

THESIS

Mari Väliahdet 2010

**MARKETING OF A MICRO-SIZED
ONLINE BUSINESS
Case L'Angolo delle Fate**



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Thesis

**MARKETING OF A MICRO-SIZED
ONLINE BUSINESS
Case L'Angolo delle Fate**

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This thesis was commissioned by L'Angolo delle Fate an Italian micro-sized online company that has started to operate as a physical store in 2007 and transformed to operate only online at the beginning of 2010. The store's product selection is fantasy miniatures.

Today small companies have to have a working marketing plan and it has to be executed so that the company can survive in the competitive markets. This is extremely important in the field of the online stores, as it is easy to stay unnoticed in the Internet world.

In this thesis the main problem was a missing marketing plan. Other problems for which the work searched answers were the target group, the company's mission and vision and how the company can differentiate in the market. The aim was to create marketing manual that works with small resources and would increase the visibility of the company in the Internet and achieve more new customers. The marketing plan is the first in the company's history and therefore all the theories have been studied thoroughly.

A qualitative research method, the variety of theory books and articles has been used to create the marketing manual in this thesis. Two interviews were made, to the owner a theme interview and to her husband a structured interview. The main goal was to learn about the current situation of the company and possible strategies used in the business. Based on the collected theory and the interviews, a marketing manual was made for the commissioner, which was concentrating on the increase in visibility, achieving new customers and increasing the amount of regular customers. The time scale for the conducted action plan is one year.

With the produced manual the commissioner can concentrate on developing the business and learn the importance on marketing planning. The marketing manual can be found useful also by other micro-sized companies as it can offer them a base for the marketing planning.

Key words: marketing, marketing planning, social media, micro-sized company, Internet marketing

Tekijä	Mari Väliahdet	Vuosi	2010
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Tämän työn toimeksiantaja on Italialainen Internetissä toimiva mikroyritys L'Angolo delle Fate, jonka tuotevalikoima koostuu fantasiaminiatyypeistä. Yritys on aloittanut toimintansa vuonna 2007 jonka jälkeen on muuttunut net-tikaupaksi vuoden 2010 alussa. Nykyajan pienyrityksillä on oltava toimiva markkinointisuunnitelma ja sen toteutus, jotta yritys voi kilpailla vaativilla markkinoilla. Tämä on erityisen tärkeää Internet-kauppojen kohdalla, sillä yritys jää helposti huomaamatto-maksi Internetin maailmassa.

Tämä opinnäytetyön pääongelmana oli toimeksiantajayrityksen puuttuva markkinointisuunnitelma. Muita ongelmia, joihin työ etsi vastauksia olivat kohderyhmän määrittely, yrityksen missio ja visio sekä mahdollisuuksia erottautua muista kilpailijoista markkinoilla. Tavoitteena oli rakentaa mikroyritykselle toimiva, mutta pieniä resursseja kaipaava markkinointi-käsikirja, joka auttaisi yritystä kasvattamaan näkyvyyttä Internetissä ja varmistaisi uusien asiakkaiden määrän kasvun. Tehty työ on ensimmäinen markkinointisuunnitelma yrityksen historiassa, jonka vuoksi markkinoinnin teorit ovat selvästi pyritty selvittämään.

Tutkimuksen teossa on käytetty kvalitatiivista tutkimusmenetelmää, eri teoriakirjallisuutta sekä artikkeleja markkinointimanuaalin kokoamista varten. Kaksi haastattelua tehtiin, teemahaastattelu yrityksen omistajalle sekä hänen aviomiehelleen lomakehaastattelu. Haastattelujen tarkoituksena oli selvittää yrityksen nyky-hetkinen tilanne sekä strategioita. Haastattelutulosten sekä teoriakirjallisuuden pohjalta koottiin yritykselle markkinointikäsikirja, jonka keskeisimpiä tavoitteita ovat näkyvyyden lisääminen, uusien asiakkaiden saaminen sekä vakinaisten asiakkaiden määrän kasvattaminen. Valmistetun suunnitelman aika on yksi vuosi.

Työn tuloksena olevan markkinointisuunnitelman pohjalta yrityksen on hyvä keskittyä markkinointiin sekä sen tärkeyteen. Työn tarkoituksena on turvata yrityksen kasvu tulevaisuudessa sekä näkyvyyttä markkinoilla. Tehty suunnitelma on käytännöllinen myös muille mikroyrityksille, ja sitä voidaan käyttää pohjana yrityksen markkinoinnin suunnittelussa.

Avainsanat: markkinointi, markkinoinnin suunnittelu, sosiaalinen media, mikroyritys, Internet-markkinointi

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1 INTRODUCTION

Today's markets are very competitive and this why it is important to plan the marketing actions well to ensure the success of the company. This is especially important and challenging for a micro-sized company. This thesis is commissioned by a micro-sized online store, L'Angolo delle Fate located in Rome, Italy. The purpose of the thesis is to produce a useful marketing manual, keeping in mind the size and resources of the company. The aim is to work it out with small resources, but with reasonable results. The final thesis should be a marketing manual for the commissioner's future marketing plans and actions. For this reason the terminology has been explained thoroughly and in a comprehensive way not forgetting the more in-depth explanations.

The idea of this thesis came during the autumn 2009 after a conversation with the owner of L'Angolo delle Fate. During the conversation it was learned that there are hidden marketing skills and knowledge but capacity to execute these are missing. This gave an opportunity to help with the future marketing actions of the company. The visibility and customer base need to be improved to ensure the growth of the business. An online store can be successful but the online market is very competitive and it is a challenge to be successful. Therefore a good marketing plan is needed to ensure the success. From the interviews rose a question if the old customers were still able to find the store from online and there was also a doubt of finding new customers. It was also learned that it is a challenge to be able to add value to the customers in the products to make sure they will order online, as there are many opportunities to find the products in physical stores as well. (Senese 2010; Pasquariello 2010.)

Because L'Angolo delle Fate has had a change in the business form recently, it is vital for the future of it to plan well the marketing actions. The new plan should boost the sales and improve the visibility in the World Wide Web. The thesis should also advise in improving the website of the company. The main focus will be on the new methods of marketing and on possibilities that the Internet offers to a micro-sized company. In the field of marketing the new

methods that will be covered in this thesis are the use of social media, search engine optimization and Guerrilla marketing. All of them are suitable for companies with low financial resources, as they do not require big investments but are still efficient.

As the company has not had any type of plan before, there are many questions and facts that have to be solved when creating the plan. Questions that are going to be answered with this thesis are: what is the target segment group of the business, what are the mission and vision of the business, who are the main competitors and how can they differentiate from them in a way that is bringing the most advantage to the company? The thesis is divided into two parts so that the thesis will be able to fulfil the purpose and ensure the plan will be useful for the commissioner. At the beginning of the thesis Chapter two will cover the business of the commissioner and Chapter three discusses the research methods used in the work followed by the marketing manual. Chapter four concentrates on the theoretical framework of the marketing plan. The framework of planning the marketing is based on David Jobber's book Principles and Practice of Marketing and is supported by other sources. Chapter five of the thesis concentrates on the practical marketing plan of L'Angolo delle Fate. Chapters four and five of the marketing plans will be together working as a marketing manual as they cover the theoretical and practice side of marketing planning. In Chapter six can be found the conclusions of the thesis.

2 L'ANGOLO DELLE FATE

Originated from Rome, Italy, L'Angolo delle Fate is a micro-sized online store selling a variety of fantasy miniatures. The store started operating as a physical store but has changed recently to operate only online. The business is fairly new as the store has been operating since 2007 and at the beginning of 2010 it has changed to operate an online store. Because of the change in the business form, the marketing plan needs to be updated to meet the new requirements that an online store has, including finding the channels where the customers are able to find the company. The store is owned and run by Mrs Senese and her husband Mr Pasquariello takes care of a variety of tasks concerning the business. For this reason the business can be counted as a micro-sized company. The store can be categorized as a pure online business or also called a pure play. This type of business has only trade online and does not have separate business premises where customers can come physically. However, even a pure online business can have some sorts of physical premises, which can be a warehouse or an administrative office. (Pasquariello 2010; Charlesworth 2007, 214.)

The product line of L'Angolo delle Fate is a collection of the fantasy miniatures of fairies and trolls. Although the item line is narrow, it offers original and at the same time very specific items that are harder to be found and are appreciated among collectors. All the miniatures are presented with stories and histories and have a wide subject area, for example from different countries to different fairy subjects. The sold items can be bought for own use or as gifts, but there are occasions like weddings and birthday celebrations where they can be bought as memory items that are given in the Italian culture. The highest season for the products is Christmas. The company wishes to have more knowledge from the new methods of marketing including social media marketing methods that can be used in the future marketing actions. Although at the moment L'Angolo delle Fate concentrates only on the Italian market, it is wished that in the future it could be able to sell also in the European market. It is more realistic to expand the business with the opportunities that World Wide Web offers. (Senese 2010; Pasquariello 2010.)

3 METODOLOGY

3.1 Research Methods

The thesis is conducted as a case study for the commissioner. The case study concentrates on an individual action where information is intensive. When, a case study is conducted a specific situation is chosen. It can be studied by interviews or by research of documents. The conducted marketing manual will be based on the collected theory and interviews. The questions and problems will be answered by using related literature and with the qualitative research method by interviewing the business owner and her husband. For the business owner there will be done a theme interview and for her husband a structured interview. Research can be divided into different categories by the purpose and the results of the research. The related categories used in this work are primary, secondary and qualitative research methods. A research carried out for a specific use of a company is a primary research. A secondary research is already done by someone and can be used to support another research. The qualitative research concentrates on data on reasons for example of buying or impressions on products and services. (Hirsjärvi–Remes–Sajavaara 2009, 134-135; Proctor 2005, 16.)

In the qualitative research answers are found to already existing facts as the researcher and known matters are connected to each other and cannot be separated. Some characteristics of a qualitative research are that the material is collected at the moment, people are used as sources, in the analysis it should be found facts that are not necessarily based on theory and the materials are inspected thoroughly. Characteristics are also qualitative methods that are used in getting the material, which can be theme interviews and group interviews. The respondents are chosen specifically and the plan of the research can change throughout the process and each case is analysed individually. (Hirsjärvi et al. 2009, 161, 164.)

Research interviews can be divided into three groups based on the structure and the form. The structured interview is conducted together with a ready-made questionnaire, where the questions and their order are decided beforehand, which makes the interview easier. An open interview is the

opposite of this as only certain themes are decided on which the interview will be concentrating. The theme interview is a combination of these two interviews, as there are decided beforehand the themes where it will concentrate making it less openly conducted as the open interview. (Hirsjärvi et al. 2009, 207-209.)

3.2 Implementation of Study

The qualitative research method was chosen as a research method for this work. Two individual interviews were conducted; both were concentrating in the business and conducting the business to find out possibilities to be used in the marketing of the company. The interviews were held in English and were conducted as face to face to create a comfortable situation and clarity of the questions and answers. The first interview was conducted in July 2010 with the owner's husband Mr Pasquariello, who works in L'Angolo delle Fate in variety of tasks. It was conducted as the structured interview due to the fact that the questions were more specific and were looking for answers to operational information on the store as well as the strategic side of the actions. All the questions were open ended, concentrating on basic information on the store, objectives and strategies. The question guides for both of the interviews are found in Appendices 1 and 2. Only the main results are analysed as the obtained materials are also used throughout the thesis as supportive materials.

In the first interview it was important to gain understanding of the strategic planning and operational issues of the company. It was important to get a clear picture of the current situation of the store after the change in the business form. The answers were also searched to the strategies in pricing and distributing, as they would be important when the marketing actions are produced. Other points that were concentrated on were the objectives of the business and the use of social media. All the questions came from the produced theory part and were factors that could not be answered by theory books. In the interview with Mr Pasquariello it was found out that the company has not had any strategies in the pricing of the products but there has been certain understanding about them. During the interview was

understood the existent of hidden marketing talents. Unfortunately these had been left unnoticed, as the importance and execution were not understood.

The use of the distributors has been chosen by the quality and it is also based on their availability. Some distributors have limits to distribute their products, which should verify the limited availability of the products. Unfortunately, this according to Mr Pasquariello does not happen and the products are distributed widely. The main objectives of the marketing plan were clear and obviously understood which made the final creation of them clear and supportive for the business. This also made sure that the objectives would be related to the commissioner business ideas. Interest in the use of new marketing channels was noticed, as there has been good experience with the existing Facebook page. The interest and enthusiasm towards making of the business better ensured the creation of the action plan in the marketing manual that would support the growth of the business. The need and help of the marketing plan were understood.

The second interview was conducted in September 2010 with Mrs Senese the owner of L'Angolo delle Fate. With the theme interview the owner was able to answer widely to the questions and it was also for the clarity of the questions. The themes for the owner's interview were based on the collected theories so that the produced marketing manual concentrates on the factors that are important for the company. The themes were the products, competitors and the company including information on the customers. Besides the themes there were certain related matters where answers were searched if these did not rise in the answers they were asked.

During the product theme a problem rose among many competitors, which was low quality and high prices. This is a problem for L'Angolo delle Fate whose products are ordered from carefully selected distributors to ensure the high quality. The product line has an important role for the store as it is wide and includes rare products, which are appreciated among collectors. For L'Angolo delle Fate the importance of high quality and original product line have always been important and have differentiated it from the competitors.

For the store it is important to be able to serve its customers well, even those who are with high expectations.

Mrs Senese emphasised the fact that there is high competition in the business field as the products are popular. Even though the competition is high, specialised stores are missing who concentrate only on fantasy miniature items. Many times fantasy miniatures are sold among other gift items as side offering. Few of the biggest competitors have strength in the image of the company as they have been working in the market for a longer time. In the theme of customer concentration was in the target segment group and possible changes in it after the change in the business form. It was also important to learn if there exists any customer purchase habits among them. Although the customers have changed, the owner thinks the basic group seeking quality products for their own use or for presents has stayed the same, but the impulsive purchases have disappeared. The owner of L'Angolo delle Fate believes that the store has a good and reliable image among the old customers, but is worried of achieving new customers.

4 MARKETING PLAN

4.1 Marketing Plan Concept

According to Kotler et al. (2008) customers are the most important part of the marketing of the company. The value and satisfaction of the customers are at the core of modern marketing thinking and practice. Definition of the marketing is that it is an action where a company builds a relationship with its customers and creates a value. It is also exchanging the products or services between the customers and the companies and serving both of the needs and wants. The goal is to be able to attract new customers and at the same time keep the old customers interested. It is important to be aware what people are looking for and giving it to them with a price that they are willing to pay and ensure it will leave the company with the wanted profit. Besides the customer the two most important aspects of the marketing are targeting and positioning. Targeting is about finding the customer segment group, who should purchase the product. In positioning are found the aspects of the products and the company that the competitors do not have, but where is possible to be stronger and better. These three factors are a base of the marketing and should be decided before the other factors like advertising, pricing and promoting. (Kotler–Armstrong–Wong–Saunders 2008, 6-7; Sexton 2010, 7.)

The marketing is needed for the small companies due to the facts that it works as an intermediate for the company and the external environment as well as will represent the factor if the small business survives or not. It is important for a small and new company to plan its marketing as they are more vulnerable in the beginning. The Internet offers many advantages when compared with the paper forms of catalogues and ads as it can reduce the costs of the marketing. At the same time, as a marketing channel, it can provide more possibilities in the product offerings and publishing information by offering a possibility to share updated and wide information about the products. Also the consumers are able to find the products easily, compare them and the prices. (Carter–Jones-Evans 2006, 325; Ahola–Koivumäki–Oinas-Kukkonen 2002, 38.)

The marketing planning process begins by the definition of a business mission. In this work will be covered also a vision as the thesis will be working as a marketing manual and is the first plan in the history of the company. The mission is the key element in marketing planning as it sets limits and goals of the company's future operations. This will be follow by businesses environment scanning, which answers questions: where is the company now, how did it get there and where is it heading. After this will be analyse of the competitors and based on the analyses will be drawn together a SWOT analysis. Next will be set the objectives and the aims of the marketing. In the sections of the core strategy and the competitive advantage will be defined the target segment group, positioning of the company and the competitive advantage in the market. Then is drawn the strategies for the marketing mix, which includes strategies for product, price, place and promotion decisions. At the end of the planning process will be done the implementation and the control of the plan, which are detailed processes of execution and control the success of the plan. (Jobber 2007, 41.)

4.2 Vision and Mission

The definitions of the mission and the vision are close to each other's. The mission statement is the vision of the company with advantages in the competition sector. Whereas the vision is a short sentence, the mission might be a longer description of the company. The vision is a future based short and to the point sentence that is a long term and inspiring for the whole company. It should capture the future vision of the company and be the most important idea of the company to the employees and owner. The vision can have many roles in the company, as it can help in the creations of the strategies of the company, perpetuate the business core and inspire the people to make the company stronger. According to James Collins and Jerry Porras the vision is compound from three components. These are the core values and purposes and BHAGs that stand for big, hairy, audacious goals. The core values include few principles of the company that are timeless but guiding it forward and represents it. The core purpose should express the reason for the company's existing beyond the products and services and most importantly it should be something that lasts years. BHAGs can have

many forms, but they should offer the company a clear future goal and a challenge. (Katz–Green 2009, 206; Aaker 2001, 26-28.)

The mission expresses the company's targeted market, the products and the services and can help the business to understand where they have strengths and weaknesses to succeed. The mission should answer questions about the products that will help them to grow, in which markets and segments the company is strong and what is the competitive advantage. In a small business it should meet the resources of the business and it should be something that will set them apart from the larger competitors. While staying realistic about the mission, it should allow enough space for the business to grow in the market and be unique from the competitors. It is important to find the factor of the business that makes it different from the competitors, but at the same time be realistic and achievable so that it can work for the company. (Lipiäinen 2000, 37; Barrow–Brown–Clarke 2006, 27-28.)

According to Kotler et al. (2008) if the mission of the company is not clear it can answer questions related to it and the field of the business. The questions that should be answered are: what business are we in, what the customer's value, what are we in business for, what sort of business are we and what makes the company special. If a company wants to be successful it should present these simple but demanding questions often to keep the mission updated. The risk is that the mission does not change although the company's business field or the products would, this why it is important to ask these questions regularly and this way keep the mission updated. (Kotler et al. 2008, 130.)

4.3 Business Environment

4.3.1 External and Internal Environment Analysis

To sustain the relationship with the company's target segment group the company has to be aware of the marketing environment. The company's marketing environment includes factors that affect to the possibilities to maintain relationships with the target customers. The environment changes rapidly why it is important to study it all the time to ensure that the changes

can be met in the marketing. The internal analysis is concentrated on the factors inside the company, whereas the external analysis concentrates on the factors outside the company. From the results of marketing analysis can be seen the direction that the company should take and can also help to modify the mission of the company. The macro environment of the company's external environment consists of uncontrollable environmental issues that can affect the performance. The environmental issues that will be analysed are the social/cultural, the technological and the economical forces. From the micro external environment is analysed the consumer behaviour. (Kotler et al. 2008, 179; Jobber 2007, 44-45.)

Consumers belong to the company's microenvironment. This includes analyse of the consumer behaviour and possible changes in it. When analysing the microenvironment has to be considered changes in income, the size of the households, jobs, rising demand for fun and convenience. The changes in the consumers' habits have to be understood and the company has to adapt to them as they can affect to the purchase habits and this way to the success of the company. To the consumers' behaviour in the online market are affecting demands for convenience in time and place for the shopping, easy to access and possibilities in personalization. To the behaviour affect also growing demand for the services online, security of the purchase process and growth in importance of home. This can be seen as growing importance preparing and staying at home. (Jobber 2007, 116; Strauss–El-Ansary–Frost 2003, 197-198.)

In the macro environment is first analysed possible social/cultural force. Population changes and cultural differences within in the operating country are major forces that have affection for the marketing practices. In demographic forces have to be examined the market age distribution and population growth. The culture is a combination of society's traditions, values and attitudes that are shared among the people, these can create for a company opportunities or threats in the market. In the technological forces possible developments in the field can bring opportunities to the new development of the markets and the products, but also threats to the existing markets and products. Due to the nature of the company, this analysis will be

concentrating more on the opportunities and threats that the technological forces cause to conduction the marketing and the business. The Internet has opened opportunities for the companies to operate and market in the Internet. The economic environment affects the spending patterns and purchase power of consumers. Attention should be paid on income distribution and average income as they have affection for the consuming of the consumers. The marketplace is affected by changes in the major economic variables like income, cost of living, saving and borrowing, which all affect to the consuming habits. (Jobber 2007, 79, 81, 90-92, 96-97; Kotler et al. 2008, 197-201.)

In the internal environment are analysed the mission of the company, resources, offerings and suppliers. The business mission will help to understand the wanted direction of the business. The mission gives a direction for the decisions of marketing strategies and programs as it defines the focus of the company, added value for the customers and outlines the future visions. It helps to create the marketing of the company so that it can lead it in the wanted direction with the available resources and possibilities. The resources include financial, human, informational and supply. In the financial resources has to be thought the questions of the needed finance for the marketing and possible need of funding. Informational includes questions concerning possibilities to address the needs of the marketing and available resources for planning, implementing and controlling the marketing process. In the offerings has to be analysed the product mix. In the internal analysis has to be considered the offered products, at what prices and to which segments. There should also be analysed the distributors of the company. It is important to consider, if they are reliable and flexible delivering the wanted amounts of the products. By analysing the internal environment can be found out possible threats and strengths that might affect the marketing actions of the company. (Burk Wood 2005, 24-27.)

4.3.2 Competitor Analysis

Due to the fact that the markets today are very competitive the companies have to keep up with the competitors to be able to succeed. The competitors need to be known thoroughly in order to have a successful marketing plan.

So that a company can find the potential competitive advantages and disadvantages it has to compare the prices, products, promotions, channels and marketing strategies with its main competitors. When comparing with the competitors the companies are able to find their competitive advantage over the competitors and this way overcome them in the market. (Kotler et al. 2008, 461.)

When analysing the competitors, it is important to find out information about the biggest competitors and use that information to foresee their behaviour. In the competitor analysis the goal is to understand who is competed against, the strategies of the competitors, how the competitors will react to the actions and how to use the competitor to get advantage for the company. This should be done by using correct and truthful information about the competitors and by systematically analysing the material that is available. In the e-commerce it is very important to keep analysing and monitoring the competitors all the time because of the dynamic environment of the World Wide Web. In the Internet it is possible to change the promotions and offer new services faster than in normal commerce what makes it important to follow the competitors moves continually. (Net MBA; Chaffey 2007, 346.)

According to Jobber, the competitor analysis answers five key questions: who are our competitors, what are their strengths and weaknesses, what are their strategic objective and thrusts, what are their strategies and what are their response patterns? When answering the first question one has to be open minded to see all the possible competitors. The companies who produce or sell the same type of the products should not be seen as the only possible competitors. In fact companies who sell similar product range and companies who can be seen as problem solving or eliminating should be considered as competitors as their actions might affect in the business operations. For the possible competitive advantage that the company might have there should be examined the actions of the competitors. Also new entrants in the markets should be examined. There are two types of entrants to the markets, which can be entrants with similar products and with substituting products. By concentrating on the weaknesses of the competitors

can help the company to achieve an advantage in the market. (Jobber 2007, 778-780.)

4.3.3 SWOT Analysis

An intention of the SWOT analysis is to gather together the company's strengths, weaknesses, opportunities and threats. These factors will show to the company the most important issues from the internal and external parts of the company. It will also point out where the company should pay more attention to, to become more successful. It also emphasises where are the important places for changes to run the company the best possible way. The SWOT analysis shows that the external and internal environments are in balance, but it might also show possible risks concerning the operations and this why the SWOT analysis is an important tool in developing a company. (Kotler et al. 2008, 135-137.)

The strengths and weaknesses in the SWOT analysis come from inside of the company. The strengths are the company's advantages over the competitors and make the company stronger in the markets. Whereas the weaknesses are factors that make the company weaker among the competitors. The opportunities and threats are factors that come from outside of the company. The changes in the environment can affect the situation of the company in a positive way are opportunities. The threats are factors in the environment that can affect the company in a negative way. When analysing the strengths and the weaknesses of the company there should be only considered factors that are important for the target segment group. All the factors sought to the categories should be considered based on the customer satisfaction. (Katz–Green 2009, 182; Jobber 2007, 47-48.)

So that the SWOT analysis can be useful for the company it is important that all the collected factors are related to the company. When all the four subjects are finished they should be analysed and solved individually. The strengths should be seen, as factors that can support the company to become stronger in the market. For the weaknesses should be found ways to improve and correct them. The opportunities should be seen as possibilities that can be used to support the operations. To the threats should be found

ways to prepare for them in case they become reality. When finishing the SWOT analysis in this form it can be secured that the results received from it can be solved and the company will get the advantage of it. (Rope 2000, 468-470.)

4.4 Objectives of Marketing Plan

After the SWOT analysis the company has to set objectives that it wants to reach during the marketing period. These can include the goals of rise in the market share, obtaining new customers or increase in the profit. The objectives are to clarify the direction of the company and will answer the question of where the company is going to after the analysis have shown where the company is at the moment. In the e-marketing can be used five different board objectives, which are sell, serve, speak, save and sizzle. The sell objective means to get wider selection and grow sales. The serve objective stands for adding value in the online purchase. The speak objective is to connect with the customers. In the save is sought ways to reduce the costs and making the sales more profitable. The sizzle is raising the awareness and making the brand more available over the Internet. From these a company can choose to drive one or more objectives. It has to be ensured that the chosen objectives are measurable, quantifiable and achievable in a time line. A way to know if the objectives are well-defined and well set can be asked if they are SMART. This term stands for specific, measurable, achievable, realistic and time-related. (Kotler et al. 2008, 155; Chaffey–Smith 2008, 451-454.)

The two goals of the marketing plan are to achieve the objectives of the company and the goals of the mission statement. The objectives are short-term targets, which will help the company to reach its long-term targets the goals. The choice of the direction for the company can be growth or no growth. If growth strategy is chosen, the company has four possibilities to build on the strategy. The first is market penetration in where the company will sell more products to already selected existing market. The second is market development where will be found the market segment that is not sold yet. The third is product development where the company keeps selling to the old existing markets new products. The fourth is diversification strategy,

which includes the introduction of new products to new market segments or by taking over another company diversification in mind. If the company chooses the no growth strategy, it has possibilities of choosing to maintain the current sales or to get as high profit as possible with the current products and customers. No growth strategy is an option in the tough economic times and when growth is not even possible achieve. (Burk Wood 2005, 70-72.)

The objectives for the marketing have to be realistic and challenging, but depend on the current situation of the company and where it wants to be in the future. This is why the situation analysis results have to be known before the objectives are created. It is also important to be aware of the competitors' possible actions and the customers buying behaviour changes. After these factors a company can set its objectives for the marketing and the situation after the time line where the plan is executed. Two possible measurable ways are a quantitative comparison with numbers or a qualitative comparison with qualitative attributes. These can be for example increasing the market share by 10 percent or increasing the customer reliability to the products. (Vuokko 2002, 138-139.)

4.5 Core Strategies And Strategic Positioning

In the core strategies will be concentrated on the target market and the competitive advantage. It is important for a company to understand that it cannot attract all the buyers in a certain market place. The buyers have a variety of needs and they might not all be located in the same area, which makes it impossible and too expensive to market towards everybody. Because of these factors, a company has to find their target markets, a market segment or two, who share the interest to the company's products and can be marketed in the same way. After the segment group is chosen the company will differentiate from the competitors and position itself in the wanted way in the eyes of the customers. (Kotler et al. 2008, 410.)

The customer centred view should always be used in the segmentation of the business. The needs and demands of the customers should work as a base for the segmentation and the products and actions should be based on them. It is important that inside the segment that is chosen consumers have similar

purchasing habits, but at the same time between the segments differences should be high. The segment chosen should be as narrow as possible, because it is going to be the target that the business is built for and segmentation does not prevent people from buying across it. When the segment is narrow it can be made sure that the actions are only forwarded towards the groups who are profitable for the company and not towards the segments that are not profitable. Also the resources are used for the important segments and own programs are build for each segment group. By segmentation can be directed the resources of the company to the segment groups who are the most profitable. (Rope–Vahvaselkä 1998, 42-43.)

After the segments are chosen, the company has to find ways to differentiate it from the competitors. This is called positioning in the market. The differentiation of the company and its products should be done so that the potential customers appreciate them. The differentiation has different options depending on the values of the customers. The attributes that are used by the competitors should be avoided and they should be according to the company's mission, vision and resources to avoid any conflict with the image. The positioning should always concentrate on the value of the brand and ensure sustainability from the competitors. The options for differentiations can be based on different attributes, which can be physical the product and its features, service, channel choices where the product is available, pricing if the products are cheaper or more expensive and other. In the positioning is chosen the target group and the advantage to differentiate from the competitors. The main object is to find a distinctive place for the company and its products in the market and a way to keep the found place. The company has to be able to find a factor to offer to the customers more than the competitors. (Burk Wood 2005, 66; Jobber 2007, 305-306.)

According to Aaker (2001), the strategic positioning is about how the company is seen by the customers, against the competitors and in the market. It should be related to the strategy of the company and face of the strategies of the company, competitors and current market. The positioning should not be similar to the competitors', but be differentiated by innovations. It should also be logical, meaningful and emotional to the customers and the

market to ensure the success of it. In the competitive positioning it is important to differentiate the offerings from the competitors in the minds of the potential customers. This is done by creating the offering that is appreciated and found meaningful by making the offering different in the minds of the customers. In the beginning it is important to analyse the target segment and then the products' key features that are appreciated by the target segment group. This way the products can be positioned correctly in the markets among the competitors' products. (Aaker 2001, 192-193; Darling 2001.)

There are two possibilities for a company to position in the market. The first positioning is customer based positioning, which connects the product to the customers' needs and this way creates a positive product image for the customer. This can be informative or image based. The Internet provides a possibility for a company to combine these two, as the Internet page has a possibility to show the image, but at the same time provide wide information of the product. The second positioning is a competitive positioning where the product is compared with the competing products and found the competitive edge this way of the product. The Internet has made the comparison of the products easy, which gives an advantage to the competitive positioning. Although in the competitive positioning the main point is in comparing the products it is important not to be too aggressive towards the competitors and avoid the confusion of the products to the competitors' products. (Ahola et al. 2002, 75-76.)

Companies operating in the same market area have different roles depending on their competitive positions, these are divided into four roles, all having a different role and actions on the target market. The first is a market leader, who is a company with the largest market share. The second are the market challengers, who try to increase their market share by competing against the leader. The third are the market followers who compete in the markets without too much of the noise. The fourth is a market nicher, who concentrates on smaller segments that are not served by the other companies. (Kotler et al. 2008, 473.)

4.6 Marketing Mix Strategies

4.6.1 Product

A product is the most important part in marketing mix as it fills the needs of a customer. Anything that is able to fulfil the need can be categorized as a product and it can be physical or service product. In this work will be covered only the physical products due to the nature of the commissioners business. While the actual products in the markets are getting closer to each other by the quality, forms and features it increases the importance of competition with the added values of the products. These factors can help to make the decision of the customer when there are two similar products available, with the different added values. Guarantee, packaging and possible services that are included in the offering are all factors that should be made together with the product decisions. These can make the value of the products to increase in the minds of the customers. (Jobber 2007, 326, 18-19; Miettinen–Sutinen–Diov–Vornanen 1998, 111.)

In the overall market offering of a company the product is a core element. This offering is the factor that the marketing mix planning begins with and is the core where the profitability is build on with the customer. The marketing offering can be built on the tangible goods and services. The product can be sold without services or can be sold with services to the customer. The division between the two elements can vary among the different offerings depending on the vision of the company to sell the products. More and more companies are creating not only products for the customers, but experiences that the products can offer. The customers appreciate what the product can do for them instead of settling on the physical product. The product is divided into three levels which all bring value to the customers. The first level is the core product, which represents the actual product the customer buys. The second level is the actual product where are five characteristics that will help the core product to serve the purpose of it. These characteristics are brand name, packaging, features, styling and quality. The third and the last level of the product is the augmented product that is build by offering additional services like delivery, after-sale service and guarantee. (Kotler et al. 2008, 500-502.)

In the product strategies differentiation can be done also by creating brand equity. The strong brand can bring competitive advantage and value to the customers. These values can help to create understanding the value of the brand, bring confident to the purchase situation and bring meaningful and feelings towards the product. The brand equity consists of four characteristics, brand awareness, quality, associations and loyalty. These are assets and liabilities based on the name and symbol of the brand that add value to the product and the company in the eyes of the customers. In the brand awareness the familiarity of the brand gives an advantage to the purchase situation. It also brings advantage in the planning process of a purchase, as the brand will remind the customer which of the brands and products even to consider. Having name awareness can sign presence, commitment and substance which will make the customer think that there is a reason to be aware of the name. In the brand quality the company offers to its customers higher quality than the competitors. The brand association can be anything that the customer link with the business and its products. The associations for the company can make the customer buy the product through attributes and benefits. The brand loyalty brings an advantage to the company as the customers trust to the brand. It is less likely that the customer changes a brand after they have become loyal to one. (Aaker 2001, 157, 164-169.)

In the Internet should be considered possible extensions to the products that can be offered in the online market. These can be services and products that are appreciated by the customers and be offered better than the competitors. Possible contributes in the extensions will affect the quality of the products. The quality and credibility are linked together as the credibility is depends on the quality of the product. It is possible to improve the quality by customer comments and guarantees. Following the competitors' products and the extension's is important to be able to find correct extensions for the sold products. In online shopping can be offered presales and post-sales support, fulfilment options and customer care programs. Presales support should facilitate the purchase process by offering product guides and demonstrations, which can include a wish list or bestseller lists. Post-sales

support ensures the relationship between the company and the consumer is an ongoing action and the future communication is secured by sending reminders and offers. A fulfilment options should ensure flexibility into the order process by increasing the added value. Good way to differentiate from the competitors is to offer the fulfilment options of placing the order through different options. Another option is to offer services to improve the easiness in the purchase process by letting the customer send the order to another address if the product is bought as present. In the customer care, the company can improve the importance of the customers by adding a feedback possibility on the website. This way the customers are able to contact and provide feedback for the company. (Chaffey–Smith 2008, 60-61; Mohammed–Fisher–Jaworski–Paddison 2003, 245-247.)

4.6.2 Price

Price in the marketing mix strategies is the only factor that affects the return of the company. Even if the set price of the products has to cover the expenses of manufacturing and promotion, it should be seen as a part of the mix to create high customer value. If the price is not set correctly, the other parts of the marketing mix are not valuable and can lead to the company not being able to make any profit. When the prices are decided it is important to keep in mind the different effects that it has to the business. The price tells the customer the quality of the products, which comes naturally when comparing them between the companies. It affects the quality and value of the products. The set price will determine the place of the company in the market and it will show who are the competitors. Also the price will affect the obvious, the success of the company. For these reasons the pricing should be done with care and reasonable decision-making. (Jobber 2007, 458; Mietinen et al. 1998, 118-119.)

For a company it is important to consider the price together with the other marketing mix factors, as the price will be the decision factor for the consumer about the company's position in the markets. The company has in the online environment a possibility to know more information about the competitors and at the same way to adjust the prices quickly. The adjustment of the prices in a terrestrial world might take weeks due to the printing of the

price labels, where as in an online store it can happen with a few clicks. The flexibility of the price changes offers a possibility for the company to meet the changes in the markets. When demand is high also the prices can be high. An over stock of the products can be reduced quicker in the online store because of the flexibility. (Chaston 2004, 177, 182-183.)

The Internet has caused the prices to become transparent and it has also affected the purchasing practises. When a customer is looking for information about the new products it has not only reduced the costs of the search but also made it easier. More often when a customer is looking for information about the products the concentration is on the price and the quality of the products. The Internet has also had affection the prices in the form that they can be changed more often in the online stores. As the pricing strategies become more transparent in the online market it makes it harder to affect the prices. To be able to avoid cutting the prices and the profit margins there are three possibilities for the companies can do. The first possibility is to offer better benefits than the competitors. Secondly a company can offer a set price for the products so that the customers are not able to see the single item price. Thirdly a company can be innovative and invest in the introduction of the new products for the markets. (Jobber 2007, 729; Chaston 2004, 181.)

4.6.3 Place

A place in the marketing mix means the place where the product can be purchased and where it is distributed. By having a wide and covering distribution, the company can get an edge over the competitors. A wide online presence can be increased with many links from different pages while the distribution can be improved by making the products available widely. These actions will bring closer the place and promotion of the company. To excellence in the distribution, a company needs to understand when and how the customers need and want the products. The Internet has had affection for the relationships between the companies, distributors and customers as it offers new possibilities in communication. The relationships have become real-time and complex, where individuality can be provided. This ensures new customized communication and services. By the change of the nature of the relationships also purchase habits have changed. Shopping online gives

more possibilities and freedom to the customers in the process of looking for information and purchasing products. It has also made the purchase event easier for the consumers leaving the decision of the purchase place and time in their hands. (Chaffey–Smith 2008, 69-71; Mohammed et al. 2003, 449.)

In the place strategy has to be decided how, when and where the products are made available for the customers. It is important to make these decisions together with the other marketing mix decisions so that there is coordination with all the parts. When the strategy of the place is made the factors like the target segment, environment, the product characteristics and life cycle of the products has to be understood and taken into consideration as all these parts have an affection for it. A value chain is a term used for the products the way they are marketed by added value in terms of services and other functions and by ensuring the product is found by the segmented target groups. Five primary rules when choosing the channels for the marketing are that they will match to the target audience, the channels should cost minimum and few channels are enough with high quality. It is important to know what the competitors are using as these are probably channels that work well and finally the methods should be chosen on the impact they give according to the cost, targeting and response. (Burk Wood 2005, 99; Levinson–Meyerson–Scarborough 2008, 155-156.)

A brand image can affect the way the product is bought that is why it is important to pay close attention to the place decision. A distribution channels ensures that the product is delivered to the consumer. It has three participants, which are a producer, an intermediate and a consumer. The producer manufactures the products, which are then sold to the consumers by the intermediates. The distribution channel's length depends on the amount of intermediates between the producer and consumer. The shorter the channel is, the lower are the prices of the products. (Strauss et al. 2003, 332-333.)

When the ads and other promotional material have a phone number, an email address and the website it is multichannel marketing. This is an efficient way of ensuring the customer have a choice of contacting the

company. It is all about letting the customer choose which contact method they are the most comfortable with. The website should be listed in all the pages that the target segment read as well as in the online forums where they might ask about the products. This way the website and the company get coverage to the Internet and the customers in the target segment are able to find it. (Katz–Green 2009, 346-347.)

4.6.4 Promotion

For a company it is not enough to bring an attractive product with a decent price for the markets to succeed. There has to be built a good customer relationship by communicating with the customers. In marketing mix, promotion is communicating the offering of the company to the chosen target segment and by this persuading them to purchase the product. There are five tools that are used mostly in promotion to communicate the marketing message. These five tools are advertising, sale promotion, public relation, direct marketing and personal selling. The communication between the companies and the customers used to be a monologue, but the Internet has made it possible for the companies to have a dialogue with the consumers. A micro-sized company can use direct marketing tools, which can include e-mail newsletters and online catalogues. Also personal selling could be efficient in the forms of presentations or sales meetings. For a company it is vital to have good word-of-mouth among the consumers. In the online environment it is called word-of-mouse. This is communication where consumers share their experiences with each other about a company or products and this way promote them. (Kotler et al. 2008, 691; Burk Wood 2005, 132-133, 137-138.)

The Internet offers for marketing new possibilities as a promotion channel. An online page can offer to a customer promotion and communication as well as the page can increase knowledge of the brand. The online promotion is growing due to the low budget and effort that it needs to give high impact. The information about the products is available for the customers' nonstop and in real time because of the digital interfaces. This way of marketing is no more interrupting the receiver, but can be done with ordered bulletin letters with information about the latest offers and news. The new technologies also

support the interactive communication in forms of surveys, call-backs and email to a friend. (Chaffey–Smith 2008, 71; Jobber 2007, 729-730.)

Ensuring that the promotion is working efficiently the marketer online has to use different tools that will help the mix to work well. By having the correct tools and mix will make sure the promotion works. The tools for the promotion that are covered here are mix, integration, creativity, interaction and resourcing. The promotional mix has to be decided for each company individually so that meets the needs and that the techniques meet the target segments. The integration is to ensure all communication is in balance with the consumers. It is important that the communication meets the decided positioning and strategies of the company. Creativity in the promotion means the use of the imagination to produce new ideas. The Internet offers many possibilities for the imagination to fly and they should be used in the limits of the communication strategy. Also interaction will be supported by the creativity and can make the communication more deep and help to collect the data of the customers. All these tools should be used in the limits of the resources for customer service as well as maintaining and designing, interactions and database. (Chaffey–Smith 2008, 73-77.)

4.7 New Marketing Channels

4.7.1 Internet Marketing

By June 2010 the Internet had over 1.9 billion users in the world (Internet World Stats b). The fastest growing form of direct marketing is marketing on the Internet. Buyers and sellers online have made the Internet to become the most powerful and widely spread method of selling and marketing. Because of the growth of the World Wide Web and its users, there are all the time more opportunities for the marketers to grow the trust between the customers and marketers as well as adding value. The Internet has changed the methods and ideas of shopping in the fields of service, speed, price and information about the products. Due to the growth and wideness of the Web most companies now have the Internet page and even an online store. The Internet marketing can be divided into two parts, web pages and Internet

marketing, which are separate from their actions and presences and have to be seen as two separate matters. (Kotler et al. 2008, 839; Rope 2000, 331.)

From many of the marketing possibilities the Internet has to offer one is an online forum. Users who appreciate convenience value the Internet. The forms of fast communication, specify, accessibility, asynchronous and persistence are all factors that users value. The online forums have been developed on these features, which allow the people to communicate with each other on different subjects. The amount of online shopping is growing, which affects to the growth of use of the online forums. Consumers use the online forums for search information about the products and the companies they are interested in. These channels are also used for communication. The online forums allow the consumers to read and comment posts on the forums and allow them to add a comment related to the subject. There can be shared experiences of the companies and products including good and bad experiences. The online forums subject areas are often really narrow making them ideal to be used as marketing information source. (Pitta–Flower 2005.)

A company should have cooperation with its customers. A successful business has marketing that is built by the company and the customer. This can be seen as cooperation. Customers have to be respected as they might have knowledge of the product and use of it. By involving the customer in the product development, testing and marketing it will improve the customers' image of the product and make the customer relationship stronger. A new way to take customers into the planning process of the products is called crowdsourcing. The term is a combination of words crowd and outsourcing and it means is that the company is taking the customers to design the products. Customers are then made to vote and comment on the results of the product suggestions. With this action the customers are able to get personalised products and they are able to affect the end product. (Salmenkivi–Nyman 2008, 221-222, 242.)

A small business should be able to choose correct tools used in its marketing. The chosen tools should be according to the business, reaching the target group of the business and they should bring the highest return. The

target group should be reached as minimum costs as possible. It is important to be aware of the target group's needs and wants before choosing the used channels. When Guerilla is used in the online marketing there are eight factors that should be noted. These factors are planning, content, design, involvement, production, follow-up, promotion and maintenance. It is important that the material on the website is updated and the material is related to the topic. Quick response to the requests and orders as well as personalized messages are important and appreciated factors among the users. (Levinson–Meyerson–Scarborough 2008, 155-156; Conrad Levinson 2007, 60.)

For a small business it is vital to have a web page, because the Internet is used to find new businesses. In case the customers have heard about a company they will most likely use the Internet search engines to find more about the company and its products. The Internet also works as very efficient and cheap way to keep the company in the market and in the publics' eye. The web page is efficient way to provide information about the products for the potential customers. In the Internet a small business can compete even with the large sized companies, which makes the Internet powerful opportunity for all the small businesses. To increase the value of the website Conrad Levinson has gathered together factors that improve the site among the online customers. The website should be easy to navigate and it should be visible in which part of the site the visitors are at through out the visit. To sell the products on the website it should be expressed clearly and often. By adding on the page clear instructions of the order process will ensure that the first time customers are encouraged to order the products. Offering a free newsletter will make the relationship with the customers stronger and grow the trust between the customer and the company. It is important that on the website there is a page that includes information of the company, owner and possible workers and the contact information. There should be found frequently asked questions that will show to the customers the reliability and experience of the company. (Katz–Green 2009, 346-347; Conrad Levinson 2007, 234-236.)

4.7.2 Google and Search Engine Optimization

Google search engine can be seen today as a part of the marketing plan. As people are searching from Google their interests it is vital to have visibility in the search engine besides ads and other marketing materials. Leaving out the customers who use the search engines is losing many of the potential customers. A search engine optimization is to verify that the Internet page of the company appears in the beginning of the search results by actively working on them. The potential customers find the web pages normally by two ways; seeing an ad with the web page or by the search engine. This makes it important to be in the beginning of the search results otherwise the web page will not be noticed. With the search engine optimization there are better chances that the web page is found by the potential customers and they will not go to the pages of the competitors. Search engine optimization will not help in case the website has nothing to offer nor it secures that the website will rank in the top 10 searches, but can improve the ranking. The search engine optimization needs work on each site of the website in terms of finding strong and relevant keywords. After the optimization the website should be done interesting for the other sites to make sure they want their readers to see it. The strategies linking the site are to share the expertise by letting pages to use your material and linking back to your web page. It is important to be choosy about the sites that link, as the website should not be filled with too many of them. (Poutiainen 2006, 14, 146; Inc 2010.)

The search engines are used as a primary sources in finding new websites. This was found out by a study by Georgia Institute of Technology. The study also showed that most people are not turning to the second page of the search results as they assume the best business are on the first page. It was also showed that most likely people who find the companies from search engines would turn into customers of the companies. In short, search engine optimization is turning the traffic to the website from the search engines. In the search engine optimization the most important thing is to find correct and relevant keywords to draw the attention of the search engine sites. The keywords should be relevant to the business and they should be the words that people use to find the business. Choosing the correct keywords for the

web page will show to the search engine sites and potential customers that the page is relevant to the search and makes it even more valuable. (Levinson et al. 2008, 104, 106.)

Google search engine offers Google AdWord service, which is a new method of marketing on Google search pages. This service works when a potential customer is making a search by using the search words of the page. AdWord ensures that the web page is on the first page the customer sees. For this reason the search words of the Internet page should be related and the words used should describe the company and the products. Google AdWord does not cost anything to be shown on the page but costs when a customer clicks on the link. The places for the ads are sold by an auction organized by Google. The highest bid gets the place for the ad. When a company wants to have AdWord they make a bid and set the lowest and the highest price they want to pay. Besides the price Google chooses the ads that have the most of the clicks and places them up on the pages. (Poutiainen 2006, 14.)

4.7.3 Guerilla Marketing

One of the new concepts in marketing is Guerilla marketing. The concept of Guerilla marketing is to do marketing with the minimum cost and by unusual methods. This method can be direct marketing, but will be efficient when added contact details of the business web page or email. This marketing method uses everything from leaving the business card to a bulleting board to sending fliers to potential customers. Most of all the cost of printing out the ads and the time used to send the fliers are parts of cost efficient way of marketing. The key in Guerilla marketing is to catch the potential customers' attention by being colourful, eye-catching, different and unique compared with the competitors. Also a good method to get attention of the potential customers is to give coupons. To find a way to present your products in new and unusual places will attract the customers. By giving the products as a gift with the company's business card, will help to raise the popularity among the friends of the friends. (Katz–Green 2009, 345.)

The first book written about Guerilla marketing was released in 1984. It was done for the small business owners to tell them what the marketing actually

was and how they can make it to work for them. Because Guerilla marketing was planned for the small business owners it meant that there was no need to spend all the money for the marketing. The changing business environment and the tools are not a danger for Guerilla marketing due to the fact that it is planned for eternal nature and will be for this reason relevant today and tomorrow. The Internet has brought more possibilities for Guerilla marketing and a marketer on World Wide Web should be aware of these possibilities. (Levinson et al. 2008, 1-2.)

Guerilla marketer uses time, energy and imagination instead of money. This new marketing method has been described as the unknown marketing method that will bring results with less money. Guerilla marketing uses more time than money and the customers have to be known instead of knowing their purchasing habits. In Guerilla marketing it is important to concentrate to the core of the target segments and focus in the core of the business idea. Two important marketing factors are also marketing with many different ways and expressing the message clearly. Most of all the Guerilla marketing does not seem like marketing. The message is brought to the customer in a way that it will be useful to them and they will not understand that it is marketing. (Parantainen 2008, 1-3.)

4.7.4 Social Media Channels

The social media popularity has grown phenomenally. More and more people are some way included in social networking by sharing pictures, interests and journals with their friends. Facebook was until August 2006 meant only for the students in the United States. In September 2006 it was opened for everybody. Facebook connects its users by a friend request process where has to be approve a request to be able to see someone's private profile. When marketing on Facebook one has to remember to be reasonable. The main two methods to get the message out in Facebook to the people and networks that are interested in the company and the products are friend-to-friend communication and a group. The first includes making of a personal profile for the company and sending a friend request from it to the people who are wanted to be friends of the company. The second possibility is to gather all the interested people into the group, which will be able to serve

them information on the company and possible news of the products. All users of Facebook can create a group, which can be open to everybody or it can be a closed group when an invitation is needed for joining the group. Its creation is most of all very simple. The group should be mentioned in the main website of the company so that the page gets as many visitors as possible. (Scot 2009, 229-233.)

Facebook can be used as a direct advertising to the potential customers due to the fact that people share their interests and hobbies in details. The users also share birthday, place of living and gender, which can all be used in marketing directly to the people who belong to the target segment group. In Facebook it is possible to create an ad that will be visible only to the people who might be interested in the products. The company can choose specifically the audience for the ads. From 500 million users can be chosen those potential customers by the place of living, age or interests. A company can also choose the budget that fits its marketing budget. As the ad can be paid by the click that it receives or by the views, it can be cost efficient and bring results. In the ads can be promoted the company's website or Facebook page, depending on the needs of the company. From reaching the correct audience to the correct price Facebook can offer many opportunities also for small companies. By August 2010 there were over 16.5 million Italian users on Facebook. (Salmenkivi–Nyman 2008, 121-122; Facebook 2010; Internet world stats 2010.)

Twitter is a social media channel that works as a micro blog. The users of Twitter simply answer question: what are you doing? It serves as a base for friends, family and co-workers to share the short messages of 140 characters of their life. It is possible to subscribe and this way to follow those people or companies that are interested in. As the messages are short it is quick and frequent to update the messages. For the companies Twitter offers a possibility to be close to the potential customers, but like with Facebook pure marketing should be done carefully. Twitter can be used as a channel for alert to the new offers, but keeping in mind that the company should appear at the people interesting and to avoid losing the opportunities that the site can offer. (Scot 2009, 243-245.)

Blog is a web page that is written by one or more writers about topics they are interested in. The pages are updated regularly and the texts are clearly tagged so that it is easy to find relevant materials from the past as well. Blogs are written in an opinion form. For marketing purposes blogs offer a great possibility for the company to have a communication road with its customers. The readers can comment on blogs, which offers a chance for the readers to ask for more information and make clarifications about the company. As to keep a blog does not cost, the benefit of it can be measured by the used time and received goods. Blogs written by companies should be done with care and too straight marketing should be avoided. The best way to write a blog is to write with passion and honesty. The most challenging parts of writing it are to keep the readers interested, reaching the goals of the company by not keeping too much noise about marketing and producing new material for the readers. All the material has to be based on facts and the subjects should be interesting to the readers, possible customers and the writer himself. The main purpose for the potential customers to read a blog that is written for a company is to find out more information on the company. (Salmenkivi–Nyman 2008, 145-146, 158-159.)

You Tube is a web page, which offers free videos from wide range. Although most of the videos are made by amateurs the amount of promotional videos by companies are increasing. For a company who has imagination and bother to make a video or clip with pictures of the products they sell You Tube can be used in the marketing. In You Tube the challenge is to make the video visible from the millions of videos there are. When the video is added to You Tube the tags should be clear and well fitting to the video and its content as well as to the topic so that the correct people able to find it. You Tube is free, fast and can be very covering as a marketing channel, which has made companies take their marketing there. Anybody can make a page on You Tube, which can be edited to the image of the business and the wished videos can be released on the page. An address is given to all the videos so that the address can be attached to the company's web page and other pages they might have so that the potential customers are able to find it. (Miller 2009, 7; Salmenkivi–Nyman 2008,153-155.)

Use of the social media pages can make the company and the products attractive to the people although the networking sites do not count as marketing action. The ways to improve the success of the use of the social media sites include the targeting of the pages should be toward a specific audience. The pages should attract the target segment that is chosen for the products. Another important factor is to show the expertise to the followers of the page as well as being yourself and honest. It is important to remember to add the links from the social media and other pages used to the main website of the company to make sure that the customers find the pages. Important success factor is to get the people to contact and keeping up with the email and other contact forms. It is also important to take part in the conversations that might be going on in the web pages and stay along in the conversation. If a social media channel is not wanted response should be tried something else. By trying out the different possibilities ensures that the correct channels are found. (Scot 2009, 238-239.)

4.8 Action Plan

A well-planned marketing plan has to be implemented well for it to work. In the implementation the plan is put into actions. In the marketing plan is said what is done and why and in the implementation is answered more specifically who, where, when and how. For the company it is important to get the strategy of doing the right things and the implementation of doing the things correctly both correct to be able to have successful marketing action. The implementation and planning of the marketing will help to achieve the competitive advantage towards the competitors. In the action plan will be set the tactics that are the details of the strategies set for the marketing plan. There are listed all the tools that will be used and they will be organized in the order of use as they are in the strategy. The tactics are decided after the strategy and they are more short term and flexible than the strategy. It is important that the plan is clear and different steps are visible. In the e-business it is vital to be able to respond to the changing environment and adjust the tactics to the changes. (Kotler et al. 2008, 159; Chaffey–Smith 2008, 464-465.)

The action plan is a schedule for completing the marketing plan in the given time. A company will get help with implementing and timing of the tasks from the schedule and ensures that the possible conflicts are avoided as well as they are able to control that the plan is going towards the correct direction. From the schedule is also seen who is responsible for each task. Although the commissioner is a small company and does not have many workers, this might be needed if it is decided to outsource some of the marketing and is useful especially for the website update as it is outsourced. The schedule is planned by one task at a time and there are signed all the steps and activities needed for completing the task. Each task is also signed with a start and end date. (Burk Wood 2005, 154.)

Although the implementation is following the strategy, it should be considered as a part of the whole process as it has affection for defining the strategy. The company has to be able to carry out the tasks in the implementation for the strategy to work. The capability in the implementation of the strategy has affection for the strategy formulation. Also the ways of implement the strategies affect the definition of it, as a company has to be able to meet the needs of the implementations. The strategy has to be aligned to the mission of the company so that it will be able to carry out the needed tasks. From the strategy are also seen possible restrains for the implementation of the plan. (Jobber 2007, 851.)

4.9 Control of Plan

It is important for a marketer to be aware that the marketing plan and its actions are working. Therefore at the end of the planned marketing is created control of the plan, which is a tool to follow the marketing actions and the results they have. When the marketing plan is controlled the parts that do not work can be corrected early enough and the success of the plan can be ensured. Finding out, if the actions and implementations of the planned marketing are working have to be done a performance measurement. When the actions are followed it can be ensured that the objectives of the marketing plan will be reached and the corrective actions can be taken if needed. The possible changes in the business environment and competition market can affect to the marketing plan and make the marketing objectives not being

reachable anymore. In the marketing planning control is important factor, as it will show the company if the goals were reached. From the marketing control results can be found objectives for the next marketing plans as the reached goals can show other factors that the company should concentrate on. (Chaffey–Smith 2008, 469; Jobber 2007, 56, 877-878.)

Although the control is planned at the end of the marketing planning it does not mean that it should be done only at the end of the period. As the control will help the company to conduct the marketing with correct methods and at the correct time it should be done all the way of the market plan time line. The controls are done to improve the process of the planning, to ensure the risk of decision making is reduced and saving in the costs of the decision making process. The control of the plan can be used when new marketing plans are produced. From the control can be seen the channels and methods that have given the company good results and from it can also be seen matters that have not been working efficiently. (Vuokko 2002, 163.)

Different tools that can be used when measuring the progress of the company in the marketing plan and the goals set can be sales forecasts, budgets or schedules that are recorded and compared with the sales or profitability measures. When comparing the results daily, weekly or monthly the company can be aware of the direction it is heading to and if there are parts that are behind and need changes to improve the results. In case the actions are not working the way they were meant to, the company can do corrective action. This will take the performance back to the wanted direction and make sure the goal and objectives set for the plan are met. (Burk Wood 2005, 11-12.)

5 MARKETING PLAN OF L'ANGOLO DELLE FATE

5.1 L'Angolo delle Fate Vision and Mission

The future direction has to be included in the vision of L'Angolo delle Fate. As the company want to offer the customers a wide selection of items and ensure that the products are of high quality, the vision should include a similar direction. It should also include the message of becoming the best service provider in the market. It is important that the vision shows the future direction and what the company wants to achieve. This is important as the case company is rather new in the market and the vision can help the company to reach the goals set. The vision of the company is to be able to offer the quality products to the customers with personalised service. The vision in short and realistic way could be the best product line of high quality products sold with expertise and care and delivered straight to your home. The core value of L'Angolo delle Fate is to offer the customers high quality products, include passion in the service and show interest in the actions of the company. The core purpose of the company can be combined from the passion to the products and true interest of the customers. These drive the company to ensure the customers are important and that the best service is guaranteed. BHAG is to become the best online store in the field by offering the customers products they appreciate and search for.

The mission for L'Angolo delle Fate can be found by answering the questions presented by Kotler et al. (2008), which will be describing the mission of the company. The first question is what business they are in and L'Angolo delle Fate's business is online shop for variety of fairy and fantasy miniatures. The second question answers the values of the customers. The target group of the company values original product line, high quality, quick and personalised service. The products that the store sells and the passion they are sold with. The third question answers question what are we in business for. The store was opened because of the passion and interest to the products and this still drives the owner to keep offering the high quality products to the customers. The fourth question is about the type of the business, which in the case company is a micro-sized pure online store. The company does not have any physical store premises and all actions considering the orders and other

services are made via the Internet. The fifth question answers the question what makes the company special among the competitors. For the owner the speciality of the store is passion and pure interest to the products and the customers. Also the company is differentiating from the competitors by the product line, which offers to the customers' original and wide selection and by this more options. From these answers can be drawn together the mission of L'Angolo delle Fate. The mission is to offer to the customers carefully selected product line of high quality, which are chosen with passion and sold with expertise and care, by offering individuality and specialisation.

5.2 Environment Analysis

5.2.1 Internal and External Environment

The social and cultural forces that are analysed are to be taken from the whole Italy, as operating in the online market, there cannot be chosen one specific area. In the Italian culture it is common to purchase presents for the guests in celebrations of weddings and birthdays, which can mean that the products can be sold to these occasions. In the demographic forces the population is growing because of strong immigration to the country. From the Italian population 7% are foreign residents, from which nearly half are from Eastern Europe. The unemployment is lower compared with the European level, as it is 8.3%, which means that the situation of the population is good in the job sector. The age distribution among the women is that two greatest age groups are 20 to 40 years and 41 to 60 years. This is good for L'Angolo delle Fate as the target segment group of it is located among these groups. This supports the decision of the target segment group to be correct. It has to be noted that Italian population is getting older, as there are over 20% of Italians are over 65 years. (Senese 2010; Istat 2010 a; b; c.)

The technological forces affect the operations and the marketing actions of L'Angolo delle Fate. These forces bring opportunities with developing the Internet services and new upraising marketing channels. The technological forces are not only affecting the company but also to the consumers by introducing more possibilities for them. There are also threats that are caused by the technological forces, which can be too high depending on the

technologies and the Internet services fall downs. The Internet usage has grown every year strongly since 2000. In 2010 over half of the inhabitants of Italy have access to the Internet. In the technological forces can be seen as a threat or as a possibility the consumers online buying habits, which are extremely important in the operations of the case business. A study made by Nielsen in 2010 about Europeans' online shopping habits, show that only 22% of the Italian respondents are not planning to purchase online in the upcoming six months. Also important factor showed by the study was that 39% of the Europeans were shopping in stores having only online presence, which shows positive sign to online store and growing demand for them. From this can be assumed that the online customers appreciate the collection and services provided in the online stores. (Internet World Stats 2010a; Internet World Stats b; Nielsen 2010, 3, 6.)

In the economical forces include analysing the consumers' purchasing power and spending patterns. According to the national statistical institute of Italy the purchasing power parity has major differences between the north and south of Italy, north being more expensive to the south. The consumer prices and consuming habits were studied and learned that there exists big differences among the different cities and regions in Italy. The household structure has changed in the past years as the amount of single person households has increased and couples with children has decreased. The average number of people in a household is 2.5 but is higher in the south than in the middle and north of Italy. (Istat d; Banca D'Italia 2010, 9-10.)

The first internal environment factor analysed is the company's mission. L'Angolo delle Fate mission is to offer its customers carefully selected product line in high quality, which are chosen and sold with passion, expertise and care. The second analysed factors are the resources. As the case company is micro-sized company the human resources are limited. Only one task is outsourced at the moment, which is creation and updating of the website. Financial resources are limited but also more flexible after the change in the business form, which will be offering more possibilities in the marketing sector. Informational resources in the marketing sector are the availability of the Internet and access to the computer, both being available

and accessible as the company operates in the Internet from its home office. The third factor is the offerings of the company, including the products, their prices and to whom they are segmented. The product line is a collection of fantasy miniatures that offers to the customers' high quality and originality. The prices of the products have been less than in the general market but as the company can be considered a nicher in the market the price level should be competitive in the market. In the price should be considered the added values the company can offer, which will be making the products attractive to the targeted segment group. The segment group is women aged 20 to 40 years who have passion to the products and who buy the products as presents. Fourthly will be analysed the suppliers/distributors who are in L'Angolo delle Fate many different and can this why offer a wide selection of the products. By having many suppliers the company secure that they always get products and the selection will stay wide and original. Many suppliers also ensure that the products are not based only on one supplier in case the products are finished. (Senese 2010.)

5.2.2 Analysing Competitors

The competitor analysis of L'Angolo delle Fate is complicated as there are many stores in Rome alone that sell similar product line. The challenge is to find those companies who are the biggest competitors, not necessarily with the same or similar product line. A challenge rose when the price comparison was made, as many of the companies do not have the prices mentioned on their websites. Also due to the fact that similar product lines are sold in many different stores made it hard to find the biggest and related competitors. During the interviews of the owner of L'Angolo delle Fate raised a quality matter of the products sold generally in the market. Most stores sell low quality products with high price as if the products were original. (Senese 2010.)

In this work, competitors will be chosen according to the following factors size, the Internet operation, distributors and product line. These factors rose up as the most important ones in the conversations with Mrs Senese and Mr Pasquariello. The location of the competitors is not considered as an important factor as the case company is operating in the online market. The

main competitors of L'Angolo delle Fate are Fate dal Mondo, La Rèssia, Mondì Nascosti and Lunarossa Fantasy. All these companies have similar product lines and most of them operate also in online environment with a website or an online store. (Senese 2010; Pasquariello 2010.)

Fate dal Mondo is an online store from northern Italy, Milan. It has been operating since 1995 and it is from all the competitors the oldest. In 2000 the company took in to the collection also the fantasy products. The Internet pages are more impressive compared with the other competitors and can be seen that the company puts a lot of effort on the pages. Fate dal Mondo uses from social media Facebook, where they have a page for the store. Fate dal Mondo is the biggest competitor who offers wide selection of the products with functional online shop. From the web page cannot be seen the prices of the products, but a catalogue presenting the products can to be ordered against a fee. (Fate dal Mondo 2010.)

La Rèssia is a store that has in the product selection the fairy, pixies and troll miniatures and variety of natural products. Besides having an online store La Rèssia also operates as a physical store in the northern of Italy. La Rèssia is not only concentrating on fantasy miniatures, which makes it less attractive to customers who are looking for specific products. La Rèssia does not use any social media channels in their promotion, but it is possible to order a newsletter from the company's web page. The lack of social media activity can reduce the knowledge of the company among the customers. By having a physical store, it can increase interest among customers especially among the impulsive purchases. Another strength is the concentration on the tourism, which can bring them more customers and wider visibility. For the customers looking for quality and variety of products La Rèssia does not serve them as the image is not specialised. (La Rèssia 2010.)

Mondì Nascosti comes from Padova, northern of Italy. It was opened in 2006 making it almost the same age as L'Angolo delle Fate. Mondì Nascosti has pages in Facebook and they also use in the marketing an ad on Facebook. Another new social media that are used is blog, which concentrates on the fantasy items. The product line of Mondì Nascosti has similarities with the

product line of the commissioner, but has also books, CD's and jewels. On their web page can be found current offers and promotions and they also have an online point card for the regular customers, where can be collected points from the purchases and with the points receive discounts. Mondì Nascosti uses well different possibilities from social media and with customer loyalty card encourages customers to repeat their purchases. (Mondì Nascosti 2010.)

Lunarossa Fantasy operates an online store and a physical store in Rome, Italy. The store was opened in 2007 like the commissioner company. Their product line has similarities with the case company's product line, but has additional brands from for examples Betty Boop and Disney. They have a page on Facebook. The strength of Lunarossa Fantasy is the physical store, where customers are able to see the products. The Internet page of Lunarossa Fantasy is messy and hard to follow, as there are too many colours and no theme that would keep the site together. It is also out of date and the offers have not been updated. The products are not presented individually, but as a group, which makes it hard to see well the product selection and the prices are received only by request. (Lunarossa Fantasy 2010.)

From the competitor analysis can be seen that the competitors in the online environment have differences. Most of the companies use social media some way in their marketing, the most popular being Facebook. From this can be understood that this social media channel is popular among the segment group. Whereas some of the competitors are pure plays some of them have a physical store besides the online store. The prices are at similar level among the competitors whose prices can be seen online and some differences cause promotions and possible loyalty customer discounts. The strongest competitors are Mondì Nascosti and Fate dal Mondo, which both have good selection of the products and well done web pages. As the weakest competitors can be seen La Russia and Luna Rossa Fantasy, both having the strength in the physical store. Possible entrants to the market can be gift stores who take into the collection fantasy miniatures and offer gift services like gift-wrap or delivery. Also the amount of competitors can rise

among the new possible shopping centres. Therefore for L'Angolo delle Fate it is important to keep their specialisation importance visible in the marketing and keep offering original product line.

5.2.3 SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> - Small company - more personalised service - Product line original - High quality of the products - Prices are competitive - Well done web pages 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Not as strong image yet in the eyes of customers - New online business - Visibility in the Internet - Lack in used marketing - Small resources financial and human
<p>Opportunities</p> <ul style="list-style-type: none"> - The growth of the online market - Specialised companies missing - Social media channels - Technology development 	<p>Threats</p> <ul style="list-style-type: none"> - Big chains as competitors - Many competitors with similar product line - Uneven purchasing power in Italy - Unfamiliarity with online shopping - Immigration

Figure 1. SWOT analysis of L'Angolo delle Fate

In Figure 1 can be seen the SWOT analysis of L'Angolo delle Fate. As strength is personalised service, which is because the company is small and can concentrate on each customer individually. This can also be seen as a competitive advantage when the marketing is planned. The competitive prices and original product line can make the image of the company higher, once correct tools and channels in marketing are started to use. In the strengths is also the web page of the company where customers can see the passion of the company. In the weaknesses on the other hand is that the company is new and the image of the company is not strong yet. These factors might affect the purchase decisions of the customers, but are solved with time and improvement in the visibility. Also improving the website's information on the order process will improve the image of the company. The

visibility in the Internet can be fixed with correct tools of marketing and with search engine optimization. Also in the weaknesses are the small human and financial resources, which can set limits for the actions of the company. The future wishes can be in increasing the human resources after the financial have grown. However the Internet offers many possibilities for the marketing and therefore those possibilities should be used to improve the situation of the company even with small resources.

From the external environment are found factors to the opportunities and threats. In the opportunities are the growth of online market and social media channels. These both provide L'Angolo delle Fate operational opportunities in the future. As social media channels decrease the price of the marketing at the same time they ensure the growth of the name of the company. The growth in the online market makes the market more stable. Another opportunity is the development of the technology, which enables the company to improve the Internet page and business. In threats is competition with companies who have similar product line and big chains. For this threat it has to be found correct differentiation and positioning of the company to overcome the competition. In the threats should also be seen uneven purchasing power, which causes that the company should concentrate on the market parts with higher purchasing power. Unfamiliarity with online shopping is serious threat but at the same time uncontrollable. The company can turn this into opportunity by serving the customers well and ensuring high security with the orders. Immigration causes needs for the Internet pages to be turned also into English, which would serve foreigners who live in Italy and are interested in the items.

5.3 Objectives Set for Marketing Plan

The main objectives for L'Angolo delle Fate in the marketing plan are to be able to increase the amount of new customers and by serving the customers well ensure they will become regular customers. It is also important to increase familiarity of the company and the online purchase process. The new customers amount for the marketing plan period is 10 to 20 new customers a month, which totals 180 new customers for the year. The amount of new customers is depending on the season, as some seasons are

quieter and some busier. Because the plan is the first one of the business this amount can be reconsidered for the following plans after the results of this one has been seen. It is also important for the company to be able to grow the regular customer base. This is one of the most important objectives as they have been working online for only a short time and for this reason it is important for them to be able to get more regular purchases. These can be followed through the customer database where can be seen purchases and repetitions of them. The amount of repeated purchases will not be decided in this work, but as a metric can be used previous years sales. It is more important to be able to see a development in the repeated purchases. The company's sales objective is to receive 10% increase in the profit in the year when the plan is executed. This is realistic and achievable goal when considered increase in the amount of new customers and in repeated orders as well as the correction in the prices. Due to the low cost of the planned marketing the company will not increase the level of the expenses.

From the e-marketing objectives, the case company can concentrate on serve and speak objectives. Serve is important for the company as it improve that the customers will become familiar with ordering the products online and the online order process. In speak will be important to find correct channel to talk with the customers and raise the visibility among the chosen customer segment group. These two objectives are also measurable as in serve the company has to concentrate on the customer service and in speak finding the channels to communicate with the possible customers. Due to the situation of the company, the most realistic goal is to choose the growth goal. The market penetration should be considered and concentrated on creating strong relationships with the customers. This ensures the company's mission and vision are met and the concentration of the business will be on the correct track. Also finding the correct operating environment and methods will be supporting the company pursuing growth in the market.

Another big objective for the company is to gain more advantages from the social media networks. This makes the company more available through the channels that are important for the target segment group. Besides becoming visible in the social networks it is important for them to become visible in the

World Wide Web and ensure the possible customers are able to find the website of the company. This is important in the search engine optimization as well as the design of the company's website. By achieving visibility in the Internet the company can also be getting more impulsive purchases. As online purchases are not as impulsive as in the physical stores it is a challenge to ensure that people will find the store and get them to order the products.

5.4 Core Strategies and Strategic Positioning

The target group of L'Angolo delle Fate has had some changes since the change of the business form. There used to be a segment group of impulsive purchases when the store had still physical premises. These customers purchased items spontaneously and without too much of balancing the thought. According to Mrs Senese now the customers have formed into a segment of women aged 20 to 40 years, she pointer out that the age can vary as the purchases are often made for presents meaning that the customer is not always the end user of the product. The purchase habits of the products can be divided into two categories, which are consumers buying for presents and consumers buying for their own use. The first category of buyers are the age group of 30 to 40 years who buy products as presents in birthdays, Christmas or other occasions to end users who are interested in the products' stories and beauty. The second category includes customers in the age group of 20 to 30 years who buy for their own use and consumers who seek the products, as they are collectible. The segment group looking for the products for collecting purposes is served with a special product line and many items are harder to be found in the general market.

When positioning L'Angolo delle Fate in the market has to be considered the positioning of the competitors and the current target segment group. It also has to be appreciated by the consumers and at the same time differentiated from the competitors. Being an online store with many competitors in the market, L'Angolo delle Fate has to find competitive advantage that sets it apart from the competitors and brings value to the customers. For L'Angolo delle Fate the best option on the positioning is customer based, but competitive positioning is needed as well. As learned before the customer

based option can be informative or image based, but in the Internet these two can be combined. In this option the needs of the customers are connected to the product and this way created a positive product image. In this positioning it is important to know the needs of the customers. The first category of the segment group buys the products for presents. They most likely prefer to buy certain theme or new products. It is important that the product can be changed, if it is wrong. For this segment the price has less importance as products bought for present the quality is highly appreciated. In the newsletter could be introduced a product or brand of the month to raise the awareness and this way introduce new products and present gift ideas. The second category seeks products for their own use and products that are harder to be found. Also for this segment it is important to present the new products, but with different tone as they are collecting the products they will not be searching basic information. This segment has high expectations of the selection, which should be emphasised in the newsletters.

When positioning in the competitor market, has to be considered the competitors and their positioning in the market. For this reason Figure 2 shows the map of the competitors that are considered the biggest threats to L'Angolo delle Fate in the market. These competitors were analysed in the competitor analysis chapter and based on those the positioning map was created. From Figure 2 can be seen that two of the competitors are close to the positioning of L'Angolo delle Fate. These competitors can be considered hard to compete against, where as the other two classified less hard competitors will be easier to compete. By competing with high quality, correct prices and appreciated added values L'Angolo delle Fate should be able to overcome these competitors.

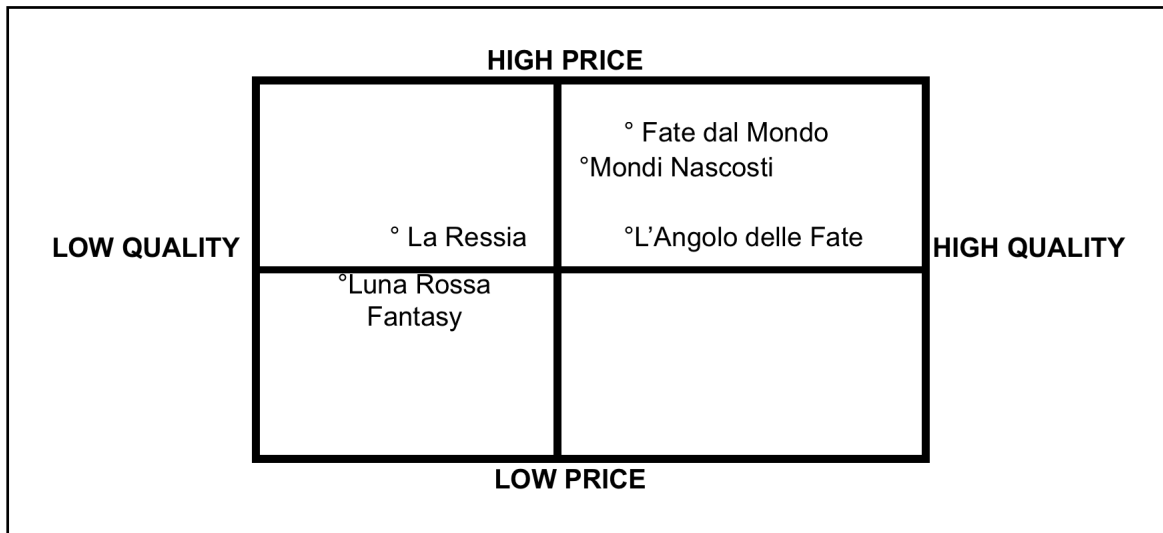


Figure 2 Competitor positioning map

The role of L'Angolo delle Fate in the market is the nicher. The company is specialised in its products and offers to its customer's customised service. To differentiate from the competitors, L'Angolo delle Fate has been choosing to have original product line and has created the website of the company according to the image of the store. The biggest strength has been the extinguished product line, which has provided selection for customers purchasing the products as collectors. Also the prices of the products have set it apart from the competitors. Even with correction of the prices, by setting them higher with added values to the products and services, the company can compete against the competitors. L'Angolo delle Fate's differentiation can concentrate on specialisation in the product line, high quality and personalised selling. Added values should be considered for the products that are appreciated by the consumers like gift-wrap service, delivery possibilities and possibility to personalised service. Differentiation could also include theme evenings to be organized at customers' chosen location where would be offered a possibility to see and purchase the products. Another differentiation could be blog, where the stories of the products would be written monthly and increased the interest to the products this way. This would not only increase the interest towards the products but it would show also the passion that the owner has towards the products.

5.5 Marketing Mix Decisions

5.5.1 Product

The product selection of L'Angolo delle Fate is wide but at the same time very specific. The selection is specifically chosen to support the differentiation of the company in the market. The sold products are fantasy miniatures from themes of troll, fairy and minx. The owner selects the products carefully from the distributors. Besides using the local Italian distributor also a distributor from The United States are used making the product line more variable. This way can be ensured more distinguished product line and offer to the customers something different from the competitors. The owner decides the selection by her taste and by this ensures that the product line is more special in comparison with the competitors ones. The store wants to offer products that are not available from the main competitors and by this extinguish themselves in the market and in the eyes of the potential customers. The product line offers them an advantage among the competitors and due to the specialisation gives them expertise. The core product of L'Angolo delle Fate is a fantasy miniature. The products are divided into categories based on the subject and theme, which come from wide area. The stories of the products are presented on the website with wide selection of other stories and histories. The company offers packages and answers to customer's wishes individually ensuring the best service for every customer.

The store is concentrating on offering products that are rare and by this the product line attracts customers even with more specific needs. In case a customer is looking for a specific product that cannot be found in the current selection it is possible to order the product for the customer, this ensures that all the customers can be served well. For the company it is very important that the Internet pages are well made and looking like the owner thinks they should look. This makes one differentiation towards the competitors as well and it can be seen that L'Angolo delle Fate has paid more attention to the visual effects of the store so that the customers will find themselves from the middle of the fairyland. All the products of L'Angolo delle Fate are high quality and ordered straight from the distributors. The product line is compound from

over 20 different brands from where the Italian brand Les Alpes is the most popular. This brand's products are cheaper and attractive. (Senese 2010.)

As the products sold by L'Angolo delle Fate are close to the product offerings of the competitors it is important to distinguish them from the market offerings with added values. The added value has to set it apart in the eyes of the target segment group. It is important to build the product's three levels fitting to the target segment needs and wants. The most important and flexible are two levels further from the core product, which are the actual product and the augmented product. As the products are often bought for presents the added value in augmented product level could be a gift-wrap service and even delivery straight to the receiver of the present, if the buyer is not able to deliver the gift. In the gift-wrap service can be offered a possibility to choose the colour of the paper and the present can be finished with hand written card where the buyer can decide the text. Also the quality of the products can create added value. Packaging and styling of the products create added value that can be highly valued by the customers who buy the products for their own use as collectors or for presents.

In the augmented product level should be chosen values that make the customers choose L'Angolo delle Fate. These possible values can be delivery, after-sales service and warranty. As the customers of L'Angolo delle Fate are paying for the transportation of the products they can decide how fast the delivery is. This makes the delivery an option that is decided by the customer and is this way individually decided. After-sales services in L'Angolo delle Fate can include newsletter and latest promotions to the customers' email. Also based on the purchases of the customers can be collected information on the order history and send information about those products and brands they are interested. As a warranty for the products can be that the product comes to the customer in good condition or a warranty that the product is what was promised and expected.

5.5.2 Price

The pricing of the products of L'Angolo delle Fate has not had any specific strategy in the past, but the prices have been set according to the costs of

the sales and the costs of running the store. There has been certain commitment to place L'Angolo delle Fate in the lower price category by setting the prices lower than the competitors. This has made it possible to compete with the stores that have been in the market longer. (Pasquariello 2010.) By setting the prices lower has been also working as a way to attract new customers. This pricing strategy has two possible effects on the company. The company's products quality might be considered low due to the lower prices among the competitors or the prices do not cover all the expenses of the business. The lower pricing strategy might have positive effects as well, as the set objective for the marketing plan is to obtain new customers and ensure the customers will repeat their purchase. As the prices are lower, this will lower the customers' uncertainty when it comes to their first order.

L'Angolo delle Fate role in the market is a market nicher, which means the company is specialised in the products and offers high quality. Low prices are not an element of the market nicher and might send the wrong image to the target customers. The prices of the products should be adjusted according to the market and the image of the market nicher. This would also allow promotions on the products to attract new customers, which has been before based only on cheaper prices. Higher prices would also allow the company to concentrate on developing the marketing actions in the future and ensure the company is able to develop the visibility in the Internet and most of all grow the profit of the company. The target market segment group is women aged 20 to 40 years. The price level should meet the quality factors of the products and the expectations of the customers. For both segments important factors are high quality of the products, good selection and personalised service, not always lower prices especially in the case when the products are purchased for presents.

To be close to the competitors even with a bit higher price but with valued added values is the most logical and realistic for the commissioner. With similar price levels in the market the company could offer wider selection of services and other added values to the customers. These added values can be a gift-wrap and different delivery address services, which wouldn't cause

the company high costs but would add value to the customers. Due to the transparency of the prices in the Internet, it would be good to consider the offers of bundles of slowly moving products. When buying in bundle the single prices are not as visible and slowly moving products are made to move.

5.5.3 Place

L'Angolo delle Fate uses as a distributor, companies who produce the products to ensure high quality and lower prices. As the products are sold only on the Internet, it works as the distributor channel for the customers. All the related websites of the company should be used to connect the company's web page with the targeted customers. Wide online presence will ensure the consumers are able to find the company through the channels that they use. The online store provides an opportunity for the customers to shop at any time of the day and any day of the week. The Internet site has been build so that the customers have a chance to see the whole product line and read the information about the products. This serves the customers interest, as they able to know more about the products and the product line. The Internet page also provides links to the producers' websites where the customers can see more in-depth information on the production. The products are ordered from the online store and they are delivered home. When the products are ordered the order will be processed and sent to the address of the consumer.

As the business is pure play it gives a chance for the customer to decide when the products are purchased. This on the other hand makes the business harder to be found in the Internet world, making it important that the web page is linked with other pages. L'Angolo delle Fate should concentrate improving the presence of the company in the web pages with the similar topic and this would bring the company to the knowledge of the consumers. Online forums that are concentrated in fantasy miniatures are common places for potential customers to search information about the products and the companies. By improving the presence of the company online ensures wider audience and better possibilities that the targeted segment will be able to find the business. The advantage of the online business besides being

open all the time is the information delivery. The customers are able to read the description of the products and the stories while comparing the products. Although the products cannot be touched the company can offer detailed information with pictures of them so that the customers know how the products are.

5.5.4 Promotion

Promotion in the marketing mix is communicating with the target segment group. In this it is important to find channels that are used by the segment group. At the moment L'Angolo delle Fate has a promotion page in Facebook and the website of the company. L'Angolo delle Fate is also linked from a wedding and party planner website, as it is possible to purchase the miniatures for presents as in Italian culture it is very common to give a memory gift to the guest in the celebrations of birthdays, anniversaries and weddings. The website of the company on the other hand has links to the main manufacturers and other related pages. This will help the customers to find information of the products as well as the company.

The Internet offers more possibilities for a small company in promotion and communication with the consumers with little expenses. Few examples of these options are social media, blog and different forums related to the subjects. Also websites listing companies by fields can offer visibility in the World Wide Web. It is important to have a good visibility in the search engines where the customers are looking for the products and the companies. Facebook and Twitter offer opportunities for the company to communicate with the consumers in real time and with casual theme. These pages can ensure the company to become familiar with the consumers and raise the awareness of the company, the products and services.

Blogging the latest news and events of the store can make the readers interested of the products and the store, as the pure interest in the products can be seen. The passion that can be seen from the text as it is in the form of a diary can personalise the interaction between the consumer and the business. This communication method also ensures the possibility to improve the communication from the consumer to the business, for example through

questions related to the products or requests on the products. A possibility to receive a newsletter from the store, with news and promotions based on the interests can raise the awareness of the products and new releases better than an ad online.

5.6 New Marketing Channels Possibilities

Guerilla marketing methods can be used efficiently in the new marketing channels and are also suitable because of the low costs and efficient results for a micro-sized company. Newsletters sent via email are Guerilla marketing at the best and correctly promoted and directed can give results that are priceless. Another way to improve the visibility of the website is search engine optimization. This includes finding the correct search words of the site and search engines are able to find the site. Updating the website and ensuring the search words are related to the context are important tasks. Blogging is the new method of marketing of a company and can help to build the name of the company and increase the awareness of the brands and products. As blog only consumes time, it is relatively cheap and efficient marketing method. By following the online forums related to fantasy miniatures, can be found possible target customers and at the same time seen possible changes in the customer's purchase habits. These forums can show certain aspects to the business, which are appreciated or lacking in the market and they also improve the image of the company.

The different social media channels are suitable for being used as they give results with little expenses and raise the awareness of the business. The sites also work as efficient information source for the potential customers. As L'Angolo delle Fate is new in the online market, awareness among the target segment group should be sought by ensuring the business is visible in the web pages that the segment group uses. These web pages can be besides the social media like Facebook and Twitter, different forums and web pages concentrated in miniatures. As the owner of the store is a writer it would be possible to start to keep a blog of the store and its products. This way the readers would see her passion and get information about their products and services. This would also work as an information channel for the customers if written in a casual way without too heavy promotion. The company and its

products would become better known among the readers and the readers would have a chance to comment on the texts.

The company has a business site in Facebook but does not have yet a page in Twitter. Both of these channels main idea is to operate, as a communication channel between the store and possible customers and because of the low cost should be considered. Due to the different natures of Twitter and Facebook they need differently concentration but as both pages are raising their popularity in Italy they offer great possibilities in promoting products and the company. All pages set for L'Angolo delle Fate on social media channels should be listed in the main web page of the company, to ensure the customers can choose which channel to follow. A video of the latest products could be done and added to YouTube, which would offer visual information to the customers. This option is fairly time consuming and is depending on the skills of creating a video. With the technologies it is possible to make a video of still pictures with some music and this way ensure the customers are able to see more products in a short time.

Suggested improvements to the website of the company are removing the location of the old store and adding the prices to the products. As the website has really a good theme and clear division for the products there are not improvements in those fields. On the website should be added possibility to order the company's newsletter. Another good and helpful addition on the page would be frequently asked questions, which could include questions concerning the order process, the delivery and other related information. There should also be added clear instructions of the order process, so that a new customer is aware of it. By adding these, it would increase the trust and the feeling of security with the company when a customer is planning to place an order. The search engine optimization should be done for the page, to ensure the site is found by relevant search words and this would lead the potential customers to the store. Some relevant search words, here said in English but done in Italian could be fairies, troll, dragon, gift, fantasy figures, Les Alpes and other brands. There could also be used attributes that set L'Angolo delle Fate apart from the competitors like gift-wrap, delivery and personalised service.

5.7 Action Plan

Considering the size and resources of the business, in the plan will be presented time-consuming actions, instead of money consuming. The actions presented in the action plan are so that it is possible to execute them with small financial and human resources. Therefore the actions are small scale, but at the same time efficient in guiding the company forward in the market. It is important to bring the planning process familiar and emphasize the importance of it. Many of the actions that will be presented in the action plan are continuing and therefore only their initiation is mentioned. Regularity in updating is mentioned ensuring that the nature of the tasks will be understood. The action plan is divided into four phases to ensure all the presented tasks have time line and are realistic to achieve with the company's resources. The marketing plan is annual and therefore each phase is three months. The division allows concentration in different holidays throughout the year.

The first phase of the marketing plan is from January to March and the importance in this phase is improving the visibility of the web page. To improve the visibility of the company will be updated the website. The location of the old store will be removed, as it can confuse the customers. The updating the website is the only outsourced task. The search engine optimization is done to ensure that the visibility of it rises. This can be done by the business owner, or it can be done together when updating the website. The optimization ensures that searches on Google will lead the potential customers to the website and can also increase the popularity of the page.

The prices of the products should be adjusted so that there is a possibility to offer promotions to the customers. In the first phase is also update of the account in Facebook where will be added pictures and that should be updated regularly at the minimum once a week. Facebook offers possibilities for the store to show the product line and raise the awareness of the store. In this phase is also Valentine's day, which should be visible from the mid January to so that the customers will have enough time to order the products

and for the delivery. In Facebook a reminder of Valentine's day and related products as a gift possibilities. The existing database of the customers should be edited so that it ensures that new and old customers can be followed easily. When a customer is registered to the database they should be asked how and from where they found the company. This will show, which channel or search engine is used the most to find the store and in the future operations this can be noted and concentrated more. The collected data can be used to target the marketing messages efficiently.

The second phase of the plan is from April to June and will be concentrated on the new customers. It also includes the creation of the Twitter account and ensuring it is updated two to three times a week at a minimum. Having Twitter and Facebook pages the company can ensure the target segment will be able to choose their preferable channel to follow. Both of the social media channels need regular updates meaning more work for the owner, but can bring better results than the paid advertisement. As the segment group of L'Angolo delle Fate is not geographically limited, these channels ensure wide visibility in the market. In the second phase will be introduced the campaign for the new customers. To encourage new customers to order will be offered discounts from the first order and special offer for the customers who join one of the social media channels. In this phase will be introduced blog of the store. The address of it should be added to the main website as well as to the social media websites. In blog will be followed the products and their stories and include information about the new products and other news of the business. The stories of the products can be also used to attract the readers.

The third phase is the summer period from July to September and will concentrate on staying connected with the old customers. This period according to the owner of L'Angolo delle Fate is normally quiet time as many Italians have their holidays during this period. Therefore will be presented the newsletter including the news and promotions of the store. It can be written together with the blog and should be send every three weeks but during the high season every second week. This will keep the customers updated of the news and bring gift ideas to the segment group. The newsletter will be send to the customers in the company's database. By connecting the tasks

performed can be ensured all of them will be done and the resources are enough. During this phase the related forums of fantasy miniatures should be followed and responded. This way the company will get more visibility around the Internet. In this phase will be introduced a product of the month. In blog and newsletter this product will be introduced clearly apart from the other products and the attention should be concentrated on the product not so much on the price. The product can also be a brand that needs more attention. This way can be introduced new products and brands in an interesting way leaving out too much of pushing the marketing.

The fourth phase is from October to December. This phase is the high season of the products and therefore it is vital to ensure the logistics and customer service will be working correctly. This phase has two bigger events, which are Halloween and Christmas. In Halloween, which is a traditional American holiday, but has increased popularity also in Italy, can be concentrated on product lines of dragons and other related products. These can be promoted on the social media pages as well as monthly newsletter. The theme of the holidays should be visible in the newsletter and the blog for example with colours and pictures. Halloween preparation should be started at the beginning of October, similarly to the Valentine's day, early enough to ensure enough time for the orders and delivery. For the Christmas will be started the preparation earlier than the two previous holidays and the preparations will start after the Halloween in the beginning of November. Updates on the social media pages and sending of the newsletter are important tasks of this phase. Due to the high season extra attention should be on the sent newsletter as well as the blog to ensure new and old customers are attracted. It is also important to stress the added values of the company which are gift-wrap and delivery services. It is also important that the different contact methods of the company are mentioned so that the customers are able to contact the company in case they have questions.

5.8 Control of Plan

The marketing plan should be controlled monthly to ensure that the plan is working and the objectives are met. In case the owner of L'Angolo delle Fate sees that the objectives are not met, can be done corrective action to ensure

the objectives will be achieved. The plan was divided into four parts to keep the implementation and controlling clear. The phases have been made visible also in the control of the plan to guarantee the clear control of the marketing. In the beginning will be seen the objectives for the overall marketing plan and after them will be covered the control of the tasks planned in the implementation of the plan.

The objectives about the customers were receiving new customers and increasing the amount of repeated purchases. The first objective is to increase the number of the new customers. The objective is to receive amount of 10 to 20 new customers each month which total annually about 180 new customers. This can be followed by the database created for the new customers. To divide the annual new customer amount by months can be seen at the end of each month, if the goal has been reached. According to Senese (2010) there are differences in the order amounts between the months so the goal is not necessarily reached each month why the annual amount at the end of the plan will show the final results. The second objective is to increase the amount of regular customers, which can be followed from the repeated orders. From this can be also learned if there are certain products or product line customers prefer and the marketing can be targeted with these results. Also following the repeated customers can be learned the purchase habits and this way improve the customer relationship. Regular purchases can be followed through the customer database where can be seen purchases and repetitions of them. (Senese 2010.)

The sales are recorded for the possibility to be used in the future marketing plans and controls. The sales are compared with the previous year, but due to the fact that the company has not operated in the online market long time they will be only indicating the progress of the company. Comparing with the previous years results can be followed the sales goal. If the plan is executed the following year those results are not full due to the fact that the operation on the online market has been still short. However when comparing with the results, can be seen the possible increase in the sales and possible matter that have to be done differently. The control of the new social media channels should be done by following their popularity of each of the page

among the target segment group. This will help the company to concentrate only on the channels that are attractive to the customers and save this way the time. If noted that one or more of the channels are not bringing wished result, should they be deleted and concentrated only on the channels that help the company's marketing.

In the first phase it is important to follow the responses on the Facebook account and should be followed the popularity of the Valentine's day campaign. The Facebook account should be updated regularly and encouraged the followers to contact the company. The campaign on Valentine's day should boost the sales in late January, if done properly. In the second phase important actions are creation of Twitter account and introduction of blog. The campaign in this phase is concentrated on the new customers, which should be seen in the number of new customers. The new customer campaign is started in April and will continue until May, this should increase the amount of the new customers during this time. In the control of this can be used the goal amount for the new customers, which is 15 new customers a month. The updating of the social media pages in Twitter and Facebook with the campaign for the new customers should provide more visibility for the company and increase the sales. The third phase is the summer season and main concentration is on the regular updates of the social media channels as well as fantasy related forums. By keeping the pages updated the customers can see that the company has interest in the customers. In this phase can be followed the newsletter popularity and attract the customers to order despite the holidays. The high season of the fourth phase should be visible in the sales and order amounts. These can be followed by comparing to the previous results and to the months during the plan as then is seen if the order amounts have increased. Due to the high season this phase did not include any bigger campaign only concentration on the updating and visible theme of the holidays.

6 CONCLUSIONS

The purpose of this thesis was to draw together a marketing manual for a micro-sized company. It was important to ensure that the planned actions were possible to be implemented with small financial and human resources. Challenges arose with the marketing theories as they were mostly designed for big companies with big resources. Therefore it was important to adapt the theory so that it was suitable for a micro-sized company. The plan was first in the company's history, which meant that the terminology had to be explained thoroughly so that the marketing manual would be helpful in the future. Luckily, it can be said that from the interviews made with the owner couple, it was understood that there exists hidden marketing knowledge, but the execution and organizing need help. This made the work easier besides the fact that there was interest in the plan and future operations of the marketing.

The thesis was divided into two parts, the theoretical framework and the practical marketing section, to ensure the clarity of the work for the commissioner and will help the execution of the plan. It also makes sure that the company can easily find the theory explanation of the tasks and is able to see how it is done on the practical side. This division can also help other companies in the creation of the marketing, as it is easy to find the theoretical and practical sides of the planning. The mission and the vision were created based on the interviews to get as real of them as possible. Both of them had a point in specialisation and expertise as these rose to be the strengths of L'Angolo delle Fate. The target segment was helping to create the differentiation of the company as it had characteristics that are not served in the market but there is demand for these services. Overall the competition and the segment group in the market provided the company an excellent possibility to find a differentiation that will make sure the company has a bright future. The actions presented in the marketing plan will help the company to receive the advantage in the market that will help them to grow. From the final plan the company should only execute and concentrate on those actions they see important and where their resources are enough. This should also be remembered on the use of social media channels. The

company's future concentration should only be in the channels that they see are popular among the target segment group.

The research was conducted by using interviews to receive related information on the company and its actions in the past and the future goals. The structure validity of the research can be seen correct due to the fact that the interviews were based on the research problem and gave answers to the searched questions. (Hirsjärvi–Hurme 2004, 187.) Based on the interviews, a marketing manual was drawn together for the company. The gathered theory and material from the interviews formed the framework for the marketing manual. Due to the owner couple talents in music and literature sectors in the plan were used these talents and ensure this way the company's image will get stronger and original. The concentration on the social media channels has been high due to the cost efficiency and grown popularity. These new marketing methods have not only improved the communication between the companies and consumers. But they have also made the companies more visible and they offer possibilities to share wide information about the products and news. It is suggested that the purchase habits of the customers are recorded. This allows the company to learn more about the customers and their purchase habits. This information will be helpful in the future marketing planning and actions and gives the company possibilities to target the promotional messages in the future.

This thesis has been a lot of work but has also been teaching a lot about the opportunities the Internet offers. It would had been wise to make a research of the customers to learn more about the purchasing habits and experiences, but with the resources available the workload and resulted thesis would have been too big. On the other hand, if the company decides to execute this plan, the researches concentrating on the customers can be done later and then will be also seen if the actions presented in this work have given the results wished. Hopefully after all the smiles and tears this thesis will be helpful and the purpose of manual will be taken into use when planning the marketing actions.

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APPENDICES

Structured interview question guide

Appendix 1

Theme interview question guide

Appendix 2

The structured interview with Tommaso Pasquariello.
Interview conducted on 6th of July 2010.

1. When was the store opened?
2. When did it change into online store?
3. What is your mission?
4. Who is your target segment group?
5. What is the order process?
6. Who is used as carrier for the made orders?
7. What social media is used in promoting the company?
8. What are your objectives for the marketing plan?
9. What are your pricing strategies?
10. Who are your distributors?

The theme interview with Antonella Senese.
Interview conducted on the 14th of September 2010.

- **Theme: Company**

- Can you tell me what is your vision of the company and its future?
- Have you seen any changes in the operation and customers after the change in the company form?
- How would you describe the customers of L'Angolo delle Fate?
- What would be a realistic goal for the new customers during the marketing plan

- **Theme: Products**

- The role of the product line
- The most popular product line, why do you think so?
- Speciality in the products

- **Theme: Competitors**

- How L'Angolo delle fate can be seen against the competitors
- Where would you place L'Angolo delle Fate in the market with the competitors?
- Who do you see as your main competitor(s)?
- Are aware if there are any weaknesses among the competitors?