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# Marketing plan for a web shop business

Koskivaara, Leonilla

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## Marketing plan for a web shop business

Leonilla Koskivaara  
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Leonilla Koskivaara

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Internet has changed the buying behavior of consumers during the past years and companies need to adapt to the changes. Web shop business is an important sales channel of today's companies. Advantages of a web shop business include cost effectiveness and potential to do business globally. Challenges of a web shop business include search engine optimization and running both, a retail store and a web shop at the same time.

Social media has become an important marketing channel and has become an important way to reach the potential customers, as well as interacting with them. Businesses today need to recognize the most suitable social media channels for their business and produce the right kind of content for their target audience.

The aim of this thesis project was to create a marketing plan for a starting web shop business. The project started by finding theoretical background about web shop business, digital and social media marketing. A market analysis was made based on secondary data collected from books and internet sources. The marketing plan was created based on the most potential marketing channels for a web shop business among the target group.

Chosen marketing mix was based on McCarthy's 4 Ps: product, price, place and promotion. The 4P model was chosen because of its simplicity and because it had all the aspects needed for small business marketing plan.

The marketing plan is designed to suit today's social media marketing channels and needs to be updated on a regular basis, since the potential customers might move from one channel to another.

Keywords: Web shop, Marketing, Social media, Marketing plan

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## 1 Background

The writer of this thesis project has an idea of a business and the aim of the project is to produce a marketing plan for the business. The business idea is to start a web shop that would sell unique hair accessories in Finland. The business has not yet been established, but for the possible establishment in the future, a marketing plan needs to be created.

Marketing plan was chosen because the focus of the writers' studies is marketing and therefore the project will support both, the studies and the business idea. Other aspects of the business, such as financing, accounting, procurement etc. won't be discussed in this project.

## 2 Objectives

The objective of the project is to produce a marketing plan that can be used when establishing and running the business in the future. The marketing plan is designed to match the marketing practices used today or in the near future for reaching the potential customers. The marketing plan needs to be revised and updated on a regular basis.

## 3 Theoretical background

The main concept used, as a theoretical background will be McCarthy's 4 Ps: product, price, place and promotion. The theoretical part will also include definitions of the terms being used as there are different definitions and perceptions regarding the terms related to marketing.

The theoretical part includes information about market, segmentation and marketing in general and more precise information about marketing channels and practices that are relevant for the case company. Web shop business, internet and social media marketing are the main topics discussed in the theoretical part, as they are the main concepts of the marketing plan itself.

Before starting the project and gathering information, some benchmarking was done by finding similar thesis projects. There were hundreds of similar type marketing plan projects for different businesses, the theoretical information was usually written about similar topics: the basics of marketing, different marketing mixes, marketing communication, etc. The marketing plans had several forms, some were calendar type of tables, some were just lists, some were actually written plans. This project was done in a written document form, in order to get all the information needed in the plan. Also the fact that the business is in its initial phase and the marketing of the business hasn't found its form yet, a written plan was better. A campaign plan for the whole year could be done as a calendar form but this didn't suit the case company needs.

## 4 Business idea and concept

The idea for a business came through a hobby of making arts and crafts. The concept would be to start a web shop business that would sell hand made, unique hairpieces. An important part of the business idea is to build a visual brand around the company. Web shop was chosen as the distribution channel because of the low risks. Running a web shop doesn't involve big

financial investments and if the business won't be profitable, the web shop may be closed at any time.

## 5 Market analysis

A market can be defined as a composite of people or organizations, which have the ability and willingness to purchase products. (Mastersin R, Pickton D 2010, 121) Researching and analyzing markets provides vital information for decision making in organizations. A market analysis should be always included in the business plan and be renewed on a regular basis. Changes in the market affect on the business and because the business should be able to respond to those changes it is important to have up to date, relevant information about the market. (Conducting a Market Analysis for Your Business Plan 2005)

The market analysis should be focused on the potential markets and not the markets the company has already reached. Potential markets are the markets the company could or should reach in the future. Information for a market analysis can be collected in various ways depending on the type of business; the information may include for instance government or commercial statistics, interviews or other qualitative data. The information might be in ready statistics or it can be collected from various sources. (Conducting a Market Analysis for Your Business Plan 2005)

When analyzing a market the most important factors to be analyzed are the market size and growth, for instance if the target group is car owners in the Helsinki region, the amount of people in this market segment needs to be measured. The growth or decrease of the specific segment should be forecasted so the business will be able to plan its future activities. Market trends are trends that influence the market segments. Trends can be seen as marketing trends, for instance what kind of advertising or prices are considered appealing at the moment. (Conducting a Market Analysis for Your Business Plan 2005)

### 5.1 Segmentation and targeting

By segmentation, the market is split into smaller parts. In each segment, consumers have similar characteristics. A market may consist of a single segment or have multiple segments. Segments are often formed based on the demographics, such as age, hometown, interests, etc. In the ideal situation segmentation could be done based on the consumers buying behavior, but since this is not possible, segmentation is done according to the characteristics that presumably affect the buying behavior. (Mastersin R, Pickton D 2010, 121, 123) By segmenta-

tion the marketing activities can be targeted to the desired group and therefore resources are used efficiently.

Target market is a group of people who have common needs and wants and share characteristics upon whom the business focuses. The target market has to be potential for getting sales and profits, it cannot be over competitive and it should have some unsatisfied needs, the company can serve well. After analyzing the market and choosing the most potential segments, the decision of which segments to target is made. (Mastersin R, Pickton D 2010, 143-144)

In undifferentiated marketing the market is believed to compose of consumers whose needs and wants concerning the product being offered are fundamentally the same. Mass marketing is undifferentiated and the same marketing program is used to target the entire market. . Using a single marketing program will lower the costs, but appealing to a certain market segment is easier than trying to please everyone. Some level of differentiation is usually used even in a small scale. Some global brands, for instance modify their marketing programs based on the countries where the product is marketed. (Mastersin R, Pickton D 2010,145)

Recognizing the differences between market segments, selecting two or more market segments and executing a different marketing program for each segment is called differentiated marketing. Differentiated marketing mostly occurs in large organizations with different product lines for different customer segments. (Mastersin R, Pickton D 2010, 146) The different product lines are then marketed for different segments, for instance a company that manufactures clothing for both, men and women might produce different advertisements for each segment.

Positioning means the place a brand holds in a customers mind in relation to other brands, for instance better value. Positioning is a consequence of targeting and forms a link between the target marketing strategy and marketing programs. Customers' perceptions of a brand are typically based on knowledge and experiences with the brands as well as the companies associated with them. (Mastersin R, Pickton D 2010, 148)

## 5.2 Competition analysis

In the competition analysis the business owner has to identify how the competing businesses function and market their products, including the product features and pricing. Also the distribution channels used by the competitors need to be taken into account, for instance the

competitors may sell their products in web shops as well as in traditional retail stores. (Havumäki, Jaranka 2014, 59)

### 5.2.1 Competitive advantage

A business has to differentiate from its competitors by having expertise on some field the competitors miss. The core idea is that a business cannot be exceptionally good on every area of the business, but it should specialize on one aspect, which will differentiate it from its competitors. For instance many businesses operate on a niche market where the competition is limited. (Lahtinen 2013, 29) After analyzing what competitive advantages the competing businesses have, the business should consider its advantages in contrast with the competitors'.

### 5.3 SWOT- analysis

The term SWOT analysis comes from the words strengths, weaknesses, opportunities and threats. SWOT analysis is a common tool used in strategic planning by companies and organizations in defining their position in relation to external factors. A SWOT analysis is used in the marketing plan for defining the situation of the case company.

The strengths and weaknesses in SWOT analysis represent the internal factors that the company or organization can affect on. Opportunities and threats are external factors and are not depended on the company or organization. SWOT analysis is easy to do, but utilizing the results in practice is not always clear. (Swot- analyysi)

### 5.4 Conclusions market, segmentation and competition

When planning marketing activities, the marketer has to be aware of in what kind of market the business is operating in. The most important thing is to research and analyze the external factors, such as the potential market segments, target market, and the competition. After being aware of the external threats and opportunities, the marketer should analyze the inner strengths and weaknesses of the business. Based in the strengths the business can differentiate itself from the competitors.

## 6 Marketing

The term marketing is derived from the word market. A market has originally been a place where traders go to sell their products and customers can buy them. Customers have always searched the best value for their money, and traders have always tried to make their prod-

ucts look as good as possible. In the modern world, marketing is one of the key functions of a business. In order to do marketing efficiently, nowadays marketers have to be sensitive for changes in the business environment, and adjust their plans accordingly. (Mastersin R, Pickton D 2010, 1)

Markets and marketing appear only in economies where there is surplus on goods that can be traded. Today this appears only in the poorest economies, where there are only enough goods to fill the demand and no goods left to trade or sell. These markets are supply led, which means that there is a challenge to meet the customers' needs. Today most markets are demand driven, which means that the challenge is in persuading the customers to choose your products. A surplus in produced goods leads to a market, where the goods are sold or traded with other goods. Before the mass production of goods started, early marketing mainly consisted of good service and reputation. (Mastersin R, Pickton D 2010, 11)

Although good service and other principles are still important, modern marketing is more complex. Businesses compete for the customers and marketers try to simulate the demand by providing goods and services and persuading people to buy them. From the initial objective of making sales, marketing has changed its emphasis on maintaining the existing customers and preserving the future sales. (Mastersin R, Pickton D 2010, 13, 24)

The word marketing has been re-defined several times over the time, The American Marketing Association defined marketing in 2007 as "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large." (Mastersin R, Pickton D 2010, 5) This definition is emphasizing the value; marketing brings to the stakeholders. There are probably hundreds of definitions of marketing; it can be seen from many perspectives and include different activities and stakeholders. Some people consider marketing the same as advertising, but this view is too narrow, since for instance communicating with the existing customers is a marketing activity.

Mastersin and Pickton have divided Marketing activities into four categories, on a chronological basis:

Beginning from marketing research and analysis: finding out who the customers are, their needs and wants, who are the competitors of the business and what is the current position in the market. What is the business good and bad at and are there risks involved.

Second activity is setting objectives, where the business wants to be? The business has to define, whether they want more market share, bigger profits, launch new products, or increase customer satisfaction.

After setting the objectives the business needs to define marketing tasks for reaching the objectives. The activities may involve investing on staff, executing promotional activities, such as advertising, pricing and distribution strategies or activities related to customer service and customer management.

Finally, the activities need to be controlled by analyzing whether the objectives were met or not and collecting feedback regarding the situation. Keeping track of things is important as it helps planning the future.

## 6.1 Marketing strategy, plan and program

The important key concepts when planning organizations marketing activities are marketing strategy, marketing plan and the marketing process itself. These concepts are often confused so making them clear at the beginning is essential.

### 6.1.1 Strategy

Strategy is how a business will achieve its objectives. Objectives are the goals or aim, to which the business directs its resources. Strategy is a long-term activity, for instance choosing an area where the business will operate is a long-term decision; this decision should be strategic, which means it is based on the objectives. Defining a strategy is usually management's responsibility, but the implementation is carried out on every level of the business. (Fifield P 2007, 9-11)

### 6.1.2 Plan

Marketing plan is a guide for defining the target markets, their needs and fulfilling the needs better than competitors. Marketing plan should start from reviewing the business; setting objectives for both sales and marketing, defining the target market and choosing the right marketing mix for reaching the target market. Marketing plan should also include a budget and after the execution the results should be evaluated for the future. (Hiebing R, Cooper S 2003, 24-30) Planning is important because the marketing environment is complex and the available resources should be used as efficiently as possible.

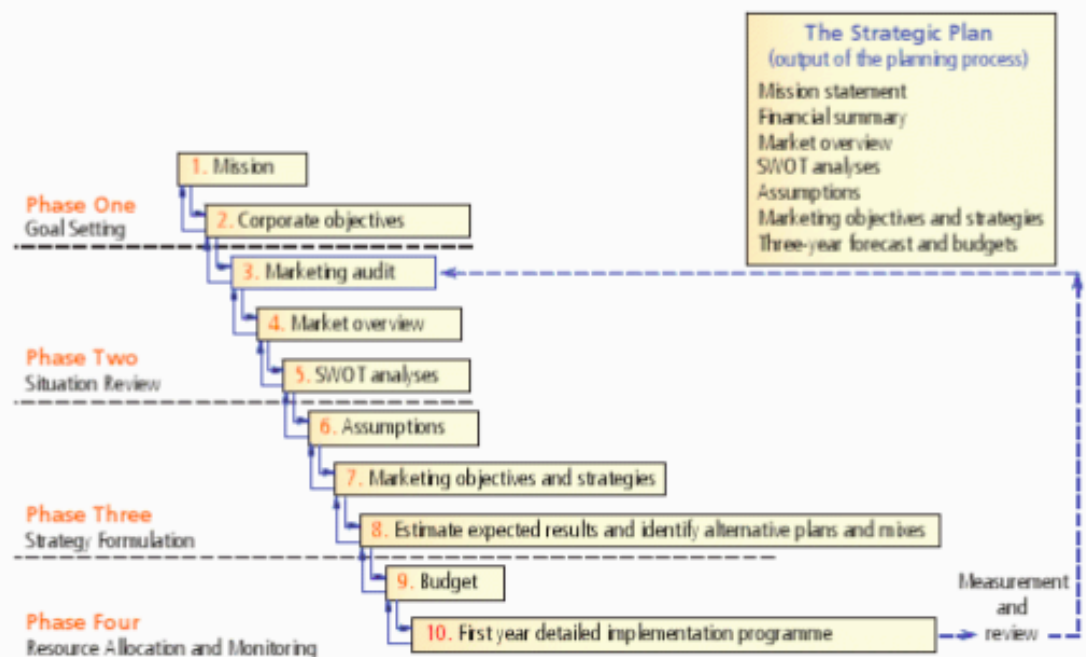


Figure 2.11: The 10 steps of the strategic marketing planning process.

Figure 1: Marketing planning process (McDonald M, Wilson H, 2011, 41)

### 6.1.3 Marketing program

Marketing program provides details for implementing the marketing activities. The program should include, schedule, costs and the specific activities as well as the responsibilities for the people who are involved. (Mastersin R, Pickton D 2010, 451)

### 6.2 Marketing Mix

After researching and analyzing both, the market situation and the customers' needs the marketer will choose the right tools to satisfy those needs. The tools are referred to as the marketing mix.

### 6.3 McCarthy's 4Ps

According to McCarthy, (The Marketing Mix and the 4Ps of Marketing), marketing mix tools can be classified into 4 Ps: product, price, place and promotion. Boden expanded the 4 Ps into 7 Ps, which included the first four and in addition: physical evidence, people and process. Bodens 7 Ps have more service business oriented focus. (Kotler, Keller, 2009, 17) The 4 Ps were chosen for this project, because of their simplicity and defining for instance people's roles in the business was not considered necessary. For more complex businesses the 7 P model might offer more than the 4 Ps.

The four marketing mix tools have to blend together in order to form an integrated plan of action that can build brands and deliver profits in the long run. (Mastersin R, Pickton D 2010, 199)

### 6.3.1 Product

A product is a bundle of attributes or characteristics. Products exists for satisfying people's needs, for instance a car satisfies the need to move from one place to another. Total product offering means all the aspects of a product, such as brand, packaging and warranties. Products are being judged based on their total product offering. The main reason for a product's existence is called a core benefit or a core product. The core benefit doesn't include the brand, packaging, etc. For instance the core benefit of food is to provide nutrition and the core benefit of a pen is to write. (Mastersin R, Pickton D 2010, 203-205)

Marketers need to make sure that the product will satisfy the need in the most basic level. The products that don't deliver the core value will fail. In most situations there are many products on the market that satisfy the customers needs, in these cases the choice is made based on the points of difference. (Mastersin R, Pickton D 2010, 205-206)

### 6.3.2 Price

Price initially means for how much each product is sold for. But can also be seen as the total cost, the customer has to pay in order to acquire the product. Pricing is a key part of each firms marketing mix, since it is playing a key role in how people perceive the products and their value. Pricing is playing a key role in the profits of the company and most companies aim for high profits. Strategic pricing is an important part of the overall marketing strategy and even non-profit organizations usually want to cover their costs even if they don't aim to make profit. (Mastersin R, Pickton D 2010, 356, 358)

Marketing is generally focused on maximizing the sales revenue instead of keeping the costs down. From financial point of view marketing is often seen as an unnecessary cost, but from marketing point of view the money spent on marketing is an investment for the future. (Mastersin R, Pickton D 2010, 358)

Two main strategies for pricing are:

**-Cost-based pricing**

**-Market oriented pricing**

In cost-based pricing the pricing strategy is based on the internal environment. The firm has to cover its costs by setting the price. The downside is that if the company is too much focused on covering its costs it might miss profit. Cost is the money the company has to pay for its suppliers, price is the result of the costs and profit the company wants to make and is paid to the company by the customer. The costs involve both, direct and indirect costs for manufacturing and distributing the product. (Mastersin R, Pickton D 2010, 361-366)

In market oriented pricing the objectives behind the price may be positioning, gaining market share or building brand image. The pricing can be based on the competitors' prices or the customers' perceptions of value and cost. In the market oriented pricing, the price is greatly affected by the external environment. (Mastersin R, Pickton D 2010, 361-363)

### 6.3.3 Place

One of the marketing mix elements is place. Place can more accurately be referred to as distribution and is the space where the products meet the customers' needs. Distribution is crucial in targeting and positioning, for instance the store location sends a message about the other characteristics of the business. (Mastersin R, Pickton D 2010, 318)

Place is closely connected to supply chain and distribution channel. Supply chain is a network of businesses, through which the goods will be delivered to their final destination. In large international companies, the goods might pass through many countries and in small businesses they might be distributed directly to the final consumer. Distribution channel is the route of a product through the supply chain. The distribution channel is chosen in order to deliver a certain product to a certain market. (Mastersin R, Pickton D 2010, 319-320)

### 6.3.4 Promotion

In the most basic sense, promotion means to move forward. Promotion can also be referred to as marketing communication and these terms are often used interchangeably. The aim of promotion is to persuade people to accept ideas, concepts or things and to motivate people to take action. (Mastersin R, Pickton D 2010, 270-271)

Promotion is an essential part of the marketing mix. It doesn't matter how good a product is, if people don't know how good it is they will not buy it. On the other hand, if the promotion is good but the product doesn't match the promotion people will stop buying it. There are several promotion tools and these are often referred to as the promotion mix. The most basic promotion tools are advertising, public relations, sales promotions and personal selling. (Mas-

tersin R, Pickton D 2010, 270) Marketing communication should be integrated, which means that the different processes should be seen as a whole and not individually. All the processes within a marketing program should support each other and give a uniformed image of the business.

#### 6.3.4.1 AIDA model

The AIDA model is useful when setting promotional objectives. In the AIDA model the potential customers go through a psychological process before purchasing a product. The promotional activities used can start from the top of the hierarchy, but it is not always necessary. The consumer might be aware of the product already and therefore the promotion might be designed to appeal to the lower levels of the hierarchy. (Mastersin R, Pickton D 2010, 279-280)

Mastersin and Pickton have explained the four stages of the AIDA model in the following way:

##### Attention

In the first stage the aim of promotion is to reach the target audience and make them aware of the product. The advertisement must grab the attention on the very first time. If the audience is not aware of the product, the next steps of the AIDA model will not be useful.

##### Interest

After reaching the audience and getting their attention, the aim is to make them interested in the product. The marketing message should focus on how the product will meet the customers' needs. The audience should have interest to find out more about the product.

##### Desire

In the third stage the company tries to appeal to the people who have a need they wish to fulfill.

##### Action

In the final stage the objective is to get people to take action and purchase the product. In this stage personal selling and sales promotion are especially effective in closing the sale.

## 6.4 Branding

The branding process means creating a unique name and image for a business or a product in the consumers' minds. The objective of branding is to differentiate from competitors and increase customer loyalty (Business Dictionary). Each product should have a name, identity and image, that make it stand out from the other products. The product name is often connected with pictures or typography and thus creating a trademark with symbolic value. Trademarks can be registered which disallows others from using the trademark. (Raatikainen 2008, 90-91)

A brand can be defined in several ways; it can be associated with a company, a product or a person. The most typical way to see a brand is as a product name or as a logo or symbol of the business. However, there is a difference between a brand name and a brand itself. A brand name is signifying a source of product or service. A brand refers to the perception people have about the product. (What is a Brand, Anyway?). From business point of view brand means the additional value a consumer is willing to pay for a product compared to another product with no brand. Building a strong brand can take several years, but with an effective brand the business can create its own world of experiences with several elements included. (Raatikainen 2008, 97)

Logo is identifying the business by using a unique symbol, graphic design or text. Logo will symbolize and identify the whole business into one recognizable symbol. (Logo, brändäys ja identiteetti) Logos are widely used in all kinds of material produced by the company, such as advertising, websites or brochures.

An important aspect of branding is creating a visual brand identity. The key factors in visual planning are choosing the right brand name, creating a consistent style, developing a logo and choosing the other visual elements such as color scheme and typography. (Hardy G, 2012) The visual identity should be integrated in all the marketing activities the business does. The visual elements used in marketing will create an image of the company and therefore should be carefully chosen based on what kind of message the company wants to send to the audience.

# COLOR EMOTION GUIDE



Figure 2: Color emotion guide (The Logo Company)

## 6.5 Conclusions marketing and planning

Marketing should be planned to according to the target group, their needs and wants. Before deciding where and how market a product or service, the marketer should analyze the market situation and draw conclusions about where the target group is, what is the best way to find them and get their attention. In the end the market is the factor that makes the business succeed, not the business itself.

Marketing communication and branding should differentiate the company from its competitors. The company should find its own voice and style to communicate and interact with the potential and existing customers. When planning communication, the stage in which the potential customer is in should be taken into account according for instance to the AIDA model. Targeted marketing and advertising is always more effective, as it appeals to the interests and needs of the customer.

## 7 Webshop bussiness

During the past years making purchases online has significantly increased and has become a part of consumers' everyday life and a significant part of many companies business. Finnish people make most of their online purchases from Finnish web shops; in 2011 18% of all the purchases were made from foreign web shops. Foreigners rarely purchase from Finnish web shops so at least at the moment Finnish web shop business is not a significant export. The biggest product segments bought online are flights and travels, electronics and gambling, fashion was the fifth biggest segment in 2011. (Lahtinen 2013, 15-17)

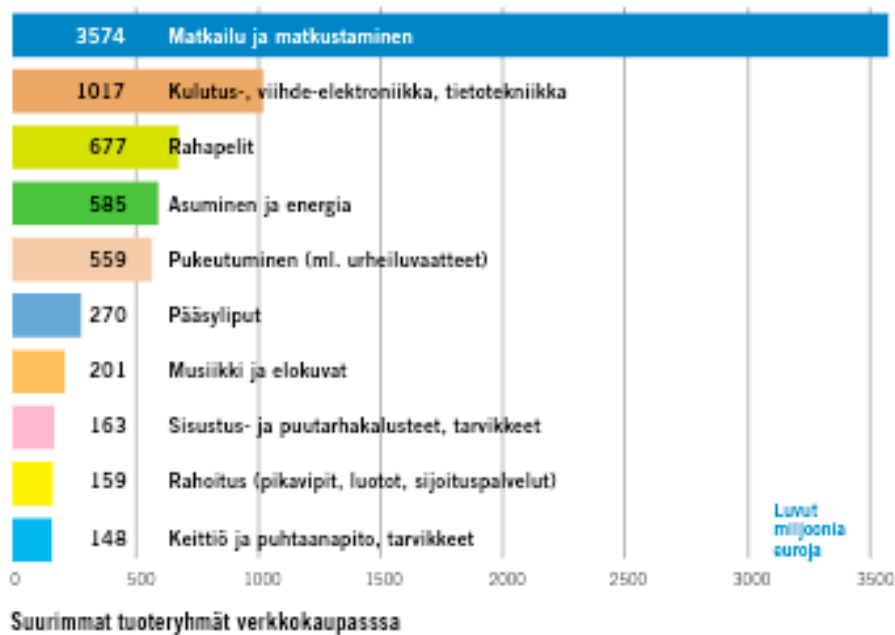


Figure 3: Most popular product segments bought online in Finland (Lahtinen 2013, 15-17)

Consumers shop online for several reasons, most significant reason is probably for saving time and money, on the internet comparing prices is easy and having the products delivered home or to the nearest post office is convenient. Also having a great variety of products and services available online can drive consumers for online shopping. Compared to other Nordic Countries in Finland people make fewer purchases online and are accepting longer delivery times and it is assumed that the trend to make online purchases will increase in Finland as it has done in other Nordic Countries. (Lahtinen 2013, 16, 17)

## 8 Buying behavior online

The amount of purchases made online is connected to the age and other demographics of the consumer. According to Suomen virallinen tilasto (SVT): Väestön tieto- ja viestintäteknikan

käyttö (2013) 96 % of Finnish people between the ages of 25-34 have bought something from an online store. Between the ages of 75-89 the number was only 7 %. More purchases were made online in big cities than in smaller towns. This information shows that if a product or a service is targeted to older people it is better to be distributed by other channels than a web shop. However young people use the Internet a lot and are familiar with buying online.

When designing a web shop business the most important thing that has to be taken into account is how consumers behave when making purchases online. By knowing the buying process the owner of the web shop is able to guide the customers to behave according to the goals of the business. The user experience can be enhanced at a web shop, as well as create a personal relationship with the business. (Havumäki, Jaranka 2014, 55-56)

Since the buying behavior is constantly changing the web shop owner should be aware of the changes. Since smart phones and tablet computers are increasing rapidly, the web shop owners who are unable to serve their customers on mobile devices will experience troubles with their businesses in the future. (Havumäki, Jaranka 2014, 56) Mobile devices are also used for finding information about products, including prices and technical details. (Lahtinen 2013, 16) Having a web shop that has a mobile optimized version is essential today. Browsing a web page that requires a screen bigger than a mobile phone has is difficult and inconvenient.

In addition to the web shop itself the buying behavior is affected by the financial situation in general, advances and changes in technology as well the cultural context. (Havumäki, Jaranka 2014, 59)

## 9 Web shop as a distribution channel

Investopedia defines distribution channel as: "The chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer." A distribution channel might include several steps between the manufacturer and the end consumer, for instance wholesalers and retailers. In a direct channel the consumers make purchases from the manufacturer and in indirect channel there are one or more intermediaries between the manufacturer and the end consumer. (Investopedia)

The distribution channels may include both B2B and B2C trade. Most web shops that serve consumers are retailers at the end of the distribution channel chain. Many of them also have a retail store, some of them started as a retail store and then changed their business into online store and some of them started a web shops. Some businesses that started as web shops might also expand into retail stores. (Lahtinen 2013, 18)

When running both, a web shop and a retail store, it is important to introduce the retail store at the www-page / web shop as well. Some consumers use internet just for finding information and make their purchases at the retail store. Thus the web shop or web page might attract people to the retail store as well. Therefore the user experience online (Lahtinen 2013, 23)

### 9.1 Competition on web shop business

Because the web shop business is global the competition is harder than in retail business. The consumer has the freedom to choose the option he considers being the best one. On the other hand the market potential for a web shop business is limitless. The products can be sold through out the world by using only one channel. Therefore differentiating from competitors is essential. (Lahtinen 2013, 28)

### 9.2 Pricing in web shop business

In a web shop business different discounts are usually easy to implement depending on the platform or software used. Such discounts can include:

- Discount coupons
- Discounts based on the amount purchased.
- Discounts based on a certain group of customers

For instance advertising a product of a web shop business on a newspaper and directing people from the newspaper to a campaign site online the affectivity of the newspaper advertisement can be measured. Or by using a special campaign code and following how many people used the code. (Lahtinen 2013, 55)

### 9.3 Efficiency of a web shop business

Web shop business is often seen more efficient than traditional retail store since the distribution chain can be simplified and the unnecessary links cut from the chain. Many distributors sell directly to consumers online. (Lahtinen 2013, 19) For instance on eBay Chinese manufacturers and trading companies sell their products for consumers around the world and by not having a retail store and staff in Finland the prices are often much lower than at Finnish retail stores.

### 9.3.1 Conversion

Conversion means the amount of website visitors who take the desired action. (Marketing Terms 2013)

The conversion varies a lot but 2-3 % can be considered a moderate rate.

The estimated number of purchases made can be calculated as:

Visitors x conversion= number purchases made.

For example with a 3% conversion and 250 visits per month, the number of purchases would be:

$300 \times 0.03 = 9$  purchases per month

(Lahtinen 2013, 43)

Making the web shop user experience as customer friendly as possible can increase the conversion. In a traditional retail store good customer service and sales people can affect on the amount of sales made. In a web shop there is no interaction between people, so the amount of sales made will depend on other factors.

### 9.3.2 Customer service

When planning a web shop the access to customer service has to be ensured. There are several ways to arrange customer service; it can be reach by phone, email or a feedback form at the web shop. The principle is that the customer service and support should be available 24/7. Also the response time for requests regarding support and customer service should be announced. (Juslén 2009, 178)

## 9.4 Planning and launching a web shop business

For a small business launching a web shop is fairly fast process. For a large company with a retail store with thousands of products launching a web shop is a long process. Because the background functions of the business have to be integrated in the web shop will slow down the process. Especially for big companies, hiring a professional specialized on web shop development might be necessary for a successful web shop launching. Many companies out-source the web shop development process, as well as maintaining and content creation, but some might buy their own server, web shop software and take care of the process inside the company. (Havumäki, Jaranka 2014, 65,67)

Havumäki and Jaranka (2014, 67) have presented questions to consider before beginning the planning and implementation process of a web shop:

- Who will administer the web shop?
- Who will be responsible for producing content, including pictures and product information?
- Who will follow the web shop business and develop it if necessary?
- Who will be responsible for customer service and shipping the products?
- Who will be responsible for technical matters?

The case company is a micro business; the planning and implementing the web shop won't be outsourced. Therefore the technical possibilities and challenges will be discussed from that point of view. The web shop will be implemented on a ready platform, but the appearance and content will be self developed.

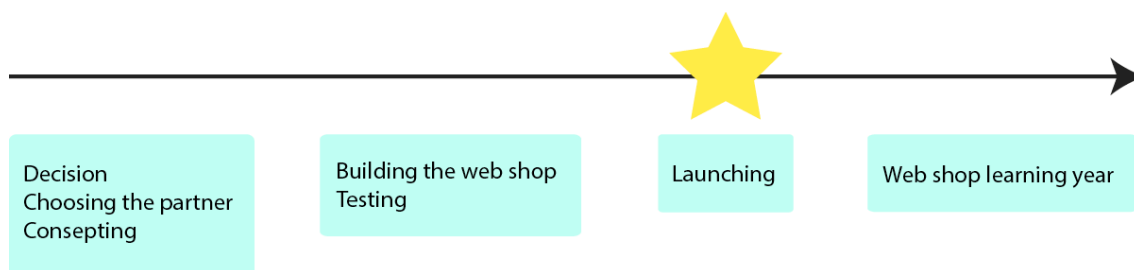


Figure 4: Launching a webshop business for small company (Havumäki, Jaranka 2014, 65)

## 9.5 Technical implementation

Planning a web shop will depend on the technical, functional and business demands the company has. Examples of business based demands for a web shop include: the web shop might need to be implemented fast, it has to include options in campaigning for different target groups or has to be accessible from other services or market places.

Technical demands may include the following: a platform that ca be developed further, information security, support services and convertibility for different devices. (Havumäki, Jaranka 2014, 66)

The company itself from the very beginning can implement a web shop or a ready made platform may be used to star a web shop business. After choosing the method to build a web shop an important thing is to choose a domain name. Choosing the domain name will depend on the purpose of a web page, but in most cases the best option is to use the company name as the domain name. (Juslén J 2009, 174) En example could be [www.laurea.fi](http://www.laurea.fi). The domain name

should be easy to recognize and remember, for international companies, .com-domain is usually the best option, companies can also register several domains according to the local needs. (Juslén J 2009, 175)

## 9.6 Conclusions web shop business

Web shop business has had a rapid growth during the recent years. More and more businesses are now operating in the field of web shop and many traditional retail stores have expanded their business into the internet. Web shops cannot compete with their locations but on the other hand they have potential to grow global.

Web shop business has its benefits and down sides, for instance web shop does not usually offer the opportunity to provide instant customer service and personal selling, although many web shop have an option for real time chatting with a sales person, the communication is only based on written messages and not interaction in person. From many aspects, web shop is a cost effective option compared to a traditional retail store, for instance there is no need to pay rent for a store space, no electricity or other utility costs besides the costs related to warehousing the products.

On the other hand selling some items, such as clothing might cause extra costs for the business if they are returnable. Some people shop online and return the goods right after receiving them. According to the EU law, web shops don't have to offer a free return of the products to the customer, but many web shops still do. (Kärkkäinen, 2014) Web shop also needs constant care, such as updating the software and product information.

## 10 Internet marketing

Internet, or online marketing refers to marketing and advertising activities that use the Internet or email to drive sales. Internet marketing is often used together with the more traditional marketing channels, such as, print, TV and radio. Different areas on Internet marketing include web marketing, such as websites and online advertising on search engines; email marketing, contacting current and prospective customers via email; and social media marketing, which includes both, marketing and advertising via social media channels. (Beal, 2014)

The following section about online marketing is based on the most potential marketing methods for the case company. Some aspects of online marketing, such as SEO are important for basically any website or web shop business. The social media channels discussed in the chapter were chosen because they were considered relevant for reaching the target group.

## 10.1 Search engine Optimization

In important aspect in online business is ensuring that the business will be visible in search engines. SEO stands for search engine optimization; it is the process of getting traffic on the website through search engine results, from search engines such as Google, Yahoo or Bing, The results shown on the search engine are based on what the search engine considers being most relevant for the user. (Third Door Media Inc. 2014)

If the market has a high supply, standing out in the search engine results might be challenging. Building the website to serve both, the customers and the search engines is essential in SEO. When building a website the relevant content and technical features should be taken into account in all of the phases of the planning process. The content published on the website should be based on the customers' needs and written from the customer's point of view. By producing relevant content the website is more likely to show on the search engine results. (Juslén 2009, 180-183)

## 11 Social media

The web pages that have the opportunity to share content freely to others across people's social network are called social media. (Havumäki, Jaranka 2014, 41) Most commonly known social media channels are at the moment Facebook, Youtube, Twitter, Instagram, LinkedIn etc. In Finland the most popular social media channel in 2013 was Facebook with approximately two million Finnish users. Other popular social media channels in Finland were Suomi24, IRC-Galleria, LinkedIn and Twitter. (Hirvonen, Rissanen, Tebest, 2013) There was no information found about the amount of Finnish users in some social media channels, such as Instagram.

Social network is defined by Treadaway and Smith (2012, 26) as groups of people who have common interests, perspectives or backgrounds. Social media channels, such as Facebook and Twitter are often referred to as social networks, although they are actually social media channels. Social networks exist both online and offline. For instance, students enrolled at a certain university form a social network; whether or not the network exists online.

A Social graph is a collection of a person's social networks. Social graph is unique and no two individuals have the same social graph. Social graphs and the social networks within can be captured in social media channels, such as Facebook, Twitter or LinkedIn. (Treadaway, Smith 2012, 27)

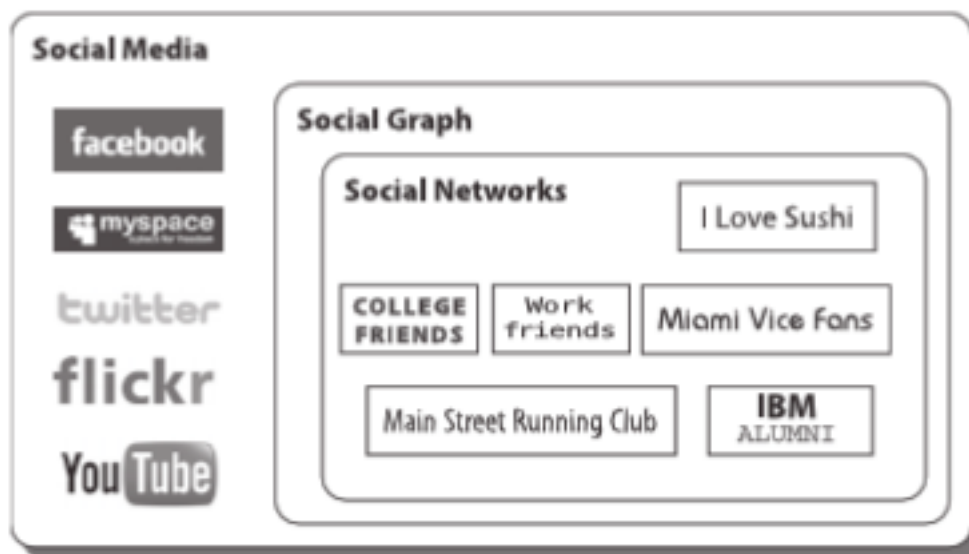


Figure 5: Social Media, Social Graph, Social Network (Treadaway , Smith 2012, 26)

Social media is considered a cheap and effective way to reach potential customers, engage the existing customers and keep people informed about the products and services available. Social media has changed the communication between companies and consumers from monologue into dialogue. Producing a lot of advertising is no longer valued among consumers and recommendations from fellow consumers have a great value. (Chaney 2009, 3-4) In social media sharing user experiences, both positive and negative is easy and giving direct, public feedback is made possible. According to Chaney (2009, 4) "Consumers trust word-of-mouth recommendations far more than traditional marketing or advertising." People also like to hear actual experiences of a product or service than marketing speak.

Consumers are no longer seen as passive and controllable by advertising and marketing communication, but active speakers who communicate and need to be heard. Sending the marketing message is still in the control of the company, but the consumer has the power over how the message relates to others. The company brand is no longer owned by the company, but shared with consumers. (Chaney 2009, 17, 19) Social media provides an opportunity to make the company brand more personable and opens a whole new way for consumers to communicate with a brand, however it also opens a new way to share complaints and bad experiences that will be publicly visible. (Treadaway, Smith 2012, 45)

Marketing in social media has its risks, but it also has a huge potential. Many marketers aim for viral marketing, in which an advertising message is moving fast from one person to another. The word viral is derived from the word virus, which is supposed to describe the speed how a message is moving between people. Viral marketing is usually very cost effective, since a high visibility will be achieved with little input. Practically viral marketing can be done in

any form, video, image, article, etc. Many campaigns are based on spreading a campaign message between users of a social media channel. In order to go viral, the message has to differentiate from other content; it can be funny, shocking or inspiring and it has to be relevant at the time it has been posted. Implementing viral advertising is challenging, because the success will depend on the audience. (Sanakirja: viraalimarkkinointi 2012)

Since marketing is becoming increasingly focused on content, social media should be embedded in the marketing strategy and not seen as a separate marketing channel. The main idea in using social media effectively is to use different marketing channels together and forming a big picture of the company. (Some-markkinoinnin trendit 2014, 4) Social media can be utilized also in content creation, by following what the potential customers talk about on Facebook, Twitter, blogs etc. new ideas for relevant content may arise. Following actively social media can also give tools and ideas for product development. The social media channels included in the marketing plan should be chosen based on the target group and the objectives of the marketing plan.

Social media channels have rapidly increased in number and the channels are becoming fragmented. In addition to the most popular channel, Facebook consumers have started to use different channels for different purposes. Using several social media channels will decrease the amount of time used on Facebook and therefore will decrease the reach of Facebook marketing. (Sometrendit 2014, 6) The trend seems to be using a different channel for different purposes, Instagram for pictures, Twitter for writing, YouTube for videos and LinkedIn for professional networking. Facebook has basically all these functions included and therefore might not necessarily show the users the content they wish to see at that time. Also the increasing amount of older people on Facebook might cause young people to leave. They don't want to be in the same place as their parents. (Sometrendit 2014, 9)

Many social media channels use hashtags, (#) as a way to organize information and categorize conversations inside the channel. Twitter was the first social media channel to use hashtags for hyperlinking the words with a hashtag together in the search results. Other social media channels, such as Facebook, Instagram and Google+, have now adopted hashtags. (Miles 2014, 27,28) Marketers often create their own hashtags for marketing campaigns or contests that are supposed to make people to participate and share content related to the campaign.

### 11.1 Facebook

Mark Zuckerberg originally founded Facebook in 2004, as a social network for Harvard University students. It quickly expanded to other Ivy League schools in the United States and since 2006 anyone over the age of 13 has been able to register on Facebook. (Carlson, 2010) At the

moment Facebook is the largest social media channel globally with 1.35 billion monthly active users for September 2014. The number of mobile users was 1.12 billion in September 2014. (Facebook company info 2014)

Facebook's mission is "Founded in 2004, Facebook's mission is to give people the power to share and make the world more open and connected. People use Facebook to stay connected with friends and family, to discover what's going on in the world, and to share and express what matters to them." (Facebook Company info 2014)

After creating an account the user may connect with friends, like pages and share content. The most important feature on Facebook is the News Feed. News Feed is the first thing the users see upon logging in. It is a constantly updating list of updates from the users Facebook friends, fan pages and third party applications the user has installed. The updates can be commented or "liked". The updates, comments and likes might be public, or visible for a certain group of people or friends. The user, who shared the update, defines the publicity and thus you are able to see comments and likes from people you don't even know. (Treadaway, Smith 2012, 40)

Because of the large amount of potential customers using Facebook, a lot of companies and brands have become aware that it is necessary to be there. The preferred type of landing page for companies, brands and non-profits is a fan-page. (Treadaway, Smith 2012, 41) Any Facebook user may begin to follow a fan-page by "liking" it. After liking the page the posts shared by the page will show on the users News Feed. How high the content ranks on their News Feed depends on the Facebook algorithm called Edgerank. An algorithm is a procedure or a set of rules for solving a problem. (Algoritmeja, valintaa, toistoa, taulukoita, metodeita 2011)

An algorithm called Edgerank determines the content showing on a person's News Feed. Edge means a piece of content, for instance a post, a comment, a tag or a link. Edgerank consists of three main components: how often you engage with the person, fan page or group, the edge type and the time the edge was posted, recent posts get more credit than older ones. Edgerank is personalized for each user based on their interaction, and therefore aiming to make the News Feed as relevant as possible. (Treadaway, Smith 2012, 41-42)

Edgerank might make it more easy or challenging for marketers to get their content to show on peoples' News Feeds. By having relevant and interesting content that the user will engage with, will rank the content higher on their News Feeds and therefore increases the reach. At the moment the person can choose to hide all the content posted by a fan-page and even take a survey for provide Facebook information about the type of content they wish to see on

their News Feed. If people don't like what you share today, they might not see what you share tomorrow.

#### 11.1.1 Marketing on Facebook

The first step when planning a Facebook page for a business is defining the presence. The business might lead their presence with a brand, a product, and other content or information about the business. The presence should be determined based on the customers, who they are and what do they want what they do not want. The company should ask itself questions regarding the customers needs, wants and values and focus on these basic points when planning their Facebook presence. (Treadaway, Smith 2012, 57, 59)

The most commonly used tools for marketing offered by Facebook are pages and advertising. The pages create the basic presence for businesses on Facebook and advertising are used to generate demand by Facebook marketing. Facebook is using a pay-per click model, in which the company is paying a certain amount of money every time someone clicks the advertisement. However the paid advertisements on Facebook have had a low response among users. Paid advertisements on Facebook have lower costs compared to for instance Google or Yahoo, but the response is also lower. (Treadaway, Smith 2012 63, 65)

The advertisements on Facebook generally appear on the right side of the page, but businesses also have opportunity to buy sponsored posts that will rank them higher on peoples' News Feeds. The sponsored posts may also appear on a person's News Feed even though he/she is not following the fan-page of the business. When buying an advertisement, Facebook lets the business to choose the objective for the campaign. The objective can be for instance, page likes or website conversion. (Advertise on Facebook 2014)



Figure 6: Examples of Facebook ads, screenshot taken 2.10.2014

Analyzing the results of a Facebook campaign or advertising is fairly easy with the Facebook metrics. Each business page on Facebook has an “insights” tab that shows likes, reach and the number of people who have created a story about the page. A story means basically any kind of activity a user does with the page, the activity creates a story by showing in the News Feeds of his/her friends. Specific data is also shown for each post and Facebook insights shows the data both in numbers and graphs. (Treadaway, Smith 2012, 203-204) The information can be used for finding out what kind of content people find interesting and therefore engage with the content.

The marketing actions on Facebook always depend on the goals and current situation of the business. The most basic thing is being present and interacting with people who are interested in the business. Sharing relevant content regularly is also important for keeping the followers aware on what is going on at the moment. Paid campaigns and advertisements may suit some businesses needs, but the objectives and a strategy for meeting the objectives should be clear before starting campaigning.

## 11.2 Instagram

Instagram is a smart phone application that allows the users to upload and share pictures and 15 second long videos. People can follow each other via Instagram, like and comment the pictures and videos uploaded. Since the revolution of smart phones, mobile applications have become part of consumers' everyday lives. Instagram had a breakthrough during the fall 2012 and in 2014 had more than 100 million users. (Miles 2014, 3) Since the video content allowed for Instagram is very limited in terms of the length, other channels, such as Youtube or Vine are more relevant for users who wish to share a lot of video content.

### 11.2.1 Marketing in Instagram

The basic thing in Instagram marketing is creating a profile that has credibility and authority. The profile is letting the existing and potential customers to know what the company is doing and what they can expect if they choose to follow the company. A strong profile consists of a profile picture, which is usually the company logo and a short profile description. The description should state what the company does, what kind of content they share and a call of action, such as "Follow along!" Also a link to the company website should be included. (Miles 2014, 46-47)

In Instagram marketing the most essential key to success is the visual content being shared. The images have to be visually appealing and shared on a regular basis. In Instagram sharing high quality content is better than sharing a high quantity of content. When planning marketing in Instagram, the quality standards for images and the frequency images are posted should be defined. Also the time when the images are shared might affect on the success of Instagram marketing. (Miles 2014, 48)

The marketers in Finland have been slow with adapting Instagram into their marketing programs. Since the trend in marketing communication seems to be getting more and more based on visual marketing, the usage of Instagram in marketing products and services will most likely increase.

## 11.3 Marketing a web shop business

Unlike retail stores a web shop doesn't have a competitive advantage with the location. It can be physically located anywhere, and it is essential for the potential customers to find the web shop easily. The essentials in web shop marketing are how to market the web shop and how to do it cost effectively. (Lahtinen 2013, 31)

As in marketing any product or service, also marketing a web shop business requires defining the target group and segmentation. By focusing on the most potential segments the marketing is cost effective. (Lahtinen 2013, 32)

In a web shop the customer won't be able to physically see and touch the products having specific details and pictures is important. For instance the sizing of clothing may vary between countries and different brands and because the customer won't be able to try the product on it is essential to provide all the information needed for a purchasing decision. At the moment web shops offer a great variety of products from groceries to eyeglasses. In Finland selling groceries online has been challenging and few have made success in that field of on-line retailing. For instance the costs in logistics are high when the products ordered need to be delivered as soon as possible and the products are heavy.

#### 11.4 Conclusions about internet and social media marketing

The Internet and social media have created great opportunities and challenges for businesses in the modern world. Since most people use the Internet search engines for finding information, it is important for businesses to show on the results and be found. Planning websites and content from the customers' point of view is the key element in search engine optimization.

There is a wide range of different social media channels for different purposes, for pictures there are Pinterest and Instagram, for video Youtube and Vine, LinkedIn for professional networking and for socializing Facebook and Twitter. There are also several websites for creating blogs. From all the available options the business needs to identify the most suitable ones regarding its target group as well as the resources it has for keeping its social media channels up to date. The current trend is to use the channels for differentiated purposes, so businesses that do marketing via social media should take this into account and use the most relevant channel for each type of content they produce.

Social media offers the opportunity to implement marketing activities cost effectively and tools for following the success of marketing. However social media channels let the consumers to give open feedback and the business should have rules on how to react positive and negative feedback, as well as how to interact with people and other businesses in social media.

## 12 Marketing plan for the case company

The marketing plan was based on the 4P model, product, price, place and promotion. The 4Ps' were chosen because they cover the essential aspects of marketing planning, for instance the 7P model would have been too broad for a small business. The continuing marketing activities are discussed in the following parts, detailed and seasonal marketing activities, such as special campaigns or discounts are not discussed at this point, since the company has not yet established and the first steps when planning marketing for an establishing company are the essential parts, on which more specific and changing activities can be built on.

### 12.1 Basic information

The business idea is to run a web shop business that sells hand made, unique hairpieces. The business is ran and owned by one person, and it hasn't established yet. The core activities of the business and marketing it will be described in the following chapter. The company is located in Helsinki, Finland.

### 12.2 Market analysis

Trends in the buying behavior of the target segment are buying from the internet and using mobile devices when searching information and making purchases online. Many big retail stores, such as Ikea and H&M have developed mobile applications that make the user experience mobile device friendly. Also installing a mobile application will create a stronger relationship with the brand, since the application icon will be visible every time a person is using his/her mobile phone or tablet computer.

The biggest product segments bought online in Finland are flights and travels, electronics and gambling, fashion was the fifth biggest segment in 2011. (Lahtinen 2013, 17) Since Finnish people are familiar with buying online and they use the internet for buying fashion, there is market potential for selling accessories online. On the other hand Finnish people are not particularly loyal for Finnish web shops and buy also products from abroad. Being Finnish is not highly valued among Finnish consumers, but having a web shop and customer service in Finnish language can be an asset. (Kuluttajien ostopäätös syntyy tutkimuksen mukaan yhä vahvemmin netissä, 2009)

The key success factors in the web shop market today are having interesting products that are easily available online. A mobile device optimized interface is also important, since browsing a full version website on a mobile device is inconvenient and the decision to exit the website is made fast.

### 12.2.1 Competition

Competing companies were searched through the internet by using different key words. When searching with Finnish key words, such as “hiuskoristeet”, “asusteet”, “uniikit hiuskoristeet”, “hiuskorut” the companies that were listed on the first two pages of Google were big, often international companies, that sell mass produced goods. Some smaller web shops were also found but their main products were not hair accessories and the number of these products was very limited. Some wedding shops with a good range of bridal hair accessories also came up on the search results.

When searching in English the amount of results shown was a lot larger and there was a wider range of different businesses that sell hair accessories online. A well-known international online market place for selling hand made goods, vintage items and craft supplies is [www.etsy.com](http://www.etsy.com). In Etsy anyone can register and start selling goods with their own name / brand name internationally. Etsy will charge its users for listing and selling items and it is popular among people who sell handmade goods as a hobby.

In Finland, search by Google couldn't find any similar companies that would sell unique hair accessories and would be focused only on those, not all kinds of accessories. Internationally, Etsy is a big competitor, since there is a huge range of products, also hair accessories. The downside of Etsy is that it allows little chances to personalize the site where the products are being sold, and therefore creating a brand is more challenging when selling through Etsy. There are probably more Finnish companies that sell hair accessories online, but from the customer's point of view they were difficult to find.

In addition to the competitors online there are retail stores in Finland that sell accessories and hairpieces. Department stores such as Stockmann and Sokos have a wide range of products, there are also retail stores specialized in accessories, such as Glitter. An international retail chain called Accessorize but it recently closed all the stores in Finland. The financial situation in general is most likely affecting the fashion business and it might be a challenge for the case company as well.

### 12.2.2 Target group

The target group of the case company is women living in Finland between the ages of 18 and 60. The target group is based on the products the company is manufacturing and selling and the buying behavior of the consumers in the age group. Because the older age groups tend to be less active with social media and buying from web shops there is no reason to use re-

sources on trying to target people outside the age group. 18 was chosen as the lowest age, because buying online will require a credit card, paypal account or online banking and with under aged people these are the responsibility of their care takers. The target market Market size is approximately 1 380 000 individuals (Women aged between 20-59) (Tilastokeskus, väestötilastot 2014). The whole target group is not reachable, since not everyone is using the internet, social media or web shops in Finland.

The geographic area was limited to Finland, since the web shop will only ship to Finland. The web shop will be available in both Finnish and English, and therefore the Finnish language does not limit the target group.

### 12.3 Marketing objectives

The first marketing objective is to create awareness for the company. Because the company has not established yet it is important to create a unique, differentiated brand that has its own characteristics from the very beginning.

The objectives follow the AIDA model by first getting attention, then gaining the interest, followed by the desire and action.

#### 12.3.1 Marketing strategy

The marketing strategy is to open a web shop and promote it via social media. The web shop will also function as the company website and will be linked with the social media channels being used. There will be direct links from the website to the social media channels and the social media channels have links to the web shop.

The company will have a unique visual appearance that will be actively present in social media and the marketing in social media will be integrated with the web shop theme. Differentiation is an essential part of the case company marketing strategy and enhancing uniqueness with high quality visual content is a key part of the marketing activities.

#### 12.3.2 Marketing Mix

The tools chosen to market the case company according to the 4 Ps are the following:

- Product: Unique handmade accessories
- Price: Cost-based pricing, depending on the product itself, not the market price.
- Place: Web shop

-Promotion: Social media and search engine optimization

### 12.3.3 Product

The products being sold are unique hair accessories. There are ready-made designs available in the web shop to buy and the customer will also be able to order a custom-made one by contacting the company. The most important factor in the products is their uniqueness and quality. The main materials used are feathers, ribbons, pearls, and rhinestones.

### 12.3.4 Pricing policies

Pricing is cost based, since the strategy is to compete with the design and differentiation, not price. Pricing will depend on each product, how many are produced, how much was spent on the materials, and the time needed for manufacturing.

### 12.3.5 Distribution

The distribution channel will be the web shop. The web shop will be implemented on a ready-made platform that makes it easy to update and follow. The web shop will be optimized for mobile devices, so it will match the way people use the internet today. The web shop will be available in Finnish and English, so also the foreigners living in Finland will be able to use it conveniently.

The case company will serve the B2C market; the products will be sold directly to the end consumers.



Figure 7: Distribution model

The web shop will be built on MyCashflow- platform. MyCashflow is a web shop program available on the internet that has all the basic functions needed for the case company. It has the features for several language versions, buttons for liking and sharing on social media and the source code is made search engine friendly. It also gives the opportunity for campaigns and special discounts with campaign codes and discount coupons.

MyCashflow allows the web shop owner to buy a ready-made theme for the web shop, hiring a designer or customizing the theme with HTML or CSS. The case company web shop will be

built on a ready-made theme which will be customized by adding pictures and editing the fonts and colors to match the graphic look of the case company. The themes are built to work conveniently on mobile devices as well. MyCashflow web shop can be upgraded easily based on the needs of the company.

MyCashflow offers the opportunity to pay with online banking, credit cards and paypal. Delivery of the order will be done via Suomen Posti. The shipping expenses will be added to the price of the products ordered and the products will be delivered as a letter to the persons home or to the nearest post office.

#### 12.3.6 Promotion

The first steps in the promotion or marketing communication are finding the right name and designing a logo for the company. The name has to be simple and easy to pronounce and remember. A short company name is better than a long one. The logo should be simple but unique and be easily connected with the company name and associated with the company and its products.

The web shop will also function as the company webpage. There will be an about section that tells the story behind the company, this will increase the trust towards the company, since people can see how everything started and how it has developed. The website also has a news section that has updates and detailed information about new products with pictures. The news section will be updated regularly and the news articles will be shared at the company Facebook page as well as a picture form on Instagram with a picture and an interesting tagline and a link to the article on the website. The content will be produced in Finnish language, since the target group is located in Finland, although the web shop will also be available in English.

Using common language on the website and social media is important for the search engine optimization. The articles on the news section as well as descriptions of the products need to be written from the customers' point of view. By this the users coming from Google or other search engines will be able to find the information or product they are looking for.

##### 12.3.6.1 Marketing communication channels

The marketing communication will be based on sharing visual content, such as product pictures and pictures of products in real life situations. The pictures need to be high quality and have an integrated style with the colors and styling. The product pictures need to be clear and show the dimensions of the product as well as the material they are made of. The com-

pany logo will be added to the pictures for marking the pictures so that if they will shared on the internet they will still enhance the company brand.

The chosen marketing channels in addition to the web shop or website are social media channels: Facebook and Instagram. Facebook was chosen because it is the largest social media channel among Finnish users and therefore has a lot of potential customers to reach. Facebook also allows to share a wide range of different content, updates with text, pictures and video, as well as creating events and inviting people to them.

Instagram was chosen because of its visual context. Marketing communication of the case company will be largely based on images and since Instagram allows users to use hashtags for marking the key words associated with the pictures, the pictures the user is interested in are easy to find. The potential hashtags to be used with the pictures such as “hiuskoriste” or “hiuskoru” gave only a few results at moment and most of the content found with those key words was not high quality so by uploading high quality pictures with those hashtags would most likely make the pictures stand out from the low quality pictures.

Both Facebook and Instagram allow direct interaction with other users and this will be used as part of the marketing communication. Liking pictures and giving positive comments to other users in Instagram will give a positive and open image of the company. The content being liked and commented will have to be about accessories, not necessarily just hairpieces, but also other related items. The plan is to interact with both, people and other brands.

Possible negative comments will be responded to in the appropriate way. Removing negative comments is a risk; since the comments might have been taken on a screenshot which may spread on the internet and removing a negative comment might say that the company is indifferent or doesn't know how to respond.

All the channels used for marketing communication will be checked on a daily basis for comments or feedback. Posting to Facebook and Instagram will be done at least three times a week in order to keep the channels active. More frequent posting will be done if there is relevant information and pictures to share, but the minimum standard is twice a week. More important than the posting frequency; is sharing high quality content.

Potential marketing channels in the future are Pinterest, Google Adwords and fashion blogs. Pinterest doesn't seem to be popular in Finland at the moment, but depending on its future growth it might become a way to reach potential customers. Google Adwords could be used to improve the visibility on Google as well as a way to advertise special discounts and cam-

paings. Also some visibility for the company could be achieved by asking fashion bloggers to co-operate with the business, by giving them products they can present in their blogs.

#### 12.3.7 Marketing budget

The costs of marketing activities will consist of the building the web shop and the monthly charges related to it. The company owner will produce pictures and other social media content, and initially there will be no additional costs related to content production. Creating social media profiles is free and at this point there are no special campaigns planned that would require part of the budget. There are no salary costs related.

Launching a web shop with a custom theme: 700 €

Monthly fee of running the web shop: 49 €

Marketing costs for the first year: 1288 €

#### 12.4 Risk analysis

The most possible risks related to the marketing plan and the implementation are related to the social media channels and content as well as the web shop activities. The most probable risks are listed below:

##### 1) Technical implementation

The technical implementation of the web shop is the first challenge involved. The web shop has to function well on both, computers and mobile devices. The theme has look visually appealing and be integrated with the other visual aspects. Planning and testing the web shop before launching it can avoid the risk related to the implementation. In case needed MyCash-flow offers support services with web shop problems.

##### 2) Visibility

The web shop has to be easy to find. If the potential customers can't find the shop there will be no customers. The visibility in search engines and social media will be ensured by using the right key words and posting relevant, high quality content actively. The appearance in Google search results will be tested on a regular basis and adjustments will be done if necessary.

### 3) Competition

The biggest competitors known to exist are big online retailers that sell a wide range of different products related to fashion. The big retailers have high visibility in internet search engines and they use Google Adwords as well as paid Facebook advertising for increasing the visibility. Competing with the big retailers is difficult, but by differentiating and creating a unique brand that is focused on one core product group should appeal to the consumers that are interested in that particular product segment.

### 4) Quality

The high quality of pictures and other social media content has to be made sure by using time and planning when taking the product pictures and writing articles to the website news section. If the content is not appealing to the potential customers, adjustments will be done. With social media marketing doing experiments what works and what doesn't is sometimes necessary.

### 5) Activity

Using social media requires the marketer to be actively present and interact with other users. Also producing content has to be constant and active. Activity will be ensured by taking a few minutes everyday for checking comments and feedback in social media. The minimum standard of posting three times per week is part of commitment.

## 12.5 SWOT Analysis

<p><b>S</b></p> <ul style="list-style-type: none"> <li>-Little competition in Finland</li> <li>-Differentiated brand</li> </ul>	<p><b>W</b></p> <ul style="list-style-type: none"> <li>-Small size</li> <li>-No existing customers</li> </ul>
<p><b>O</b></p> <ul style="list-style-type: none"> <li>-Large amount of potential customers</li> <li>-High visibility in social media and search engines</li> <li>-Interesting and engaging content marketing</li> </ul>	<p><b>T</b></p> <ul style="list-style-type: none"> <li>-International competitors</li> <li>-Ranking in search engine results</li> <li>-Economic situation in Finland</li> </ul>

Table 1: SWOT analysis

## 12.6 Conclusions

The most important factor in marketing a small business is differentiation. The company needs a unique visual appearance that will match with the products. The communication in social media has to be active and the content has to be interesting.

When working in the field of web shop business visibility in search engines and being found easily by the potential customers is important and has to be taken into account when planning and implementing marketing activities.

The financial risks are low, since at this point the marketing costs include only the costs related to the web shop. However the marketing should pay itself back and in this case it means that the products have to be sold on a certain rate in order to cover the costs caused by running the web shop.

Social media and internet marketing have big potential, since sharing content is easy and if the right content is shared by the right person the impact on sales might be huge. However the best way to start marketing on the internet and via social media is by choosing the right channels, finding your own voice and your followers.

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