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# A Marketing Plan for IT-Line Ltd.

International Business  
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## **TIIVISTELMÄ**

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Opinnäytetyön nimi	Markkinointisuunnitelma IT-Line Oy:lle
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Tämä lopputyö käsittelee yrityksen IT-Line Oy markkinointia ja sen parantamista. Projekti sai alkunsa harjoittelun yhteydessä yrityksessä, jolloin yrityksen johto antoi aiheen ja resurssit. IT-Line Oy ei ole aikaisemmin panostanut markkinointiin, joten tämä projekti oli otollinen tilanne ottaa selvää mitä tulisi muuttaa parempien tulosten varmistamiseksi. Projektin kirjaimellinen ongelma on, miten markkinoida IT-Line Oy:tä kotimaisilla markkinoilla.

Projektin teoreettinen viitekehys koostuu markkinoinnin perusteorioista. Teoriat on kerätty erinäisistä kirjallisista lähteistä, kuten kirjoista ja artikkeleista. Keskeisimmät käsitteet ovat brändiin ja strategiaan liittyvät teoriat. Lopputyössä on käytetty perinteistä menetelmää, eli tiedon etsimistä itsenäisesti, kuten myös haastettuja yrityksen sisäisesti.

Lopputyön tuloksena on yhtenäinen ja mahdollisimman toimiva markkinointisuunnitelma IT-Line Oy:lle. Työtä tehdessä kävi ilmi, että IT-Line Oy ei periaatteessa ole toteuttanut minkäänlaista suunnitelmallista markkinointia. Tästä johtuen markkinointisuunnitelman teko oli loppujen lopuksi melko yksinkertaista. Lopputuloksista päätellen, IT-Line Oy on kasvava yritys, jolla on suuret mahdollisuudet, etenkin jos markkinointi saadaan säädettyä oikein.

Avainsanat                      markkinointi, yritysmarkkinointi, IT-Line Oy, brändi,  
markkinointisuunnitelma

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## **ABSTRACT**

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This thesis examines the marketing of a company called IT-Line Ltd. and how to develop it. This project was started during a practical training period with the company. At that time the head of the company handed out the assignment and the resources needed. The company has not made an effort towards marketing in the past, so this project proved to be a perfect opportunity to find out what needs to be changed in order to achieve better results with more marketing. The actual problem of the project was how to market the company in the domestic market.

The theoretical frame of the project consists of the basic theories of marketing. The theories have been collected from various written sources such as books and articles. The most central concepts focus on branding and strategy. The research method used in the thesis was formal research and additionally some interviews were also conducted within the company.

The outcome of this thesis was a cohesive and functioning marketing plan for IT-Line Ltd. While working on this thesis, it became clear that IT-Line Ltd. has not conducted any intentional marketing. Because of this, making the marketing plan was quite simple. Concluding from the results and outcome, IT-Line Ltd. is a growing company that has great opportunities, especially if the marketing is conducted correctly.

Keywords                      marketing, B2B marketing, IT-Line Ltd., brand, marketing plan

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# **1 INTRODUCTION**

In this chapter I will go through the background, the objective and the research methods of the thesis. I am going to explain the motive for this project from my perspective and from the company's point of view. I am also going to explain in brief why I chose to focus on the domestic market. Still, I will elaborate the research questions that will be a focal point in the marketing plan, which will then be developed. Focusing on these questions the marketing plan will lead to the desired outcome. In the theoretical section of the thesis, I will discuss marketing theories that are relevant for the project.

## **1.1 Background**

This bachelor's thesis aims to develop a marketing plan for IT-Line Ltd. IT-Line Ltd. is a company that delivers product solutions that increase the efficiency of indoor logistics and manufacturing processes of their customers. The marketing plan produced strives to help the company to establish themselves further in the industry. The marketing plan could in the future improve the company's marketing internationally.

The assignment was given to me by IT-Line Ltd, because they viewed that this project would be useful for them. This was a good time to start planning marketing, because the company has not prepared a marketing plan before. IT-Line Ltd. has also expanded operations to other countries, such as Russia, therefore now they would have very good chances in re-branding themselves as an international company. This is viewed by the company to have a positive impact on their domestic market.

Finland was chosen as the case country because of many reasons. The first and most important one is that the company already is dominating the market. However, the company must start conducting marketing, because of the possibility of competition. For now the company does not have the funds to fully launch themselves internationally, therefore, the marketing plan is for the domestic market.

The task was started by having a meeting with the CFO of the company, and deciding on a more precise aim for the thesis. The aim of the thesis is to create a

marketing plan that does not require a large budget. The method of research was also discussed, and the company made some wishes regarding the outcome of the project. It was decided that the company will provide all the information needed to produce the best and the most accurate outcome possible. Some privacy details were discussed, which in this case meant that no customers will be mentioned by name in the marketing plan. The reason for this is that IT-Line has some clients who wish to stay private.

## **1.2 Aim of the thesis**

The aim of the thesis is to find out what kind of marketing IT-Line Ltd. needs to incorporate in order to attain more publicity. To sort that out, it is important to look at the marketing they currently use. Therefore, a goal is to find out whether their current marketing is effective and what their current marketing actually is.

The marketing plan will be formed based on IT-Line Ltd.'s former marketing and the findings based on the formal research. One of the objectives is to come up with new ways for IT-Line Ltd. to conduct marketing. However, the marketing plan will revolve around very simple marketing tools that are rather traditional. This is because IT-Line Ltd. needs to be sure that the marketing will work, the marketing needs to be simple and fit a limited budget. The basic theories on marketing have been used multiple times in various companies and they have been experienced to be very effective.

The marketing plan focuses on accessing new market space and reaching new customers by using IT-Line Ltd.'s competitive advantage. The biggest section of the marketing plan is the research section in the beginning, where it will become clear how IT-Line is positioned domestically at the moment and what changes should be made to achieve even more success and more exposure. The plan has many steps to it, starting from the smallest changes to enhance visibility, going all the way to a strategic plan. The marketing plan is very detailed and the focus is first on making the company look attractive for possible new customers and, second, on marketing the services and the goods to the potential customers. The marketing plan will mainly focus on the branding the company, because the company has not branded themselves to the bigger audiences. This means that IT-Line must make

sure they know what they offer themselves, but also that their current customers know exactly what IT-Line is.

There are quite a few of research questions included in this research. First, what kind of marketing IT-Line Ltd. is currently conducting? Is the marketing IT-Line uses effective? Is the competition situation going to change? Then, what sort of marketing would be effective in the future? How to reach that? Lastly, what would be the best ways to stand out in the future?

### **1.3 Research**

The focus of the theoretical study is on basic marketing theories that will be used in the marketing plan. The theories were chosen based on the way an effective marketing plan could be formed, the nature of the company and what it offers. Another important guideline for the marketing plan was the vision and the objectives of the company. In this case IT-Line Ltd., a company that offers services and physical products, which will be taken into consideration. The main emphasis of the research and marketing plan will, however, be on image, branding, segmenting and positioning.

The form of research used in the thesis is formal research. Formal research is a basic form of research, which means that the information will be acquired from written sources. The theoretical study of the thesis is researched from books and other sources such as journals. Some interviews will be also conducted with the staff of the company and their responses will be used in the making of the marketing plan, and more specifically the research.

The main focus out of all the marketing theories will be on the most important theories concerning the topic, a marketing plan for a company that offers a service and product combination. Examples of such theories are service marketing, competition analysis, market and customer analysis, business-to-business marketing, marketing mix and many other theories that will assist the writing process. These theories are mainly discussed to prepare for the research section of the plan. Therefore, the theories will only work as a base for the actual plan. A strategic theory will be utilized in the actual marketing plan as a base for it. All



these theories will be researched traditionally from books and other sources, such as papers and articles.

In the marketing plan I will go through some history and marketing history of the company and attempt to make an outline of what their marketing is right now. I will research the company's previous marketing material and base some of the marketing decisions on them. If the marketing conducted currently is not working, it will be improved and changed into something more functional. On the other hand, if the marketing is proven to be efficient, it will be refined. The main idea of the marketing plan is that it will help the company to differentiate itself from competition even further.

## **2 MARKETING**

”Marketing makes goods useful to the society by getting them where they are wanted, when they are wanted and by transferring them to those people who want them.” (Sherlekar, Nirmala, Prasad, Salvadore 2009, 2)

According to Proctor (2000, 30), the main point of marketing is to satisfy customer needs and wants. While pleasing the customers, marketing is also about reaching for an organizations objectives and financial benefit.

Marketing is about making products and services look appealing to the customer compared to competition. Therefore, marketing is about competitive positioning. It has been proven that marketing is also about communication. Communication of images and messages and the different tools and means used to forward these messages to the potential customers. (Proctor 2000, 31)

Based on several definitions, marketing is about making people believe that a product or a service is something they must have. Technically it can be considered manipulating people into thinking that something is missing from their lives. To set differently, marketing is creating customer needs and then meeting them to make profit. Simultaneously, marketing is also about meeting already existing customer needs. A big part of marketing is to find out what people want or need and using that information to get ahead of competition.

Drummond, Graeme, and Ensor (2005, 1-2), describe marketing as a rather simple process. However, the processes of marketing can be quite complex and difficult to grasp. Marketing includes a wide range of individual tasks that combined create the concept of marketing. In addition to all the processes, it is vital that the marketers understand what the people need, instead of assuming they know what people want. In this sense, marketing functions as a connection between companies and the customers.

Drummond et al. (2005, 2), states that marketing is supposed to be beneficial for all parties involved. When it comes to marketing this would mean the customer getting services and goods they are pleased with and the provider getting financial benefits,

support and loyalty. This is a beneficial transaction for both parties involved and the final objective of marketing.

## **2.1 Marketing research**

“Marketing research is undertaken by an organization in order to provide timely and relevant information that can be employed by managers to allow them to make fully informed decisions relating to marketing activities.” (Drummond, Graeme & Ensor 2005, 46)

Marketing research is a traditional form of research that reveals how a company is positioned in a market. Marketing research is usually conducted to determine the next step in a company’s life. The core of marketing research is that a company gets information on what to do next marketing wise. This form of research takes into consideration, the market and the customers, or even the potential customers, in a certain target group. This research reveals the customer needs, or a direction that the needs could be steered to. Marketing research is vital for every company’s survival, because without finding out what the public wants, the company will end up losing customers. The loss of customers would be a direct consequence of failing to provide the customers with what they needed. (Drummond, et al. 2005, 46)

Marketing research is valuable for every company, because it serves as the base for the actual marketing plan and marketing actions. In order to conduct marketing research, one must go through four steps. First, it is important to define the problem. What is it that needs to be researched, and why? Second, one should collect the needed data that is relevant for the problem. Third, the data should be analyzed and interpreted. This should always be done carefully, because no matter how correct the data is, information can always be misinterpreted. This could lead in to the information being completely useless. Lastly one must conclude based on the analyzed data and then act upon it. (Zimmerer & Scarborough 1998, 143-145).

Marketing research results are completely up to interpretation of an individual. This means that if the information is not correctly understood, the decisions will still be wrong, even if all the data was correct. This is because no matter what the management level decisions are, the data can always be seen in different ways. In

conclusion, every decision should be examined from multiple points of views and the decisions should be well thought out for. (Zimmerer & Scarborough 1998)

## **2.2 Marketing planning**

“Marketing planning, then, is simply a logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plans for achieving them.” (McDonald & Wilson. 2011, 24)

Definition of a marketing plan according to McDonald and Wilson (2011, 24), is that marketing planning is a series of movements that logically occur, when attempting to reach a marketing decision. These movements are being made towards a decision and a plan. Hence, a marketing plan is something that a company logically must do, to make rational decisions about their marketing future. If a company wishes to form a reasonable marketing plan, some research must be done. In every company doing this research can be considered automatic, because it is a very important procedure.

Marketing planning is crucial, because of the competitive and complex nature of the environment that companies operate in. According to McDonald et al. (2011, 24), there are countless of factors, internal and external, that affect a company's ability to make positive income. All companies have the same objective that is to get as much revenue as possible, maximize the profits and minimize the costs. To make this happen, they must have a marketing plan. The reason for this is that not one company sees these objectives the same way. Every manager has a different approach and therefore, every company needs an individual marketing plan.

When examining marketing planning strategically, planning would be the easy part of the process. It is the execution and implementation of a plan that is difficult for so many managers. Drafting a plan that will actually work in real life, is quite simple and every manager should be capable of this. However, taking the plan and putting it into action is very difficult, if the plan is not understood. Execution is the key in planning, because that defines the failure or success. Proper leadership is very important for a company, because this way actions take place. A plan will be put into action with a leader that understands it and a leader that wants to make a

change. Another very important factor for marketing planning and the implementation is to have the right people working on it. Human resource management department needs to assign the correct people, to make the process successful. (Drummond et al. 2005, 244-246)

According to Paley (2007, 26), marketing planning is a strategic function. This means that planning a strategic marketing plan is like going to war. If the planning is not sufficient, the actual results will be impossible to measure in the future. This is reality for many companies, and in fact around 75 % of marketing activities do not reach their objective, states Strauss (2009, 2). For these reasons, marketing planning is vital. A company that makes a good plan will see results, - and only then can the success of marketing be measured. Therefore, an objective of marketing is that the outcomes needs to measurable.

### **2.3 Service marketing**

A service can be described as a process, an act and a performance. Services are portrayed as something that creates added value and contributes benefits for the customers. These days most of the products in the market have some service attached to it. A customer service is these days considered to be an important part of the product and the buying experience. If the service at a hair salon is bad, a consumer will not return. Therefore, it is obvious that services have a much larger role than they used to have. (Gilmore et al. 2003, 9)

Services are often used as a marketing tool. People like to feel welcome when, for example, they go to a restaurant. When the service is up to a certain standard, it takes some attention away from the actual product, which in this example is the food. Customers will be in a good mood because of the service, and therefore, like the food better. This way, the service made the experience better and will affect the customer's decision on whether they will return or not. A service can this way make businesses better and elevate the product in terms of sales and customer satisfaction.

The most important fact in service marketing is that it is used to increase customer loyalty and satisfaction. Customers tend to take a liking into companies that make them feel welcome and important. Service marketing is human based because

services are given by people to other people. Service marketing is therefore difficult to control because every person does certain things differently. There is also very little theoretical background supporting the theory of service marketing. (Skålén 2011; Kauppinen-Räsänen, Grönroos 2015)

## **2.4 Online Marketing**

Online marketing means marketing goods and services online. Online marketing uses several platforms for sending messages, such as various social media's, the home sites of companies and e-mail, for example. Online marketing should always be integrated with the already existing marketing in order to get the best results. The reason for this is that online marketing can be used to enhance the traditional marketing methods. Online marketing is a very powerful tool for building an even stronger brand. This is because it is easier to get exposure online and leave a permanent mark. Social media has more users every day. This offers endless opportunities for companies to get publicity and come up with clever campaigns online. Online marketing has opened a lot of new doors marketing wise and companies are taking advantage of these opportunities.

Guerilla marketing has increased its popularity tremendously, because doing social experiments have always been interesting for the public. Now, with social media, companies have a great platform to spread their guerilla marketing and get as much exposure as possible. Companies are now taking advantage of the new ways to spread awareness, and they are becoming more creative. Online marketing has made this possible in many different ways. For example Facebook is a great way to reach people from all over the world. (Levinson & Levinson 2011)

Traditional marketing compared to online marketing is now starting to faint to the background. However, this does not mean that traditional forms of marketing are completely useless anymore. This simply means that online marketing can be used to enhance the traditional ways. Enhancing the traditional forms of marketing is, for example, advertising an event, such as a trade fair, online or on social media. This way publicity is a guaranteed. (Leake, Vaccarello & Ginty, 2012)

## **2.5 Marketing communication**

Marketing communication means communication towards customers and the public by a company. Rather than being just communicating on a basic level, this communication is always well thought out for and has an objective behind it. With communication to the public companies try to either differentiate, reinforce, inform or persuade. All these objectives require a different type of communication. (McDonald et al. 2011, 265)

Marketing communication is communication from a company to its customers. The communication entails all activities that are meant to reflect the image and the agenda of the company. Marketing communication is always legal and never uses half-truths. Marketing communications is the core of marketing. (Gillis & IABC 2011, 380)

Marketing communication is advertising and marketing in some sources is described as manipulating the public. This is a rather blunt way to put it, however, in fact, marketing is trying to affect people's opinions and views of goods and services. Marketing is about making your product look more attractive and market communications is the tool for that. Market communications are like encrypted messages that people understand without realizing it. Marketing experts are excellent at hiding messages into advertisement and posing a product in a way that can make it look better than it is in reality.

Marketing communications must always have an objective. As an example, what does the company want people to think when they see their product. To produce a certain image, one must communicate in a certain way. Once a company has chosen an objective, they must decide on the communication tool. There are different tools for different objectives. For example, if a company wishes to inform their customers about the brand or a certain product, they will use a certain set of tools. The best tool for informing would be advertising. Other possible objectives are to differentiate, reinforce and persuade. They all have different effects on the communication tactics. To conclude, it is important to know what a company wants to communicate, before drafting a communications plan. (McDonald et al. 2011)

## **2.6 Market segmentation**

“At a fundamental level an organization’s marketing objectives become a decision about which products or services they are going to deliver into which markets. It follows that decisions about the markets to be serviced are a critical step in strategy formulation. The segmentation process is therefore central to strategy and it can be broken into three distinct elements: segmentation, targeting and positioning.” (Drummond et al. 2005, 67)

Segmentation allows companies to focus on their customer behavior patterns. This allows companies to make the highest possible income, because it reduces the marketing costs in the end. This is a result of well conducted segmentation, because the marketing budget is being targeted to the right areas. There is no single correct way to segment a market. A company must choose the right one out of many possibilities and a company needs to be ready to make quick adjustments in the developing industries. Examples of different types of segmentation are behavioral, geographical and demographical segmentation. All these types work for different target groups and different types of consumers. It is extremely important that a company is capable of recognizing which methods fit their purpose the best. (Martin 2011)

Segmentation means that a company must decide which part of a market they are going to focus on. Basically, the company has to choose a certain target market and target group to market their products for. The three different elements and the three pillars of marketing strategy and segmentation are segmenting, targeting and positioning.

Segmenting means choosing the right segment, or part of the market that would be suitable for the product at hand. Segmentation literally means putting the market and the customers into segments. Segmenting therefore is choosing the best market space to focus on. Segmentation is supposed to help companies find competitive advantage if conducted correctly (Proctor 2000, 402). Segmentation basically means dividing the entire industry based on one company into segments and then choosing the best one to match the supply of the company. The main point of segmentation is to focus the funds meant for marketing on the right articles.



Segmentation is about budgeting and not losing money. (Ehrlich & Fanelli 2012, 19-21)

After segmenting, it is important to find a more precise target group. Targeting means choosing the right group of customers for the company by evaluating the segment chosen. The company must look at the facts and then choose a target audience that they think would be the most profitable. After the best part of the market has been recognized, they can be combined with the already identified segments. This way the marketing messages are easily narrowed down. (Ehrlich et al. 2012, 21-22)

Positioning means that a company must choose how to position themselves into the market. Therefore, they must decide what are going to be their competitive edges and how are they going to stand out. Examples of positioning are product attributes, products benefit and personality. All these aspects can be used to attract a certain type of customers the company specifically wants to. Positioning is about defining the market through a certain product and the objectives for it. (Ehrlich et al. 2012, 35)

“To effectively evaluate different market segments, it is necessary to systematically review two issues: the market attractiveness of the competing segments and the organization’s comparative ability to address the needs of that segment.” (Drummond et al. 2005, 212)

In segmentation it is important to take every factor into consideration. This step in a company’s life will determine the future of the company and the success or failure. The correct segment will have a space for the company and the products. The correct choice of segments will have the right amount of competition also.

## **2.7 Marketing Strategy**

Marketing strategy is marketing planning and vice versa. In reality, a marketing plan is a big strategy on how to reach an objective. When forming a marketing plan it is extremely important to remember the strategic side of the plan and the planning process. The strategy will be an outline of the marketing plan, because a marketing

plan practically is a strategic plan. Strategic planning is just like planning to go to a war. Every step must be considered carefully. When strategic planning is executed properly, the outcome can and will define the future of the company. (Paley 2007)

Making a marketing strategy demands an understanding of all the strategies that exist and realizing that not all of them will fit every company and situation. There are many marketing strategies that are misunderstood, and therefore, companies use them incorrectly. This leads to the wrong results, and therefore it is vital that the theory of the strategy is chosen correctly. (Shaw 2012)

### **2.7.1 The Good-to-Great Model**

The Good-to-Great model is a strategic model used to make an action plan for a company. The model was designed by Jim Collins in 2001. It has six steps and each step is equally important from the company's point of view. This model combines several other models and points, known to be important in strategic planning. This model is good from the marketing point of view, because it combines the mission, vision and strategy. This model is excellent for identifying the problems and the best qualities to focus on. The most important feature of the model, which Jim Collins always puts emphasis on, is the culture of discipline. This is a big part of this model and an important thing to remember when leading a company.

Because the model is literally called the Good-to-Great model, the company this model is being applied to must be on a certain level in order for this model to do what it is supposed to do. The steps have been designed to help companies to recognize their direction by not focusing on the direction. The main point to take from the model, is that positive change generates more positive change. (Collins 2001)

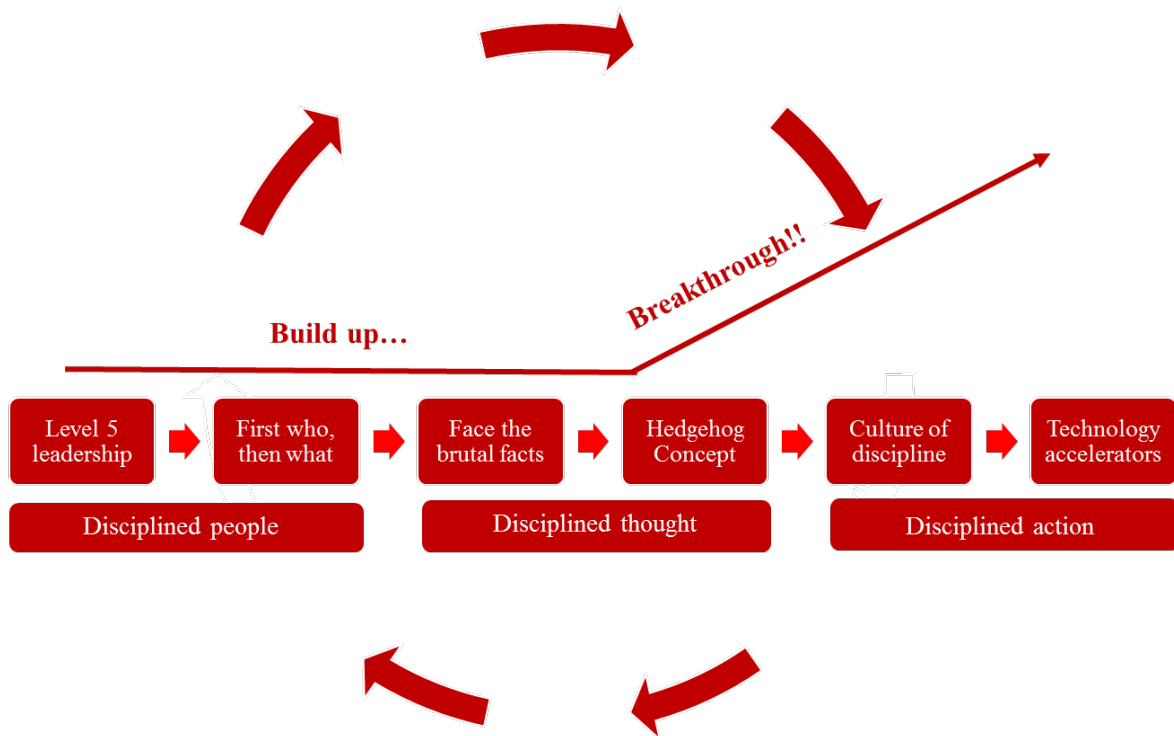


Figure 1. The Good-to-Great Model by Jim Collins

The first step of this model or process is to get the company a level 5 leader. A level 5 leader is someone who puts the company first and has a mixture of humility and ambition. A level 5 leader is a leader on the highest possible level. Someone who is capable of doing things that have never been done before. This step is important because there needs to be someone in the company who is not afraid to make decisions that are new and innovative. Every company also needs a leader who puts the company first. Collins uses a bus as a metaphor, as in the level 5 leader is the bus driver (2001). Collins conducted the study that is the base of this model with companies that made a leap from good to great. All the companies had one thing in common, and that was that they all had humble and down-to earth leaders. This, however, does not mean that every company who wants to apply this model must have an absolute level 5 leader. This simply means that every company applying this model should have a leader who is willing to put the company first and is very humble, and even reserved. The clear majority of good leaders are very unheroic and shy away from the public eye. There are some exceptions, however, great leadership usually comes in a form of ambition and humbleness. (Schachter 2003)

The second step is to first decide who, then what. This means that once a company has a good leader, they have to choose the right team to work with. Collins describes this step as choosing the passengers to get into the bus, which is used as a metaphor of a project. First choosing the correct people will make choosing a direction much easier. As Collins says (2001), if you choose a direction first and then the people, the chance of running into changes and not being able to handle them, is quite prospective. However, if you have chosen the right people, adapting to change will be easier. This step also includes getting the wrong people off the bus. There will be people hired to a team, and then later it will be realized that it was a mistake. It is important not to keep these people out of loyalty, because they might drag the whole team down. This is the brutal part of being a leader. This is a part of the reason why you need a level 5 leader, someone who can make the difficult decisions.

The third step would be to face the brutal facts. The first important fact in this step is to lead a team with questions and not answers. One must ask the important questions, but let the team figure out the answers themselves. This is because new opinions and point of views will rise. Another important fact is that avoid conflicts. If a co-worker disagrees with another, or if there seems to be arguments in the air, avoid them at all cost. Even better, if these situations can be prevented before they even start. In this step it is important to investigate mistakes, without casting any blame on the team members. A good leader will find out how the mistake occurred, and make sure it does not happen again. Lastly in this step, the team must create a system that screens important information from the irrelevant information. This is important, because this way time can be saved and therefore funds can be saved.

The fourth step would be the hedgehog concept. This is a concept that helps companies to understand where they should place themselves as a brand and an organization. Therefore, the hedgehog concept is not a strategy, it is an understanding. As it is shown in Figure 2 the model combines a company's passion, skills and the economic engine. The passion in the concept means the passion of the company, what the company is passionate about achieving or doing. The circle for the skills means what could the company be the best at in the world. The economic

engine means that what would be the best source of financial income. This means that a company should choose a certain strategy to maximize their cash flow. The point of this concept is to find the spot where all these three circles merge together. This means that the ideal and perfect place for a company would be in the middle where all these factors intertwine.

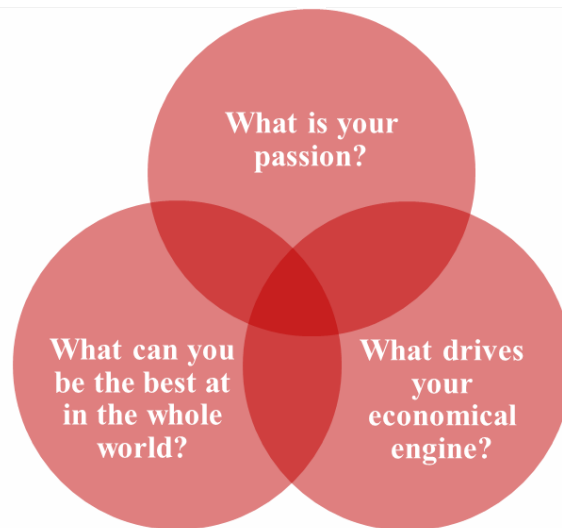


Figure 2. The Hedgehog Concept

The fifth step is the culture of discipline. This step means that a company should choose the right people for the tasks in hand. A leader should choose people who are disciplined by nature, instead of trying to train people into being disciplined. This way the projects will be easier handle. After this all team members should practice disciplined thought. This means that everything needs to be carefully discussed and decided as a group. Lastly based on the previous steps the company should take disciplined action. This means that disciplined people based on their disciplined thought can now act on the decision made. As seen in Figure 3, following these disciplines, a company will build up momentum, and eventually reach breakthrough. This step is linked to all the previous ones, because the culture of discipline is basically the base of the model. When the culture of discipline is integrated into the company, and followed according to the model, success will follow.

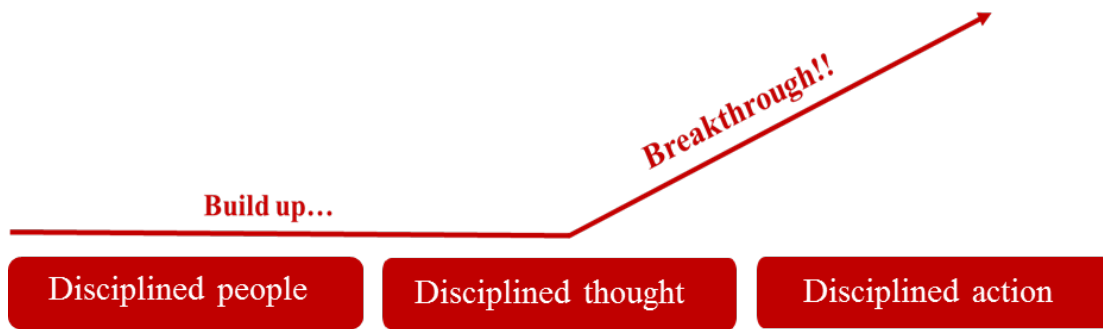


Figure 3. The Culture of Discipline

The sixth and the final step of this model is the technology accelerators. This step means that a company must choose the right type of technology to support their processes. If a company wants to be successful, they should never work with experimental technologies. Companies should always use technology that has been proven to be good and functional.

This entire model is surrounded by the flywheel effect. This means that good outcomes create more good outcomes. The flywheel effect starts by taking steps forward consistent with the hedgehog concept. After this visible results can be seen. When employees start seeing the positive results, they get more excited and motivated. This then creates more and more of momentum and the flywheel effect is in motion. As can be seen in Figure 4, the wheel keeps spinning and generating more and more positive results.

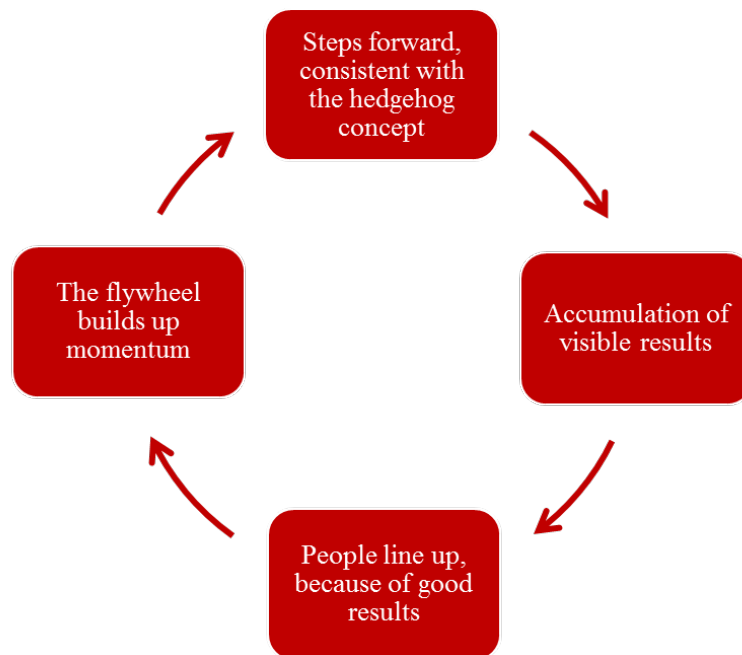


Figure 4. The flywheel effect

## 2.8 Blue Ocean

Blue Ocean is a marketing strategy that means creating a new market space that has not existed earlier. Companies that manage to do this will not have competition because no one else offers what they do. Therefore, the entire idea of Blue Ocean is to create an environment where competition does not exist, because of added value created by offering something completely new. Companies using Blue Ocean strategy focus on their own products and goods, and making them something that has never been seen before. Practically all the other marketing strategies focus on the competition and how to outperform them in the existing market. With the Blue Ocean strategy a company pays no attention to competition. This is a management style that puts emphasis on creating value for customers. (Siegemund 2008)

Blue Ocean is most often created from within a Red Ocean market. Red Ocean means a market or markets that already exist. From these existing markets, Blue Ocean is formed by modifying the boundaries of what already exists. Blue Ocean is about breaking the traditional market, and forming a new one with the fragments. (Kim & Mauborgne 2004)

### **3 BRANDING**

Branding is a series of activities to reach a brand. A brand is the added value for a company in the customer's eyes, it is a certain image a company has managed to create for themselves through marketing and branding. Brand is the image of a company and it can add or reduce the value of the company. Brand and image are very important, because they can affect sales positively or negatively. A brand is something that a company creates, because they wish to be seen and remembered a certain way. It is the way a company wants consumers to think of them, as a concept. (Flemming & Christensen 2003)

Brands can add value to people, at least image-wise. Image can be a powerful thing, and people who like to look and feel good through material things, tend to buy goods with a valued brand. This way people feel they are more valuable. When branding is done correctly it leads to people associating the goods to high-end lifestyle and feeling good about themselves. This is why branding needs to be executed and it needs to be carried out very carefully. (Tai 2013, 22-24)

Branding is the act of making a brand known or making it stronger. Branding is creating specific market space for a certain product and trying to establish a recognizable image. Branding occurs when a company is new in the market or when a company changes up its entire image. This is called re-branding. Branding is a tool used to create and attain loyal customers and long lasting customer relationships.

#### **3.1 Brand equity**

Brand equity is what marketing experts call the value that the brand adds to the product or service. Brand equity is added value that is strongly reflected to the image of a product. This means that when a product is considered to be superior compared to competition, it has a good image, and therefore, it has a strong brand. For example handbags. Every woman owns a handbag, and every woman knows the most valued brands, such as Michael Kors, Ralph Lauren, and Guess etc. These companies have built themselves a strong brand, and they are able to charge more money from people because consumer's value their products. This is a good



example of brand equity and therefore, brand equity is how the consumers perceive the value of the goods provided by a certain company. (Flemming et al. 2003, 13)

High brand equity in a product leads to high satisfaction when purchasing it. Increasing brand equity can be done in many different ways, for example by using celebrity endorsement, re-branding and increasing service quality. Having a high brand equity is good for sales, because brand equity equals to reputation and image. Consumers often make purchase decisions based solely on brand equity. The reason for this is that reputation and perceived quality are considered more and more important constantly. Brand equity is created by the marketers and consumers. Therefore, the value a brand has is co-created by marketing and the consumer's perceived value. (Ding & Tseng 2015)

## **4 MARKET ANALYSIS**

“While strategic windows open out on to markets within industries, these same markets and industries are dynamic and changing. To understand the causes and predict the consequences of the changes that take place, an organization needs to appreciate the broader business issues that are involved and the factors in the business environment which bring about such changes.” (Proctor 2000)

Market analysis is important because a company must understand the environment and act according. Market analysis is considering the future of an industry while at the same time understanding that it can never fully be predicted. Companies must realize that market analysis is vital for the company’s survival, because one must always have a plan for the drastic changes of the market. Some examples of changes that can affect a market are legal factors, economic factors, trends in distribution channels and competition. (Proctor 2000, 309)

Market analysis is about attempting to predict the future, but also about understanding the past. It is extremely important to understand why the situation is what it currently is. All companies must understand what actions brought them where they are now. In order to create a cohesive marketing plan, the market research should be done with keeping the past, the present and the future in mind. (ESOMAR & de Bont 2008, 5)

Market research is not all about taking precaution. It is also important that a business knows all the possible ways it can affect the industry themselves. One very frequent way to attempt to affect an industry is by lobbying. This means that a certain company tries to affect politicians or other officials unofficially by making a certain topic an issue, which they want to change. Often lobbying concerns regulations that can quite easily be changed.

When market research is used as a base for a marketing plan, it is important to know what information needs to be researched. For this purpose most companies define a vision, which is the objective of where the company wants to go with the plan. It is a dream or an aspiration of the company. Most companies also define a mission, which is the physical objective, or the actual action plan on how to reach the vision.

The vision and the mission will define the research questions. Research questions are the questions used to help the research process. The questions should always be answered in the reporting phase. (ESOMAR et al. 2008)

#### **4.1 SWOT**

The SWOT-model is used to analyze the company internally and externally. The SWOT stands for strengths, weaknesses, opportunities and threats. These elements include anything that affects the company's performance and operation. It shows what a company is doing well and what it needs to improve. (Gerson, Shotwell 1991, 16)

The SWOT-model is defined as follows:

Strengths of the company. Things you are better at than anyone and that give you advantage over others. For example, inventing a new product or hiring a very good new engineer. Other examples could be having the best services amongst all the competition. It is very important to know a company's strengths, because they can be used in their advantage. (Gerson et al. 1991, 16)

Weaknesses of the company. The parts of the company that need to be strengthened and improved. These weaknesses are important to acknowledge, so the competition won't have a chance to exploit them. Examples of weaknesses are such as having some shortcomings on customer service, or having an uneven quality of goods. (Gerson et al. 1991, 16)

Strengths and weaknesses of the company are internal factors in the SWOT-model. This means that they come from inside the company and can be affected by the company directly. Strengths need to be written down, because this is the only way that a company can know their best qualities. The strengths can be used, for example in positioning. Another incentive for writing the strengths down is that, when a company knows its strengths, it can further improve them. Weaknesses are equally important to write down. The reason for this is that a company cannot improve if it does not know what needs improving. (Goldglantz 2012)

Opportunities of the company. These are the opportunities that your company has, to make better sales or attain more market space. For example increase in the targeted customers or other businesses struggling. (Gerson et al. 1991, 16)

Threats of the company. These are threats to your business, such as a strike amongst your employees or a new major competitor in the market, with the same target group. It is vital to research these threats, because they can be defended. (Gerson et al. 1991, 16)

Opportunities and threats are external factors in the SWOT-model. This means that these are things coming from outside the company. They are almost always out of the company's influences reach. However, the opportunities can be seized, if they are detected on time. It is highly important to write down the opportunities, because this way a company already has something to pursue. Threats can be avoided or cushioned if the company can see them coming. It is essential to write the threats down, because threats have a tendency to develop with time. When the threats are being written down, the developments can be predicted and the company can be protected. (Goldglantz 2012)

The SWOT-models purpose is to reveal what a company is capable of doing (strengths) and what the company is not capable of doing (weaknesses). The model also reveals conditions that are potentially favorable and unfavorable (Goldglantz 2012). The model has received some criticism on not being useful. The model is claimed not to give any additional information that could be used for strategic purposes (Ritson 2012). Despite this belief, the SWOT-model is widely used and applied to many purposes. The reason for this is that the model reveals information about a company that will help the company to move forward in the right direction, while avoiding any possible threats. (Goldglantz 2012)

## **4.2 Customer analysis**

It is necessary for companies to conduct customer analysis and research, because some movements of the market and industry are directly in relation with the customers. The concept of a market is not abstract, it consists of people. These people are the customers and the potential customers, and their behavior decides

the course that the market will head to. For these reasons it is incredibly important that companies conduct customer analysis. (Proctor 2000, 309)

Understanding customer behavior is important for the survival of every company. Without understanding what customers look for in general or in certain goods, companies will never excel in what they are doing. However, this does not mean that a company should focus on individuals. A company simply should understand and know their own target group. (Proctor 2000, 309)

Customers bring in the money, and it is extremely important that customers are treated well. To treat the customers correctly, a company has to conduct customer analysis. This way the companies will know how to allocate their marketing communications. In addition to this, companies will also know which direction to take their brand to, so it satisfies the customers. If a company can't offer what the customers want, some other company will. (Zimmerer et al. 1998, 150)

There are some key questions to answer when conducting customer analysis. These questions help companies to steer their marketing into the right direction. Some examples of the questions are: Who are your customers? What do your customers need? Are those needs going to change and how? Can you fulfill those needs? Are there going to be behavioral changes in the market? Answering these questions will help companies determine what communication channels to use. (Strauss 2009, 87)

In conclusion, companies have to conduct customer analysis, so they can be sure the chosen segment is correct, so they can be sure they are moving the brand to the right direction and so they can keep their customers and attain new ones.

### **4.3 Competition analysis**

Competition analysis is important for companies because it is crucial to understand how competition sees the market and how they act in it. Competition analysis therefore means, mapping the positions and actions of companies that are in the same industry. A large part of competition analysis is understanding competitive advantage and realizing how the competition is using it. Competition analysis is about finding out how to satisfy customer needs better than the competition. It is

also vital that companies recognize the different kinds of competition, so they can react accordingly to their marketing and other actions. Competition analysis should be done properly to avoid any surprises. Managers often disregard the importance of competition analysis, because it is widely thought that competition cannot be understood. To avoid being run over by competition, managers should know what and who they are up-against. (Proctor 2000, 225-227; Wilson 1994)

#### 4.3.1 Porter's Five Forces Framework

This model analyses the competitiveness of a certain industry. Just like stated in the name of the model, it uses five different forces, or categories to determine how competitive an industry really is. This model is used to assess the attractiveness of an industry based on the competitiveness and the rivalry. More rivalry in an industry, means it is less attractive for new companies to enter. As seen in Figure 5, there are four forces affecting the fifth force, which is the competitive rivalry itself. The forces affecting the competitiveness are threat of substitutes, threat of new entries, power of suppliers and buyers and competitive rivalry. (CGMA, Chartered Global Management Accountant, 2013; Drummond et al. 2005, 36)



Figure 5. Five Forces Framework

Competitive rivalry is the main factor when considering the competition of a certain industry. Competitive rivalry literally means the rivalry inside a certain industry and how many competitors exists inside that industry. The other forces, or factors,

affect the competitive rivalry, which makes it the key factor in this whole framework. Companies need to consider, for example, the number of competitors, the strategy in use, the competitors marketing and their effect on the industry and how loyal the competitors' customers are, or how loyal one's own customers are. (CGMA, Chartered Global Management Accountant, 2013)

Threat of substitutes is equivalent to the threat of being replaced. Threat of substitute's means that there is a constant threat of being replaced by a product or a service that is very similar or almost identical to the one you are selling. This is a factor that could make the industry look less attractive. What a company should consider in this force, or factor, is the amount of substitutes, and the reasons and costs there are for a customer to switch from one product to another (CGMA, Chartered Global Management Accountant, 2013). Another kind of threat of substitutes is that a new product would emerge and completely replace the already existing product. This usually happens when technology evolves and new inventions arise. A good example of this would be the old-fashioned telephone and the mobile phone. The new mobile phone came and made the old telephones useless. (Drummond et al. 2005, 37)

Threat of new entries is about the number of new companies entering the market. This factor is about the attractiveness of the market to new companies and how big of a threat the new companies are. This factor is crucial if a company is already in the market that they are evaluating. The threat of new entries is high, if the industry is thought to be appealing. If many new companies enter a market, the profitability decreases and the market will no longer be perceived as attractive as before. Barriers lower the threat of new entries, because they make it more difficult for new companies to enter a market. This therefore makes an industry seem less attractive. Barriers are, for example patents or taxation. One barrier that is sure to practically stop the new entries is a monopoly. If an industry is being controlled by one company, the industry does not seem very appealing to new entrants. What companies need to consider in this force, is the profitability and is it reasonable to enter the industry. (CGMA, Chartered Global Management Accountant, 2013)

Power of supplier's means the bargaining power the suppliers have over the companies. Every company has suppliers that can supply raw materials, physical labor or information. Companies depend on suppliers, and this brings the suppliers bargaining power over the companies. Every company goes through research and eventually negotiations to find the best supplier for the best price. However, in some industries the options are very narrow. This automatically puts the suppliers into a position, where they hold a great deal of power and they have a lot of bargaining leverage. Companies should for example consider, the amount of suppliers, the reliability of suppliers, the costs, who the competitors are using and what the costs of switching suppliers are. (CGMA, Chartered Global Management Accountant, 2013)

Power of buyers means the bargaining power consumers have over companies. This means that the more there are choices for buyers, the bigger the power is. For example there are many clothing stores, and if a customer thinks that one store has the prices too high, they can simply walk into another one. This force defines the power that buyers have to drive the prices low. What for example affects this is the number of customers in that given industry, the buyer's importance to the company, the cost if the consumer switches companies and how price sensitive the company's buyers are. (CGMA, Chartered Global Management Accountant, 2013)

#### **4.3.2 Competitive advantage**

“Business success is as much determined by the actions of competitors as the actions of the organization itself. For example, the success of Coca-Cola is partly determined by the actions of Pepsi Cola.” (Drummond et al. 2005, 182)

Competitive advantage is bound to marketing strategy. The reason for that is the search for competitive advantage is the search for the way to position and market a company. Competitive advantage is the basis for a marketing plan and the marketing strategy is attempting to achieve the advantage in the market. (Drummond et al. 2005)



There are three very important sources of competitive advantage. These sources are cost leadership, differentiation and focus. In the following chapters, these three will be explained and their importance will be established.

Cost leadership means having low costs throughout the process of production and sales. This gives a competitive advantage, because in the end, the revenue will be higher. However, it is important to remember that using cost leadership does not necessarily mean having lower prices. Having an average price will keep the revenue high, because of the low costs. A difficulty in maintaining this source of competitive advantage is that if an industry starts doing well, this attracts competition. This leads to difficulty in holding the low costs (Drummond et al. 2005, 188-189). This method is used when a company wishes to achieve higher market share and the possibility to produce more goods at once. (Strauss 2009, 103)

Differentiation means coming up and entering the market with something different. This source of competitive advantage does not necessarily mean inventing something new. It means making changes into something that already exists, and thus making it better and more attractive for consumers. There are some downsides to differentiation, for example, the costs can be higher than the benefit. Also, it is very easy for competition to copy a product and start making money with it (Drummond et al. 2005, 190). The uniqueness does not necessary have to come from having a new invention or product. The uniqueness of a company can also originate from a specific brand image or a special way of treating customers. (Strauss 2009, 103)

Focus means that a company will center their expertise on a narrow area of business activities. This basically means that a business will only do one thing and try to be the best at that. A downside to this source of competitive advantage is that if a company starts doing well in a very narrow industry, they will attract competition and if the competition is well resourced, this could lead into serious loss of customers. (Drummond et al. 2005, 190-191)

## **5 MARKETING MIX**

Marketing mix is about communication to the right people in the correct way. For this a company should know their target audience and what they are selling to them. A company has to find out customer needs and wants first, and then they can apply the marketing mix. The marketing mix includes the 4P's and the extended new theory of the 7 P's. These are Product, Price, Promotion, Place, People, Process and Physical evidence. All of these tools are important in communication and every company should know how to use them. (Proctor 2000)

### **5.1 4P's**

The 4 P's are the most important part of the marketing mix. They define the crucial parts to pay attention to when marketing a certain product or a good. The 4 P's consists of product, price, promotion and place. These four factors help a company to define what they are selling and how to possibly do it better. According to Drummond et al. (2005, 9), the 4 P's are the most important part of marketing mix, and in the next chapters is how they are defined.

Product, as in what is the product the company is trying to sell. This is an answer to customer needs. The product or the service of a company is what defines the image of the company for customers. The product is the company in customer's minds. The product and the services are deeper than just the physical good. Customers buy a certain product, because of the image and the actual product might not have that much to do with it. Products and services are all about image. (Proctor 2000, 449)

Other than knowing what the company is selling, it is also very important that the company thinks about the qualities of the product carefully. It is incredibly important that the company knows what they are selling, because this will help them choose a target group for their marketing. The product is the most crucial element in the mix, because it affects a lot of the other decisions. Products have three levels (Figure 6) and from a customer point of view, this is how consumers perceive a product. On top of the actual product is the packaging and the user experience. All of this is included in the product in consumers mind and that is something that must

be taken into consideration when selling and marketing a new product. (Drummond et al. 2005, 107)

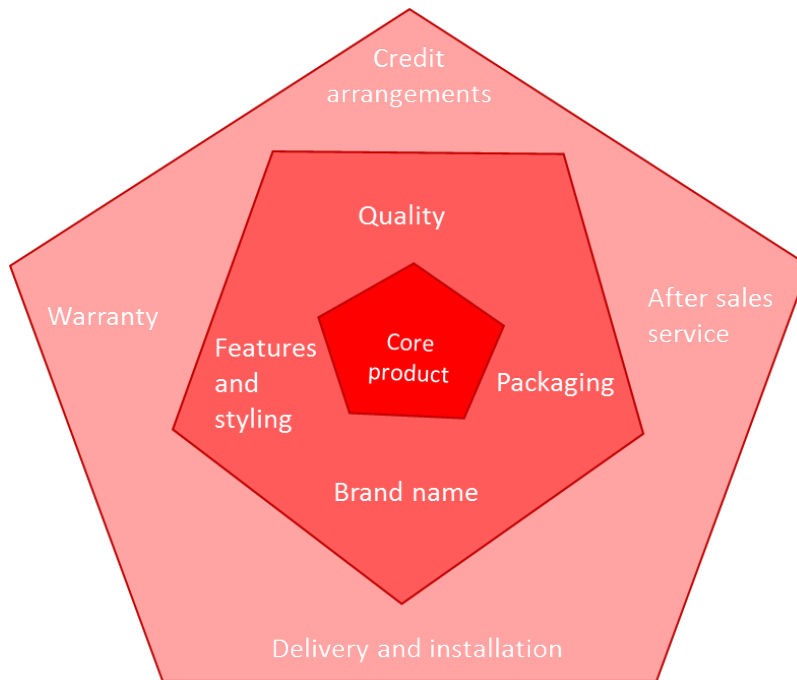


Figure 6. Levels of a product

Price, as in what would be the best possible price point for the product. This element is about helping companies to decide where they should place their prices compared to competitors. This element is about companies determining the right value for their products, or the value they want their customers to imagine when buying or thinking about the product. Price has many different factors affecting it and therefore it is very important that a company puts a lot of thought into it and makes the best decision for the current market situation (Drummond et al. 2005). Depending on the market the company operates in, the price might not be controllable. This is, if the competition is high the price will be automatically set to somewhat match the competition. (Proctor 2000, 463)

Promotion, as in how and where to promote the product. Promotion is about where, when and to whom to advertise. It is about companies discovering the best channels for them and the product they want to advertise. Promotion is about communication to the desired group of people. It is very difficult to assess this element and whether

the chosen channels are working. However, when done carefully, promotion will increase sales.

Place, as in where to put the physical store and where to place the products in a store. Place is about a company deciding on a location of their own store where they would sell the product. However, according to Drummond et al. (2005, 171), the main use of this part of the mix is to choose the distribution channels for the products. This part of the mix, therefore helps companies to find the best way to reach their target group.

All four P's will help a company to determine a target market for them. These elements all provide information for placing the company in the market. Without using these basic elements, it will be very hard to precisely determine good positioning for the company. Therefore, the 4 P's are a part of the segmentation also.

## **5.2 7P's**

In addition to the traditional 4P's (Product, Price, Promotion, Place), experts have come up with three more P's, because it was viewed that the 4P theory was dated and needed renewing. The three new P's are people, process and physical evidence (Drummond et al. 2005, page 10). The extension to the original 4P's was added, because the old model did not work for every area of marketing. The area that has got the most criticism is service marketing. In order to apply the marketing mix to services marketing as well, the three new aspects were added to the original mix. (Rafiq & Ahmed 1995)

The three new elements of the mix are defined as follows:

People, or sometimes referred to as participants, are the people providing the service for the customers. Customers now pay more and more attention to the people serving them. Customers then base their final judgement of the service and the product on the staff (Drummond et al. 2005, 10). For example, if a waiter at a restaurant is rude, the customers will think that the overall service was bad. This is

even if the food was phenomenal. Services that have high contact with customers, have an increased emphasis on this element. (Rafiq et al. 1995)

Process or sometimes expressed as procedures is the process of providing a service. This means the point of contact, for example, when a company takes an order and fulfills it. If this is done poorly, the customers will be unhappy and will not return (Drummond et al. 2005, 10). This element of the mix exists, so companies can define a way to give the best performance, with customers realizing that it is the best the company can do. A good example is queuing. Customers know that sometimes, for example in a fast food restaurant, they have to stand in line. This is because companies have made clear that it has to be this way. If the customer does not want to stand in line, they should go to a five star restaurant and pay more. This is the nature of service business, and this element of the mix helps companies to define what they offer during the entire process from making a purchase decision to leaving the store. (Rafiq et al. 1995)

Physical evidence is everything the customer can touch, see and feel about the service. Everything a customer can judge, is physical evidence. This is the first thing that customers do to look for the quality they want. Customers look for interior décor, they look for what the staff is wearing and other shallow features (Drummond et al. 2005, 10). Therefore, physical evidence stands for the environment and everything else physical customers can take home after. The physical evidence can be considered to be a part of a product. (Rafiq et al. 1995)

## **6 B-2-B**

“Trading between firms (and not between businesses and consumers), characterized by (1) relatively large volumes, (2) competitive and stable prices, (3) fast delivery times and, often, (4) on deferred payment basis. In general, wholesaling is B2B and retailing is B2C.” (BusinessDictionary 2017)

According to this definition from the Business Dictionary, B-2-B literally stand for business to business. This means trading between two companies, rather than trading between a company and a consumer. Business to business trading is different from business to consumer trading in many ways. The most significant difference is that in B-2-B the commerce happens between two companies. Another difference would be that the marketing must be planned very differently.

B-2-B markets are very different from B-2-C markets. A big difference is in the size of the market. In B-2-B markets, the amount of customers is much smaller, when compared to the B-2-C markets. Also, the purchase process is very different, because in B-2-B there are a lot more people involved in the process. The process is also more professional, because there are only people who work for the companies' involved. The demand on both markets are in interaction, because the demand in B-2-C markets define the demand in B-2-B markets. (Suominen, Kytölä & Naaranoja 2013)

### **6.1 B-2-B Marketing**

“The process by which businesses employ a multi-layered strategy consisting of web communications, email, media campaigns, and relationship management for the purpose of converting targeted business prospects into customers.” (BusinessDictionary 2017)

B-2-B marketing stands for business to business marketing and according to the definition above, business to business companies use complex marketing plans to get other businesses as customers. This practically means that a company uses advanced marketing techniques on other companies to make their own services more attractive to them. The techniques used in business to business marketing often differ from the techniques used in business to customer marketing.

The business to customer marketing usually uses strategies such as pricing and other “gimmicks” to attract the customers, however, business to business marketing usually focuses on only the quality of the service or the product. In fact, the key to successful business to business marketing is to know what your customer’s problems are and offering a safe and low-cost solution for it. The main goal of business to business marketing is to create a marketing plan for a product or a service that can give their customers the maximum value with the most affordable price. (Gordon, Calantone & Benedetto 1993; Leake et al. 2012, 18-19)

In business to customer markets it is quite usual that the prices fluctuate and the markets change rapidly. However, in business to business the market is much steadier and does not demand drastic involvement from the companies constantly. The size of the market is also smaller, making the marketing and branding very different from business to customer marketing. In business to business marketing it is extremely important to know the target audience. (Leake et al. 2012, 18-19)

In business to business marketing the most common strategy to use is to make the goods and services provided the best one compared to competition. However, the challenge for companies here is that they must do this by maintaining a low-cost for the customers. In business to business marketing the company that manages to create the most value for its customers will win the customers over. (Gordon et al. 1993)

## **7 COMPANY INTRODUCTION**

This project is being done in cooperation with IT-Line Ltd. IT-Line Ltd. was founded in 1997 and it has been going strong since. IT-Line Ltd. is a company that designs and manufactures production lines and enhances already existing production solutions for their clients. The company focuses on internal logistics and developing that aspect for their customers. The company currently employs 25 people working in design, sales, finances, production and LEAN services. The company is located in Salo, Finland.

The company offers services and physical products for their customers. The services include LEAN-services and other consultation. LEAN-services mean that a trained professional evaluates the internal logistics and the production area of the client and gives adjustment ideas for the better. The adjustments usually revolve around efficiency in using the equipment and the efficiency of the employees. IT-Line Ltd. also sells them the products to make the production and logistics as efficient as possible. IT-Line Ltd.'s biggest portion of the income comes from the LEAN-services.

IT-Line Ltd.'s revenue was negative for some years until the year 2016. With some major structural changes, the company managed to get their revenue above zero, and they broke even and then some. The total revenue in 2016 was 3 million euros. The revenue in 2017 is expected to be even higher. The structural changes include, for example, the changing of the owners and the focus in financial issues.

5 % of the annual revenue comes from international sales. This is a figure that this project is aiming to possibly increase in the future. IT-Line Ltd. has many international partners, however, they have potential to become even more international, because their services have a high demand abroad. If marketing will be done successfully, IT-Line will have a channel abroad through some of their already existing customers in Finland.

### **7.1 Objectives of the company**

After the company made some structural changes, they set goals for their future. They set goals to grow and to make their trade profitable. They also set a goal to be



a self-sufficient company and to have a turnover of 10 million euros. IT-Line Ltd. set a goal to grow in Finland and after that to grow also in the foreign markets. They are planning to use their current customers as a channel for the foreign markets. They are planning on taking advantage of the currently reviving economy and make their brand stronger. They are looking to be a part of the successful group of companies who made it through the falling of the company Nokia, who was their main source of income at a certain point in time. All these goals were planned to be reached in the next five years.

When it comes to the products and services of the company, they have set a goal to establish a comprehensive cost-efficient door to door product and service selection. They are determined to prepare a portfolio of products to always offer their clients. The products and services will be in the best in the industry as well as contain the latest technology. The company wants to expand their expertise to goods that they are not offering at the moment. The company wishes to be able to take advantage of all the opportunities they face. As a company they want to transmit that they are proud of what they do. They want people to see how well they perform and they want to exceed their customers' expectations.

With patient and persistent work, the company has decided to attempt to create a favorable environment for themselves and to guarantee an aggressive growth. To achieve all of these changes, IT-Line Ltd. has formed a financial plan and budgets. However, the marketing plan for these changes is still lacking. This marketing plan will attempt to assist the company to achieve its goals within the time frame they have set for themselves.

## **8 MARKET RESEARCH**

In this chapter the current situation of IT-Line Ltd will be examined. The current marketing will be research, to get a starting point for the marketing plan. The current marketing will be analyzed to put emphasis on the missing factors. The company's position in the domestic market will be examined. The possibility of taking over even more of the current market space will be analyzed. As much useful material as possible for international marketing will also be incorporated in the marketing plan to possibly be used in the future.

### **8.1 Current Marketing**

IT-Line Ltd.'s current marketing is at the starting line. The company is now in the process of updating its marketing domestically. For this task the company has named an employee working in the LEAN-services as their new marketing manager. However, marketing is something that the new manager will be doing as a secondary job. The new marketing manager has already started to try and reach more exposure for the company, but this is still very much in the making. They have looked into the possibility of marketing even more. They have initiated a new custom that is a part of every project that includes every salesman sending out a form in the beginning of the process as well as the end of the process. These forms aim to provide information for the company about the quality of the customer service and the quality of the actual product. This policy is still on the starting line, because most of the time the forms never reach the clients. The reason for this is that the salesmen forget to send the forms, because they are not used to this new custom. With the information the forms will provide, the company is planning on making changes to their behavior that will have a direct effect on their image, and brand.

Today, what the company does for marketing is trade fairs, Christmas presents for customers every year and recently renewed product brochures. All these acts have been done with the thought of getting more publicity and attention and keeping up a certain image. However, in the current market, these acts alone might not be enough. This is the reason they have named a new marketing manager. The manager's job is to take the marketing used now and transform it into something

more contemporary. This has been started out by introducing the forms to every project and by activating the social media accounts more.

When it comes to branding, the company has established itself quite a strong brand amongst the companies they work with. They have done this with carefully placing their logo on display in the final product and incorporating it into the company clothing. This means that they have made everything physical that represents them look a certain way and seem a certain way. Their brand and products have been taken quite far already, however, there is always more to be done. This marketing plan will attempt to give new ideas to the company on how to brand itself more to a bigger audience.

According to the CEO of the company, most of their new customers find out about them through word of mouth (WOM). This means that the company has successfully made a good impression on their clients, and the clients are spreading the word to their peers about the positive experiences with the company. This basically means that IT-Line has been counting on the fact that they have minimal competition and the fact that they have good quality products and services. All this is true, at least for now, however, these actions might not be enough anymore because if they want to expand they must invest into marketing.

IT-Line Ltd. does have a home page online. The site is in Finnish and it contains a description of the company, who works in the company, what they do and what the company offers. As far as online marketing goes this is practically the only thing that IT-Line does. The web site is the only thing that gives the company exposure at the moment. The new marketing manager is now starting to become more active on social media, but this has yet to generate results. The web page is easy to find if the name of the company is known. This basically means that if you try to look for the company, for example from Google, it is quite unlikely the company will pop up. The company needs to be easily found online to make sure that possible customers will find them instead of competition.

In conclusion IT-Line has not really done serious marketing so far. This is because of the absence of competition in the domestic market. They have used word of

mouth (WOM) and some online marketing. They have a good base to start forming a proper marketing plan and actually implementing it as well.

## **8.2 Market Analysis**

In the next chapters I will analyze the market as a whole. I will go through some current customers, possible new customers and the competition. I am going to analyze the market that IT-Line is in and I will try to determine the future of the industry from what is known at the moment.

### **8.2.1 Current market situation**

Currently IT-Line Ltd. is a market leader. The reason for this is, as mentioned earlier, that the company dominates the Finnish market due to the lack of competition. The company is in a perfect position to make their brand even more known amongst the business world in Finland. The company had a revenue of 3 million euros in the past year of 2016. This is an impressive rise from the two years prior. IT-Line went through some difficulties because the economy was low and companies were not making investments. At the moment the economy is on the rise, which means that the sales are going up as well.

IT-Line has an objective for the next five years to increase the sales and make a revenue of 10 million euros. In order to do this, IT-line will have to make some changes. The majority of the needed changes relate to marketing. The economy is going to be low at some point again, because that is how the economy works. If IT-Line wishes to maintain this ideal positioning in the market, they should start working towards a cohesive marketing plan.

### **8.2.2 Competition Analysis**

Currently IT-Line Ltd. has no direct competition in Finland. However, they do have competition indirectly. Their biggest competitors domestically offering somewhat similar products are AJ Tuotteet and Putkiaivot. These companies sell something that is very similar to IT-Line Ltd.'s product selection. However, none of these companies have the same adaptability and variety when it comes to the products. IT-Line also offers the opportunity for contract manufacturing. This is something that no one else in Finland offers in the exactly same industry. IT-Line has an

advantage in the industry at the moment, because they are the only company with their combination of services and product. There are many companies in Finland that offer goods for production purposes, however, I only chose these two because of the size of the companies and the similarities in the product selection. Now in the following chapters I will describe the competitors in brief and give reasons why they are not considered to be direct competition.

### **AJ Tuotteet**

AJ Tuotteet is a wholesales store that sells a variety of goods for offices, storage areas and production areas. Their revenue for the year 2016 was approximately 13 million euros. AJ Tuotteet was founded in Sweden, 1975. It is an international company operating in at least 19 different countries. AJ Tuotteet is a competitor, because they sell many similar products when comparing to IT-Line's selection. In addition to the products that are similar to IT-Line's products, they sell some goods for a cheaper price, because they are a wholesales store and therefore they have the ability to maintain lower prices. However, what separates IT-Line from this company is that IT-Line offers its customers an opportunity to modify almost all of their products to what serves their needs best. Also, IT-Line has the LEAN-services, which makes IT-Line a company that offers a combination of service and product. IT-Line also conducts onsite installations, which can be considered also a customer service and which is something that wholesales companies rarely offer.

### **Putkiaivot**

Putkiaivot is a company that manufactures and sells different kinds of production solutions made out of metal pipe. This is very close to what IT-Line also uses in some of their products. The company is located in Salo, which is also the home of IT-Line Ltd. Putkiaivot was founded in 2009, in Salo. This means that the company is fairly new, but it is still very successful. Their revenue for the year 2016 was just under 800,000 euros. This puts the company below IT-Line financially, however, their sales are expected to increase to over a million in 2017. The products Putkiaivot sells are almost identical to the ones that IT-Line sells. One similarity that this company has as a competitor is that their products can technically be

modified to every client's wishes. The reason for is that the material is only the pipe and the joints and, therefore, the products are easily modified. However, the product selection is much narrower and again the LEAN-service gives IT-Line an advantage over this competitor.

In conclusion, both of the companies are a threat, however, what IT-Line offers is a unique combination of expertise in services and products. This puts IT-Line in a whole new area of the industry and wipes off all the competition from that level for now. One thing that the competition does better is that their websites are available in multiple languages. Also, AJ Tuotteet has very good online marketing and more funds to put into marketing in general. This is a threat that IT-Line needs to address.

IT-Lines competitive advantage, therefore, is the combination of product and service and contract manufacturing. They have a large variety of products and they are very good at customer service. By putting emphasis on these factors the competition will no longer be a current threat.

#### **8.2.2.1 Porter's Five Forces Analysis**

While attempting to gain further domination of a market, the Porter's five forces analysis model (Figure 7) helps companies to identify possible threats and opportunities, from the competitive point of view. This model summarizes the competitiveness of a market using five key factors. For IT-Line in their current situation this model is important because they are trying to gain more market share and they are trying to grow. Another reason why this model is very important for them is that competition might not be a threat now, but it might be in the future.



Figure 7. Porter's five forces analysis

The competitive rivalry right now in Finland for IT-Line is weak. There is no direct competition and they practically dominate the industry. However, the industry in Finland is rather small and developing constantly. This could potentially mean new competition in the matter of only one or two years. However, for now, IT-Line does not have direct competition, which is good. This is a situation that must be taken advantage of. The reason for this is that for now customers are very loyal to IT-Line, but this might be only because there is no one offering the same services as IT-Line. There is a chance that as soon as another company offering what IT-Line does emerges the clients will try out the new company in the hopes of better quality or better prices.

The threat of substitutes is quite possibly the most important factor to take into notice in this model for IT-Line. The reason for this is that IT-Line now has the majority of the market share in the industry. If the industry starts to look attractive to other companies there is a chance that competition will arise. As IT-Line is the only company in the market offering what they do there is a chance that other companies will follow their lead and then IT-Line loses its advantage. The cost of switching from IT-Line to a possible competitor is quite high for the customers. The reason for this is that then they will lose the warranty services. However, if the warranty is not being taken into consideration, the cost of switching companies is rather low. This could prove to be a problem in the case that competition arises.

The threat of new entries for IT-Line could be linked to the threat of substitutes because if a company decides to enter the industry and compete with IT-Line the company would almost with a certainty be a substitute choice for customers. The reason for this is that if a competing company decides to enter the exact same market space that IT-Line is in they would have to have almost identical product attributes. However, the barriers to stop the new entries are quite strong in IT-Line's case. IT-Line has such a dominant role in the market that entering the market can seem quite intimidating for competition. Also, the licensed LEAN-services can be considered to be a barrier. This is because it is a licensed service and makes IT-Line a very tough competitor. Based on these points, I would suggest that the threat of new entries is not a big concern at the moment. However, once the markets attractiveness keeps climbing competition will start to ignore the barriers, and enter the market any way.

The power of suppliers is a very important factor for IT-Line, because their suppliers have a very large role in the prices of the goods they sell and in the delivery times as well. If the suppliers are late then IT-Line will be late. This actually happens quite often, and it is one thing that IT-Line is trying to get rid of. IT-Line's suppliers have an extensive amount of power, because IT-Line is completely dependent on them. This means that occasionally the suppliers change the prices and sometimes they fail to maintain the agreed schedule. This is a major problem for IT-Line because, in case of a competitive situation, keeping a schedule can be vital. The cost of switching suppliers is not very high, however, it is very time consuming, because IT-Line has a certain level of quality to maintain.

The power of buyers is quite high because without the buyers there are no sales, but the role of the buyers is not as significant as it could be. The simple reason for this is that buyers do not have any choices when comes to the services IT-Line offers. Also, the customers can modify the service, which takes power away from them, because this way the customers won't even need alternatives. Another factor that takes power away from the buyers is the fact that IT-Line is very good at what they do. IT-Line also offers the LEAN-services that give so much to the customers. If



competition should emerge these circumstances will change and additional actions to maintain this power over buyers has to happen.

For now the most important parts of this model are the threat of new entries, power of suppliers and the overall rivalry. Therefore, in conclusion, IT-Line should worry about the possibility of competition and the possibility of changes within their suppliers. These threats are now written down and taken into consideration. This way the possibly emerging competition will not be a surprise.

### **8.2.3 Customer Analysis**

Currently IT-Line has customers all over Finland, which means that they have not chosen a target group based on geographic factors. This would not be smart because the market in B-2-B in Finland is rather small and it is impossible to only focus on a certain area. This would limit the company's possibilities tremendously. IT-Line has segmented their customers based on their need for production goods, their need to improve their current efficiency and their need to renew their equipment. This means that most of the customers IT-Line has are companies that have a high demand on their services, on regular bases. Segmentation has not been a large part of IT-Line's business actions, because they can sell their goods to anyone with a factory or a production area.

When looking at IT-Line's current customers, it can be seen that they have many high profile companies listed as customers. For the customer's safety no company names will be mentioned. IT-Line has many companies that purchase services on regular bases, even monthly. Based on the customers and the sales made monthly, the LEAN-services can be classified as the biggest selling point. At the moment not much information about customer satisfaction exists. Once IT-Line can get the forms I mentioned earlier to the customers as planned, information will start to flow in. This way, IT-Line will be able to work on their customer relationships more. The majority of current customers are companies that need to change to keep up with the evolving industries. These customers mainly use the combination of LEAN-services and the product.

In conclusion, IT-Line targets customers that need a change in their efficiency or companies that just need change in general. This is a target group I recommend the company stays in, because this target group will be full of companies in need of their best expertise.

### 8.2.3.1 SWOT

As seen in Figure 8, IT-Line's biggest strengths are their high quality in services and products. They have driven and competent staff that are doing their very best to ensure the best outcome for every project and the best customer experience for all customers as well. Unique design and the possibility for contract manufacturing makes IT-Line Ltd. the only company offering this combination in any market. However, when entering new market space this is especially important. Contract manufacturing has been and still is one of the biggest selling point the company has domestically, however, LEAN-services have proven to be even a bigger selling point for the company. These strengths, as listed in the picture, will be the most important weapon, IT-Line has when they attempt to penetrate new market space. IT-Line has growth potential, which is another big advantage they have over possible competition. The reason for that is that even if the industry grows and competition increases, IT-Line has the capability to endure even more production and sales.

Internal		External	
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Not a new company</li> <li>• Experienced</li> <li>• High quality</li> <li>• Good service</li> <li>• Competent and driven staff</li> <li>• Growth potential</li> <li>• Unique design</li> <li>• Has international experience</li> <li>• Contract manufacturing</li> <li>• LEAN-services</li> </ul>	<ul style="list-style-type: none"> <li>• Current marketing</li> <li>• Resources (marketing)</li> <li>• Communication channels</li> <li>• Handling possible competition</li> </ul>	<ul style="list-style-type: none"> <li>• Improving marketing can bring much more exposure</li> <li>• The competition currently is weak</li> <li>• No direct competition</li> </ul>	<ul style="list-style-type: none"> <li>• Competition coming from Nordic countries</li> <li>• Competition that might emerge domestically</li> <li>• Economy's instability</li> <li>• Potentially an attractive market for competition</li> <li>• Affect on price, costs, etc. when entering new market space</li> </ul>

Figure 8. The SWOT model

The weaknesses listed in Figure 8 can all be developed and worked on. The current marketing is being developed at the moment and the resources for marketing have been taken into consideration by internally assigning an employee to do marketing on the side of their actual job. When it comes to internal communication and logistics, these problems will be solved in the future. The reason for this is that solving these minor issues is rather simple and all it requires is a staff meeting where some ground rules will be decided on. The internal issues such as internal communication is not a main concern now, because the problem is very small. Handling the competition can be an internal weakness, because in this case it means that IT-Line Ltd. has never had any direct competition and the way they handle the new competition will be a crucial factor when entering new market space. The company will have to adjust to a whole new situation and if that is done poorly it has a great influence on the company's success. The reality is that the market is quite attractive right now and it is waiting for more competition. This puts pressure on IT-Line to outperform any new threats.

The opportunities as seen in Figure 8 currently revolve around the fact that competition is practically nonexistent. Building a stronger brand in Finland will make the company stronger and make internationalization easier. However, the brand itself is already quite strong, but it needs more exposure to really get possible customer's attention. This could be a bonus outcome for strengthening the brand. The fact that IT-Line does not have direct competition in Finland at the moment means that the company might be in trouble in intensive competition situations. However the strengths mentioned earlier will be a big help in that.

The threats mentioned in the picture are the main concern in this project. The reason for that is that these factors are out of IT-Line's reach. The amount of competition and new entries to the market are a completely random factor out of everyone's reach. Also, it is impossible to know how IT-Line will react to new companies entering the market, if that happens. There is a chance that the competition will strategically weaken IT-Line's position right from the beginning. Another extensive threat is the effect the competition will have on the pricing. If the competition has their prices low, but the quality is somewhat the same IT-Line will be forced to

decrease their prices to sell anything. This will have negative impact on the revenue, the margins of the sales and it will affect their relationship with the suppliers negatively. This is because if the suppliers will not be able to drop their prices, IT-Line has to keep the prices up to maintain a margin of sales, or they will have to switch suppliers.

## 8.2.4 Marketing Mix

For this marketing plan the marketing mix is very important. In order to conduct successful marketing and branding a company must know what they are selling and what they want to charge for it. The advertisement and communication section of the mix is also in a very important role. In order to successfully determine a brand and choose a segment IT-Line needs to know what their product is.

### 8.2.4.1 The 4 P's & 7P's

<b>Product (and service)</b>	<ul style="list-style-type: none"> <li>• Internal logistics solutions             <ul style="list-style-type: none"> <li>• Physical products</li> </ul> </li> <li>• LEAN and consultation services</li> <li>• Best quality</li> </ul> <p>→ The core product is the service and the promise of the best and most effective production system</p> <p>→ The branding and packaging are a big part of the service and physical product</p> <p>→ Delivery and installation and warranty services are important for IT-Line Ltd.</p>
<b>Price</b>	<ul style="list-style-type: none"> <li>• High-end product → high-end price</li> <li>• Premium price             <ul style="list-style-type: none"> <li>• Still a fair price</li> </ul> </li> </ul>
<b>Promotion</b>	<ul style="list-style-type: none"> <li>• Minimal marketing so far</li> <li>• Web site</li> <li>• WOM</li> <li>• Trade fairs</li> <li>• Christmas presents for customers</li> </ul>
<b>Place</b>	<ul style="list-style-type: none"> <li>• Distributing themselves</li> <li>• Physical location: Halikko, Finland</li> <li>• On site consultations</li> <li>• Installations on site</li> </ul>

Figure 9. The 4P's

As seen in Figure 9, the product that IT-Line offers is the LEAN-service and the physical product combined. Therefore, the product they are trying to sell and market

is a better solution for internal logistics and production. They are selling efficiency. This should be made very clear in the marketing, because even the company is technically very good, the customers might not exactly understand what all the technology equals up to. IT-Line needs to start putting emphasis on their actual end product, which is efficiency and maximizing results and the minimizing the use of money. Also, it can be seen in the Figure 9 that other levels of the product (see page 31) have an effect on the impression the product gives the customer. The way IT-Line handles the aftermath of the sales is a big deal in B-2-B business. IT-Line has been very successful in fulfilling customer expectations in these matters. The packaging and in this case the look of the finished product has been a big tool for branding, but also a big selling point because people want to buy attractive products. In this section I don't see much room for improvement, because the product and service are quite excellent, and the branding is also very developed, even though only for a narrow audience.

In the price section it can be seen that IT-Line puts a premium price on their products. The reason why they are able to do this is that their products are the best one's in the market currently. Another reason for this is that they combine the product with an excellent service, which gives the customer a feeling of receiving much more than just a piece of equipment. In a way, IT-Line gives their customers a product and the perfect way to use it as a "bonus". At least this is what the customers feel like and in the future the service will be automatically needed and requested by the customers. IT-Line is this way making it seem like only the product is no longer useful without the LEAN-service to go with it. Therefore customers feel like the price is fair, even though it is a premium high price.

The promotion IT-Line has been conducting is practically non-existing. As listed in Figure 9 IT-Line has been going to trade fairs, using word of mouth (WOM) in their advantage, putting some information on their website and sending Christmas presents to customers every year. So far this has been enough because of lack of competition. However, now that the industry is starting to look more appealing to competition it is time to step up their game. IT-Line needs to pay more attention to

online marketing and attaining new customers. This will be explained further in the marketing plan.

When it comes to place IT-Line does not have any retailers, because they are a small to a medium sized organization. This is the best way to do it because at the moment they do not need more space or expenses. However, future will tell if they need to move to bigger premises at some point. For now they distribute their products themselves and they make produce them in Halikko, Finland. Most of the components are ordered locally from the areas near Salo. One of their best qualities to when it comes to the other product levels (see page 31) is that they go on site to install their products and they teach the customers how to use them. They also give consultations for their customers concerning the LEAN-services. They go to their clients and give advice on how to be more efficient.

<b>People</b>	<ul style="list-style-type: none"> <li>• Experienced staff             <ul style="list-style-type: none"> <li>• Customer service is high quality</li> <li>• Marketing section still under development</li> </ul> </li> <li>• High emphasis on customer experience             <ul style="list-style-type: none"> <li>• LEAN-services</li> </ul> </li> </ul>
<b>Process</b>	<ul style="list-style-type: none"> <li>• Fulfilling orders is always done with precision</li> <li>• Sometimes the process is behind schedule</li> <li>• Onsite consultations and installations</li> <li>• LEAN-services</li> <li>• Keeps customers satisfied with consistent quality</li> </ul>
<b>Physical evidence</b>	<ul style="list-style-type: none"> <li>• The final product!!             <ul style="list-style-type: none"> <li>• Customers contact through phone</li> <li>• Final product is an important physical evidence</li> </ul> </li> <li>• The final purchase decision is made based on an offer             <ul style="list-style-type: none"> <li>• Sometimes a visit to the premises takes place</li> </ul> </li> <li>• LEAN-services</li> </ul>

Figure 10. The 7P's

In people it can be seen (Figure 10) that IT-Line has experienced staff. This leads into high customer satisfaction because the staff knows how to keep the customers happy. The emphasis on customer service is very high when in physical contact with customers. However, IT-Line is in an industry that does not have very high contact with customers physically. Most of the communication is being done through phone and e-mail. This means that this element might not be as important as other elements. Even though this element might not be the most important one, IT-Line is still putting a lot of effort into their customer service and a high emphasis on customer experience. The reason for this is that this is a very good way to keep the customers loyal. A big part of the customer experience for clients that purchase LEAN-services are the LEAN-experts. They give out an image of the company and give the customers a picture of what the company is like, on a very personal level. This is one way to form almost a personal bond with customers and make sure they will remain loyal.

In process it can be seen (Figure 10) that IT-Line takes their processes' very seriously. They always try to maintain their schedule, however, sometimes they run into some difficulties due to their suppliers. In these cases the customer is always well informed of the delay. A big part of their process' are the onsite consultations with the LEAN-experts. This is a very good way to keep track of how the customers make the purchase decisions. This way IT-Line can also affect the customer and tell them exactly why they need IT-Line's products. The process IT-Line has, shows their customer, this is the best they can do. The way this happens is that when a sale is made with a new customer the staff from IT-Line explains the details with engineers in a meeting where the contract between IT-Line and the new customer is signed. This way the clients know that the quality is very high and why the price sits where it does. One thing that IT-Line does extremely well concerning the process, is their constant good quality in goods. They deliver what they promise and if any problems surface IT-Line will fix that for their clients because of their warranty policy.

In physical evidence it is being made clear (Figure 10) that the final product is the biggest part of this element. In my opinion the reason for this is that the brand is

very visible in the actual product and this is visible in the customer's premises for a very long time. The final product is important especially without the LEAN-service. If the LEAN-service is included, then the LEAN-expert is also a part of the physical evidence. As said in the theory part of the thesis (page 32), physical evidence is everything a customer can judge. Therefore, even the offers and all contact, such as phone calls and e-mails can be considered as physical evidence. This is strongly linked to the people and process elements of the 7P's.

In conclusion the whole 7P's model revolves around LEAN-services in IT-Line's case. This meaning that almost all the customers experience the company's staff in a way or another, usually through the LEAN-experts. LEAN-services are a big part of the marketing mix, because it is usually the closest contact the customers have with IT-Line. However, other customer service plays a big part in IT-Line brand, alongside of the actual product with the actual logo of the company on it. All these elements combined create a cohesive brand, and using these elements the brand can be taken even further.

In some cases and projects that do not include the LEAN-service it would be very important to add more contact with the staff and the salesmen. This way the customer can still feel like IT-Line puts effort into the customer relationship. Also, in my opinion it would be very beneficial for IT-Line to sometimes send a salesman with the LEAN-experts to get more hands on and at the same time speak positively about the company.



## **9 MARKETING PLAN**

What is a marketing plan or planning?

“Marketing planning, then, is simply a logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plans for achieving them.” (McDonald & Wilson. 2011, 24)

According to this definition marketing planning is putting activities behind one another in order to formulate a marketing plan with a certain objective in mind at all times. A marketing plan is the outcome of marketing planning that technically is putting actions together in a logical way.

The goal of this marketing plan is to create marketing practically from scratch for IT-Line Ltd. The objective is to get more exposure for the company and to increase their image and sales. This marketing plan mainly focuses on the changes the company should make now in the present, instead of more long-term changes. This is a preliminary plan to base the long-term marketing plan that will be done in the future. This is a strategic marketing plan, which means that the marketing will be observed from a strategic point of view. This plan can also be modified to work in the long run, however, for now I will focus on the changes that need to happen as soon as possible.

IT-Line needs to put emphasis on their online marketing and make sure they get as much exposure as they can for their brand. This way all their hard work they have done to get a strong brand will not go to waste. Social media is an easy channel to reach possible customers and the communities that need to know about them. IT-Line has social media accounts, but they have not been active enough. This is something that needs improvement. Another fact that concerns online marketing is their website. The website is visually very good, however, it is only in Finnish. Finland is a bilingual country and therefore, it would be wise to translate the website into Swedish. It would also be useful to have the website in English and Russian as well.

Another thing that IT-Line could improve regarding the online marketing is the Google search words. What I mean with this is that if someone would need to get services that IT-Line offers, but does not know the name of the company the usual thing to do these days is to Google. Now, if an individual was to Google the word “contract manufacturing”, the company IT-Line would not pop up. This is something that needs to be fixed, because there is a chance that they are losing potential customers over this. IT-Line could also utilize their LEAN-experts more and use them to give their customers information without them realizing it. One channel to get their brand even more recognition could be by utilizing the LEAN-experts as ambassadors of the company.

IT-Line needs to find out how their current clients found out about them and then use that information to improve those channels. A very good way to do this would be to incorporate questions about the channels people use to find them in the forms I mentioned earlier. IT-Line needs to get more exposure and make sure that as many potential customers as possible know about them. Improving marketing domestically can have very long lasting positive effects. This means that in the future a strong well-known brand can bring IT-Line international attention without even trying. I suggest that IT-Line attends as many trade fairs as they can, but also internationally. This is something IT-Line has been doing already in Finland, however, I think that going on international trade fairs will have a positive impact also on their domestic situation.

Another good way to get exposure would be to use the current customers as a marketing channel. This is an action that would require some extra paperwork, however, because of some of the high profile customers they have it could bring a lot of attention. Lastly, I think that IT-Line would benefit from an open-doors type of an event where they would show their customers and potential customers what they do daily. This could be done with a literal open-doors event or filming the office and the production area and the posting the film on social media. This way people who would never get a chance to visit IT-Line’s premises get to see what the production area looks like and where the people who they talk on the phone with work. This would create a more personal way for customers to find them.

These are some of the basic ideas that I have for IT-Line Ltd. to improve their marketing and to bring more attention to the brand nationally. The ideas that I listed are all very simple and require only a small budget. These ideas mainly revolve around exposure and making their brand more known.

### **9.1 Segmentation**

Based on the customer analysis conducted earlier in the paper the segment IT-Line should focus on is the companies that need change in their production and performance. This segment that they should focus on will be spread out to the entire Finland. This means that in order to market their products correctly, they should attempt to find companies that appear to be on the verge of change and in the need of renewal. In my opinion, to do that IT-Line must conduct a vast research of the industry and economy in Finland.

Now that the correct segment has been found IT-Line should position themselves in the market. To do this IT-Line must know their competitive advantage. As it has been stated many times earlier in the thesis IT-Line's competitive advantage lies within their unique products, contract manufacturing, LEAN-services, combination between service and product and the lack of competition. The first four factors are the most important one's because the state of rivalry can change any moment. Therefore, these are the factors IT-Line should focus on. Using these elements in their marketing IT-Line will surely attract the right kind of customers.

### **9.2 Strategy**

In this chapter a strategy IT-Line has used previously will be discussed. I will talk about where this strategy took the company and how. I will also make a new strategic plan suggestion for the company by using a different model. This chapter and the new strategy used in it will perform as the core of the marketing plan.

Branding will be mentioned separately, because it is a too big of an issue to attach to the strategic part of the plan. I will discuss the branding apart from the strategy, because it needs to be made clear, what the branding requires, apart from the other marketing.

### **9.2.1 The Blue Ocean**

When the company was first founded they slowly started to incorporate the Blue Ocean strategy. This strategy was used essentially by accident. What I think happened is that the company was aiming to use differentiation, but accidentally created a completely new area in the industry. They created a market space that did not exist earlier by giving their customers extra value by adding a service to the product. What the company now does had never been done before. They offer products that are completely open for modifications. Also they added and licensed the LEAN-services to their selection of goods.

The LEAN method is an addition to the company that no other company in the same or similar industry has. They have the ability to do something that other companies just cannot offer. LEAN-services are the biggest source of income for the company. For this reason I think that in the future the marketing should revolve around the LEAN-services and the combination with products.

### **9.2.2 The Good-to-Great Model**

The Good-to-Great model is the best model to use in IT-Line's case because it gives a step by step strategic plan to evolve into a better company. (See page 13)

The first step is to get a level five leader, someone who is humble and puts the company first. In my opinion the company already has leaders who put the company first and are very humble. The company is in the hands of two leaders, who do their best to drive the company forward without thinking of their own best. The CEO of the company has paid and is paying attention especially to the brand. This is one of the major changes that went on in the company just a few years earlier. The CEO decided that branding is important and this is the direction they should head to. If the two leaders this company has are level 5 leaders, that I am not sure of, however, finding a level 5 leader at this moment might not be very realistic. Therefore, I believe that the owners and leaders of the company are the best possible leaders right now. They know the company and first and foremost, they know what they are doing. Now they must focus on developing the brand and putting emphasis on the LEAN-services.

The second step is to decide on who and then what. The company has assigned an employee to take care of the marketing. This is their first effort in this step. The reality is that in order to succeed in marketing and branding the company even further, they must relocate some resources. This means that they need to get at least a team of three people to work on marketing full time. The choice of the right people is very important here. The company should choose people who have knowledge on marketing and who are willing to put in the work that is required. If IT-Line decides to hire new people for the marketing team, they should make sure that they choose carefully. The wrong person will drag the entire team down. IT-Line needs to act when it is needed. With this I mean that if someone is not doing their part in the team, they are no longer an asset but they are a liability. When IT-Line has put together the ideal team they need to put the best and most capable people on the biggest opportunities, not the biggest problems. This way they can assure the best possible outcomes. The biggest opportunities at the moment are the companies on the verge of change. Therefore, I suggest that IT-Line puts their best salesmen and marketing people on attaining new customers from this target group.

After the company has chosen the correct people internally or by hiring they should decide what to do. In this case what to do could be, as I am suggesting, to follow this plan. The first things to do in that case is to pay more attention to the social media and online marketing. Another thing that IT-Line should pay attention to, is the behavior when in contact with clients and the benefits of the LEAN-experts. The LEAN-experts could be used more in marketing. As I mentioned earlier, the LEAN-experts can be used as a way to form a more personal relationship with the customers. What IT-Line could also do is attend as many trade fairs as they possibly can. This will bring them many new contacts and this will bring attention to the brand. While visiting trade fairs, they could use their current customers as marketing material there. With the customer's permission, they could show images of the finished product in the customer's premises and that way possible customers will know what they can do. Also to show possible customers what they can do, IT-Line could host an open-doors day or make film of the premises. This way they could show who they are as a company and how they do things, in a very personal way.

The third step is to face the brutal facts. At this moment this would mean realizing that one person cannot solve all the problems that exist. The team chosen should focus on solving issues together by asking questions and answering them together. The leader should listen to the team's opinions and then make a cohesive decision. What also should be done is to avoid conflicts at any cost. This means respecting other opinions and understanding that everyone sees things differently. This is sometimes difficult in a team, however, this is vital because fighting gets a team nowhere. Another big part of this model is that if a mistake happens it should be investigated, however, no blame should be casted on anyone. If this model is being followed properly, any mistake will be a team-mistake. One of the most important parts of this step is that the marketing team and the leader especially should create a red flag mechanism to prevent losing important information with irrelevant information. In case this is not done IT-Line could lose important opportunities and their marketing could also be directed to the wrong audience. All the phases in this step revolve around the fact that this project should be a team effort. IT-Line has a difficult task ahead of them in getting a team together that really work well together.

After this step IT-Line can use the red flag mechanism to find out how their customers find out about them. With this I am again referring to the forms and questionnaires they are starting to send to their customers. By screening the answers they will get valuable marketing content. What the CEO of the company told me and what I believe the forms and questionnaires will show is that IT-Line is usually found through word of mouth. This could be changed by improving online marketing. The home site of IT-Line needs to be translated into Swedish and English and on top of that, even Russian. Also, IT-Line really needs to activate themselves more on social media, for example on Instagram, LinkedIn and Facebook. This will bring exposure for the brand and might make IT-Line easier to find online.

The fourth step is the hedgehog concept. This means that IT-Line needs to place themselves and understand where they are and where they want to be. The company needs to think what they are passionate about, what they can be the best at in the whole world and what is their financial engine. When the company has figured all these out, they must place themselves in the middle of all these factors and then they know where they should be in the market. In my opinion, the company is passionate about solving other company's efficiency issues and providing them with the best solution and information to maximize their production and profit. This is also what I think that the company could be the best at in the whole world, especially with the licensed LEAN-services. IT-Line could be the best at helping companies to reach their full potential in their production. The financial engine of IT-Line in my opinion is the monetary benefit they get from providing the product and the service all in one. This is what they get out of their sales and deals.

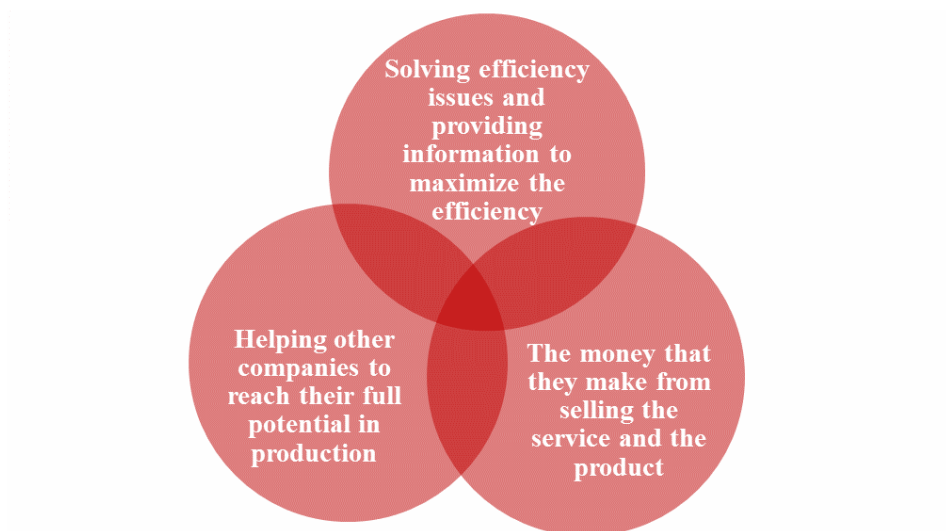


Figure 11. The Hedgehog concept for IT-Line

In my opinion, the marketing could also be looked from the helping other companies point of view. If IT-Line would like to include this in their brand, then they could have a slogan a section in their marketing that states that they are doing what they do the best way possible, so their customers can do the best they possibly can. They could use this in their advantage and make it seem like they are only in the business, so their customers can make as much profit as they possibly can.

The fifth step is the culture of discipline. This means that IT-Line needs disciplined people, disciplined thought and disciplined action. In practice this means that IT-Line needs to first choose the right people who will for sure perform well to the task that in this case is marketing. Discipline is one of the cornerstones of this model and therefore, it is rather important the people involved in any project have discipline. This simply means that IT-Line should not try to train people into being disciplined. They should just hire people or relocate people who are disciplined by nature. This is strongly linked to the first and the second step where IT-Line needs to choose a leader and the right people to work in marketing. Disciplined thought is something that the people chosen need, which can be given to them by the leader. This is strongly linked to the third and the fourth step, in which IT-Line should create a coherent team and make decisions together and then get an understanding of where they need to go. Here the discipline plays a big role, because without it people will definitely not work together and they will not believe in the outcome. The team needs discipline to confront the brutal facts and deal with them. The disciplined action is then linked to the actualization of the decisions made by the team and the leader together. When the actions are done with discipline, the actions will have the desired outcome. In my opinion this step does not include information marketing wise, however, it gives a more precise understanding of the model and the steps in the beginning.

The sixth step is technology accelerators. This refers to the technology used by IT-Line to support the processes. This step is rather simple, and the main point is that the technology used should never be experimental. Always use technology that has been proven to actually work. In this case, I believe that IT-Line is currently using technologies that are good and useful. In the future, they will work with more advanced technology, however, for now no changes need to happen.



All these steps are surrounded by the flywheel effect. The flywheel effect is what summarizes this model very well and IT-Line should take this into consideration. The main point of the flywheel effect is that positive results generate more positive results. It can be seen in Figure 12 that if IT-Line takes steps forward consistent with the hedgehog concept they get visible results and then people will notice this and be more efficient because of the good outcomes. Then the flywheel will start to build up and generate more positive results.

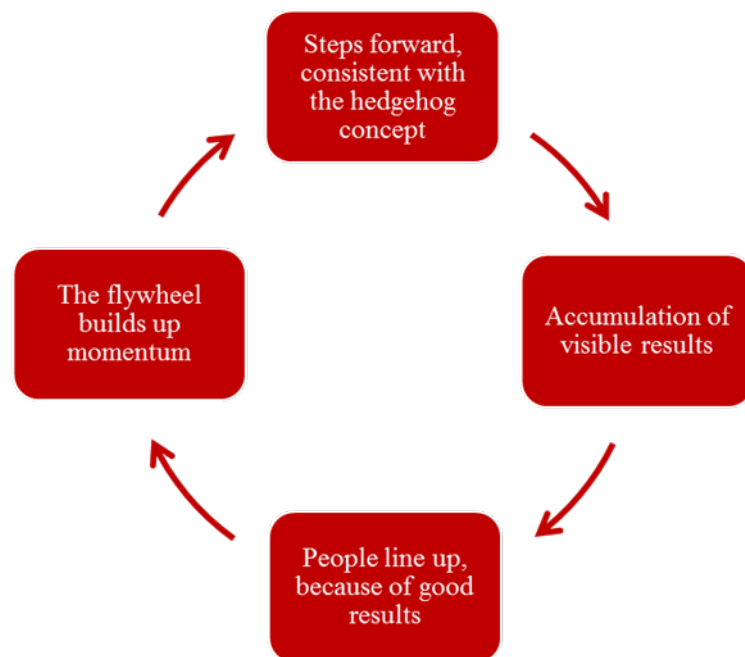


Figure 12. The flywheel effect

### 9.3 Branding

Branding is actions towards creating and reaching a brand and a brand is the added value to the product and the company. Branding needs to be conducted so people will know who you are and what you do. A good brand will bring even more customers, because people commonly trust brands they recognize. IT-Line should conduct branding, because they are a relatively small organization and being recognized will help them make sales if a bigger company is competing against them. IT-Line has already established themselves a brand, however, it is only known amongst their current customers and the brand is still unknown for the bigger audiences. With some changes the brand can grow and get more exposure.

IT-Line Ltd. does most of its branding through the products they have sold and put their brand name on. In the domestic market branding has not been mandatory because of the lack of competition. This means that the effect a good brand would have had is very small. However, now that the company is growing the brand is more important. The brand is now a key factor in separating IT-Line from competition. A strong brand adds value to the company and it can help close bigger sales in the future. IT-Line has conducted branding with their products by putting their logo and company name on them. This however only shows the people working in the premises who made the products. For this reason it is important to find a way for IT-Line to get their brand out of the factories and into possible customer's minds.

To get more exposure for the brand IT-Line has so far established that they should use the social media in their advantage. As mentioned earlier, they could make a video of the company and include marketing messages in it for possible customers. IT-Line could as well make marketing material in collaboration with their current customers. IT-Line could advertise its biggest projects with some customers name along with the advertisement or they could ask the customer to mention them in a newsletter or such.

### **9.3.1 Brand equity**

Brand equity is the value that the brand adds to the product. This means that a product can be considered to be more exclusive and luxurious than it in reality is because of a well-established brand. The most common way to increase brand equity is to use celebrity endorsement. This is however usually only used in the B-2-C markets. However, something similar can be used for B-2-B markets. What I mean with this is that IT-Line could use a big company to market themselves. This big company could work as the "celebrity" and give IT-Line more attention. IT-Line could also ask a permission to publish the logos of their biggest customers on their website. This could also be considered "celebrity endorsement".

Brand equity is important, because it gives people an idea of the company before they even actually know the company. If a possible customer has seen that IT-Line is capable of handling high profile companies and projects, they will immediately

have more respect for the company. IT-Line will benefit from this very much, because it will help them with their goal of growing as company. Brand equity and branding go hand in hand, because brand equity is practically the outcome of successful branding.

## **10 CONCLUSION**

In conclusion, IT-Line is a company that is very good at what they do. They have, however, not conducted any sort of intentional marketing. Based on my findings in this thesis, they have been relying on the fact that competition is non-existing at the moment. Therefore, marketing has not been necessary and it can be said that their current marketing has not been effective, since it barely exists. However, it can also be said that the marketing has been successful because they seem to be doing very well as a business.

The marketing plan that I drafted focuses on the competitive edge that IT-Line has and showcasing that to customers and possible customers. The marketing they should start conducting from now on is simple, yet effective. They should incorporate some online marketing and some customer based marketing also.

The competition, as mentioned earlier, is non-existing right now. This could however very easily change, because the industry is very attractive. This thesis also discusses the fact that IT-line needs to address the issue that competition might emerge and how they are going to handle it when it does. In general, the competition will not be a problem in the future, if IT-Line conducts proper marketing now in the present.

The marketing plan aimed to give IT-Line directions on how to get more exposure for their brand and how to better market themselves in Finland. The marketing plan is a strategic plan that gives directions on how to do these things and also how to maintain the top position in the market and how to fight the competition, before and after it emerges.

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