DEVELOPING A DIGITAL MARKETING PLAN FOR A MERCHANDISE ONLINE SHOP

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ABSTRACT

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Developing a Digital Marketing Plan for a Merchandise Online Shop

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This bachelor's thesis was commissioned by High Peak Finland Oy. The company has four business segments: business gifts, event merchandise, retail and importing businesses.

High Peak Finland Oy has signed a 5-year licensing contract, which comes into effect on the 1st of January 2018. The exclusive contract entitles High Peak Finland Oy to design, produce and sell merchandise for the next five years.

The purpose of this thesis was to analyze the current situation of High Peak Finland Oy, and create the objectives to build up the actual digital marketing plan for the merchandise online shop later on.

Digital marketing with the key channels has been utilized as the theoretical framework. Marketing and especially digital marketing literature has been used for the thesis.

The results of this thesis are a perception of the current situation and the created goals and objectives for the merchandise online shop to build up the actual digital marketing plan later on. The analyzed situation and created objectives give the commissioner a great starting point to continue the planning towards for building up the digital marketing plan.

Key words: digital marketing, online shop, licensing, merchandise, marketing plan
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1 INTRODUCTION

According to Marketwatch, the licensed sports merchandise market will reach 48.17 billion US dollars by 2024. In 2015 the same value was 27.63 billion US dollars. The huge leap from 2015 to the predicted number in 2024 can be explained with the improving economic conditions especially in developing countries like China and India. Constantly improving materials, more innovative designs and better-looking accessories play a major role too. (Marketwatch 2016.)

The North American market still has the biggest share of the sports merchandise revenues with a 54 % slice of the whole pie. According to Marketwatch, North America is supposedly going to keep the throne with itself, but Asia Pacific is likely to dominate in growth rate (Marketwatch 2016).

One could argue, that the forecasted increasing revenues in licensed sports merchandise market are not completely there due to better economic situation. eCommerce and digital marketing have gained ground rapidly since their first days. According to an estimation by eMarketer ecommerce sales will increase from 2.290 billion US dollars in 2017 to 4.479 billion US dollars in 2021. At that point the share of the worldwide retail sales would be 15.5% (eMarketer Editors 2017).

1.1 Background

The commissioner of the thesis was High Peak Finland Oy (later High Peak). High Peak is a small and medium sized Finnish company based in Tampere and Espoo. By being experienced in the field of business gifts, event merchandise products, import and online shops, and having bought the whole capital stock of Rotor Form Oy in February 2017, High Peak has significantly increased its presence in the business gift and promotional giveaway market. Due to the company acquisition, High Peak’s revenue increased to 7 million euros (High Peak Finland Oy 2017).
High Peak won the international poll for the best offer to create, produce and sell the X official merchandise for five years starting on the first of January 2018. The official merchandise includes everything from t-shirts to key chains excluding a few items. The main sales channels are:

- Online shop
- On-event sales
- Partner sales

The official merchandise is currently (season 2017) produced by another company. Due to confidentiality reasons, the rest of the chapter can be found in the appendices.

Currently the online shop site is operated by another company. Later on the current company will be referred as the current merchandiser or similar. Their online shop will be used as a benchmark for the new online shop, opened by High Peak in January 2018 and operated by High Peak as well (Eljaala 2017). Due to confidentiality reasons, the rest of the chapter can be found in the appendices.

1.2 Thesis objective

In the big picture, High Peak needs a marketing plan for the year 2018 where the marketing would cover on-event, online and partner sales. Digital marketing plan for online sales will play a huge role in the actual marketing plan. This thesis focuses only on researching the current situation and building up the goals and objectives of the digital marketing plan for the online shop. Additionally, the thesis includes a short introduction to strategies, actions plans and controls based on the vision-based planning method (Kingsnorth 2016, 68-69). Marketing planning model SOSTAC by PR Smith is introduced shortly, but the author of the thesis found the vision-based planning model more appropriate due to having a clear vision for the merchandise online shop.

The objective of the thesis has been divided into three different layers. One was to understand what lies behind the term digital marketing. The second was to see what possibilities it offers us in the modern world and especially for the merchandise online shop via key digital marketing channels. The third was to research the relevant statistics and key metrics to analyse the current situation and create the objectives.
By utilizing the key digital marketing channels, the current situation analysis and the created objectives, the purpose was to help create a digital marketing plan to increase sales online, build a big follower base for social media channels and engage the followers to become loyal customers. The current situation analysis shows the situation of the current supplier’s digital marketing, reveals potential competitors, and analyses the current social media profiles to show the path for High Peak to succeed in the launch of the online shop the 2nd of January 2018, and to continue optimising the online shop for greater sales. In the long haul the objective is to build brand awareness for High Peak, and eventually gain ground for future official merchandise business.

1.3 Research question

The objective of the thesis was to examine the key digital marketing channels, to analyse the current situation and to create goals and objectives for the online store opening the 2nd of January 2018. Additionally, the author of this thesis will introduce to the commissioner the last steps of the vision-based planning model to help build the actual digital marketing plan. Since the purpose of the thesis was to help develop the digital marketing plan by researching the current situation and creating the objectives, the main research question was:

- What should be done to build a digital marketing plan?

To answer the main research question, the thesis includes four different sub-questions, which are vital for the actual objective of the thesis; to analyse the current situation and to create the goals and objectives. The first one was:

- What is digital marketing?

The latter three questions are from author Simon Kingsnorth’s book “Digital Marketing Strategy – An Integrated Approach to Online Marketing” where he explains that “in order to build a marketing strategy, we need to be able to answer and understand three things” (Kingsnorth 2017, 67):

- Where are we now?
- Where do we want to get to?
- How do we get there?
Research gave us an answer for the part “where are we now”. The next was answered through an interview to find the vision and goals. The answer to the last one was the result of effective planning made possible via thorough qualitative and quantitative research. Kingsnorth uses the term “marketing strategy” when he refers to the marketing plan. Later on, the author of the thesis uses the term strategy to refer to the fifth step of the vision-based planning model, and marketing plan as the whole outcome of the visual-based planning. There is more written about this issue in chapter 3.

1.4 Methodology

1.4.1 Research method

All data collection methods conclude two different ways of conducting a research: it is either quantitative or qualitative. A mix of these is called as mixed research. As the name says quantitative is countable: it targets to answer questions e.g. “how many?” and “how long?” The answer is a number of which one could conclude an analysis. A tool to conduct a quantitative research is typically a survey (MacDonald & Headlam n.d., 9).

Qualitative research is based on observation. To explain it better, the typical way to gather qualitative data is to make interviews – how many and who to choose to interview depends on the purpose of the data collection. The aim is to have a thorough report of what is observed (MacDonald & Headlam n.d., 9).

The author of the thesis chose to use mixed research methods as the research methods. This means using both, quantitative and qualitative research methods.

1.4.2 Data collection methods

There are two types of data: primary data and secondary data. Primary data is collected by the researcher himself (MacDonald & Headlam n.d., 20). The author of the thesis constructed interviews with his co-workers and his boss Sami Eljaala (Head of Sales) and Maija Mikkola (Event & Product Manager). Interview-like meetings were also constructed throughout the thesis phase with different personnel from the licensor’s side.
Secondary data had already been collected by another instance. The difference between primary and secondary data is that the researcher has had no influence on how the existing data has been collected. What the researcher can give, are new insights and points of view for the existing data (MacDonald & Headlam n.d. 20). The author of the thesis analysed official and other statistics, maps, charts and research data provided by different sources, including the licensor X, licensor XX and a consult, hired by High Peak Finland Oy.

1.5 Thesis structure

The structure of the thesis follows the table of contents. The introductory part guides the reader through the background of the thesis topic and the objective and how the research was done regarding research questions, methodology and data collection. After the introductory part the reader should be able to understand the relevance and the meaning of the thesis for the commissioner and the author.

The second main part of the thesis explains to the reader what digital marketing is and the key marketing channels surrounding it. By understanding what digital marketing is and the utterly complex terms, the reader should be able to build a firm basis to move forward to the actual research part.

The research was constructed on the vision-based planning method from the book Digital Marketing Strategy – An Integrated Approach to Online Marketing by Simon Kingsnorth (2016). The author of thesis started the research by utilizing the marketing planning model SOSTAC by PR Smith, but later found the vision-based planning method to be more appropriate, since High Peak had a clear vision for the merchandise online shop. The author of the thesis found the SOSTAC marketing model still important due to its relevance to the topic and for this reason the marketing planning model has been covered briefly.

The four first steps were the most vital steps to reach the objective of the thesis: to analyse the current situation and to create the objectives for the last steps to create the digital marketing plan for the merchandise online shop to eventually create the actual marketing
plan for all three sales channels. The current situation was analysed by researching customer profiles, potential competitors and creating the SWOT analysis. The current merchandiser’s social media profiles are inspected and analysed to get an overview what have been done.

The author of the thesis will explain the last steps of the visual-based planning method to provide the commissioner with a solid constitution for the planning, creation and execution of the digital marketing plan.

Finally, the author of the thesis concludes his findings in chapter five and discusses his thoughts in chapter six.

1.6 Reliability and validity

The thesis must be reliable. All the data presented must be correct, since it creates the foundation of the actual digital marketing strategy and shows the way for a company to make decisions (Kingsnorth 2016, 40).
2 DIGITAL MARKETING

We need marketing to support sales. This has not changed. When Marlboro realised in advertising, that the target audience is not really into “9 out of 10 people recommend filtered cigarettes” type of adverts, they started a new era in lifestyle advertising and marketing overall. Marketers want to create images and tell stories around the product or service. A luxury product may not differ from a more affordable one, but it might have been marketed as a high-end product, which will give the end consumer the value needed. Marketing has not changed, but the tools have. Digital marketing represents this perfectly.

Digital marketing includes all marketing done through digital devices or displayed in digital form. As an example of different digital channels can be mentioned the Internet, mobile applications and not to forget, even television and radio broadcasts. Compared to the traditional marketing, it gives the possibility to receive exact data of consumer behaviour and usually in real time. The data is vital, since it is the foundation for optimizing for example a company’s web shop towards the preferences of the customers (Sas 2017).

The needs and wants have not changed when it comes to human psychology. Consumers will always have certain similarities when it comes to buying behaviour. Models that are well recognized like Porter’s five forces, the 4 Ps and 7 Ps of marketing, brand positioning map, segmentation, customer lifetime value and the Boston Consulting Group matrix are all still more than valid to create a marketing strategy (Kingsnorth 2016, 8).

By going through the key channels, we can get an insight into digital marketing.

2.1 SEO

Search engines are the pages people use to find information or anything they search for from the Internet. The world’s most used search engine is Google with hundreds of million searches per day (Lifewire 2017). The author has used Google as an example due to its dominance in the global search engine market with the 68.75 percent share of the cake (Lifewire 2017).
The higher a website gets ranked on a search engine, the more it will get traffic to its page. One tends to click the links on the first page instead of the ones on the fifth page or even later appearing. If you type a word or a sentence on the Google’s search engine, it will suggest you the first ten sites, which match best the typed search query. Google suggestions are based on different algorithms, whose mission is to deliver accurate and high-quality search results to the customer (search engine user) (Ryan 2017, 66). According to author Damian Ryan, algorithms are separated to five different categories to serve different purposes (Ryan 2017, 68):

1. Penguin – improves user experience by checking the links on the websites
2. Panda – checks the content of a website
3. Pigeon – furthers you to find the best searches to match one’s location
4. Hummingbird – Google’s search algorithm itself
5. The mobile algorithm – promotes mobile-friendly sites

Since the mission of the algorithms is to find the most perfect search results for the customer, website developers and admins want to optimize the pages they manage to get “rewarded” by getting ranked as high as possible by the algorithms. Search engine optimization is all about optimizing the website to a point where the customer can find your site from the first place in the search results when typing any word related to your business. By following the mentioned algorithms, one can get one step closer to the desired first place.

### 2.2 Paid search

In this thesis, the author of the thesis solely focused on Google as a search platform, since it is the main paid search platform used widely (Kingsnorth 2016, 111).

As an example, the author searched for “nike sneakers”. Within the search results, you can see either the one’s clearly stating that they are ads and the ones without the word “ad”. As mentioned in chapter 2.1 SEO, Google algorithms try to give the best possible search results to match the actual search. By optimising one’s website, the better the chances for a website to get ranked higher in the search results are. The other way around for the companies is to pay for ads, “disguised” as a search result as shown in the picture 1.. The way to get an ad either on top, on the sides or the bottom of the search results is
bid via an auction. The bigger the bid, the better chances to win a higher position in the search results for a certain keyword or a phrase (word or a phrase used to search something in the search engine) (Kingsnorth 2016, 111).

In our example Nike, Zalando, Eastbay and Nelly won the bidding competition for the keyword “nike sneakers”. What makes paid search fascinating is that is costs for the advertiser only when the ad is clicked. What it costs is the bid the advertiser placed when taking part in the auction. One could only imagine what the cost per click (later CPC) is for the four mentioned advertising companies since Nike sneakers have had a high hype for a while now.

![Google Paid Search example “Nike Sneakers” done 5.11.2017 (Google Search 2017)](image)

PICTURE 1. Google Paid Search example “Nike Sneakers” done 5.11.2017 (Google Search 2017)
2.3 Social media and content marketing

Facebook, Instagram, Snapchat, LinkedIn, YouTube, Twitter, Pinterest… The list is endless. The mentioned applications and online sites are part of today’s society. One can escape from it, but we have inherited them so well that they have become a vital tool not just in our everyday life to keep in touch with our friends and family, but as an essence in business life too as part of marketing.

Social media is not a new concept. Instead of sharing thoughts via Facebook, one could have easily had a chat in IRC (Internet relay chat) or discuss in browser-based forums with like-minded. The early forms of social media actually existed already in the 1970s when people could share data, code and other information on bulletin boards (Kingsnorth 2016, 150).

Social media is any website or application, where the fundamental purpose is to share and create content amongst users and/or give them the possibility to be involved in social networking. What people do not seem to understand is that Facebook, Instagram, LinkedIn and other widely recognized social networks are just one channel in a bigger channel. (Kingsnorth 2016, 150.)

Categorising social media types is not easy, since there are thousands of different sites and applications and every day there might be 10 new applications being created (Kingsnorth 2016, 155). By creating at least a few categories, one can see the difference between different types and channels:

<table>
<thead>
<tr>
<th>Social Media Types &amp; Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Social networking</td>
</tr>
<tr>
<td>2. Blogs</td>
</tr>
<tr>
<td>4. Visual media sharing</td>
</tr>
<tr>
<td>5. Professional networking</td>
</tr>
<tr>
<td>6. Reviews and ratings</td>
</tr>
<tr>
<td>7. Forums</td>
</tr>
</tbody>
</table>

FIGURE 1. Social media channels (Kingsnorth 2016, 155-158)
2.4 Affiliate marketing

Affiliate marketing is based on a pay-per-performance marketing method, where the affiliate gets a commission every time it is able to generate a lead or a sale (Smart Insights n.d.).

As an example, High Peak could form a partnership with a YouTube channel oriented to the scene, High Peak will operate in. There the channel could for example talk about the products sold in the online shop and place a direct link to the store down below the video. This way either every lead generated or a product sold, the affiliate, in this case the channel, would get a commission. The commission could be for example a fixed amount or a percentage of every sold item (Smarts Insights n.d.).

2.5 E-mail marketing

E-mail marketing might seem slightly outdated for many of us even though it is actually one of the most powerful ways in digital marketing when examining the return on investment (later ROI) (Ryan 2017, 153). It is a fine channel of creating not just customer lifetime value (later CLTV), but also acquiring new customers (Kingsnorth 2016, 292).

What makes e-mail marketing so powerful, is the possibility to target perfectly the message to the right target group. An e-mail marketing automation software like MailChimp offers the possibility to create segments, or also e-mailing lists, to send the correct message to the right segment. When it comes to the merchandise, there is no sense sending newly born baby jumper merchandise offers to single 20-year-old men.

2.6 Mobile technology

Mobile is a huge channel itself, but the author finds it highly important to understand especially the significance of having every single detail in the online store and everything surrounding it (social media, customer service, payment methods…) mobile optimized.
According to Google’s Consumer Barometer we can see the astounding increase in the usage of smartphones in Finland as a developed country and in India as an emerging country (appendix 1 and 2). In Finland, the amount of smartphone usage has doubled in five years while in India it has tripled only in four years. From the point of view of the products being merchandised, India is not a country where an event will be held in 2018, but it is good to remember that there could be potential. As an example, the licensor does not arrange an event in the United States of America, but still according to High Peak’s consult (appendix 3), the second most traffic generating country to the current supplier’s merchandise online shop between November 2016 and April 2017 was the United States of America with the percentage of 20%. Italy was the number one with the share of 21.66%, which could be explained due to reason X.

Based on what we have seen for the past 20 years, the leap from the first mobile web access with the Nokia 9000 Communicator in 1996 all the way to the Internet of Things (IoT), we can forecast that the progress of mobile technology has not reached its peak yet - we are far from it (EZ Texting n.d.).
3 RESEARCH

To build a marketing plan, or more specifically a digital marketing plan in this case, the three research sub-questions that need to be answered are:

- Where are we now?
- Where do we want to get to?
- How do we get there?

Those three questions are actually also part of a SOSTAC marketing planning model developed and created by PR Smith (PR Smith n.d.). The question of the letter O varies slightly, but means the same thing. As explained in the figure 2, SOSTAC stands for:

![SOSTAC Diagram](image)

FIGURE 2. SOSTAC (PR Smith n.d.)

The first two letters of the acronym, S and O represent the final outcome of this thesis. First the current situation must be evaluated to proceed to objectives and through objectives the last four steps can be formed and executed to form a digital marketing plan.

Instead of SOSTAC, the author of this thesis utilized *vision-based planning* though. The reason for this is the clear vision High Peak has for the merchandise online shop: “The best X online shop worldwide”. The main difference between SOSTAC and vision-based
planning is that there are vision and goals added, yet tactics are excluded. The first step of the SOSTAC is Situation and the last step is Control, but in the vision-based planning method Situation is originally named “Mission” and Control is “Execute, Evaluate, Evolve”. The author of the thesis has taken the freedom to switch them as in SOSTAC model, since they are rather not more describing, but maybe commonly more understandable.

![Vision-based Planning Diagram](image)

FIGURE 3. Modified vision-based planning method (Kingsnorth 2016, 67)

### 3.1 Vision

Vision is the first stage in the vision-based planning. Everything is based on the vision and everything must be aligned with the vision. Everything means not just the creation process of the digital marketing plan, but also every single action and step taken in the company. The vision is a statement that must cover everything your business is trying to achieve (Kingsnorth 2016, 38).

High Peak’s vision is loud and clear: “to be the best X online shop”. By saying the best, it covers the whole internet worldwide.
3.2 Situation

To create a strong strategy the company needs to know where it is now (Kingsnorth 2017, 67). According to Anja Kadziolka, digital marketing trainer and entrepreneur, the current situation analysis would cover (Slideshare 2014):

1. How the online shop has excelled online previously?
2. Is it working well?
3. Is the online shop making new contacts?
4. Is reach increasing?
5. Is the online shop creating the desired images?

Since the online shop operated by High Peak opens on the 2nd of January 2018, the problem is that the online shop does not exist yet. There is no exact data of the key performance indicators to study and research. According to Simon Kingsnorth, a company needs to have a vision and a mission statement when planning based on a vision (Kingsnorth 2016, 68-69). High Peak’s vision is to have the best X online shop and their mission statement, which represents the current state (Kingsnorth 2016, 70), has not been launched yet.

To analyse the current situation regarding the online shop and the social media profiles directly associated with the online shop, we have to investigate the online shop and associated social media profiles hosted by the current merchandiser. As one could figure out, they would not give High Peak any data whatsoever even if asked since High Peak is a competitor for them. It would also be slightly rude since High Peak is the one replacing them in the merchandising.

The author of the thesis has chosen four different analyses to research the current situation: SWOT, customer, competitor and social media channel profile analyses. By utilizing different tools and methods, it was possible to create a broad situation view.

3.2.1 SWOT analysis

SWOT analysis focuses on mapping the strengths, weaknesses, opportunities and threats the company, or in this case the online shop, has or might face. It is a classic, but an essential way to begin a situation analysis.
Strengths and weaknesses are internal factors while opportunities and threats are external. Internal factors reflect inside the company. External on the other hand reflect outside the company. By mapping the situation, the typical purpose is to decide whether to proceed with a planned project or not. (Smartdraw n.d.) For the purpose of the merchandise online shop the SWOT analysis was created to see in which area High Peak needs to focus in terms of improvement and where they are doing well. The external factors, opportunities and threats, are mapped to keep High Peak on their toes, if any of the mapped qualities in external factors are about to happen.

<table>
<thead>
<tr>
<th>SWOT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
</tr>
<tr>
<td>• Exclusive license</td>
</tr>
<tr>
<td>• Experience in product knowledge</td>
</tr>
<tr>
<td>• Experience in online sales</td>
</tr>
<tr>
<td>• Teamwork</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• New merchandising opportunities</td>
<td>• Counterfeit products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Any supply chain error</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Contractual disagreements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Legislatonal differences worldwide</td>
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</tr>
<tr>
<td></td>
<td>• Especially taxational surprises</td>
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</table>

FIGURE 4. SWOT analysis

What makes High Peak’s and the upcoming merchandise online shop’s situation very unique is the license, which gives the exclusive right to sell the merchandise. It helps drastically, since there are no direct competitors (see chapter 3.2.3 Competitor analysis). High Peak celebrates its 20th birthday in 2018, which means that as a company selling promotional products, they have a wide insight into product knowledge. High Peak has already opened over 80 online shops for B2B purposes and has operated another merchandise online shop for almost two years. What really makes High Peak and the yet unopened merchandise online shop strong, is the team work behind it. The team of four main members work hard, are innovative and are not afraid to tell what they think. They complete each other’s weaknesses with each other’s strengths.
Even though High Peak has experience in the field of online sales, they do not have any experience of international sales in scale this wide. This can and most probably will cause situations, which cannot be foreseen due to lack of experience. By creating proper risk management protocols, the effect of possible negative situations can be more avoided or at least debilitated.

If done properly, the merchandise online shop can open doors for new exclusive merchandise online shop contracts. Depending on the case, this could mean either bringing the new merchandise from other licensors to the opening merchandise online shop or opening completely different online shops for the new merchandise from other licensors.

When producing goods and/or services, there is always an unfortunate possibility for counterfeit products appearing to the market. Contractual disagreements are not likely to occur, but something can always happen. Legislation differences, especially taxation laws, are what may surprise and hit the company grievously in the form of financial penalties, if not inspected well beforehand. The threat most likely to occur at some point are any supply chain errors. A shipment failing to reach its point at a crucial point can be financially devastating for the company.

3.2.2 Customer analysis

Customer analysis is a vital part of any business wanting to succeed. By knowing your customers – target audiences – it is not just easier, but also cost-efficient and powerful to target your marketing to the correct audiences. Splattering your marketing here and there by not knowing your market segments, will turn any marketing campaign having a very low ROI.

By examining the demographics of a clientele, one can find many factors, which need to be considered to fully target the marketing to the correct segments without wasting time and money. As an example, if the majority of the clientele of a car dealer are male students in the age of 18-24, it would be a no-brainer to market their cars for them as “the cost-efficient family cars”. What they should do instead, is to market them as fast and loud eye candy.
Since we were not allowed an access to the data of the current official merchandise online shop, we could not do any profiles based on the exact data. An exact customer analysis can be done by using different analytics tools, Google Analytics or Similarweb after a few weeks of the launch of the merchandise online shop.

To prevent segmenting completely done wrong, we can use an alternative though. Licensee XX has provided High Peak the statistics of the visitor profiles of Event X. The visitor profiles were categorized between first-timers, occasional visitors and experienced visitors as seen in appendix 4.

When we compare the gender distribution between males and females, there is smaller difference between when it comes to first-timers where 60% of the visitors were male while females were 40%. When comparing the segments together, the number of male visitors peak in the experienced category – 82 % percent of the experienced visitors were male. The number of respondents regarding gender who identified themselves as first-timers was 249 while the number of the respondents in the experienced category was 2236. We can conclude that the typical Event X visitor and possible online shop visitor is a male (excluding other factors).

Age is only a number they say – not when it comes to targeting and segmenting. In the Event X visitor profile we see, that when segmenting each category (first-timers, occasional visitors and experienced visitors) to 6 different age groups: under 18, 18-24, 25-34, 35-44, 45-54, 55-64, and over 64 years, there is a change in the age who represents the majority of the respondents depending on the category. In the first-timers group the majority of the visitors were between 18-34. The occasional visitors were between 18-44 while the ones who classified themselves as experienced visitors were 25-44, where the majority of the respondents (35%) were more specifically between the ages 35 and 44. Since the number of respondents who classified themselves as first-timers was 250, occasional visitors 700 and experienced being a staggering 2240, we can conclude and confirm the stereotype according to the consult hired by High Peak that the majority of visitors, both in the Event X and the future merchandise online shop are between 35-55 (appendix 5.).
There also needs to be a way to understand how much people are willing to spend or in other words, how thick their wallet is. Household income data is one way to forecast what could sell and how to manage the marketing to different households with different incomes. Another way is to go through the educational background and job positions inside the customer segments. According to Event X customer profile in appendix 4, there are all kinds of people with different educational backgrounds. Still, what peaks out of the mass of data is the middle-class. This also backs up the consult’s profile analysis of a typical customer, shown in appendix 5.

3.2.3 Competitor analysis

Competitor analysis can be seen as a tricky part or the opposite. The company under the scope is High Peak Finland. The environment is not a typical one where there are a few competitors battling for a bigger market share. High Peak has an exclusive 5-year-contract with the licensor. This means, that basically anything with the licensor’s logo on it, excluding a few items, will be sold the way High Peak wants. This gives High Peak a huge competitive advantage since there are no existing direct competitors at all who would have similar products and revenue goals from the point of view of having licensor X branded products (Burstein 2012).

Competitors with similar products, but different revenue goals are called as indirect competitors (Burstein 2012). As mentioned, from the point of view of having the licensor’s logo on a product, it is sold by High Peak. One could not buy a hoodie with the licensor’s logo from another online store unless High Peak is involved.

What could be seen as a replacement competitor with substitute products, but same customers/money are the merchandise sold by teams e.g. Team 1, Team 2 and Team 3. For example, if High Peak would run out of their licensed merchandise or its prices would be too high, the customer could also be a Team 3 fan and buy a shirt branded with the team’s name. What makes this interesting is that while writing this thesis, High Peak and several merchandisers and licensors responsible for the team and team member merchandise are currently negotiating for the teams and team members to access the High Peak owned merchandise online store to sell their products. In a way, they would still compete with
the licensed merchandise, but it would not matter since the original licensor and High Peak would still get their commission or another way of profit.

Of course, one could argue that there is other sports themed merchandise, like Sports 1 (later Sports 1) and Sports 2, being sold. Yes, this is true, but one has to remember that this is where “team loyalty” comes into place: you either want a certain Sports shirt or you do not. If you are a Sports 1 fan you would buy a Sports 1 merchandise instead of Sports 2. They are not direct competitors for the merchandise High Peak will be selling.

![Diagram showing three types of competitors](image)

**FIGURE 5.** The three types of competitors (Burstein 2012)

### 3.2.4 Social media channel profile analysis

Social media profile analysis is an important part when examining the performance of the social media channel. By properly researching one’s social media channels, many reasons can be found for example for poor traffic the online shop gets directly from Facebook.

For the merchandise online shop there are different social media channels available for marketing. There are the ones that are operated by the licensor itself e.g. Facebook, Licensor app and Instagram and then there are the ones that will be operated by High Peak. The ones operated by the licensor are platforms where High Peak has a possibility to request for a desired post content at any given time. The ones operated by High Peak, will
be in a way or another created especially for the official merchandising. The following analysis will exclude the social media channels operated by the licensor.

For Facebook, there is a tool to measure the performance of a business page. Likealyzer examines the front page, about section, activity of the page, the response indicators and the engagement of the page followers. What makes Likealyzer great, is the possibility to run the test for competitors’ pages too. For the purpose of the thesis a test was ran for the current official merchandiser.

The current merchandiser’s front page is great. It has a profile picture and cover photo. Username, call to action button and the about section are also provided. When the about section is thoroughly searched, it can be seen that it is not complete though. Contact information is missing as well as a phone number and an email address. There is also no story provided, no location and no products shown. They are somewhat active, but followers would appreciate activity. By posting too little it can affect engagement. They allow posting on their Facebook page, which is necessary since the page is a marketing channel and the more the page engages people the more the channel reaches audience. (appendix 8). They have a quite impressive follower base, but compared to the licensor’s page with its x million likes it is just roughly x percent.

Instagram is a social networking platform where users can share photos and videos straight from their smartphones (Moreau 2017). The current merchandiser does not have an Instagram profile solely devoted for the licensed merchandise, but they do have a company profile where they share content of the official merchandise amongst other merchandise licensed by a different licensor. By quickly researching the profile by using a free analytics tool Metricool, the basic information is revealed. As seen in figure 6 they have a decent number of followers, but it is nothing compared to the number of followers on their Facebook page dedicated for the merchandise High Peak will get license for starting in January 2018 (appendix 8). They post approximately every other day, which could be increased. The Like Follower Ratio is slightly over 1 %, while it could be more.
FIGURE 6. The current merchandiser’s Instagram profile’s basic information between 18.10.-17.11.2017 (Metricool 2017)

YouTube is an exquisite social networking platform for people to share videos. It is currently, while writing the thesis, the second most popular webpage in the world (Alexa 2017). For business purposes, it offers a huge audience to market products and services. The current merchandiser does not have a YouTube channel to follow and for this reason no further analysing is needed. For High Peak the author of this thesis advises to familiarize itself with YouTube and the possibilities it offers.

Pinterest is a social networking platform where users can share pictures to inspire others. The author of this thesis has used it for example to get inspiration for a new suit. Users can pin pictures they like and create categories for them. For a merchandiser, this creates a great opportunity to upload their whole variety of merchandise to Pinterest for users to pin them up and hopefully trigger them to buy them from the link attached to the pictures and directing them straight to the merchandise online shop. The current merchandiser has not entered Pinterest from the point of view marketing. The author of this thesis advices High Peak to familiarize itself with Pinterest and the possibilities it offers.

3.3 Goals and objectives

According to Simon Kingsnorth, before creating objectives, we have to know our goals. Typically, goals are long-term and answer the question “where do we want to be”. Objectives on the other hand are the steps that will lead us to our goal(s). (Kingsnorth 2016, 75-76). According to Sami Eljaala, Head of Sales, the goal is loud and clear - to sell a lot. The author of the thesis has broken it into two goals: 1. gain the biggest market share amongst X merchandise online shops 2. provide world-class online shop experience.

The first goal is self-explanatory. To match the vision and to sell a lot, the goal to gain the biggest market share is a great way to start even though it is not the only one. The
second goal derives from Yaro Starak: according to him, the online shops like Amazon and Zappos know what they are doing and are the vanguards in delivering great online shopping experience (Starak n.d.). He also states that the things that used to be frustrating while online shopping, he now takes for granted (Starak n.d.). He is correct and for this reason, great online shopping experience is the goal number two.

To see if the goals are structured, we can check if the goals meet a set of criteria shown in the figure 7, also known as the 4 Rs (Kingsnorth 2016, 75).

<table>
<thead>
<tr>
<th>Relevant</th>
<th>Does it fit with your vision?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resonating</td>
<td>Does it fit with your business’s values and goals?</td>
</tr>
<tr>
<td>Responsive</td>
<td>Is it adaptable and flexible so that it can be changed if needed?</td>
</tr>
<tr>
<td>Recognizable</td>
<td>Is it easily understandable?</td>
</tr>
</tbody>
</table>

FIGURE 7. The 4Rs (Kingsnorth 2016, 75)

The goals meet our vision to be the best and most successful x merchandise online shop. They are resonating since they fit our values and goals overall. If something happens during the year 2018, which impacts our expectations about gaining the biggest market share or not being able to deliver the best possible online shopping experience, then we can always lower the expectations and tune the goals or expand the timeframe. The goals are understandable and do not give any room for other interpretations.

Finally, the objectives are created based on the actual goals. Objectives can be created by using the SMART method: Specific, Measurable, Attainable, Relevant and Time-based (Kingsnorth 2016, 77-78). By using the SMART, the planner can easily evaluate if the objectives created are pure nonsense or if they are actually worth reaching for.

The author of this thesis created the objectives and they are based on the experience of the author and the colleagues of the author. The objectives for the goal number 2 have been derived from Starak’s blogpost “7 must have features if you sell products online”, while the measurable estimations are based on the experience of the author and the colleagues of the author. All the objectives (appendix 7) have been checked by using the
SMART approach, but one can be given as an example. To reach the goal “gain the biggest market share”, we can set milestones based on the estimated online sales figures. According to the consult hired by High Peak, the very optimistic sales number or revenue per month would be X euros. This is one objective to reach the goal. By using SMART, we can evaluate it. It is specific, which means if anybody seeing the objective “X amount € online sales per month” one would understand it. It is measurable due to numbers – you either have reached the objective or you have not. Is it attainable though? This is where Mr. Eljaala does not agree at least regarding the sales numbers for the first few months. We changed the objective to smaller X € per month and if it turns out to be less or more then we’ll change it again (remember that the goals need to be responsive according to 4Rs). The sales number is kept as the higher X € per month for now. To know if the objective has been reached, it needs to be time-based and for this reason the objective is meant to be reached on December 2018.

3.4 Strategies

In marketing, strategy can be understood in two ways: either it is the stage, which comes after objectives in marketing planning or it can be understood as a synonym for the actual marketing plan (Kingsnorth 2016, 79). In this thesis, the reader must understand that when referred to strategy, the author of the thesis means explicitly the stage, which comes after having created the objectives.

To meet the objectives, strategies are the specific things that must be done. While goals are broad, strategies are more focused steps. (Kingsnorth 2016, 79). In the previous chapter, two goals were created, followed by the objectives to achieve the goals. By picking up for example one of those goals, “Provide world-class online shop experience”, and one objective under it, “Mobile visitors at least 50%”, a strategy to meet the objective must be created.

We know from the chapter 2.6 Mobile technology that the usage of smartphone is increasing worldwide. This means that if the mobile version of the online merchandise shop is not optimized for mobile platforms, it will increase the bounce rate (the percentage of people landing on the site and then leaving without continuing to another page inside the
site) and decrease the amount of mobile phone visitors. A clear strategy for meeting the objective “mobile visitors at least 50 %” would be for example “mobile optimized site”.

Since this thesis does not cover the strategical side of the digital marketing planning, the author only suggested the commissioner of this thesis one example and covered the theoretical side of the term strategy.

3.5 Action plans

As the headline states, this is where all the work done comes to action. The end result is either a fail or a success. This is the part where every little detail; budget planning, legislation framework and all other factors must succeed to reach the strategy behind every action plan (Kingsnorth 2016, 80). As an example: to execute the strategy “optimize the online platform for mobile” a pallet of actions must be created.

Since the thesis focuses on developing the digital marketing to the point where objectives have been created, the author will give only an example of one action to execute the strategy “optimize the online platform for mobile”. While writing this thesis, High Peak has chosen to create the website on the Shopify platform, which is an ecommerce platform. An example action could be to build the website a “one-size-fits-all” on the Shopify platform (Shopify N.d.).

3.6 Controls

When the actions have been put into practice there needs to be a set of controls to monitor if the actions have delivered their purpose (Kingsnorth 2016, 82).

Project management is vital and it does not work without proper documentation. Gantt chart, which clearly shows e.g. every action, time span, whose responsibility is the action and deadline can be used as the project management tool. Proper reporting of the progression of every action to the responsible manager is crucial. (Kingsnorth 2016, 82.) Something can always happen and a well-prepared project manager knows this. Nobody can foresee the feature, but there will always be some things or situations that can delay
the progression of the project. These things can be listed to avoid them from happening or if happened, how to survive from them. This is called risk management. The author of this thesis recommends constructing a risk matrix where every possible risk which may occur, is ranked by its likelihood and impact. (Kingsnorth 2016, 82-83.)

Like said, something can always happen and will probably happen. Force majeure – situations, which are typically disasters caused by nature, could easily for example close down the whole electricity distribution in Finland and cause a delay in e.g. in the middle of creating the website for online shopping. Due to this reason, the last important control is contingency planning. This does not mean creating ten different plans for every possible occasion, but rather always having at least a plan B if something, which might delay the project, happened (Kingsnorth 2016, 83).
4 CONCLUSION

The purpose of the thesis was divided into three different layers. One was to understand what lies behind the term digital marketing. The second was to see what possibilities it offers us in the modern world and especially for the merchandise online shop via key digital marketing channels. The third was to research the relevant statistics and key metrics to analyse the current situation and create the objectives.

The author of the thesis explained the term digital marketing and the key channels around it by studying and gathering knowledge from several sources: books, blog posts, videos, consulting sessions with a professional, interviews and journals. The result was a brief, but dense package of the most relevant parts about digital marketing and each key channel.

The main part was to research the relevant statistics to analyse the current situation and to create the goals and objectives for the creation of the digital marketing plan. The conducted research discovered for High Peak having not a single competitor due to the 5-year exclusive licensing contract. The social media profiles of the current merchandiser were analysed and they were found to be fine, but yet an undiscovered potential channel for High Peak. The customer profile was a profound way to map the customer stereotype for the merchandise online shop.
5 DISCUSSION

The situation for High Peak is new from many perspectives: the most international activity so far, new connections, huge market area and the most important – a completely new merchandise online shop. The situation for High Peak is frightening, but exciting.

High Peak has a strong and superior experience in promotional products as well as building online shops for B2B sales. The exclusive license for the merchandise sales gives them an unmeasurable advantage to achieve huge sales in a very short time. The 5-year contract guarantees the possibility to keep those high sales figures high, but only if the groundwork is done properly. The objective of this thesis was to do that groundwork for the commissioner to develop the digital marketing plan by analysing the current situation and creating the goals and objectives.

The current situation analysis showed that High Peak has a lot of room taking it up a notch in utilizing digital marketing and its channels. The current merchandiser has done many things well, but especially in using the social media channels they could have done better. By teaming up with the licensor, High Peak will have an amazing reach. By creating content suitable for channel followers, it will also be suitable for the algorithms of various social media platforms, leading to higher sales figures.

Digital marketing offers huge potential now and in the future. If not utilized, a great market share will not be reached. Mistakes might happen due to lack of previous experience in certain areas, but when happened, one must learn from them. The biggest mistake would be not learning from them or even worse – not giving a shot.

The author of the thesis is part of the licensed merchandise team and was working while writing the thesis. The research and writing process helped the author to compartmentalise the actual marketing planning process with its several steps to become a better marketer. Writing the thesis was difficult due to prevailing circumstances, but there would have not been a greater way for a financial student to discover digital marketing and start building his future around it.
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Appendix 1. Smartphone usage in Finland 2012-2017

Smartphone Usage
Percentage of people who use a smartphone.

Question asked:
Which, if any, of the following devices do you currently use?

Source:
The Connected Consumer Survey

Base:
Total online and offline population

Filters Applied:
All, Finland

www.consumerbarometer.com
Appendix 2. Smartphone usage in India 2013-2015, 2017

Smartphone Usage
Percentage of people who use a smartphone.

Question asked:
Which, if any, of the following devices do you currently use?

Source
The Connected Consumer Survey

Base
Total online and offline population

Filters Applied
All. India

www.consumerbarometer.com
Appendix 3. The current situation – the online shop
Appendix 4. Event X visitor profile
Appendix 5. High Peak innovaatio (2017)
Appendix 6. A slide of an offer (Toni Lähteenmäki)
Appendix 7. Vision, goals and objectives
Appendix 8. Likealyzer – the current merchandiser’s Facebook page 1 (3)
Appendix 8. Likealyzer – the current merchandiser’s Facebook page 2 (3)
Appendix 8. Likealyzer – the current merchandiser’s Facebook page 3 (3)