

MARKETING STRATEGY FOR “SUSTAINABLE DESIGN” COMPANY IN FINLAND

Case Company: Start-up Whaly

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Abstract

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Title of publication MARKETING STRATEGY FOR “SUSTAINABLE DESIGN” COMPANY IN FINLAND Case Company: Start-up Whaly		
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<p>In the modern world dilemma of sustainability concerns everyone. Most people prefer to buy eco-friendly products, and therefore businesses aim to follow sustainable strategies and be environmentally responsible.</p> <p>The case company Whaly produces sustainable furniture for kids. So, the purpose of the thesis is to create a marketing strategy for Whaly, considering its eco-friendly policy. Moreover, tactical marketing is reviewed for the case company.</p> <p>The thesis is conducted deductively, and a mixed research method qualitative and quantitative is used to develop a marketing strategy. The primary data is collected from the survey with the potential customers, and focus group discussion. The secondary data is gathered from the literature review related to marketing concepts.</p> <p>In the thesis, SWOT analysis and STP model are used to create a marketing strategy for the case company. For tactical marketing, 7P's marketing mix tool is used together with digital marketing concepts. The potential market is analyzed through PEST analysis and Porter's five forces tool.</p> <p>The research findings indicate the following: the company's main target group is women with the age of more than 26, with the high purchasing power, and who considers a company's sustainability policy as the benefit. Moreover, the company should present itself as a highly customer-oriented, luxury business. Whaly can differentiate itself on the market with the unique design of the products, new assembly technology, and eco-friendly policy.</p>		
Keywords Marketing strategy, tactical marketing, sustainable business, design company, Finnish market, digital marketing		

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1 INTRODUCTION

1.1 Background

In the 21st century, sustainability became a hot topic for everyone. The population is growing rapidly, and urbanization increases. Therefore, waste becomes an ever-growing problem nowadays. Governments are trying to solve this problem by setting regulations and asking people and corporations to consider the issue of pollution. Many businesses are trying to follow sustainability strategies and be environmentally responsible. Moreover, it extends business opportunities, attracts investors, and increases brand loyalty. (Joyner 2019.)

The Case company Whaly – is the startup project developed by a design student and the author of the thesis. It produces the sustainable kid's furniture with its unique design. The main advantages of the products are that they are safe and environmentally friendly, as made only from plywood without plastic and glue. Moreover, the company's products have a unique design that does not exist on the market. The case company is based in Finland and planning to start its operations on the Finnish market. According to Wood (2017), Finland was ranked as the country with the highest environmental responsibility. Therefore, it is a great place to start a sustainable business.

Nowadays, with the internet appearance, it becomes easier to establish a company and sell products. However, starting a business requires to create a proper marketing plan with an effective marketing strategy. Developing a marketing strategy involves studying the main marketing concepts and understanding how to apply them in an extremely competitive environment. (Lopez 2014, 33).

The purpose of this thesis is to compose an efficient marketing strategy for the case company, making an accent on sustainability and eco-friendly policy. As was mentioned before, a marketing plan and strategy are essential parts required for establishing a successful company. Therefore, the results of the thesis research will be practically used to start a business.

1.2 Thesis Objectives, Research Questions, and Limitations

The goal of the thesis is to study marketing concepts through the theoretical part, make marketing research for the case company, and to create an efficient marketing strategy for Whaly. In order to achieve this goal, the research questions are prepared carefully. The research questions are very important for the study, as they help to lead the work and

achieve its aim. The purpose of the questions is to analyze and examine a certain subject. They require to collect and analyze the data to find the answer. (Kowalczyk 2018.)

All parts of the thesis are done to get answers to the research questions. The questions are divided into two parts. The main research question is formed in order to understand the whole idea of the research. Sub-questions are designed to help answer the main research question.

- The main research question:

What is the most effective marketing strategy for the case company producing exclusive sustainable furniture for children?

- Sub-Questions:

- 1) *Do Whaly's potential customers care about sustainability, and will eco-friendly policy increase brand loyalty?*
- 2) *What are potential customers' decision-making factors when buying furniture for children*
- 3) *How does the case company producing furniture for kids can differentiate itself?*

Like any work, this thesis has its limitations. First of all, the study is concentrated only on the case company. That means that the research is case company oriented and done concerning the company's characteristics. Moreover, the company operating only in Finland, so companies located in other countries are not considered in the research. The potential customers are mostly Finnish, and this factor should be taken into account in the data collection process. The work is focused mainly on strategic marketing. However, tactical marketing is also included in the "marketing strategy for a case company" chapter through the marketing mix tool. As the company plans to operate mainly online, digital marketing strategies are studied in the theoretical part of the work and included in the tactical marketing part.

1.3 Theoretical Framework

The theory part is an important element of any research. Theories are made to understand phenomena and learn factors that can be implemented in practice (University of Southern California 2018). In the current thesis, the theory is presented as the first research and secondary data is collected from it. The main purpose of the research is to create a marketing strategy. Therefore, this study is covered in the theory review.

However, in order to understand the big picture of marketing, other concepts are presented also.

The theory part starts with the marketing research definition. Such tools as PEST analysis and Porter's five forces analysis are presented. The next part describes strategic marketing and presents SWOT analysis needed for the confrontation part and STP model. The last part presents the tactical marketing theory. In this part marketing mix tool or 7P's of marketing is studied. Moreover, digital marketing trifecta and AIDA tools are examined in support of tactical marketing.

1.4 Research methods & Data collection

Research is a deep search made in order to find new facts. It is the most popular tool to increase and brush up the stock of knowledge about something and someone (Surbhi 2016). There are different methods to collect the data, analyze it, and come up with new findings that support the aim of the work. Figure 1 below presents the method and approach that are used in the research of the thesis.

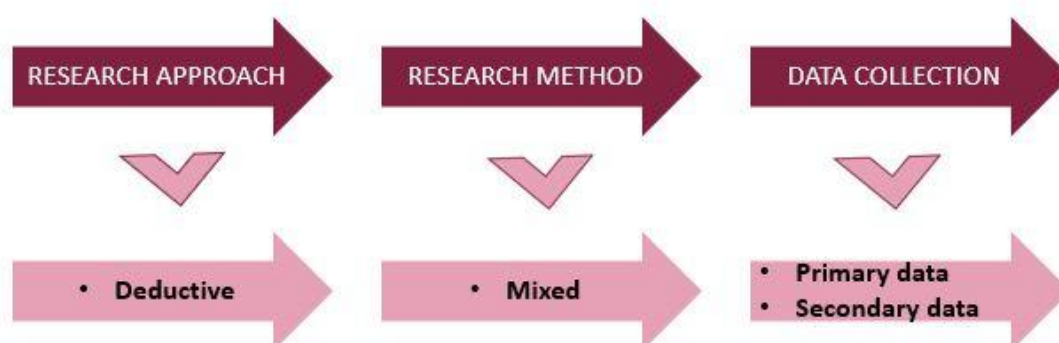


Figure 1 Research methodology

Research Approach

There are three main research approaches: deductive, inductive, and abductive. The deductive approach works from the general to the more specific. In other words, by observing and testing a theory it confirms or rejects specific variables related to the theory. The inductive approach works vice versa to the deductive approach. It is testing specific issues in order to create a theory. The abductive approach exists to explain incomplete observations, puzzles, or surprising facts of certain research. (Dudovskiy 2019.)

In the actual thesis, the deductive approach is chosen as the most suitable for the research. Studying general theories and evidence about marketing strategies will help to create a proper marketing strategy for the specific case company.

Research Method

The next important step is to choose the research method. There are two methods the qualitative and the quantitative method. If it is necessary to analyze different statistics, numbers and come up with a logical conclusion, the quantitative method of research is used. The qualitative research method aims to analyze the behavior of people and suppose their feelings and thoughts. This is done by collecting the data from interviews, theoretical books, and discussions.

Research in the business area also deals with the people inside and outside the organization. The qualitative method is important in order to study the psychological aspects of the research (Maylor & Blackmon 2005, 220). As the current research requires to understand the human factors and collect the data from interviews and theory, the qualitative method of the research is suitable. However, the research also requires collecting quantitative data from the survey. Therefore, mixed the qualitative and quantitative method is selected.

There are many varieties of research methods. In this research, the case study technique is used. The case study is a research method which includes a meticulous and very detailed analysis of the case. The researcher has to change a study subject into "a case" by transforming the object of the study into an object of interpretation and understanding (Eriksson & Kovalainen 2008, 125-127). The case can be represented as an individual, group, company, or act that exists at a certain time and in a certain place.

Data Collection

Data collection is a research step that takes place in a distinct time of a period. During this time the researcher has to gather all the needed information. In this study, the data is gathered from primary and secondary sources. The primary sources are presented in the empirical part of the study. For the primary sources, the data is collected from the survey with the potential clients of the case company and the focus group discussion. Focus groups are the test groups of people with the same interests, who are giving their own opinion about a certain issue. With the focus groups, there is a possibility to evaluate the opinions of the several people who were under discussions. A survey with the potential customers helps to gather and evaluate individual opinions and analyze which target group is the most valuable for the case company.

1.5 The structure of the study

The structure of the thesis is presented in figure 2. It includes seven parts. The first chapter is an introduction. The sixth and seventh chapters refer to the conclusion. In the middle, four chapters represent the body part. The research includes both empirical and theoretical sections.



Figure 2 Thesis structure

The first part is “Introduction”. The chapter aims to give the basic background of the study and its goal. The second part is “theory review”. The purpose of this theoretical part is to collect the secondary data for the research, by studying different literature. The third part is “Case Company”. The goal of this part is to give the case company’s background information and to make marketing research and market analysis. The study of this part directly affects the marketing strategy of the case company. In the fourth part “Empirical research and Data collection”, the primary data is collected through the interview and focus group discussion. Then, the data is analyzed, and logical findings are implemented for the marketing strategy. In the fifth part of the research, a marketing strategy for the case company is developed. In this part, all the previously collected data and knowledge are implemented in order to create the most cost-efficient marketing strategy for the case company. The sixth part contains answers to the research sub-questions and answer to the main research question. The seventh part is a summary of the thesis that includes the main points of the research.

2 THEORY REVIEW

This chapter presents theory a review from which the secondary data is collected for the development part of the work. The current thesis is focused on marketing strategy and marketing tactics. However, in order to create a marketing strategy and tactics, it is essential to go through the preparation steps illustrated in figure 3 below. Therefore, the theory review chapter is divided into three sub-chapters. The first sub-chapter introduces marketing research. The second sub-chapter presents a marketing strategy and tools for its creation. The last sub-chapter describes marketing tactics and digital marketing.

2.1 Marketing Research

According to the figure below, a marketing plan is divided into two parts, marketing research, and marketing development. While, the marketing development part includes a marketing strategy, marketing tactics, and marketing operations. The marketing research part is a preparation before the development. It contains the study and analysis of the market and company.

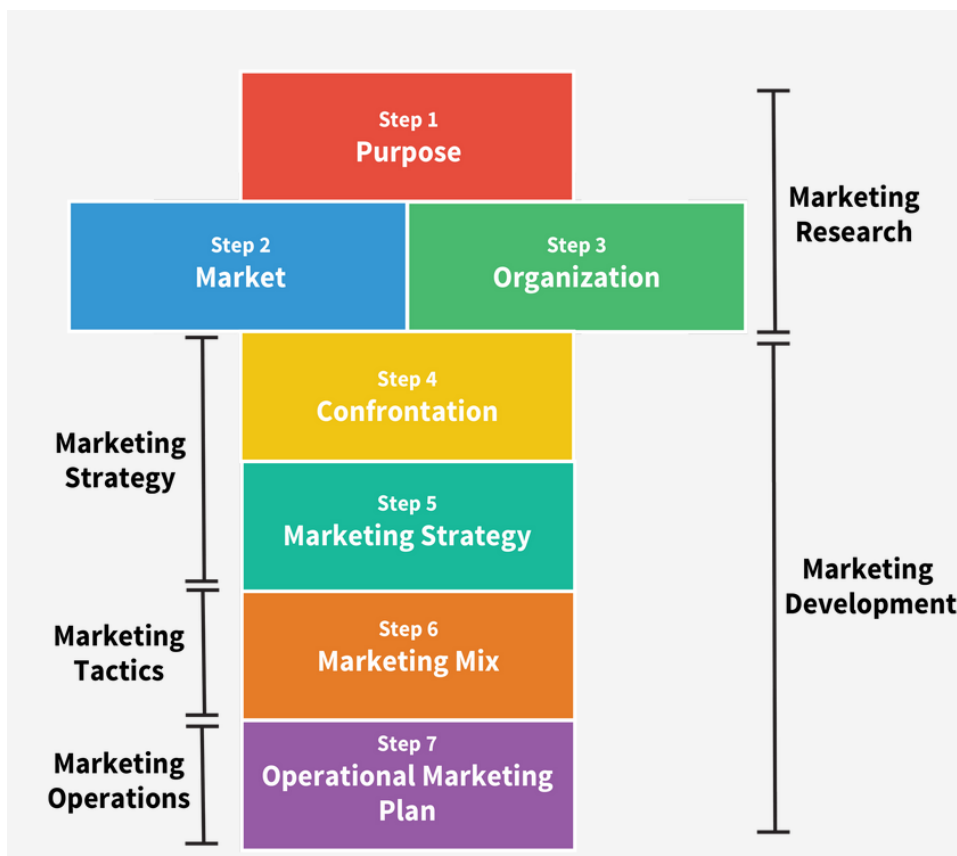


Figure 3 Marketing part of Business plan (Brenner 2018).

According to figure 3, marketing research starts with the identification of the company's purpose. In other words, understanding of its mission and vision. Coffey Dacia (2018), CEO of Marketing Blander, described mission and vision statements as:

“A vision statement is a declaration of an organization’s overarching objective or goal. We refer to it as the DREAMING piece — if everything goes right, it is how your organization will change the world.”

“A mission statement is a formal summary of values of an organization. We call it the DOING piece — it describes how you act as a servant leader. It proclaims who you serve, what you serve and how you do it every day.”

Furthermore, the research part includes a market evaluation. It requires to study the market that the company will penetrate, review competitors, and identify the company's competitive advantage. PEST analysis is one of the tools used to evaluate the market. According to Post (2018), PEST analysis is a tool that helps to analyze external forces that affect the company. It includes the study of the political, economic, social and technological factors of the selected country.

- Political factors show the governmental attitude toward businesses and different regulations that may impact industries.
- Economic situation demonstrates factors that are playing a huge role in any company, such as inflation rate, unemployment, export and import rates, GDP (gross domestic product).
- Social factors show who your potential consumers are, what are their needs and wants, what are their attitudes toward companies like products.
- Technological factors also play an important role. They describe what is the situation in the country with technological development and how often people use the internet.

In addition to the research part of the marketing, the company's organization is evaluated. Porter's five forces analysis is used for that. Porter's Five Forces is an effective tool for identifying the business environment in terms of the competition. The tool was created by Harvard University professor Michael Porter. (Magretta 2012, 35-37.)

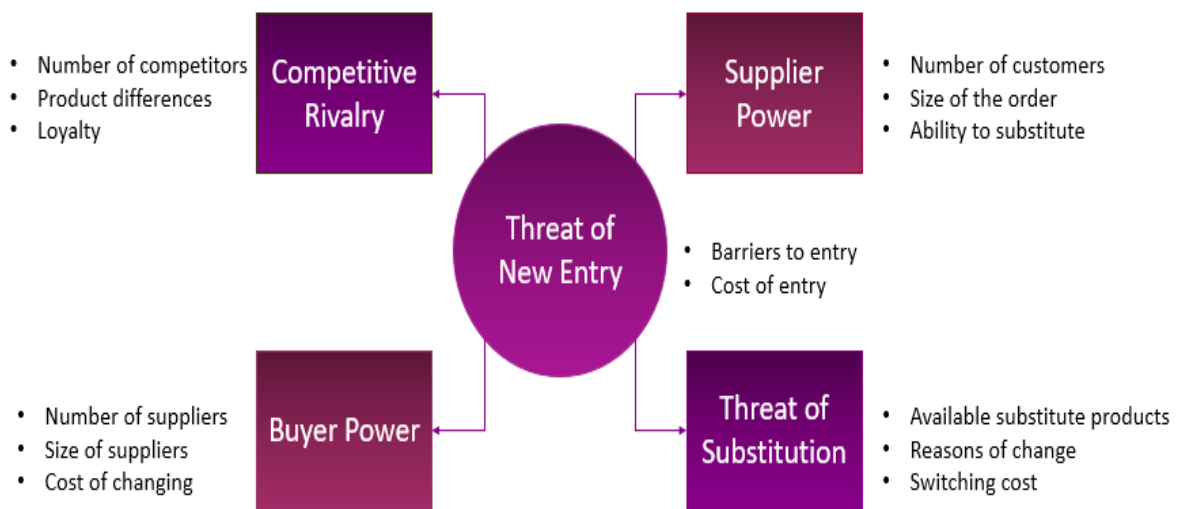


Figure 4 Porter's five forces analysis

According to figure 4, five forces should be analyzed: Threat of new entrants, power of buyers, suppliers' power, threat of substitution, and industry rivalry.

1) Competitive Rivalry considers the number of competitors, the quality of their products, price differentiation, etc. If there are a lot of players on the market, it is more difficult to control the situation and the company should always be up to date. This is because rivals could easily attract customers, for example by slowing down the prices.

2) Buyer Power issue helps to understand how the customers can influence the business. Can they make you lower the price of the product? If there are a lot of customers, one person does not make a sense. If there are only a few customers, the company should try to keep them in any way.

3) Supplier Power issue shows how the supplier can influence the business. If there are only few suppliers, they can increase the prices because of the low competition. If there are a lot of the same suppliers, the situation will be vice versa. So, the company can change suppliers without concerns.

4) Threat of Substitution shows if the company's products can be replaced with another kind of goods. In the case of traveling, a person can buy a ticket for the train instead of the plane. In the case of the Whaly company and its crib for baby, the young parent can create a crib from a suitable box.

5) Threat of New Entry shows how easy it is to start the same business. What are the barriers to entry? If they are low, then there is a risk, that the number of competitors will increase. (Magretta 2012, 35-37.)

2.2 Marketing Strategy

According to Marketing Business News (2019):

“Marketing strategy is all of a company’s marketing goals and objectives combined into a single comprehensive plan.”

In other words, through the marketing strategy, the company identifies what it is going to achieve. There is a meaningful difference between a marketing strategy and marketing plan. While a marketing strategy answers the question “What the company wants to achieve”, a marketing plan describes “How the company will realize objectives outlined by a marketing strategy”. (Marketing Business News 2019.)

2.2.1 Confrontation

Marketing strategy starts from the confrontation, which means that the strong and weak factors of the company confront with its threats and opportunities. According to Dibb & Simkin (2004, 24), SWOT analysis helps to identify the internal and external aspects of the company. The strong and weak points are internal factors on which the company can influence. When the threats and opportunities are external factors on which the company cannot influence. Based on the SWOT analysis, there is a possibility to choose one out of four confrontation strategies:

- Growth Strategy – concentrated on the company’s strong factors and opportunities.
- Retreat Strategy – oriented on the future. It is focused on the weak points and threats from which the company should protect itself.
- Defense Strategy – use the company’s strong factors in order to defend itself from threats.
- Improvement Strategy – helps the company improve its weak points using opportunities.

After analyzing the company’s strengths, weaknesses, threats and opportunities, it is necessary to set up a marketing goal for the company, choose strategies that will help to achieve that goal and select tactics that will execute strategies. (Brenner 2018.)

2.2.2 STP Model

Nowadays, one of the most used approaches of a marketing strategy is segmentation, targeting and positioning (STP in abbreviation). This model helps to divide the whole available market into segments, then choose the best segments for targeting, and therefore deliver relevant personalized messages to the selected target groups. (Hanlon 2019.)



Figure 5 STP Model

Segmentation

According to the figure above, STP approach starts with the segmentation. There are several ways to divide the market of potential customers into segments. The split can be done by the demographic characteristics, psycho-types, geography, and lifestyles. The division should be done according to the company's field of business. One of the most useful categories is demographics. By these characteristics, almost any market can be successfully divided and targeted. (Hanlon 2019.)

Targeting

The next step after the segmentation is targeting. When the market is divided into categories, it is time to choose the most suitable target group, according to the companies mission. Some rules selected target should follow. First of all, the chosen target should be large enough to be valuable. Secondly, targeted segments should be different from each other. Also, the selected target group should meet the company's expectations. In other words, targeted segments should want to buy the company's products at a set price with the existing characteristics. In order to choose the right segment, there is a need to create the company's excellent buyer persona. There can be several buyer personas based on the company's products. (Hanlon 2019.) The process of building a buyer persona is described further below.

Positioning

The last step of STP model is product positioning. The product positioning helps to recognize the company's position on the market and the main competitors. The matrix is done

in order to evaluate not the whole market, but a certain part of it, based on the characteristics of the company. (Hanlon 2019.)

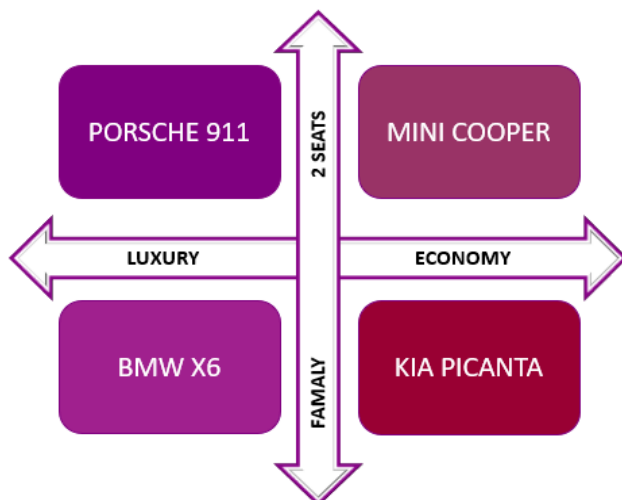


Image 1 Positioning Map example

The image above represents an example of the positioning map for the car industry. The vertical and horizontal axis may contain any categories by which the company wants to identify itself and competitors. According to image 1, KIA Picanta car cannot compete with the Porsche 911 because these two cars have different designations and they are from different price categories. Therefore, based on the company's positioning, it can target different segments of the market.

2.2.3 Building a Buyer Persona

Building a buyer persona is a great possibility to understand the company's target group and make activities more personalized. According to Newberry (2018), more than half of the customers want to receive customized offers.

The idea of a buyer persona is to make a profile of the typical, but ideal customer for the company. In other words, it is necessary to imagine a real person, who would buy the company's goods. The information should contain demographics, physical and psychological behavior, age, gender, hobbies, etc. The analysis should include an almost total understanding of the persons' actions, thoughts, and likes. Sure, all people are different, so it is essential to create several buyer personas. The idea is to create an ideal client for the long-term relationships. (Newberry 2018.) The figure below represents a perfect example of a buyer persona profile

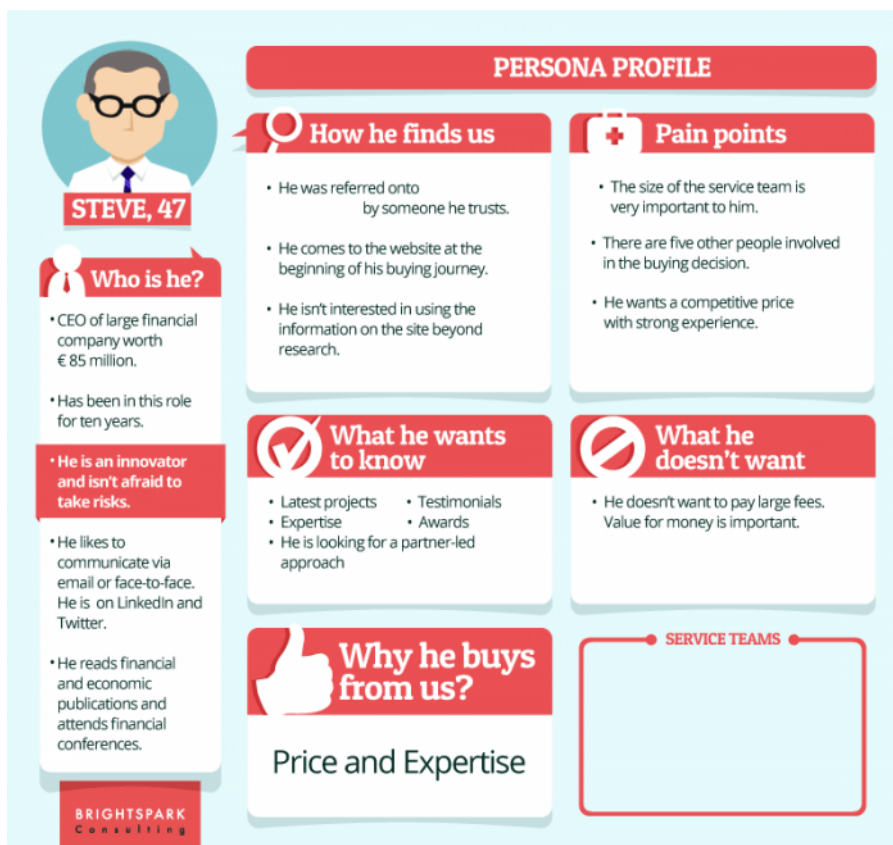


Figure 6 Buyer persona profile (Davey 2016)

There are several ways of data gathering. It can be the internet with statistics, interviews, surveys with the potential clients, and customer observations. The interviews are especially effective. There are several reasons for that. First of all, it is possible to collect the good quality information from the responses, with the smaller number of participants. Secondly, the interviews allow to answer open-ended questions. Moreover, the interviews help to analyze the character of the participant.

Besides personal characteristics, it is necessary to understand the customer's motivation. First of all, there is a need to find the customer's pain points. Secondly, identify his goal. And finally, find out how does the company can solve the customer's problem. (Newberry 2018.)

2.3 Marketing Tactics

The tactical marketing focuses on the ways to achieve the goals identified in a marketing strategy part. According to Oxford (2019), one of the best tools to choose the right tactics is a Marketing Mix tool, also known as 4P's or 7P's of marketing. This chapter concentrates only on the promotional marketing tactics needed for the development part of the thesis. Moreover, digital marketing concepts are reviewed, because the case company

operates online. Therefore, these concepts are used to develop a marketing strategy and promotional tactics for the case company. The chapter presents the Marketing Mix tool, digital marketing concepts, and AIDA model.

2.3.1 7P's Model

The marketing mix tool is used to identify marketing tactics. This model divides tactics into different segments. Previously, most of businesses were used 4P's model that includes price, place, product, and promotion sections. Nowadays, marketers started to use 7P's model, as it increases a diapason of the directions. To the traditional factors, people, process, and physical evidence factors added. (Professional Academy 2019.)



Figure 7 Marketing Mix (Adopted from Higgs 2017)

According to the figure above, the price section is responsible for the customer's satisfaction of the "price-value" relation. The product segment is all about an improvement of the goods and services according to the customer's expectations and wants. The place section relates to the distributor channels and answers, where the products will be sold. The promotion part shows, which activities should be done in order to sell the product. It includes advertisements, posters, events, barter. Usually, not the brands are playing a big role, but the uniqueness, features and right promotion of the products. The people section relates to the company's employees and should consider the following questions. How many employees should work? What kind of qualities should they have? What education should be provided for the personnel, so they can support the company's image? The process sector considers the service that will be provided to the customer. And the last

section is physical evidence. In this part, the company has to evaluate the tactics that will be provided to the customers. That usually includes experience marketing. Tactical, visual, and other feelings should be involved to the purchasing process. That makes the company and its products more memorable. (Professional Academy 2019.)

2.3.2 Digital Marketing Trifecta

Nowadays, people are less and less visiting physical stores and check traditional advertisements. Therefore, most of the marketing activities are done online. According to the statistics gathered by Seotribunal (2019),

- ✓ Businesses that use social media pages get 97% more links to their webpage.
- ✓ 57% of the marketers agree that most of the customers come from online.
- ✓ In 2021, about 2.14 billion people worldwide will buy products and services online (Statista 2019).

However, as the virtual platform is quite tight and most of the companies with different fields of business promote themselves, the competition increase. So, it becomes more difficult to gain a visibility among the potential customers. For that purpose, digital marketing trifecta as a tool exists. (Garman 2019.)

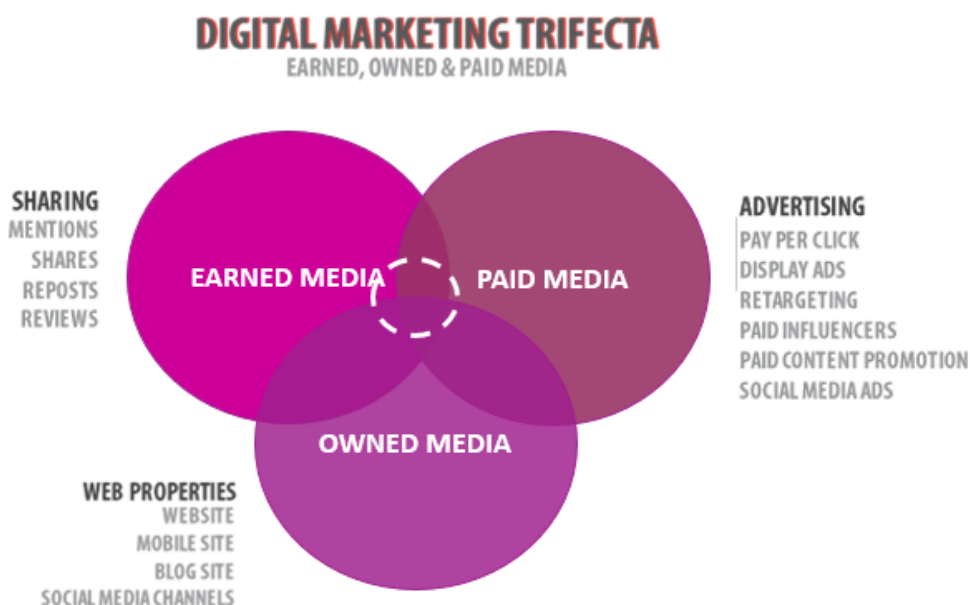


Figure 8 Digital Marketing Trifecta (adapted from Garman 2019)

According to the figure above, there are three types of media occur: owned media, paid media, and earned media. Each of these elements is important for a digital marketing strategy creation. And the purpose of the marketer is to create a golden combination of all the elements. (Garman 2019.)

Owned Media

Owned media includes the website, social media pages, blogs, and applications that the company can control. These are unique platforms that should present the value of the company and differentiate it from the competitors. The role of it is to build a long-term relationship with potential customers. Owned media should attract customers through the content. Moreover, there is a possibility to increase the traffic through the search engine optimization. SEO is a method of increasing the visibility of the website by using key words and improving the webpage. Therefore, the company's website is visible on the first page of the search engine and increase the engagements and shares. That makes the search engine optimization process essential. (Garman 2019.)

Earned Media

Earned media is needed to attract the customers and guide them to the company's owned media. Earned media includes mentions, shares, reposts made by influencers. That can be mentions in the articles and news, feedbacks from the customers, reposts made by the bloggers. To simplify, it is any way of spreading the word. (Garman 2019.)

According to Word of Mice (2019),

- 81% of the customers' buying choices are made because of the influencers in social media
- 92% of shoppers believe earned media more than any other advertisement.

Usually, earned media is a result of a good combination of owned media and paid media.

Paid Media

Paid media including ways of promotion, on which the company spends money. Most of the social media sites like Twitter, LinkedIn, Facebook (including Instagram), suggest creating a paid campaign for the company's target market to raise the number of involvements. Moreover, Google ads have its own system of paid promotions, such as Pay Per Click and first place bid competitions. Also paid media includes paid promotions from the influencers. (Garman 2019.)

2.3.3 The AIDA Model

In order to analyze a marketing strategy and find out what tactics and networks the company needs to use, marketers advice to break the sales funnel and understand the customer's journey of the purchase. Every potential customer goes through AIDA model of the journey. AIDA is a triangle tool that includes four main steps: Awareness, Interest, Desire, and Action. (Chan 2019.)

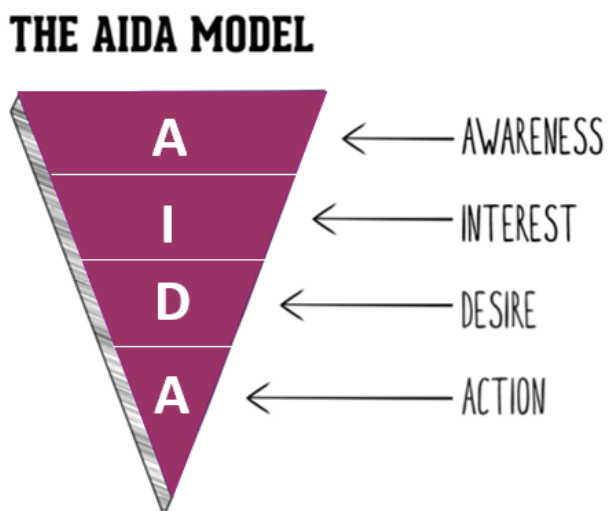


Figure 9 The AIDA model (adapted from Chan 2019)

1. The first step is to create an awareness of the company. At this stage, people don't know anything about the company and its products. Therefore, the goal of this stage is to make attention. Attention could be made through the paid, earned and owned media described in 2.3.2 sub-chapter.
2. The second step is educational. The purpose is to describe, why the certain product is needed, and what kind of problems can it solve.
3. The third step goes after the potential client found out the problem and searching for the solutions. Here, the most important is to create a client's desire to buy the company's product. It is necessary to show: the competitive advantage, what the customer will get, how his problem will be solved within the company.
4. The last step is action. The customer has to perform and purchase the product. The goal is to ensure the customer that his decision is right. Customer's feedback, stories of the product creation, presentations from the paid influencers will guide the customer to the final point of the purchase.

3 CASE COMPANY

3.1 Background

Whaly is a start-up idea outgrowing to a start-up company. It was formed by design and business students who decided to build an environment friendly design company in Finland. Whaly produces unique designed baby cribs. The cribs are absolutely safe and sustainable, as they are made from a plywood without toxic glue or plastic screeds.

3.1.1 Company History

The crib has its personal story of creation. The designer Svetlana was pregnant with her first kid, so she had to buy a crib. She started to search the internet in order to find something unique, but all that she found were the same, a boring white crib made from plastic or other unsustainable materials. Search failures prompted her to design a crib, that would be safe, comfortable and unique. Thus, it is possible to say that the crib was used by its first consumer – the son of the creator. Then, many people who saw it, wanted to buy such a crib. From here, the idea of the company establishment appeared, and the first team was formed including a crib's designer, a business student (the author of the thesis), a wood technology student, and an IT student.



Image 2 Crib Whaly

An image above illustrates the case company's first product. Nowadays, the crib is looking a bit different, according to the safety requirements. An image of the new crib cannot be included into the work according to the company's terms of use.

3.1.2 Products

As was mentioned before, the crib does not include toxic glue or plastic screeds, and it was designed so that anybody can assemble and disassemble the bed. That brought many varieties of the main product that could be sold as the separate unique products. Moreover, the crib is suitable for a newborn as well as for a kid around the age of two.

Currently, there are following products:

- Crib with the storage
- Crib without the storage
- Crib with the fixed rocking handle
- Crib with the rocking handle that is hidden inside and pulled out when necessary
- White color crib
- Pink color crib
- Blue color crib.

Moreover, there are additional products which could be sold with the main.

- 100% cotton blanket
- 100% cotton pillows
- Mattresses
- Curtains
- Mount for toys above the bed.

3.1.3 Mission & Vision

Mission and Vision statements are essential for a marketing strategy planning. These statements provide a clear understanding of the company's purpose. That helps to define the company's goal, plan the action steps and therefore take the right decisions. Vision statement is a long-term goal of the company and shows what it wants to be in the future.

Mission statement is more specific. It demonstrates what does the company do to achieve the vision. (Vanderelst 2017.)

Vision statement for Whaly:

- “Create a protective and exclusive environment for the babies”

Mission statement for Whaly:

- “Within the customer-oriented company, produce furniture that designed as a unique piece of creativity and safety”

3.2 Market Analysis

The market analysis is done in order to define the demand for the product, and thus, evaluate the business potential. The market analysis involves a deep research and gathering a quality information from the proved sources. This ensure understanding of the market capacity and enable to prepare an efficient marketing strategy. (Siegel, Ford & Bornstein 1993, 66.) Currently, Finland is the main market for the Whaly company. Therefore, Finland is analyzed in the research. This chapter contains the market research that is made through PEST analysis, and an overview of the company's market share and competitors.

3.2.1 PEST

According to Kottler & Armstrong (2014, 96-97), PEST is an important marketing instrument that helps to analyze macro-environment aspects. These aspects directly influence the business potential. PEST analysis includes political factors, economic factors, social factors and technological factors.

Political Factors

According to Business Finland (2019), Finland was ranked as one of the most stable countries in 2017. Such factors as political, economic, human rights, and a rule of law were taken into consideration. More to that, Finland was ranked 7th out of 195 countries as the safest state. Finland achieves such high results due to the efficient government functionality, high rate of humans' freedom, gender equality, and an effectual rule of the law. All these ensure the safest businesses environment to start operations and make investments in Finland.

Economic Factors

According to Statistic Finland (2019), GDP per capita increased by 1.7% in 2018 and supposedly it's going to grow more by 2020. Moreover, unemployment rate approximately decreased by 2,0 % from 2015 to 2018 as shown on the figure below and amounted about 7.4% in 2018. Increase in GDP and decrease of unemployment rate enable growth of purchasing power among the population. Also, corruption rate in Finland is one of the lowest in Europe.

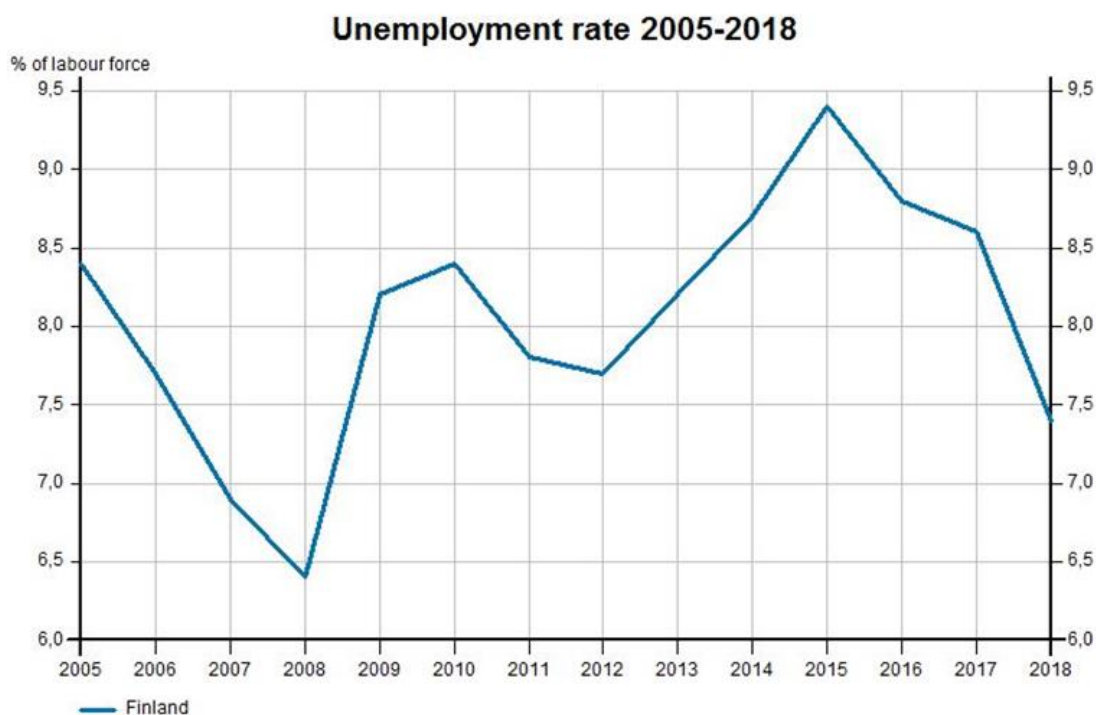


Figure 10 Unemployment rate 2005-2018 (Statistic Finland 2019)

In terms of foreign trade, the import value grew up by 8.6% in 2018 and the import prices increased by 3.4% what enhanced total supply. Export value grew by 6.3% and export prices rose by 4% in 2018. (Statistics Finland 2019.)

Social Factors

In 2018 population of Finland amounted 5 518 people, with the average age of 44 for females and of 41.6 for males. That shows that population is aging with the lack of youngsters. Moreover, last year, the birth rate has decreased in different educational groups. This factor directly influences Whaly company. (Statistics Finland 2019.)

In Finland, the age of women who gives birth the first time is approximately 30 years in big cities. However, elder women often have more money than younger. According to the

data collected in the empirical part of the work, women about 30 years old and above usually have their own apartments or a permanent address. Moreover, they tend to spend more on their child and look at such factors as a unique design for baby cribs compared to the price.

Due to the good economic situation in Finland, purchasing power is high. Therefore, people can buy more expensive products, considering exclusivity and good quality. Furthermore, people have a positive attitude towards eco-friendly and sustainable products. (Statistic Finland 2019.)

Technological Factors

Finnish government actively investing into R&D sector. According to the Statistics Finland (2019):

- Finnish people use the biggest amount of mobile data per subscription.
- Finnish digital knowledge is one of the strongest of in Europe.
- Finnish companies almost always use own websites comparing to other OECD countries.
- Finland is the 2nd best country in the clean technology.
- Finns are using communication and information technologies more than the most European countries.

3.2.2 Competitors

Competitor analysis is essential for the business and marketing planning stage. It helps to identify the company's potential competitors, find their strengths and weaknesses, and therefore, define the position on the market for the case company. The figure below illustrates the case company's competitors. These companies are chosen as the strongest competitors, according to the several factors. First of all, these companies produce kid's furniture and especially cribs. Secondly, according to the research, selected companies are well-known among Finnish people, and their products are available on the Finnish market. Thirdly, most of the selected companies produce exclusive designed furniture for kids. And lastly, these companies are large and stable compared to the case company. Therefore, potential customers may consider these factors as advantages.



Figure 11 Competitor analysis (adapted from Lumokids 2019; Stokke 2019; Flexa 2019; Kids Concept 2019; IKEA 2019)

Figure above presents the data gathered after the competitor research. The research is done through the internet search and a survey with potential case company's customers. Whaly has five main competitors. One of them, "Lumokids" is based in Finland. This company has the several products that are made from plywood (therefore, eco-friendly) and have a unique design. The average price of the kid's bed amount 1,500€ that makes it the most expensive product. The next company "Stokke" is based in Norway. However, the company is well-known in Finland, and it delivers its products worldwide. The average price of the product is 650€. The "Kids Concept" company is based in Sweden. It has delivery to Finland, and an average price of the crib is 600€. The "Flexa" is one of the biggest companies in Scandinavian area based in Denmark. The cribs have an exclusive design and cost around 1,000€, excluding delivery cost. The last competitor is a well-known "IKEA" group. It has shops all over the world, including Finland. Cribs don't have any special design, but the cost of them is low - around 130€.

3.2.3 Porter's Five Forces Analysis

According to the theory review, Porter's five forces analysis helps to evaluate the level of the competition in the market. Therefore, this analysis is done for the case company Whaly. The results are presented in the table below.

Table 1 Porter's five forces analysis for a case company Whaly

FORCE	RANKING	REASON
COMPETITIVE RIVALRY	Middle	The number of competitors is limited. Luxury products.
BUYER POWER	Very High	Limited amount of the potential customers.
SUPPLIER POWER	Low	There are a lot of companies supplying wood.
THREAT OF SUBSTITUTION	Low	The company's target group will not use substitution products instead of real cribs.
THREAT OF NEW ENTRY	High	There is no need for high investments. Location is not important, as the products can be sold online.

The study presented in table 1 includes five issues to examine. Based on the author's analysis the following results were obtained:

1. The competitive rivalry has a medium impact on the case company. This is, because there are few companies that produce newborn's cribs in Finland. According to figure 11 that presents the case company's competitors, most of the companies are placed abroad. That makes the delivery process more difficult, so the potential customer would check the local companies first. Moreover, the case company's products are unique, so the potential customer cannot buy the same products from the other companies.
2. The buyers power has a significant impact on the case company. Whaly produces products that are unique designed and manufactured by the pre-order. Therefore,

there is a limited number of the potential customers, and each individual client is important for the company.

3. The suppliers power is low because all the case company's products are made from a plywood only. In Finland there are a lot of companies supplying the wood as the raw material. The wood is imported from Russia or taken from the Finnish forests. According to Finnish Forest Industries (2017), the forests in Finland are growing by 100 million cubic meters every year, so the wood is not under the scarcity.
4. The threat of substitution is low for the case company. In fact, according to Richman-Abdou (2018), Finland provides every parturient woman with a box of essentials. This box can be used as a newborn's sleeping place, so the parents should not buy the crib for their kid. Furthermore, the potential parents can take a newborn to sleep with them. However, these are the options for the parents who cannot afford to buy the bed for their child. As Whaly produces the exclusive cribs, the company's target group have high purchasing power, and the threat of substitution is low.
5. The threat of new entry is high for the company's particular industry. The kid's furniture development does not require high technologies. The raw materials are not limited. The competition is not very high. Moreover, products can be sold online, so there is no need for the physical store. All of these factors allow the potential companies to enter the market easily.

3.2.4 SWOT

According to the theory review, SWOT analysis is a tool, that helps to evaluate the company's strengths, weaknesses, opportunities and threats. This is confrontation part of a marketing strategy for the case company. The results of the analysis are presented in the table below.

Table 2 SWOT analysis for a case company Whaly

Strengths	Weaknesses
<ul style="list-style-type: none"> • High quality and unique design of the products. • Eco-friendly materials • Manufactures using green energy • Furniture assembly technology without additional tools 	<ul style="list-style-type: none"> • Lack of brand awareness • Strong competitors • Lack of control over production manufactory
Opportunities	Threats
<ul style="list-style-type: none"> • Possibility to internationalize • Growth of young population • Increase a wish among women to have more than one child. 	<ul style="list-style-type: none"> • Decrease of young population • Rules and regulations concerning small companies • Law barriers of entry

Based on the SWOT analysis, the company has a lot of opportunities, but significant weaknesses. According to the sub-chapter 2.1.2 of the theory part, the best choice for the company would be an improvement strategy. This strategy helps the company to improve its weak points using opportunities.

4 EMPIRICAL RESEARCH AND DATA ANALYSIS

4.1 Data Collection

As was mentioned in the chapter 1 sub-chapter 1.3, qualitative method of the research was chosen as the most suitable for the work. According to that, data for the empirical research were collected by two ways. Firstly, a survey with the potential clients of the case company was done. According to Dudovskiy (2019), surveys can be used in both, quantitative and qualitative methods of the research. Secondly, an interview with the focus group was organized.

In spring 2019, the author of the thesis participated in the finals of the local business competition with the case company Whaly. One of the steps were to participate in the trade fair with the stand, located in Helsinki in the Kamppi shopping center. There were a lot of people who came for a shopping alone or with families. As there were a lot of stands with the different business ideas, people visited them according to their interests. That formed a flow of the case company's potential customers through the stand. Therefore, it was decided to gather a quality data by previously prepared questions. The image below illustrates the details concerning the data collection process.

<u>Survey</u>	<u>Focus group</u>
<ul style="list-style-type: none"> • Amount – 30 women • Place – Trade fair in Helsinki Shopping center • N. of questions – 10 • Tool – Survey monkey 	<ul style="list-style-type: none"> • N. of participants – 4 females • Place – Trade fair in Helsinki (Cafe) • Time – 40 min. • N. of questions – 7 • Participants: <p>#A – 23 years old, Student. Married. Planning to have a kid within 2 years.</p> <p>#B – 30 years old, Sales manager. Single. 2 kids – 3 & 1 years old.</p> <p>#C – 27 years old, Teacher. Married. Pregnant.</p> <p>#D – 33 years old, Account manager, Divorced. 1 year old kid.</p>

Image 3 Primary data collection

Survey

According to the case company's field of business, the potential customer would be a parturient woman. Therefore, females were selected for the survey. There were 30 ladies with the average age of 28, who agreed to participate in the study. Interviews were held face to face with one participant, and answers were added to the system manually by the author. By that method, the author not just collected the answers, but also evaluated the body language and expressions of the participants. There were 10 questions asked (see Appendix 1).

Focus Group

On the same fair trade mentioned above, four females with the different backgrounds were chosen to take part in the focus group discussion. The discussion was organized in the almost empty shopping center's cafeteria, so participants felt comfortable. The author asked question by question separately, giving members the possibility to discuss the topic and come up with the common opinion. Main points of the conversation and common answer were recorded by the author manually. There were seven questions for the discussion (see Appendix 2).

4.2 Data Analysis

This chapter represents analysis of the gathered data. The results of the study are used for an efficient marketing strategy creation. In the first sub-chapter, the survey questions and answers are presented and analyzed. The next sub-chapter presents analysis of the focus group discussion.

4.2.1 Survey Analysis

As was mentioned before, the survey included 10 questions. The first two questions were asked to learn the basic information about the participants. According to the results, an average age of women amounts 28 years old. About 90% of them are planning to have a kid within 4 years. Corresponding to the results, interviewed females can be potential customers of the case company. Therefore, their opinions are useful and valuable.

The following questions require deeper analysis. So, they are reviewed in detail below.

Question 3. What is more important for child's products? Quality, price, design, comfort, sustainable production?

The purpose of question 3 is to understand what is the most important for the client, when choosing furniture for a child: design, price, comfort or quality. The question was designed in a way that participants were able to choose only three options out of four.

According to the results, the design and quality became the most important decision-making factors when buying the crib for a baby. While the price, sustainable production and convenience issues received fewer votes. According to the given explanations, most women agreed that convenience is a “must be” factor. Therefore, it is expected that kid’s furniture is comfortable. In terms of the price aspect, it was noticed that younger ladies choose the products according to the lower cost. While women with the age about 30 and more, don’t consider price as the most important factor. The sustainable production is a huge plus, but not the most important issue for the decision-making process.

Question 4. How much money are you ready to spend on a baby’s crib?

The purpose of question 4 is to learn how much money parents are ready to spend on a baby’s crib. The results are used in the price policy creation. The question was designed as a scale from 100 euros to 1000 euros and more. Also, it was mentioned to the participants that they are paying for the quality product with the unique design. According to figure 12, about 80% of women agreed to pay for the good crib around 800 euros or more.



Figure 12 The willingness of the parents to pay for a crib

Question 5. Who is in your family making decisions about the purchases?

Question 5 is important because it is giving an information on who the target group of the case company is and for whom the product is be promoted. According to the results, 67% responded that the woman is making decisions about the purchases. About 23% are doing that together with the affiliate. And only 7% answered that the man deciding what to buy. The results are surprising, as according to International Gender Equality Prize

(2019), Finland is the 3rd gender-equal country in the world. Therefore, the expectations were that the decision-making process is also equal.

Question 6. Did you hear about: Lumokids, Ikea, Kids Concept, Stokke, Flexa companies?

According to the results of question 6, the most known companies are Ikea and Stokke. As the case company pretends to be the medium-luxury firm, Ikea is not considered as the biggest competitor. Other results were used in the competitor analysis in chapter 3.2.2.

Question 7 and 8. How often do you buy things online? / Would you buy kids furniture online?

Based on the answers to the questions 7 and 8, it was revealed that all of the responders buy things online. About 50% of them do that regularly. Moreover, 90% of the participants agreed that they can buy the kid's furniture online. Only 10% expressed doubts. The biggest fear was that the crib would not be the same as on the website, or it may not satisfy the personal characteristics of the end-user.

Question 9. Do you visit and read blogs for mothers?

Blogs for mothers could become a good platform for the product promotion. That's why question 9 was asked. The answers divided into almost equal parts. About 53% answered that they are visiting and read such blogs, and 47% responded that they don't. According to the results, other factors should be considered before deciding to promote the product through the blogs for mothers.

Question 10. Do you trust products that were promoted by famous bloggers?

Based on the responses to question 10, almost all participants trust products that are promoted by famous bloggers. However, the way of the promotion is significant. This question also was discussed with the focus group, and they gave their opinions about this issue.



Image 4 Rating of the trust to the products promoted by famous bloggers

4.2.2 Focus Group Discussion Analysis

The focus group discussion was based on the seven questions. Some of them were close to the questions in the survey. However, at this stage, it was possible to hear opinions and suggestions for the case company.

Discussion started with the opinions about the case company's main product – crib. Overall, the impressions were very positive. Some of the participants expressed their concerns about the safety issues. As a result, it was noticed that the company's website must include a visible information about the safety check. Moreover, it was mentioned, that more uniqueness can be a plus. Concerning this issue, the idea of customized textiles is presented in chapter 5. According to the discussion, the brand is not important for the such products as kids' furniture. The most important is the safety issue and smart design. Some of the participants noticed that the possibility to assemble and disassemble the bed is a plus.

As the case company will operate mainly online at the beginning, members of the discussion were asked to give their opinion about the online purchases. As was mentioned before, the biggest fear of buying online is that the crib would be different comparing to the website. However, overall purchases online are good, especially when women are pregnant. Feedbacks and website performance are very important for the decision-making process. Sections: about us, delivery terms, payment terms, description of the product are essential parts of the webpage. The video would be a plus, and rewards from the competitions increase the trust.

The next question was about the google search. Based on the answers, participants usually open the first 4-5 links when googling something. If there is an advertisement with an attractive picture on the right top corner of the page, they would click on it. However, if the advertisement appears on the other web pages, it does not make trust. Concerning social media pages, it is the perfect place for the promotions nowadays. Page on Instagram, for example, is must-be. Content that attracts should contain beautiful pictures or interesting videos. An advertisement has a maximum of 3 seconds to catch attention. Solving the problem of potential customers is key to attention.

The question about the trust to the famous bloggers already appeared in the survey. According to the discussion, not every product promoted by the influencer catch attention. Nowadays, there are thousands of bloggers and almost every day they are promoting something. That becomes boring and noisy for the followers. The best advertisement is a covered advert. In other words, the influencer should show how he is using the product

and that it is great. The most important that the follower should not guess about the paid campaign.

The last topic which was under the discussion is sustainability and the usage of the green energy by the factories. This topic was important to discuss, because the company present itself as an eco-friendly firm. Therefore, it was important to understand how it influences the potential customers. It became clear that the factor of sustainability and ecology excite most of the participants. Even though, the person doesn't care about the sustainability issue, mentioning it on the products causes trust and respect. That may increase the brand value in the eyes of potential customers.

5 DEVELOPING MARKETING STRATEGY FOR CASE COMPANY

5.1 Marketing Strategy

After the theoretical study and empirical research, a marketing strategy for the case company Whaly is developed. According to the theory part of the thesis, the strategic marketing development starts from the confrontation and continuous with STP model. The SWOT analysis of the company reflects the confrontation part in chapter 3, sub-chapter 3.2.4 of the current work. The STP model of the marketing strategy is developed in this chapter. The chapter is divided into three parts. The first part represents the data collection and its combination to create a unique selling point for the case company. In the second part, the author divides the market into segments and choose the most potential target group. The third part represents positioning of the case company according to the competitor analysis.

5.1.1 Unique Selling Point

Unique selling point (USP in abbreviation) is an aspect that helps to differentiate the company from its potential competitors and convince the target group to buy from them. It is a benefit, that highlights the company among other market players. The importance of the recognizable USP is huge, because this factor is creating a niche for the marketing strategies and tactics. (Rouse 2013.)

Whaly is a company that creates the baby's cribs with the unique design. Usually, for the design companies, the exclusivity of its products is already a unique selling point. However, the company has other strengths also, mentioned in SWOT analysis in table 2.

- High quality and unique design of the products.
- Eco-friendly materials
- Manufactures using green energy
- Furniture assembly technology without additional tools

Analyzing these strengths, it is possible to find additional USP for the company. The first issue, high quality cannot be unique, as almost all the company's competitors provide high quality products. Eco-friendly materials also used by one of the competitors, so it does not suit the requirements of the USP. However, mentioning this factor in the unique selling proposition is essential, according to the focus group discussion. The next strength is that the case company select manufactures using green energy for the production. This is a

great point. However, USP should represent the needs and wants of each potential customer. According to the survey, the participants think that this aspect is a benefit for the product, but not the most important. The last strength is a furniture assembly technology without additional tools. That means that the crib can be assembled like a puzzle without any hobnails and toxic glue. According to the opinions collected from the focus group discussion, this is a very important issue, because it answers the convenience requirements. Moreover, this technology is not used by any of the case company's competitors. Therefore, there are three benefits occur:

1. Exclusive design
2. Furniture assembly technology
3. Sustainability

According to these benefits, unique selling statement is:

"Your child appears on the earth with his unique character and personality. So, why does his first home should be general and boring? Whaly - "crib with personality" is an exclusive piece of creativity that ensures your child a safe environment. Moreover, you can take his small house with you wherever you go due to the new "puzzle" assembly technology that does not require any hobnails or toxic glue. Besides, with Whaly you can help to build a sustainable future for your kid, as our product is 100% eco-friendly."



Image 5 Logo for Whaly company

Above there is an image that illustrates the company's logo. The logo includes a slogan that identifies the company and a leaf that represents the company's environmental responsibility. Besides that, according to the primary data, blue colors are trustworthy for the potential buyers.

5.1.2 Segmentation and Targeting

According to the theory part, segmentation and targeting are the most important steps of a marketing strategy. Segmentation is formed based on the demographic characteristics and the data from empirical and theoretical parts of the work.

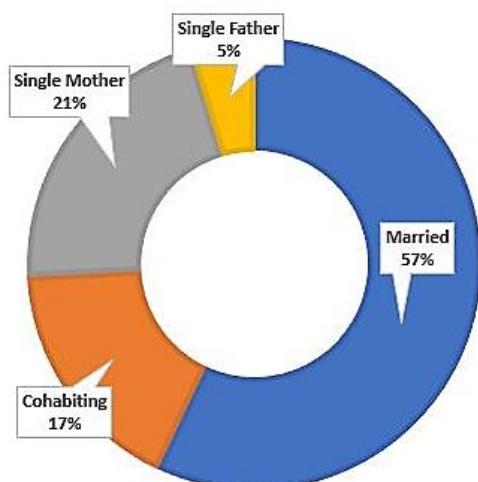


Figure 13 Finnish people with kids

According to Statistics Finland (2018), 100% of people who have kids are divided by several categories: a married couple with kids, cohabiting couples with kids, single mothers, and single fathers. Based on the figure above, married couples with kids amount about 57%, cohabiting couples with kids amount 17%, almost 21% are single mothers, and only 5% are single fathers.

Based on results above, in 95% of the cases, there is always a woman with the child. This is an important factor, as according to the survey it was founded that about 67% of women are deciding what to buy by themselves. Another important factor for the segmentation is that the female gives a birth approximately from 18 years old to 42 years old. An average age of the young mothers is 30 years old.

According to mentioned information above, the market of the potential customers divided into the following segments:

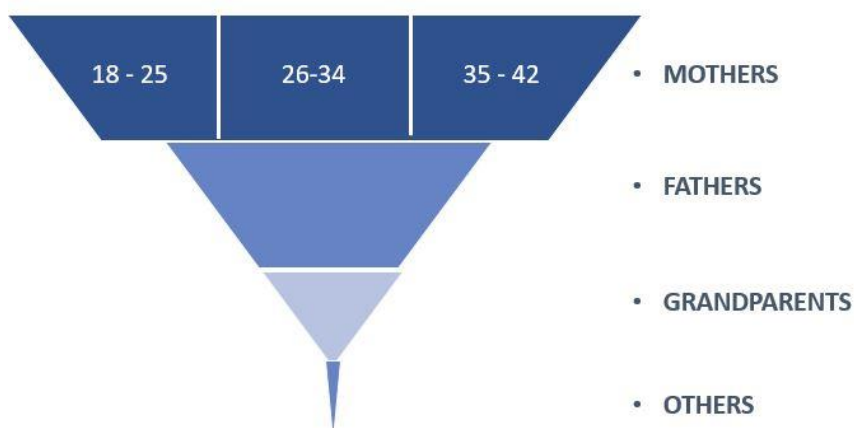


Figure 14 Segmentation

The figure 14 represents the segmentation. The market is divided into four main segments of the potential customers. The largest segment, according to the collected data is young mothers or almost mothers with the newborn. These are the most likely potential customers. This segment is divided into three sub-segments based on the age of mothers. The second segment is fathers. According to the statistics this segment is smaller and are less likely for the targeting. Another small segment represents grandparents who are ready to buy the crib for their grandchild. And the last segment represents anybody who wants to buy a crib as a gift for the young parents.

As soon as the market was divided into segments, the targeting is done. The target group should represent the most likely potential customers for the case company. Figure below illustrates two target groups for the Whaly company.

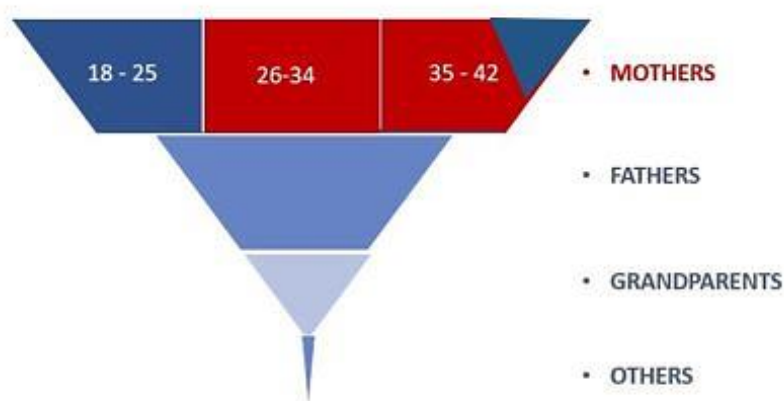


Figure 15 Targeting

According to figure 15, Mothers aged 26 to 34 and 35 to 40 are chosen as the target groups to the case company. Younger mothers are not selected, as the company

represents itself as a mid- luxury business. Therefore, products are too expensive for this group, and the price is the decision-driven factor for them, according to the data collected in the survey. Other segments are not chosen, as they are too small for the successful operations.

In order to understand an ideal potential customer, buyer persona profile is designed.

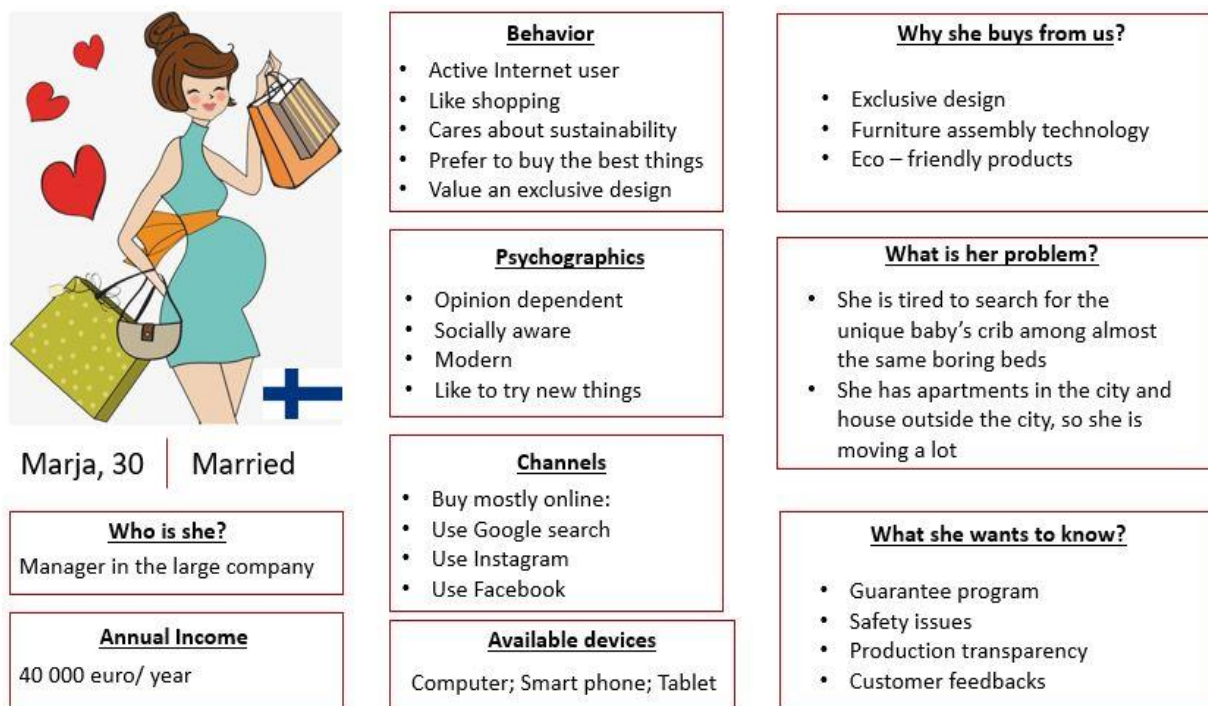


Image 6 Potential customer profile

The image above illustrates the perfect potential customer. It's a pregnant woman 30 years old. She is working on the quite high position and earning mid salary. She is married and her husband is also working. She likes online shopping and she is opinion dependent. For example, from bloggers reviews. She really cares about sustainability of the nature. She reacts on advertisements on social media. And she technology advanced. Her main problem is that she cannot find a bed among borings that she will like. Moreover, she is moving a lot, so she has to find some effective solution. She believes that Whaly will solve her problems with its unique selling point.

5.1.3 Positioning

Positioning is the last step of STP model. The figure below represents a positioning map. It is an important tool for a strategic marketing. It helps to understand the company's position on the market among its competitors. According to the results of positioning, it is

possible to identify the company's strengths and create a successful marketing strategy based on the competitive advantage. On figure 16, the upper vertical axis shows luxury products, lower vertical axis presents budget products, left horizontal axis presents foreign companies, which means not Finnish and right horizontal axis shows local companies, which means Finnish. Whaly was identified as a middle-luxury company based in the local Finnish market

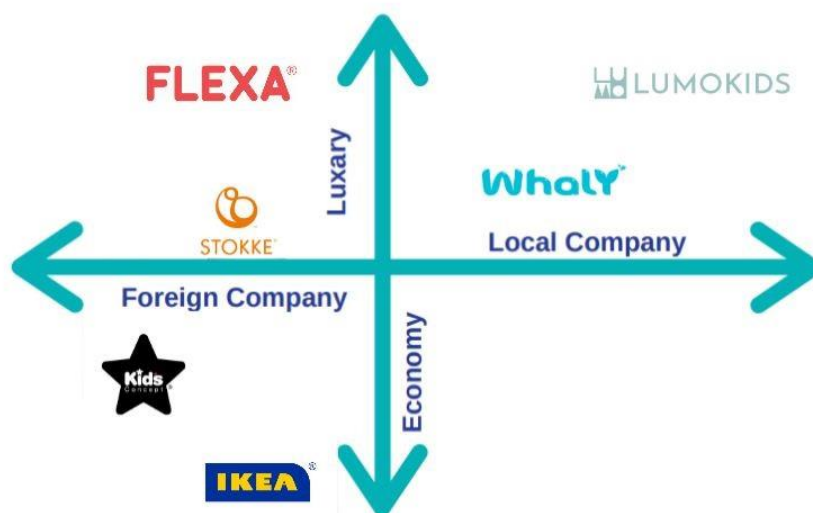


Figure 16 Positioning map

As it is clear from the figure above, right lower corner is empty. That means that the company has opportunities to extend its production for the new target groups and produce the low-cost products with the Finnish brand mark. Companies IKEA and Kids Concept are working for another target group than Whaly.

5.2 Marketing Tactics

When the marketing strategy for the case company is done, it is time to plan marketing tactics. This part of the work is done generally as further suggestions for the case company.

According to the theoretical research, a marketing tactics are done through the Marketing Mix tool. Based on the chosen target group and data collected in the empirical part of the work, the following strategy is chosen for the case company.

Table 3 Marketing Mix: 6P's strategies

Positioning strategy	Exclusive
Price	Mid-High
Product	Different variations of one product. Customized textiles.
Promotion	Mostly online. Personalized offers
Place	Online
Physical evidence	Personalized

The table above illustrates chosen marketing strategies for the case company's target group. Now, the following step is to create marketing tactics that will support mentioned strategies.

Positioning Strategy

Based on the previous analysis, positioning of the case company is exclusive. That means that the company's products are created not for the mass production, but for the individuals. Tactic is to create an attractive visual brand that will be recognizable. Moreover, spread the word about the product's scarcity. That will increase an interest to the brand.

Price

As the company produces the unique products the price would be mid-high. The price is not the highest on the market, but at the same time keep niche of the unique design company. As the price is an important part of the buying process, the odd value pricing tactic applied. That means that the price is reduced a little in order to create a visual price difference. For example, the price is 890 euro instead of 900 euro. This trick influences the potential customer's decision. Moreover, discounts on additional products can be included, if the customer buys the main product plus something else. The discounts will never be added to the main product.

Product

As was mentioned before, the main company's product is a unique designed crib. However, to add more exclusivity to each crib, it can be offered for the customers to the custom colors of prints for the bed. Moreover, they can select different varieties of the product, for example with or without storage. In addition, the company should offer eco-friendly

and safe textiles that will fit the crib. That includes pillows, mattresses, blankets and linens. The textiles also can be customized on the company's website. The potential customer can just upload the wished print as an image or choose from the existing options.

Promotion

The case company operates online, so the promotion is done also mainly online. According to theory part, digital marketing trifecta tool is used. The campaigns will be divided into owned, paid, and earned media. The earned media include mentions, reposts and shares, so this step is a long-term goal that will appear after the successful owned and paid promotions.

First of all, the company will have owned media. That includes a website and social media pages: Instagram, Facebook and YouTube. The main purpose of the website is to sell the product. The website should include:

- The main page with the company description
- The products menu with promo videos of each product
- The section for the textile customization
- Feedbacks
- Delivery terms
- Payment methods
- Links to the social media pages

The website should be designed clearly in order to appear in the search engine. Moreover, search engine optimization should be done regularly.

The YouTube channel will promote the company and its products. Moreover, it will include the content such as "Tips and Lifehacks for the parents". The purpose of the channel is to gather a community of potential customers who will buy products and gives their feedbacks. That will help to improve the products and spread the word about it.

Facebook and Instagram pages will include the same information as the website and YouTube. An Instagram page can be designed as a popular nowadays endless grid showed in the example image below. All owned media should follow the same style to be recognizable.



Image 7 Example of the Instagram Whaly's profile

The paid promotions include manipulations with the website such as “pay per click” tools and first place bid competitions. According to the focus group discussion, advertisements on the other websites don’t increase trust to the company and makes it less prestige in the eyes of the potential customers, so it should not be used. However, the potential buyers trust famous bloggers, so the deal with them can be achieved. To be noted, the promotion from the influencers should not be direct, but should be more as a feedback format. Moreover, paid media include paid campaigns from the Facebook.

Place

The company operates online, so the main selling place is the company’s website. The products will be produced on the manufactory and sent to the stock before the delivery time. The company’s products are not mass-produced but manufactured after pre-order regarding personal buyers requirements. In the future, several products can be placed on the retailer’s shop.

Physical evidence

Physical evidence is an important issue for the customer-oriented company. First of all, each product can include the engraved names of the future end-user. The package of the product will be in the gift shape with the ribbon on it. The order can include personalized card for each of the customers with his name and wishes to him and include the birth medal for the newborn with the Whaly logo. All materials will be eco-friendly that will be mentioned on the package.

6 CONCLUSION

This chapter presents the conclusion of the thesis. It includes answers to the main research question and sub-questions, check of validity and reliability of the work, and further suggestions for the case company Whaly.

6.1 Answers to research questions

The thesis concentrated on the start-up company that produces sustainable furniture for kids. The purpose of the work was to create an efficient marketing strategy for the case company. In order to structure the thesis, research questions were asked in the first chapter. There are three sub-questions that helps to answer the main research question of the work. These sub-questions will be answered first and will lead to the main research question that will be answered in the end.

Do Whaly's potential customers care about sustainability, and will eco-friendly policy increase brand loyalty?

Based on the empirical research, it was found out that about 40% of the Whaly's potential customers worry about sustainability and prefer to buy only eco-friendly products. Others believe that the environmental responsibility of the company differentiate it on the market and attract potential buyers. Moreover, it was learned that parents consider eco-friendly products as the safest for the kids. Therefore, if the customers will have options to buy an average crib with the same characteristics or eco-friendly, the decision will be made in favor of the last option. That's because such product is trustworthy. As a result, it was found out that Whaly's eco-friendly policy may increase brand loyalty.

What are potential customers' decision-making factors when buying furniture for children

Different factors influence buying decisions for the company's potential customers. They include the product itself, company presentation, feedbacks from the previous customers, and influencers' opinions. In terms of the product, according to the survey, younger parents evaluate price – value factor when buying furniture for kids. However, the company's target group is women about 26-42 years old, so their decision-making factors differentiate from younger females. For them, the most important factors are the quality and design of the baby's crib. The second popular factor is user convenience. And the last major factor is the price. So, the customer's trip from the search to the purchase is:

Choosing the most beautiful product – checking the quality issue – evaluating convenience – reading feedbacks – comparing price – checking delivery terms – order.

How does the case company producing furniture for kids can differentiate itself?

There are different possibilities for the company to differentiate itself from its competitors. Differentiation strategy includes not only the product exclusivity but also the company's performing. First of all, the unique selling point should be found. The case company's strong points are the unique design, furniture assembly technology, and sustainable products. From these strengths, the unique selling proposition is formed in chapter five.

Besides, the case company can differentiate itself due to the unusual promotion and physical evidence tactics. According to chapter five, the author advised creating social media pages in a blog style. This means that in addition to the company's products, the content will include lifehacks for parents and dialogue with potential customers. That will allow to create a community and increase brand awareness.

The physical evidence tactic of the case company described in chapter 5.2 is unusual and very customer oriented. Therefore, it will also differentiate the company and increase brand awareness.

So, the product exclusivity, unique selling point, social media performance, and physical evidence tactics can perfectly differentiate the case company on the market.

What is the most effective marketing strategy for the case company producing exclusive sustainable furniture for children?

Now it is time to answer the main research question. As the case company is a start-up business, the main purpose of the marketing strategy is to let the company occupy the right position on the market from the beginning and select the most prospective target group. It is important that the company produces exclusive furniture for kids. So, it is already boosted from the mass production to the mid-luxury level. Therefore, the most suitable target group for the case company must fit the following parameters: material well-being and high purchasing power, assessment of the company's eco-friendly policy, and technology knowledge (active internet usage).

Based on the issues mentioned above, segmentation and targeting were done for the case company. The potential customers were divided into four segments, according to the demographic considerations. These are: potential mothers, fathers, grandparents and others (relatives or friends who can buy a crib as a gift). From these divisions, mothers segment was chosen as the most potential. Selected segment was divided into sub-segments, based on the age and purchasing power. As a result, for targeting was chosen the following segment: women (future mothers), aged 26-40, with the high purchasing power, and who consider company's eco-friendly policy as an important factor.

Mentioned above answer to the last sub-question shows that the case company can differentiate itself on the market with the unique design of the product, new assembly technology, and eco-friendly policy. Moreover, significant influence has the social media performance and physical evidence tactics, such as “blog” style pages running and personalized packaging coherently.

6.2 Validity and reliability

The main purpose of the thesis was to achieve research objectives and present answers to the research questions. The data was collected from the theoretical review and empirical research. The theoretical review represented the secondary data. For the primary sources, the author created a survey with 30 potential customers from Finland and held the focus group discussion with four different potential customer’s representatives. All the collected data were used to end up with the research conclusion. These factors make research valid and reliable.

6.3 Further research suggestions

As was mentioned at the beginning of the research, it is concentrated only on the case company and only on the Finnish market. Also, the main purpose was to create the marketing strategy and only cover marketing tactics. Therefore, it is suggested for the case company to consider the internationalization strategy. As the company operates mainly online, does not have physical stores, and produces products by the pre-order, go-abroad strategy is prospective and can increase the company’s opportunities. Moreover, it is suggested to make a deeper tactical marketing study based on the author’s advice and research of similar companies.

7 SUMMARY

The main purpose of the thesis was to create an efficient marketing strategy for the case company. For that, the marketing concepts were studied, and the company and its potential market were analyzed. Moreover, the research questions were designed. The main research question was: “What is the most effective marketing strategy for the case company producing exclusive sustainable furniture?”.

In order to answer the research question, the theory was studied. The main marketing concepts were presented. These tools helped to create an efficient marketing strategy for the case company. Moreover, the theory part covered tactical marketing, including marketing mix and digital marketing tactics.

The case company's analysis covered its history and creation of the mission and vision statements. Moreover, as a part of strategic marketing SWOT analysis was done for the Whaly. Finland, as the potential market was analyzed through PEST examination and Porter's five forces analysis. Also, the company's competitors were identified and analyzed.

After that, the primary data was collected and analyzed. For that, 30 potential customers answered the survey, and four females participated in the focus group discussion. The main purpose of the data collection was to understand the potential customer's views concerning the product, the decision-making process, and an attitude towards the eco-friendly policy. The data collected through the primary sources helped to build an efficient marketing strategy for the Whaly.

The last part presented an actual marketing strategy for the case company and suggestions concerning marketing tactics. In this chapter, both primary and secondary data were combined. The marketing strategy included the creation of the unique selling proposition, segmentation, targeting, and positioning. The marketing tactics were presented through the 7P's of the marketing mix.

In conclusion, answers to the research questions were given. Moreover, terms of validity and reliability were checked, and further suggestions for the case company were given. The findings of the research are the following. The decision-making factors of the company's target group are quality and design. The price is the last considered issue. The idea of sustainability excites many people, and the environmental responsibility of the company can increase brand loyalty. And finally, the company has a lot of opportunities to differentiate itself on the market.

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APPENDICES

Appendix 1 Survey

Question 1. How old are you?

Question 2. Are you planning to have a kid within next 4 years?

Question 3. What is more important for child's products? Quality, price, design, comfort, sustainable production?

Question 4. How much money are you ready to spend on a baby's crib?

Question 5. Who is in your family making decisions about the purchases?

Question 6. Did you hear about: Lumokids, Ikea, Kids Concept, Stokke, Flexa companies?

Question 7. How often do you buy things online?

Question 8. Would you buy kids furniture online?

Question 9. Do you visit and read blogs for mothers?

Question 10. Do you trust products that were promoted by famous bloggers?

Appendix 2 Focus group questions

- What do you think about Whaly crib?
- What is the most important for you when buying a crib for baby? Is brand important?
- Would you buy a crib online? If yes, what factors influence your opinion about the company?
- When you search in google, what do you write? How many first links do you open?
- What factors make you react on the Instagram or Facebook advertisement?
- Do you trust products which promoted by the influencers?
- What do you think about factories using green energy? Do you care about the sustainability?