



# **MARKETING PLAN FOR TAILOR- MADE PRODUCTS**

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**ABSTRACT**

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The aim and objective of this thesis was to create a marketing plan for NOMO Jeans, a startup company that sells tailor-made jeans. The objective is to help the company in its endeavours of making the company known in Finland, alluring customers, gaining visibility and creating a brand for NOMO Jeans.

The author of this thesis studied possible marketing mix tools and chose the ones that best suit for NOMO Jeans. This thesis consists of the analysis of the market where NOMO Jeans operates and of the analysis of the current market situation. The thesis also includes the description of the desired market situation.

The market situation today is changing so fast that some amendments might have to be done to the marketing strategies and marketing plan, because they were created for the current situation. The detailed marketing plan can be found in the appendix of this thesis and it is not published due to privacy reasons.

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Key words: marketing, marketing plan, marketing mix

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## 1 INTRODUCTION

NOMO Jeans offers a unique method of making tailor-made jeans by using a 3D-body scanning. This method differs completely from any other tailoring and manufacturing processes. The 3D-body scan makes it possible to get measurements from the customers and by using these measurements the jeans are created. This method and process is always very personal and unique.

The company already has three stores in Finland, two in Helsinki and one in Tampere. The company was founded in 2010 and after being operational for two years in Helsinki and one year in Tampere, the natural way of the expansion for the company is to start gaining more visibility and making the brand more known before creating new market places either in Finland or abroad.

The sources used in this thesis were marketing literature, Internet sources and some informal and open interviews. The thesis deals with what kind of a company is in question and what kind of marketing would be most suitable for it.

## 2 COMPANY DESCRIPTION

### 2.1 Company description

According to a survey conducted by isme.com, finding the right type of jeans is more stressful and depressing for many women than moving house. The experience of finding the right fit and type of jeans is traumatic for 43 per cent of 1 000 women surveyed. It was most traumatic for people aged over 50. (Finding the right type... 2011)

NOMO Jeans Corporation is a Finnish startup company founded late 2010 that sells tailor-made jeans. These jeans are manufactured according to the customer's own measurements by using a 3D-body scanning method. Not only are the jeans unique because of the body scanning but also because the jeans are manufactured based on the customer's own wishes. (Lahdensuo Kalle 10.10.2013.)

A startup company is a company that is still developing the product it is offering and is not yet making any profit. Companies are called startup companies until they are two years old or until their shareholders are other people than just the founders of the company. Not all young companies are called startups but the main character of a startup is the pursuit of fast growth. Because there are no profits from the company, usually the founders of the startup company take personal loans or find investors to fund the operation.

The lifecycle of a startup company includes a so-called "death valley" where creating and marketing of the product consumes money but the company is not making enough profits to cover the costs. In few years the company should break even, which means that the company should make enough profit to cover the losses of the first years. (Startup-yrittäjä 2013)

NOMO Jeans was founded because there was a clear need in the market for it. The wife of the other cofounder complained that it is impossible to find perfectly fitting jeans in the stores. The disbelief in this situation led to conversations, which led to gathering a team, that started building up the company.

There are seven different models to choose from, for both males and females, several different fabrics with different qualities and possibilities for different washes for the fabrics. The customer also is able to choose from a variety of different pockets, stitching and there is even a selection of different linings for the pockets. When the customer orders jeans from NOMO Jeans the end result is always unique and personally designed by the customer.

NOMO Jeans has three stores in Finland. One store is located in Helsinki in Kamppi shopping centre, and it was opened in September 2011, the second store is located in Tampere and it was opened in the fall of 2012 and the most recently opened one is located in Vantaa in shopping centre Jumbo, and it was opened in September of 2013. NOMO Jeans has a store in Dubai that is a franchising venture. This store was opened in the summer of 2012.

The company also has an online store where the jeans can be purchased. Ordering via the online store requires that the customer has already been scanned, so the measurements have been already saved in the database. The online store features all the options that are available in the stores and the jeans can be designed in the same manner as in the stores. Using the online store customers from all over the world can order jeans from NOMO easily and quickly. (Lahdensuo Kalle 10.10.2013.)

The headquarters of NOMO Jeans is located in Helsinki. The production manager, her assistant and the production specialist work in the headquarters. Their main duties are to organize everything concerning the production. Being in contact with the factory, checking the details of the orders and scans before sending the jeans to be manufactured, studying new recipes for the washes of the jeans and being in contact with the pattern masters are big part of their jobs. The production team is a crucial help also to the people working in the stores because this team knows everything about the manufacturing and they help in all aspects of the processes.

The pattern masters also work in the headquarters in Helsinki. NOMO Jeans has their very own patterns created by the pattern masters and they are unique. The pattern masters make the patterns according to the scans sent to them from the stores. Handling the reclamation is a big part of the pattern masters' job and because they only see the com-

puter images of the customers they need all the possible information from the sales people very accurately. Their job creating the patterns and handling the problems needs a lot of patience and concentration. NOMO Jeans also has its own pattern and scanning developer, who knows everything about the eases and squeezes of the different jeans models. Her job is to develop the scanning and pattern processes. Because all the reclamations are completely different when it comes to tailor-made jeans NOMO Jeans also has a reclamation specialist. Her job is to know everything about the reclamations and to investigate the background of the reclamations. She is in contact with the pattern master –team and they are constantly trying to minimize the reasons for reclamations. She also trains the sales people to handle reclamations better and clearer.

The strong team of NOMO Jeans consists of fashion professionals, retails experts, manufacturing specialists and an IT-team. (Lahdensuo Kalle 08.11.2013)

## **2.2 Market opportunities**

Even though NOMO Jeans does not have competitors in Finland that offer the exact same service, there are companies around the globe that operate using the same method and idea of customizing jeans. Getwear and Thimbler are brands that manufacture jeans according to customers' wishes. Customers can choose models and details from a limited selection and after that the jeans are manufactured according to given measurements. Thimbler uses the same kind of a 3D-body scanning method as NOMO Jeans.

In Finland NOMO's competitors are basically all the companies that sell ready to wear jeans from classic Levi's to H&M jeggings. This is because NOMO's target group is so wide and heterogeneous that all the ages and styles of customers will find a pleasing model and a perfect fit. The business idea is of course completely different and unique from anything that is already on the market and therefore the challenge is to get the customers to find the company and to consider the service to be better and more appealing than anything other. (Lahdensuo Kalle 10.10.2013.)

### 2.3 Product and service

NOMO Jeans is a startup company and still a relatively young company and it is at a stage of rapid development. The company aims at listening to the wishes and ideas of the customers and to improve its service and product according to them.

The customer service at NOMO Jeans is extremely customer-oriented and each customer is treated uniquely. The customers come to the store, pick from the selection the model and details that please them. All the different models, colours, materials and details are on display in the store. After designing the jeans the customer is scanned and the perfectly fitting jeans will arrive in approximately 6 weeks.

The problem in this kind of a service is to fulfil in practice the image that the customer already has of the end product. Because there are no pieces to try on and the customer cannot see the choices they made at large until the jeans arrive to the store, the image of the jeans can be quite different from the actual end product.

It is quite difficult for the customers to comprehend the fact that you cannot try on pieces in the store because it feels so normal when shopping for clothes. If there would be jeans that you could try on in the store it would be in conflict with the business idea. The pieces that you could immediately try on in the stores would not be manufactured according to the customer's measurements and therefore it would not give the right image of the tailor made-jeans that the customer is about to purchase. In this situation it is by far the salesperson's responsibility to explain what kind of model the customer is choosing, how it would look on the customer and what kind of details would suit the customer best.

NOMO uses a 3D-body scanner that was developed by an American company called [TC]<sup>2</sup>. The same kind of body scanning is used for health, fitness and medicinal purposes as well as in the gaming industry. It was especially designed for commercial use. The body is scanned in only few seconds and it creates a true-to-scale 3D-body model. The scan produces over 400 unique and accurate measurements that can be customized. (<http://www.tc2.com>, 2011.)



The waist height and the crotch point are always checked manually from the 3D-body scan and put on the right spot so the jeans will fit perfectly. Using the measurements from the 3D-body scan the unique patterns are created for each customer.

## **2.4 Mission and vision**

Being environmentally friendly is very important for NOMO Jeans and the company strives to keep the consequences on the environment in its minimum in all the different stages of the manufacturing process. The concept of NOMO Jeans in itself is very environmentally friendly. The basis of the manufacturing process is the actual need of a customer and because the jeans are manufactured by using the customer's own measurements there is no need for sales nor is there any oversupply. Of course all the jeans cannot be perfect and there will be cases when the jeans are returned. These jeans are donated to Karelia. Some of the denim suppliers have their own recycling programmes, which means that the returned jeans can be sent back and they will be used in material for new jeans. The future plan for the company is to switch to using organic cotton and recycled cotton.

At the moment the jeans are manufactured in Estonia but the future mission is to find possibilities to bring the manufacturing process to Finland. NOMO Jeans originally had a factory in China but it was closed down and the production was moved to Estonia. This way the delivery time was reduced and visiting the factory and keeping in touch with the production workers became much easier.

Because the concept is so easy and the stores do not need to be big, one of the future plans is to have one NOMO Jeans in all the major cities in Finland. These little stores could be located in shopping malls or even in supermarkets as pop-up stores. From the beginning NOMO Jeans has aimed at international growth and recognisability. Now that there are three stores in Finland the next step is to expand the market to Sweden.

The vision of NOMO Jeans is for everybody to have perfectly fitting jeans. There are millions of different people so there should be millions of different jeans as well. The sentence that is printed on the company's bags really summarizes the whole vision, "Stop wearing other people's jeans".

### **3 THEORETICAL FRAMEWORK OF MARKETING**

#### **3.1 Marketing**

According to Philip Kotler marketing is satisfying needs and wants through an exchange process. It is a concept for actions that occur between an organisation and its customers. The term marketing has evolved over time and today it is based around providing constant benefits to the customer following a transactional exchange. When the marketer understands the customers' needs he can develop professional products that provide superior customer value. Advertising and selling, the actions that are usually associated strongest to marketing, are only a part of a larger set of marketing tools that work together to satisfy customer needs. (Kotler & Armstrong 2010, 29.)

The most important concepts of marketing according to Philip Kotler are: segmentation, targeting, positioning, needs, wants, demand, offerings, brands, value and satisfaction, exchange, transactions, relationships and networks, marketing channels, supply chain, competition, the marketing environment and marketing programs.

The key processes in marketing are: (1) opportunity identification, (2) new product development, (3) customer attraction, (4) customer retention and loyalty building and (5) order fulfillment. A company that handles all of these processes well will normally enjoy success. But when a company fails at any one of these processes, it will not survive. (Philip Kotler, 2001-2012)

#### **3.2 Marketing mix**

One very helpful tool for marketing products is the marketing mix. It is used by organisations when they are bringing a product or a service to the market and it describes the different choices they have to make. The most common way to define the marketing mix is the four Ps (Kotler & Keller & Brady & Goodman & Hansen 2012, 31, 73-74, 973.):

- product or a service
- price
- place
- promotion

*Product* means the totality of goods and services that the company offers to the target market.

*Price* is the amount of money the customers pay to own the product.

*Place* is where the product or the service can be purchased. The place also refers to where the operations of the company happen. Also inventory, transportation and logistics are a part of the place.

*Promotion* means the activities that tell the people the merits of the product and convince the target customers to buy it.

A comprehensive marketing programme to achieve the company's marketing objectives is created when all of these elements are blended (Kotler & Keller & Brady & Goodman & Hansen 2012, 31, 73-74). While these four Ps are the basis of a working marketing plan there are marketers and authors that demand an extension to be made to these four Ps. These three additional Ps are people, process and physical evidence and they are used especially in the cases of services.

In the case of NOMO Jeans the additional three Ps are important: people are important, because the customer service plays such a big role in the process of selling. The physical evidence is the reason why the customers are turning to NOMO Jeans, it is the perfectly fitting jeans.

### **3.3 Services Marketing**

According to the Financial Times Lexicon

The formal definition of services are an economic activity offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility. (Financial Times Lexicon 2013)

People use services every day whether it is taking a bus ride, withdrawing money or booking a holiday. These actions and the use of services are an example of consumption on an individual level, which is called the business-to-consumer (B2C) level.

Another important term in services marketing is business-to-business marketing. The difference between business-to-consumer and business-to-business (B2B) is that in B2B services the purchases are at a much larger scale than those of the B2C services, where the consumers are individuals or families (The Financial Times Lexicon 2013)

There are five certain special characteristics of services. These special characteristics are (Kotler & Armstrong 2010, 269):

- intangibility
- inseparability
- heterogeneity
- perishability
- ownership

The intangibility means that the service is not visual or material. In the case of NOMO Jeans you pay before you actually get the product six weeks later. You pay for the service that helps you choose and imagine the pair of jeans you are paying for.

Choosing the right kind of service personnel is crucial because of the inseparability. If customers get bad service they might not return. If the service is good and the customers feel comfortable they are more likely to recommend the same service to their friends and speak positively about it. The products and services are in a way inseparable; if the experience of the service is not good it might affect the decision to buy again even though the product itself would be good.

Heterogeneity means the human element that is involved in services. All people are different and even though they are selling you the same thing and they have been trained in

the same way the service situation varies each time. There are certain guidelines set to ensure the best possible service but because the service personnel are human beings and there are many different factors influencing the situations not every day and every service situation is the same.

Service is perishable, and you cannot store it anywhere. If people do not use the service it cannot be saved for the next day and then it is lost for forever.

The ownership means that you cannot own a service. It is not like a new shirt you buy and you own it. You pay for the use of a service, but you never own it. If you pay somebody to do something, for example a gardener, you hire the gardener's services but you cannot own them.

Focusing on the particular characteristics of services and on how they affect the customers is what services marketing is all about (Financial Times Lexicon 2013). Especially nowadays when competition between companies is hard the customer service plays a great role in who will succeed. For the company the service that it provides is always a process but from the customers' point of view the situation when they purchase the goods or the services is an experience. If the experience is not pleasant they will escape and turn to another service provider.

Customer loyalty, managing the customer relationships, their complaints and feedback and developing and improving customer service play a great role in services marketing (Kotler & Armstrong 2010, 270-275).

### **3.4 Customer relationship management**

There are two ways of thinking about customer relationship management. One way to look at it is the idea that the main point is to learn as much as you can about the customers and try to respond to their needs. The other way to see it is that every customer should be treated with empathy and sensitivity. This is the more human point of view.

Customer relationship management is the tool to be used to get to know the customers better and to target marketing to them. Technology helps the companies in this endeavor.

our. All the purchases are saved in the database and this way the company can easily see what interests the customers, market the right products to them and prepare itself to suit the needs (MaRS 2012).

There are five levels of customer relationships according to Kotler when the customer purchases a product from the company (Jackson 1993, 47):

- *non-existent relationship*: this occurs when the salesperson says “thanks for the purchase” and continues to serve another customer on the queue. This is a very basic customer service action and the salesperson does not actually provide any service or after-sale service. This kind of service happens quite often.
- *reactive relationship*: this situation occurs when the salesperson tells the customer to call if anything goes wrong. In this situation the salesperson tries to show the customer that the company cares what happens to the customer after the purchase.
- *accountability relationship*: in this scenario the salesperson follows up the customer a week or two after the purchase and asks if the customer is satisfied. This way the salesperson takes initiative to get feedback from the customer.
- *showing-continuing-interest relationship*: a continuing-interest relationship means that the company contacts customers on a regular basis to inform them about the development or what is new with the products.
- *real-partnership relationship*: this is the best and lasting relationship between the customer and the company. In this relationship the company works with the customers to determine their needs at the moment and in the future. In order for this kind of a relationship to occur it requires the salesperson’s involvement with the customer over time and it is not something that happens immediately. This is a mutually beneficial relationship and both parties win.

Customer relationship marketing and segmentation go hand in hand. It is important to attract new potential customers and to hold on to the relationship with the customers.

### 3.5 Marketing plan

Marketing planning can be defined according to Wood as a structured process of researching and analyzing the market situation; developing and documenting objectives, strategies and programs; and implementing, evaluating and controlling activities to achieve the objectives (Wood 2003, 3).

Marketing planning should be viewed as an adapting and ongoing process and not just something that has to be done every year to produce a written report. Marketing plan summarises what the marketers have learned about the marketplace and the company and it indicates what the plans of the company are to reach the marketing objectives the company has set. The marketing plan indicates the marketing strategies and activities of the organisation and its employees and it also measures the results of the process towards these goals and allows adjustments if some of the actions or results are changed. If there are changes made in one part of the marketing it might also be necessary to make changes in other parts of the plan as well. (Wood 2003, 3-4.)

All the marketing plans, their contents and lengths are individual and organisation specific. The optimal time frame for the marketing planning and the optimal start point of drawing up the marketing plan is several months before the plan is taken into action. Usually the plan covers a period of one year.

When thinking about doing a marketing plan, there are seven general steps that you have to go through in order to create a working plan (Wood 2003, 4-12.):

#### *1. Analyze the current situation.*

Studying the current location and surroundings and determining the overall environment is the first step. The trends and changes outside the organisation that might affect the marketing must be detected. Also equally important is to analyse customers, competitors, suppliers, distributors, partners and other important variables.

## *2. Understand the markets and customers*

The second step is to analyse the own markets and customers of the organisation. The organisation should ask itself 'who is buying and why' and 'what products and categories are in demand'.

## *3. Establish segmentation, targeting and positioning*

The segments that should be targeted for marketing activities should be determined as for the third step. After the segmentation is done the organisation needs to decide whether to market to one or more segments. The meaning of positioning for the organisation is to create a certain position for the product or the brand in the minds of the targeted customers.

## *4. Determine objectives and direction*

Objectives are short-term targets that support the achievement of the goals, which are the long-term targets for the organisation. The objectives are steering the organisation towards the main goal.

## *5. Develop marketing strategies and programmes*

As for the fifth step the organisation must now create strategies and tactics that will take the organisation towards its destination. In this process marketing mix tools, enhanced with service strategies are used.

## *6. Track process and activities*

The next step for the organisation is to use sales forecasts, budgets and schedules to determine effectiveness by identifying mechanisms and metrics to be used to measure progress towards objectives.

## *7. Implement and control the plan*

The final step is the implementation of the marketing plan because without it even the greatest plan is useless. Marketers should start setting the objectives and establishing standards for measuring purposes. Corrective actions should be made in case the different results are failing.



## **4 MARKETING PLAN**

### **4.1 Executive summary**

In this chapter the author is focusing on the current marketing of NOMO Jeans Corporation and looking deeper into the company's PESTEL (political, economic, social, technological, environmental and legal factors), competition and SWOT (strengths, weaknesses, opportunities and threats).

### **4.2 Current marketing situation**

#### **4.2.1 Market environment**

The PESTEL analysis comes from the words Political, Economic, Social, Technological, Environmental and Legal. In these six matters the company has only little, if no, influence and power over but they are still crucial when evaluating the possible success of the company. It is important to evaluate the PESTEL-factors before launching a new product and especially if the launching of the product happens in a new area. The concepts and activities that work on one area might not work at all on a different area. For a startup company it is even more crucial to know the PESTEL-factors because the company's success depends on them.

Vision of Humanity's web page is a great tool to evaluate the political and social factors of a country. Because NOMO Jeans Corporation has based its operations in Finland, the author studied how Finland is situated in the safety rankings between countries. Finland was ranked the 7<sup>th</sup> country out of 162 countries. Vision of Humanity gathers a vast amount of information from different angles about the countries and gathers them for an easy-to-use and clear web page. According to the ranking Finland has received, the political and social situation of the country are stable and safe. (<http://visionofhumanity.org> 2013.)

In evaluating the economical situation of a country the GDP (Gross domestic product) per capita is a handy tool. It shows how much an individual from a certain country can spend per year. It is only an average and the changes between certain individuals might be vast but it gives an idea about the economic situation of the country. International

Monetary Fund, World Bank and Central Intelligence Agency are organisations that list countries' GDPs. According to CIA Finland is number 56 on the list of countries and their GDPs, and therefore it is the lowest of the Nordic countries.

(<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html>)

This is not a bad rating for Finland but the country has lost quite many positions compared to the last year but this might be because of the financial crisis eating away the GDPs of the whole Europe. The GDP also gives an idea of what the technological situation in each country is. In especially North-European countries the availability of technology will not be an issue or a problem.

Manufacturing jeans is not the most ecological process. NOMO Jeans thrives to manufacture jeans that can be worn for a long time due to the high quality fabrics. The company also educates its customers on how to take care of the jeans so that they will last longer. One of the missions of NOMO Jeans is to be as environmentally friendly jeans manufacturer as possible and to preserve the nature in its own way by using high quality raw materials.

Legally there will be no problems for NOMO Jeans Corporation as long as it follows the laws of Finland. There is a law that protects the consumers and gives them certain rights when purchasing a product. When starting a company that sells goods this law should be a guideline around which the operations of the company are based so that the conflicts with the consumers are minimised.

#### **4.2.2 Market segmentation and target market selection**

Market segmentation means that the market is divided into several groups and/or segments that are based on factors such as demographic, geographic, psychological and behavioural factors. When this is done the marketers have a better understanding of the target audience and make the marketing more effective according to that knowledge. (Gunter & Furnham 1992, 1.)

Market segments can be characterised in different ways on the preference of the target customers, for example according to homogenous preferences, diffused preferences or clustered preferences. Homogenous preferences mean that the customers have roughly

the same preferences, diffused preferences mean that they vary in their preferences and finally clustered preferences means that the natural market segments emerge from groups of customers with shared preferences. (Kotler & Keller 2009, 249.)

In the case of NOMO Jeans the target market is quite large and it basically consists of people who want jeans. Because the product that is offered is custom made jeans and the people can choose the outlook themselves there is an infinite amount of different products to choose from. The jeans can be marketed for people who cannot find ready made jeans in the stores or for people who do not have this problem but prefer specially made quality jeans for which they can influence, how the end product will look like.

#### **4.2.3 Current situation**

Jeans have come a long way from being only humble work clothing. In the year 2012 the Western Europe's input in the jeans market was 19 billion U.S dollars. This amounts for 23 % of the global jeans consumption. Even though the U.S. Americans are still the biggest consumers of jeans there are four big European jeans consumers in the top 10; United Kingdom, Germany, France and Italy. Even though the jeans market in southern Europe is dealing with the economic downturn, the market in northern Europe is doing far better. (Western Europe's Jeans by the Numbers, 2012.)

#### **4.2.4 Consumer behaviour**

Studying consumer behaviour means studying how individuals and groups select, use and dispose of goods or services. Marketers must understand both the theory and the reality of consumer behaviour. The buying behaviour of a consumer is influenced by cultural, social and personal factors. (Kotler & Keller 2009, 190-210.)

*Cultural factors.* Cultural factors have the deepest and the broadest influence on the consumer. Cultural background fundamentally determines the person's wants and behaviour. A child growing up is exposed to the values that the family has and growing up himself follows these values. People growing up and living in different countries and cultures naturally have different values.

Where you belong in the structure of the society also influences how you buy. Social classes have several characteristics. Those within each class tend to be more alike in dress, speech patterns, also the people in the same social class have similar income, wealth and value orientation. There are seven ascending levels of social classes as follows: (1) lower lowers, (2) upper lowers, (3) working class, (4) middle class, (5) upper middles, (6) lower uppers and (7) upper uppers.

*Social factors.* Reference groups, family and social roles and statuses are social factors that affect consumer behaviour.

Reference groups give the consumer direct or indirect influence on their attitudes or behaviour. The groups that have a direct influence are called the membership groups. Reference groups have at least three different ways to influence the consumer. They expose the consumer to new behaviours and lifestyles, they influence attitudes and self-concept and they create pressure for conformity that might affect product and brand choices. Aspirational groups are those who the consumer would like to join and dissociative groups are the ones whose values and behaviour the consumer does not approve. These two groups also influence the consumer.

Family is in the primary group of the consumer. It is the most important buying organisation in the society and family members form the most influential primary reference group.

*Personal factors.* Personal characteristics influence the buyer's decision making as well. The characteristics that influence are for example age and the stage in life cycle; occupational and economic circumstances; personality and self-concept and of course lifestyle and values.

In the case of NOMO Jeans one thing that influences the buyers' behaviour is the way their primary and reference groups have experienced the purchase. Because the concept is so new and the customer cannot really try on anything or see the actual product before the jeans are completely ready, it needs a bit of trust. If the customer's primary group, for example a family member, has purchased a fitting unique pair of jeans and feels that

the overall experience was good, she/he will recommend it further. A recommendation coming from a member of the primary group will help in the decision to buy.

There is a five-stage model in the buying decision process. In this five stage model the consumer passes through five stages: problem recognition, information search, evaluation of alternatives, purchase decision and post-purchase behaviour. The process of buying starts long before the purchase is made and it has consequences long afterwards. (Kotler & Keller 2009, 190-210.)

#### **4.2.5 Competition analysis**

Once the company recognises its competitors, it must find out their strategies, objectives, strengths and weaknesses.

A group that follows the same strategy is called a strategic group. For NOMO Jeans there are no strategic groups in Finland, it is the only company offering custom made jeans. There are companies offering custom made clothing, for example tailors or other companies offering custom made suits. Even though NOMO Jeans is the only company offering custom made jeans all the companies selling jeans are their competitors. Nowadays there are so many different models and choices in fabrics and colours in every store that the competition is tough and companies selling ready-to-wear jeans are considered competitors to NOMO Jeans. Some companies even offer tailor's services to shorten the pant leg of the jeans to fit the customer better.

Once the main competitors and their strategies have been identified it is time to figure out their objectives. Many factors influence the competitors' objectives for example size, history, current management and financial situation. If the competitor is a division of a larger company it is important to know for what purpose it is, is it run for growth, profits or is it being milked.

The main objective for every competitor is most likely to maximize the profits. The only thing to figure out in this equation is what kind of emphasis there is on short-term and long-term profits. It is safe to assume that all the competitors pursue some mix of

objectives: current profitability, market share growth, cash flow, technological leadership and service leadership. (Kotler & Keller, 2009, 337-338.)

Identifying the strengths and weaknesses of the competitors is the next step in analysing the competitors. There are three variables that should be monitored when analysing the strengths and weaknesses of a competitor.

1. *Share of market*, which means the competitor's share of the target market
2. *Share of mind*, which means how known they are and how well established they are in the minds of the consumers.
3. *Share of heart*, which means how preferable the company is as a place to purchase the goods in question.

According to Kotler and Keller there is a generalisation about these three variables: "Companies that make steady gains in mind share and heart share will inevitably make gains in market share and profitability."

#### **4.2.6 SWOT**

SWOT analysis is the overall evaluation of a company's strengths, weaknesses, opportunities and threats. This is the tool to monitor external and internal marketing environment.

When analysing the strengths and weaknesses it means the company must evaluate its internal environment.

##### *Strengths*

The product that NOMO Jeans offers is unique and no other company produces jeans this way in Finland. This is a product that is suitable for all and it is custom made. The company produces fitting jeans for everybody and not only are they fitting, but all the details can be chosen from a large selection so the jeans can be completely designed by the customers.

NOMO Jeans is a Finnish company. It is becoming more and more important for customers to support domestic companies and ecological products. Even though the jeans are made in Estonia and not in Finland it is much closer than the locations where the majority of the jeans sold in stores are made.

Ordering a new pair of jeans is really easy and fast after the customer has been scanned for the first time. The customer can live on the other side of the world and order jeans online and NOMO will send them to wherever they need to be sent.

The facilities needed are small. The only space needed is for the scanner and computer. This way the stores can be located almost everywhere. There can be NOMO stores that have their own business premises or there can be small pop-up stores in shopping malls or supermarkets.

When the customer purchases jeans from the store they always get the full attention of the salesperson. It is not like in some other clothing stores where the customer is just one in a dozen but in NOMO Jeans the sales process is always personal and all the stages of the order are gone through with the salesperson.

### *Weaknesses*

One of the weaknesses of NOMO Jeans is that it does not have any actual competition. No other company sells jeans like NOMO does, so there is no competition. Competition is a two edged sword. If there is no competition you are the clear market leader but also there is nobody to challenge you and make you develop yourself and evolve constantly.

NOMO Jeans is a young company and still in the stage of developing its product. Getting the fit right for every customer and from a computer image to a working pair of jeans takes a lot of work and some trial and error. Customers that have bought jeans in the beginning when the company had just started and had a bad experience with the jeans not fitting or the long waiting periods have lost their faith in the company and might not be returning as customers. This means that the company might have received some bad publicity and bad word of mouth and now has a lot to make up for.

Because the jeans are not manufactured in Finland the whole process from ordering the jeans to the point when the jeans are on the customers takes quite a long time. The whole process takes from five to seven weeks and for customers who need jeans fast this is not an option. It is understandable that to make a pair of perfectly fitting jeans according to the customer's measurements takes time. Processing the images and making the patterns individually for each customer does take time, and the actual process of manufacturing takes time but in the busy world of today five to seven weeks seems like an eternity for some people. The company has plans to open another manufacturing line, which will naturally shorten the waiting period.

### *Opportunities*

When thinking about the opportunities of NOMO Jeans the biggest opportunity is to expand the operation of the company and open new stores in Finland. After establishing a firm place on the market in Finland the next step is to expand operations to abroad.

The 3D-bodyscanner gives NOMO Jeans more opportunities than to just manufacture jeans. The scanner takes measurements of the whole body and there is an opportunity to start manufacturing other custom made clothing as well.

### *Threats*

NOMO Jeans is a startup company that has been operational now for two years and its life cycle as a startup is almost at the end. The objective would be to have a fully functional company and to start making profit. If the objective is not met, a big threat is not to receive funding from investors.

Another big threat is that there are dozens of other stores selling jeans. Even if they do not offer the exact same product as NOMO does, they are considered as competitors. Clothing stores nowadays have a huge variety of jeans in different models, fabrics and sizes. Even though they are not made according to the customer's measurements, they are much cheaper than a pair of NOMOs.

If the customers do not find the store and the concept there is a strong possibility that the company will cease to exist. In order to find the company in today's busy world full



of advertisements, different offers, brands and possibilities it is important to have a strong enough marketing plan to succeed.

## **5 MARKETING STRATEGY**

### **5.1 Objectives**

The objective of the marketing strategy is to make the company profitable. This is especially important because NOMO Jeans is a startup company and it needs to attract first interested investors and later on people that are interested to become shareholders in the company.

Attracting investors and possible shareholders requires the company to be known and one of the objectives is simply to make NOMO Jeans known in the jeans-market.

### **5.2 Positioning**

All marketing strategy is based on segmentation, targeting and positioning. Positioning is designing the company's offering and image to have a distinctive place in the minds of the target market. The goal is to locate the brand in the minds of the customers to maximize the potential benefit to the firm. A good positioning of the brand helps the marketing strategy of the firm because it clarifies the essence of the brand, the goals to be achieved and the unique way of doing this. (Kotler & Keller 2009, 308-309.)

For NOMO Jeans the base of the positioning is to emphasize to the potential customers that the jeans are custom made for them and they do not have to suffer through trying on several pairs of unflattering jeans, they can just come and choose the jeans they want. For already existing clients who have purchased a pair of jeans, the easiness of the second purchase and ever changing models and choices should be the point of sale.

Positioning requires that the similarities and differences between the rival brands are defined and communicated. Deciding on the positioning requires determining a frame of reference by identifying the target market and competition and the differences and similarities between the brands on offer. (Kotler & Keller 2009, 308-309.)

### 5.3 Marketing mix

#### *Product/Service*

The product that NOMO Jeans offers is a pair of custom made and uniquely designed jeans. The purchase has 100% satisfaction guaranteed, which means that if there happens to be a defect in the finished end product, new jeans will be made for the customer. The price of 169€ includes all the different choices the customer can make from the model of the jeans to the small details and the 3D-body scanning process. The customer will also receive professional and personal customer service by the salespeople in the stores.

#### *Pricing*

Pricing policies of the company are not published in the thesis.

#### *Distribution channels*

NOMO Jeans has three stores in Finland. One store is located in Helsinki in Kamppi shopping centre, and it was opened in September 2011, the second store is located in Tampere and it was opened in the fall of 2012 and the most recently opened one is located in Vantaa in shopping centre Jumbo, and it was opened in September of 2013. NOMO Jeans has a store in Dubai that is a franchising venture. This store was opened in the summer of 2012.

The company also has an online store where the jeans can be purchased. Ordering via the online store requires that the customer has already been scanned, so the measurements have been already saved in the database. The online store features all the options that are available in the stores and the jeans can be designed in the same manner as in the stores. Using the online store customers from all over the world can order jeans from NOMO easily and quickly. (Lahdensuo Kalle 10.10.2013.)

*Marketing Communications*

Marketing communications is a very important tool for NOMO Jeans and it is more widely explained in the chapter “Marketing communications”.

## 6 MARKETING COMMUNICATIONS

### 6.1 Social media, blogs, E-marketing and advertising

NOMO Jeans utilises different marketing communications channels, biggest one of them being social media. Nomo Jeans has offered a chance for bloggers to try the product and they have made their own evaluation of the product and the service and written a blog-text about it. This is a great way of reaching possible customers because reading blogs is a very common free-time activity nowadays.

TNS Gallup's NetTrack-study found out that 38% of Finnish people tell that they have read somebody's blog in within the previous month. Of women under the age of 25, over half read blogs whereas only 32% of women over 50 years of age are blog readers. The people who write blogs are also the people who read most blogs. Young women between the ages of 15 and 29 are the most eager blog writers. (TNS Gallup 2013)

NOMO Jeans also has its own Facebook-page where people can ask questions and give feedback. Advertising and promoting via Facebook reaches a lot of people and especially because NOMO Jeans has used the option to pay so that their advertisements appear on the users' Facebook-pages in the recommended adds -section.

Word of mouth is one of the most important distribution channels for an upcoming company. Word of mouth cannot be influenced, except of course by providing the best possible service and product. Even then the company cannot be sure of how the customers have experienced the purchase situation and how they will share the information with others. Positive word of mouth is something that can easily encourage a customer who is thinking about purchasing the product but is not completely sure yet.

Nowadays when so many operations of a company are done via Internet it is crucial for the company to have a working web page. NOMO Jeans offers a possibility to order jeans online after the first scanning and therefore the company must have an easy-to-use web page.

A web page where the customer can see virtually how the choices affect the jeans and how the end product will look like would be the optimal choice for the base of a web page. These kinds of web pages, where the customers can design their own products and the image changes with these, are very expensive. In this case though it is important to use a lot of money to get a working, easy to use and clear web page for the customers to use. NOMO Jeans only has three stores in Finland and all of the customers from the rest of the cities must either do business in one of the stores when they visit Helsinki or Tampere or the other option is to order online.

Like mentioned before NOMO Jeans has done co-operation with bloggers. This kind of co-operation should be continued and the bloggers' ages and body types and preferences should vary a lot. It is important for women to know that NOMO Jeans produces jeans for curvier women as well and that age is not an issue when jeans are in question, because NOMO Jeans offers a range of different models and all the age groups will find a suitable look. Working with different kinds of bloggers will also reach a wider diverse audience. This co-operation with the bloggers is part of marketing and advertising.

NOMO Jeans has a working electronic customer management program that helps with keeping in contact with the existing customers. NOMO Jeans contacts them on regular basis. Customers are always contacted via e-mail, whether it is a contact when the customer's order has arrived in the store or about advertising new campaigns or designs in the jeans. The campaign e-mails will also appear on the Facebook-pages of NOMO Jeans. Facebook plays a huge role in searching information and connecting. Direct marketing on Facebook has another big advantage in addition to the fact that it reaches potential customers overlooking age or gender; advertising on Facebook is almost free.

## **6.2 Public relations and traditional advertising**

Even though e-marketing is the big thing nowadays, marketing and advertising on paper should not be forgotten either. There are people who still do not use the internet so regularly. Some people do not trust advertising on Internet as strongly as advertising on paper. Advertisements should be placed on local papers on regular basis. Trying to get an article in a magazine or a newspaper would also work as advertisement and spread the knowledge about the company and the concept.

NOMO Jeans also approaches the customers and potential customers by distributing flyers. When distributing flyers on the streets meeting the people face-to-face is important. Meeting the potential customers and answering questions they might have or just explaining about the concept is much more efficient and works in favour of NOMO Jeans because the customers can be affected immediately while in just seeing an advertisement or even reading an article some questions might be left unanswered. Flyers can be also distributed in places where people gather often like in cafés or gyms.

Marketing and advertising at trade fairs and local happenings is also a very good option to share the knowledge about the company to the consumers. There are for example fashion events organised in both Helsinki and Tampere and also Finnish design fairs where NOMO Jeans could present its fashion and own designs.

## 7 CONCLUSION

This bachelor's thesis contains the marketing plan for NOMO Jeans Corporation. The focus on this marketing plan is to make the brand known and to help the company to expand its operations. This marketing plan was made to allure investors and to make it possible for NOMO Jeans to grow from a startup company to a larger company with shareholders.

During the writing process the author used several different sources to study marketing and its processes and has adapted those processes to the case of NOMO Jeans. In the beginning of the thesis the background information of the company and the theoretical framework are introduced.

In the chapters of marketing plan and marketing strategy the author has published her own opinions and ideas on how to develop the company to expand and make it known for the potential customers. The main thing in planning the marketing strategy was to keep in mind the unique concept and the current situation of the company and what the possibilities there are for the company.

All ideas and thoughts introduced in this thesis are for the current situation of NOMO Jeans Corporation. In the future it is important to evaluate the situation of the company again because the marketing environment is changing constantly and different actions may be needed in order to expand the company, to make the brand stronger and naturally to stay competitive in the market.



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## **8 APPENDIX**

### **8.1 Appendix 1. The detailed marketing plan**