

Communicating a Renewed Brand Identity

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<p>This thesis was commissioned by Yxpila Boat Yard; a luxury yacht repair yard located in Kokkola, Finland. The need for this research arose due to changes in the brand identity of the company. Formerly a Nautor's Swan Authorised Service Center, changes in Nautor's global policies caused a retraction of the authorisation, initiating the loss of the brand identity. This produced a clear need for the renewing of marketing and the brand identity of the company.</p> <p>This thesis aims to help the commissioning company in finding a suitable approach to efficiently communicate the renewed brand identity of the company. Theories applied to this research include rebranding, segmentation, as well as theories on customer relationships, service encounters and online marketing. This is complemented by the identification of the company potential through SWOT analysis as well as identifying differentiating factors within the company, in order to gain competitive advantage. These aspects are analysed and combined in order to create a functional guide, on how to go about in marketing the company on- and offline, with a focus on existing customer retention.</p> <p>Prior to this research, the company had already launched an auxiliary business name to complement the company profile. Although the renewed brand identity entailed a logo and some marketing material, the change in the company brand identity had not been completely implemented. This created the need for this research.</p> <p>The methodology of the research draws on the constructivist approach, where an end product is constructed by combining theory and the case data. The data comprises of interviews, company documents and yachting industry literature. The data was analysed in a qualitative manner, through content analysis.</p> <p>As a result of the thesis, the company is advised to update its marketing online, through social media and its website. The company website was completely renewed during this process, to ensure the incorporation of a more comprehensible and customer friendly website. A customer newsletter was also implemented during this process, with the goal of engaging existing customers. Some aspects of the service offerings were also improved, such as on-site accommodation for long distance travelling crews.</p> <p>The reasoning behind choosing these aspects into the research are based on the need, which was stated by the commissioner, as well as the organisational strategy of the company.</p>	
Keywords Brand, Rebranding, Competitive advantage, Customer engagement, Service, Online	

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1 Introduction

This thesis was written with the aim of helping the commissioner with positioning the company in a changed marketplace. Due to external factors, the company has had to renew its entire brand identity and rethink their marketing aspects. The research question for this thesis is “How to efficiently communicate a new brand identity?”. In order to find an answer to this question, the previous marketing efforts and former brand identity have been reviewed and analysed. The company and its positioning was examined through internal and external analyses, based on information gained through interviews and organisational documents, as well as through an understanding I gained from industry magazines and articles regarding the field.

This thesis is commissioned by Yxpila Boat Yard - a Kokkola based company founded in 1997, celebrating its 20th anniversary in 2017. The company specialises in maintaining and repairing luxury yachts and sailboats. Previously the company had an authorisation from the yacht manufacturer Nautor, as the only Authorised Service Centre to maintain and repair Nautor’s Swan yachts in Finland. Due to the changes in Nautor’s global strategies, the authorisation was retracted in 2013. This change in the brand structures caused Yxpila Boat Yard to respond with launching a new auxiliary business name, the Baltic Swan Centre. This new brand identity helps YBY broaden its market from a brand specific yard to a multiple brand focus.

This thesis is a product-oriented thesis; the outcome will help the commissioning company to more efficiently communicate its renewed brand identity, engage customers through the existing online platforms, as well as shed light on differentiating aspects within the service and how they can be utilised to gain a competitive advantage in the field.

Customer engagement and value creation are also at the core of this research. Finding a customer oriented approach to developing the brand presence and updating the online marketing of the commissioning company are some of the central aims. Furthermore, highlighting the customer relations and establishing a functional framework for successful presence and engagement of audiences online are among the goals of this research. As an end product, practical suggestions regarding marketing, customer relationship management and differentiation are presented. A renewed website was also created during this process, to better serve the customers and communicate the renewed brand.

The theoretical framework was identified with the unique services in a highly specialised field kept in mind, and theories upon which this thesis relies were identified in research literature and scholarly articles. Methodologically my study draws on a constructivist approach, where the data was mirrored through identified theories (Kasanen, Lukka & Siitonen 1991, 306). The central concepts used are branding, rebranding, brand equity, competitive advantage and differentiation, customer relationship management and SWOT. The data consists of interviews with two board members, which brought an insight into the company and its past brand relations as well as previous marketing and the company's presence on different platforms.

The angle of this research is from the company viewpoint. Customers have not been interviewed, but a customer profile has been established through interviews with the board members.

2 Case – Yxpila Boat Yard

The commissioner of this thesis, Yxpila Boat Yard (later referred to as YBY), is a yacht and sailboat repair yard, that previously had a strong focus on repairing and maintaining Nautor's Swan yachts. The field is highly specialised with a strong need for expert knowledge.

Because of the founder's lengthy and warm professional relations (Board member 2) with the sailboat manufacturing company Nautor, YBY managed to obtain a license to repair and maintain Nautor's Swan yachts with Nautor's official authorisation as part of a global yard network in 1997. This authorisation was unique in Finland - YBY was the only repair yard to be granted this recognition. This authorisation served as a key marketing aspect for YBY, helping customers identify a qualified and acknowledged actor in the field of repairing high brand yachts. In 1998, Nautor was sold to Italian businessman Leonardo Ferragamo and a group of investors. Due to changes in Nautor's global policies, all authorisations were revoked in 2013 as Nautor decided to internalise all repair and maintenance business. This caused YBY to lose their key brand. (Board member 1.)

Due to the changes in the central brand YBY has based its prestige on, management decided to widen the specialisation and the niche of the company (Board member 1). Due to these changes and with growth in mind, in 2014 YBY launched an auxiliary business name to support the new identity as a multiple brand repair yard. The new business name, The Baltic Swan Center, incorporates two major and respected yacht brands. Baltic Yachts is a company founded in 1973 by a group of previous Nautor employees. The brand of Baltic Yachts is very similar to that of Nautor, with a high-end artefact and unique expertise of the field.

2.1 Specialised knowledge – brand background

Nautor is a Finnish yacht manufacturer, which has been building yachts for 50 years. The company was founded in Pietarsaari, a town near the city of Kokkola, where YBY is located. The Ostrobothnia-area has a long tradition of boat building, and the local craftsmanship is highly appreciated and valued worldwide. (Bunting, 2015.)

Nautor is perceived as one of the "*world's most distinctive, admired and expensive yacht brands*" (Bunting, 2015), which adds another dimension to the Swan brand. Nautor's Swan is known for its sleek and timeless design and traditional craftsmanship. Over two

thousand yachts have been made to date, each an individual and hand made with impeccable attention to detail. (Nautor, 2016). Nautor uses the yacht owners club, ClubSwan, to create the illusion of a privileged inside group. The club offers its member's events, exclusive races and other limited gatherings (Nautor, 2016). The industry magazine ProSail (2016) describes Nautor's Swan as a significant quality brand that portrays the essence of Finnish business and know-how. When it comes to promotional events, more specifically regattas, Swan has often cooperated and profiled itself with other eminent international brands, such as Rolls Royce, Rolex, BMW and in the latest years Oras, the market share leader of its field in Scandinavia (Prosail, 2016). Since the concept of luxury is often much based on perception (Heine 2011, 57), Nautor has frequently paired itself with these brands to elevate itself up to the same level.

2.2 Organisational strategy

YBY has outlined its mission, vision and strategy (YBY business documents, 2016) as follows:

Mission:

Our high-class professional competence in boat building responds to the changing customer needs.

Vision:

The company has international prestige for the excellent performance in the luxury boat branch.

Strategy:

The company service promise meets the customer experience. The smooth service and flexible processes will guarantee the performance quality. The transparent communication will ensure our good reputation. The tailored arrangements are there to secure service accessibility.

Values:

Customer comes first

Updated expertise

Reliable quality

From these statements, one can conclude that YBY wants to focus on providing a high-quality customer experience along with maintaining a good reputation. This research will

draw on this strategy, and aim to help the commissioning company with improving the customer experience, service accessibility and highlighting the good reputation of the company within the sailing circles.

2.3 Past marketing

In the past, the company has mostly relied on their expertise and craftsmanship in the field and almost solely existed through word-of-mouth within the sailing circles. Due to the narrow niche market, the clientele has been narrow enough for this type of marketing to work. In the recent years, YBY has sparsely used social media marketing in the form of a Facebook page. The use of the Facebook-page has served the marketing purpose quite well, and generated a number of new leads. (Board member 1.)

The content posted on the Facebook-page varies from industry news and articles to pictures from the company premises. Generally the pictures and updates posted have quite a good reach, whilst news and articles may have more customer engagement (Facebook, 2017). According to the Insights of the company Facebook-page, the audience is almost three times more likely to click the post and examine it closer, than they are to actually react to it (like, comment or share). The reach of these posts expands way further than the extent of reactions. A good example of this is a post with a picture of a beautiful sunset at the yard in February 2017. The post received a total of 81 reactions in the form of comments, likes and shares. The post was clicked on 281 times, but managed to organically reach a staggering 3 235 people. (Facebook, 2017.)

YBY has also got a website, with a short and easy domain. Accessibility to the website is good and it comes up on Google-searches. Unfortunately the content is out-of-date and not that comprehensive. The website is not designed in a customer oriented fashion, and doesn't necessarily provide the customer with a convincing image of the company. Albeit the company brochures do not include the company website, which speaks volumes of the value placed on the website as a marketing and customer management channel.

2.4 Identifying the company potential

A SWOT analysis concentrates on analysing both the internal and external factors that contribute to a company's success. The name is an abbreviation of the words Strengths, Weaknesses, Opportunities and Threats. By identifying weaknesses and threats in time,

the company can work on turning them into strengths and opportunities without causing damage to the company. Strengths and weaknesses are both assessed based on internal aspects of the company. The key outcome of successfully analysing the strengths and weaknesses of a company is to realistically identify these qualities and to take them into consideration when developing strategies. (Chaffey & Ellis-Chadwick, 198, 2016.)

YBY's strengths include a long history of cooperation with the yacht manufacturers, a trained and highly skilled staff plus good connections within the yachting world. Since the field of repairing and maintaining high-end brand yachts is a highly specialised service, the customers desire to maintain its original splendour in the hands of a skilled and experienced service centre (Board member 2). The fact that YBY has an existing customer base, a good reputation and a contemporary online presence, presents substantial strengths from a marketing aspect. Another strength YBY holds, is the small size of the company that allows vast flexibility in the service spectrum. YBY is capable of selecting the most fitting equipment for the customers needs, without any restrictions in terms of contracts with vendors. (Board member 2.)

One could argue that a weakness for YBY includes the loss of the authorisation, the company's former brand identity, due to the changes in Nautor's corporate strategies. Other weaknesses include the geographical location, since YBY is located far away from the larger cities in Europe, and therefore the largest and most profitable markets for yacht repairs. This also means that the voyage to and from the repair yard is rather lengthy for most customers coming from southern regions.

The opportunities and threats in a SWOT analysis represent the external environment that the company is faced with. Identifying the opportunities is important in order to be able to utilise them in an effective manner. By sensing what opportunities the business environment has to offer the company, could mean easy and cost effective ways of widening the company prospective. The same goes for threats - identifying any possible threatening aspects in the field in an efficient manner may help a company counter them and either neutralise the possible threat, or in the best case, turn it around into a strength. (Chaffey & Ellis-Chadwick 2016,195.)

Opportunities for YBY include the new auxiliary business name and the building of a new brand identity, relying on two globally recognised yacht brands. The broader focus allows YBY to pursue on a wider scale of yacht brands and yacht owners. The company is no longer that restricted by the single brand focus, and has the opportunity to create its own brand. The Ostrobothnia area is also widely known as a historical boat building hub with

world renowned boat building skills and contemporary craftsmanship. In addition to the historical perspective, this is mostly based on the multiplicative effect of the know-how established in the area by Nautor, when it was founded in the 1960's (Board member 2).

Among threats are the close geographical proximity to the yacht manufacturers and the competition it creates. The yacht manufacturers have also displayed a type of jealousy of the repair and maintenance business (Board member 1). Another aspect to take into consideration when speaking of possible threats is the fact that since a majority of YBY's marketing has so far been based on word-of-mouth and social medias, the effect of a negative customer experience could be highly damageable.

One of the main goals to strive for when conducting a SWOT analysis, is to identify the possible negative aspects that can affect a company on both an internal and external level. After the aspects have been identified, the most important thing to do is to create strategies to counter them and strive to turn them into positive features. The chart below presents the SWOT analysis in a framework based on Chaffey & Ellis-Chadwick (2016, 197). The framework combines internal and external aspects in order to create an efficient strategy through which desirable outcomes can be reached.

<p style="text-align: center;">YBY</p> <p style="text-align: center;">SWOT</p>	<p>Strengths (S)</p> <ul style="list-style-type: none"> - Existing <ul style="list-style-type: none"> - customer base - online presence - reputation - knowledge & know-how - Flexibility in service offerings 	<p>Weaknesses (W)</p> <ul style="list-style-type: none"> - Loss of brand identity and brand equity (authorisation) - distant location from larger cities and major markets
<p>Opportunities (O)</p> <ul style="list-style-type: none"> - Building a new brand identity - Broader focus - Launch of a new business name - Good area reputation within the field 	<p>SO strategies</p> <ul style="list-style-type: none"> - Utilise good reputation in order to broaden customer base - Utilise online presence in order to communicate new brand identity and business name 	<p>WO strategies</p> <ul style="list-style-type: none"> - Build a strong new brand identity - Avoid negative impact of distant location through offering more extensive services (accommodation)
<p>Threats (T)</p> <ul style="list-style-type: none"> - Geographically close to the factory – competition - Negative customer experiences - Competitive jealousy from manufacturers 	<p>ST strategies</p> <ul style="list-style-type: none"> - Define differentiating factors - Focus on customer retention by maintaining good customer relationships 	<p>WT strategies</p> <ul style="list-style-type: none"> - Focus on existing clients - Reputation management, online and offline - Emphasise the complementary nature of services provided within market in terms of marketing

Figure 1 SWOT framework based on Chaffey & Ellis-Chadwick 2016, 197

The SO and WO strategies include utilising the good reputation of YBY as a yacht repair yard, as well as embracing the opportunity to broaden the existing scope. Placing more focus on the online presence and further developing it through a renewed website, more active social media posting and paying more attention to customer relation management should help YBY to embrace the opportunities available.

Strategies regarding ST and WT include uncovering the differentiating factors that will make YBY seem desirable in customer's eyes. Emphasising customer retention, through engaging customers and maintaining good relations is at the core of the strategies to counter the stated threats and weaknesses.

Differentiation

Differentiation is a business strategy used by companies to gain a competitive advantage to their competitors. A company can identify and choose aspects that make it unique in customers' eyes in comparison to competitors and target their business activities more wisely. As a result, the company is able to offer clients better value and a more targeted service, resulting in better customer satisfaction. (Porter 2004, 14.)

But in order for the company to be able to be differentiated from competitors; the company has to be able to offer the customer something distinctive. According to Porter, differentiation cannot be determined by evaluating the firm as a whole, but instead by looking at the value chain and how its different sectors affect the customer. Differentiation can stem from pretty much anything, such as materials used, customer experience, warranty or accessibility of the service. The item in the value chain becomes a differentiating factor only, when the customer experiences it as unique. (Porter 2004, 120-121.)

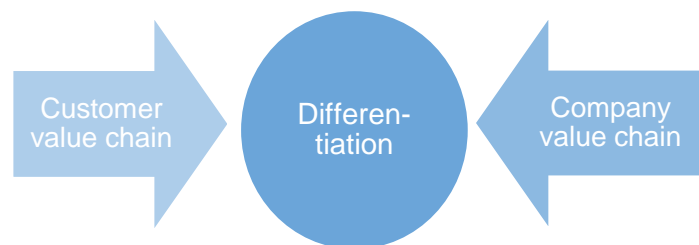


Figure 2 presents how differentiation happens where the customer value chain meets the company value chain. Based on my understanding of Porter 2004, 120

According to Porter, if the company's value chain meets the customer's value chain, differentiation can be achieved on a number of levels (figure 2). These meeting points are where the company has a unique chance to meet the customers' needs in a differentiating way. (Porter 2004, 134) When a company has identified its differentiating factors, it can move on to highlighting and nurturing these aspects of the business. By successfully achieving and sustaining differentiation, companies can reap benefits such as higher prices, more sales, and customer loyalty. (Porter 2004, 138.)

The services YBY offers its customers are highly tailored to each and every client. The customer's needs are identified and assessed by the highly experienced staff and a unique repair plan is made for each yacht. The company has twenty years of experience in maintaining and repairing high brand yachts, especially Nautor's Swan yachts, the staff is intimately familiar with the weaknesses and strengths of each hull design (Board member 1). Therefore, the staff at YBY is highly qualified to assess and determine the best course of maintenance for each and every yacht. Special knowledge, such as laying of teak decks, refitting engines and repairing and painting hulls, as well as being in possession of blueprints to all existing Swan yachts plays its own part in creating trust and added value for the company.

The Ostrobothnia area is historically known for its craftsmanship skills in boat building, with boats being built in the area for half a millennium (Bunting, 2015). This gives YBY a solid differentiating angle in their marketing and branding. The yard is also geographically located in close proximity to the Nautor factory yard, with a joint history going back decades.

According to Klaus Heine (2011, 41), luxury can be defined as something that is highly desirable, but still exclusive. Therefore, an item that is available for everyone cannot be categorised a luxury. In addition to these aspects, for an item to be considered luxurious, it should entail some characteristics that fulfil a person's need for self-actualisation. Thus Heine toys with the idea of luxury goods at the pinnacle of Maslow's hierarchy of needs. Other aspects such as price, quality and cultural relativity play large roles in defining luxury (Heine 2011, 42-43). Theng So, Parsons & Yap (2013, 409) speak of symbolic benefits as a source of emotional attachment regarding brands which links luxury into the field of aesthetic experiencing (Ramirez 1991; Strati 1999; Ahmas 2014). They present a number of researches on the topic, for example Park, MacInnis, Priester, Eisingerich & Iacobucci (2010, 5) claim emotional attachment can, to some extent, be a better indicator of potential purchase than what brand attitude would be. Emotional attachment can be seen as a driver of brand loyalty, when the firm behind the brand is perceived to be a dependable associate. The research by Theng So et al. (2013, 416) suggests that brand loyalty can be achieved through offering the customers a positive perception of a company, as well as some symbolical benefits.

In accordance to these theories, the services provided by YBY could be classed as a service in the luxury field, maintaining luxury objects. Therefore it would be important that YBY maintain a favourable reputation and strive to enhance it throughout the customer

base. Communicating the company identity in a more efficient way and underlining the scarcity of the service would be beneficial for YBY. The seasonal capacity the company can take on is 6 ocean going yachts, which sets some limitations to the availability of the services.

As for symbolical benefits, through the auxiliary business name, YBY continues its legacy of being a brand specific repair yard, although with a two brand focus. This offers customers symbolical benefits of a repair yard with a long heritage and vast experience of repairing brand specific yachts. This responds to the customer's need of emotional attachment to the brand.

In conclusion, the differentiating factors for YBY include a long history of cooperation with the yacht manufacturers, highly specialised know-how and certified quality. YBY is also capable of providing the customer with a service that can be classed into the luxury field, that responds to the customer segments and that gives the customer symbolical benefits. YBY is also in possession of a highly exclusive asset; the accommodation on premises, that very effectively negates the weakness of being located a bit further from the major markets. This is something YBY can utilise in strengthening its customer relations.

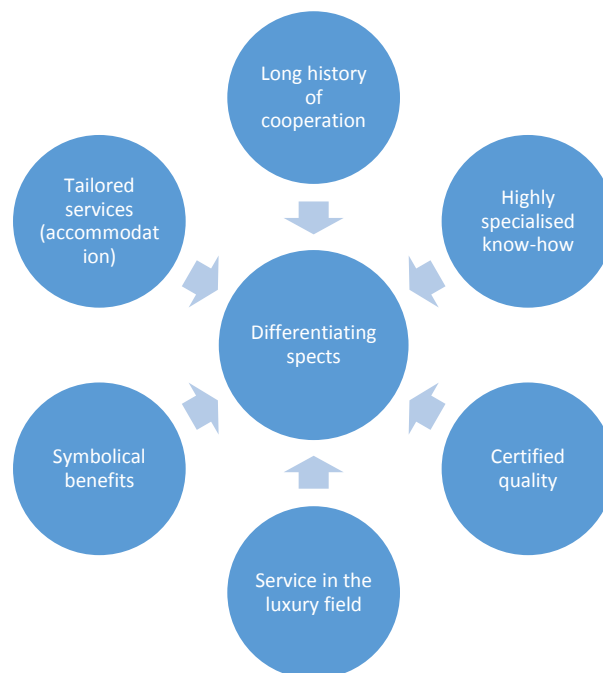


Figure 3 The differentiating aspects of YBY

3 Theoretical Framework

There are numerous ways of going about analysing a company, the market and the customer for improved marketing purposes. In this chapter, I am going to introduce the theoretical background I draw my study on. I apply the theories through abductive reasoning (Eriksson & Kovalainen 2008), where the understanding of the matter is built on identified theories applied to the data of the case and vice versa, the data is read concurrently with the theory. The theories applied in my study are focused on customer relations and marketing. Due to the nature of the research, value is also put on branding, and more importantly, rebranding.

Branding and Rebranding

One of the main advantages of building a successful brand strategy is to gain competitive advantage in the long term. The definition of a brand states tangible and intangible characteristics embodied in a trademark that creates added value for the company. This definition is very fitting, but also very simplistic. A brand does not only include a trademark with values and slogans, but also the way a customer sees and perceives it. A brand is a multi-faceted entity of communication and transaction between a company and a client that heavily relies on the customers' experience. A brand consists of a variety of different intangible factors and in the centre of brand building is the desire to create a positive association in the customers mind. (Armstrong, Kotler, Harker & Brennan 2017, 250.)

The intangible associations regarding the brand, that are formed in the customers mind is called brand equity. Brand equity means a variety of assets that are connected to a brand and that bring value to it. According to Aaker, the most important assets are brand awareness, brand loyalty, perceived quality and brand associations (Aaker 1996, 8).

The key matter with brand equity is that it creates value for, not only the company, but also for the customer. While brand equity relies on the associations customers make in their minds, the source of these associations is stemmed in the brand identity. Building a strong brand identity helps communicate the brand efficiently to segments. (Armstrong et al 2017, 250.)

Brand recognition is an important subcategory of brand awareness. Studies have shown that customers prefer brands they recognise (Armstrong et al, 2017, 250). This applies to all sorts of brands, from foods to services. Since one of the key issues with brand equity is, that it is highly associated with a name and/or logo, the loss of the authorisation could

be seen as having compromised YBY's brand equity. YBY's former brand strategy relied heavily on brand loyalty. YBY having been the only authorised service centre in Finland, brand loyal yacht owners relied on YBY to provide them with excellent service.

Whilst a company might have already managed to build a strong and successful brand, the emerging of new markets or changes in consumer behaviour may force them to update the original brand. The reason behind rebranding can also be found in changes within the company or in the external environment, such as ownership, strategy or competition (Muzellec & Lambkin 2006; Juntunen 2014, 114). Merrilees and Miller (2006, 538) highlight the importance of determining why and to what degree a brand is being rebranded and through what measures is the process going to be taken forward.

According to Todor, rebranding might be necessary in a number of situations. Through building your brand in a thought-out and careful way, you will not only have a clear objective for your actions, but every action you take will build towards strengthening your competitive advantage. (Todor, 2014, 1) Offering a first-rate service, keeping the customer up to date and striving to live up to the mission statement all affect the brand image. Muzellec, Doogan and Lambkin describe corporate rebranding as "the practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors" (Muzellec et al. 2003, 33).

Depending on the reasons behind rebranding, a company might choose to completely abolish and rebrand an existing brand or to only do subtle tweaks in the visual appearance, or anything in between. Merrilees and Miller also emphasise the importance of balancing between the revised and the original brands, keeping both existing and prospective new clients in mind. Therefore successful rebranding might benefit from retaining at least some aspects of the original brand. Using the established brand as a base and refreshing and updating it to variable degrees provide the brand with sincerity and acceptability, easing in the customers and other stakeholders to the change. This principle is indirectly supported by the brand extension theory, which Merrilees and Miller define as "Successful brand extensions come from the successful transfer of brand meaning from one context to another, whereas rebranding is a transfer of meaning from one time to another". (Merrilees & Miller 2006, 540-541.)

Previously, YBY has heavily relied on the strong brand of being a Nautor's Swan authorised service centre, with a majority of its clientele comprising of Nautor's Swan yacht owners. The powerful Nautor brand has helped YBY establish a strong international pres-

ence and build a solid reputation within the sailing circles. Because of the aforementioned changes in Nautor's policies, YBY is now in need of building a new brand for itself.

The Rebranding process

According to a model presented by Goi & Goi (2011, 466), the rebranding process can be divided into three phases, through which the rebranding process may successfully happen. The first phase recognises the need for rebranding, focusing on the underlying issues why rebranding is needed. As presented before, this is a very important step, since the underlying reason dictates the necessity of the extent of rebranding. Since large scale rebranding might include significant risks, it shouldn't be done too aggressively (Merrilee & Miller, 2006). In the second phase, the new identity and image are created, to the degree that is found necessary based on step one. This phase can either entail a complete change in brand image or only some subtle tweaks to respond to the need of rebranding. The final phase is integrating the new brand identity both internally and externally.

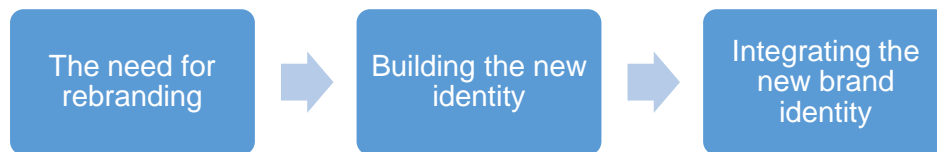


Figure 4 Rebranding process based on my understanding of Goi & Goi, 2011

As established earlier, YBY has been forced to rebrand due to changes in Nautor's policies. The core functions and operations of the company remain the same - the issue is mostly regarding creation of a new brand identity and the communication thereof. The basis for the second step is in the new auxiliary business name, which incorporates two major aspects of the new company focus. The name The Baltic Swan Center creates associations to both Nautor and Baltic Yachts, by still remaining its own independent actor. Since successful rebranding might benefit from retaining some aspects of the original brand (Merrilees and Miller 2006, 540), you could argue that YBY's new auxiliary business name is a successful choice. It also complements the emotional brand attachment and symbolic benefits aspect that were discussed earlier.

Integrating the new brand identity involves efficient communication of the new brand, through marketing efforts as well as online presence. Remodelling the website, social media accounts and all marketing material to correspond to the new brand identity is highly

important. Internal integration is also an essential aspect, so that the new brand identity is understood and incorporated on every level of personnel.

3.1 Customer relations

Segmentation – who is the customer?

To market products and services efficiently and to the right audience, dividing the markets into smaller segments is advisable. Segmenting consumer markets can be done in a variety of ways and using different variables. Customer behaviour tends to vary in the marketplace, by for example wants, needs, location and resources. This means that different customer segments also require different mediums through which they are reached. To identify prospective customers and optimise reaching them, companies use market segmentation. Market segmentation is the act of dividing large heterogeneous markets into smaller distinct segments. This way, the company can more easily target their business actions towards a specific segment and thus better meet their unique needs. (Armstrong et al., 2009, 192.)

Segmentation can be used in a variety of ways and with different variables. Geographical segmentation uses variables such as world region, country region, population size and density or climate. Demographical variables include age, gender, income, occupation, education, and other personal details. Psychographic and behavioural variables also play a major role in segmenting the market. Social status, lifestyle, personality, attitudes and loyalty play major roles in service markets. (Armstrong et al., 2009, 193) Although a company might be able to identify a number of different prospective segments, consideration must be applied when deciding which ones to pursue. A feasible segment to pursue is one in which the company can offer the customer a superior value and advantages over the competitors. (Armstrong et al. 2017, 207.)

Aaker (1996, 22) offers loyalty segmentation as an effective strategy in determining the market. He divides the market into noncustomers, price switchers, the passively loyal, fence sitters and the committed. This division covers the entire spectre of loyalty levels, starting from the ones who buy competitors' products and services, to the committed loyal customer. In order to retain the committed customers, the passively loyal and to lure the fence sitters to become committed, the brand's loyalty profile has to be developed and/or enhanced. According to Aaker, the committed and passively loyal customers are the most neglected and taken for granted group of all (1996, 22). Often future sales and growth of

business are in the hands of these groups, so developing a functional, mutually beneficial relationship with these groups is vital.

Aaker (1996, 24) has noticed that customer clubs are an effective way of enhancing the value propositions of a brand, but it also strengthens the customer loyalty bond. Customer clubs show the customer that the company cares about its customers and wants to offer them something exclusive. In order for the customer club to be appealing to the customer, the contents should be interesting and offer either tangible or intangible value for the customer.

Demographic factors tend to be the most important variables used in segmentation. Consumer behaviour, needs, wants and demand all vary highly among different demographic groups. (Armstrong et al 2009, 194). One of the leading variables for YBY's market segmentation is presumably income, therefore using segmentation variables such as geography and demography might be the most feasible way to proceed. The services are rather costly and the client is already in the possession of a valuable yacht. Affluent customers are therefore in the forefront of YBY's targeted customer.

The existing customer base of YBY is demographically quite narrow, but geographically wide. The clientele of YBY is highly international, with returning customers from several European countries, as well as the US. Due to the rather high-end service with an applicable price tag, the demographic consists mostly of affluent individuals. Former customers include various high-end brand managers and CEOs, people in socially respectable positions as well as members of academia, worldwide (Board member 2).

Within behavioural variables, the customers often value high quality, and they want the best repair and maintenance service for their high-end yacht (Board member 1). The customer base comprises of both leisure travellers as well as competitive sailors.

The average YBY client is a middle-aged man or a family with a high social ranking, albeit with some exceptions within the gender. Brand loyalty is a typical feature, most having owned several high end yachts before. Because of the brand loyalty and the respect for a high quality and standardised service, the majority of the customers are returning. YBY's capability to accommodate fairly many yachts every season means that customers can be received for both large volume refurbishments and smaller scale refits. (Board member 1.)

In the year 2017 YBY will celebrate 20 years of service. During these years YBY has serviced approximately one hundred different yachts. These yachts comprise of various dif-

ferent brands with many satisfied customers returning to the yard with regular frequency. From this you could argue that there is a vast group of returning customers that have had a lengthy relationship with YBY. This group of clients could be seen a central part of YBY's success. Retaining and enhancing the relationship to these committed customers could be placed within the central strategies of YBY.

Regarding the loyalty segmentation, one of the strong attributes YBY possesses, is the solid and loyal customer base. Since many customers are returning and the desire it to retain this committed customer segment, focus should be placed on customer relations. Enhancing the loyalty and activating the customer relations, fence-sitters and the passively loyal might be drawn in. For example creating a customer club, with adjacent seasonal newsletters, along with activating the social media sites might be beneficial for maintaining customer relations, creating a touch of exclusivity, luxury and interest. A majority of the existing customer base is Finnish, but with a number of international customers annually. Therefore the marketing should be focused on both domestic and international clientele, keeping the demographic in mind.

Customer relationships

In the age of digitalisation, customer encounters happen more and more often online and personal encounters are sparse and the customer experience remains distant. In order to retain existing customers, companies need to focus on providing them with exceptional and personal service.

When trying to understand how to offer the customer a service or product of value, firms often begin with figuring out what they can offer the customer. Heinonen (2014, 451) states that companies should instead try and understand what the customer is doing, what the customer values and what the customer needs. The approach should be customer oriented, where the search for a functional solution should always be based on knowledge of the customer.

“Customers are no longer only passive perceivers and recipients of firm’s performance; rather they become independent value creators...” (Heinonen 2014, 451). Customers are enlightened operators in the field and aware of the offerings and demanding of quality. Heinonen presents a perspective on the company’s customer relationship (fig. 5), where the service provider is at one end, and the customer at the other. This setting creates a dyad in the middle, where the company and customer both influence what is happening

with the service or product provided. This pattern encourages customer engagement and participation in designing of the provided goods. (Heinonen 2014, 451.)

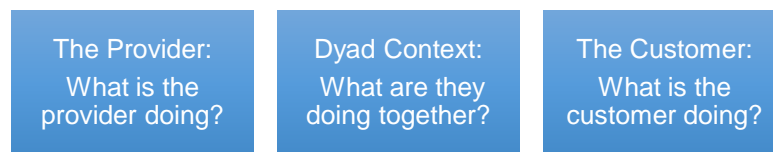


Figure 5 Source: Heinonen 2014, 451.

Although the dyadic relationship between the customer and the provider is a very traditional way of looking at customer relations, Egan (2011, 37) suggests that all communication should be considered a part of customer relation management. Egan suggests moving away from the two-way dialogue, and entering instead a wider, more active interaction with the customer. Since this research doesn't include any primary data on customers, such as interviews or questionnaires, the understanding of the customer is based on information acquired from the company, as well as social media insights on audience behaviour and the understanding I have gained during this research process.

Communication can also be divided into verbal and nonverbal communication, which goes a long way in building experiences and engagement for the customer. The nonverbal communication takes shape through sensory, aesthetical elements, such as images and narratives on websites and other marketing material. This type of communication is received as a sensory experience - it creates aesthetic understanding and can help in creating interaction which appeals to the customer. (Ahmas 2014, 202.)

Verbal communication is based on reason and sensibility. Arguments are factual and they create rational understanding and they are presented most often in text format - one's perception and language shadowing the message. Through integrating both types of communication into customer interactions, the communication may appeal to the customer on multiple levels, consequently creating a positive experience that can result in interaction and engagement. (Ahmas 2014, 204.)

Egan describes creating value for and establishing meaningful relationships with customers as one of the core objectives for relationship marketing. Egan also highlights the operational and interactive characteristics that are conventional to relationship marketing. The relationship between company and client should be a dialogue, where the company strives to create new value for the customer and improve the customer experience. (Egan 2011, 38.)

Compared to transactional marketing, relationship marketing focuses on long term customer relations, emphasises the importance of customer contact and customer service, as well as strives to meet the customers' high expectations regarding quality and buyer satisfaction (Egan 2011, 39). Relationship marketing can be described as more of a customer retention strategy instead of a strategy used for acquiring new ones. Customer relationship marketing emphasises and strives to utilise the loyalty of existing customers, with the aim to make the customer a returning customer. Egan (2011, 74) quotes numerous researches that have proven that customer acquisition is five to ten times more costly, than retaining existing customers.

Service encounters

According to Baron, Harris and Hilton (2009, 71-72), service encounters affect the way the customer perceives the service quality, which again affects future customer behaviour. Depending on the nature of the service, the amount of customer encounters varies. In a branch of services that offer only few customer encounters, the quality of these encounters is crucial. Baron et al. suggest these encounters are easy to manage, when planned ahead. Web page design, easy access to information, trained staff and straightforward communication with the customer are highly important in these kinds of service encounters. If gaining information and getting in contact with the company is experienced as difficult from the customer's side, this might significantly higher the threshold of becoming a customer. (Baron et al. 2009, 72.)

A service encounter is a service experience for the customer. Pine and Gilmore (1999, 106) note that experiences *"occur within any individual who has been engaged on an emotional, physical, intellectual, or even spiritual level. The result? No two people can have the same experience"*. This description highlights the nature of experiences, and how individual they are. If a customer service experience manages to raise the aforementioned emotions in a positive way, the customer becomes engaged. In order to achieve these results, the service provider and service marketer needs to provide stimulants for the customer - a meaningful experience that engages them (Pine & Gilmore 1999, 106). In the case of YBY, offering the customer a truly personal and individual experience, coated with aesthetic elements could be a way of improving the customer experience. One possible way of implementing this into an active customer relationship, would be to send the customer personal emails on how the repairs on their yacht is going, what is expected to happen next along with pictures of the yacht. This connects the service experience into

the field of aesthetics and highlights the sensuous dimension on communication which is tends to create aesthetic understanding (Ahmas 2014.)

There are numerous types of interaction between the customer and the service. Employees, other customers, technology and physical surroundings all have an affect the customer experience. From a managerial point of view, it is wise to identify the encounters the customer has with a given service, and strive to optimise it from a customer's point of view. (Baron, Harris & Hilton 2009, 82.)

Things such as word-of-mouth and customer relationship management are increasingly important when it comes to service marketing, especially marketing a service with few face-to-face interactions. With most companies moving their marketing and online presence to social media, this means a power shift in influence. A single customer can more easily share their experiences with a company, product or service, in front of the whole world. Therefore a bad customer experience can negate all the good press and marketing efforts the company has worked for. (Jamali, Moshabaki, Aramoon & Alimohammadi 2011, 120-121.)

When managing customer relationships, the service experience is one of the principal attributes the customer can easily review. In the case of YBY, previous customer experiences could be shared though the social media networks, where pictures and stories of the services and quality craftsmanship can be provided. Utilising the power of non-verbal communication to complement the verbal communication can bring the customer experience to a new level and help lure in the fence-sitters. This will also help build an aesthetic and sensuous commitment to the company.

As part of the process of improving the customer experience, new websites were designed for the commissioning company. The new website has a wider spectre of contents, more information on the company and on the services. In addition to the vital service and company information, the webpage also contains a better look into the story behind the company, pictures on previous commissions and a news section. Keeping the domestic and international markets in mind, the new websites are launched both in Finnish and in English.

According to Schmitt (1999), there are five components of the customer service through which you can strive to create a better customer experience. These are; sense, feel, think, act and relate. (Baron et al 2009, 107). Through focusing on "feel" and "relate", you can create experiences that are tailored and individual and make the customer find significant

contents in the company’s message. Enriching this with nonverbal communication and sensory aspects, such as appealing visuals and an easily navigable, user friendly website, the customer experience might be drastically enhanced.

Sense	Sensory experiences (visual, audio, taste, smell, touch)
Feel	Positive (affective) experiences
Think	Problem solving, involving the customer
Act	Enhance customer’s experiences physically
Relate	“Individual experiences”

Figure 6 adapted from Schmitt, 1999.

These aspects relate back to Theng So et al (2013) and Park et al (2010), who speak of adding symbolical benefits and attachment into brands. Giving the customer a more luxurious experience of service, by using these aspects and incorporating Heines (2011) thoughts about luxury, the brand attachment could ascend and create more customer loyalty.

Achieving online engagement

When marketing happens mostly in an online environment, there are some specific aspects to take into consideration. Smart Insights (2016) has developed a framework called RACE, which is a tool used to help companies develop their online presence and enhancing business objectives (Chaffey et al. 2016, 31). The name of the framework is an acronym from the words: reach – act – convert – engage.

The first section, reach, focuses on building awareness offline and through other platforms. The idea is to reach the customers and direct them onto the online site to gain traffic and spread the message the company is hoping to convey. The second part of the model, act, strives to inspire customers into interaction on the website or social media. This can be done through encouraging the visitor to like, comment, sign up to a mailing list or contact regarding a business enquiry. The third part, convert, hopes to convert the visitor into a customer, by giving the customer a convincing and informative experience on the website. The last part of the model, engage, focuses on nurturing the customer relationships and retaining the customer.

When using the RACE framework, Chaffey & Ellis-Chadwick suggest identifying some key performance indicators in order to track the success of the activities listed in the model. The indicators can be anything from page views and reactions to increase in revenues and sales. The KPIs should be thoroughly thought out and individually selected for each company and its purposes. (Chaffey et al, 2016, 32). While RACE can be a good base for laying out the ground for an internet presence, reviewing its functionality and renewing the KPIs with frequent intervals is at its core.

Another framework Chaffey & Ellis-Chadwick present, is developed by Forrester (2007) that suggests that there are four aspects into online customer engagement that should be measured; involvement, interaction, intimacy and influence. This framework overlaps a bit with the RACE framework that presented similar aspects in the form of KPIs. Involvement means website visits, page views, clicks and other involvement with the company's online presence. Interaction means online engagement through comments, posted material such as blog posts and online conversations. Intimacy stands for expressed opinion in e.g. reviews and customer feedback. Influence means sharing and recommending the brand to friends and family. (Chaffey & Ellis-Chadwick 2016, 308.)

Social media marketing and a presence online have been proven to be highly important channels for YBY. Further developing and refining the quality and quantity of the contents shared online could help YBY reach a wider audience of prospective clients on the social media channels. The insights of the YBY Facebook-page give a clear view of audience engagement with the page. When looking at the overall statistics from the past year, you can see a clear spike of engagement and post reach during a major industry event in 2016, the Swan Regatta in Turku. This could be due to more contents shared on the site, due to the YBY brochures handed out at the event or general activity online in connection with the event.

Implementing RACE

When striving to strengthen YBY's online presence to reach the prospective customers, the RACE framework could be utilised in a number of different ways. Finding the best ways and attributes through which to grow the reach, engagement and retention require suitable channels and means for a narrow segment.

Reach – Growing the awareness elsewhere

A way of generating awareness offline, that has already been proven efficient, is having a presence at industry events. Campaigning at the Oras Swan Regatta in the summer of 2016 generated numerous leads and resulted in a good amount of customers for the following season. The existing marketing material contains a link to the company Facebook-site, which has a link to the renewed website, which in turn serves the customers in an improved way. Cost efficiency can be seen as another positive factor here, since the material already exists and online resources are easily editable.

Another way of developing awareness is through social publishing and SEO. There are numerous industry magazines that publish extensive articles online that have a large, international readership. There have been a few instances when Yachting World magazine has mentioned YBY in their articles (Yachting World, 2016a). This is a prestigious industry magazine, established in 1894 (Yachting World, 2016b). Highlighting articles such as these ones is one way to uplift the Yxpila Boat Yard – The Baltic Swan Center brand. Having the company name come up in articles also helps with the company's status in search engines.

Act – Building interaction

Building and encouraging customer interaction online could be implemented through more scheduled posting on the website and on social media. When the main marketing channel is online platforms, the customer's purchasing decision will mainly be based on the information gained from them. The material posted should be worded in a way that tries to engage the customer to act on it both in terms of rational and aesthetic involvement. This way the reach of the post is considerably higher than the reactions it generates. Adding a mail list section on the website could be feasible, so that interested parties could sign up for the newsletter and gain information about the company over a period of time, before making a purchasing decision. Smart Insights lists the main keywords in this section as relevant, inspirational and useful. (Smart Insights, 2016.)

Convert – Turning leads into customers

Making the customer experience as easy as possible, starting from enough comprehensive information about the company and its services online, easy navigation and low threshold to contact. This can be achieved through focusing on the classical 4 P's of marketing, but replacing *place* with *process* (Armstrong et al, 2017, 41). This part of the

framework focuses on directing the marketing activities to the right audiences, and achieving increased sales. Smart Insights (2016) keyword for this section is contextual relevance.

Engage – Nurture existing customer relationships

This part focuses on customer relationship management and retaining the customer. In an online setting, this could be seen as the most important section, especially in the niche field, such as YBY. Customer retention and relationship management can be done in a number of ways, including customer clubs, newsletters, improved communication and service. The ideal outcome would be to achieve customer advocacy, referral and repeat sales (Smart Insights, 2016).

Tracking the functionality

When identifying the RACE framework KPIs for YBY, the unique services and business model should be kept in mind. Sales figures are rather hard to analyse in the short term in a branch like this, and with a maximum capacity of 6 ocean going yachts at the same time, the sales volumes are not that large per year. (YBY, 2017.)

During the course of this process the following KPIs have been identified for YBY.

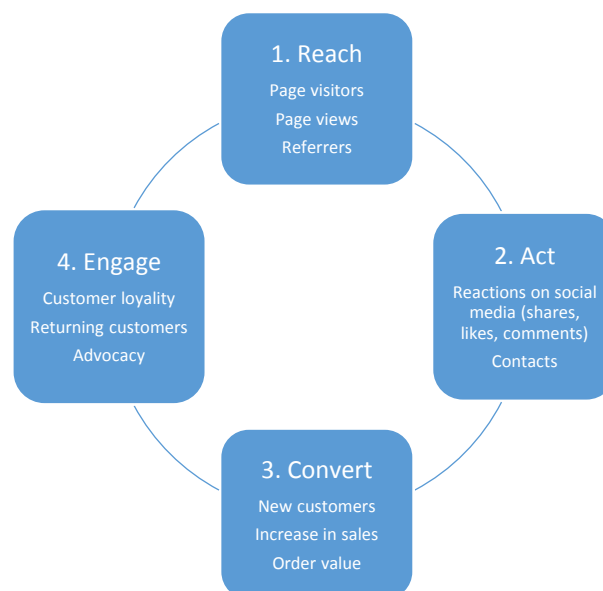


Figure 7 KPIs for YBY, based on the RACE framework by Smart Insights 2016

4 Methodology and data

This thesis is a product-oriented thesis, with a commissioner from the business field. The research aims to find an answer to the research question in order to offer the commissioning company with insight and helpful guidance. This will result in a renewed marketing tool kit, including a renewed, improved website and emphasis on visibility and customer relations. The research question for this thesis is “How to efficiently communicate a new brand identity?”.

The theoretical basis of this research draws on the abductive approach (Eriksson & Kovalainen, 2008), meaning that I approached the research question through familiarising myself with the theoretical background, that I applied to the case in an abductive manner. The data is analysed and processed by applying the identified theories, such as SWOT, differentiation, segmentation, rebranding and understanding of communication to the case company. Some realisations occurred during the process, which made it relevant to identify new theoretical approaches. These theories were then applied to the case and analysed accordingly.

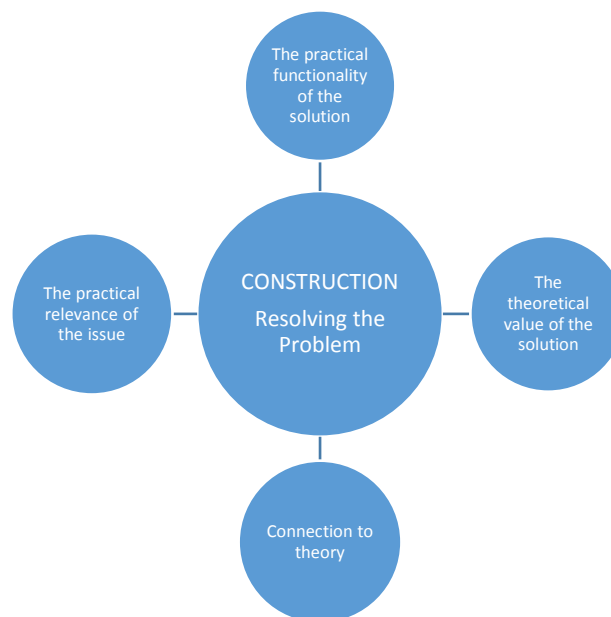


Figure 8 The basic elements of the constructivist model (Kasanen, Lukka & Siitonen 1991, 306)

The methodology of the research draws on the constructivist approach (Kasanen, Lukka & Siitonen 1991, 306) which is the way the end product is established. Through analysing the different aspects and steps of the constructivist method, the end product of this re-

search was reached. The practical relevance behind this research is the changed brand positioning of the commissioning company and the genuine need for a change within the branding and marketing practices. The aim is to construct a functional framework of tools, through which the company can rebuild a renewed and strong brand identity and to regain brand positioning. A lot of focus will be put on customer relations and retention.

The constructivist method is characterized by having a case-like style that is based on empirical reasoning. The method aims at resolving a problem and finding a practical solution for it. The practical functionality and theoretical value are based on theories closely associated with the issue at hand. Segmentation, differentiation and customer relationship management help create an understanding of who the customer is and how to nurture the customer relationship. The SWOT analysis helps in determining what should be taken into consideration within both internal and external environments, as well as identifying possibilities that have so far been unutilised. The SWOT strategy framework presented by Chaffey & Ellis-Chadwick (2016, 197) is a highly functional model, that incorporates strategies on how to utilise and overcome different positive and negative aspects identified in the process.

One of the larger themes in this research is rebranding and creating a stronger online presence for the commissioning company. The rebranding model by Goi & Goi (2011) presents a simple yet effective three step model for implementing rebranding. Theories based on communication, service experiences and online customer engagement help understand how the company website and online presence should be developed and refined. These theories complement the theories on identifying the customer.

The research is based on a number of different types of data; interviews, company documents, as well as yachting industry literature. I have gathered data over the course of the process of writing, starting in October 2016, up until March 2017. I have processed data in a qualitative manner, through the content analysis (Silverman 2005, 163). I have gathered transcripts from the interviews as well as observations in the form of field notes. In addition, I have familiarised myself with industry publications. Through these, I have strived to create an understanding of the field to be able to answer the research question, which I've mirrored against the chosen theories. This abductive dialogue has helped me in building the construction of my research. Next I will present the data types used.

Interviews:

Information and insights on the company's history, positioning and customer demographics were obtained through interviews with two board members of the commis-

sioning company. These interviews happened throughout the course of the research process, starting in October 2016.

Company documents:

Official documents were gathered from the company, including strategy statements, brochures and other former marketing material. Insights into the past efficiency of the marketing efforts were gained through access onto the company Facebook-site and website analytics.

Yachting industry literature:

Insights into the yacht business as a whole, was gained from non-scholarly articles in industry magazines and websites. This provided me with a deeper insight into the field of high end yachts and the sailing world.

Field diary:

Field notes were made during the research process, containing thoughts, ideas, remarks and sketches, regarding various parts of the development.

5 Constructing the product

In this chapter, I will be drawing all findings together and concluding them to form a final product. The final product is a rebranding and marketing tool kit that highlights differentiating factors, supports customer relations and provides the customer with an improved service experience.

After estimating and determining the aspects of the SWOT analysis, the strategies presented in figure 1 in chapter 2.4 (p. 8), the next step is implementing them into the commissioning company in a concrete way. By combining them with the data and theoretical background, a practical construction is created that answers the research question. This also sheds light on what is necessary, what was done and how.

Identifying the uniqueness

In comparison to other companies offering luxury yacht maintenance and repairs, as a small-scale company, YBY has a chance to respond to changes in the field quickly. Especially compared to the yacht manufacturing companies that have internalized their brand specific maintenance business, YBY is highly flexible regarding cooperating with a wider spectrum of subcontractors and vendors. Therefore YBY is able to be flexible in answering customer's needs, regarding for example new technology and changing needs in logistics.

A part of the thesis writing and development process consisted of innovating new ways for YBY to offer greater customer experiences with enhanced customer satisfaction. During this process, a new idea arose to improve the customer experience and satisfaction for long distance travelling customers, as well as offer YBY a differentiating aspect. For years, YBY has offered clients a pickup service, where a crew is sent to retrieve the yacht to the repair yard. This service has been highly valued within the customer base (Board member 1). The company is adjacent to a three story "tower" that houses two offices with a beautiful sea view and a sauna section, and these living quarters have formerly been utilized to a very small extent. Starting next season, YBY will offer customers free accommodation, along with the already existing transport services to the airport or train station. This will presumably be a greatly appreciated service for customers travelling from further away. This is also a major differentiating factor from competitors operating in the same geographical area. Along with providing YBY with a great competitive advantage, implementing this into the service offerings of the company, it will also rather efficiently

neutralise the negative impacts of distant location and competition in the area, which were identified in the SWOT analysis.

Since these aspects of the company have not been clearly communicated before, the including and promoting them within the marketing of the company means that some results should be achieved. These play a major role in supporting the company's business.

20 years of service

Due to the fact that the customer is without exceptions someone in possession of a very valuable and durable yacht, the need for high quality and professional service is essential to maintain the yachts value and its original splendour. Utilising the aspect of a 20 year history of successfully maintaining high brand yachts in marketing should be a highly prosperous differentiating strategy for YBY. This creates an understanding of the highly specialised know-how and certified quality that the company is offering. This would also serve the company mission, vision and strategy, which strive to highlight the special characteristics of the service offered.

When it comes to marketing, the 20-year anniversary of YBY is a good angle for two reasons. Firstly, it gives a good reason to approach existing customers, thank them for previous business and provide them with a newsletter on what is going on with YBY in 2017. A newsletter is a good means of communicating in a niche field such as sailing. Current events and new trends in the branch make it interesting for the customer to read.

The second angle on the 20th anniversary gives YBY a great opportunity to launch the new websites that are a big improvement to the previous ones. The new website will provide more information on the company, the services provided and previous reparations and refurbishments completed by the company. By improving the customer experience and building the brand equity, the new website will help in communicating the new brand identity, along with more customer satisfaction. In addition to being more informative and thorough in communicating, the website will function in both Finnish and English. The previous website functioned solely in English. I believe the fact that the clientele consists mostly of Finnish customers, the fact that the website functions also in their native tongue will serve this segment a lot better. Further services, such as the accommodation possibility will also be launched on the website.

Building the brand awareness

The reason for the need of rebranding has clearly been stated in chapter 3.1 on page 14. The main reason for it is the changes in Nautor's global maintenance policies. This has forced YBY to create the new auxiliary business name, The Baltic Swan Center. Integration of this new brand was well on its way when this research was started; the logo already existed and was added onto the renewed marketing material, brochures, coasters, pins and such.

Although some effort had been put towards the integration of the new brand identity, it was not executed to the full extent necessary. The change in branding needs to be implemented throughout the company structures (Armstrong et al 2017, 250). Since the major channel of communication with customers is online resources, such as the website and Facebook, this is a channel where the new brand identity needs to be highlighted and updated in a comprehensive way.

In order to efficiently communicate the revised brand of Yxpila Boat Yard, a push strategy could be put in place along with the newly launched website. Using the existing marketing channels, customer databases and possibly following up with an industry event campaign would be an efficient way to showcase the new brand and company focus. Since brands comprise to a large extent of intangible characteristics attached to a trademark, bringing forth these aspects in a tangible way can make it easier for the customer to understand the new brand identity. The launch of the new websites is a good way of doing this, since it combines the rational and aesthetic arguments, in the form of company information and references as well as narratives and pictures. The new website will also help customers find more information about the company; it is designed from a more customer oriented viewpoint and is designed to serve high-end customers. The websites will be in two languages, which will in turn serve both domestic and international markets.

In accordance with the RACE framework, combining online and offline marketing strategies to reach customers could be a successful strategy for YBY. As for offline platforms, a presence at industry events and distribution of marketing material packets to new prospective clients, as well as distributing a newsletter to existing customers could be seen sufficient /extensive enough to achieve recognition and possibly new leads. The KPIs for this section are the page visits and views, as well as new page followers on social media.

Developing the communication

As stated in chapter 2.4, YBY needs to highlight the new brand and company focus in an efficient way both online and offline. The existing online presence will be complemented with a completely renewed website that will cater to the customer needs in a more efficient way. The Facebook-page will be activated through more frequent posting on topics related to the sailing industry news as well as pictures from the premises that help narrate a story from what is happening at the yard. This will incorporate the rational and factual contents with the aesthetic elements, such as pictures and stories. Use of different types of hashtags with relevant keywords could be implemented into the social media posting, if the commissioner would feel comfortable with it. This could help people interested in the industry to find the company and generate more activity and engagement on social media and could possibly even generate new leads.

One of the challenges of online marketing is, that it takes a lot of time and effort to keep up to date and that the platforms keep changing. Therefore, I would suggest that in a company with limited resources to update and refresh online content, the online marketing operations be as simple as possible to keep up. One of the most important attributes of online marketing is the fact that it is interactive. Chaffey et al (2016, 37) describes this as two-way push and pull marketing, where information flow both ways and the relationship can be a personal dialogue. Therefore the marketing activities need to be designed in accordance, so that the customer feels engaged and wants to continue connecting with the company.

During the latest Swan regatta in Finland, the 50th Anniversary Oras Swan Regatta held in Turku July 2016, YBY launched a small scale push marketing campaign, delivering packages with renewed marketing material to all participating Swan yachts. The packages contained brochures, leather coasters with the company logo and new brand logo imprinted on them, an YBY pin, a note block with company details, as well as business cards of the CEO and Yard Manager at YBY. The functionality and design of the package was based on the perceived luxury yachts have to them. Thick leather coasters with a sophisticated design, an updated brochure with company information and pictures from the premises as well as client yachts and a stylish note block all worked together to create interest within the customers. These packets were personally delivered to the captains of the participating yachts, which allowed a personal connection. This campaign was highly successful, generating new clients for the following season. The visibility it achieved was also immense; there were over 100 participating Swan yachts at the event. The promo-

tional material, along with actively sharing images and stories from the regatta on social media caused a spike in page views and post reach.

Since quality is often more valued than quantity, investing in high quality content on the platforms is important. An interesting addition to the online presence could be inviting a magazine journalist to do a piece on a large repair at the yard. This would contribute to gaining recognition and publicity in the industry, as well as generate some interesting material to post on the online platforms. A smaller scale version of this would be to invite a prestigious blogger to write a blog post or two, or to start a continuous thread of updates of the process on e.g. Facebook.

Figure 9 presents the case company's suggested online marketing activities implemented to the RACE framework.

Reach	In order to reach the customers more efficiently, marketing the company at industry events, with face-to-face interaction will strive to generate visits to the online platforms, which are the main company information source. Increasing SEO via key word density on the website and via possible articles in industry magazines on- and offline will generate more hits on search engines as well as awareness among the segments.
Act	Scheduled posting on social media channels and up to date information on the website will create more customer interaction as well as answer the customer's information needs better. The posting on the online platforms should be worded in a way that strives to produce a reaction from the customer.
Convert	Focusing on the product, <i>process</i> , price and promotion, through making sure easily comprehensible and sufficient information is available; the navigation of the platforms is functional, as well as striving to lower the threshold of contacting. The communication should be targeted to the right audience, in a way that would generate leads.
Engage	The aim of this part is to nurture the existing relationships and to retain the existing customers. Implementing the newsletter into customer management will develop a personal relationship between the customers and the company. In an online context, customer advocacy is highly valuable; therefore encouraging customers to share their positive experiences could be something to consider in order to increase advocacy and referral.

Figure 9 RACE framework implemented to the case (Chaffey & Ellis-Chadwick 2016, 308)

The functionality of the RACE framework should be traced by the key performance indicators (KPI's) that were presented in chapter 3.1 on page 24. If the KPI's do not get met, the activities in the RACE framework need to be fine-tuned, in order to assure results from it.

Should the commissioning company ever need to resort to paid advertising online, I would recommend that they focus on targeted search engine advertising or Facebook advertising. These are quite well targeted at people that have done searches regarding certain keywords, and advertisements will pop up as recommendations.

Club YBY – The Exclusive Touch

In order to maintain customer relationships and retain existing customers, I suggest YBY implement usage of the aforementioned newsletter into their marketing. A quarterly insight into what is happening within the company with a gentle call to action can drastically improve the commitment level within existing customers.

Keeping in mind the definition of luxury as something exclusive and incorporating this with the newsletter and the idea of an existing yacht owners club, I suggest the launching of *Club YBY*. Club YBY would nurture existing customer relations, especially long-term customer relations that are based on loyalty. The club would strive to enhance the quality of customer encounters, and hopefully help in engaging the fence sitters and the passively loyal, to feel more involved as customers.

A prototype of the newsletter has been produced during the thesis writing process. With the commissioner's permission and input, the newsletter will be sent out to existing customers at the brink of the sailing season. The newsletter will be distributed to current and former customers. The website will also have a link through which to subscribe to the newsletter.

Combining the exclusivity of being a luxury yacht owner with being a customer of YBY, clients would automatically receive a quarterly newsletter. Branded as Club YBY, the club would actualise as the series of newsletters on company news and other exclusive marketing material, possible client events regarding the celebration of the 20th anniversary and news from the field. The club would build a sense of community and belonging through aesthetic means, catering to the need of self-actualisation and create emotional attachment.

As for visibility of the club, it will be present on the company website, accompanied by a link to sign up. The club could possibly have its own forums, such as a Facebook-group, where customers could share their experiences, news and upcoming events.

Seasonal Club YBY Newsletters

As a quarterly newsletter, the launch dates of the letter will be located around the major yearly sailing periods. Each letter would have its own theme, with a clear set objective. Each of them will also include a call to action, ranging from following the company on social media to booking the next maintenance for the upcoming season.

The theme of the first letter, launched just before the sailing season starts, around April – May, could recap the events of the spring, what happened at the company during the past season, new technology used and what can be expected this summer season in terms of events in sailing. The new website will also be presented, as well as the 20th anniversary of the company.

The second newsletter could be launched around midsummer, at the height of the sailing season. The letter would function as a nice greeting, wishing clients a lovely and safe midsummer. The aim of the letter would be targeted at reminding customers to book repairs for winter and other maintenance issues.

The third newsletter could focus on the start of the busy repair and maintenance season, looking back at the past sailing season and news within the industry. It would actualise around the beginning of September. It could also discuss the interesting challenges YBY faces this season with the numerous repairs that are about to start. This theme could be continued on the Facebook-site, through following the repair of an interesting yacht throughout the season.

The fourth and last newsletter of the year would focus mostly on wishing the customers happy holidays and thanking them for the past year. The newsletter would be due a few days before Christmas. It could also have a few glimpses into the upcoming year and the challenges the company faces in the spring season.

6 Conclusions

The research will be drawn to a close through conclusions and suggestions, based on the theories and the understanding acquired during the course of this research.

During this process, I have strived to find an answer to the research question that will produce a functional guide for the commissioning company to establish a plan on how to go about in launching and communicating the new brand identity.

The methodology of this research was based on the constructivist approach (Kasanen et al. 1991, 306), which combined the theories with the practical data of the case, to create the end product. As a major characteristic of the constructivist approach is that it relies on empirical reasoning, it was a suitable means of creating the final product.

The theoretical basis of this research relied on theories regarding branding, rebranding, segmentation, customer relationships and service encounters, as well as online engagement. The commissioning company was analysed to identify differentiating aspects, in the hopes of gaining a competitive advantage to utilise in the marketing. SWOT analysis was also used, which includes both internal and external aspects that influence a company and its prospects. The data for analysis was gained through a dialogue with YBY, where two board members openly discussed about the company, the history and the market, during a set of interviews.

The results for this study include a variety of things, but foremost, the understanding of the situation that the commissioner will gain from this report. It includes practical suggestions on how to go about with marketing, communicating and highlighting the new brand identity. Among the practical results of this study is the website, which was created with the company's mission, vision, strategy and values kept in mind. The website aims at providing the customer with an improved experience of service, engaging the customer through verbal and nonverbal communication. The website was designed with a strong aesthetic vision in mind, with a simple layout, easy to navigate (Appendix 2). This correlates to Pine & Gilmore's (1999) theory about engaging customers through sensory experiences.

As established in the earlier chapters, YBY needs to communicate their wide spectrum of services more efficiently. The renewed website covers this area quite well, but the social media presence needs to be focused on, to lure the audience to visit the website. Because the nature of the service is long commissions in a slower pace industry, a post eve-

ry few weeks could be enough. Setting up a monthly plan on what topics are relevant each month, what is going to happen in the industry, special events, launches of new models or technology or specific holidays could all be a reason for posting an update on the Facebook-page. Striving to engage the customers into a dialogue is desirable, since word-of-mouth and positive experiences are highly valuable in the online setting.

YBY can continue to utilise the well-recognised respect for the Ostrobothnia region as skilled boat builders with strong sense for tradition and craftsmanship. This is something the area is known for, and why so many yachts make the voyage up to the area to get maintenance and repairs done. The possibility of accommodation adjacent to the service yard should be efficiently highlighted with this marketing aspect, since this rather efficiently counters the negative impact of the distant geographical location.

Through launching Club YBY, along with the newsletters and possible member events, the existing customers get a sense of belonging and the fence sitters might feel more committed. I believe the club would also improve the quality of customer encounters, since the customer would feel valued, and that he has a personal relationship with the company. The newsletters also function as a great marketing channel, through reminding the customers of booking the service, or via presenting new specialties within the company.

My learning

The challenges of this research have been the complexity of the service, along with targeting the research question, in order to achieve the ideal result for the commissioner. Information on the company, such as organisational documents was hard to get by, which added another dimension of challenge. I had hoped to do more extensive research on the existing customer's experiences with the service, but unfortunately this plan fell short. Therefore the focus of this research remained on the company perspective.

The research question changed and developed during the course of this research, since the commissioner did not have a clear view of what was needed. The final wording of the question was developed after the main theories had been identified and applied to the data. After discussing the applicable findings with the commissioner, the final research question was established and the suggestions and conclusions were created with the question in mind.

This research has taught me the accurate way of conducting a research. Choosing the methodology, identifying the appropriate theories, doing interviews and analysing data have all shown to be challenging, yet highly interesting. I have enjoyed writing this report, spending time polishing it and revising the structure and flow of the text. Being given free hands to go ahead and plan different ways of connecting with customers and striving to improve the customer experience has proven to be highly rewarding.

What's next?

Based on this research, I suggest the commissioning company look into the paid advertising on Google and Facebook. I believe there are definitive opportunities there, should the company wish to expand its customer base.

If the commissioner would be willing to further enhance the business and develop the customer satisfaction, there are a number of things I'd recommend they pursue. In order to further develop the clients' service experience, YBY could strive to develop their services by utilising service design tools. Modelling a service string (or customer journey) could help YBY understand the service experience from the clients' point of view. A service string describes the customers' service experience of the company starting from the moment the need of the service is identified until after the end of the service. This gives the service provider a valuable insight into how the customer faces the service.

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Interviews

Board member 1 24.10.2016, 14.1.2017, 5.3.2017, 20.3.2017

Board member 24.10.2017, 22.1.2017

Appendices

Appendix 1. Organisational documents



Yxpila Boat Yard - Mission, Vision, Strategy and Values

Mission:

Our high-class professional competence in boat building responds to the changing customer needs.

Vision:

The company has international prestige for the excellent performance in the luxury boat branch.

Strategy:

The company service promise meets the customer experience. The smooth service and flexible processes will guarantee the performance quality. The transparent communication will ensure our good reputation. The tailored arrangements are there to secure service accessibility.

Values:

- Customer comes first
- Updated expertise
- Reliable quality



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SWIFT OKOYFIHH

THE BALTIC
SWAN
CENTER

Appendix 2 . The renewed company website

[HOME](#) AINUTLAATUISTA OSAAMISTA ASIAKASTARPEET JA PALVELUT
RÄÄTÄLÖIDYT JÄRJESTELYT REFERENSSEJÄ AJANKOHTAISTA



63° 49' 80" N 23° 02' 50" E

YXPILA BOAT YARD



*Kunnostamme ja huollamme veneesi luotettavasti,
jotta sinä voit veneillä vailla huolia.*

Oy Yxpila Boat Yard Ab jatkaa purjehdeneesi käyttöikää sinun tarpeidesi mukaan.

*Kunnostamme ja uudistamme veneesi ja teemme tarvitsemasi korjaukset. Halutessasi
veneesi saa uuden ilmeen, sisustuksen ja teknologian.*



ASIAKASTARPEET JA PALVELUT

Jokaisen veneen elinkaari on yksilöllinen ja siihen vaikuttavat useat tekijät. Niitä ovat mm. käyttötarkoitus, käyttäjät, omistajan tarpeet ja sääolosuhteet. Lisäksi osansa on veden suolapitoisuudella ja UV-säteilyllä.

Omistajan toiveet ja näkökulmat ohjaavat veneen ylläpitoa. Kilpaveneisiin kohdistuu erilaisia odotuksia kuin matkapurjehdus- tai perheneisiin.

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AINUTLAATUISTA OSAAMISTA

Oy Yxpila Boat Yard Ab:lla on kokemusta suurten purjehdeneiden ja erityisesti Nautor's Swan veneiden laajoista kunnostus- ja korjaustöistä lähes 20 vuoden ajalta.

Osaamisemme perustan on rakentanut vahva ja pitkä yhteistyö veneveistämön kanssa. Tunneimme veneiden rakennratkaisut, koko- ja runkotyyppien vahvuudet ja heikot kohdat erityisratkaisuja myöten.

[READ MORE](#)



YRITYS

Oy Yxpila Boat Yard Ab:n perustivat Ola Hallman ja Perttu Marttila vuonna 1997. Ola Hallmanilla oli takanaan monikymmenvuotinen ura Nautor's Swan veistämön palveluksessa ja Perttu Marttilalla liikeyrityksen johtotehtävistä. Molempia yhdisti intohimo purjehdukseen ja Swan-veneisiin.

[READ MORE](#)

Appendix 3. Newsletter 1/2017

Newsletter 1 /2017
Club YBY



Welcome to join Club YBY !

Club YBY is for You who have enlisted as a loyal customer at YBY or wish to receive the latest news from our boat yard. We at YBY care deeply about our customers and will provide You with a seasonal newsletter four times a year. Our hope is to be able to keep in touch with our customers, as well as discuss current news and trends within the sailing industry.

As some of You may have noticed, Yxpila Boat Yard has for quite some time been known as the Yxpila Boat Yard – the Baltic Swan Center. This opens a new wider focus for YBY, with a broader spectrum of services available. The renewed company website gives you a better glimpse at what is currently going on with YBY. You can find the renewed website at yby.fi.

The big news for this sailing season is that we have furnished a crew accommodation space with a beautiful sea view in the YBY Tower, on the yard premises. This space accommodates four people and is at the disposal of our customers delivering or picking up their yacht, free of charge. There is also a sauna available. We kindly ask You to book the accommodation beforehand so we can ensure there is space for You.

The sailing season 2017 is about to begin and we are looking forward to favourable winds and triumphant racing. We hope to hear from You soon and to see you at Yxpila Boat Yard, when its time to dock or your yacht is in need of maintenance.

Wishing You good sailing and brisk winds!

Perttu & Sven at YBY



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