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International Business / International Marketing

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EXPANDING TO E-BUSINESS

CASE: JALOTAKKA OY

Bachelor's thesis 2010

ABSTRACT

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International Business

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Bachelor's Thesis

Supervisor

Commissioned by

February 2010

Keywords

Expanding to e-business, Case: Jalotakka Oy

45 pages + 3 pages of appendices

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Jalotakka Oy

e-business, benchmarking and online marketing

Jalotakka Oy, a family company from Kotka, is planning to establish an online store. The purpose of the thesis was to develop the internet sales of Jalotakka Oy as well as the online marketing actions of the company. The thesis serves as a guidebook for the company and holds all the necessary information the company needs for the establishment process and the marketing of the store.

Throughout the thesis theory is followed by empiry. The thesis addresses the practical matters regarding the establishment of the online store; such as designing of the web-pages using benchmarking, different payment options and the legal aspects regarding online sales. This is followed by the marketing part in which different sectors of online marketing are discussed in order to give Jalotakka Oy ideas to develop their marketing plan.

In-depth interview method was used to determine the need of knowledge Jalotakka Oy had regarding the online store. From the present thesis the company will receive information and suggestions regarding the establishment of the online store as well as the marketing plan for the online store. The final decisions are made by Jalotakka Oy so the thesis aims to help them to make the decisions, rather that offers ready solutions. From the base of this thesis Jalotakka Oy should find the decision making easier.

TIIVISTELMÄ

KYMENLAAKSON AMMATTIKORKEAKOULU

Liiketalous

VILKAS, ANNA

Toiminnan laajentaminen internetmyyntiin,

Case: Jalotakka Oy

Opinnäytetyö

45 sivua + 3 liitesivua

Työn ohjaaja

Pt. tuntiopettaja Ilkka Virolainen

Toimeksiantaja

Jalotakka Oy

Helmikuu 2010

Avainsanat

internetmyynti, benchmarking ja internetmarkkinointi

Tutkimuksen toimeksiantaja on Jalotakka Oy, kotkalainen perheyrittäjä. Jalotakka Oy on perustamassa verkkokauppaa, ja näin ollen työn tarkoituksena on kehittää Jalotakka Oy:n verkkokauppaa ja sähköisiä markkinointikeinoja verkkokaupalle. Työ toimii opaskirjana Jalotakka Oy:lle ja sisältää tarvittavat tiedot verkkokaupan perustamiseen ja sen markkinointiin.

Työssä käytetään vetoketjumallia, jossa empiria seuraa teoriaa. Työssä käsitellään verkkokaupan perustamiseen liittyviä käytännön asioita, kuten sivujen suunnittelua benchmarking- metodia apuna käyttäen ja erilaisia maksupalvelumahdollisuuksia, sekä lakiseikkoja, jotka vaikuttavat oleellisesti etämyyntiin. Tämän jälkeen seuraa markkinointiosuus, jossa esitellään verkkomarkkinoinnin eri osa-alueita.

Tarkoituksena on antaa Jalotakka Oy:lle ideoita kehittää markkinointisuunnitelmaansa.

Työssä käytettiin syvähaastattelua, jonka avulla selvitettiin Jalotakka Oy:n tiedontarve tulevaa verkkokauppaa varten. Lopputuloksena on opas, jossa teoria ja käytäntö kulkevat käsi kädessä. Työstä Jalotakka Oy saa tietoa ja ehdotuksia verkkokaupan perustamista varten kuten myös verkkokaupan markkinointia varten. Lopulliset päätökset tekee Jalotakka Oy, joten työ antaa vain ehdotuksia ja tietoa, jonka pohjalta Jalotakka Oy:n on helpompi alkaa toteuttamaan suunnittelemaansa verkkokauppaa.

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1. INTRODUCTION

The main focus on this thesis is to develop the internet sales of Jalotakka Oy. The thesis aimed to investigate the legal aspects regarding internet sales and to explain the certification in order to practice business online. A vital part of this thesis is also the content of the web-pages of the new business. The thesis also aimed to find appropriate routes to market the new business. Once finished, this thesis should work as a perfect launching guide to the new product line, taking into consideration all wishes that Jalotakka has expressed about this new business.

The idea for this thesis came from the company itself. The case company, Jalotakka Oy, is personally familiar to the researcher. Jalotakka Oy expressed an interest on expanding their business operations towards internet sales. Jalotakka currently has an internet page but this page offers no opportunity to practice internet sales. Jalotakka Oy wanted to have a clear guidance on what is needed when establishing an online store.

Jalotakka has developed a new line of products that would be suitable to online market. The current product line, such as gazebos, conveyors and grills, is difficult to sell online due to the high price and large product size. The new line of products are smaller and lower priced and therefore more likely to be sold on the internet. The new product line includes household products, small greenhouses, fireplace poker and lanterns for cemetery use.

The research work was carried out on the basis of an in-depth interview with one of the employees from Jalotakka, Jenni Muurinen, whose idea it was to launch this new line of business. With the interview the researcher has investigated the wishes and expectations that Jalotakka has regarding the new line of business and the content of the thesis is consistent with those expectations.

The structure of the thesis is such that it works as a guideline to establishing an online store. First is introduced the legal and practical sides of establishing an online store as there are different aspects that need to be considered when establishing a store that

operates online. After that the structure of the actual site is considered along with benchmarking with other successful companies that operate online. Decision of the site structure is, however, mainly left to the professionals who make the actual site, from a company called Nitro. Once the store is established visibility must be gained. Online store has more marketing opportunities than a traditional store, hence marketing is the second main topic of the thesis.

Throughout the thesis theory is followed by actions recommended to Jalotakka Oy. There will not be a clear cut between the theory section and empirical section; instead they will go hand in hand as the topics change. This will help the reader to gain a better understanding on each topic.

1.1 Case company

Jalotakka Oy is a company located in Kotka (Karhula). It is a family company owned by two brothers Antti and Mikko Muurinen. The company was established by them in 1984 making it a twenty five year old company. Jalotakka has throughout the years been a limited company where both of the brothers own fifty percent of the stocks. Antti Muurinen is a Managing Director of the company. He is responsible for the marketing actions of the company as well as export. Also, he is the foreman for the office employees and the fireplace assembly employees. Mikko Muurinen is the president of Board of Directors and he works also as the chief of production. He is responsible for the production and works as a foreman for the metalworkers.

The first Jalotakka office was located in Hovinsaari and during the first couple of years the company provided work for two other employees. Today the company has offices in Kotka (Karhula), Kouvola and Lahti. Also, the company has several retailers around Finland. At the moment company employs on average twenty people: in Kouvola office one employee, in Lahti three and in Kotka fifteen. The number of employees varies in Kotka office due to seasonal changes, i.e. extra seasonal helpers as well as occasional trainees. During busy summer months the Kotka office can employ as many as seven extra seasonal helpers and during winter time the number of temporary workers is significantly lower.

The company started its operations by manufacturing and selling light fireplaces. Afterwards the company has spread its operation in making conveyors and later on the company started producing table grills as well as barbecue huts or gazebos. Nowadays Jalotakka no longer produces its own fireplaces but instead it resells Tulikivi Oyj's soapstone fireplaces and tiled stoves by Kermansavi. Conveyor production is an integral part of production of Jalotakka and the company has set its aim to be the leading conveyor seller in the country. Jalotakka's own table grill and gazebo line is still today up and running and year 2008 the company started to sell LipLap- piers, Nexo- garden grills and Mondex- soapstone sauna heaters.

Jalotakka Oy has its own factory within the Kotka office. This factory produces all of Jalotakka Oy's conveyors, which are sold under a name JT-steel conveyors (JT-teräshormisto) and also the table grills that are sold under a name Apetit- table grills (Apetit- pöytägrillit). The gazebos have since the beginning been produced in Estonia, Saarenmaa, but all the products are designed in Kotka.

The turnover of Jalotakka Oy was 4.5 million euros in 2008, of which the exports account for 11 percent. The turnover of Jalotakka Oy has grown steadily for about fifteen percent annually, since 1998. The turnover estimation for the year 2009 was 3.8 million euros and it has been estimated that the export will go down to 5 percent due to the recession and the weakness of the Swedish crown.

Jalotakka Oy's foreign trade has focused mainly on exporting grills and gazebos. The main country of export is Russia, where Jalotakka has their own resellers. The second most important export country is Sweden, but Jalotakka also exports to Latvia, Turkey, Switzerland, France, China, Denmark and England. The most important domestic resellers are big chain stores such as Bauhaus and NetAnttila, that are selling Jalotakka's gazebos and table grills. As for conveyors, different kinds of hardware stores like K-rauta, Starkki and Rautia are the main players.

1.2 Business idea

The business idea is Jalotakka Oy's own. The idea to start selling these small products via internet comes from one of the employees, Jenni Muurinen. The idea itself is good and relatively risk-free as they are already selling these products in their shop. They know that people are interested in these kinds of product and now they want more people to be aware that these products exist.

Also, the online store makes it easier for the customers as they do not need to come and visit the store. Instead they can purchase the products online and have them delivered to them. Jalotakka has several other products on the market, and sales of these in the online store will only be a small percentage of their sales. This makes this attempt even more risk-free as they do not expect too much from it. These online store products can be classified more as add-ons than actual main products.

The only real investment they need is the cost of the internet site made by Nitro and the costs related to the payment methods used on the site. The equipment and manpower they need to make these products already exists. First, they plan to make only few of these products to avoid any warehouse clutter. Later on, of course, if the attempt is proven to be a success they will start producing more of these. The demand will control the production.

As a conclusion it can be assumed that Jalotakka Oy wishes to gain more sales via the online store. The online store will also increase Jalotakka's visibility and possibly gain customers to the other products as well. Jalotakka has a strong place in the local market, but with the online store it wishes to expand operations more widely to other parts of Finland as well as abroad.

1.3 Research method

The research method chosen for this thesis is in-depth interview. The person I interviewed was one of Jalotakka Oy's employees, Jenni Muurinen. The aim of the interview was to map all of the company's needs in order for the thesis to be as helpful for the company as possible. The deep interview method used in this thesis is a

qualitative research method. The method was chosen in order to receive better and deeper information about the company needs. (Mickelsson 2007.)

The interview took place at Jalotakka Oy's premises in Karhula 13.12.2009. I had prepared questions beforehand, but conversation flow determined the final structure of the interview. The main questions were about the company in general, the idea for the online store, the products that will be sold via the online store and the expectations regarding the online store. The interview took about two hours to finish.

I started by asking questions about the case company, the history and the current state of the company was addressed first. I determined the ambitions the company has regarding the online store and the matters that are unclear for the company. During the interview I found out what the main concerns are for the company and they were the legal aspects and the practical aspects regarding the establishment of the online store. The questions used for executing the in-depth interview are enclosed in the appendix 1.

1.3.1 In-depth interview

The structure of the in-depth interview is completely unstructured, the conversation flows from one topic to another without it being planned ahead. I chose to execute a sole interview, as there is one person, Jenni Muurinen, whose idea this online store is. She has the information needed in order to make the thesis serve the company's needs. The deep interview method has a real reciprocal effect and the interaction between the interviewer and the interviewee is instant and genuine. (Mickelsson 2007.)

When using the deep interview method the researcher aims to put herself in the interviewee's place to gain full understanding on the matter. In-depth interview is very flexible and the researcher must be able to adapt to the situation as well as to reflect from the answers that the interviewee gives. In-depth interview is more or less consensual conversation between the two. (Mickelsson 2007.)

1.3.2 Interview results

During the interview the aim was to investigate what matters Jalotakka Oy wishes to clarify for them. The interview gave necessary information about the case company itself and the new online store they wish to establish.

Jalotakka Oy does not have earlier experience on online sales and therefore it is needed to investigate all the legal and practical aspects regarding internet sales. Jalotakka Oy does not know how to establish a payment options on the site and wished to gain information about this topic as well. They have outsourced the creation of the actual web site, but the content of the site depends on Jalotakka's wishes. Therefore the content of the site is considered also using benchmarking as a comparison tool.

Marketing methods were another area to further the investigations. Jalotakka Oy has marketing operations, but they do not know much about internet marketing. Therefore it is important to simplify the whole concept of internet marketing for them. Jalotakka Oy wishes to improve their marketing operations. Understanding the options that the internet offers is vital in order to make the right decisions.

However, Jenni Muurinen highlighted during the interview that the online store will be secondary to the actual shop they have. The sales made via the online store will be only add-ons and the product line will be narrow in the beginning. The demand will control the production of the products and also the further investments made to the online store will depend on the reception the store receives.

All in all, Jalotakka Oy wishes to receive a guidebook to establish an online operating store. All steps from planning, establishing and marketing should be included in the thesis. As illustrated in Figure 1. there will be three focal points in the thesis.

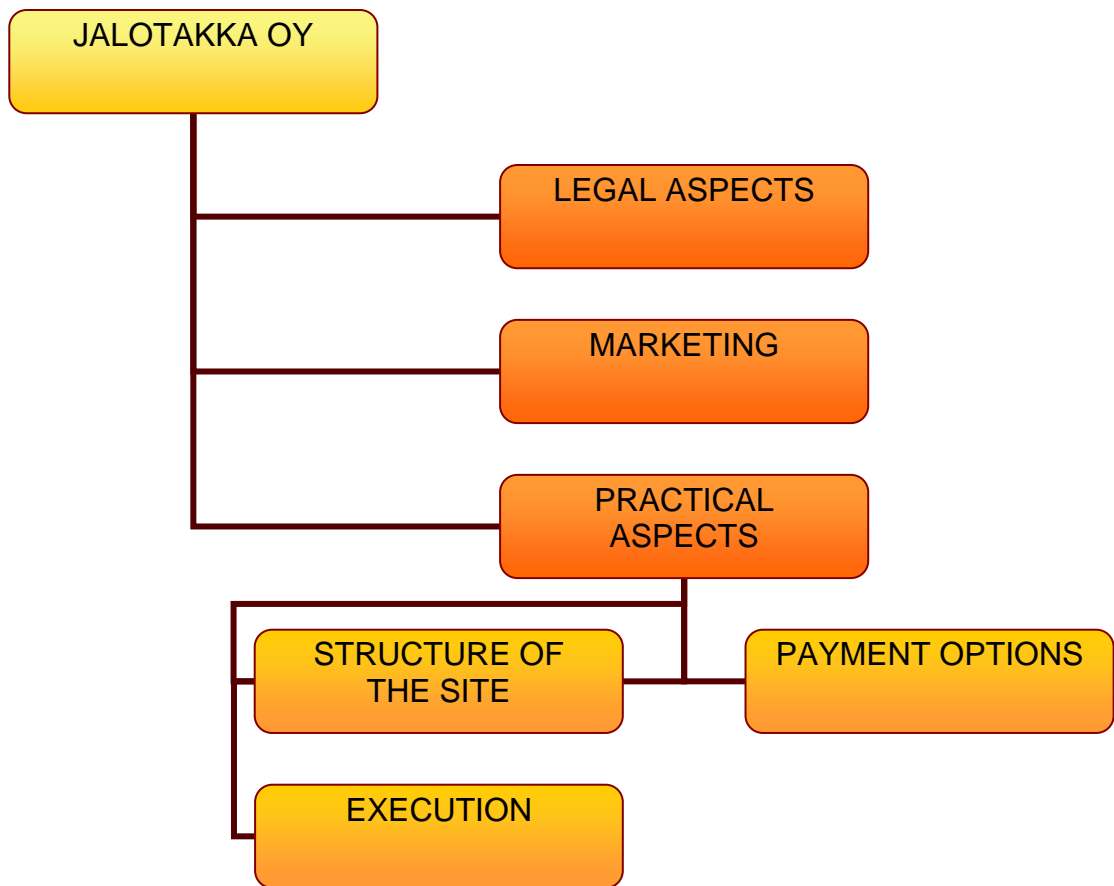


Figure 1. Focal points

2. E-BUSINESS AND E-COMMERCE

Due to the increase of technology since the nineties there are new term such as e-business and e-commerce, commonly used to distinct traditional business activities from online business practices. Jalotakka Oy has few earlier online activities; they have a home page with information about their current product line, but the home page offers no purchase opportunity. The new product line is more suitable for online sales and therefore they have decided to establish an online store and though that enter the world on e-business.

E-business as a concept is not very complex. In many cases it is defined as a way of doing business so that the internet connects the customers, partners or suppliers with the company. In Jalotakka Oy's case this is enabling the customers to purchase their products directly from the internet. Entering the world of e-business is more than just

creating a web-site with purchasing possibility, the company must also think about a whole new business strategy approach as the internet sales work differently than traditional sales, where the seller and the customer are face-to-face. (Net Essence 2003.)

There is a fine line between these two terms, e-business and e-commerce, but e-commerce is associated more with online transactions, whereas e-business can involve, for example, information that is exchanged via internet instead of money. What Jalotakka wishes to do is actually more e-commerce than e-business. (Net Essence 2003.)

E-commerce is focused on external relationships as e-business can be internal change of information within the company. Thus e-commerce is a sort of sub-concept of e-business as it is part of it. E-business covers also marketing, human resource management and financing operations. (Phillips 2003, 1.)

Company that is planning to establish e-commerce capabilities should first analyze the industry, competitors and also the company's opportunities. As well as traditional business e-commerce activities need a plan and analysis is a vital part of this plan. The market size, selling methods, products suitability for online sales and competitors should be evaluated for e-commerce analysis. (Hanson 2000, 384-386.)

3. ONLINE STORE

This chapter of the thesis discusses the practical and legal aspects of the online store itself. There are many different sectors that need to be considered when establishing an online store; these are the payment methods chosen, online store applications, warehousing and delivery methods and the legal side of online sales.

This part of the thesis covers most of Jalotakka Oy's wishes for further investigation. The topics that were considered the most important by the company are to be found in this chapter. The theoretical parts of the thesis are less important for the company itself than the practical ones. Jalotakka Oy hoped that the researcher will explore all the possible payment options and the practical establishment procedure as well as the main

legal aspects that regard online sales, as they are already familiar with the traditional sales procedures. Thus this chapter three should provide Jalotakka Oy sufficient information to get started on their online store project.

3.1 Payment options

Jalotakka Oy has expressed an interest on having a payment opportunity on the internet store. One of the main benefits for Jalotakka from this thesis is the clarification of the different payment methods and including the payment options in their web-site activities.

It would be easier for customers as well if they could purchase the products directly from the web, avoiding any invoicing from the company if they should choose so. Other possibilities are to offer customer an opportunity to pay the goods using their own banks internet site, paying along the delivery or the traditional invoicing. However, the more options the online store offers, the more it will cost in the beginning. (Itella, Verkkomaksut 2009.)

3.1.1 Visa

The best service provider on this field is without a doubt Visa. Visa offers safe and worldwide payment system, which makes it easier for both the seller and the customer. Within this service comes also the security as Visa checks that the payments are appropriate. The system also registers the transactions. (Visa Suomi 2009.)

According to the homepage of Visa (Visa Suomi 2009), it has been surveyed that shops, restaurants and other sales offices can increase their turnover with as much as twenty-five percent having the opportunity to pay with Visa. In 2008 there were as many as 4.2 million Visa cards in Finland and transactions with these cards exceeded 700 million. (Visa Suomi 2009.)

It is easy to join the Visa service networks. In Finland Luottokunta offers the possibility to claim the payments with Visa. The only document that needs to be signed is the salesman agreement. (Visa Suomi 2009.)

This is categorised distant sales as the customer does not personally sign or enter the personal pin-number to the cash register. Distant sales are executed via internet, phone, mail, mobile phone or digital television. (Luottokunta, Etämyynti 2009.)

3.1.2 Luottokunta

Luottokunta in Finland offers a possibility for digital payments. This enables customers to pay with Visa, Visa Debit, Visa-Electron, MasterCard, Debit MasterCard and American Expresscards. Internet sales also request integration of the sites to the service provided by Luottokunta. (Luottokunta, Etämyynti 2009.)

Internet sales are growing rapidly, over 50 percent per year. It has been surveyed that over a half of all internet transactions worldwide are done with Visa-cards. Digital payment service offers for internet sales as well as other distant sales a contemporary solution. This kind of payment process via internet is easy and effective and in order to use this service internet connection along with the username are all that are needed. (Luottokunta, Digitaalinen maksupalvelu 2009.)

The technology and security of this digital payment service is at a high level. This service will become a part of the web-store and transactions will become easy for the customers. The customers can select a language between Finnish, Swedish and English. Parts of the digital payment service are the Verified by Visa and MasterCard SecureCode verification services. The verification systems are used worldwide and they are very reliable in detecting credit card frauds. (Luottokunta, Digitaalinen maksupalvelu 2009.)

There are different package solutions for different needs. eStandard package for online sales, eClassic for phone- and mail-sales and eCombined for online sales and phone- and mail-sales. For Jalotakka the eStandard is adequate. This package solution is integrated in the online shop on HTML-interface and the customers can fill in the card details either on Jalotakka's web-site or Luottokunta web-site. This package includes also both of the verification services. Also, eStandard package includes a possibility

handle the transactions in the salespersons own www-network, for example refunds, user control and search of the transactions. The HTML-interface needed can be requested from Luottokunta by sending them an e-mail to address dmp@luottokunta.fi. Luottokunta accounts the money to the customer company within seven days after the transactions are made to Luottokunta. (Luottokunta, Digitaalinen maksupalvelu 2009.)

The price of this solution is 85 euros for the service opening fee, investigation fee is 50 euros per starting half an hour, the eStandard package is 495 euros and then the additional provision for every transaction. Altogether the costs will be about 630 euros as illustrated in Table 1. plus the provisions, which are shown in Table 2. (Luottokunta, Digitaalinen maksupalvelu 2009.)

Table 1. Costs

Visa costs	
Service opening fee	85 €
Investigation fee	50 € per every starting half an hour
eStandard	495 €
Total	630 €

(Luottokunta, Digitaalinen maksupalvelu 2009.)

Table 2. Provisions

Visa provisions		
Provisions	Visa	Visa Electron
	MasterCard	Visa Debit
		Debit MasterCard
EU Visa cards	1,05 €	0,55 €
Outside EU Visa cards	1,15 €	1,15 €

(Luottokunta, Digitaalinen maksupalvelu 2009.)

Concretely the service must be applied by filling in a contract (Appendix 2). Once the contract (Appendix 2.) is filled in and signed, it is to be sent to Luottokunta. After this Jalotakka will receive passwords and id-codes and the service will be available for

them twenty-four hours per day, seven days a week. (Luottokunta, Etämyyntisopimus 2009.)

3.1.3 Finnish banks

In addition to Luottokunta's service it is possible to have contracts with different Finnish banks. This way the payment is done via internet as an electronic transfer of money. The customers use their own personal identification numbers and pin-codes and can make the transfer straight away in their own banks web-site. However, in order to achieve this, a separate contract with each bank is needed. (Itella, Verkkomaksut 2010.)

In Jalotakka's case it is wise to make the contracts with the most commonly used Finnish banks, which are Osuuspankki, Nordea, Sampo, Handelsbanken and Tapiola. Identically to Luottokunta each bank will charge the service opening fee, monthly fee and a provision on each sale. (Itella, Verkkomaksut 2010.)

3.1.4 Cash on delivery

One option that can be offered to the customer is cash on delivery, C.O.D. This means that customer pays for the goods to the post office while collecting the package. This method is also good because the money is guaranteed to be collected from the customer. It is not possible for the customer to leave the goods unpaid. The money is also quickly transferred to the company's bank account. It is said on Itella's web-site that this takes normally 2-4 working days. It does not cost anything to start using C.O.D, there is a one-time-payment each time. (Itella, Verkkomaksut 2010.)

3.1.5 Invoice

It is also possible to use invoicing which is easy and in the best case free to the company. However, possible losses can occur if customers leave invoices unpaid. This can be however eliminated by not sending out the good before the payment is received. (Itella, Verkkomaksut 2010.)

Invoicing is a method that most people find convenient and this helps that potential customers will make the offer anyway even though they would normally shy away from online sales because they are unwilling to make transactions online.

3.2 Online store application

There are several companies in Finland offering online store applications much easier and much quicker to take into use. Often using these ready applications is cheaper as well. In these application information flows can be automated and the shop keeper is able to control and upkeep the content of the online store. Leading application providers are co-operating with Itella which makes the delivery process easier for the shopkeeper. The leading application providers are; Vilkas (not the writer of the thesis), Smilehouse, MyCashFlow, Suomalainen Verkkokauppa, Soprano and WebMonkey. (Itella, Verkkokauppasovellukset 2010.)

3.3 Brief for Nitro

However, as Jalotakka Oy has already been co-operating with Nitro, it was wise to let them design the online store site as well. This will enable the use of same design on both web-pages; Jalotakka Oy's own web-site and the online store's web-site. However, Nitro will receive a brief from Jalotakka Oy where all their wishes regarding the site are presented. This thesis will not include the brief itself as it is Jalotakka Oy who will create it according to their wishes, but this thesis includes instructions for Jalotakka Oy on how to create the brief and what matters should be addressed in the brief.

Brief from Jalotakka Oy should be precise and clear for Nitro to get a better view on what Jalotakka Oy's wishes on their sites. The brief enables both parties to understand what is wanted. A good brief should answer the following questions; Why, to who, what and how. As Jalotakka Oy is already a client of Nitro, the brief does not need to include the most basic company information unless conditions have changed since the last co-operation. (Kallioinen, J, Kingelin, P, Kultalahti, J, Leinonen, L and Wallenberg, N. 2010.)

Jalotakka Oy's expectations and budget would in this case play the most important part of the brief. Nitro should be informed that Jalotakka Oy wishes to use the same kind of design for the online store site as they are using in their homepages as well. Also, the brief should contain the wishes regarding the layout of the site. Brief should also contain information about the markets, the product, competition and the customer base. Jalotakka Oy must also inform Nitro about the timetable they have for the online store. (Kallioinen, J. et. al. 2010.)

3.4 Warehousing and delivery

It is recommended to keep the warehouse in the same place where the products are sold, this way it is easier to keep track on the products available. In Jalotakka's case this will be in the Kotka store where the products are produced and sold.

At the moment the ordered goods are packed and sent to the customers by filling in the delivery details by one of the employees. This same method will be used with the online store as well. As soon as the orders are received they are being sent personally by the person in charge of the delivery.

However, it is important to know that if the online store should grow rapidly and Jalotakka's own manpower is not enough the warehousing and delivery process can be outsourced. The best provider in this case is Itella again. The Itella's service warehouse can be linked to the online store application in order to automate the handling of the goods. However, Jalotakka Oy is currently using DHS as their logistics provider. It is recommendable to use DHS for international logistics and Itella for domestic ones. (Itella, Toimiva Varasto 2009.)

3.5 Consumer Protection Act

In Finland there is a Consumer Protection Act (Kuluttajansuojalaki) that determines the policies that are acceptable from both sides; the company and the customer. The parts that are addressed in this thesis are only the ones that are significant for the upcoming online store. Jalotakka Oy is familiar with the Consumer Protection Act, but

is reminded now about the facts related to online and long distance sales. (Finlex, Kuluttajansuojalaki 1978.)

In articles 6 and 7 the Act forbids the seller to give any untrue or misleading information about the products in both marketing actions or directly to the customer by the salesperson. Jalotakka Oy must be sure that all information given on their web site is up-to-date and correct. (Finlex, Kuluttajansuojalaki 1978.)

Chapter 6 in the Consumer Protection Act is about distant sales. What is the most important thing in this case is the article 15 that states the right of cancellation. The consumer is entitled to cancel the sale within 14 days of the purchase if the consumer so wishes. Hence Jalotakka Oy must have clear instructions regarding the return policy so that customers are aware of their right to refund. (Finlex, Kuluttajansuojalaki 1978.)

Article 17 states that the seller must immediately or at least within 30 days must return the money to the customer. It is advisable to return the money for the customer as soon as possible to avoid any inconvenience for the customer. If the customer gets the refund in a decent period of time the customer is likely to make other purchases in the future as well. This makes the company reliable in the customers' eyes. (Finlex, Kuluttajansuojalaki 1978.)

Article 13 of Chapter 6 states the information that the seller must provide to the consumer, in which the main points for Jalotakka Oy are:

- the name and address of the seller,
- the main features of the product,
- the price, delivery costs and payment terms of the product
- other terms regarding the delivery and the fulfilment of the contract
- the duration of the offer

(Finlex, Kuluttajansuojalaki 1978.)

The facts above are to be situated in the bottom of the first page of the online store as mentioned before, so that the information is easy to find for the customer. The pricing and delivery details should be clearly pointed out within each product.

4. BENCHMARKING

The term benchmarking comes from an American company Xerox Corporation which named the method of development that they were using to benchmarking at the end of the seventies. Later on benchmarking spread to Europe as well at the beginning of the nineties and several Finnish companies such as, Nokia ABB and ICL started to use the method systematically. (Laatukeskus 1998, 7.)

The term benchmarking means operations when the organization's own actions are evaluated by comparing them to others. Naturally, it is advisable to try to find the best possible target that is used for comparison. This way it is possible to learn from the others and also question own actions. Benchmarking can be seen as an evaluation of the role-model. (Wikipedia, Benchmarking 2010.)

In other words benchmarking is a method where an organisation learns from its role model and though that achieve significant improvements to its business.

Benchmarking as a method is by no means revolutionary as it has been used throughout the time. There are four parts in benchmarking that enable the improvements to occur. They are the possibility to compare other branches of industry, the creation of part-taking and learning, setting of ambitious yet realistic goals, and learning how the goals can be achieved. (Laatukeskus 1998, 4.)

It is common to use benchmarking method in the business world. Benchmarking helps to detect one's own weaknesses and also helps to improve one's own business actions. When using benchmarking one can compare several different variables, most commonly strategies, processes and data are used. (Wikipedia, Benchmarking 2010.)

The target for benchmarking can be any company; it does not necessarily need to be from the same field of action. Normally the benchmarking is implemented by visiting the company that is selected as a target, but it can be also carried out online by comparing information on web-pages. (Wikipedia, Benchmarking 2010.)

4.1 Jalotakka Oy's benefit from benchmarking

Jalotakka Oy will benefit from benchmarking when creating the web-site for the online store. They can compare the structure of other online store sites, as they tend to be quite similar structure wise. It is beneficial for the companies that the structure of the site is similar because then the site is easier for the customers to use and online transactions are more likely to occur.

It is advisable for Jalotakka Oy to use the same theme they have on their current web-page. The same colours would be good to use on the site for the online store as well. The pages for the online store will be made by the same company they have used for Jalotakka's web-page. Therefore the theme can be maintained without having to worry about any infringement on the copyright. This company is a local company called Nitro. The current Jalotakka web-pages are available in both Finnish and English and this is how the new pages for the online store should be as well. (Jalotakka 2009.)

For the comparison for the structure it is wise to use a company that is specialized in online sales. One good example in this case would be Hobby Hall. The structure of the site is again similar to so many other online stores. The shopping basket is located on the top right of the page and below that from left to right are the product categories. This same structure is to be found in almost all online store sites. Below the categories are some special offers and advertising banners. At the end of the front page is to be found contact information and other important information. Here it is advisable to put all the information that must be given regarding the law, for example information about the delivery and company contact information. (Hobby Hall 2009.)

All in all it is advisable to make the pages as simple as possible to make them easy for the customers to use. The payment option chosen by Jalotakka will appear after the customer has chosen to go to the checkout. The virtual shopping basket should also be made very clear. It should show all of the products that the customer has chosen to buy and also the delivery fees should be calculated directly to the end amount that customer will have to pay.

4.2 Benchmarking process

There are eight main steps in benchmarking process as illustrated in Figure 2. In each step there are questions that need to be addressed when using the benchmarking technique. Each step will now be addressed in the view of Jalotakka Oy and their benefit. (Tuominen 1993, 42-43.)

The first step tells us to define the target for benchmarking and in this case it is the online store creation and the site design. The aim of the benchmarking is to compare well-functioning online sites and to select best processes for Jalotakka's online store.

The second stage is to search the best process. In this case, benchmarking is used to create the best possible online site for Jalotakka Oy. The best process that is selected is from Hobby Hall, as it is a big market player specialized in online sales. HobbyHall is known to Jalotakka Oy and they can relate to the target. Customer base of HobbyHall and the upcoming online store of Jalotakka Oy will be somewhat similar.



Figure 2. Basic steps of benchmarking (Tuominen 1993, 42-43.)

The third stage of the benchmarking process is to learn one's own selected key processes. In this case, this stage is an imaginary stage as the online store does not yet exist. The key process will be to sell goods online to large variety of customers.

The fourth step is linked closely to step three as it is to learn selected best process. Here, HobbyHall's homepages and the structure of the site are studied. Design of the site is not as important here as the structure, because with an internet store the comparison is extremely easy to do. Different web sites can be browsed through and comparisons can be made easily and with very little time. There are numerous pages

that could have been used but because the structure of HobbyHall's site is similar to so many other online store sites it is a good example for Jalotakka Oy.

The fifth step is to define performance differences and reasons for them. Again, some adjustments to the steps must be made as the Jalotakka Oy's online store is not yet existing. The most obvious difference in the beginning will be the variety of the products and the number of the customers. Jalotakka Oy should build the product line bigger and try to gain more customers. The online store pages can be easily made as nice and well-functioning as the HobbyHall's sites are.

Step number six is to set goals. Here Jalotakka Oy will aim to build the pages as well-functioning as HobbyHall's pages are. As mentioned before the structure is the main point here.

The seventh step is to adapt and take into use meaning that the structure of the site will be as in so many other online stores have. The customers are used to having the shopping basket in the upper right corner of the opening page as well as the contact information is normally found on the bottom of the page. The product categories are on the opening page from right to left, which makes it easy for the customer to look for the products they want.

The last step is to stabilize and to develop further. Once Jalotakka Oy's site is running some further benchmarking can be done. The site for Jalotakka Oy's online store should be kept simple and follow the example of the other online store sites. However, as the internet business takes on for Jalotakka they should consider further as they see how the site is taken in by the customers.

5. E-MARKETING

Developing a functioning marketing plan for Jalotakka includes an understanding about e-marketing in general. Some of the facts of e-marketing may not be that important to Jalotakka Oy, but it is still beneficial to know as much as possible about the field that the company is about to enter. Internet marketing and traditional

marketing go hand-in-hand, but there are significant differences that are good to know even if they do not directly affect Jalotakka's business.

Marketing operations are important for every company and these actions should be updated constantly in order to maintain the competitiveness. New marketing channels and actions are important to build the brand further. A vital part of marketing plan is also the understanding the markets which works as a ground to the plan itself.

5.1 Internet marketing as a concept

Internet has certainly changed the world of marketing and especially the invention of the World Wide Web in 1991 and it truly is world wide web making the information reachable to anyone using the internet. As a result competition goes global as well. It is no longer enough that you are a market leader in the area where your store is located, now you need to be globally competitive. (Jobber 2004, 549-550.)

The distances between companies, customers and suppliers have been shortened, not necessarily literally but in technological sense, since advanced technology has made the distances seem shorter. In reality this shows for example in ordering goods. People no longer buy the products from the closest possible store, but search the internet to find better deals for their money. This has changed the world of marketing, also as the information travels now faster than ever before and customers are increasingly sophisticated. (Haverila 2004, 9-10.)

Internet offers new opportunities for marketing but also it has brought many challenges. Marketers need different kind of skills in order to be successful. The methods of marketing that have been considered traditional no longer seem sufficient when going online. However, internet should be treated as a tool for marketing and it can be used in many ways. It is said that one can enhance the company in two different fields, business and revenue. Business can be enhanced by building communications, doing market research or building a brand and revenue can be enhanced by practicing e-commerce or building an e-organization. (Phillips 2003, 205-206.)

However, the traditional marketing concept works as a guideline for a company entering the internet. The most important difference in internet marketing is the ability to reach people; this has been called as many-to-many communication. E-marketing as a term means using all kinds of network communication technologies, i.e. in addition to internet, also mobile phones and digital television. (Jobber 2004, 553-554.)

5.2 E-commerce exchange

E-commerce exchanges function in every possible way between the business and the consumers. They can take place from business to business, for example, between the company and its supplier. The most commonly used exchange is between the business and the customer when the business decides to establish a shopping possibility for customers on their web-site. Exchange between a customer and business is less obvious and not commonly used, but it occurs when a consumer controls the market and contacts the company and makes an offer on a product, for example. The fourth method is consumer to consumer which occurs for example in online auction sites, where consumers sell products to other consumers. (Jobber 2004, 556-557.)

Jalotakka Oy will mainly use the most common exchange method, from business to customer. The customer will log on to the online store site and decide whether to purchase a product. Then the customer will make the transaction online and the product will be delivered to the customer. There could be some customer-business exchange as well, as it would be beneficial for the company to get feedback from customers. It would be wise to have electronic feedback box on the web-site where customers could write their thought about the products and the company itself. This is a good way to get ideas as well as ideas for improvements free of charge.

5.3 Benefits and limitation

There are several plus sides as well as minus sides to internet marketing. The most beneficial points for the customers are accessibility as the online store is open twenty four hours a day, seven days a week. No matter which side of the world customer is shopping from, the shop is always open. Secondly, the internet works as a resource of information and the customer is able to find this information just by browsing with the

computer. Multimedia offers customers a possibility to look at pictures online to get a better view on what they are contemplating to purchase. A customer is also able to search through the web in order to compare prices and therefore get the best deal on the market. (Jobber 2004, 559.)

Jalotakka will probably gain mostly from the accessibility as the customers no longer need to come to the actual store. Customers who are far away can still find the products online and make orders. Multimedia is also something that should be efficiently used. When shopping online customer will want to have an exact idea on what they are purchasing. Pictures will help to achieve this.

Limitations related to internet marketing and e-commerce include excessive information available for the customers, which may overwhelm and the customers. Also, as the customers can buy products from far away the delivery gets more challenging and sometimes the customer has to wait the ordered product for a long time. One problem that is being struggled with constantly is the security; many people are not willing to make purchases online with credit cards because of the possible misuse. (Jobber 2004, 559.)

Another problem regarding the internet is the information accuracy. There are numerous outdated sources of information available on the web. It has been said that the company that offers up-to-date information has a competitive advantage over the competitors. Therefore, the updating of the homepage information can not be highlighted enough. It can be very bad for business to have false or information containing errors on the internet. (Haverila 2004, 18.)

Too much information available is a problem that is hard to tackle which is why it is vital to have a clear and simple web-site. Customers will have to be able to find the information they need within few clicks of the mouse otherwise they will go somewhere else to shop. Also, educated, smart customers are likely to spot errors and it gives a very bad image of the company.

Delivery should not be a problem for Jalotakka as they are already shipping their product overseas. It might be a good idea to list on the web-site average delivery time

to each destination so that the customers will know what to expect. Also, delivery charges must be clearly defined on the web-site.

Security problems will always affect online sales. There are numerous of people who are unwilling to make purchases online with credit cards or even with online bank transfers. Using the Visa-payment option will help because it is recognizable for many people and the “Verified by Visa”-text will instantly add security on the site. Offering the customers the cash on delivery-option will eliminate the problem with customers who do not want to make online transfers.

Also, a problem related to online trade is always the fact that still there are many users who are simply too overwhelmed with the internet and cannot use it properly. This problem is getting smaller as people are becoming more aware of the possibilities of the internet, but many potential customers will be unreachable because they cannot use their computers and the internet properly. Therefore it is important that the companies help people to find the right kind of material online. Search engines are making a significant contribution to helping people to search the information they need. (Hanson 2000, 252-253.)

5.4 Online competence

From the marketing point of view, there are two sides to internet marketing; a new promotional medium and an alternative channel to the market. By developing the technical knowledge inside the company it is possible to create competitive advantage over competing companies. Creating a well functioning site and by supporting the personnel to learn more about the technical elements this can be achieved. There are seven different competencies that the company should consider when making an online marketing plan. These are; strategic competence, financial competence, workforce, productivity, information systems, quality and innovation as seen in Figure 3. (Jobber 2004, 563-566.)

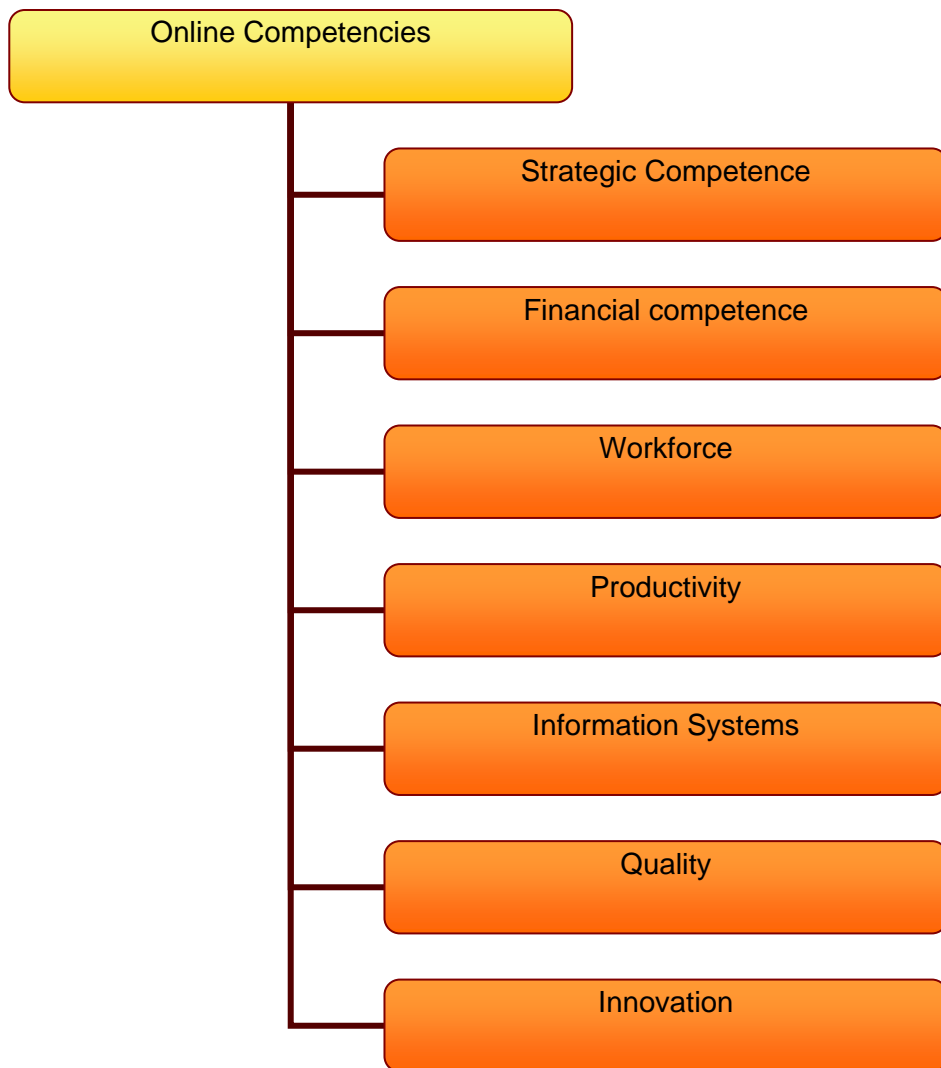


Figure 3. Online Competencies (Jobber 2004, 563-566.)

5.4.1 Strategic competence

This is important for traditional businesses as well. Markets are continuously changing and it is vital to recognize there market trends. With these changes new opportunities can occur and these opportunities should be exploited. Jalotakka Oy can benefit from establishing a direct link with customers. Customers can make transactions online and also contact the company online and give their opinions or feedback. Jalotakka Oy has resellers, but the online store eliminates the need to use them. This way Jalotakka Oy will get all the profit without having to share it with the reseller. It is also possible to create new products and services. New products are created by Jalotakka all the time, but new services could be created as well to add more value for the company. For

example, providing instructions for assembly of the products or a box where customers could post questions related to products and possible assembly problems. (Jobber 2004, 563-564.)

5.4.2 Financial competence

As in any attempt to establish something new, finances must be calculated. In addition to the marketing costs Jalotakka Oy needs to invest in the creating of the site and the online payment methods that are chosen. It must be borne in mind that the online business must be not only managed but also maintained. (Jobber 2004, 564.)

5.4.3 Workforce

Workforce is the element in the company that ensures the customer satisfaction in a long run. Customers will value quick and accurate delivery and they also the online systems should be reliable and well-functioning. To achieve this it is important to invest in training the employees to take care of all this. An effective human resource management is needed to ensure the competitive advantage. Training employees will also increase satisfaction in the workplace and improve the productivity of the employees. (Jobber 2004, 564.)

5.4.4 Productivity

If one is to look only at the productivity related to online marketing, the two key elements are customer interface productivity and logistics productivity. Customer interface productivity can be enhanced by basically automating the whole enquiry and ordering process. In Jalotakka Oy's case it may be a good thing to add some human intervention. For example, that the customers could ask questions online and the staff would personally response. This would add the sense of high-quality service for the company. (Jobber 2004, 565-566.)

The delivery process must be planned carefully in advance so that the customers will receive the ordered products as soon as possible and with low cost. Once the order is received by the company, the delivery must be arranged immediately. Customers are

eager to receive the product quickly and this will once again add more value for the company. (Jobber 2004, 563-566.)

5.4.5 Information systems

Information must be easily found on the site, i.e. navigation throughout the online store needs to be clear and easy for the customers. Information has to be up to date and correct. Information must constantly be updated if changes are made to the products, delivery terms or anything that affect the customer. (Jobber 2004, 566.)

5.4.6 Quality

The best policy is to make sure the quality is the best possible and that the quality is improved before customers complain not afterwards, this is called prevention quality. Mistakes are minimized and quality control is applied within the company. Quality does not mean only the quality of the product on sale, but the quality of the service as well. Quality is directly linked to customer satisfaction. If the quality of the service and the product meet the expectations of the customer, customer will have satisfaction. (Jobber 2004, 565.)

Jalotakka Oy will have to consider the quality of the product and quality of the service provided on the online store site. Jalotakka Oy takes pride on the high quality that they offer to the customers and therefore it is important to provide information and pictures of the products so that the customer will know what to expect. Quality of the service however is a more difficult matter. Therefore easiness of the ordering, fluency of the delivery and after-sales support are important matters to enhance the overall quality.

5.4.7 Innovation

Because the internet has created so many new business opportunities, it has tightened the competition as well. Companies must therefore continuously consider new ways to improve the products and process technologies. Employee innovation should also be supported, because it is often the people who do the work who will have the best improvement ideas. (Jobber 2004, 564.)

5.5 Online strategy

There are many ways to built competitive advantage and internet offers several ways to perform better than competitors. It is possible to offer customized products, have quick response time to orders and have the store open twenty four-seven. Another way is to offer lower prices than competitors, as the internet eliminates the need for resellers the prices can be reduced. Also, service quality can be improved via internet by offering the customer online support and responding to customer contacts rapidly. It is also possible to offer customers larger product variety online, as the products do not need to be ready on a shelf for the customer to pick up, more can be offered online. (Jobber 2004, 566-568.)

Product customization is also mentioned as a way to built greater competitive advantage. In jalotakka Oy's case it is possible to offer this option to the customer as the products will mainly be made after the order is received. This method is called just-in-time (JIT) method and it makes it possible to customize products according to the customers' wishes. This opportunity should be considered as an advantage and promote this possibility to customers. (Jobber 2004, 568.)

5.6 Marketing mix options

The same marketing principles can be used when planning an e-commerce marketing mix as Jalotakka Oy already has marketing operations and channels and the internet technologies should be integrated into Jalotakka's existing operations. Internet will be used as a source if information, interaction and a purchasing place along with the existing shop. Jalotakka Oy's online and offline marketing will be similar. (Jobber 2004, 569.)

5.6.1 SWOT- analysis

SWOT-analysis is a tool that is used when the company environment must be audited. The SWOT-analysis offers the key issues that need to be considered when planning marketing. In the SWOT-analysis there are two internal factors, which are strengths and weaknesses and two external factors; opportunities and threats. (Marketing Teacher, SWOT 2010.)

Table 3. Illustrates the internal and external factors of Jalotakka Oy's upcoming online store. The SWOT if Jalotakka Oy will help to determine the strong points and hidden obstacles of the online store before it is established. This can be used to help when planning marketing activities of Jalotakka Oy.

Table 3. Jalotakka Oy's SWOT-analysis

<p>STRENGTHS</p> <ul style="list-style-type: none"> -Existing customers -Existing products -High quality -Income does not depend on the online store 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> -Lack of experience in online business -Narrow product line
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> -Conquering new markets -World-wide customers -Stronger visibility -Customer register 	<p>THREATS</p> <ul style="list-style-type: none"> -Possible payment failures -No general interest

5.6.2 Marketing objectives

Before defining the marketing plan the objectives must be considered. Objectives can vary from increasing the effectiveness of the company's promotional attempts all the way to specifying the targets. There is a core e-marketing strategy will in the end define how the desired objectives will be achieved. (Jobber 2004, 569.)

Jalotakka Oy desires to gain from e-marketing mainly more visibility and more customers. More customers mean more revenue for the company and this is their main goal. Of course another vital part of the e-marketing is to get more customers to get to know their other products as well, meaning the gazebos and stoves, not only the products offered in the online store. In the beginning at least Jalotakka Oy does not have too many expectations regarding the online store, they simply wish to boost the sales of the earlier mentioned add-ons. Also, they wish to possibly find a new channel to find new customers to both the online store products and the other products sold in the actual shop.

5.6.3 Marketing mix for e-business

There are four different dimensions mentioned regarding the marketing mix as illustrated in the figure 4. They are **product**, **price**, **promotion** and **place** and they are the so-called four Ps. All of these dimensions are important part of the marketing mix hence e-marketing mix as well. Regarding what the company's goals are these dimensions must be individually considered in order to produce effective marketing results. (Jobber 2004, 570-571.)

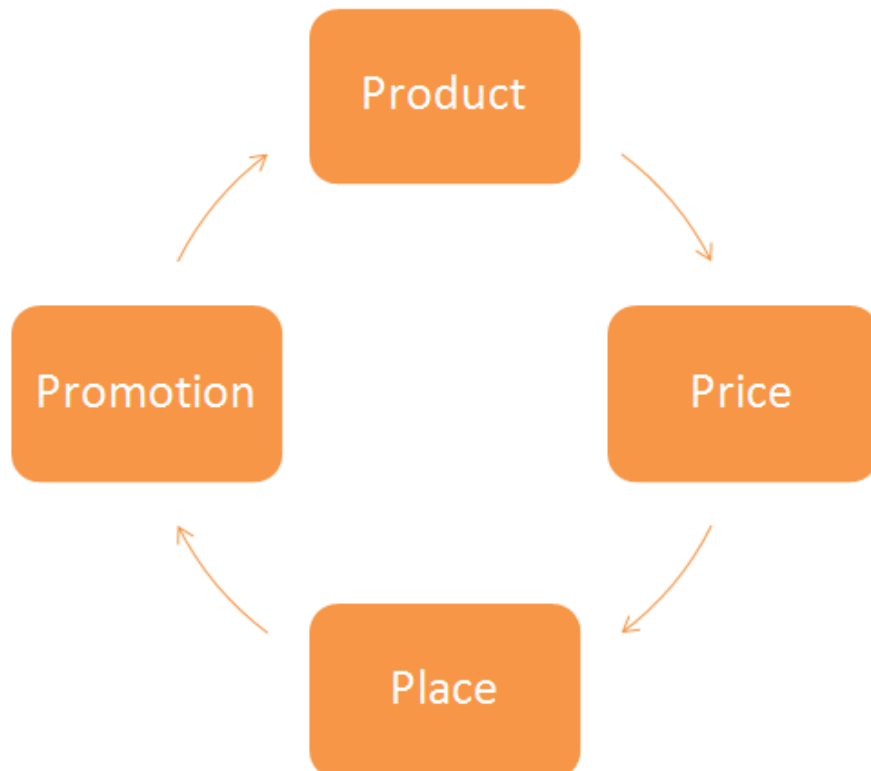


Figure 4. Marketing mix elements (Jobber 2004, 571.)

Product itself can be improved using many ways. The most important in Jalotakka's case are individualization and customization of the product. They can benefit from offering the customers more choice using these two methods. Also, digitalization is one way to enhance the product and in Jalotakka's case it might be wise to offer online support, assembly instructions and other information that is possible to provide via the web. (Jobber 2004, 571.)

This kind of information should be easily accessible online for the customers. It is more work in the beginning but later on it will pay off as phone enquiries will reduce and this will save time for Jalotakka Oy's employees. The product line will develop as the online store will take off and Jalotakka Oy will see which products are the more profitable. Product development should be a part of every business everyday as the markets are ever changing hence the products must adapt to customers changing needs and preferences.

Price is the second element that should be considered. Customer can find price information more easily online than never before and right price is therefore ever so important. Eliminating the need to use resellers has enabled the prices to come down for the customers benefit. Jalotakka Oy has to find the right price for their online store products and this can be achieved by comparison to other similar products sold by other companies. (Jobber 2004, 571-572.)

Finding the right price can be challenging but in this case it is a little easier as most of the online store products are already sold in the actual shop of Jalotakka Oy. One option is use the customers as a help to choose the right price by finding out what they are willing to pay. Benchmarking can be used as help as well by looking at the prices competitors have for similar products.

Promotion is the third element for Jalotakka to consider. Internet offers several different ways to promote the company and products. For Jalotakka Oy collecting an online mailing list is step one. After this potential customers can be approached by sending personalized e-mail including special offers or simply just information about the new products. Using e-mail as a marketing tool can be challenging, people tend to respond negatively to too much promotional mail. The so called junk mail is a huge problem today for e-mail users and therefore e-mail campaigns must be carefully planned so that they do not irritate people. (Jobber 2004, 572.)

Promotion via internet has several advantages and first of all the information is always up to date and fresh. The web-pages can provide customers new information in an instant and also, possible customer contact can be handled within the same day. The online communication strategy should be integrated and follow the example of the strategy for traditional media. Promotional planning for e-commerce is more challenging than planning for traditional promotion as there are two dimensions that need to be considered; Promoting the online store itself and gaining awareness from potential customers. (Jobber 2004, 572.)

Jalotakka Oy will benefit the most in the beginning just by gaining awareness. It is the most important task to accomplish first. Potential customers must be familiar with the online stores website address so that they will know where to look for the products

they are interested in. It can be expensive to build the website awareness, but luckily for Jalotakka Oy they are already known as an offline operator and therefore they can benefit from the fact that many people already recognise the name and the logo of the company.

The main promotional tools will be e-mail and search engine advertising and advertising on the current Jalotakka Oy homepage as electronic form of promotion. Other forms will be magazine advertising and promoting with advertising leaflets that are handed out to potential customers.

Place is the fourth and the last of the marketing mix elements. This element is also called distribution as the place is no longer tangible in the world of internet. Internet works as a whole new channel to the markets. There are numerous ways to utilize internet when communicating information to the customers via the web. It is a place where communication and interaction with customers take place. Also, it works as a place for transactions. (Jobber 2004, 574.)

Internet eliminates the need for an actual shop and online store is significantly cheaper to establish. Also, the advantage an online store has over the traditional shop is that it is instantly worldwide. People are more and more used to ordering products online and this can also save the company money by eliminating the need for the shop and resellers. (Jobber 2004, 574.)

Jalotakka Oy will use the most common model of e-commerce distribution which is transaction control and delivery control over the sold goods. In other words, once the company receives the transaction it will send out the goods to the customer. As the competition is higher due to internet as well Jalotakka must have efficient systems in order to be on top. Transactions and delivery must be as fluent as possible. Jalotakka Oy is currently using DHL for logistic services and it is vital to have a well-functioning logistic company as a partner when operating online and the products need to be sent all over the world. (Jobber 2004, 574.)

5.6.4 Implementation

Once all the before mentioned matters discussed in this chapter have been considered, the actual e-commerce operation can take place. Then there is a strong base for the online store and chosen options can be justified. Now it is time to decide what operations will be outsourced and what will be done within the company itself. An action plan is now created and the employees are provided with sufficient information in order to deal with the new action environment, which in this case is the internet. (Jobber 2004, 575.)

Jalotakka Oy is advised to leave the design of the web-pages to Nitro with whom they have co-operated before. A brief will be given to Nitro consisting of the topic that was discussed before. Then the site will be consistent with the current Jalotakka Oy homepage and recognisable for the customers who are already familiar with the company.

The thesis advises Jalotakka Oy to choose at least the Visa payment possibility on their web-site. Finnish banks could also be nice add to the options given to the customers. Cash on delivery is also a reliable way to make business as some customers can be reluctant to make purchases online with credit card or use online banking services.

There is a selected person among the employees who will be in charge of the online activity, Teija Muurinen. She will be familiarized with new system of doing business. The delivery methods will be the same as before, i.e. Jalotakka Oy will send out the products themselves as they receive the orders.

Advertising will appear naturally on Jalotakka Oy's own homepage with a direct link to the new online store. Also, Jalotakka Oy will have paper flyers made to hand out to customers who come to the store and in exhibitions they attend. These are the ways to promote cheap and to the right target group in an instant.

Also, Jalotakka Oy uses magazines to promote themselves. They have had a while back cover advertisements in a Finnish magazine called Avotakka which is the biggest interior design magazine in Finland (Avotakka). Avotakka is the market leader in its

field (Avotakka). This is a good choice to promote the new online store as well and it is advisable to combine the advertising of Jalotakka Oy and the new online store. For example, at the bottom of the advertisement there can be the internet address of the new online store along with a short text that points out what the address is all about.

Search engine advertising is also suitable to promote the online store. Search engine advertising is the fastest growing form of marketing in the internet. In practise this means that the home address of the online store will appear above the normal search results. This results in more visitors for the online store site. (Fonecta 2010.)

A good service provider is Google AdWords. When a person conducts a search with Google and with chosen search words the home address of the online store will appear. Google AdWords invoices only from actual customers. In reality this means that whenever a customer enters the home page of the online store via Google search it is registered and billed. A call-back request can be left on the fonecta web-site to discuss about the prices. (Google AdWords 2010.)

Also, when the online store is running it is possible to start collecting a customer register. This would be a list of potential customers who would be approached with e-mail every now and then. It is important not to advertise too much via e-mail as it can be irritating for the customers. News and special offers could be sent via e-mail to selected customers.

5.6.5 Evaluation

As in any marketing action evaluation must be done after a while the online store has been operating. This way Jalotakka Oy can control whether the expectations were met and if the chosen marketing actions were suitable and profitable. This is vital in order to improve performance and further develop operations as well as the products.

As mentioned before Jalotakka Oy does not have many expectations regarding the online store, as this is not their main operation. Their main operation will be selling the conveyors and gazebos along with other products they are offering. The online

store products are in the nature of add-ons and therefore not as important source of income.

Further benchmarking can also be done once the pages are created and operating. For example, sales volume can be benchmarked with more successful companies. Marketing activities of other successful companies can also be another topic for benchmarking. There can lay secrets of success of the other companies who have managed to choose the right kind of advertising activities and other promotional tools.

6. FINAL DISCUSSION

The thesis should give Jalotakka Oy an overall picture what kind of things must be considered throughout the establishment process of the online store all the way from planning and designing of the pages. The thesis by no means aims to tell Jalotakka Oy exactly what to do rather than give possible ideas for execution of different establishment processes.

The thesis is designed according to Jalotakka Oy's own wishes and contains information about the topics they wished for the researcher to clear up. I as the researcher believe that the thesis is a very practical package for Jalotakka Oy and is sure that they will find necessary information from the thesis. New ideas are also presented in the thesis and it is Jalotakka Oy's decision whether to take them into use or not.

I have learned plenty of new things during the making process of this thesis. The research problem got answered during the thesis and the researcher believes that Jalotakka Oy will benefit from this thesis. I believe that the result will satisfy Jalotakka Oy and will help to develop their online activity for better.

Jalotakka Oy wished to gain information about the online store establishment process including the payment options that are available and the thesis gives Jalotakka Oy option to choose from. The thesis also covers the main legal topics regarding the online store and they are the ones that Jalotakka Oy was not aware of before. Also, the

marketing part of the thesis should give Jalotakka Oy new ideas and it is left for them to decide whether to use them or not.

The material and sources of information used in this thesis is in researcher's opinion reliable and up-to-date. Information about the company is received directly from one of the employees during the deep interview. The books and online references are reliable and the researcher possesses enough of firsthand information to evaluate this.

6.1 Further research suggestions

Once the online store is established and has been operating it is good to evaluate its performance. Improvement targets can be found only when the online store is operating and customer feedback can be received. Customer feedback is a valuable resource for improvement actions.

Further benchmarking can also be done after a while. The researcher suggests that after a year from the establishment of the online store the site is critically evaluated again. By using benchmarking it is maybe possible to improve the site. Improvements can regard the layout, design or functional aspects of the site.

Any marketing action that is taken must be evaluated afterwards. This is the way to see whether the actions were suitable and beneficial for the company. Before executing a marketing campaign goal are set and afterwards it must be studied if the goals were achieved. This is a way to continuously improve the company performance and the stay at the top of the game.

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1. Kerrotko Jalotakka Oy:n historiasta?
 - Kuinka yritys on perustettu?
 - Ketkä ovat perustajat?
2. Mikä on Jalotakka Oy:n nykyinen tilanne?
 - Työntekijät?
 - Liikevaihto?
 - Kumppanit?
3. Mitä markkinointi toimintoja Jalotakka Oy käyttää?
 - Onko verkkokaupalle suunniteltu markkinointia?
4. Mistä idea verkkokauppaan tuli?
 - Tuotteet?
5. Mitä Jalotakka Oy toivoo saavuttavansa verkkokaupan perustamisella?
6. Mitä seikkoja Jalotakka Oy toivoo saavansa selville työstä?



Palautusosoite
 Luottokunta
 Etäkaupan palvelut
 00050 LUOTTOKUNTA

Täytä lomake huolellisesti (tähdellä merkityt kentät ovat pakollisia) ja palauta molemmat kappaleet Luottokunnalle postitse.

1 Yrityksen tiedot

Yrityksen virallinen nimi *	Yrityksen markkinointinimi *
Lähiosoite *	Postinumero ja -toimipaikka *
Yhteyshenkilö *	Puhelin *
Sähköposti *	Faksi
Laskutusosoite (mikäli poikkeaa yllämainitusta)	Laskun vastaanottajan nimi (mikäli poikkeaa yllämainitusta)
Y-tunnus *	www-osoite
Pankki ja konttori *	Tilinumero *
Tilitysvaihtoehto *	
<input type="checkbox"/> Viitteellinen tilitys = viite ja nettosumma	<input type="checkbox"/> Viitteetön tilitys = bruttosumma, nettosumma ja provisio
Toimiala sekä tuotteet ja palvelut, joita sopimus koskee *	Kieli *
	<input type="checkbox"/> suomi <input type="checkbox"/> ruotsi
Tämän sopimuksen mukaisen myynnin arvioitu:	
liikevaihto	€/ kpl
Tämän sopimuksen mukaiset tapahtumat:	
<input type="checkbox"/> kotimaisia	<input type="checkbox"/> ulkomaisia
<input type="checkbox"/> kotimaisia ja ulkomaisia	
Lisätietoja	
Olemme tutustuneet Luottokunnan Digitaalisen maksupalvelu -sopimuksen liitteisiin. Sitoudumme noudattamaan Digitaalista maksupalvelu -sopimusta ja siihen kulloinkin sovellettavia yleisiä ehtoja, sopimuksen muita liitteitä ja Luottokunnan antamia ohjeita. Tämä sopimus on tehty kahtena kappaleena, yksi molemmille osapuolille.	
Paikka ja päivämäärä	
Yrityksen allekirjoitus ja nimenselvennys	

Luottokunnan merkintöjä

LUOTTOKUNTA	Hyväksytty, pvm	Tallensi
Liiketunnus	Toimialaluokka	Toimialakoodi

Luottokunta Puhelin Faksi www.luottokunta.fi Y-tunnus 0201646-0
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Palautusosoite
 Luottokunta
 Etäkaupan palvelut
 00050 LUOTTOKUNTA

**Digitaalinen maksupalvelu
 Kauppapaikan tiedot**

Valitse yksi kohta allaolevista vaihtoehdoista

-
- Uuden kauppapaikan tiedot
-
-
- Muutos
-
-
- Lopetusilmoitus

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Koodi

Liite 1

VISA

VISA
ELECTRON

MasterCard

 Täytä lomake huolellisesti (tähdellä merkityt kentät ovat pakollisia) ja palauta molemmat kappaleet Luottokunnalle postitse.
 Jokaisen kauppapaikan tiedot ilmoitetaan omalla lomakkeellaan.
1 Kauppapaikan tiedot Luottokuntaa varten*

Yrityksen virallinen nimi		Y-tunnus	
Yhteyshenkilö 1	Puhelin	Faksi	Sähköposti
Varayhteyshenkilö	Puhelin	Faksi	Sähköposti
Pankki ja konttori		Tilinumero	
Maksutapahtumien vastaanottaja 2		Tilitysvaihtoehto	
		<input type="checkbox"/> Viitteellinen tilitys = viite ja nettosumma	
		<input type="checkbox"/> Viitteetön tilitys = bruttosumma, nettosumma ja provisio	
Toimiala sekä tuotteet ja palvelut, joita sopimus koskee		Kieli	
		<input type="checkbox"/> suomi <input type="checkbox"/> ruotsi	

2 Kauppapaikan tiedot asiakkaita varten *

Yrityksen markkinointinimi/Kauppapaikan nimi 3	Asiakaspalvelun puhelin
Kauppapaikan www-osoite	Asiakaspalvelun faksi
Lähiosoite	Asiakaspalvelun sähköposti
Postinumero ja -toimipaikka	

3 Palvelupaketti * (Laskutus tapahtuu valitun palvelupaketin mukaan. Kaikki verkkokauppiat liitetään automaattisesti Verified by Visa ja MasterCard SecureCode -todentamispalveluihin.)

eClassic: peruspaketti puhelin- ja postimyyniin	eCombined: yhdistelmäpaketti verkkokauppaan ja puhelin- ja postimyyniin	
<input type="checkbox"/> www-Käyttöliittymän maksulomake	<input type="checkbox"/> Luottokunnan HTML-maksulomake	<input type="checkbox"/> Kauppiaan oma HTML-maksulomake
eStandard: peruspaketti verkkokauppaan	eInvoicing: paketti laskutukseen	
<input type="checkbox"/> Luottokunnan HTML-maksulomake	<input type="checkbox"/> Java Client	<input type="checkbox"/> XML-rajapinta
<input type="checkbox"/> Kauppiaan oma HTML-maksulomake	<input type="checkbox"/> Vastaussanomien SFTP:llä	<input type="checkbox"/> HTML-lomakerajapinta (todentaminen)

4 Lisäpalvelut

<input type="checkbox"/> XML-rajapinta	<input type="checkbox"/> Testitunnukset	<input type="checkbox"/> Mobilimaksaminen	<input type="checkbox"/> Digi-TV-maksaminen
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Lisätietoja

Paikka ja päivämäärä

Yrityksen allekirjoitus ja nimenselvennys

- 1 Taho, jolle Luottokunta lähettää maksupalvelua koskevat tunnukset sopimuksen voimaantulon jälkeen.
 2 Taho, jolle maksutapahtumien vastaanottaminen, välittäminen tai tallentaminen tai siihen liittyvä järjestelmä tai järjestelmän ylläpito tai muunlainen hallinta on ulkoistettu. Kyseisen tahon tulee olla PCI-standardin mukainen palveluntarjoaja.
 3 Tämä nimi ulostuu kortinhaltijan laskulle ja sen pitää viitata yksiselitteisesti siihen kauppapaikkaan, jossa kortinhaltija valitsee tuotteet ja syöttää maksukortin tiedot.

Luottokunnan merkintöjä

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