

Marketing Strategy for Company X



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Ville Niemi

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| Supervisor(s) | Antti Isoviita, Christian Reuter | |

TIIVISTELMÄ

Opinnäytetyön aiheena oli tutkia mitkä markkinointikanavat ovat parhaat Yritys X:lle ja laatia sen mukaan markkinointistrategia yritykselle tulosten ja teorian perusteella.

Teoriaosuus tässä opinnäytetyössä on eri tavoilla markkinointiin liittyvää, kuten asiakassegmentointia, asiakassuhteiden ylläpitoa, kvantitatiivisen datan kerääminen, markkinointi eri segmenteille, hakukoneoptimointi, hakukonemarkkinointi ja sosiaalisen median käyttö markkinointivälineenä.

Tutkimusosuus opinnäytetyössä suoritettiin verkossa ja paperilla tehdyn kyselyn perusteella. Kyselyn data analysoitiin ja sille tehtiin tilastollista analyysiä, jolla selvitettiin vastausten korreloitumista toistensa kanssa. Datan pohjalta tehtiin SWOT analyysi ja TOWS matriisi Yritys X:n Toimitusjohtajan kanssa. Näillä pystyttiin kartoittamaan Yritys X:n nykyinen asema ja tulevaisuuden vaihtoehdot.

Tutkimuksen perusteella keskivertoasiakas on alle 20 vuotias Tampereella asuva opiskelija, jonka suosituin sosiaalinen media kanava on Instagram. Yritys X:stä asiakkaat olivat eniten kuulleet vanhemmiltaan, Googlestai kavereilta. Tutkimusosion tulosten perusteella pystyttiin luomaan suositukset Yritys X:lle. Suosituksissa kerrotaan kuinka suunnata heidän markkinointinsa tehokkaalla tavalla oikealle kohderyhmälle, käyttäen markkinointikanavia missä mahdolliset asiakkaat ovat aktiivisesti läsnä.

Avainsanat Markkinointi, Asiakassegmentointi, Markkinointi segmenteille, Sosiaalinen media

Sivut 31 sivua, joista liitteitä 7 sivua

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ABSTRACT

The subject of the thesis was to study what marketing channels are the best for Company X and to create a marketing strategy for the company based on the results and marketing theory related to the topic.

The theory part of the thesis is related to marketing in various ways, such as customer segmentation, maintaining a customer relationship, collecting quantitative data, marketing to different segments, search engine optimization, search engine marketing and using social media as a marketing tool.

The research part of the thesis was conducted with survey done through internet and paper form. The data from the survey was analysed and statistical analysis was also done to find out about correlation between answers. A SWOT analysis and a TOWS matrix was done based on the data received from the survey with the CEO of Company X. With these the current situation of Company X could be assessed and to see what sort of options the company has for the future.

Based on the research results, the average customer of Company X is 20 years old or younger student from Tampere who is actively following Instagram. The most common way that the customers of Company X had heard of it was from their parents, from Google or from a friend.

Recommendations were given for Company X based on the results gotten from the research. The Recommendations part of the thesis contains information on how to direct their marketing in an effective way towards the right target group by using the marketing channel where the customers actively present.

Keywords Marketing, Customer segmentation, Social media

Pages 31 pages including appendices 7 pages

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1 INTRODUCTION

1.1 Background information

The new driver's license law in Finland was implemented on 1.7.2018 which reduced the obligatory amount of lessons required to be able to take part of the driving exam and the theory exam. (Trafi 2018)

The main idea of the new law has been to reduce the price of the driver's licence and with the reduction of obligatory lessons from 48 hours to 22, price reduction has happened (Kantomaa 2018)

With these new adjustments to the law in Finland the thesis about marketing strategy for a driving school in Finland was timely to conduct. Company X is the case company of this Bachelor's Thesis and it is a driving school in Finland which wants to find out to whom and where they can direct their marketing efforts in order to maintain their level of competitiveness among other driving schools in the area where they operate. The CEO of the driving school has asked the author of the thesis to keep the company's name unknown and this is the reason why the driving school's name is represented in this thesis as Company X.

As mainly the customers among driving schools are young people, the author has done this thesis to find out about what are the best channels to reach the potential and existing customers of Company X. The assumption of the thesis was that the customers of Company X is more likely to be more available for marketing efforts online rather than through TV, radio or newspapers.

Nowadays young people in Finland use Social Media on average over eight hours per day and it is not just a single Social Media site. The most popular one among the youth is Snapchat and Facebook is still the leader for people over 20 years old. The most popular Social Media where to follow companies for people under the age of 18 is Instagram and for people older than 18 it is Facebook. (Helsingin Sanomat 2018)

1.2 Research question and objectives

The goal of the thesis is to create more effective way to educate people about Company X and their services to the potential customers that exist on an area where they operate and to give recommendations on how they can implement this. The research question of this thesis is: Which marketing channels are the most effective ones for Company X?

This thesis contains marketing theory that is relevant to the topic of the thesis: Marketing strategy for Company X. The theory goes through different ways to do customer segmentation and how to properly aim marketing towards these homogenous sub groups. How to gather data to create these segmentations and how to please the customer needs in a way that the customer is delighted. Furthermore the theory part focuses on Social Media marketing and the benefits of it, search engine optimization and search engine marketing.

Focusing the theory part in these topics was a decision by the author to find out about ways to communicate effectively to customers with relatively small and not too expensive ways, due to the size of the company. Social Media marketing and search engine optimization would be a rather simple way to boost the marketing of Company X towards their target group and to maintain relationship with already existing customers since there is a possibility of returning to the driving school to get another course for a different vehicle type.

1.3 Research methods

The author conducted in the research part of the thesis a survey to find out different ways that the customers can be categorized in a suitable way for future marketing purposes and to receive data that gives useful information about the existing customer base's preferences when choosing a driving school to see what is it that makes the people choose particularly this driving school. Certain parts of the data were run through excel to create statistical analysis in order to find out about how one answer could affect the other to multiple questions.

After the data was analysed, the author conducted a SWOT analysis and TOWS matrix based on the information received from the survey to get an understanding about the current position of the company and to create options where Company X can go to take an advantage of the analysis.

In the end of the thesis the author gives recommendations for Company X on how they can proceed with their marketing more effectively in the future and receive more customers with their marketing efforts.

2 MARKETING THEORY

When talking about marketing, many people sees it only as selling and advertising of products/services but these are only small parts of marketing as a whole. Nowadays marketing must be understood as satisfying customer needs. The marketer needs to understand what the consumer needs are, develop products that will have superior customer value, pricing, distributing and promoting the company's products/services effectively. Selling and advertising belong to the marketing mix, but are only small part of the marketing tools. (Kotler & Armstrong 2011, 5)

One model of marketing process is to have five different steps where in the first four steps, the company generate understanding of customers, create customer value and build a customer relationship. In the last step the company aims to receive profit from creating a value for the customer in the form of sales. (Kotler & Armstrong 2011, 5)

To illustrate better the steps, the author lists the five steps of Kotler and Armstrong in the next paragraph.

Steps according to Kotler and Armstrong:

1. Understand the marketplace and customer needs and wants
 2. Design a customer-driven marketing strategy
 3. construct an integrated marketing program that delivers superior value
 4. build profitable relationships and create customer delight
 5. capture value from customers to create profits and customer equity
- (Kotler & Armstrong 2011, 5)

2.1 Customer needs

The most basic needs are called human needs and these include physical needs for food, clothes, warmth and safety, social needs that are belonging and affection, individual needs for knowledge and self-expression. These are needs that were not generated by marketers but they are part of every human being. (Kotler & Armstrong 2011, 6)

The basic needs that were explained by Kotler and Armstrong is also accompanied by wants and demands. Wants and demands are explained by Kotler and Armstrong in the following paragraph.

Wants are needs that are shaped by cultural impact and personality. (Kotler & Armstrong 2011, 5). A Person needs to drink but a Finnish person wants Jaffa and in some other place it can be some other drink that of which the person wants. When a want is turning into a buying power, it is called a demand. People demand products that gives them value and satisfaction. (Kotler & Armstrong 2011, 6)

Some marketing companies work hard to understand better and learn about their customer needs, wants and demands. They gather data from consumer researches and analyse it. They stay close to the customer via different platforms such as social media and their own web sites where they can read about customer issues and deliver them to the right departments where they can do something about it. (Kotler & Armstrong 2011, 6).

2.2 Market offerings

Market offerings are a combination of products, services, information or experiences that are offered to consumers in order for them to fulfil their needs and wants. Market offerings can also be something intangible where the customer is not granted with any ownership, such as banking, tax preparation and hotel services. (Kotler & Armstrong 2011, 6)

Many companies suffer from marketing myopia, which means that they focus more on their products that they offer rather than focusing on to the benefits and experiences that are produced by the products. A drill manufacturer might forget that the customer needs a hole into the ground more than the drill itself. (Kotler & Armstrong 2011, 7)

To avoid marketing myopia, many marketers create brand experiences for the customer instead of just the product or a service. When people go to see a NASCAR race, they do not go there just to see the race but to feel the experience such an event can offer for them. (Kotler & Armstrong 2011, 7)

2.3 Customer value, -satisfaction and –relationship management

Consumers have a large variety of products and services that will satisfy their needs, but they choose to purchase those products and services if their expectations have been matched. If the expectations were not

matched properly they are most likely to switch to an alternative product or service in the future. This is why marketers need to know the right level of expectations that they provide for the customer. If the expectation has been set too high, customers will be disappointed with the purchase they have made. If the expectations have been met the customer will be satisfied and if the performance of the product/service exceeds the level of expectations, the customer will be highly satisfied or even delighted with the purchase. (Kotler & Armstrong 2011, 13)

High levels of customer satisfaction lead to customer loyalty, which is why many outstanding marketing companies promise to important customers only what they are able to provide them and then provide even more for the customers. Not only the customers will be satisfied and possibly delighted, they will repeat purchases and become marketing partners for the company by offering word of mouth advertisement to their acquaintances by telling about their good experiences with the company. Companies that are interested in delighting their customers, exceeding the expectations with outstanding value and service will become part of their culture inside the company. (Kotler & Armstrong 2011, 12)

Customer satisfaction is something that should be kept in a high level, especially in a service field where there are multiple competitors chasing the same segments.

Delivering a high customer value can be done to outperform competitors by lowering the prices or increasing services, but the idea is not to maximize customer satisfaction. These actions may end up decreasing the profits of a company. The core idea of marketing is to create customer value profitably and not giving everything for the customer. (Kotler & Armstrong 2011, 15)

To build a proper customer relationship, it is important to create superior customer value and satisfaction. The customer will buy the product that has the highest customer-perceived value, which is their evaluation of costs and benefits between all the offerings that the market has. Different consumers have different set of values regarding purchasing products or services. Some of them want to have sensible products at an affordable price and others may think that paying more gives you more e.g. higher priced washing machine that takes better care of the users clothes in order for them to last longer than with a normal priced washing machine. (Kotler & Armstrong 2011, 13)

Ways of maintaining customer relationship are given by Kotler and Armstrong in the following paragraphs.

One way to maintain a customer relationship is to use different marketing tools to create bonds between the customer and the company. One tool is called frequency marketing program, where the customer is rewarded for

being loyal to the company with for example discounts. (Kotler & Armstrong 2011, 15)

In club marketing program, the company offers customers special benefits and creates a member community for the customers. Harley Davidson for example offers a membership that includes benefits such as, quarterly HOG magazine, the Touring Handbook, a roadside assistance program, a specially designed insurance program, theft reward service, a travel center, and a Fly & ride program allowing its members to rent a Harley Davidson bike on their vacations. (Kotler & Armstrong 2011, 16)

2.4 Selecting Customers

Most companies nowadays does not focus on mass marketing, since they do not want to build customer relationship with everyone, but with the most profitable segments only. A good tool for selecting customers is by using customer profitability analysis to show which customers are losing customers and winning customers. Progressive insurance company screens out unprofitable customer with questions asked from the customer before signing the insurance contract. If the customer is unprofitable they will actually recommend their competitor for them, because Progressive wants to have only profitable customers. (Kotler & Armstrong 2011, 16)

Here below there are certain aspects of market segmentation by Fifield that he considers to be important for companies.

The basics of good marketing strategy includes market segmentation. In order to compete with other firms, segmentation is a must-have tool. A company has to understand different groupings of needs and wants inside the marketplace to get the clarity and depth of customer focus. (Fifield 2007, 164)

Fifield (2007, 164-165) claims that there are six things that influences market segmenting:

- 1) The sophistication of the target market
- 2) The degree of competition in the market
- 3) The stage of development of the organization, the product/service and the industry
- 4) The strategic sophistication of the organization and its ability to understand (customer needs) differences shown by the segmentation analysis

- 5) The ability of the organization to deal with implement change and the new ways of marketing that are normally implied within different segments
- 6) The tactical implementation capabilities of the organization and its ability to market to more than one segment at the same time

Whether or not people are buying for themselves or for the organization, they are less ready to settle for a mass-produced standard product/service. Nowadays consumers want to purchase products that stands out from the normal and reinforces their own identity and they will stick out from the mass. (Fifield 2007, 165)

Companies uses classification as an internal methodology to describe customers for the organization to use. Usually classification does not give an answer of what are the different needs and wants that the customer poses, but the different characteristics of customers. In B2C these characteristics are such as age, sex, ethnicity, culture/sub-culture, socioeconomic groupings, neighbourhood, ownership and geography. In B2B they are Industry/vertical, company size, location, technology, company ownership, installed base (current owners) and Standard industry code. These classifications are simple and easily identifiable but they tend to present weak segments. (Fifield 2007, 168)

2.5 Customer segmentation

The author included customer segmentation theory since it helps to reduce marketing waste and thus eliminating unneeded marketing costs that may occur when marketing

A segment is a group of customers, individuals or companies, of the total market who are classified as a homogenous sub-set, who can be reached with a specialized marketing mix generated just for that group. When this sort of group is targeted for unique marketing mix, it is important that within this group, the people reacts the same way towards the offer that is made for them. This sort of reaction will only occur if the group that has been identified has the same need for the purchase. (Fifield 2007, 169)

There are two types of segmentation according to Fifield and they are explained in the following paragraph.

A company can segment their customers by their descriptions for example age, sex and regions but is not considered to be *real* segmentation but rather just classification of consumers. The benefits of doing this sort of segmentation is that it is easy, promises quick wins and requires little organizational change. When segmentation is done more based on the motivations, personality, needs, wants and emotions of the consumers, it is considered to be *real* segmentation. It is harder to do, but is more

effective in the long run if carried out properly. This is more strategic than the first option and it may require larger change within the organization. (Fifield 2007, 171)

It is useful to identify what way of segmentation is currently used in the organization's marketing plan and to know what the competitors are focusing on. To change the segmentation way of the company is relevant if the competitors are more focused on segmenting towards the motivations of the consumers than your company. It is hard for a company to switch dramatically towards the motivations segmentation but if there is no choice, that is what the company has to do. (Fifield 2007, 171)

Even though *real* segmentation is not cheap there are tactical gains in the short to medium term that the company will get from more towards motivational segmentation. More efficient promotion, which means that the company is aiming their messages towards the right group of people and there is less marketing waste in communication. There is always some marketing that goes to waste but it is normal thing to happen. Service level will also improve when the right things are offered for the right group of people. It does not mean that the company has to do more but to focus on what is wanted. Segmentation also provides better retention of customers that the company wants to keep. The company can ask for higher prices after segmentation because the customers see more value in the products/services that are targeted for them. (Fifield 2007, 173)

The strategic gains that the company will get in the long term are for example, unique customer propositions what gives to the company an insight of the customer needs from specific segment, clear market positioning from customer's point of view so they will know how your company is different from the others and what the company stands for, differentiation that has customer value, brand values and personality, retention, loyalty, relationships in a way that there will be real emotional attachment from the customers towards the company. The company will gain sustainable competitive advantage that will be protected by brands so it cannot be copied. The main point of *real* segmentation is the profitability it provides for the company (Fifield 2007, 173-174)

Fifield provides information about segmentation but there is something that companies should get about the markets.

One thing that companies has to realize about the markets, is that a company cannot segment markets because the markets segment themselves. It is the company's job to find out what are the motivations to buy in the markets, not to make the market to do what the company wants. The way to spot the different segments in the market is to first analyse that what business is the company representing and agree with the market definition. The company has to identify the market in customer terms rather than the industry terms. Rolex does not try to identify

segments in the watch business because they are more than just an average watch that tells time. Many companies goes wrong with their segmentation when they are trying to do it based on their product terms. (Fifield 2007, 175-176)

To define the segments in the market, a research must be conducted. Qualitative research is done through focus groups or with in-depth interviews or with a mixture of both of the methods. This helps the company to identify what are the issues that drives the behaviour in the target market. Quantitative research gives real numbers into the analysis of the customer data in the form of a survey. The survey can consist of three parts. Demographics, usage and attitudes. Demographics can give the company an insight on which areas are likely to purchase your products/services, but the disadvantage of segmenting by postcode is, that many people do not respond to the offer in the same way. Usage part finds out what products or services the customer buys on a regular or irregular basis, what products does the customer own or have a regular access to, frequency of purchase or the moments when or where the purchase is made. With attitudes part, the company will find out beliefs, feelings, wants and need of the customer towards the product/service or the company itself. (Fifield 2007, 176)

To know if your segments are good for marketing and selling purposes, Fifield has listed out 8 things should be asked about the segment in order to identify if they indeed are good or not. The following questions are in the paragraph below.

The results of the research are normally analysed with cluster analysis. It is a statistical method which identifies clusters of customers that are alike with each other within the three parts that have been done in the research. After the cluster analysis has been done, the company can search for customer segments within these three parts. But since the cluster analysis is done via a computer programme, the programme can also produce quite nonsense clusters along with good clusters. But people can run series of tests to identify good segments. The tests are:

- 1) Is the segment identifiable? Can you describe the segment?
- 2) Is the segment reachable? Can you reach the segment with your communication with distribution?
- 3) Is the segment viable? Is it big enough to make profit
- 4) Is the segment recognized by customers?
- 5) Is the segment recognized by distributors or channels?
- 6) Is the offering distinctive, does it appeal strongly to the target group?
- 7) Will the offering be premium priced? If not, reject.
- 8) Will the offer provide above average profit margins?

(Fifield 2007, 177)

After the cluster analysis is done, depending on what of all the three parts has been selected for main segmentation method, the remaining two parts

should be used for cross correlating with the other clusters. For example to see if any of the attitudes correlate significantly with any demographics or usage. (Fifield 2007, 177)

2.6 Quantitative data

Quantitative data can be gathered through a survey or through observation. If an interview is conducted to 40 people in different locations, the data cannot be compared unless the questions are standardized. The advantage of a survey is that the questions will be standardized and it will guarantee the comparability of the results and increase the speed of data gathering. There are three objectives that surveys have. First is to transfer the information that is desired to receive in to the right form of a question. If the questions is developed poorly the person who is answering to the survey will not be able to give the desired answer since they did not understand it. Two almost the same ways of asking a same question might give different answers. Second thing that must be considered is what does the person answering get out of the survey. A survey must encourage the respondent to be involved and cooperate to complete the task. The people can be encouraged by a tangible reward and some people might be happy to see the social benefits of answering to the survey. The third objective is to minimize the response error. The respondents might give inaccurate answers or their answers might be miss-analysed. (Malhotra & Birks 2007, 371-372)

2.7 Marketing to different segments

There is a choice to make within the company. To which segments should the company market their product/service? Marketing to more than one segment is difficult and doing it properly is a major task. There are three different ways to go with marketing to segments. One way is to deliver the same offer to more than one segment. That is called undifferentiated marketing. Focused marketing is when the company delivers a specialized offer to only one segment and differentiated marketing is when the company delivers different offers to different segments. (Fifield 2007, 178-179)

To follow the undifferentiated marketing, the company should have calculated that all the different segments are not worth the money to start differentiate the company's marketing strategy. Focused marketing should be used only if the segment which the company has identified really is a niche. A niche is defined to be a safe segment, what the larger companies would not find economic to participate in that segment. (Fifield 2007, 179)

2.8 Gaining competitive advantage

In a highly competitive marketplace the customer might end up choosing just simply the cheapest option if they do not see any real differentiation between the competitors. This is why targeting your customers is highly important in order to offer good value for the customers and form a long term relationship with them. The rising level of competition in the service sector is the main reason why companies should differentiate their products in ways that the customer sees meaningful. (Lovelock 2001, 195-196)

In most cases it is not realistic for a company to appeal to all potential customers because there are too many customers with different needs, motivations, purchasing frequency and purchase behaviour. Depending on the type of service that the company provides for customers, their ability to serve different types of customers also vary. Instead of trying to compete in the whole market, companies should focus their services towards customers that it can serve best. In marketing terms, focus means giving a narrow product mix for a certain customer segment. (Lovelock 2001, 196)

Focus can be divided into two dimensions, market focus and service focus. Market focus means that a company serves few markets or many. Service focus means that a company can offer few or many services to customers and these two dimension define the four basic focus strategies which are called fully focused, service focused, market focused and unfocused. A fully focused company offers only few or one service to a narrow market segment. Service focused company will offer a small variety of services to a large market segment. A market focused company focuses on a narrow market segment but offers a large variety of services. Unfocused company offers narrow range of products to a broad market. (Lovelock 2001, 197)

To develop the right service concept for a specific target segment, formal research is needed in order to identify what are the characteristics that customers find value creating for them and how well do the customers see the competing company performing in these areas? It is dangerous to overgeneralize and that is why companies should recognize that individual customers may have a different priority within the purpose of using the service, who makes the decision, the time of usage, are they using the service alone or in a group and the composition of the group. (Lovelock 2001, 198)

Identifying who makes the purchase decision is important for it may be that in some cases the choice is made by an individual but in others the choice is made by a several participants for example when a group is going to see a movie, they usually decide together which movie they are going to see and where. The user might not even be in charge of the decision when making a purchase of a service, for example an insurance company

might choose which hospital can the patient use or the doctors can say which hospital suits best the patient's needs. (Lovelock 2001, 199)

Different qualities among competing companies are the ones that differentiates a company from one another and these qualities leads to customer decision of purchase. Lovelock gives examples on how customers decide among the rivalry companies. The examples are on the paragraph below.

Consumers make their decisions between competing service companies by the perceived differences between the companies. But not all the attributes that makes a company different from one another are important ones for the consumer. When purchasing a flight, they might think of safety of the airline as a consideration in travelling. They might not choose an unknown airline or an airline that uses older aircraft because they perceive safety as an important quality. But after the elimination of the unsafe airlines, safety is not the factor anymore that influences their main purchase decision. Determinant attributes are the ones that influences the consumers purchase at this point. They are the qualities that differentiates the companies from competitors for example frequent-flyer miles, quality of food and drinks and the ease of making a reservation. For budget travellers, all that matters can be the price of the flight. (Lovelock 2001, 199)

The marketing researcher's task is to find out about the different levels of importance of attributes that customers perceive and to find out, which attributes has been the determinant ones when making the decision between competing companies. (Lovelock 2001, 200)

2.9 Marketing communication

Communication is the most visible activity in marketing but its value is limited if used poorly. That is why communication should be used with other marketing efforts as well. A company can kill a poor product by advertising it heavily and also a well-researched product can fail if the advertisement does not educate the consumers enough about the products accessibility. Communication should be used to educate existing or potential customers of the price, location, service features, benefits, the channels that allows access to the service/product and when and where. Marketing communication can be done with various different platforms and not just with paid media. The location of the service delivery facility, corporate design features, behaviour of employees and web site design. All of these activities contribute to the impression that is made for the customers about the company. (Lovelock 2001, 285-286)

Different tasks that are performed by marketing communication are to inform and educate potential customers about the organization, its brand

promises and the features of goods/services that the company offers, to convince target customers that specific service product offers best satisfaction to their needs compared to the offering of competitors, to remind customers about service availability and motivate them to act, to maintain contact with already existing customer base by providing updates and further education on how to obtain the best outcome of the company's offering for each customer based on their documented usage behaviour. (Lovelock 2001, 286)

Potential customers need information about the available service options for them, where and when, specific features and functions of the service and benefits that they will gain from the service. To persuade customers buying your services instead of the competitors, the company must develop arguments that will support their decision and remind the customer about the company's offerings in order for the customers to act on their intentions. (Lovelock 2001, 286)

The already existing customers should not be forgotten for as it is, they usually guarantee the long-term profitability of a company. This is why communication with them should be continued, in order for them to keep purchasing from the company in the future. The existing customers can be held in touch with the company with for example email, newsletters, phone calls and with internet. Maintaining a customer relationship with existing customers requires a comprehensive and up-to-date customer database and the ability to use the information in a personalized way when communicating with the customers. (Lovelock 2001, 287)

The two types of communication with the customers are labelled as personal communication where the personnel from the company interacts with the customer on an individual level, and impersonal communication where the message is aimed to a larger audience than just a specific individual. Impersonal communication can be modified with the help of modern technology to seem like personal communication for example in emails received from companies there is usually the customer's name in the greeting text and possibly some information in the text about your previous purchases (Lovelock 2001, 296)

The main responsibilities that employees in customer service companies have are to create and deliver the service with the customer's presence and providing information and problem solving. New customers rely heavily on the customer service personnel since they are new to the service and unaware of the procedures regarding the service. When a customer has potential to buy several different services from the same company, companies try to encourage their employees to cross-sell their additional services. In many cases though the employees sees themselves mainly as the service provider instead of a sales person and this might lead to poor results in additional service sales.

The word-of-mouth is not strictly marketing itself because the customer is doing it voluntarily, but in some cases the company might hire customers to promote their company also. Word-of-mouth advertisement has an impact in a sense that comments and recommendations that the customer makes about the company has a powerful influence on other potential buyer's decisions. (Lovelock 2001, 298)

There are different options on where to advertise and why it is important especially for service businesses. Here below is information from Lovelock regarding this topic.

Advertisement usually is the most dominant form of communication in B2C markets and it is often the first contact between the customer and the company. There are many channels where to do advertisement such as TV/radio, internet, newspapers, billboards and vehicles as well. In a service oriented company advertisement is mainly used to create awareness of the company and its services to potential customers and give out information and educate the customers. Consumers rely heavily on information about services since services are harder to evaluate than goods. (Lovelock 2001, 298-300)

When designing the advertisement, the company needs to know their target audience and their buyer-readiness stage. Often with advertisement the objective is to get the customers to purchase and advertisement's goal is to move the customer from a certain buyer-readiness stage to the next one. The buyer-readiness stages are awareness, knowledge, liking, preference, conviction and purchase. (Kotler & Armstrong 2011, 416)

When the desired audience response has been defined, an effective message has to be developed. The AIDA model implies that the desirable qualities of a message should get attention, hold interest, arouse desire and obtain action. The content of a message can have different themes in it. Three types of appeal are rational, emotional and moral. The rational appeals to the audience's self-interest by showing the different benefits that the product/service will offer. The emotional appeals to negative or positive feelings that will motivate the customers to purchase. Consumers often feel before they think and emotions attract more attention and belief in the brand. Moral appeals to what is the right thing to do and this theme is often used in social support causes. Many advertisements contain humour and when it is done well, it will draw attention and make the consumers feel good about the product/service. If this is done poorly it may irritate consumers or overshadow the product/service. (Kotler & Armstrong 2011, 417)

When structuring the message in the advertisement, marketers has to decide how to handle three message structure issues. The first is to decide should they include a conclusion in the ad or let the audience decide for it. In many cases it is better to let the consumers come to the conclusion

themselves rather than giving it for them. The second issue is that in which order to present your strongest argument? In the end or right in the beginning? If the strongest argument is presented first, it will receive more attention but the ending after the strong argument might be an anti-climax. The third issue is to decide should the ad contain one-sided argument or a two-sided argument. In one-sided argument the ad contains only the strengths of the product/service and in two-sided argument the products strengths and weaknesses are mentioned. One-sided arguments often more effective, but in some cases when the customer is highly educated or most likely to hear opposing arguments or if the communicator has negative background to overcome. (Kotler & Armstrong 2011, 418)

2.10 Search engine marketing

Since Google has become so common way to search for information, the author decided to include search engine marketing to this thesis in the theory part.

Over 60 % of internet users used search engines as their primary method of finding web sites and in March 2008 11 billion searches was done through the top five used search engines. Younger people cannot be reached as easily as older generations through TV since they mainly are online instead of in front of the TV. (Moran & Hunt 2009, 4)

Moran and Hunt discusses the different types of search results in a search engine and they are explained here below.

There are two different types of search results in a search engine. Organic results and paid results. Organic ones are the best results related to the typed search words. To get your web site shown in the organic results section, a company has to do search engine optimization. Searchers click on the organic results between 60 and 80 percent of the time and this is the reason why your company's web page should also appear in the organic results and not just in the paid results. The paid results are results that appear on the top of the search engine if the searcher has entered particular search words that the web site has paid for to appear when searched. (Moran & Hunt 2009, 5)

Search engine marketing is a different term than search engine optimization. Search engine marketing is described to be everything you do increase the visibility of a web site and to gain more visitors to the company's web site. (Moran & Hunt 2009, 7)

Organic Search means that the search engine finds the websites which has the most relevant match for the search term that the searcher has entered

into the search engine. These results are not influenced by payments at all. So to make your company's website more visible in the organic search results there are many techniques that will improve the organic results visibility of a web site and these techniques are referred to as search engine optimization. For some companies organic search is the least expensive search marketing method but for some companies it can be expensive and it may demand costly technology or content changes. The basic steps to improve organic search results of your web site are; Get your pages in the search index, choose the right keywords and optimize your content. (Moran & Hunt 2009, 58)

To find out how many pages your web site has indexed in Google, you can type `site:yourdomain.com` in order to find out how many pages your web site has there (Moran & Hunt 2009, 237). If you type in `site:Company X's` web site you can find out that there are 15 results for that web site in Google. One way to increase your index numbers is to have a link on another web site to yours. The best kind of links are the ones that are from a high profile site, but almost all links have value regardless of the web site. (Moran & Hunt 2009, 237-238)

To calculate your Inclusion rate simply divide the number of sites shown up in Google with the number of sites that you actually have (Moran & Hunt 2009, 239). Since Company X has the Inclusion rate of 100% there is no need to focus more on the index subject.

To choose the right keywords, the company has to conduct Key word planning. The Key word planning ensures that your company will focus on all the valuable key words and not targeting keywords that does not give your company value and just drives the costs up. Using the most searched key words can be hard to get into a visible spot on the search engine but it also might not benefit your company at all. If you use really popular keywords, people might not even click on your ad and your click through rate will drop and thus Google might drop your ad entirely out of the ad bar. Other thing that might happen is that searchers will click on your ad because it has their key word in it, but will leave the page if the offering in that page was something that they were not looking for. The company should aim for key words that are just right for them and are closest match for your site. If on the other hand the hottest keywords works for your company, then that procedure should be continued. (Moran & Hunt 2009, 272-273)

To lift your company's search result higher in a search engine, Moran and Hunt gives advice on how to do so by updating your web site and with other activities.

There are different methods that can be used to optimize your content on your web site in a way that will boost your visibility in search engines. One way to boost visibility is as earlier mentioned to get links to your web site

from other web sites. Number of visits to the web site can boost search engine rankings as well. Also the number of occurrences of the searched word inside the web site boosts the ranking in a search engine, but if this method is used in a spamming way, your web site might get penalized and banned from the search engine. So do not spam keywords to your sites in the hope of boosting your visibility. The frequency of updating the page also ranks your web site higher in search engines. If the site is not updated often enough, the search engine might think that the site is outdated and will drop the ranking of the page. Pages that are grammatically correct eases the job for search engines as well and give you a higher rank. Organizing your texts inside your site like in a newspaper article where key words are mentioned in the title, are somewhat repeated in the text and reinforced in the end is said to have an advantage in search results. (Moran & Hunt 2009, 299-300)

The landing page is the page where searchers end up when they search for specific key words that are on that page. It is important to know what the searcher wants to know from the page that they end up so choose your key words carefully so that the page will not disappoint the searcher. After the realization of knowing what the customer wants to find out from that page, then you can modify the keywords around that need. (Moran & Hunt 2009, 310)

2.11 Social media as a marketing tool

Social media and online sites are becoming more common nowadays, so it is important to be part of it and utilize it as your communication channel. YouTube can be used for demonstrating your products/services, Facebook allows you to build new relationships, communicate with your customers and increase your brand exposure. The benefit of marketing in social media is that it does not necessarily have to cost your company anything and you will still be able to reach a large audience. With social media the company will also receive real-time feedback from the customers and give you insights of customer needs, wants and emotions. You can ask from your followers in social media what they need or desire and provide it if you can. (Coles 2014, 4-5)

In Facebook there is the possibility to purchase ad space that will show up on peoples Facebook feed, and one of the type of ads that can be put there is external URLs. It is a post in Facebook which will lead the Facebook user to the company's web site after clicking. The downside of these advertisements is that both Facebook and the users favour more the types of ads that will lead to the company's Facebook page. It is also cheaper than the external URLs ads with the average cost per click in 2012 being \$0.70 and with the external URLs the average price is \$1.08. The benefit of ads that lead to the company's Facebook site is also the like button

underneath the post which makes the user needless to leave the feed to become your fan (Funk 2013, 78-79)

Facebook also has a feature that allows your posts to become the current ad that will be running in the feed of other people. It is called keep my ad up-to-date which makes your newest posts the newest ads by replacing the old ones. This feature allows your ads to be relevant for your current offerings. (Funk 2013, 80)

People's activity in Facebook creates more visibility for your company's Facebook page and here below Funk explains how different activities boosts your company's visibility.

When people like your page, post, photo, video or an event it makes that activity into a sponsored story which will appear to the person's friends Facebook feed when liked. It also gives social proof to other users that other users basically recommend this company, because the Facebook feed will show which friends has liked the post. The more people likes your Facebook page, the more will see the ads in their feed. The reason why a company should pay the advertisement money is that the original posts without payment do not show up on people's feed so often. (Funk 2013, 81-82)

In Facebook when your company launches an ad campaign, the company can choose its target customers based on the customers behaviour on Facebook and their description such as relationship status and gender. People can be excluded from ads as well in Facebook. If the ad campaign is aimed towards people who do not yet like your Facebook page, the people who have clicked like on your page, can be excluded from the campaign and the same goes if the ad campaign is aimed towards the people who have liked your company in Facebook. The way Facebook describes how a wedding planner in New York might identify its potential customers gives a good insight on how targeting can be done in Facebook ads. The targeted group of potential customers for a wedding planner in New York include people, who live in the U.S, who live within 50 miles radius of New York City, age 21 and older, female and in their relationship status is engaged. These options ads up to 45 200 people. (Funk 2013, 83-84)

There are two different payment methods in Facebooks advertisement and they are advised to be used in different ways of marketing in social media. Funk gives information on how these methods work and when to use which one.

There are two different payment options in Facebook for your ads. Cost per click (CPC) or cost per thousand (CPM) impressions or views. Sponsored stories are shown in Facebook based on your bidding for CPC or CPM and what your competitors have bided for the same target

audience. On average the CPC in Facebook ads is around \$0.80 but that can vary depending on the level of competition for those ad spots in that target group. Both prices goes up during the holiday season. (Funk 2013, 84)

CPC generally gives more tangible responses for the money that is used but CPM gives more impressions and views in Facebook. To know which method suits your company better, both of the methods need to be tested and it also depends on what is your aim when doing marketing in Facebook. The company can also test on running identical ads with two different bidding method CPC or CPM. CPM can be a better choice for your company if your goal with the ad campaign is to get brand exposure. (Funk 2013, 84-85)

To maintain the interest among customers in Facebook requires different techniques and Funk has given different ways to do so here below.

To create a Facebook ad that works, the company can use pictures. Faces in pictures work well and especially attracting and smiling female faces has been shown to appeal on both genders in Facebook. One very effective method to use in your ads is to exchange likes for opportunities to get something in exchange, for example a chance to win something or to receive a coupon. Some companies use emotional likes in their ads, for example click like if you love to ski. Remember to update the pictures and headlines in your ads in Facebook, because the audience in Facebook also gets bored really easily. (Funk 2013, 85-86)

3 ANALYSIS

3.1 Research

The research question of this thesis is: Which marketing channels are best for company X? In order to find an answer to the research question the author decided to implement a survey to gather information of the customer base of company X and to categorize customers into segments so that marketing can be directed in the future, towards certain segments.

The survey was done by using Google Forms and the distribution of the survey was done through email links and paper forms that the customers of company X could fill out. To motivate the customers into answering to

the survey was done by movie ticket prize for the respondents randomly given to certain amount of people. The survey included questions that will divide customers by age, sex and demographics to see how company X's current customers are divided. Questions that gives the answer on how the customers found out about the company X and where the customers are active on the social media were also asked to know where the company X should focus their marketing in the future more.

22 customers answered online in Google Forms and 27 answered on a paper sheet. The answers given in a paper form were transferred to Google forms manually by the author to make the data analysis easier. The survey was conducted in Finnish since the customers of company X are Finnish people and their services are in Finnish.

The author has translated the questions into English and they are following:

- 1) Gender
 - a. male
 - b. female
- 2) Age (in numbers)
- 3) Hometown
- 4) Occupation
- 5) If at work, what field?
- 6) Where did you see/hear about Company X
 - a. social media
 - b. Google
 - c. at school
 - d. friends told about
 - e. family told about
 - f. other
- 7) If other, where?
- 8) A family member of mine has/is doing a course in Company X
 - a. yes
 - b. no
- 9) My friend has/is doing a course in Company X
- 10) Where did you sign up for the course?
 - a. online
 - b. at location
- 11) How are you paying the course?
 - a. one payment
 - b. instalment
- 12) How important the following factors were when you/your parents chose Company X?(1=not important at all, 5= extremely important)
 - a. reputation of Company X
 - b. a family member has done a course in Company X
 - c. friends recommended
 - d. parents chose

- e. price
 - f. location
- 13) Evaluate Company X on a scale of 1-5 (1= Extremely poor, 5= Extremely good)
- a. reputation
 - b. teaching
 - c. customer service
 - d. price
 - e. location
 - f. Advertisement of Company X in social media
 - g. Presence of Company X in the internet
- 14) What social media you actively follow?
- a. Facebook
 - b. Instagram
 - c. Twitter
 - d. LinkedIn
 - e. Snapchat
 - f. Pinterest
 - g. other
- 15) What has been best at Company X
- 16) What needs to be improved at Company X?

The survey also included a question about the customers email address so that the movie tickets can be directed for the winning participants, but five of the surveys that were filled in to a paper, did not fill in their email address. Other survey errors did not occur and not filling your email address had no impact on the actual purpose of the survey.

3.2 Analysis

The gender division among people who answered the survey was 55.1% male and 44.9% female and the largest age group was 18-year-olds with 19 of the answerers were 18. The age spread was quite large as it went from 15 to 36 and the average age was 20.16 years. The most common city/town that the respondents were from was Tampere with a percentage of 59.2%.

The author compared the numbers in Excel to see if there is any correlation between the answers and some clear correlations were found from the results of the survey. The correlation numbers goes following: -1= negative correlation, 0= no correlation and 1=positive correlation. The numbers that Excel gives for the comparison are between -1 and 1. The author had to turn the answers from verbal answers to numeric so that the data can be compared with excel for example answers such as male or female were transferred to 1 and 2.

According to the survey results women go to Company X more often after they are done with their education and they are working. The correlation with gender and occupation gave a positive correlation with the value of 0.25013 which means if the answer for the gender question was 2 they were more often also working or unemployed than if the customer answered 1.

There was also a positive correlation with the value of 0.23038 between gender and age. This means that women also goes to Company X older than men.

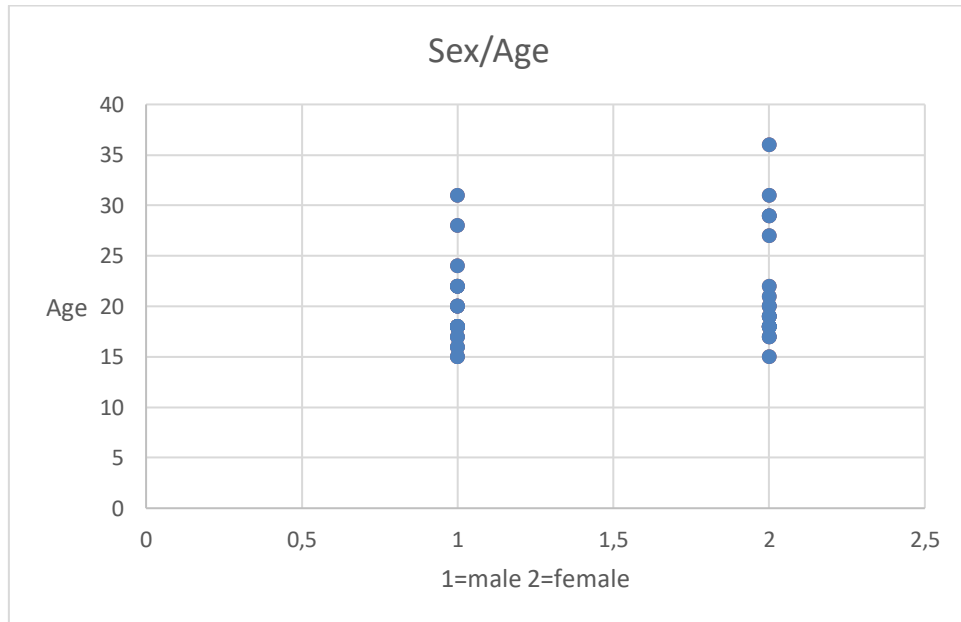


Figure 1 sex/age

Age and family members who have/are completing a course in Company X had a really low correlation with the value of -0.0583 which is so close to 0 that it cannot be said to be an actual negative correlation.

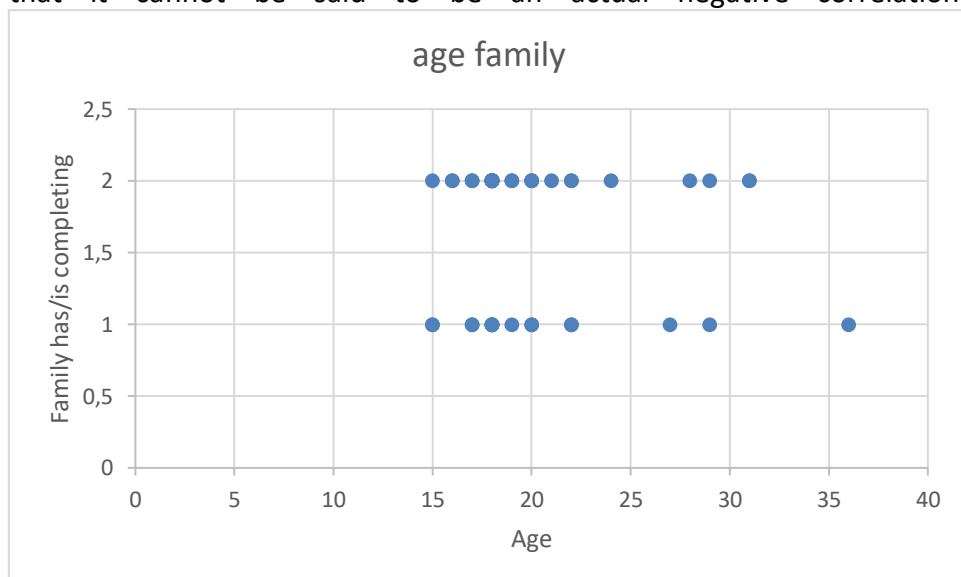


Figure 2 age/family

Age and friends on the other hand had quite high correlation with the value of 0.583636. The older the customer was it was more often the case that their friends had not completed a course or were currently not completing a course in Company X. The answers from question 9 were transferred into numeric answers with 1 being yes and 2 being no. More often when the customer answered no to question 9 they were older than the average age of the customers.

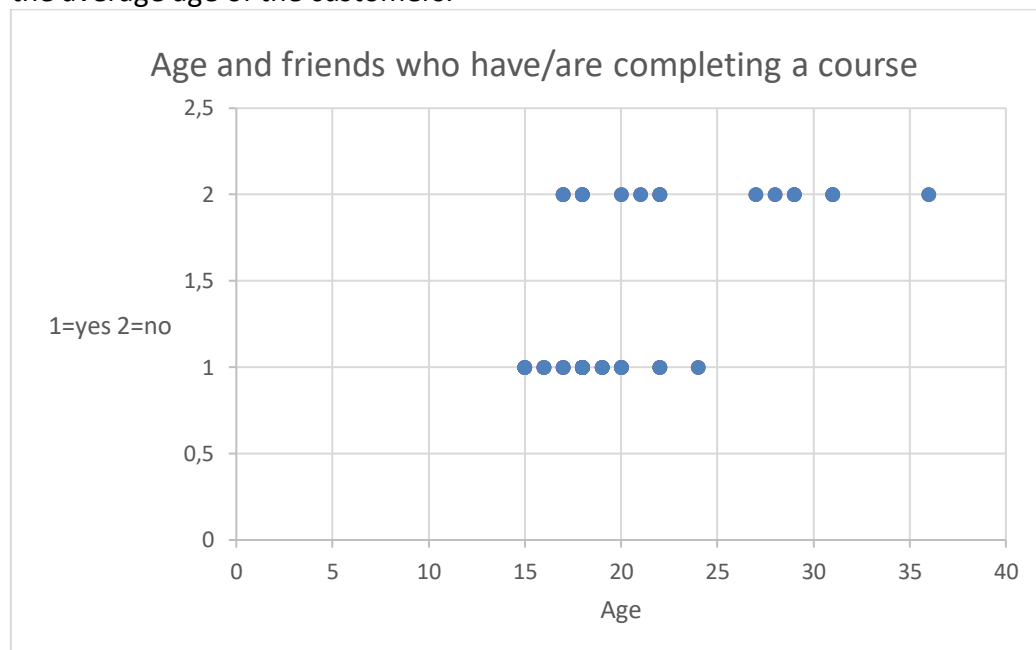


Figure 3 Age and friends who have/are completing a course

The gender of the customer and if their friends had done or are completing a course had a correlation value of 0.012563 and gender and family members who have/are completing a course had a correlation value of -0.14852 so these two did not have a significant amount of correlation. No matter what the customer's gender was, it had almost no impact on how their friends and family have been active with Company X in the past or present.

Among the respondents 59.2% were students, 26.5% were working and the remaining 14.3% were unemployed. None of the occupations that the working people had were considerably more popular among the occupations. 14 people were working and there were 12 different occupations.

The most common way that people had found out about Company X was that their family members had told them about it with 36.7% of the respondents had answered that. Second was that they had found out about Company X from Google (26.5%) and third was that friends told the about it (22.4%).

65.4% answered no to question 8, which was if their family members had done a course in Company X but 67.3% answered yes to if their friends are completing a course there.

63.3% signed up for the course online and 73.5% paid the whole amount at once.

Only one person who answered to the survey did not follow any social media actively at all. The remaining 48 people all followed some social media actively and the most popular among the social Medias was Instagram with 39 out of 49 is following actively. It had 13 more active users than Facebook and 6 more than Snapchat. Other Social Medias were not so popular among the respondents.

3.2.1 SWOT analysis of the company X

The author conducted a SWOT analysis about the current situation of Company X, based on the data received from the survey and discussions with the CEO of Company X.

Strengths:

- The location of the premises of Company X are considered of extremely high value by the customers and that is a key factor when the customers were choosing a driving school.
- Reputation of Company X is held in high regard by the customers when they were choosing a driving school.
- Company X has a Dark driving simulator which is something that not all other driving schools have and instead they have to wait for the time of the year when it gets dark enough to have the dark driving with the students. Company X can do the dark driving lessons all-year long and regardless of the time of day.
- Unlike some other driving schools, Company X still has office services available for the customers and Company X handles all the application forms of the students and reserves the times for the theory tests and driving tests for the students.
- Company X is flexible with the customers. For example instead of starting the driving lesson straight from the school, students can ask to be picked off at a location of their choosing and end it at their home.

Weaknesses:

- Company X does not have theory lessons in English which is a service that some other schools have for the international customers who want to have a driver's license in Finland.

- Company X has been said by the customers to lack the social media advertisement and only 1 of the customers who answered the survey does not use any social media, which is why it is a weakness of the company
- Organic search result of Company X is not the best when searching for a driving school in Tampere in Google.

Opportunities:

- Virtual theory lessons is something that the Company is already using but it could be benefited even more in the future with using recordings of the lessons.
- Virtual theory lessons in English for foreign students to be able to complete a course in Company X
- New customers available due to the legal updates on driver's license in Finland. The costs are now lower to complete a course and it may motivate people who have not earlier completed a course because of the price.

Threats:

- Other driving schools might lower their prices to cut down the competition. This would result in Company X having to lower their prices to a level that may not be profitable anymore to maintain their business.
- Other driving schools may raise their advertisement budget to a level that it is hard to keep up with the competition.
- The new hop-on-hop-off driving schools that does not require any office location can draw customers for themselves with their lower prices.

3.2.2 TOWS matrix

The author decided to continue the SWOT analysis of Company X with a TOWS matrix to generate options that Company X can pursue. In the TOWS matrix, all elements of SWOT are combined with each other to find solutions to act upon. S and O are combined with using the strengths of Company X to maximize the opportunities and S and T are combined to use the strengths of Company X to minimize threats. W is combined with O to minimize weaknesses by taking an advantage of the opportunities and W and T are combined to minimize the weaknesses of Company X and to avoid the threats facing the company.

Table 1 TOWS Matrix

| | | |
|----------------|--|--------------------|
| | S1 S2 S3 S4 S5 | W1 W2 W3 |
| O1 O2 O3 | S1 & O3 S5 & O1 | W1 & O2 W2 & O3 |
| T1 T2 T3 | S1 & T3 S4 & T1 S5 & T3 S4 & T3 | W3 & T2 W2 & T2 |

Strength number 1 which is the location that many of the current customers value highly could be used when marketing for new customers. That is why strength number 1 is combined with opportunity number 3. Many of the current customers said that the location was a key when choosing a driving school, so this is an advantage when trying to appeal to new customers who are price sensitive and now due to the price changes are considering to complete a course in some driving school.

Strength number 5 is combined with opportunity number 1. Company X is flexible on how the student wants to complete their lessons. Even though many of the students go on location for a theory lesson, in Company X they have a choice to complete their theory from home with virtual theory lessons.

Weakness number 1 is combined with opportunity number 2. Currently Company X is not offering theory lessons in English but they are offering driving lessons in English. Company X could receive more foreign customers if they decide to start offering theory lessons in English online.

Weakness number 2 and Opportunity number 3 are combined. The new price sensitive customers most likely chooses their driving school based on the price and location and not based on the advertisement they see. Currently the prices of Company X is among the lowest and their location is in a good position for new customers. The current advertisement in social media could be designed in a way that it raises the interest of price sensitive customers.

Strength number 1 which is the location of the driving school is something that minimizes the threat of the hop-on-hop-off driving schools, threat number 3. They may be able to pick their customers up from different

places but the ones that actually wants to have a location where to go and discuss about the payments or to complete theory lessons, Company X is in a good place and picking up customers is rather time consuming if the customers are spread out widely across Pirkanmaa.

Strength number 4, office services are something that not all the driving schools offer, so even though others would lower their prices, Company X still provides valuable office services to the customers with a good price that is included in the overall price.

Strength number 5 is used to minimize the threat number 3. Company X is able to pick up their students from a place they want like in the hop-on-hop-off driving school or the student is able to start their driving lesson from the premises of Company X. The ending destination of the driving lesson can also be discussed with the teachers so that they can return to their home after the lesson or to their school.

Strength number 4 is used to minimize the threat of hop-on-hop-off schools. The hop-on-hop-off schools only have teachers who provide driving lessons but not the office services that Company X provides. It is something that the Customer needs to be satisfied with the service.

Weakness 3 is something that should be minimized to lower the threat number 2. Currently Company X is not the first one to come out when searching for a driving school in Google organic search results. Many people who search something from Google picks the first organic search result and not the advertised results. In order to avoid the threat that other driving schools raises their advertisement budget in search engines, Company X can influence to this by improving their organic search result in Google.

Weakness 2 should be minimized to lower the threat of others raising their advertisement budget. Social media advertisement can be done better in Company X with paid advertisement or with free advertisement in social media. The important thing is to be more visible to potential customers in social media to lower the threat of others raising their budget.

4 RECOMMENDATIONS

In this final chapter, the author of the thesis will give the recommendations for Company X, where to advertise and how and to who, in order Company X to aim their advertisement budget into right places to generate more awareness among consumers and to receive more customers.

4.1 Social media

As seen from the results of the survey, the most actively followed social media among the customers is Instagram, followed by Snapchat and Facebook. There are two options for Company X to advertise in all of these Social Medias and the author recommends to use only these Social Medias since the active usage among other Social Medias were so low, it would be a waste of resources.

First option is to generate content to the Social Medias without paid coverage which will not increase the cost of advertisement but it will have a smaller audience as it is mainly limited to the people who have liked your Social Media page.

Second option is to start using paid coverage in Social Media and promoted posts. This will end up costing Company X with their choice cost per click or cost per thousand views but it will receive a larger audience among people who have not liked their page and it can be targeted to the target group who could be potential customers of Company X.

Since Instagram was the most actively followed Social Media among the people who answered the survey, Company X should create their own Instagram account which they yet do not have. Company X can start promoting with using their own hashtag in Instagram to create more awareness among consumers. Currently there is only two mentions with their hashtag that has been used by two separate individuals in Instagram.

Company X can also start promoting their business with Snapchat and use it as a reminder for new products and prices for the followers. If the customers' expectations had been met they have been pleased with the service they have purchased and they are more likely to return to the company. Company X can promote for example their motorbike upgrade courses in their Snapchat so that people who have completed a motorbike course earlier in Company X, can be easily reminded of the upgrade course and their possible new prices. Same thing goes for other Social Medias. By encouraging their customers to become fans of their page, Company X can promote their services for the customers in the future also.

In Facebook Company X can start using the paid coverage with less money than what they use on Google and to reach the audience that they desire. In this case the author recommends to aim the advertisement in Social Media to users who are between the ages of 15-20, lives in Pirkanmaa and are students. They receive more suggested post coverage if more people likes their Facebook page. To get more people to like their Facebook page, Company X can create content to their page that receives likes such as contests and mood liking, for example click like if you think Company X's new teaching car is cool. Currently Company X mainly updates with text posts. Posts in Facebook get more coverage if they contain a picture or a

video, so to get more people to see Company X's Facebook posts, they should be made in picture format or in video, for example instead of writing "new course starts on Monday, sign up today!" and posting just the text, you could create a picture or a video that has the same message written in it to receive more coverage in Facebook.

4.2 Search engine optimization

The results what a person who searches for Driving school Tampere in Finnish is not the best in the case of Company X. It is more likely that people who search some service in Google clicks on the organic search result rather than the paid results on top of the page. Company X should rephrase their texts inside their web page in a way that it will appear higher in the organic results. This can be done by rearranging the texts into a newspaper like article where the searched key words appear in the title, in the beginning of the text part and in the end at the conclusion part. This should also be done with using correct grammar and not spamming the key words on their web site as it may result in penalty from Google by not showing their web page in the results.

The content of the web site should also be actively updated so that Google will not think that it is no longer in use and lower its visibility in the search results. One other way to boost your organic search result is to get your web site's link mentioned in other web sites such as in Facebook or Instagram. The more there are links from other popular web pages the higher the organic search result will be, thus getting more people to visit your web site.

4.3 Search engine marketing

To lower the advertisement costs of Company X in their paid results in Google, they can insert links to their web page under the headline in the paid result. When people search for something in Google the first results are paid results that matches their key words but inside the paid result, can be added links underneath the headline that will also lead the customer to their web page, but without costing the Company X any click costs. Google only bills the business when people click on the main headline in paid results so by inserting links for example to their course selection in the paid result, it offers a click option for the customers that still leads them to Company X's web page but without costing anything to Company X.

Company X can also avoid unnecessary clicks on their Google ads by selecting the important key words for their business instead of targeting

the most popular searches that may lead to a lot of clicks and thus visits to the web page, but visits that are really soon cancelled since the person who searched for it is not looking for this service. For example someone who lives in Vesilahti, Finland might search for with the word "autokoulu" in Google and it will give the paid result of Company X, but once they have clicked it they realize it is in Tampere and therefore too far away compared to other driving schools and then leaves the site. This will cost unnecessary money for Company X because they have targeted the wrong key word. Instead they should focus on key words such as Autokoulu Tampere (driving school Tampere) and to Autokoulu Tampere Keskusta (driving school Tampere centrum) and so on. When the unimportant key words have been eliminated, more money from there can be directed into the important key words.

4.4 Advertisement at schools

Since most of the customers are students under the age of 20, Company X could put up posters on Pirkanmaa area schools about their courses, to bring up the awareness of Company X and receiving more customers. The most likely place where potential customers might see the posters is at schools since the largest customer group for Company X are students.

4.5 The current market

Currently the customers of Company X appreciate the location and customer service of Company X, but it is important to remember that the market constantly changes and Company X should be aware of it in the future to know how to change in order to appeal again for the consumers. In the future Company X should conduct surveys like this more to understand the customer needs and wants in order to know how to change or if there is a need to change. SWOT analysis helps to give a perspective to their situation so it should be also updated again in the future.

Right now as can be seen from the SWOT analysis there are lurking threats and also opportunities that can be grasped in order to improve the business to become more competitive. As the author mentioned earlier in the TOWS matrix these different elements of SWOT analysis can be linked together to see the different options that the company might have in order to minimize threats and weaknesses, to maximise strengths with opportunities and to minimize threats with strengths.

4.6 Maintaining a customer relationship

The customer relationship is important to maintain since they are more likely to return and make future purchases from you. As it turned out from the survey, only 34.7% of the people who answered to the survey had a family member who had completed a course in Company X. With introducing a family member discount, more customers from the same family are likely to come and also take a course in Company X if the service has earlier matched or exceeded their expectations. Another way to keep the customers returning is to give some bonus for already completing a course in Company X earlier such as a motorbike license. Once completed this and with the opportunity to receive something as a bonus or a discount for the upgrade license, the customer is more likely to return to complete it in Company X. Delighted customers also provide word of mouth advertisement for you and as it shows in the results of the data that 67.3% had or have a friend who is completing a course in Company X. People value the good recommendations of their friends when they have had a positive experience with the recommended company. Small things that the customer might not expect receiving from the Company can be an experience that leads to delightedness for example free snowbrush or a complementary coupon for something.

5 CONCLUSION

The idea of this bachelor's thesis was to study, where the customers are active and to see which marketing channels are most effective ones for Company X.

The new driver's license law in Finland became to use this year and the timing of this thesis and subject was adequate for the Company. Because of the new law the prices went down and it opens up new possibilities for Company X and its competitors to gain more customers. This is why it was good to create new marketing strategy for Company X upon the new age of driver's license education.

Because nowadays young people in Finland use more and more social media, the thesis has theory related to the topic of social media advertisement.

The goal of the thesis was to generate more effective ways for Company X to market their services to potential customers in places where they are active and most likely to notice the marketing efforts. The objectives of the thesis was to gather theory helping to understand the different ways of marketing in this situation, to conduct a research where the author gathers data about the current customers of Company X in order to gain

knowledge on where they are active, analyse the data received from the research in a way that helps Company X to direct their marketing efforts more effectively in the future and to know what kind of segments their customers belong to and finally, give recommendations for Company X on where and why they should be active with their marketing efforts in the future to gain more customers with a more effective way.

The research part of the thesis was done with a survey which had two options for the respondents on the way they want to fill it. Online or in paper form.

Some of the results gotten from the survey was ran through statistical analysis to show that if some of the answers had any correlation with one another and as it was shown in the analysis part of the thesis, there were some correlation between the answers.

After reviewing the results from the survey it is noticeable that most of the customers that are completing a course are students and most likely they are 18 years old and they are from Tampere and from the neighbour cities/towns with few exceptions. Male customers have more tendency to complete a course in Company X while they are still students when compared to females who more often completes a course in Company X only after their graduation and while they are working. The key components of Company X were their location, their reputation among the customers and price when choosing a driving school. The top rated qualities of Company X were in order location, customer service and teaching. In both questions the top quality/component was the location of the school, which means that it is a thing that Company X should hold on to in the future as well.

Things that need improvement according to the customers were their advertisement and their presence in Social Media. Social Medias where the customers are the most active were in order Instagram, Snapchat and Facebook.

The author conducted a SWOT analysis together with the CEO of Company X to assess the current situation of the company. The SWOT analysis shows that in what kind of position Company X is currently and right now the main thing that is important for Company X is to hold on for their location as it is a key for customers that they hold in a high regard and it can also be matched in the TOWS matrix to other things that helps Company X to tackle possible threats.

In the future the driver's licence law in Finland may change again and the values of the consumers as well towards more green and economical, but at the moment the demand for driver's licence in Finland is in a good position for the driving schools. It may be that after a while the needs

might change and at that point there could be need to change the offerings to suit more the demands of the consumers.

The objectives of the thesis were established before the author started to write the thesis and they were met and the research was analysed. Based on the analysis of the research, recommendations were given at the end in way that answers the research question: Which marketing channels are best for Company X?

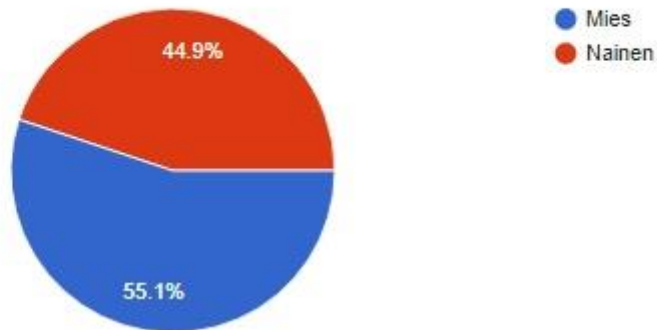
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SURVEY RESULTS (IN FINNISH)

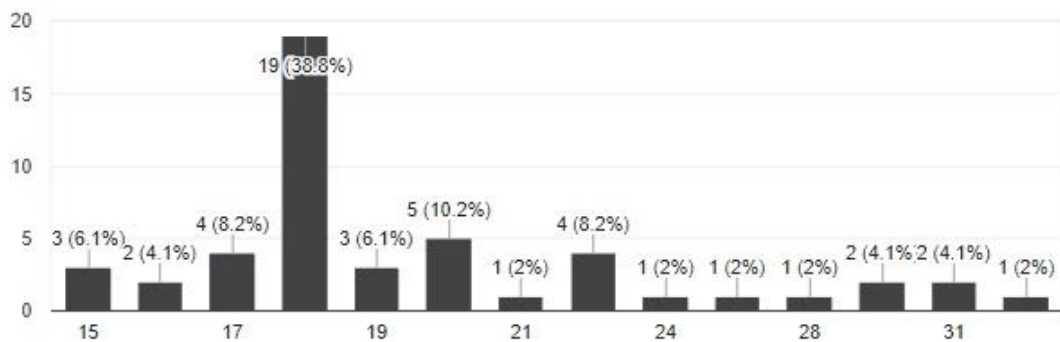
1. Sukupuoli

49 responses



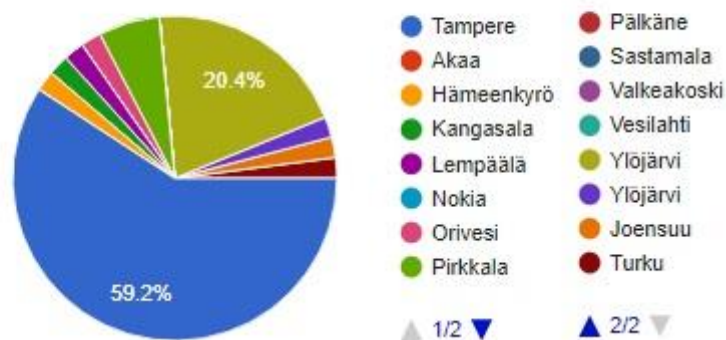
2. Ikä (numeroina)

49 responses



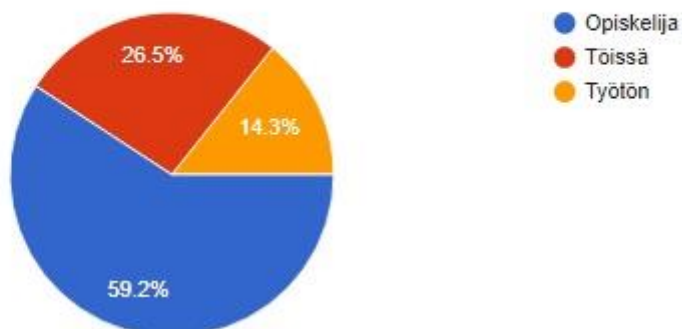
3. Kotipaikkakunta

49 responses



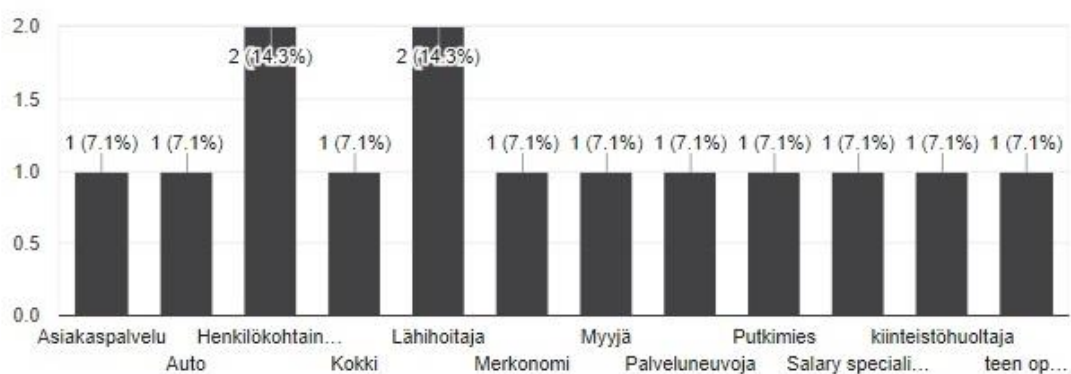
4. Ammatti

49 responses



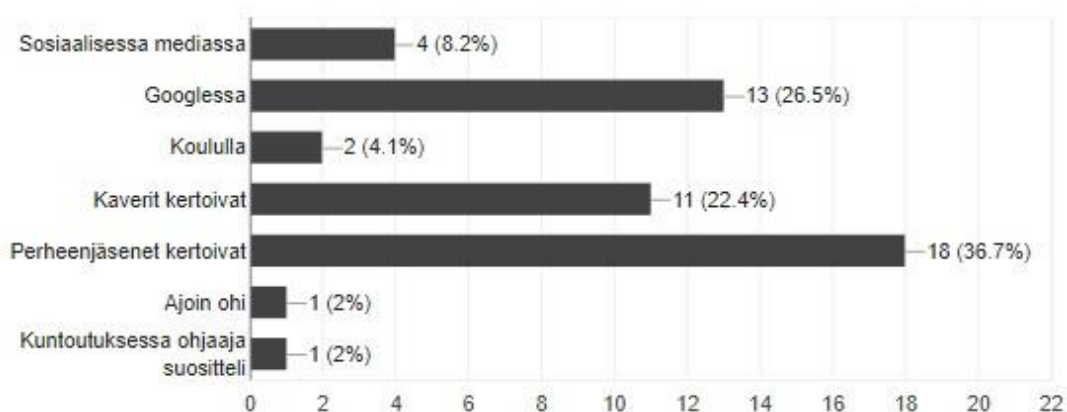
5. Jos töissä, mikä ammatti?

14 responses



6. Missä kuulit/näit [redacted]?

49 responses



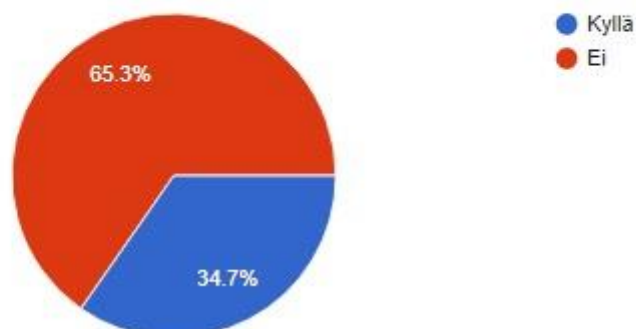
7. Jos muu, missä?

1 response

Ajoin ohi liikkeestä

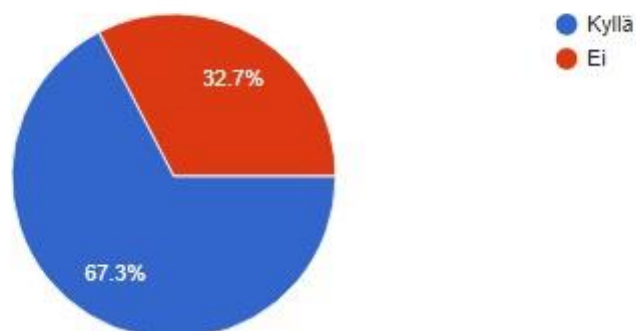
8. Perheenjäseneni on suorittanut/suorittaa kurssia [REDACTED]

49 responses



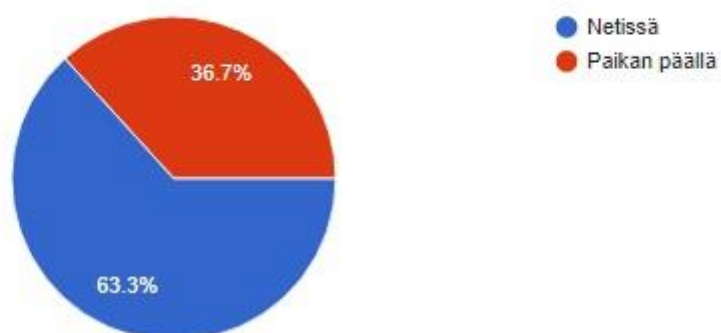
9. Kaverini on suorittanut/suorittaa kurssia [REDACTED]

49 responses



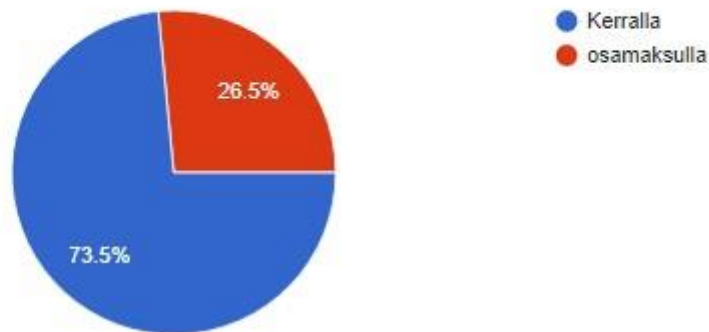
10. Missä ilmoittauduit kurssille?

49 responses



11. Millä tavalla maksat kurssin?

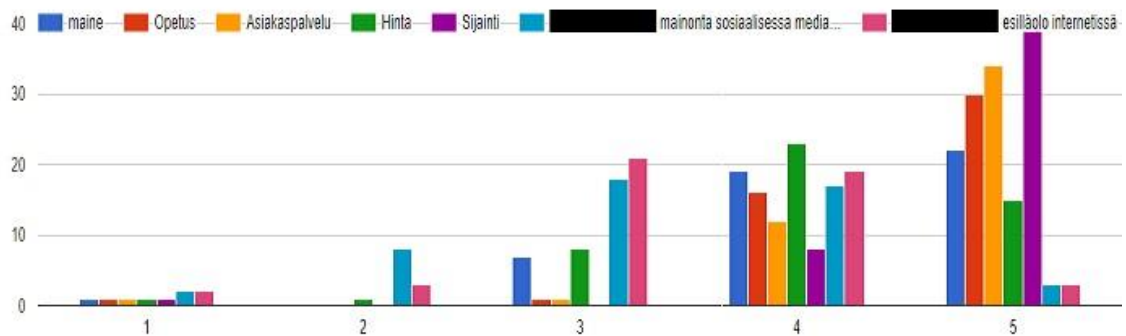
49 responses



12. Kuinka tärkeää seuraavat asiat olivat kun valitsit/vanhempasi valitsivat [redacted] (1=ei lainkaan tärkeä, 5=erittäin tärkeä)

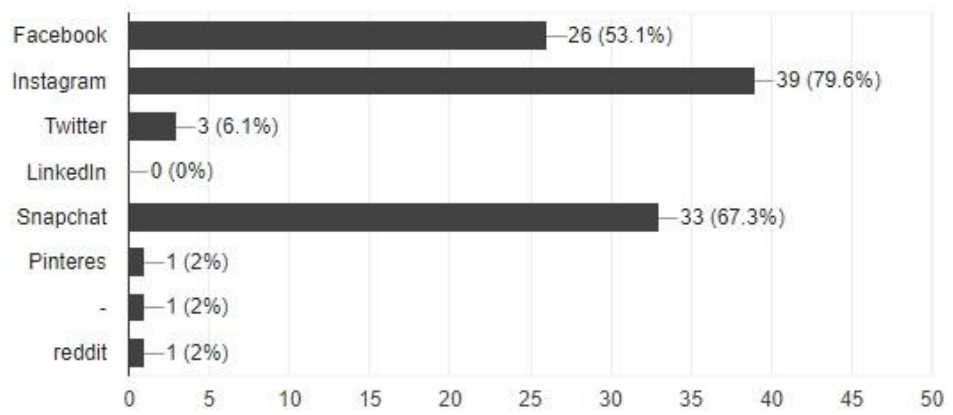


13. Arvioi [redacted] 1-5 (1=erittäin huono, 5=erittäin hyvä)



14. Mitä sosiaalista mediaa seuraat aktiivisesti?

49 responses



15. Mikä on ollut parasta [REDACTED]?

49 responses

| |
|--|
| Opetus (4) |
| - (4) |
| Hinta |
| Opetus |
| Mukavat opettajat |
| Opetus, hyvät jutut ja hyvä henkilökunta |
| Koko henkilökunta. Oli helppoa työskennellä heidän kanssaan |
| Oppin ajamaan nopeastin |
| Mukava porukka aina vastassa ainakin Tampereen keskustan [REDACTED] |
| Puhelin palvelut |
| Ei toistaiseksi mikään |
| Opettaja Marko |
| Teoriatunnit |
| Hyvä opetus |
| Tommi Tampereelta :) |
| rento meininki ja mukavat opettajat |
| Henkilökunta, nopea aikataulu ja hinta |
| Mahtavat opettajat ja opetus erinomaista. Rehtiä ja hyvää meininkiä! |
| Opettajien laatu |
| Osaavat opettajat ja kommunikointi autokoulun kanssa. Joustava lukujärjestys (ajo-opetus) |
| Opetus ja asenne |
| Mukavat opettajat, kätevä sijainti |
| Hyvät ja rennot ajo-opettajat |
| Mukavat opettajat ja kaikki asiat on hoidettu hyvin |
| Henkilökunta |
| Tehokkuus |
| Hyvä asiakaspalvelu sekä mukavat/hyvät opettajat. |
| Omien ajotaitojen parantuminen |
| Palvelu |
| Rento palvelu ja selkeä opetus |
| Sopivat hinnat, hyvä sijainti ja hyvä opetus |
| Opetus ja asiakaspalvelu |
| Hyvät ja mukavat työntekijät |
| Laadukas ajo-opetus sekä sijainti keskustassa. Myös teoriatunneille osallistuminen netin kautta. |
| Sijainti ja helppous asioida |
| Sijainti, asiakaspalvelu |
| Asiakaspalvelu, rennot opettajat |
| Hyvä ajo-opetus ja leppoiset opettajat |
| Laadukas opetus, mukava henkilökunta |
| Ei oo kiirettä |
| Asiakaspalvelu |
| opet |
| Aikataulut & oppiminen. Eli edistystä on tapahtunut |

16. Mitä parannettavaa on [REDACTED]?

49 responses

| |
|--|
| - (11) |
| Virtuaalituntien äänenlaatu oli ajoittain heikko. |
| - |
| Enemmän mainostusta sosiaalisessa mediassa |
| En kyllä keksi mitään tähän. |
| Ei mitään. Jatkaa samaan malliin |
| En tiedä |
| Ei mitään |
| Opetus ei ollut yhtään kannustavaa. Minulle ja isoäidilleni (joka maksoi autokoulun) sanottiin ihan eri asioita. Luotettavuudessakin siis parannettavaa. |
| ei parannettavaa |
| Hinnat ovat korkeat |
| Homma toimi kaikinpuolin hyvin! |
| hintaa on melko korkea joten sitä voisi hieman alentaa |
| Ei oikeastaan mitään |
| En parantaisi tällä hetkellä mitään. |
| Eipä mieleen tule mitään. Hinnat toki voisi olla hitusen alempana. |
| Mainontaa enemmän |
| En osaa sanoa. |
| Ei tule mieleen |
| Kesällä luokassa oli tosi kuuma, ei sitten oikein muuta |
| Ajotuntien varaamisessa kesti yllättävän kauan ainakin paikan päällä |
| ei mitään |
| Ei tule mitään mieleen |
| Isompi televisio teoriatunneille |
| Voisi olla enemmän vapaita ajotunteja |
| Kesällä ilmastointi. |
| en tiää |
| Ajotunnit voisi ehkä kevarilla suorittaa siten, että vain yksi kevari ajaa kerrallaan |
| Mikään ei oo ikinä liian halpa |
| Ei mielestäni mitään |
| Ei tule mieleen mitään parannettavaa |
| mainonta |
| Joskus teoriatunneilla puhutaan hieman epäolennaisista asioista oppituntiin nähden (opettajan henkilökohtaiset anekdootit) |
| ei oikeastaan mitään |
| en ole huomannut mainontaa sosiaalisessa mediassa |
| ei oikeastaan mitään |
| ilmastointi sisällä |
| en tiedä |
| Eipä kummempia |