the internal and external situation of UAB CGTrader, resulting conclusions are made:

- UAB CGTrader is an online business that operates globally and has an office in Vilnius, Lithuania. The company runs an online 3D model marketplace called CGTrader, where 3D designers upload their 3D models to sell or share them, and 3D model buyers purchase these models.
- UAB CGTrader generates income by providing 3D model sellers with up to 80 percent of royalties from their sales, while the remaining percentage is taken by the company.
- The largest 3D model buyer market of UAB CGTrader is the US, while the main 3D designer markets of the company are Russia, Ukraine and India, with the US far behind.
- The PESTEL analysis demonstrates that the political, social and technological factors have the greatest impact on the business of UAB CGTrader, while economic, environmental and legal factors do not have a big effect on the company.
- The major internationalization risks that the company might face are country risk, commercial risk and currency risk.
- Two major competitors of UAB CGTrader have headquarters in the US. These competitors are TurboSquid and Sketchfab.
- The SWOT analysis showed that the major strength of UAB CGTrader in the US is number of 3D model buyers it has in the US.

The empirical research done by the author of the thesis draws the following conclusions:

- A qualitative research method was chosen for the empirical research and semi-structured in-depth interviews were conducted. The sample was collected by using non-probability purposive sampling. The sample consisted of 3D designers living in the US who use the CGTrader marketplace to sell 3D models.
- Finding of the research show that the respondents distinguish three major factors when choosing a 3D model marketplace. These factors include a user-friendly interface, popularity of the platform and the royalty rate that the company offers.
- Respondents identified that the main stimulus to start using 3D model marketplaces in the first place is to generate additional income.
- The main social media platforms used by the respondents are Facebook and Instagram, while Google was identified to be the mostly used search engine.
- It was identified that all of the respondents look up to certain opinion leaders, however, all of them identified different influencers.
- The content that would most likely be interesting and would engage the respondents are innovation posts as well as tutorials and tips that would benefit their work process.
- The limitation identified during the research were that the sequence and structure of some questions were adjusted in accordance to the course of the conversation. Moreover, some questions were not asked, as the respondents answered them when asked another question.

After conducting the internal and external analysis, as well as the empirical research, managerial solutions for UAB CGTrader were suggested:

- The target market is likely to be mostly male 3D designers from the US that are searching for solutions to generate additional income.
- The content or the message that is suggested to be used by UAB CGTrader is based on the Hierarchy of Effects framework. The messages should focus on the popularity of the platform, the user-friendly interface and the royalty rate offer. This content is recommended to be used when employing other tools of digital marketing.
- SEO and SEM are suggested to be used by implementing keywords that would be likely to be used when searching for a 3D model marketplace. This would help to appear at the top of the search results and to target potential customers from the US.
- For social media marketing, the Facebook and Instagram platforms are suggested to be used. Owned and paid marketing techniques are recommended to be employed in order to spread brand awareness and attract potential customers.
- By using influencer marketing the company could spread brand awareness. It is suggested to approach three different influencers that would mention CGTrader in two of their posts or videos of 3D modelling tutorials or regarding innovation in the 3D industry.
- The budget for the implementation of the digital marketing plan in the period of 2019.02.01 – 2020.01.31 is estimated to be 12755 euros.

- The main measurement points of the effectiveness of the digital marketing plan are based on the issue of the thesis as well as the nature of the marketing tactics that are suggested to be used.

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## Appendices

### Appendix 1 – Percentage of CGTrader users by country:

Country	Users	Users
	226,591 % of Total: 100.00% (226,591)	226,591 % of Total: 100.00% (226,591)
1.  United States	43,335	19.19%
2.  India	14,579	6.46%
3.  Germany	12,659	5.61%
4.  United Kingdom	10,093	4.47%
5.  Russia	7,811	3.46%
6.  France	7,193	3.19%
7.  Brazil	7,040	3.12%
8.  Italy	6,232	2.76%
9.  Canada	5,810	2.57%
10.  Spain	5,141	2.28%

Source: Google Analytics of UAB CGTrader.

### Appendix 2 – The research instrument:

Nr.	Question	Objective	Theoretical background
1.	Do you live in the US and have you ever created a 3D model of any type?	A screening question, to understand whether the interviewee belongs to the group of people relevant to the research.	The 6M model – Market
2.	Are you currently using any 3D model marketplace to sell your work?	A screening question, to understand whether the interviewee belongs to the group of people relevant to the research.	The 6M model - Market
3.	What 3D model marketplace do you currently use to sell your work?	To understand what 3D model marketplace the interviewee currently uses and is aware of.	6M model - Market and Mission Hierarchy of Effects model- Cognitive
4.	Why have you chosen to use this specific marketplace instead of other marketplaces?	To understand what are the perceived strengths of the chosen marketplace in comparison with other marketplaces.	6M model - Message RACE model - Act Hierarchy of Effects model – Affective

5.	Where did you first hear of CGTrader?	To understand through what channels has the interviewee heard of CGTrader.	The 6M model - Media The RACE model - Reach
6.	What are the most important factors for you when choosing a 3D model marketplace?	To understand the most important factors when choosing between 3D model marketplaces and communicate it to the target market.	The 6M model - Message The RACE model - Act The Hierarchy of Effects model - Affective
7.	What is your motivation for using 3D model marketplaces?	To understand what motivates 3D designers to start using 3D model marketplaces.	The 6M model – Mission and Message
8.	What would you type in a search engine to find a 3D model marketplace?	To understand what is most likely to be typed in a search engine to find a 3D model marketplace.	The 6M model - Media
9.	What media channels do you mostly use as a 3D designer? I.e. Social media, web sites, search engines and other.	To understand what media channels are mostly used by 3D designers.	The 6M model - Media The RACE model - Reach
10.	Do you personally share any 3D industry - related content on the mentioned media channels?	To understand whether 3D designers share 3D industry – related content on media channels.	The 6M model - Mission and Media
11.	If yes, what kind of content do you mostly share?	To understand what 3D industry - related content 3D designers mostly share.	The 6M model - Message The RACE model - Act
12.	What kind of 3D industry – related content would you find interesting enough to share/repost?	To understand what kind of 3D industry - related content 3D designers would be willing to share/repost.	The 6M model - Message The RACE model - Act
13.	Do you look up to opinion leaders of the 3D industry?	To understand whether 3D designers look up to opinion leaders of the 3D industry.	The 6M model - Mission and Media
14.	If yes, who are the opinion leaders you look up to?	To understand what kind of influencers 3D designers look up to.	The 6M model - Media The RACE model - Reach
15.	Where do you find these opinion leaders?	To understand through what channels 3D designers find or follow influencers.	The 6M model - Media The RACE model - Reach
16.	If no, what would make you look up to an opinion leader of the 3D industry?	To understand what would make a 3D designer look up to a certain opinion leader and communicate it to the target market.	The 6M model - Message

17.	What are the success factors you perceive as a 3D model seller?	To understand the perceived success factors of 3D model sellers in order to communicate them to the target market.	The 6M model - Message The RACE model - Act
18.	What problems do you mostly face as a 3D model seller?	To understand what problems 3D model sellers mostly face to communicate to the target market the solutions that CGTrader offers.	The 6M model - Message The RACE model - Act The Hierarchy of Effects model - Conative
19.	What is the first thing you notice in an advertisement that offers selling solutions of 3D models?	To understand what captures attention in advertisements of 3D model marketplaces, and use it in marketing efforts.	The 6M model - Message
20.	Would you be willing to participate in a similar interview, or fill out a questionnaire one year from now?	To understand whether the interviewee is willing to participate in a similar research in the future.	The 6M model - Measurement

## Appendix 3 – The question – answer matrix:

Respondent	R1	R2	R3	R4
1. Do you live in the US and have you ever created a 3D model of any type?	Yes.	Yes, to both.	Yes.	Yes, and yes. I live in California, United States.
2. Are you currently using any 3D model marketplace to sell your work?	I've been using it for quite a while now.	Yes.	Yes.	Yes.
3. What 3D model marketplace do you currently use to sell your work?	I've been using cgtrader.com. They approached me, they were the nicest ones.	I use Qbrush, the Artstation marketplace, CGTrader, Turbosquid and the Unreal4 marketplace.	I mainly use CGTrader. I also used Turbosquid, although I left them.	I use Turbosquid and CGTrader.

<p>4. Why have you chosen to use this specific marketplace instead of other marketplaces?</p>	<p>I wasn't thinking about choosing it, however, I was working on a project and that project got cancelled last second and I just didn't know what to do with the project... And CGTrader contacted me and they said they want to put my stuff out there and I didn't know what to do with the work I made, I can at least sell it online for people and they can still enjoy and print it if they want to.</p>	<p>The have very good royalty rate compared to the other stores I use. I think it one of the more popular marketplaces. It's certainly the most up and coming that I've been on. This is the second most profitable store that I use.</p>	<p>The royalties. In the beginning you could keep up to 90% of the revenue, depending on your tier level. Turbosquid was taking away 40% or like 50%. Ridiculous amount of money. And the interface to upload your models and to put all the details, CGTrader is much simpler. The interface of putting the images made sense, it was a much more fluid market. Turbosquid, it was a mess, at least it was a few years ago when I put them on.</p>	<p>I use CGTrader because I get more of a cut from my sales. I usually put more on CGTrader and the Turbosquid kind of has the old stuff. It [CGTrader] seemed the most user – friendly and Turbosquid has an old interface.</p>
<p>5. Where did you first hear of CGTrader?</p>	<p>CGTrader contacted me directly and they said they want to put my stuff out there.</p>	<p>I think I saw an ad on Facebook.</p>	<p>They contacted me, because they saw my videos. They were like “hey do you want to use this site, because it's brand new”.</p>	<p>I probably found them somehow [specifically searched by myself], because I had a lot of models from freelance jobs that didn't pay very well.</p>

6. What are the most important factors for you when choosing a 3D model marketplace?	I didn't want to put my stuff somewhere that was going to put my name down. CGTrader was very artist – friendly and I just liked it better than Turbosquid or any other marketplace.	Well like I said before the royalty percentage, if a marketplace takes a lot of the total price and it's less valuable to me as the artist. And popularity, how many people are using it (buying things on it). Also, ease of use is very important, like the upload process needs to be simple. Some stores are really complicated to upload to and I just don't have the time to deal with their upload process.	The interface for one, for sure. How easy it is to upload your models, because especially if you're going to upload a bunch of them, the interface has to be good. Another good thing about CGTrader is that it allows you to bulk upload, and then in the beginning they even told me they could upload the models for me. And then of course, the revenue split, how big is it. . . Now CGTrader, people actually know about it so you will actually sell models, because if nobody knows about the site, you're not going to sell any models. So, the popularity of the site.	A good, fair cut depending on your ranking. But you can get that easy, by sharing with your modeler friends and when they post it becomes more popular. Everyone wins, everyone gets more points and then it gets more exposure and you can see why it's a good model.
7. What is your motivation for using 3D model marketplaces?	I thought I would get to reach out to more people, I really wanted to expose my project to the people. Money wasn't the motivation, I really don't care about the money. I care about people enjoying my work.	To start making a little bit of money, for funding, extra money.	If I already have the models made for other projects I could still make more money by uploading them. It makes a lot of sense if you already made the models, to then upload them to the marketplace, because if they sell you're only making extra money.	Mainly sales, because I never got any jobs through telling them [the customers]. A little exposure.

8. What would you type in a search engine to find a 3D model marketplace?	The topic that I'm interested in at that specific moment.	I would probably search "3D store".	Usually start it with a "3D model" or "3D environment, or "3D character", "3D rig".	
9. What media channels do you mostly use as a 3D designer? I.e. Social media, web sites, search engines and other.	I think right now Instagram is very popular and it's super simple and easy. I use Instagram a lot. And also, Artstation if I want to look specifically at other peoples' portfolios.	I use Pinterest sometimes.	I've used all the main ones. Instagram, Facebook, Twitter, all of those. Besides that, Google and that's about it.	I mainly use the Facebook groups, because a lot of people are on Facebook still. And Artstation for the most part. I actually use Pollycount, I think I've found a job here and there. Mostly Chrome, I mean Google.
10. Do you personally share any 3D industry - related content on the mentioned media channels?	I do time to time on my Instagram page.	Yeah.	Yeah, well YouTube, Google, on Facebook, on Instagram and on Twitter.	No, not really.
11. If yes, what kind of content do you mostly share?	Fully finished products. I work for Tesla, so whenever something comes out that I did I post it on behalf of Tesla.	I like things like modelling resources, tools, packs of assets, and also tutorials.	3D innovations that I make, 3D animations, VR – virtual reality stuff.	

12. What kind of 3D industry – related content would you find interesting enough to share/repost?	A really cool, different creature could be worth to share or something with ci – fi elements, product design, vehicle design. But everything is the same these days, so I rarely repost something.	Probably the same stuff I said before. Tutorials and 3D packs of assets.	One of the things that usually interests me is something that’s going to make my process more efficient. Whenever they post “hey this is a new discovery of how to render this environment”, if it’s going to benefit my process or benefit the models is usually what I’m going to repost or be interested in... If there’s something that’s very interesting – innovations I would say.	I guess anatomical things and some texturing. There are combinations of different skills that can do the same thing, some a lot more efficient than others.
13. Do you look up to opinion leaders of the 3D industry?	There are legends, like practical 3D builders.	Yeah, definitely.	Yeah.	There are some guys that are pretty out there, so yeah.
14. If yes, who are the opinion leaders you look up to?	There are a lot of people like Steve Wong, Rafael Grasetti he’s a pretty talented guy. Alessandro Baldrosoni, he’s an Italian really really legendary guy too.	In my industry, which is the video game industry, I look up to artists like Gavin Golden, Jon Troy Nickel, those are the main ones.	Visual effects artists. Especially the ones that pioneered a lot of the techniques. James Cameron for example.	I don’t know his full name but he goes by The Antman, the animator, the modeler, he does it all. And there’s this guy named Freddo in the Philippines, he was very talented. I looked up to his artwork a lot. He goes by Freddo Dickto Bernardo.

15. Where do you find these opinion leaders?	Now, Artstation. This is the only source to find people, follow people, to find legends or talented people, newbies, it's kind of an open ocean right now.	Originally the place I heard about them is a website called Pollycount... I also follow them on Facebook.	. I usually find out about them behind the scenes of movies and stuff.	It was all Facebook really. In groups like 10000 hours and animation groups and indie game developer groups.
16. If no, what would make you look up to an opinion leader of the 3D industry?				
17. What are the success factors you perceive as a 3D model seller?	If I was doing that more actively, I think I would probably think to sell things more quantity and not a lot of money. Instead of making something ridiculously detailed in an X amount of time and putting effort into it. People tend to sell it for a lot, like 200-300\$, which is fine.	I usually go by sales... It's mostly the numbers.	One is to sell in the first place. To sell at a price that you're comfortable with. If that's the case then you've made it.	You have to be really skilled to actually sell something... When I started out I made things very pricy and I still sold a few things that I needed. It was like 600\$, so if you can sell two or three of those you're doing pretty well. I just try to stay just a little above the normal frames [of pricing]. If you can sell something for a high price like 600 – 1000\$ I say you're doing great.

<p>18. What problems do you mostly face as a 3D model seller?</p>	<p>Dealing with the platform owners would be a big thing. Let's say I'm creating fabulous things like top notch 3D models, I really want them to be presented well and be approached to as many people as possible. If that's not happening I think that would be a problem for me. They tend to do discounts on model pieces on CGTrader, which doesn't bother me...but I was selling it more seriously probably money – wise I wouldn't want to sell something way cheaper than what I'm comfortable at. And also, how it's presented. Is it presented as a cheap thing or as a high-quality thing?</p>	<p>I would say probably not having a way to connect with more buyers. That's one of the reasons why I don't do a lot of social media stuff. I don't feel like there's a lot of people who would be interested in buying my assets that would follow me on social media.</p>	<p>One of the main problems is people underselling their models. There are a lot of people that have just started selling while they're still in college or something and they put something up for free which took them hours to make because they don't care. That undervalues everything that is being paid for, because as a customer doesn't care. If an iPhone is free, you are not going to want to pay for it. That is one of the things that really detracts your sales. And the two, is the competition. You're competing against people that are Asian or from Europe, all parts of the world. The cost of living in the US is drastically different from the cost in other countries, including Mexico for example. So, they can price their models at whatever, because 10\$ to them is far more than what 10\$ could buy in the US.</p>	<p>There are people who change their minds.</p>
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<p>19. What is the first thing you notice in an advertisement that offers selling solutions of 3D models?</p>	<p>Point of interest is important, but if I'm not in the market of searching for anything... I guess the image would be important.. I think the image that they are putting in an add could be an interesting model... Obviously I wouldn't click on it if it was just a table or a dog. It could be something more complicated. Obviously if you see "oh we sell this much", you don't want to pay more if you don't have to. You want to get the best in less money.</p>	<p>If the ad itself had models that look bad then I usually steer away from those ads. Showing of good content in the ads is important.</p>	<p>I've always been very visual, so I can always tell if the sight is made by a 12-year-old or somebody who knows what he's doing. Second is the content, what they're actually saying. Does it apply to me?</p>	<p>Of course, a quality model. The royalty deal, their business motto. The business motto is very important because we sellers want to be treated as fairly as possible.</p>
<p>20. Would you be willing to participate in a similar interview, or fill out a questionnaire one year from now?</p>	<p>Yes, definitely.</p>	<p>Yeah, that would be fine.</p>	<p>Yeah sure, that would be interesting.</p>	<p>Sure.</p>

<b>Respondent</b>	<b>R5</b>	<b>R6</b>	<b>R7</b>
<p>1. Do you live in the US and have you ever created a 3D model of any type?</p>	<p>I live in Los Angeles, California, United States and I have created digital files like 3D models.</p>	<p>Yes, and yes.</p>	<p>Yes, I'm from the US and currently live there. I've created hundreds, if not thousands, of 3D models.</p>

2. Are you currently using any 3D model marketplace to sell your work?	Yes.	Yes.	Yes, I do sell 3D models in online marketplaces. I specialize in game-ready/real-time models.
3. What 3D model marketplace do you currently use to sell your work?	CGTrader, Thingiverse, MyMiniFactory and also Pinshape.	CGTrader and Turbosquid.	I currently use TurboSquid, CGTrader, and Sketchfab. I'm gradually transferring my models and efforts to CGTrader and Sketchfab instead of TurboSquid.
4. Why have you chosen to use this specific marketplace instead of other marketplaces?	The user – base. It seems there's a lot of users contributing and also a good amount of users interacting. When it's paid you might have a more tailored customers and users. I like it because of the amount people contribute to the website.	CGTrader is really lite when it comes to what they allow and their upload platform is very easy, not too complicated.	I've chosen to use CGTrader because customers seem far more likely to give me feedback or come to me with opportunities such as model requests. I also like the ability to add 3D previews to products. I use Sketchfab as well since their service is fundamentally geared towards 3D rendering in web browsers.
5. Where did you first hear of CGTrader?	I searched online, looking for online marketing. I was on Thingiverse and My mini factory and then I went out to look for more.	I was specifically searching for a place where I could post projects that I was working on that didn't have very strict rules.	Google search about 3 or 4 years ago as I started looking for alternatives to TurboSquid.
6. What are the most important factors for you when choosing a 3D model marketplace?	Safety, security. Then also, user population, easy access, easy upload, easy download. Very clear interface to show the models for the users and a clean spreadsheet for your transactions.	I think the most important factor for me is the diversity. If it's specifically for architecture or something along the lines it's kind of a limited amount. CGTrader has things from sci – fi to architecture and it's all over the place. The ease of upload and download.	1) Royalty fee 2) Ease of publishing 3) Ability to upload large files

7. What is your motivation for using 3D model marketplaces?	I started using it to get my model, projects, products out there for people to see it.	To see if there was any demand for the characters I create, so really to test it out. To see if I could make some supplemental income and if it's a good place for me to start freelancing really.	My primary motivation is to generate a form of passive income.
8. What would you type in a search engine to find a 3D model marketplace?		You might type "CG re – seller" or "3D site", something like "3D design site".	I'd type "Buy 3D models" or "Sell 3D models"
9. What media channels do you mostly use as a 3D designer? I.e. Social media, web sites, search engines and other.	Search engine would be Google, that's easy. The media I use is Instagram, Facebook, promoting the work, and also providing link for the product on the website.	Typically, Facebook, I also use my own website as well, but for the most parts it's Facebook. And Google.	Occasionally Twitter. I do have a personal website, but I no longer update it.
10. Do you personally share any 3D industry - related content on the mentioned media channels?	No, I don't.	No.	Yes, occasionally.
11. If yes, what kind of content do you mostly share?			I share either Marmoset Toolbag renders or Sketchfab previews of my work on Twitter.
12. What kind of 3D industry – related content would you find interesting enough to share/repost?	Maybe a gorgeous model or techniques that would help to sell. If it's something profound form me and I feel like everybody should know then I probably will find a way to post it.	I like to know about the new technologies they're using. Some of the trends that we might see changing in the 3D industry, cg and movies. I would repost that definitely.	Innovations which help me showcase my models on 3D marketplaces.
13. Do you look up to opinion leaders of the 3D industry?	Some, yes.	There are a few, but those are personal that I've met through school. But not really.	In general, no, but there are exceptions.

14. If yes, who are the opinion leaders you look up to?	Joe Mona is a great cg artist, then Joseph Trust has great tips for z – brush.		One person I do look up to is Tim Sweeney of Epic Games.
15. Where do you find these opinion leaders?	Some I follow on YouTube, because they have their tutorials on YouTube, some have their own websites, some of them I follow on Instagram, some I added as my Facebook contacts.	He was actually posting his work on 3dtotal and he wrote an article.	I follow his Twitter account.
16. If no, what would make you look up to an opinion leader of the 3D industry?		There was an artist named Liam Kimp. He actually was the one that got me started on trying to map muscle systems in characters and it's kind of what pushes the characters to be a little more realistic or having the human element. I think that whole forensic, anatomical advancement on making characters look as believable as possible. I like to see people that are actually pointing out the technologies that can assist in pushing forward.	I would want to find someone who has good advice on how someone like me, and individual operating on a small budget, can improve my work. Especially someone who works with video games and other real-time applications.
17. What are the success factors you perceive as a 3D model seller?	Quantity is nice, but I'm not a big fan of selling cheap stuff. I would like to create something really nice, maybe for a substantial amount of money, but someone is willing to buy it as their private collection. In that way I feel like I succeeded when people appreciate it as an art instead of something quick and cheap.	The one thing that makes my model to be more successful is that I'm not afraid to put out a model that might have some nudity in it. It seems like it's very popular.	The amount of sales revenue I collect, and, to a lesser extent, how I often I see my models appear in video games.

18. What problems do you mostly face as a 3D model seller?	CGTrader has some sort of marketing, but not as strong as let's say My mini factory. They team up with 3D modelers, they pay like 20\$ per year and they promote your models on different platforms and they write about it, and promote it individually. There are more eyeballs seeing that.	There're not enough people to be exposed to the characters and that could be one of the reasons why I am not having that much success.	Publishing models is boring and time-consuming. If I could automate any part of my job, it would be that. Another problem is having people steal my models and sell them online themselves. This has happened to me twice in the past 5 years or so.
19. What is the first thing you notice in an advertisement that offers selling solutions of 3D models?	The quality of the model that is being promoted. Then after that if it's esthetically beautiful, I might click on it to see what else there is.	Most likely some sort of spaceship. Something that shows of some sort of design. Typically, I like to see the best work put up first. And the ad will basically point me to the direction.	Is there an indication that the company caters to low poly/game ready models? Is there something they do to help people who want models for their video games?
20. Would you be willing to participate in a similar interview, or fill out a questionnaire one year from now?	Yeah.	Sure.	Yes, I would.