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PLANNING AND MARKETING AN ONLINE FIREARMS BUSINESS

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PLANNING AND MARKETING AN ONLINE FIREARMS BUSINESS

by

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B.A., Southern Illinois University, 1993

A Research Paper

Submitted in Partial Fulfillment of the Requirements for the
Master of Science.

Department of Mass Communication and Media Arts
in the Graduate School
Southern Illinois University Carbondale
May 2016

RESEARCH PAPER APPROVAL

PLANNING AND MARKETING AN ONLINE FIREARMS BUSINESS

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A Research Paper Submitted in Partial

Fulfillment of the Requirements

for the Degree of

Master of Science

in the field of Professional Media and Media Management

Approved by:

William Freivogel, Chair

Vicki Kreher, Committee Co-Chair

Graduate School
Southern Illinois University Carbondale
March 24, 2016

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CHAPTER 1

INTRODUCTION

One can only wonder how our founding fathers would have thought about the gun industry today. Disruptive technologies such as websites, cell phones and social media have changed the way law-abiding individuals in the United States purchase firearms from federally-licensed dealers. Buyers are no longer restricted to shopping at local brick and mortar stores or from mail order catalogs. Now online websites, firearm-specific auction sites, online classified ads and social media sites are expanding into the firearms market giving consumers better pricing and a wider selection of products. Research by Lorenz (2014) finds the average online transaction for weapons is about \$100 less than at a local store.

Even though consumers may now purchase firearms online, Federal law¹ prohibit firms from shipping serial numbered parts, handguns or long guns directly to out of state consumers. Firearms must first be transferred to a federal firearms licensed dealer or (FFL) in their same state of residence. Chestnut (2016) These individuals will accept the transfer on the buyer's behalf, will require the buyer to fill out paperwork commonly known as a 4473 Form, and will conduct a background check as required by federal law. For this transfer service, an FFL will typically charge a nominal fee.

My interest in firearms and the firearms industry, along with my background in visual communications and graphic design, paired with my graduate studies in Professional Media and Media Management, led me down the path of creating a future business opportunity. I set out to plan, develop and market an online firearms business.

¹ 18 U.S. Code § 922 - Section 922: Unlawful Acts

CHAPTER 2

HISTORY AND CONSIDERATIONS

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is the primary agency responsible for enforcing the Federal firearms laws. An individual or business cannot purchase firearms from a distributor or manufacturer and resell the product to the general public without holding a Federal Firearms License (FFL). Federal licensing and processes must be met to ensure all laws and requirements are followed.

These individuals or businesses have applied for a license from the ATF, and have completed a rigorous process of completing an application, fingerprinting and background checks in order to resell firearms in the United States. According to the ATF (2016), there are nine (9) different types of licenses offered by the ATF. The most commonly held license is called a Type 01, Dealer in Fire Arms other Than Destructive Devices (Including Gunsmiths).

The majority of current gun laws were drafted during the 20th century. Beginning in 1934, Congress passed the first major legislation concerning gun control. President Franklin D Roosevelt signed into law The National Firearms Act of 1934, which regulated fully automatic firearms commonly used with gangster activities. Four years later, The Firearms Act of 1938 required anyone in the business of selling ordinary firearms obtain a federal firearms license. The licensee would be required to maintain records of the name and address of persons who purchased firearms. Violent criminals or felons were prohibited from purchasing firearms. Krieg (2016).

In 1968, following a series of high-profile assassinations from President John F. Kennedy to the Rev. Dr. Martin Luther King Jr., Congress passed the Gun Control Act

of 1968. This law regulated the sale of firearms across state lines and also set stricter license requirements for licensed firearm dealers, which prohibited felons, drug users and mentally incompetent individuals from owning firearms. (Krieg, 2016) This law laid the foundation for the ATF, which was created in 1972 to enforce the gun laws. (ATF 1972)

In 1994, The Brady Bill was passed requiring a five-day waiting period. For the purchase of handguns, the law required local agencies to conduct background checks. However, in 1997, the Supreme Court in *Printz v. United States*, 521 U.S. 898 (1997) declared the federal background check requirement for local officials was unconstitutional. " The Federal Government may neither issue directives requiring the States to address particular problems, nor command the States' officers, or those of their political subdivisions, to administer or enforce a federal regulatory program. It matters not whether policymaking is involved, and no case-by-case weighing of the burdens or benefits is necessary; such commands are fundamentally incompatible with our constitutional system of dual sovereignty," Justice Antonin Scalia wrote for the court. (Brady gun control law, 1998) Because of the Supreme Court ruling, each state passed its own requirements on waiting periods for firearms. For example, in Illinois, an individual must apply for a FOID card (firearms owner identification card) prior to purchasing a firearm or ammunition. A handgun purchase requires a 72-hour waiting period from the moment an agreement is reached between the seller and buyer. For long guns, such as a shotgun or rifle, the waiting period is 24 hours from the moment an agreement is reached between the parties. Other states such as Texas, Kentucky, and Tennessee do not issue FOID cards. When individuals purchases a firearm in one of

these states, they must fill out the Federal 4473 form and pass a background check. Once individuals pass the background checks, they are allowed to take possession of the firearm(s) and purchase ammunition. If, at any time, an individual fails the background check, he or she is not allowed to take possession of the firearm.

Opening a firearms business takes a considerable amount of planning and strategy. Deciding on a business name is the first step in the process as well as understanding the various legal company structures to help decide the best direction for the business. A Federal Firearms License (FFL) must be obtained. A state sales tax certificate allows a business to buy products from distributors and manufacturers without sales tax as well as finding distributors and manufacturers to purchase inventory. If the business plans to sell online through a website, a web hosting service and domain name must be acquired.

CHAPTER 3

SITUATIONAL ANALYSIS

Company Analysis

This is a new online firearm sales business. The vision will be to carry high quality, specialized, limited edition and modern style handguns and long guns used for personal defense. Products such as hunting shotguns, rifles and revolvers will not be offered.

The inventory will be kept relatively small, while catering to a niche market of customers interested in modern/tactical and personal defense firearms and equipment such as law enforcement and military personnel, as well as firearm enthusiasts. Products carried will be unique and more desirable items that may be difficult to locate at local brick and mortar stores. Special orders will be accepted as requested. The company will promote individuality and inform the customer of the latest firearms and accessories available in the marketplace.

Competitor Analysis

According to Higginbotham (2013), in 2013 there were approximately 65,000 FFL's operating with a Type 01 license. Sixty-four percent were considered residential FFL's, meaning they operated out of their personal residence or property. A quick Google search using the phrase "tactical firearms for sale" returned approximately 1860 results. Some of the search results were repeats from a dealer's website; however, this is not an inclusive list. There may be other home-based FFL's selling online through auction sites and classified ads. Larger online resellers exist and have an established name. Many can offer very good pricing due to volume sales and many of these stores also own a brick and mortar store such as Gander Mountain, Cabellas, and Cheaper Than Dirt.

Consumer Analysis

Figures on the total number of guns sold in the US each year is not recorded. The strongest indicator of sales could be from the amount of applications to buy guns through FBI's instant criminal background check system. From 1998 to 2015 there have been over 228 million background checks recorded by the National Instant Criminal Background Check System (NICS). In 2013, there were over 21 million background checks completed and over 23 million in 2015. (FBI 2016).

Manufacturing of firearms has been increasing over the last decade. As of 2013 there were a total of 10,884,792 firearms manufactured in the United States, compared to 3,793,541 produced in 2000. In 2014, the US imported 3,625,268 firearms from other countries compared to 1,096,782 imported in 2000. (ATF 2015)

Exhibit 1. Firearms Manufactured (1986 - 2013)

Calendar Year	Pistols	Revolvers	Rifles	Shotguns	Misc. Firearms ¹	Total Firearms
1986	662,973	761,414	970,507	641,482	4,558	3,040,934
1987	964,561	722,512	1,007,661	857,949	6,980	3,559,663
1988	1,101,011	754,744	1,144,707	928,070	35,345	3,963,877
1989	1,404,753	628,573	1,407,400	935,541	42,126	4,418,393
1990	1,371,427	470,495	1,211,664	848,948	57,434	3,959,968
1991	1,378,252	456,966	883,482	828,426	15,980	3,563,106
1992	1,669,537	469,413	1,001,833	1,018,204	16,849	4,175,836
1993	2,093,362	562,292	1,173,694	1,144,940	81,349	5,055,637
1994	2,004,298	586,450	1,316,607	1,254,926	10,936	5,173,217
1995	1,195,284	527,664	1,411,120	1,173,645	8,629	4,316,342
1996	987,528	498,944	1,424,315	925,732	17,920	3,854,439
1997	1,036,077	370,428	1,251,341	915,978	19,680	3,593,504
1998	960,365	324,390	1,535,690	868,639	24,506	3,713,590
1999	995,446	335,784	1,569,685	1,106,995	39,837	4,047,747
2000	962,901	318,960	1,583,042	898,442	30,196	3,793,541
2001	626,836	320,143	1,284,554	679,813	21,309	2,932,655
2002	741,514	347,070	1,515,286	741,325	21,700	3,366,895
2003	811,660	309,364	1,430,324	726,078	30,978	3,308,404
2004	728,511	294,099	1,325,138	731,769	19,508	3,099,025
2005	803,425	274,205	1,431,372	709,313	23,179	3,241,494
2006	1,021,260	385,069	1,496,505	714,618	35,872	3,653,324
2007	1,219,664	391,334	1,610,923	645,231	55,461	3,922,613
2008	1,609,381	431,753	1,734,536	630,710	92,564	4,498,944
2009	1,868,258	547,195	2,248,851	752,699	138,815	5,555,818
2010	2,258,450	558,927	1,830,556	743,378	67,929	5,459,240
2011	2,598,133	572,857	2,318,088	862,401	190,407	6,541,886
2012	3,487,883	667,357	3,168,206	949,010	306,154	8,578,610
2013	4,441,726	725,282	3,979,570	1,203,072	495,142	10,884,792

Source: ATF Annual Firearms Manufacturing and Exportation Report (AFMER).

¹Miscellaneous firearms are any firearms not specifically categorized in any of the firearms categories defined on the ATF Form 5300.11 Annual Firearms Manufacturing and Exportation Report. (Examples of miscellaneous firearms would include pistol grip firearms, starter guns, and firearm frames and receivers.)

The AFMER report excludes production for the U.S. military but includes firearms purchased by domestic law enforcement agencies. The report also includes firearms manufactured for export.

AFMER data is not published until one year after the close of the calendar year reporting period because the proprietary data furnished by filers is protected from immediate disclosure by the Trade Secrets Act. For example, calendar year 2012 data was due to ATF by April 1, 2013, but not published until January 2014.

Figure 1 <https://www.atf.gov/about/docs/report/2015-report-firearms-commerce-us/download>

According to the Pew Research Center (2014), about one-third of all Americans with children living at home under the age of 18 have a gun in their household. One in every four adults owns a firearm. Research by Cook & Goss (2014) finds that guns are owned by 37 percent of men, as compared to just 12 percent of women. A survey conducted by and NSPOF found the top 20 percent of firearm owners possessed more than 10 guns each on average and accounted for 55 percent of all firearms.

According to CNN Money (Smith, 2015), US gun sales are surging. Smith and Wesson's stocks have increased 125 percent and Ruger has climbed percent this year. Fears are also a driving force of gun sales. When gun laws are threatened by politicians, people react by stocking up and buying more firearms. (Tinsley, 2012) Media reports of mass shootings and terrorist attacks also drive sales. (Santos, 2015) and more people are buying guns to protect themselves, thanks to new state laws that make it easier for people to get concealed carry permits. (Smith 2015)

SWOT Analysis

Strengths

- Open for business 24 hours a day 7 days a week
- Knowledgeable and experienced customer service.
- Online reaches a larger portion of potential customers.
- Low overhead with no storefront rent or commercial property purchase.
- Easy to update inventory and prices.
- Search engines and key word searches help potential customers locate the business.

Weaknesses

- Lack of walk-in traffic.
- Customer must have the Internet to find the business.
- Loss of in-person spontaneous sales.
- Storefront may be required to purchase from certain distributors and Manufacturers.

Opportunities

- Nationwide sales through website.
- Low overhead costs to operate and maintain.
- Online store is available 24 hours a day, year round.
- Easy to update website pricing quickly.
- Can notify customers of new inventory instantaneously.
- Target marketing to new and return customers.

Threats

- Website could be hacked and shut down.
- Larger online businesses can offer better pricing due to volume discounts.
- New competition in the marketplace.
- Economic challenges/recession.
- Internet sales over 1 million dollars annually must collect state sales tax.
- Political/government laws or restrictions on firearms.

CHAPTER 4

CREATIVE BRIEF

Brand building is an essential part of modern business. A logo, name, color, product or service do not equate to a brand, rather these are elements of an overall package. According to D'Aconti (2015), the brand is a network of associations of how your business is perceived by a customer. Yohn (2016) states people have an emotional connection with brands they prefer. It will be important to constantly strengthen the brand through storytelling, exceptional customer service and other techniques that will have a positive impact on customer experience. Research by Aaker (1996) states a key to a strong brand is consistency over time, resisting the temptation to change key elements such as identity and culture of the brand.

The naming of a business will be one of the most important decisions. This is how customers will view you and is in the central part of your brand. The challenge will be finding a name that is unique and will stick with customers. According to Zwilling (2011), it is important to make the business name unique, relevant to the business type and simple without hyphens and other special characters that may cause confusion. The owner must verify that no other business has with the same name registered as a trademark. According to Gregory (2010), considerations must also be given to availability of domain name, and how the name will translate into other aspects of marketing materials and overall branding. According to Macnab (2014), a logo is a company's visual calling card. An effective logo connects the business name with a visual representation building a relationship between the two. For the audience, this relationship translates as an interesting, common sense, and at times surprising ah-ha

connection, prompting longer view times with more likelihood of recall. The logo and font used are one aspect of the overall brand and customers will associate this visual indicator with part of the overall experience. Many memorable logos, such as Nike, McDonald's, and Apple are simple, strong and can be scaled effectively to fit a wide range of sizes from small as a half inch to as large as a building façade.

According to McArdle (2013), color also plays a key role in logos. Colors help to convey messages and evoke emotions and add brilliance to everyday things. Understanding the meaning behind colors will be important when developing a color system for a business's identity. Color can significantly impact the way brands are perceived by the customers.

The goal of this business is to launch a new firearms company online. This company will need to have a distinctive name, logo identity system and color palette as well as a stationery package and promotional items. Designing a strong professional and consistent visual platform will be the key to a strong brand foundation that to attract new and returning firearm customers.

Following is a summary of the requirements needed to meet the creative objectives of the business.

Brand Personality

To be the “go to” place for excellent quality products offered at very competitive and fair pricing.

The website appearance will be professional, strong, trustworthy and respectable. Customers will return to a knowledgeable and experienced staff that performs product testing. Orders placed online will be expedited and shipped using well-known carriers.

Customers will feel a strong emotional connection for supplying them with offerings designed to enhance their shooting ability.

The Opportunity

To reach an ever growing online firearms market 24 hours a day via the Internet.

The goal is to build a memorable concrete brand experience. The website should project an appearance of being a larger establishment. Quick email responses and attentive phone support will help convince potential customers that we stand behind what we sell. Online auctions should offer products that are clearly carried by the business with a sense of consistency and predictability. Social media can help reinforce the brand allowing interaction with customers, showcasing new products or services and advertising select specials to followers and friends.

Mission

Build top of mind awareness of the business, present excellent and attentive knowledgeable customer service, build a repeat customer base. Offer fair and competitive prices on mid to high quality products. Keep loyal customers happy.

The webpage should look modern, with easy and simple navigation, marketing materials and online auctions will be professional in appearance and quality.

Strive to create a totally modern and memorable customer experience.

For The Audience

Individuals: 21-55, Law enforcement, military, competitive shooting markets and firearm collectors.

CHAPTER 5

CREATIVE EXECUTIONS

The name and logo represents the face of this brand. These elements needed to be distinct, strong, personal and masculine with a good brand story behind it.

The business name

Names such as So. ILL Firearms, 618 or Little Egypt Guns were considered; however, they did not fit the creative objectives. The names might limit the geographic scope of the business. Consideration was given to the use of my last name. I researched the ATF's list of Federal firearms license holders and discovered numerous licenses used this approach. I wanted to stand out from other competitors and felt this practice was too common. I decided to explore personal elements of my life and discovered a strong masculine name originating from my birth sign, Taurus. For centuries, the bull has been a symbol of strength, masculinity, tenacity, virility, and power.

However, the name Taurus was already registered by a firearms manufacturer, I was legally unable to use this name. I decided to research the translations of Taurus in other languages. Many of my ancestors came to this country from Germany, so it seemed fitting to use the German translation, which is Stier.

Stier is the perfect blend of a strong and masculine name with great opportunities for a logo symbol. The name is short, unique and captures a personal and historical connection, without out being cliché, and lends for a good brand story. The word Arms was paired with Stier to define the nature of the business. First, a few modern definitions of “arms” present themselves. Merriam-Webster’s Collegiate Dictionary defines the

noun *arm* as “a means (as a weapon) of offense or defense; especially: firearm. Black’s Law Dictionary (1979) defines the word *arms* as “anything that a man wears for his defense, or takes in his hands as a weapon.”

The word *arms* allows for interpretation for a broad range of product offerings, such as knives, ammunition and apparel, not just firearms. The words *firearms* or *guns* within the business name would imply only specific products were sold, limiting any future expansions or different product offerings.

A search on the Illinois Cyberdrive database (https://www.cyberdriveillinois.com/departments/business_services/corp.html) found no businesses using this name. I took the steps necessary to register Stier Arms as a Limited Liability Company, LLC. In addition to becoming an LLC, I also applied for and received a FEIN Tax ID number and an Illinois sales tax exemption number.

The identity

With the name selected, the next step was developing a unique, easily identifiable symbol that would convey both the name and type of business in a visual form. The logo needed to be simple, easy to reproduce in all forms of media and project a strong link back to the brand. The logo will be used to promote an apparel line and the brand. Throughout the creative process, I worked with symbols representing a bull. Experimenting with lineart symbols, block and abstract shapes ultimately lead to the symmetrical designed Stier Arms logo. (See figure 2).



Primary Colors

Main colors associated with Stier Arms.

Pantone® 553 C C: 81 M: 30 Y: 63 K: 75 R: 33 G: 67 B: 50 HTML #214332	Pantone® Black C: 0 M: 0 Y: 0 K: 100 R: 0 G: 0 B: 0 HTML #000000
---	--

Secondary Colors

This set will be used to compliment the primary colors.

Pantone® 442 C C: 23 M: 7 Y: 12 K: 18 R: 169 G: 178 B: 177 HTML #A9B2B1	Pantone® 124 C C: 0 M: 27 Y: 100 K: 0 R: 234 G: 171 B: 0 HTML #EEAB00	Pantone® 463 C C: 17 M: 52 Y: 87 K: 63 R: 108 G: 77 B: 35 HTML #6C4D23
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Figure 2

The logo incorporates two (2) vertically positioned simple, solid shaped pistols, pointing south, joined by a large ring at the muzzles. The handgrips of both pistols have been manipulated and slightly extended to mimic horns. This logo acts as a puzzle. The strategically aligned pistol shapes not only features 2 firearms, but also presents the illusion of a bull's skull. The logo captures the "ah ha" moment when a viewer discovers the logo shapes have dual meaning. The clever bullhead logo will help reinforce the name Stier Arms, assisting with brand recall.

Trajan Bold was selected to represent the wordmark of the Stier Arms logo. This serif font projects a masculine, timeless and traditional style. The Trajan design has sweeping curves and sharp edges of the serifs compliment the Stier Arms logo. The Trajan typeface family was originally designed by Carol Twombly and released in 1989 by Adobe Systems Inc. in the OpenType format and due to its Roman typography inspiration, the font family is only offered in upper-case and small-caps. Twombly (1989) (<http://www.fonts.com/font/adobe/trajan>)

The primary colors associated with the Stier arms logo are Dark green PMS 553 and Black. In agreement with Black (n.d.), see Figure 3, the deeper green color was chosen for its association with military coloring as well as its suggestion of affluence, prestige, protection and abundance.

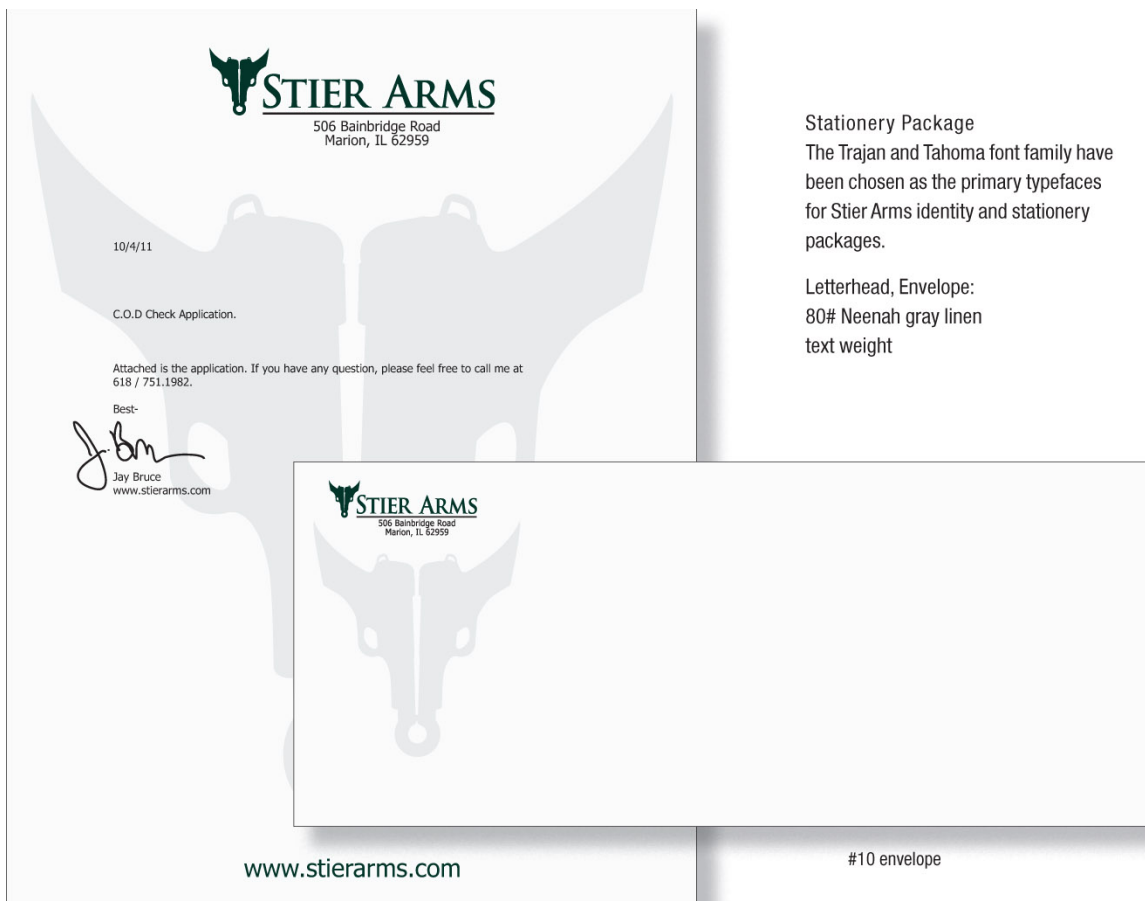
Secondary colors such as Yellow PMS 124, Brown PMS 463 and Gray PMS 442 will be used to complement the primary colors. These colors will be limited in communications and used when subtle differences in visual compositions are required.



Figure 3 <https://www.blackbeardesign.com/understanding-color-the-meaning-of-color/2/>

Corporate identity Package

The letterhead, envelope, business card and firearm tags use the Trajan and Tahoma font family, as the primary typefaces. The letterhead features the logo and information positioned at the top center. A large watermark of the logo blankets the background of the sheet. Business cards and tags feature a simple layout showcasing the name and logo as first engagement.



Stationery Package
 The Trajan and Tahoma font family have been chosen as the primary typefaces for Stier Arms identity and stationery packages.

Letterhead, Envelope:
 80# Neenah gray linen text weight

Standard letterhead



Standard business card

Business card: (Above)
 100# # Neenah gray linen cover weight

Firearm tags: (Right)
 100# Wausau manilla cover weight



Firearm tag front side (left) and back side (right)

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Figure 4

Promotional items such as t-shirts and hats will include .com within the design as a way to advertise the website while showcasing the powerful Stier Arms logo.



Promotional t-shirt awarded to individuals purchasing firearms directly through the Stier Arms website.



Promotional baseball cap awarded to individuals purchasing firearms directly through Classified Ads.

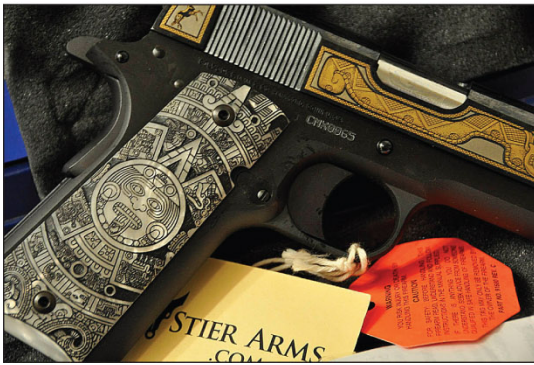
© 2010 Jason A. Bruce. All rights Reserved.

Figure 5

Photography style

Many photos on competing websites are supplied by the manufacturers and appear generic in composition. Their photography style is boring and portray standard side view shots.

All Stier Arms photography used for online marketing is photographed and produced in-house in a small studio (see figure 6). I wanted to portray the products in a different way. Product images need to be detailed and tailored to the audience, showing the products in a familiar way. By changing the angles and adjusting the lighting, the photo can mimic how a customer might inspect a firearm in person. In many of the photographs, I used red as the background color. This powerful color helps to draw attention to the product. Also, to assist with the overall branding, a Stier Arms tag will be shown on all items being offered for sale. This tag will serve a few purposes. First, it signifies that the items are in my possession. Second, the tags will advertise the business by showing the website URL. Third, adding the tag to the firearms will discourage other businesses from “borrowing” my photography to use for their business.



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Figure 6

CHAPTER 6

ONLINE MARKETING

A professional online presence is crucial in order to compete in today's marketplace. Many of the online firearm buyers are familiar with the products they intend to purchase. Firearm shoppers who buy online are looking for lower prices compared to local brick and mortar stores. According to GunLaws.com, gun values online also are reflected in the availability of the items. Many times local stores will run out of an item and be forced to place it on back order -- rarely happens through online purchases.

Some buyers are in search of harder to find, limited edition or custom built firearms. Out-of-state buyers avoid paying their state's sales tax when purchasing from smaller stores. The so-called Marketplace Fairness Act would allow the 45 states (and the District of Columbia) that currently charge sales taxes to require large online retailers to collect tax on purchases made by their residents. Research by Hicken (2013), states the law would only apply to online sellers who have sales of at least \$1 million outside of states where they have physical operations, like a store or a warehouse.

It is important for a business to be consistent with online marketing, branding and identity presence. The website should be professionally designed, simple to use, have product information listed, as well as make it easy for the customer to find exactly what they are looking for without getting frustrated. Smart phone browsing will generally display a site as shown on a web browser so simplicity and fast screen displays are important for buyers on the go.

In addition to a website, many shoppers turn to auction sites, online classified ads and social media for good deals and unique items. There are a few firearms and hunting specific auction and classified style sites online specializing in firearms and firearm accessories, as well as firearm listings for FFL dealers on social media pages.

Ebay strictly prohibits the sale of firearms on its site, but will allow sellers to list noncritical firearm components, such as scopes, gun grips, holsters, optics, etc., without violating any of their policies. (<http://pages.ebay.com/help/policies/items-ov.html>)

Stier Arms website

www.stierarms.com

Having the logo identity created for the business, the Stier Arms website was developed and designed to be visually appealing. The pages utilize the brand color pallet of black, yellow and grays. Categories are clearly listed as a master page on the left side of the main page and links are easy to navigate. Basic information about the company, the brand and culture are explained as well as the contact information, return policies, restricted state purchasing information. An order form link on the left master page allows for customer engagement on any of the website pages. The branding tag line of “**When Expertise, Quality and Service Matter.**” is displayed directly under the logo on all pages throughout the website.

Online specials and current inventories are posted on the front page with the most desirable items being listed toward the top half of the viewing area. Stier Arms will sell and carry only quality brands that reflect and partner well with the mission of the business. The main page showcases simple product descriptions and SKU numbers and functions with single click through process towards the product pages. The photography

style showing unique angles of the actual products being offered and Stier Arm specific tags are placed on every item offered for sale. No manufacturer or generic photography will be used to showcase products listed on the website.

As an incentive (and marketing opportunity) a free Stier Arms logo t-shirt is offered to customers purchasing a firearm directly through the Stier Arms website only. No other online posting will qualify to receive this offer. Facebook and Gunbroker links are added to the left master page as an option for customer to stay connected and explore live the most current firearm auctions offered by Stier Arms. As a general rule of thumb, items being offered on the website will not be offered on the auction site unless multiple products of the same model are stocked.

The website and domain business name are officially registered in Whois Directory. Since the website creation there is strong and steady traffic with almost 500 IP specific visits per month as of 2014.

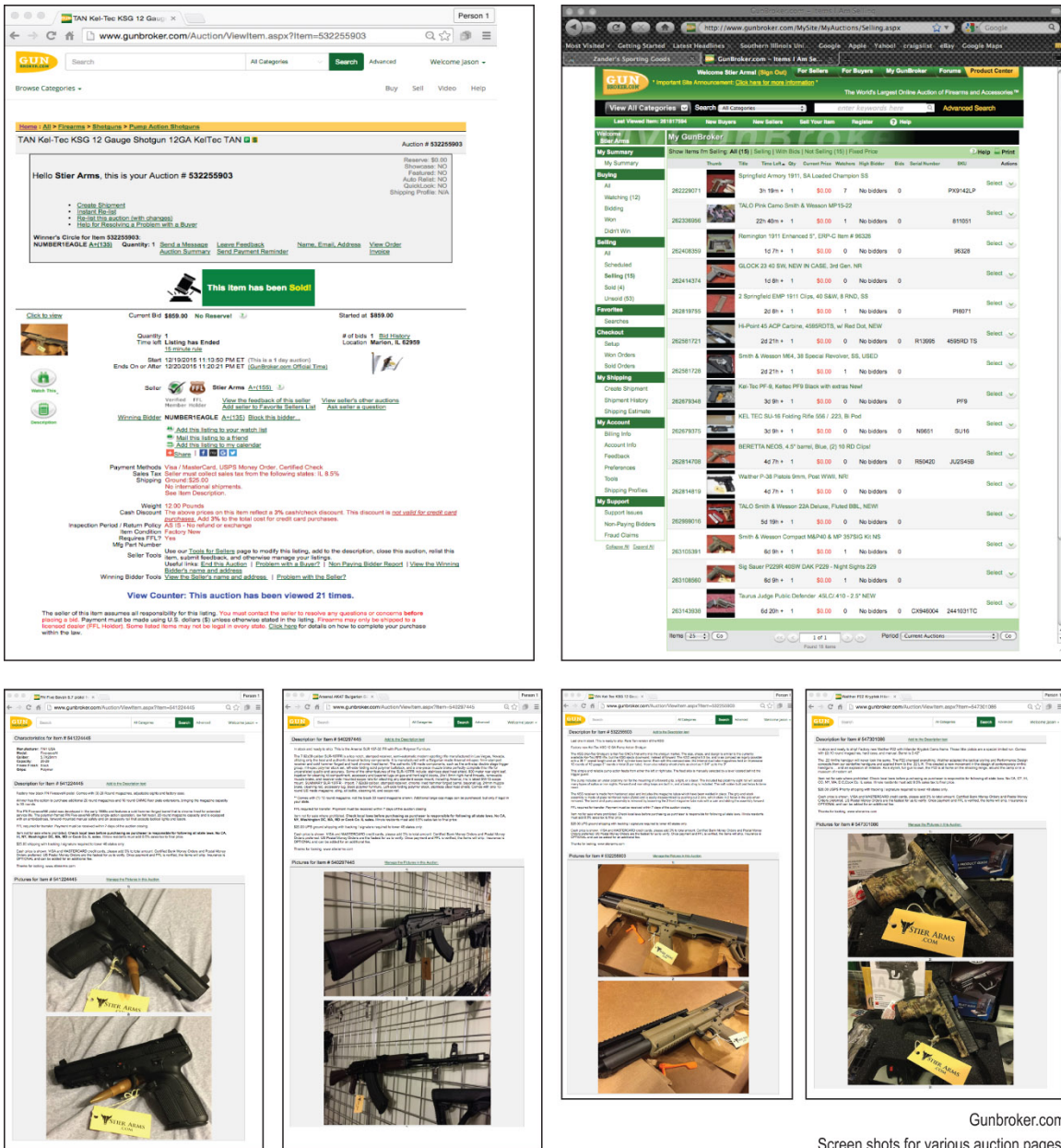
According to the Gunbroker.com website, GunBroker.com is an informative, detailed, secure and safe way to find guns for sale, hunting/shooting accessories, and much more. GunBroker.com is an online gun auction that promotes responsible gun ownership. How do we ensure our users can buy guns safely? We make sure ownership policies and regulations are followed using licensed firearms dealers as transfer agents. Start buying and selling guns today at GunBroker.com.

GunBroker.com is the largest online auction site dedicated to firearms, hunting, shooting and related products as of 2014:

- Consistently attract an average of 2.5 million unique monthly visitors.
- Have over 1.8 million registered users.
- 80% of their traffic are regular users.
- A specialist in the firearms industry.
- Created to be an auction site for the unique needs of the firearms industry.

Gunbroker.com is partners with the industry, supporting the NRA, NSSF, Hunting Heritage Trust, Shooting Sports Summit and USA Shooting.

Gunbroker is an excellent way of complementing the marketing efforts with the Stier Arms website. This site will be used to list collectible, special edition, harder to find or stocking multiple items. See figure 8 showing a screen shot that illustrates how firearms are shown and listed for sale through the auction site.



Gunbroker.com
Screen shots for various auction pages.

Figure 8

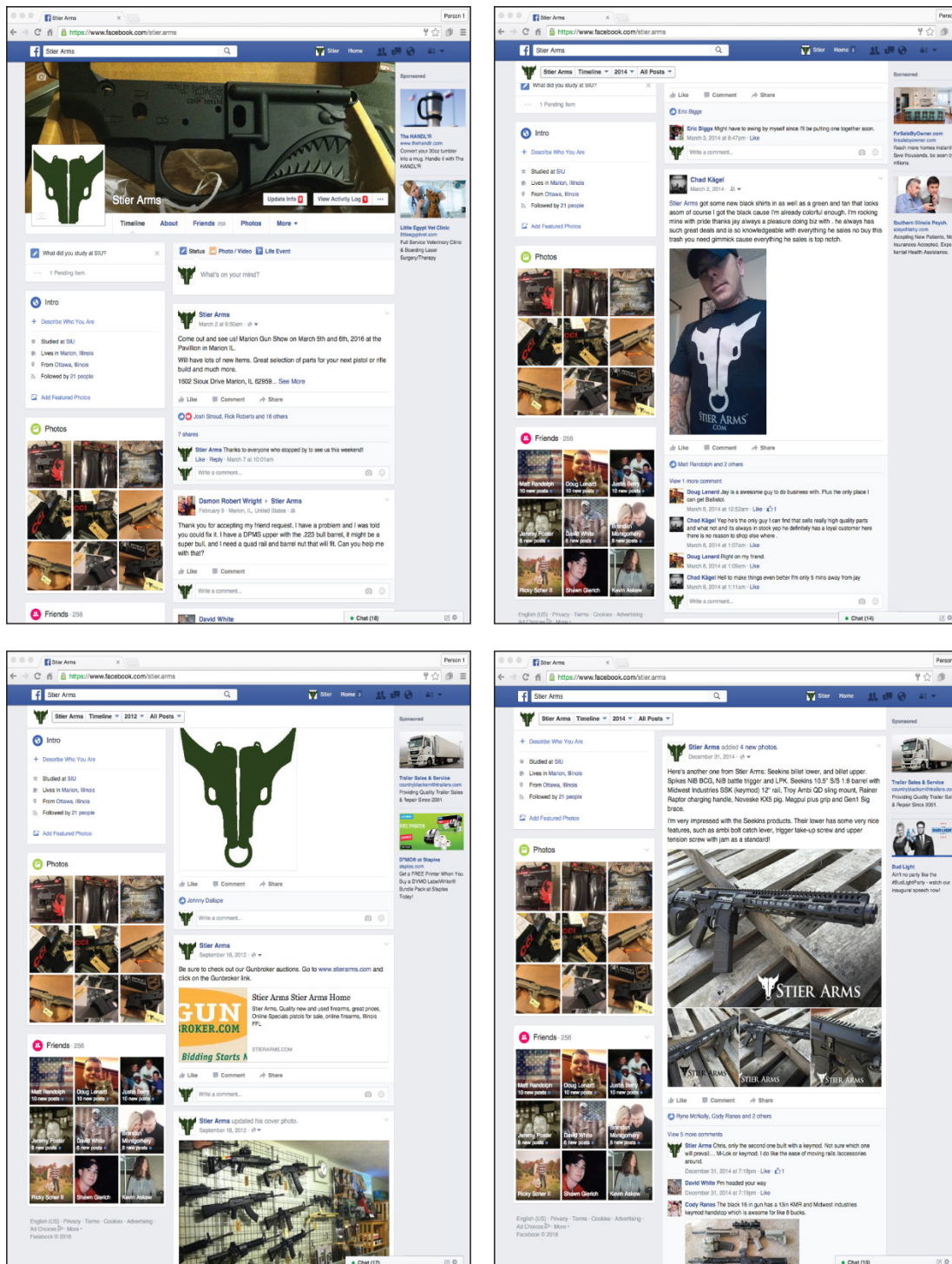
Gunbroker does not offer custom designed pages for resellers, so in order to continue with branding initiatives, all photos shown through the Stier Arms page will follow the established photographic branding style with Stierarms.com logo tags clearly visible in all photo offerings. Also, the custom described copy for each auction item will list the Stier

Arms website at the bottom as a way to help increase web traffic back to the official website. The Gunbroker auction site allows for an ecommerce option. Buyer's can pay for items via credit card if the seller has a merchant account. Many other online sites such as Armslist and Facebook do not offer an ecommerce options.

Facebook

Facebook is an excellent resource for reaching local, regional as well as national customers. Bobby Richards, Crossfire Arms, LLC, stated, "Social media has leveled the playing field somewhat and has afforded smaller businesses the opportunity to network with groups that have massive fan bases," he said. "Affiliate marketers have enormous reach and followers on Facebook, numbering in the high six figures."

A Facebook page was registered under Stier Arms and will be used for marketing of products, public relations and brand building. The Stier Arms logo will be placed in the header as well as a unique photograph of an interesting product or captivating image promoting the business. The Facebook page will focus on posting unique, special edition or hard to find firearms for sale helping to reinforce the brand as a high quality, exclusive and first in mind for unique products. Newly produced firearms, interesting industry news and proposed gun laws will be posted to keep customers up to date as well as occasional questions and customer opinions on manufactures. In addition, customer experiences, testimonials and questions will be regularly posted. At every opportunity, a photo or listing will show the Stier Arms name and logo as a part of the network of associations reflecting back to the brand.



Facebook.com
Stier Arms screen shots.

Figure 9

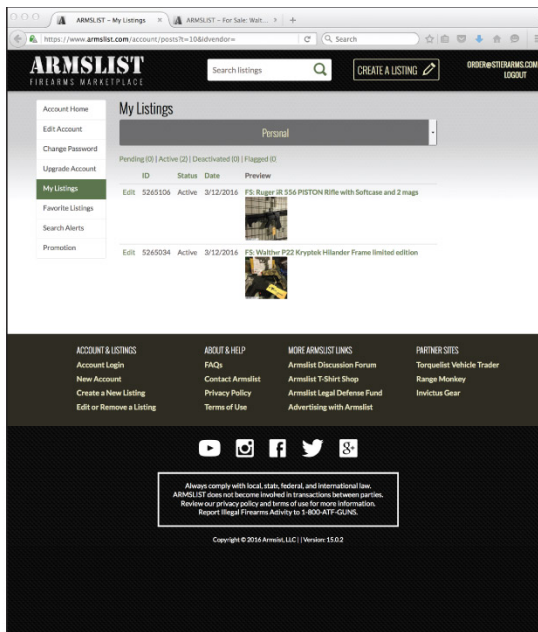
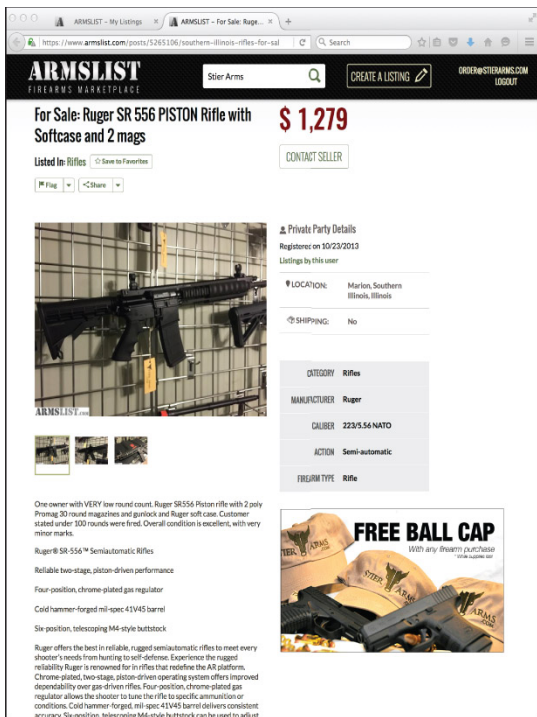
The power of Facebook will help Stier Arms reach customers through like-minded firearm friend shares and viral posts. Links to all other online marketing will be presented through Facebook.

Classified Listings

Armslist is a firearms related classified advertising site, claiming over 7 million visits to their site per month. According to Armslist.com (2016), users of the site are reported to browse 20 pages with each visit.

All advertised listings offered by Stier Arms are located by entering the search criteria of state and city. Southern Illinois is listed under the city pull down menu. This resource is an excellent tool for targeting the local and regional market. Armslist does not offer a checkout feature or ecommerce solution, so all sale transactions would be performed either in person or by accepting payment via mail or credit card and then transferring the firearm to another federally licensed dealer.

Similar to Gunbroker's auction page interface, custom page design elements are not an option on Armslist pages, so the photography of firearms listed will clearly show the Stier Arms tag with website. Targeted promotional offers, such as a free ball cap with firearm purchase, can be advertised and used as an indicator for Armslist.



Armslist.com
Stier Arms screen shots with promotional offer.

Figure 10

CHAPTER 7

CONCLUSION

The firearms market is growing steadily. (FBI 2016) Opportunities to grow an online firearms business are available to entrepreneurs if they are willing to put forth the time and effort. Understanding disruptive technologies, obtaining proper licenses, building a business structure, investing in brand development, marketing strategies and customer relations are necessary for growing the business.

There is no way to predict how the changing legal and technological environment will shape future expansion of the industry. Having an understanding of how the current laws and future technologies function will be major keys to success.

Looking forward, I am honored to take part in our constitutional right to bear arms and I am excited to see what the future holds for Stier Arms.

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