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The role of direct marketing methods in the self-storage business

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The role of direct marketing methods in the self-storage
business
Case: Pelican Self Storage Finland

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Direct marketing among micro and small companies

Case: Pelican Self Storage Finland

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The purpose of this thesis is to examine opinions and attitudes towards marketing among small and micro companies and identify the most effective mix for in campaigns executed in order to acquire new customers, and deliver information about the Finnish self-storage industry. The objective is to collect information that the case company studied in this thesis can utilize when planning its direct marketing campaigns for its existing as well as future operational sites. Selected theories of marketing management and marketing communications in business to business markets were used in the study.

Direct marketing is an important aspect of marketing communications in business to business markets and it uses selected media to generate quantifiable and observable response from the target audience that moves the customer toward an initial or additional sale without using face-to-face sales efforts. For this reason it is justifiable to examine attitudes and opinions toward this specific type of marketing in business to business markets.

The survey was implemented as a qualitative research study. Semi-structured individual interviews were conducted between March 29th and May 15th 2011. The interviews were done with 12 senior managers of small and micro companies operating in the Hitsaajankatu industrial district of Helsinki, a sample that covers 16.9 % of the companies operating in the selected area that met the standards set for this research. The interview form used when conducting the interviews consisted of 8 sections.

The research succeeded in determining the attitudes toward direct marketing and the preferred methods of receiving it by the studied sample. The research also provided the case company with information on which to base the planning of their future direct marketing efforts. According to the companies interviewed for the study the amount of direct marketing they receive is considerable and several aspects have to be taken into consideration in order for the campaign to stand out. The results also indicate that in order for the direct marketing campaign to be successful all the different parts of the campaign have to relate and correspond with each other. A variety of methods and tools used in direct marketing had been experienced by the interviewed companies. The most preferred methods of direct marketing were direct marketing letters with follow up actions from the sender.

Key words micro and small companies, marketing communications, direct marketing, acquisition of new customers

Ilari Salo

Mikro- ja pienyritysten välinen suoramarkkinointi

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Opinnäytetyön tavoitteena on selvittää mielipiteet ja asenteet suoramarkkinoinnin käyttöä kohtaan micro- ja pienyritysten keskuudessa sekä tunnistaa kaikkein tehokkain yhdistelmä, jota käyttää uusasiakashankintaan sekä pienvarastointialan tunnettavuutta lisäävien markkinointi kampanjoiden toteutuksessa. Päämääränä on kerätä informaatiota, jota opinnäytetyön toimeksiantaja voi käyttää hyödykseen suunnitellessaan suoramarkkinointi kampanjoita jo olemassa oleville sekä tulevisuudessa avattaville toimipisteilleen. Tutkimuksen tueksi on valittu teoriaa markkinoinnin johtamisesta sekä yritysten välisestä markkinointi kommunikaatiosta.

Suoramarkkinointi on tärkeä osa yritysten välistä markkinointikommunikaatiota. Suoramarkkinoinnissa käytetään valikoituja medioita määrällisten ja havainnoitavien reaktioiden luomiseen kohderyhmässä, tavoitenaan tuoda asiakasta lähemmäs ensimmäistä- tai lisämyyntiä käyttämättä henkilökohtaista myyntityötä. Tästä syystä on perusteltua tutkia asenteita ja mielipiteitä juuri tätä kyseistä markkinointi tapaa kohtaan.

Tutkimus toteutettiin kvalitatiivisella tutkimusmenetelmällä. Yksilökohtaiset haastattelut toteutettiin Maaliskuun 29. ja Toukokuun 15. päivän välisenä aikana. Tutkimuksessa haastateltiin 12:ta Hitsaajankadun yritys alueella toimivaa micro- ja pienyritysten johtohenkilöä. Otos vastaa 16.9 % alueella toimivista, muut valintakriteerit täyttävistä yrityksistä. Haastatteluissa käytetty haastattelulomake koostui kahdeksasta osa-alueesta.

Tutkimus, joka toteutettiin osana tätä opinnäytetyötä, onnistui määrittelemään asenteita suoramarkkinointia kohtaan sekä tunnistamaan tutkituiden yksilöiden suosimat suoramarkkinoinnin vastaanottamis muodot. Tutkimus onnistui myös tarjoamaan toimeksiantajalle informaatiota, johon se voi pohjata tulevien suoramarkkinointi kampanjojensa suunnittelun. Tutkimuksen mukaan yritysten vastaanottama suoramarkkinointi materiaalin määrä on suuri ja onnistuakseen erottumaan joukosta on suoramarkkinointi kampanjasa otettava useita seikkoja huomioon. Tuloksista ilmenee myös se, että ollakseen tehokas on suoramarkkinointikampanjan kaikkien eri osa-alueiden tuettava ja olla vastaavia toisiensa kanssa. Haastatteluun vastanneet yritykset olivat vastaanottaneet kaikkia teoria osiossa esitellyistä suoramarkkinoinnin keinoista. Tehokkaimpana ja mieluisimpana suoramarkkinoinnin välineenä pidettiin perinteistä markkinointi kirjettä, käytettynä yhdessä lähettäjä impulsiivisten jatkotoimenpiteiden kanssa.

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1 Introduction

The case company for this thesis is Pelican Self Storage which is a self-storage operator with sites both in Denmark and in Finland. In this thesis the focus is on Pelican Self Storage Finland (Pelican Finland). The self-storage business in Finland is relatively new and has remained small until now. Espoon Minivarasto Oy was the first Finnish company that started providing self-storage services in 1993. Since then the industry has grown steadily at a slow pace totaling with 8 operators with a total of 35 self-storage sites in the whole country. The self-storage industry is dependent on large number of people living in small areas which create a lack of storage spaces in the proximity of people's houses and apartments. For that reason the self-storage businesses are clustered around large towns and cities in Finland especially the Helsinki metropolitan area, which is the most important individual geographic area for the Finnish self-storage industry.

Pelican Self Storage is planning to open 10 self-storage sites in the Helsinki metropolitan area during the next five years. It already has two operating sites in Helsinki, Vallila and Herttoniemi. The third operational site of the company was opened on the 17th of January 2012 in Espoo Kilo, and the fourth was launched in Helsinki Ala-Tikkurila on 20th of March 2012. It is crucial for Pelican Finland to be able to spread attention and knowledge of the new self-storage industry in order for potential clients to find its services. (Sontag 1.12.2011)

1.1 The background, purpose and objectives of the thesis with delimitation

This thesis and the study conducted alongside it were commissioned by the case company Pelican Self Storage Finland Oy (Pelican Finland). The business activities of the case company consist of renting storage spaces to consumer clients and small companies. As a request from the case company the sample that will be examined in the study concentrates on micro companies as those constitute for the majority of the business-to-business customers of Pelican Finland.

Pelican Self Storage is a Danish limited company established in 2009. In 2010 the company started its operations in Finland. Pelican Self Storage operates in Finland with an entirely Finnish organization. The company operates with the capital invested by an American pension fund and Nordic Real Estate Partners Ltd. Pelican Finland operates in the self-storage industry which is likely to experience rapid growth in the Helsinki metropolitan area in the near future. The self-storage business has been relatively unknown in Finland until now but in Central Europe and North America the industry has been blooming for several decades. The industry first developed in America in the 1960's to tackle the growing need for storage space in the private sector.

It did not take long for the new industry to spread to continental Europe as well. (Sontag 1.12.2011)

It is crucial for Pelican Finland to be able to spread attention and knowledge of the new self-storage industry in order for potential clients to find its services. Because of Pelican Finland's large investments in the development of new sites it has to gain customers who have to pay value added tax (VAT) on their services, and because in Finland storage services are free of VAT for consumer clients it is important for Pelican Finland to reach business customers. The budgeted percentage of business customers is 30 % of the total amount of customers. (Sontag 1.12.2011)

Since effective and systematic cost management is an important tool for successful companies especially during the current economic downturn, the utilization of self-storage services offers many benefits for business customers: better utilization of the companies' own facilities, and lower costs when compared to large logistical centers. (Pentikäinen 20.4.2011)

The purpose of the thesis is to gather accurate and up-to-date information on the effectiveness of different marketing media used between businesses, with special attention paid to the effectiveness of different types of direct marketing. The objective is to produce data which the company can use to design its future marketing efforts and further direct marketing campaigns in such a fashion that it will penetrate the gatekeepers of the receiving company's buying center and reach the individuals responsible of the purchase decision.

The research is confined to the study of micro businesses as those are the potential prospects for the services of Pelican Finland. A micro business has less than 10 employees, and the yearly turnover does not exceed €2 million. Also small companies, which employ no more than 50 employees with a turnover less than €10 million, are perceived as potential clientele of Pelican Finland. Medium and large companies are excluded from the study. (Tilastokeskus 2012)

1.2 The research problem, structure of the thesis, and the research method

The research problem is: What are the most effective methods of direct marketing to be used in order to attract interest in the self-storage service and new business to business customers? Study commissioned by the case company Pelican Self Storage Finland.

This thesis will move through theory to the research study and its results. The theoretical chapter discusses the main topic, of creating sales leads with the use of direct marketing, which is derived from the larger entities of corporate mission and objectives, marketing objectives, and the marketing mix. In this second chapter the structure of marketing management will be examined, marketing strategy and the different components of it will be introduced with special attention paid to direct marketing tools used as a part of the marketing

mix. The core function of business is to create profitable business activity, creating of sales is an important component in that process and therefore it is crucial to identify the right marketing mix for each offering, and the customer segment of the company. In the second part of the theoretical chapter the different forms of business-to-business marketing are introduced with special attention paid to the acquisition of new customers through direct marketing and personal selling. Different methods are analyzed and evaluated, from the view point of the core business of Pelican Finland. The theoretical section is followed by the empirical section of the thesis. The marketing research handles the different methods used by business-to-business marketers in direct advertisement and personal selling, and the experiences and attitudes towards those methods, from the view point of the prospect companies. The research results are introduced in the following chapter, followed by the analysis and conclusions.

The thesis highlights the direct marketing methods that are used by Pelican Finland at present, but also looks into possibilities for the future actions once the organization has established its presence thoroughly in the Finnish self-storage industry. These are covered in the theoretical section of the thesis as well as in the recommendations done on the basis of the conclusions.

The theory and research, conducted as semi structured individual interviews, focus on marketing communications with special attention toward the direct marketing communication methods. The theory section also introduces the framework of marketing management in order for it to be used by the case company when planning other future marketing activities used to support the direct marketing efforts.

Key concepts of this thesis are, marketing communications, direct advertisement and acquisition of new customers. Marketing plan describes and identifies all the parts of the marketing strategy. Direct advertisement refers to those methods of advertisement that reach the chosen prospect directly, without a delivery medium.

2 Theory

The purpose of the theory part of the thesis is to introduce the business markets, marketing management and the different variables affecting it, and the different marketing tools and methods that are used in business markets between companies. In this section the theory will start from identifying the differences between business and consumer markets and move toward the theory of marketing management and all the different variables that have to be taken into consideration when conducting it. The theory will move through marketing management to the identification of the marketing objectives in order for the company to be capable of developing its marketing strategy, followed by the marketing mix.

The second part of the theory will introduce the marketing communications used in business to business markets. The different decisions that have to be made concerning the advertising efforts in business to business markets are introduced with detail. Media advertisement is also briefly introduced together with reference networks in order to identify the position of direct marketing in the flow of the marketing decisions to be made in business markets. The theory part ends with the introduction of direct marketing used in business markets with its different applications.

2.1 Business markets

Business markets consist of all the operators that buy or sell goods and services in order to be used in the production of other products and services, or to be rented or resold for a profit. The main differences between the business-to-business and business-to-consumer markets can be identified in the areas of market structure, buying unit, and the decisions, including the nature of them, involved in the process. (Armstrong, Kotler, Saunders & Wong 2008, 292-295)

The business market consists of far fewer, but considerably larger buyers than the consumer markets. It is also distinguishing for the business market to be highly concentrated geographically. The buying process in business markets is different from the consumer buying decisions. In the business buying unit there are several members who each have their own role in the buying process and who each have to be convinced by the marketer. Due to the large sums of money, complex economic and technical issues, and the synergy between the different people in the buyer organization, usually involved with the business buying decisions the decision process is far more complex and formalized. (Armstrong et al 2008, 292-295)

2.2 Marketing management

Kotler & Keller (2006) identify marketing management as: "The art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering and communicating superior customer value." From a managerial perspective the core Function of marketing is to ensure the financial success of a company. Other business functions such as finance and accounting are important components in any company's operations, but the task of marketing is to create a sufficient demand toward the offerings of the company for it to operate profitably. (Keller & Kotler 2006, 4)

A mission of any corporation and organization is to accomplish something. The mission of a company is established when the operation of the company starts, that original mission is often altered and modified as the operation of the organization grows or changes. To be able to identify the corporate mission the management of an organization should now: what is the business of the company, who are the customers and what is of value to them, what will the

company's business be, and what should the business be. With the answers to these questions the management of a company is able to identify its corporate mission. (Keller & Kotler 2006, 44)

2.2.1 Market opportunities assessment

After identifying the corporate mission, the management is able to start assessing the market opportunities. In business-to-business markets there are three main market segments: commercial market, government market, and institutional market. The market segments have to be analyzed in comparison with the company's offerings before the selection of the target segment is done. (Hutt & Speh 2004, 25)

2.2.2 Organizational buying behavior

Organizational buying process differs immensely from the consumer buying behavior due to the large amounts of capital often related to the transactions. The marketer needs to understand how business buyers will respond to different types of stimuli. The 4p's represent the marketing stimuli: product, price, place, and promotion. Other stimuli that affect the buying behavior are major forces in the surrounding environment: economic, technological, political, cultural, and competitive. All these stimuli enter the buying organization and affect all the decisions regarding: product or service choice; supplier choice; order quantities, as well as delivery, service, and payment terms. The buyer response depends on the buying centre and the buying decision process of the company. (Armstrong et al 2008, 295)

2.2.3 The buying center

There are typically more than one or two people involved with the decision making in the business buying process. This decision making unit is called the buying center and it consists of individuals who each play a certain role in the decision making process. There are five different roles that are identifiable within the buying center. The users are the personnel that have to use the equipment or service in their everyday work and therefore the initiative for the purchase often comes from the users. The needed product specifications are also often influenced by the users. Along with the users, the influencers also help defining the product specifications. Technical personnel can often be used as influencers due to their ability to provide technical information and evaluate the alternatives. The buyers' main role is to select the suppliers and arrange the contract terms. The deciders have power to select and approve the final suppliers, in routine buying situations the buyers often act as the deciders, but in purchase decisions that concern large quantities of products and capital, the senior officers of the company act as the deciders. The role of the gatekeeper in the buying center is to control the information flow to the other members of the buying center. The

gatekeepers are often purchasing agents, personal secretaries and technical personnel who have the power to decline the access of the sales representatives to the users and the deciders. (Mullins et al. 2008, 125)

The buying center often has many members who play one or more roles described above. All of the members pursue the goals set by the organization but are all effected by their own interests, authority, status, and therefore they are likely to give priority to different decision criteria. Business buyer's decisions are often affected by their own motivations, perceptions and preferences that are comparable with the buyer's age, position in the organization, attitudes toward risk and culture, among other things. The buying center is a group of individuals that makes the decisions based on their own motivations, but legislated by the company needs; therefore the decisions made by the business buying center can be described as both rational and emotional, as they serve the objectives of the company as well as the individual members of the buying unit. (Keller & Kotler 2006, 215)

2.2.4 Marketing objectives

Marketing objectives define the objectives of the company, which it wants to achieve with its marketing efforts. A company's marketing objectives also reveal the products and services it wants to sell and the different markets it wants to sell them to. The company has to be able to form definable and quantifiable objectives in order for it to be able to identify an objective to achieve with the chosen actions. The marketing objectives have to be formed in a way that allows them to be later compared with the actual marketing results, achieved by implementing the marketing plan. The objectives should always be presented with accurate terms of market values and market shares. (Westwood 2006, 33-34)

2.2.5 Development of Marketing Strategy

The development of a marketing strategy for a good or service starts with designing an initial plan for introducing the product to the market. The objectives of the marketing strategy should be presented with a marketing strategy statement which consists of three sections. The first section should introduce the target market and the product positioning; also the forecasted sales, market share and profit should be introduced in this section. The target market is the group of buyers that share common needs or identifying characteristics that the company plans to serve. Product positioning offers information on how the company is planning to distinguish its offering from the competing ones in the mind of the targeted customers. (Armstrong & Kotler 2006, 283 Armstrong & al 2008, 994-996)

The planned price, distribution, and marketing budgets of the product are introduced in the second section of the marketing strategy statement. The third section introduces the fore-

casted long-run sales, profit objectives and the planned marketing mix strategy of the product. (Armstrong & Kotler 2006, 283)

2.2.6 The marketing mix

The marketing mix consists of the marketing tools that the company uses in order to implement its marketing strategy. The marketing tools used in the marketing mix are the controllable marketing stimuli: product, price, place and promotion. The marketing mix represents all the actions that a company is able to do in order to ensure the best possible demand for its products. (Keller & Kotler 2006, 19)

2.2.6.1 Product

A product is something that can be offered to a market in order to satisfy a want or a need. Products can be tangible objects and intangible services. Places, organizations and ideas can also be described as products if they satisfy a want or a need in the market. (Armstrong et al, 2008, 994)

2.2.6.2 Price

Armstrong and Keller (2006, 424) define price as: "The amount of money charged for a product or service, or the sum of the values that buyers exchange for the benefits of having or using the product or service."

Price has a very high impact on determining the demand of a product or service as well as on the supplier choice. Business-to-business buyers often concentrate on the evaluated price of the product instead of the nominal price. For example, low price of production equipment or raw materials is irrelevant if they cause more production costs in the form of material wastage and increased processing costs. Insufficient quality of a component part may increase the costs accumulated from warranties and product liability. Purchasing officers and the buying centers of companies are often motivated to find savings by using alternative products or suppliers. Rather than the nominal price; the ability of a product to create savings for the buyer without lowering the product quality and the other required parameters has a great impact on the demand of industrial goods. (Cherunilam 2008, 57)

2.2.6.3 Place

In the marketing mix the place is normally interpreted as the distribution of the products and services. The characteristics of the distribution process are different between the industrial marketing and in the consumer marketing. In business-to-business marketing the distribution

channels are normally shorter but more complex. The different middlemen in the sales process of business marketing are expected to have more specific product and customer knowledge. Physical distribution also affects the inventory management and production schedules of the client companies and therefore it is considered highly important in the industrial markets. (Cherunimal 2008, 13)

The process of business channel management determines the marketing and distribution decisions that create the most customer value for the targeted segments and customers. In a direct channel the firm uses its own sales forces and systems to reach the client companies whereas in the indirect channels the suppliers use the services of resellers and third-party service providers. Some companies might use a mixture of the channels. The aspects that contribute to the selection of the channel include: capital resources, facility resources and the nature of the product. For example products that acquire highly specified technical information, and are customized for each buyer company usually favor the selection of direct channels. If the sold product is technically simple, and the potential customers are geographically spread, the use of indirect channel is often used. (Anderson et al 2009, 322)

Distribution channel strategies can be divided into single-channel- and multiple channel strategies. In a single-channel strategy the products are marketed either by the supplier company or by one specific reseller. Single-channel strategy is normally used if the supplier company has decided to pursue undifferentiated marketing. If the product or service is decided to be target marketed, the used channel strategy is normally multiple-channel. In a multiple-channel strategy the supplier companies use different channels in order to reach each targeted segment. (Anderson et al 2009, 286)

2.2.6.4 Promotion

The function of marketing communications is to gain new customers or to sustain the relationships with current customers. The value proposition, of the seller company, toward the customers and resellers is delivered by using the different tools of marketing communications. (Anderson et al 2009, 14)

The marketing communications mix of a company includes the chosen methods that are used in order to communicate a message to the customers, in order to achieve the marketing objectives. Five main promotional tools used are: advertising, sales promotion, public relations, personal selling and direct marketing. Advertising is any form of paid and non-personal communication of ideas, products or services by a specific entity. Sales promotion is often used in order to promote the sale of a certain product by giving short term incentives to the chosen audience. Sales promotion is often used in the business-to-consumer markets and the most common example of it are the promotional stands in supermarkets where promoters hand out free samples in order to encourage the sales of a product. Public relations are used in order

to maintain a good company or brand image, by establishing good relations with the company publics. Personal selling is executed personally by the company sales forces in order to create sales and build or maintain customer relationships. Direct marketing is used to reach targeted audiences in order to get an immediate response and to create long term customer relations. In direct marketing the used mediums often include: mail, fax, e-mail, and the internet. (Armstrong & Kotler 2006, 427)

The marketing communication tools most used by companies in business-to-business markets are identified and introduced thoroughly in the following chapter.

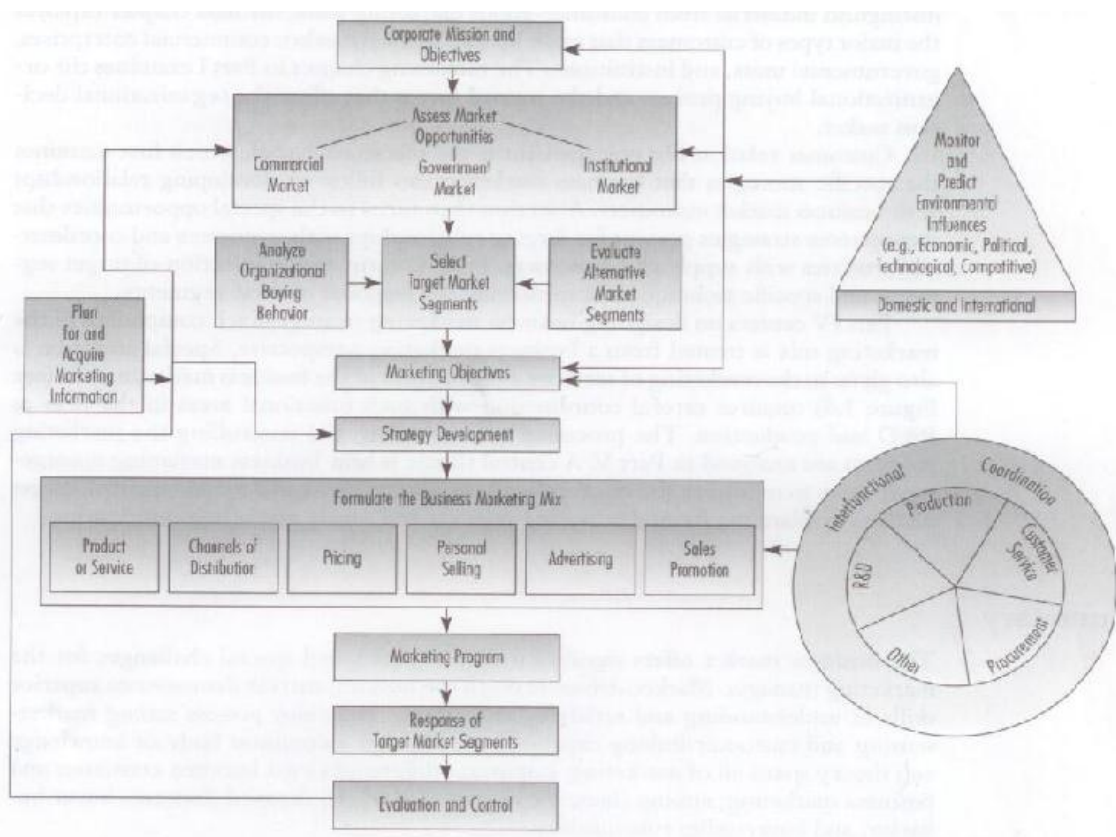


Figure 1: A framework for business marketing management (Hutt & Speh 2004, 25)

2.3 Marketing communications in business-to-business markets

In the business markets advertisement is usually applied with personal selling in order to fulfill the total communications strategy of the company. The challenge for a marketing manager in business-to-business setting is to create an advertising and sales promotion program that efficiently supports the efforts of the sales forces, in order for them to be able to reach the sales and profitability objectives. For the company to be able to reach the objectives a com-

prehensive program of media advertisement and sales promotions has to be coordinated. There are several benefits that can be reached by using advertisement and different tools of it in the business markets, these benefits include: increased sale efficiency and creating awareness. (Hutt & Speh 2004, 411-412)

In order for an effective marketing program to be formed, all communication tools have to be used in an integrated program where each tool is used for a specific purpose where it is most effective. Personal selling is very important in business markets and effective personal selling cannot be substituted by advertising. The role of advertisement is to supplement, support, and complement the personal sales efforts in the areas where it is more cost efficient to use advertisement rather than personal selling, those situations include: creating awareness and circulating information. Product or supplier preference, which often requires demonstrations, explanations, and operational testing, can rarely be achieved by only advertising. The actual purchase decision and customer conviction can only be reached by personal selling. "Advertising has a supporting role in creating awareness, providing information, and uncovering important leads for sales people; and that is how the marketing manager must use advertising in order to be effective."(Hutt & Speh 2004, 413)

2.3.1 Managing business to business advertising

Management of business-to-business advertisement consists of the following tasks and decisions: setting the advertising objectives and defining the target market, determining the advertisement budget, development of the message, media selection, and evaluation of the advertisement effectiveness. The execution of the before mentioned tasks results in an integrated advertising campaign, designed for a specific target audience. (Hutt & Speh 2004, 413)

2.3.1.1 Segmentation

In order to be able to execute effective marketing communications the marketing group of a company has to have knowledge about the customers and prospects. An overflow of unidentified marketing material is sent to many companies on a daily basis and therefore the marketer must be able to form a message that will arouse the interest of the attended audience in order to create the desired reaction. The message has to be modified in a way that it gets the attention of the targeted decision makers in the customer or prospect companies. Fine segmentation of the market and recording of the information received during the process in order to be used to develop future marketing communications is often referred to as database marketing. Database marketing can be used in order to create a more customized message to companies in different segments. (Coe 2003, 71-72)

2.3.1.2 Defining advertisement objectives

Information on the objectives that have to be achieved with advertising efforts is crucial for marketing managers. Advertising has to meet a marketing strategy objective of the company. The advertising program that is created has to fulfill the task of advertisement: providing information, influencing attitudes, and reminding customers about the existence of the company and its offerings. Advertisement objective has to inform about what has to be achieved and when. The objectives have to be specific, realistic and measurable in order for them to be used as a working direction for everybody involved in creating, designing, coordinating, and evaluating the campaign. The advertisement objective of Pelican Finland can be used as an example: to increase the share of Business customers from the current 10% (June 2011) to the budgeted 30% by the end of 2013. The objective should be used to create a product or service benefit which then is communicated to the target audience by the use of selected advertisement media. (Hutt & Speh 2004, 415)

2.3.1.3 Advertisement budget

Advertisement budget reveals the estimated financial requirements needed to fulfill the objectives within the time agreed upon. The proposed advertisement expenditure is introduced in the advertisement budget. Different functions and activities are funded according to the advertising budget, depending on their level of importance in the process. The planned amount of funds to be used at the present and in the future advertising efforts is included in the budget. The advertising budget limits the possibilities and the size of the advertisement campaign. The importance of advertising, which is affected by availability of funds, percentage of sales, competing advertisers budgets, estimated return on investment (ROI), determines the size of the budget. (Rajput & Vasishth 2008, 34)

2.3.1.4 Developing the advertising message

One of the most critical parts of the process of creating an advertisement campaign is the creation of the message that will be communicated to the audience. In order for the right message to be identified many aspects has to be taken into consideration; utilization of the selected advertisement objectives, evaluation of the buying criteria of the targeted audiences, and the identification of the most suitable language, format, and style for the message to be presented with. (Hutt & Speh 2004, 417)

In order for an advertisement to be able to deliver the intended message the targeted individuals have to be exposed to it. In business-to-business markets it's important that the advertisement reaches the decision makers of the targeted industries or companies. After the individual has noticed the advertisement or message he or she rarely perceives the message

exactly as was intended by the advertiser. This is caused by perceptual differences that each individual has. Sometimes these perceptual differences may cause the individual to interpret the message to mean totally opposite of what was the initial meaning of the advertiser. Individual perception is affected by attention and interpretation of the individual exposed to the message, and that causes the receiver to screen out messages that do not correspond with their own attitudes needs and beliefs. (Hutt & Speh 2004, 417)

2.3.2 Advertisement media in business markets

Selection of the media is a fundamental task in the business advertisement process. In business-to-business advertising the use of mass media is uncommon. Tools of mass media include media that reaches general public such as, newspapers, magazines, television and radio. Industry specific Medias: trade journals, business publications and magazines. Direct marketing, including mailing and e-mailing of product brochures, catalogues and technical information is important tool of business-to-business advertisement. Also the importance of telemarketing in industrial advertising is high. (Cherunilam 2008, 161)

Business publications can be divided into two different groups, horizontal and vertical. Horizontal publications are specialized in a specific task, technology of function, regardless of the industry whereas vertical publications are targeted for specific industries. By the usage of horizontal media the advertiser is able to reach target audience working with a specific operational area of any industry, such as engineers and logistic workers. Vertical media can be used to reach people working on all the levels of a specific targeted industry such as metal or forest industry. In general the print ads that are used in business-to-business marketing are rational and offer specific information for potential users on the product itself and the benefits it offers. The advertisements often accentuate the quality and performance of the product in a concrete and logical way. (Hutt & Speh 2004, 419)

The costs of the print advertisement are an important criterion when selecting the publications to be used. Circulation of the publication has to be taken into consideration in order to be able to estimate the relative effectiveness and efficiency of the ad campaign. Only a small percentage of the targeted individual will be exposed to the advertisement in the trade publications and therefore ads that are only run one time are generally ineffective. In order to make sure that a higher percentage on the targeted individuals see the advertisement and are exposed to it several times the frequency and the schedule of the campaign has to be carefully planned. The sufficient amount of insertions depends on the frequency that the chosen publications are published. (Hutt & Speh 2004, 420)

2.3.3 Reference networks

One of the most effective methods of adding credibility to the offerings of a company is to establish a reference network. The reference network consists of prior customer companies that have allowed the usage of their company name in order to promote the supplier companies products or services. Reference networking is most effective when used for acquiring new customers. A seller company that has not established a solid presence in the market and is relatively unknown among the customers, can achieve credibility among the buyers, by referring to well known companies that already use the services or products of the company. When the reference company is an important operator in the market and well known by the other potential customer companies it can insure the buyers of the quality of the marketed goods. (Rope 1998, 125)

Reference network has two roles in the marketing efforts of a company. It has a supportive function towards the efforts of the sales personnel and it also can act as a passive way of creating more sales, where potential buyer companies approach the seller because of a reference company. In business environment where companies work closely together, but not necessarily in the same industry, reference companies have the ability to influence the buying decisions of other companies by recommending a company that they have been satisfied with. This is especially affective among small companies operating geographically close, but not competing with each other. Managers and people involved with buying decisions of a company often may ask business associates of theirs to recommend a supplier for a service or a product. (Rope 1998, 125)

There a two aspects that have to be considered when applying reference networking: when choosing a reference company it has to have a well known and trusted brand among the industry, this way the image of the reference company creates trust toward the quality of the product or service provided as well as toward the company as a supplier. When a reference company list is used in order to promote the quality of a product or a service, it is beneficial to have a long list of references. This way the amount of satisfied well known customers acts as a reinsurance toward of the quality of the offerings. (Rope 1998, 126)

2.3.4 Direct marketing

The objective of direct marketing is to use selected media in order to generate quantifiable and observable response from the target audience that moves the customer toward an initial or additional sale without using face-to-face sales efforts. In the business-to-business markets direct marketing is used in order to create leads. (Meisner 2006, 14)

There are several differences on the execution and usage of direct marketing between the business-to-business and business-to-consumer markets. The business-to-business marketer targets much narrower and more specific target group and therefore the direct marketing campaigns are smaller in quantity than in the consumer markets. Due to the narrower target audience the direct marketing campaigns in business-to-business markets have to be designed by using careful list selection and testing. The size of the targeted audience is much smaller in business markets and therefore the mailing campaigns are designed accordingly, the mailing list can vary from 1000-2000 customers to 10-100 or even individual customers whereas in the business-to-consumer markets the direct marketing material can be sent to tens of thousands of customers. (Bly 1998, 25-26)

Timo Rope (1998, 147) identifies three main categories for marketing communications: primary communications, sales communications, and follow up communications. Primary marketing communications is the communication that is executed before the first sale toward a specific customer. The three main objectives of well executed primary communications are added information of the product or service, improvement of company or product image and stakeholder support which refers to getting all the necessary stakeholders to support the product or service.

The second category is the actual sales communications which includes all the communication actions that have the purpose of promoting the sales process in order to secure the sale. Methods of executing both primary and sales communications are introduced further in this section of the thesis. (Rope 1998, 168)

The follow up communication refers to all the communication toward existing customers, the main objectives of the follow up communications is to develop the created customer relationship further. (Rope 1998, 228)

2.3.4.1 Direct mail

There are several media available for the business marketer, out of which mail and e-mail are the most used in direct marketing efforts. Direct mail is often used in order to achieve: corporate image promotion, product and or service promotion, support for sales forces efforts, and efficient distribution channel communications. After identifying the buying centre members within the targeted companies' direct mail is a cost-effective media for delivering the marketing message. (Evans, O'Malley & Patterson 2004, 305)

When received by the targeted people the direct mail advertisement often gets their full attention. Direct mail however often goes through a scanning process where other individuals, often assistants, go through the advertisement and deliver only the ones that they consider to be worth of attention to the targeted decision maker. According to Hutt and Speh a

survey of administrative assistants of Fortune 500 companies revealed that on an average an executive officer of a large company receives 175 direct mail advertisements each week and only 10% will get through the scanning process. The message and the layout of the direct mail advertisement have to be affective in order to grasp the attention of the executive officer. Timing of the direct mail advertising is flexible and it offers an easy way for the customers to respond. (Hutt & Speh 2004, 421)

Direct E-mail marketing is considerably cheaper way than direct mail and often leads to higher response ratio. The response time to direct e-mail marketing is much shorter than in direct mail campaigns and often a considerable amount of responses are generated during the first 24 hours. (Mullin 2002, 73)

A company that is planning to implement e-mail marketing should pay attention on building their own e-mailing list. Company that has been operating for longer often has the needed information on its customer database to create, or start creating, such list. For companies that haven't been operating for long, or have failed to maintain an up to date customer database there are other options on how to create an e-mail list; offering an e-mail newsletter to potential customer companies, asking for e-mail contact information in direct mail campaigns, or collecting e-mail addresses at trade shows. All of the before mentioned methods of collecting e-mail contacts is slow process and many companies choose to buy the e-mail contact list from third party service providers, who collect the needed information according to given guidelines on for example industry, company size, and company location. (Hutt & Speh 2004, 421-422)

2.3.4.2 Telemarketing

Telemarketing can be used two fulfill two functions: preparing function for future personal selling efforts or actual sales over the phone. Both methods are widely used but especially in business-to-business marketing telecommunication often acts as a supporting function for personal selling efforts. The function of telemarketing in business markets is to link the different marketing efforts as one. For example direct mail or e-mail advertisements are often followed up with a telephone call with an objective to arrange a meeting with the customer. Here the direct marketing has supporting role that initiates the communication between the marketer and the potential client; the process is then continued with the telemarketing and brought to a closure with personal selling. (Rope 2005, 385)

Another function of telemarketing is to riddle a group of potential customer companies that are not well known by the marketer. The aim is to identify the level of interest and need toward the offered product or service. By screening the customer companies the seller is able to divide them into different prospect categories and manage its personal sales efforts according to the potential among each prospect group. When a working relationship is estab-

lished between the customer and the seller, or the initial contact is done by the customer, personal selling can conveniently be started with the use of telemarketing. (Rope 2005, 386)

2.3.5 Personal selling

Selling is typically seen as the most important marketing component and the determinant of overall company success. Many factors affect the importance of personal selling efforts as a part of the marketing mix; level of competition and composition of the market, the nature of the product, the financial resources of the company and objectives of the company. A company operating in the business markets can choose to execute its selling function either by the use of company's own sales force or by using third party sales forces such as sales agents, distributors and resellers. In order to create an effective marketing mix the personal selling function has to be carefully integrated with the other components. The chosen method of sales strategy implementation does not affect the fact that the sales person is the initial link between the company and the marketplace and specific customers. Sales personnel have to possess far more information than just the knowledge of the product or a service being sold. Sales people have to have a thorough outlook on the offerings of competing suppliers and they have to be able to argue for their own product intelligently. It is important for the sales personnel to understand also the business of the customer company and the factors that affect its success. (Hutt & Speh 2004, 434)

2.3.6 Relationship marketing

Relationship marketing puts emphasis on creating a profitable long term relationship with a customer rather than just achieving one sale. The relationship is maintained by creating superior value and satisfaction to the customer. Large business customers appreciate the ability of a supplier company to offer close interaction with the buyer in order to create improved products and processes. Many companies operating in the business markets do not possess the abilities or resources necessary in order to embark toward these relationship realities. In relationship marketing the sales personnel act as a middleman between the buyer and the supplier. Their task is to listen to the buyers needs and then communicate those needs to the research and development department of the supplier company. (Armstrong et al 2008, 799)

The close relationships between manufacturers and their suppliers can be described in some cases as strategic partnerships where the sales person acts as a link between the supplier and the customer. Many forces have affected the development of modern business markets toward this relationship centered approach: global competition, search of quality improvements, rapidly developing and evolving technology, and the increased adoption of just in time deliveries in order to minimize stock. (Hutt & Speh 2004, 436)

2.3.7 Personal and social networks

In business buying situations personal and social networks affect the decision making of the organizational buyers. In many large market areas such as Asia, the USA, and Western Europe, where doing business with strangers is culturally accepted the preference is often on sellers that the buyers know and like on a personal level. It is an important task of the top management of any company to create and maintain a large social network. A buyer may sometimes overlook professional relationships and suppliers' competence due to a personal social connection. (Gummesson, 2002, 147)

2.4 Summary of the theoretical discussion

The theoretic section of this report introduced business markets and the main arrears of marketing management in business markets. Different aspects effecting the decisions made in marketing management in business environment where introduced here in order for them to be referred to later in the empirical part of this study.

Different types of marketing communications and managing of business to business advertising were addressed in the theory part. Also introduced were different forms of advertisement media that were referred to in the interviews conducted for this study. Following the different methods used in order to execute direct marketing were introduced in detail. Finally relationship marketing and reference networks are shortly introduced.

The theory section was conducted in a way that it would benefit the case company Pelican Finland when managing its marketing efforts and planning its future strategic marketing activities to be used to support the direct marketing efforts of the onsite personnel. The theory section also provides the reader with information of the different types of direct marketing methods mentioned in the research part of the study. The theoretical framework behind the research conducted alongside this study moves through, identifying the organizations marketing objectives and creating the marketing strategy to be executed with the use of marketing communications.

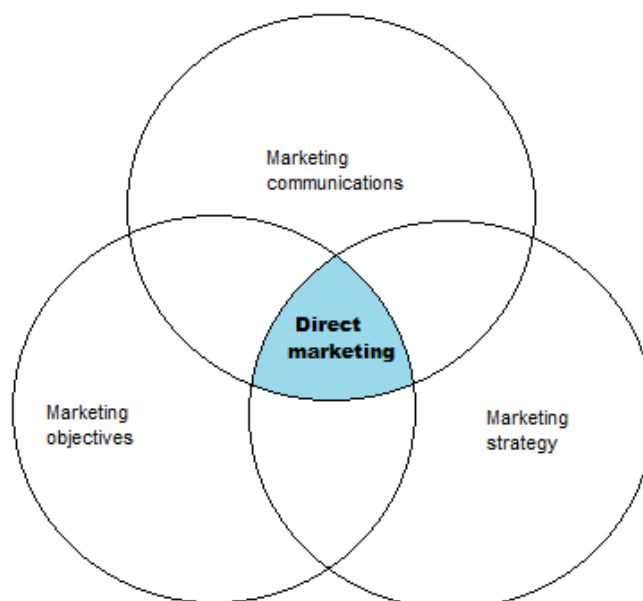


Figure 2: theoretical framework

3 Research approach

Managers of companies, regardless of the market or the industry, have to have access to information on how the market reacts to the offerings and marketing efforts of the company. It is also important to have a clear perception on how the changes in the competitive environment affect the demand for the sold good. To access the information, managers have several sources they can use. Internal sources include data compiled on sales, finance, and production. To gather external information from the customers a company has to establish a process that allows it to do that. Data received from market research should be used to support the management decisions especially when the decisions require large financial investments and risks. (Hague & Hague 2004, 2-4)

Igor Ansoff's products and markets matrix identifies four situations where the use of market research might be beneficial. When introducing new products to markets where the company already has a presence, market research can be used to assess the possible adoption of new products. When a company is entering a new market with a new product, marketing research can be used to familiarize the market to the company in order to identify the unmet needs present in the market in question. Companies entering new markets with existing products can identify new market territories for their offerings with the use of market research. Customer satisfaction, in order to maintain competitive advantage toward competitors, can be

measured by market research in existing markets where company offers existing products. (Hague & Hague 2004, 4)

The different characteristics of business-to-consumer and business-to-business markets cause the market research conducted of those markets to differ in methodology as well. The amount of potential buyers for a product or a service in consumer markets is often considerably large possibly amounting to millions. Business markets are often characterized by a population that is considerably smaller than in the consumer markets. Business-to-business markets also tend to be very variable, constituting of different sized companies operating in different industries. (Hague & Hague 2004, 6-79)

The types of marketing research that aim to collect primary data; the data that is not already available, are introduced in the following chapter. This thesis focuses on methods of primary data collection rather than on the methods of collecting secondary data; data that already is available and collected before for other purpose than the research at hand. The reason for this is that the case Company Pelican Finland has been operating for relatively short period of time and therefore there is no secondary data available from previous research operations. (Aaker, Kumar & Day 2004, 188)

3.1 Types of market research

One of the most common ways of classifying different types of market research is to define the research either as qualitative or quantitative. This division differentiates research that uses large sample groups together with structured questionnaires, from the type of research that normally uses relatively unstructured interviews or group discussions that allow exploring and following up ideas. Quantitative and qualitative as well as observational research methods will be introduced in the following chapters. (Hamersveld & Van de Bont 2008, 39)

3.1.1 Quantitative research

Quantitative research concentrates on specific measurable statistics and numbers, these include: calculations of the market size, the size of the different segments, purchase frequency and brand awareness of the customers. Quantitative research methods are often used in order to create meaningful segmentation of the market. Quantitative research is focused on gathering information from a selected sample group in such way that the data received can be applied to the larger population. (Bradley 2007, 278)

The size of the sample size varies depending on the research type in question. The size of the sample required depends on the required level of precision of the study, the population that the study concerns, the resources available to conduct the research, and the level of importance of the results. In quantitative research the sample size is determined by: calcula-

tion, industry standards that are commonly accepted, and by the resources available. When determining the sample size to be used it is important to take into consideration not only the size of the population but the level of homogeneity as well. (Bradley 2007, 186)

3.1.2 Business-to-business research

There are several differences between business-to-consumer and business-to-business marketing research. The sample in business-to-business research is comprised with people that belong to the buying center of the customer company and therefore contribute to the decisions involved with purchases. Members of this group that affects the buying decisions vary from the people who will use the purchased goods in the future to the people who will have to consider the financial effects of the purchase. This means that depending on the targeted market the sample might vary from small business owners to the CEOs of large international companies. Business-to-business buying behavior is often seen as extremely rational operation, but it has to be kept in mind that the decisions are done by individuals who make decisions based on rationality and emotion. The level of accountability is considerably different concerning the buying decision in consumer and business markets; therefore in order for a business research to be realistic it has to represent a wide frame of contextual reference. The range of the contextual reference has to correspond with the market or industry segment that is researched. (Hamersveld & de Bont 2008, 252)

In business research there are several stakeholders, from marketing and sales to senior management, who are interested in the outcome of the study. The business-to-business researcher has to bear in mind that the study has to be conducted in a way that it forms a controlled body that has a clear direction and purpose, at the same time trying to ensure that all the different stakeholders may benefit from the findings. One key element when designing a business-to-business research is to make sure that all the parties involved and interested in the results understand that the survey has to serve the benefit of the entire organization, and therefore the attention to some details, that may be important to one stakeholder, have to be left with less attention than other aspects. (Hamersveld & de Bont 2008, 253)

3.1.3 Observational research methods

The purpose of an observational research is to study and observe a specific phenomenon in its most natural setting in order to collect data for a specific purpose. Observation is a classic method of scientific research and it plays an important part in testing of hypotheses in social sciences. (Krishnaswami & Satyaprasad 2010, 93)

Observational methods can only provide information about a current event, and therefore many researchers discard them when conducting a research design. Despite the criticism

there are several aspects of observational methods that can be used to support the study process. In causal a person observes the reactions of an individual toward specific stimulus, or the actions of competing companies in normal everyday situations. For example managers of companies continuously monitor the marketing actions of the competing companies, in order to identify opportunities and threats. In many cases observation is the most affordable form of research and the most effective way of collecting the desired data. For example in-store traffic is often monitored by the staff of a retail store in order to identify the most effective in-store marketing methods to be utilized. (Aaker, Kumar & Day 2004, 211)

3.1.4 Qualitative research

Qualitative research methods are often used in order to obtain information on the study subject before entering to the analytical part of the study. The basic idea behind qualitative research is to reveal what the potential clientele think about the product or service and the different attributes of them, as well as their opinion and attitudes toward the supplier brand and its positioning among its competitors. One of the most beneficial characteristic of qualitative study is that it can be used in order to gain information on variables that otherwise are not measurable; feelings, thoughts, intentions, and past behavior among other things. The assumption behind qualitative research is that how the individual organizes the unstructured stimulus of the research reveals their basic perceptions of the phenomenon in question and their reaction toward it. (Aaker, Kumar & Day 2004, 189)

On an average qualitative research methods are more intensive and less structured than standardized questionnaire based interviews. The purpose is to create a free and more flexible relationship between the interviewer and the respondent, in order to make sure that the data collected would have more depth and greater context. In qualitative research the number of respondents is normally small and offer only a partial representation of the target population and are therefore qualitative research is often used as a basis for field studies of larger scale. (Aaker, Kumar & Day 2004, 189)

Qualitative research methods have three different usage categories: exploratory, orientation, and clinical. Exploratory usage of qualitative research methods cover definition of problems in greater detail, suggestion of hypotheses to be tested in further studies, generation of new products and service concepts and list of the desired features of those goods, and revealing preliminary reactions and attitudes toward new products and concepts. Qualitative research also provides the researcher with information on an unfamiliar environment and the needs, satisfactions, usage situations and problems of the companies that operate in that environment. With the usage of that information the researcher can better orientate the offerings to be best suited for the targeted market. The clinical categories of information that can be received by the usage of qualitative research methods cover the knowledge and attitudes that

are normally impossible to reveal with structured research methods. (Aaker, Kumar & Day 2004, 190)

3.1.4.1 Focus group discussions

Focus group discussions are normally carried out in personal face to face situations. The objective of the discussion is to obtain information on how to solve a specific marketing problem. The group is normally led by a moderator that guides the discussion and acts as a chairman of the discussion. The objective is to gain information by the form of free discussion where each participant are expected and encouraged to state their views on the topics discussed as well as their opinions toward the statements of the other discussion participants. (Bradley 2007, 248)

The focus group discussions are monitored by individuals that do not take part in the actual discussion. Making sure that the observers are familiar with the concepts, of random selection, statistical reliability, and protectability of research result is important. Among the advantages of group discussion is that it offers more stimulation to the participants than a one to one interview and therefore it can be expected to create more meaningful ideas and comments. It has also been argued that discussions may provoke more spontaneous reactions and opinions than an interview. (Aaker, Kumar & Day 2004, 196)

3.1.4.2 Individual in-depth interviews

Individual in-depth interviews are face to face interviews between the researcher and the respondent where the studied matter is addressed with detail. In depth interviews can be divided into two types: nondirective and semistructured. The difference between the two types is the amount of guidance and direction provided by the interviewer. Nondirective interviews offer the maximum amount of freedom, within the boundaries of the studied matter, for the respondent to respond. The level of success of these nondirective interviews depend on the interviewers ability to, create an relaxed atmosphere and relationship with the respondent, the ability of the interviewer to guide the answers toward the most interesting information without affecting the content of the responses, and to steer the interview back toward the topic outlines if the responses stray too long from the original subject. It is important for the interviewer to be able to reveal the reasons and attitudes behind the received answers. (Aaker, Kumar & Day 2004, 192)

3.1.4.3 Semistructured or focused individual interviews

In a semi structured or semifocused interview the interviewer attempts to cover a list of topics and subareas that have been decided on prior to the actual interview. Other than the top-

ics and subareas the interviewer has the ability to choose the timing, wording and the time allocated to each question as he or she sees best fitting. Semistructured interviews are often used with business executives, who normally do not have much time to spare. Information on technology trends, market demand, competitive situation, and other basic business knowledge can effectively be acquired with the use of semistructured individual interviews. (Aaker, Kumar & Day 2004, 193)

Semistructured interviews are considered to be demanding for the interviewer. One of the most challenging tasks to overcome is to get through the group of “gatekeepers” such as secretaries and receptionist and being able to agree on a meeting with the executive. One of the largest challenges is to establish a relationship of mutual trust and respect, and credibility between the interviewer and the respondent and maintain those throughout the interview. The matter of record keeping is sometimes problematic with these types of interviews hence some executive do not approve or like the use of tape recorders. This can be overcome by using a team of interviewers who alternate turns in record keeping and asking the questions. Because these types of interviews are often hard to arrange it is advisable to ask from the responded about which other individuals in the organization could be beneficial to interview. (Aaker, Kumar & Day 2004, 194)

3.2 Selection of the sample and collection of data

The selected sample represents micro businesses operating in the Eastern-Helsinki area, more specifically in the Hitsaajankatu industrial District. The study focuses on micro businesses that employ less than 10 employees and the yearly turnover does not exceed € 2 million. The sample group has been limited to micro- and small companies due to a request from the case company. The amount of companies that fulfill the size requirement of the study is large. Out of the 320 000 companies that operate in Finland over 93% are micro companies. (Työterveyslaitos 2011)

The chosen sample only covered the Hitsaajankatu industrial district in order to achieve realistic sample area. Another aspect that affected the selection of the geographical area was that Pelican Finland started operating on Hitsaajankatu with its second storage site in Finland at the end of September 2011. Operations and launch manager of Pelican Finland Mr. Niklas Sontag expressed a keen interest on Pelicans behalf to gain information about the favored direct marketing methods as well as on the co-operation between the companies operating in Hitsaajankatu. In the selected geographical area there are 71 companies that fulfill conditions of a micro company. Pelican Finland compiled the list of companies to be contacted from Fonecta, a Finnish contact information provider, company database.

Total of 15 interviews with company executives were agreed upon. The 15 companies were chosen for the study because they fulfilled the conditions regarding the geographical location

and size. The contacted companies were also selected based on an estimation regarding the need of storage facilities according to the industry the company operated in. The objective was to select companies who had a continuous need of storage as well as companies who never carry inventory. Out of the total of 71 companies the sample corresponds to 21.1 % therefore the sample can be regarded as a fairly accurate representation of the companies in Hitsaajankatu area. The companies were contacted and the interviews were arranged on the phone. The interviews were conducted in the facilities of the studied companies during the period of March 29th 2011- May 15th 2011. Out of the 15 arranged interviews three were cancelled. The reason for the cancellation on all three cases was urgent business related situations that the executives had to attend to. Total of 12 interviews were conducted, a sample that covers 16.9 % of the total of 71.

23 companies were contacted on the phone before reaching the intended 15 interviews. The most common reason to not participate in the research was lack of time.

3.3 Composition of the interview form

A semistructured individual interview was chosen as the research method that was used in order to conduct the interviews. The interview form was used as a guiding structure for the interviewer in order to make sure that all the subject areas and subareas were covered during the interviews. The interview form (appendix 1), as well as the English translation of it (appendix 2), can be found in the appendix section of this thesis.

The interview form consists of 8 sections. In the first section the position of the interviewee, the industry, the amount of employees and places of business, and turnover, were asked in order to gain background information of the company. In the second section the buying process and decision making within the company were investigated. The attitudes and opinions toward different mediums used in the business-to-business advertising were considered in the third section. The fourth section dealt with direct marketing and in the fifth section the focus was on telemarketing and the usage of telephone as a tool to arrange sales meetings. Section six handled the follow up functions of marketing, and the section number seven covered the attitudes toward personal selling efforts when done without an appointment. The final section focuses on the co-operation and business community in Herttoniemi and especially in the Hitsaajankatu industrial district.

Three test interviews were conducted, and feedback was gathered from the interviewees about the consistency of the interview structure. The form was edited according to the feedback and was presented for approval to the operations and launch manager of Pelican Finland prior to the interviews. The test interviews were conducted on March 16th 2011.

3.4 Processing of the data

In the following chapter the data processing and the analyses of the collected data is presented in detail. The validity and reliability issues are handled first followed by analyses of the received answers to each questions of the interview. The results of the questions that produced answers that could be calculated are presented as tables, whereas the answers to the open questions are analyzed and reported in written form. The chapter also provides a specific description of the case company and the industry it operates in.

3.5 Validity and reliability

The results of a research do not have any value if the methods that were used in order to reach them are not legitimate. The individuals who read and use the results and analyzes of any studies have to be able to trust that the studies have been valid and that the outcomes are truthful. According to Jerome Glenn (2010):” Validity has traditionally meant an estimate of the extent to which the data measure, or the design measures, what is intended to be measured.” The legitimation of a study can be measured by the consistency between the research methods and the philosophical foundations of the studied question. (Glenn 2010, 143-144)

The research questions, methods and the truth value have to have a linear connection between them. When the research decisions are made the research questions, methods, and truth value have to be profoundly linked. This conceptual linkage has to be predetermined and justifiable. The selection of the research methods are determined by the research question. The methods that are then chosen should present the content of the researcher’s decisions regarding the research question. Validity concerns consist of internal and external validity issues as well as measurement validity. All the different types of validity concerns focus on ensuring that the chosen methods, data, and research design measure and reflect the issue that it was intended to. Reliability of a study measures how reliable the results are, meaning that if the study was reliable and would be repeated the results would be the same. Reliability has also been argued to be a type of validity and truth (Hammersley 1992).

Validity of a study or a research cannot exist without reliability. Reliability is defined to evaluate the extent to which a study actually studies what it is supposed to. The core purpose of reliability is therefore to help the researchers to evaluate the validity of the research. (Glenn 2010, 144-146, Bradley 2007, 64)

From a market research point of view the validity and the reliability of the research should be constantly monitored in order to make sure that, the chosen data collection method, the

interviewer, and the chosen sample among other things always corresponds with the research question. (Bradley 2007, 64)

There are several philosophies for assessing validity and reliability of a qualitative research. In order for a research to be reliable the validity of it has to be connected to something that is perceived as a reliable comparison by the audience or the reader. These include findings of the same researcher in previous occasions. Another way of creating validity to a qualitative research is that the researcher gets close to the subject that is studied and therefore can understand the correspondence between the information gained and the reality that it represents. One of the several philosophies on assessing the validity of qualitative research accepts a consensus within a community about the truthfulness of the research findings constitute for the validity of the study. (Glenn 2010, 156-157)

There are no simple rules that are commonly agreed upon for determining the validity and reliability of a qualitative study. A list of standards was used for the assessment of the validity and reliability of this study; the purpose of the study was taken into account in each step of the research process from selecting the sample group to the analyses of the data received; the collection of the data was done with the same interview structure. In order to eliminate possible differences and inconsistencies, all of the interviews were done by the same interviewer using the same interview form and with the same technique (tape recorder). The interviewees were chosen by the same criteria, the size and geographical location of the company and the position of the interviewee in the company. All of the people interviewed were contacted over the phone. The interaction between the interviewer and the interviewees has not affected the analyses of the study results because the analyses has not been presented to the interviewees, in order to make sure that their comments would not affect and distort the results. (Tuomi & Sarajärvi 2009, 140)

4 Empirical study

The case company, the industry it operates in and the situation behind the study is introduced in the following chapter.

4.1 Pelican Self Storage

Pelican Self Storage was founded in Denmark in 2009. Pelican Finland Holding Oy (Pelican Finland) was established in the beginning of 2010 in order to prepare for the launch of the first operational site in Finland; Pelican Finland OpCo 1 (Pelican Vallila). The capital required for the launch of the company, both in Denmark and in Finland, was financed by an American pension fund and Nordic Real Estate Partners Ltd (NREP). Pelican Finland is currently operating with three sites in Helsinki, Vallila, Herttoniemi and Ala-Tikkurila. The third self storage

site of Pelican Finland was opened in January 2012 in Espoo, Kilo, and the fourth storage site was launched on March 22nd 2012 in Helsinki, Ala-Tikkurila. (Sontag 2011)

4.1.1 SWOT

SWOT analyses compares and lists the strengths, weaknesses, opportunities and strengths of an organization. The purpose is to summarize the internal strengths and weaknesses of a company when compared with the competitors. (McDonald 2008, 43)

In this analysis the objective of the business venture/company is to grow in the Finnish Self Storage market. The SWOT analysis below identifies the internal and the external factors which impact the ability to achieve the objective. First the two main competitors of Pelican Finland are analyzed. In the following the reference for the competitor swot is a competitor analyses conducted by Pelican Finland in September 2011, and referred by Niklas Sontag in the interview done for this thesis.

4.1.1.1.1 Cityvarasto

<p>Strengths</p> <ul style="list-style-type: none"> • Company has the most self-storage sites in Finland (15 sites) • Standardized processes of running the business • Well-functioning online storage space renting system 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Only 3 of the storage sites are staffed → Low amount of resources for expansion • Low level of innovativeness • Storage sites are not in optimal condition
<p>Opportunities</p> <ul style="list-style-type: none"> • Storage sites in biggest cities in southern Finland 	<p>Threats</p> <p>Online renting system and unstaffed sites risk the security of the widespread storage site grid</p> <p>More service oriented competitors like Pelican Self Storage</p>

4.1.1.1.2 Omavarasto

<p>Strengths</p> <ul style="list-style-type: none"> • The second largest self-storage company in Finland (7 sites) • Well-known brand • Standardized processes of running the business 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Only 2 of the storage sites are staffed → Low amount of resources for expansion • Most expensive storage unit rents • Innovativeness
<p>Opportunities</p> <ul style="list-style-type: none"> • 6 storage sites in Helsinki 	<p>Threats</p> <ul style="list-style-type: none"> • Limited future possibilities for growth because of new competition in the market. Pelican Self Storage is expanding rapidly. • Service oriented and more affordable competitors like Pelican Finland

4.1.1.1.3 Pelican Self Storage

<p>Strengths</p> <ul style="list-style-type: none"> • All sites in prime condition • The sites are well located and have good visibility • Motivated and highly customer oriented staff in every site 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Unknown operator in the Finnish self-storage industry
<p>Opportunities</p> <ul style="list-style-type: none"> • Large capital investment allows aggressive market entry methods. • Low competition in Espoo and Vantaa where some of the future sites will be opened • The difficult economic situation 	<p>Threats</p> <ul style="list-style-type: none"> • Well established and known competitors

Pelican Self Storage has an objective to operate with 10 storage sites within the next five years. All of the locations will be opened to key points of traffic and they will be easily accessible and highly visible. Another important strength of Pelican Finland is that it has onsite staff working in all of its storage locations. This allows Pelican Finland to introduce a more customer friendly service model which allows the customers to familiarize themselves with the concept of self-storage. (Sontag 2011)

Opportunities of Pelican Finland include the large capital investment it has from its investors which allows them to open high quality facilities and use aggressive marketing tactics. The competition in the market is relatively high in Helsinki but in the neighboring towns of Espoo and Vantaa the number of competitors is low. This gives Pelican the opportunity to attract customers who currently store in competitors facilities in Helsinki. The current economic situation is also beneficial for the growth of the self-storage industry as a whole. As jobs are lost in the other parts of Finland people are forced to move to the metropolitan area. This combined with the lack of housing forces people to wait for an apartment for long periods which forces them to store their belongings. The main weakness to overcome is the low level of knowledge of the Finnish self-storage industry together with the low brand recognition of potential customers towards Pelican Self Storage. (Sontag 2011)

4.2 Self-Storage

Self-storage is a storage system where a self-storage company offers a secure, closed storage unit for commercial and private customers. The customers have exclusive access to their units during the operation hours. One of the most important characteristics of self-storage is that all logistical tasks related to warehousing are done by the customers on a do-it-yourself basis. The self-storage company rents the units for the customers and is responsible for maintaining the storage facility and all of the related equipment. Self-storage facilities are usual-

ly situated in central areas of transportation for example along the major roads as near as possible to a densely populated area. Consumer customers often seek self-storage services when they need to free up space in their homes or if they need a temporary storage during a renovation or a move. For business customers self-storage offers an alternative to buying or leasing warehouse space. Small companies often operate in small facilities and therefore cannot store anything in their own facilities. Self-storage offers a flexible and more affordable solution to storage of small inventory when compared to large retail warehousing. Level of security in the self-storage facilities, regarding both the clientele visiting the facilities and the stored items, is a critical feature for any self-storage provider. (FEDESSA 2011)

Self-storage Industry emerged in the United States in the 60's. Till today the industry has grown to nearly 53,000 facilities in the country. Self-Storage industry arrived to Europe in the early 1980's, first in the UK. Today there are over 800 self-storage facilities in the UK. The self-storage industry is gradually growing in other European countries. The Federation of European Self Storage Associations (FEDESSA) has members in Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, and the UK. (SSAUK 2011, FEDESSA 2011)

Espoon Minivarasto Oy, established in 1993, was the first operator in the Finnish self-storage industry. Till today the industry has grown but still remains relatively small and unknown.

Itsepalveluvarastot Ry is the national association of self-storage operators in Finland. Itsepalveluvarastot Ry is a member of FEDESSA. There are nine member companies in Itsepalveluvarastot Ry. Cityvarasto Oy is the largest operator in Finland with a total of 13 facilities in, Helsinki, Espoo, Tampere, Järvenpää, Turku, Lahti, and Kerava. Espoon Minivarasto Oy runs three facilities in Helsinki: Malmi Herttoniemi, and Lauttasaari. Turun minivarasto Oy has three Facilities in Helsinki, Turku and Naantali. Omavarasto Oy owns six storage sites in Helsinki and Espoo. Oulun Omavarasto Oy operates with one facility in Oulu. In Kuopio savon varastovuokraus operates with three sites. Helsingin Kotivarasto Oy and Helsingin Varavarasto Oy both have one facility in Helsinki. Pelican Self Storage has three sites operating in Helsinki, in Vallila, Herttoniemi, and Ala-Tikkurila. The first site in Espoo in Kilo started its operations on January 17th 2012. (Self Storage Europe 2011. 14-18)

4.3 Results of the study

Basic information about the companies was collected in the first part of the questionnaire and interview. All twelve persons interviewed were CEOs of their companies. Out of the twelve interviewees only one was female. All of the companies interviewed operated in rented facilities and only one of them rented storage facilities in other locations.

The industries that the companies operate in are presented in the following table.

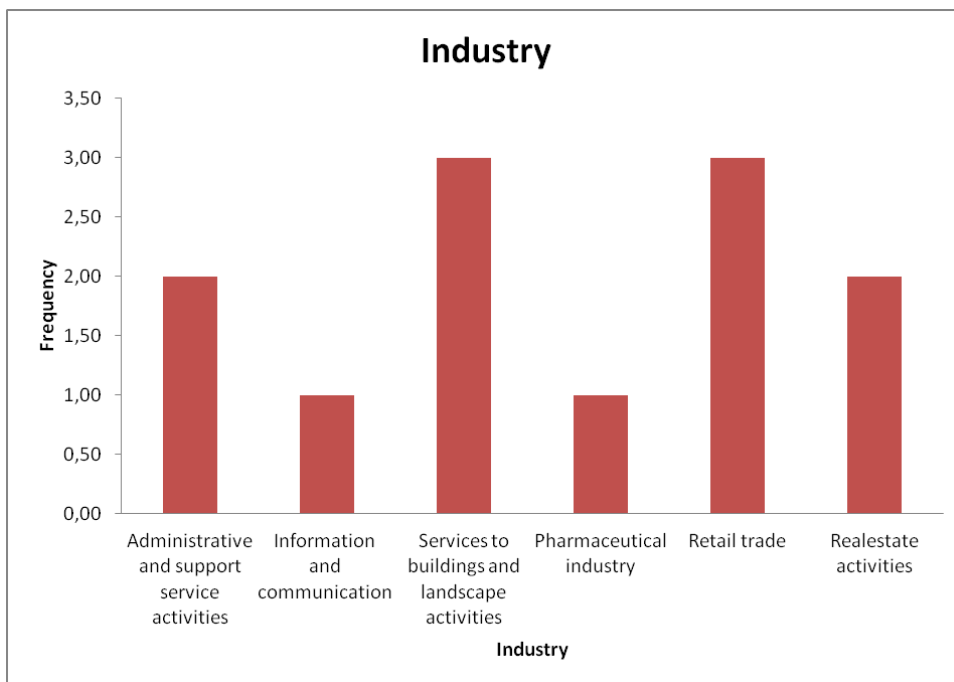


Figure 3: The industries the companies operate in

The number of places of business of the companies that participated in the study ranged from one to three, 8 companies had only one place of business, three companies had two facilities and one of the studied companies operated in three locations. The number of places of business is presented in the following figure:

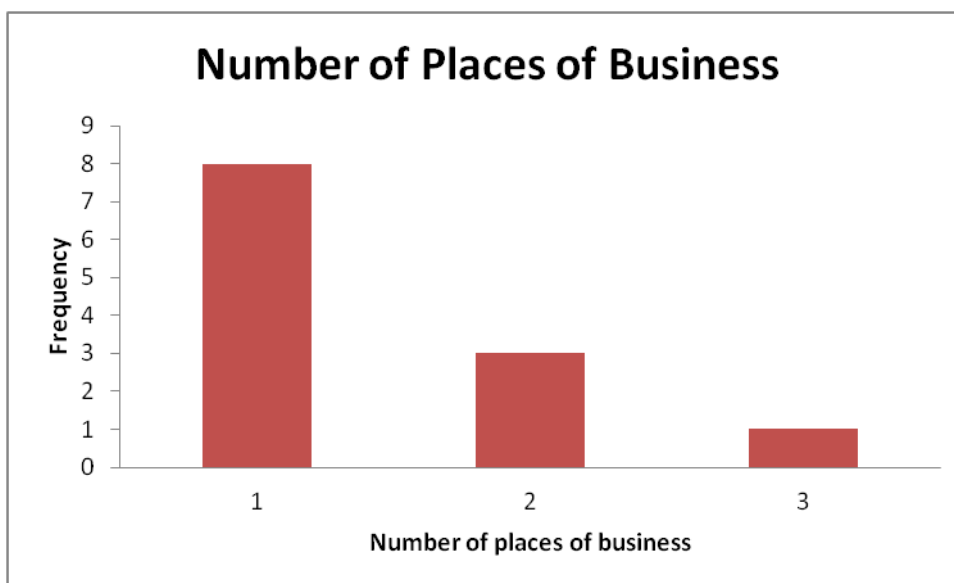


Figure 4: Places of business

The number of people employed by the companies varied between one and nine employees. The number of employees in the companies studied is presented in the figure below.

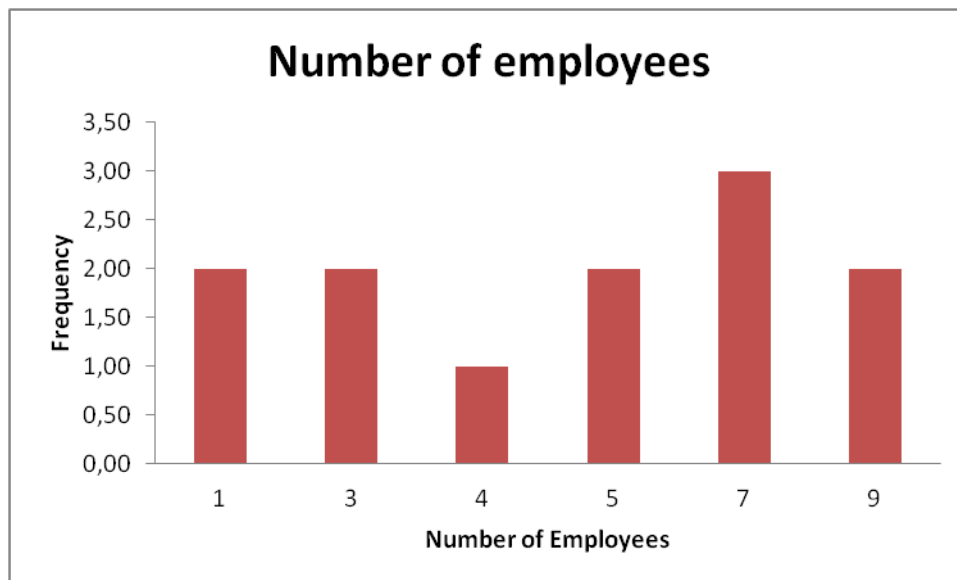


Figure 5: Number of employees

The following question dealt with the turnover of the companies. In order to make sure that the companies selected for the study still fulfill the requirements of a micro company, the annual turnover could not exceed € 2 million. The Turnover scale of the participant companies are presented in the following figure.

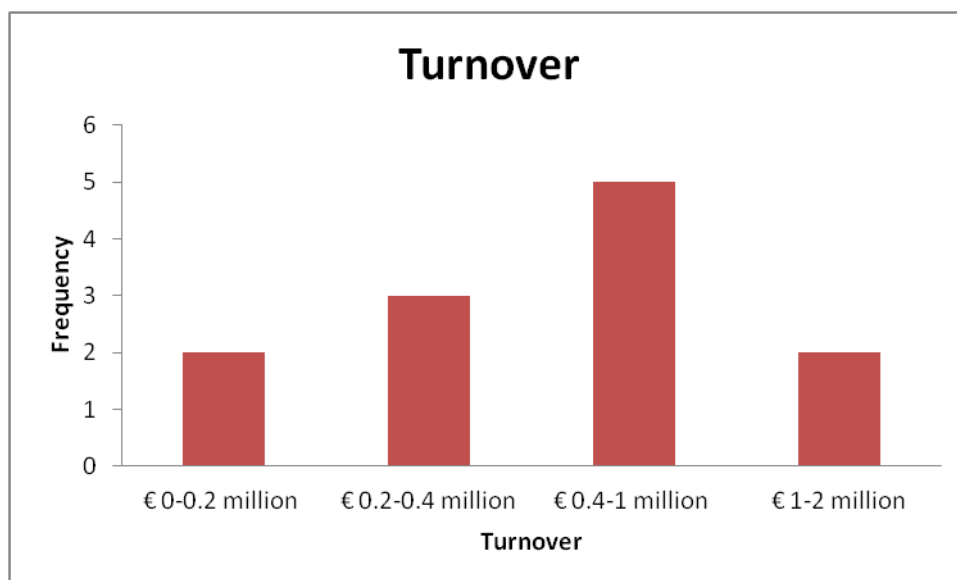


Figure 6: Turnover of the companies studied

4.4 Buying process

The Second part of the interview handled the organizational buying process and the purchase decision. The CEO was the only person involved with the buying process in all of the five companies employing four or less employees. In the companies that employed five or more people, the buying center consisted of out of a person acting as a gatekeeper, for example an assistant or junior manager, and the buyer, in all of the cases the CEO. In all of the twelve companies the CEO was the individual who made the final decision of purchase.

4.5 Presales marketing communications

In the next section of the questionnaire the focus was on the different methods the interviewed person perceived as the most effective when acquiring new business contacts, suppliers, and clients. In order to identify the method that was perceived as the most efficient, the interviewees were asked to place five given options in the order they thought the effectiveness of those methods compared with each other. The five options were: press releases and industry publications, trade fairs and seminars, media advertisement, The Internet, and reference lists and social networking. The interviewees were asked to give one point to the least effective one, two points to the second least effective and so on. The results of the effectiveness comparison are presented in the figure below.

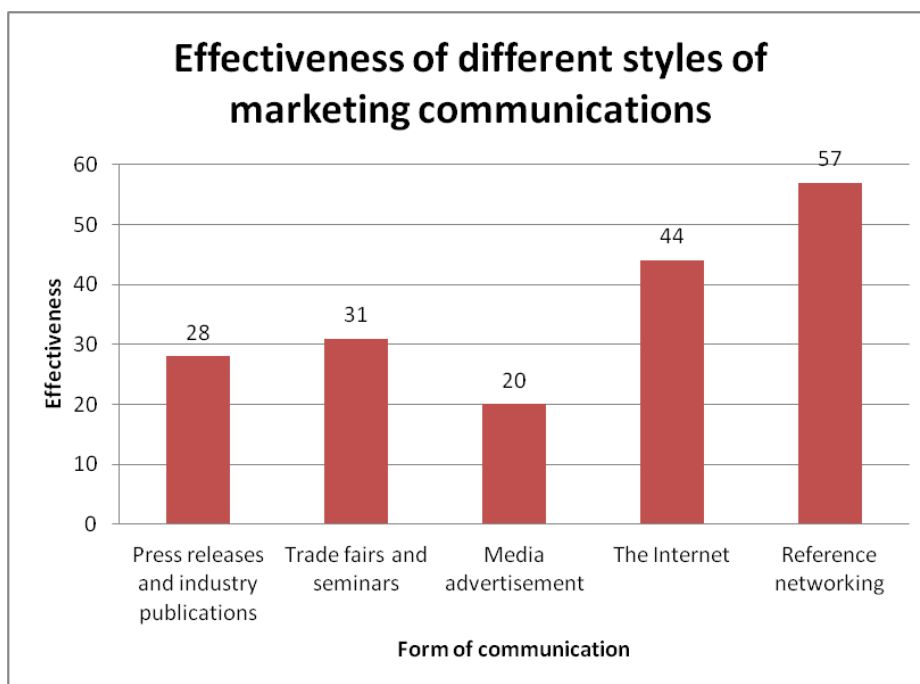


Figure 7: Effectiveness comparison

The maximum amount of points that could have been awarded to a form of communication was 60 points. Reference lists and networking were selected as the most effective communication form with 57 points. Ten out of the twelve interviewees noted that they had in the past asked from their existing suppliers and service providers for recommendations if they needed a product or a service that was not in their existing suppliers' portfolios. Four interviewees said that a recommendation from a company that they had been in business with before, added to the credibility of the marketer considerably. Five interviewees especially stated that if they had the option of doing business with a personal friend they would often discard all the competing offers.

The internet with its different applications was evaluated as the second most affective form of communication with 44 points out of the possible 60. 8 interviewees out of the 12 stated that the internet is an important tool when the buyer company is actively seeking for a new product or a service to fulfill a new need. The effectiveness of the traditional forms of business to business marketing communications: trade fairs -and seminars and press releases in industry publications were evaluated to be almost equal in terms of effectiveness. Trade fairs and seminars got 33 points and press releases and industry publications were awarded with 28 points. Media advertisement was clearly the least effective form of communication gathering a total of 20 points.

All of the interviewees answered to the question about the importance of presales marketing communications in an almost identical way; none of the interviewees thought that it was necessary to have received some sort of presales marketing in cases where the company itself was actively trying to find a product or a service for a specific need. However nine out of twelve of the respondents stated that in case of a new product or a service it would be beneficial for the selling company to make itself known among the potential client firms before beginning the actual sales efforts.

4.6 The delivery of the marketing message

In the fourth section of the questionnaire the interviewees were asked how they perceive the different methods of delivering marketing letters, the two main forms being traditional mail and e-mail. All of the interviewees stated that they prefer to receive e-mail marketing letters for the reason that it is easier to filter and dispose. From the point of view of the marketer it could be preferable to use the traditional mail because a majority of the interviewees (10 out of 12) stated that nowadays they receive so much e-mail advertising that almost all of it is quickly discarded, whereas a traditional letter stands out because of the rare use of it in today's business to business marketing, especially between small and medium sized companies.

The second part of the third section of the interview handled the way that the direct e-mail and mail were assigned to the receiver. The interviewees were asked to award the options

with points from 1-4, with one point to the option they perceived as the least effective and four to the most effective option.

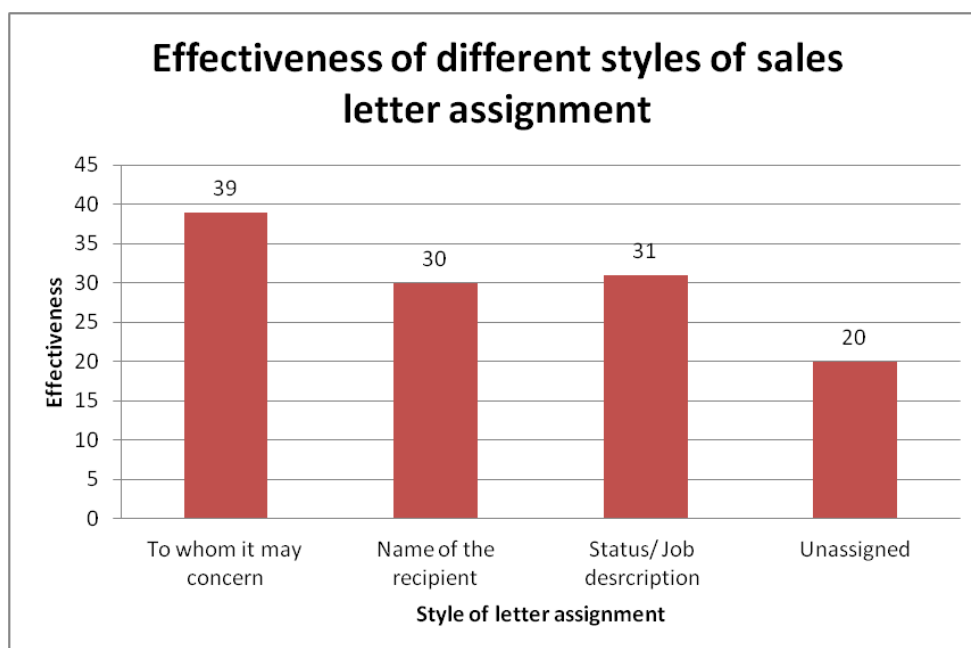


Figure 8: the effectiveness of different styles of sales letter assignment

The maximum amount of points available was 48 and the minimum amount was 12. The most effective form of sales letter assignment according to the interviews was: To Whom It May Concern, where the letter isn't assigned to a specific receiver but to a person responsible for certain topic. All of the interviewees mentioned that they thought that this form of letter assignment was especially effective with e-mail sales letters. Assignment of the sales letter with the name of the recipient was awarded with 30 points. 5 people interviewed mentioned that they opened and glanced through all the traditional mail assigned to them with their name, however two interviewees also said that if the letter itself was too friendly in tone it affected their perception of it negatively. Letters assigned with the status of the receiver, for example: to the CEO of the Example Ltd. received 30 points making it the third most effective form of sales letter assignment out of the four options. Unassigned sales letters were regarded as the worst option, all of the interviewees told when asked by the interviewer that they never even opened unassigned e-mail sales letters.

The next questions asked the interviewees about their opinions toward brochures send as appendices of the marketing letters. None of the interviewees were negative toward the sending of brochures, but many stated that the brochures send as attachments of e-mail marketing letters are rarely opened, unless the need for the specific type of product or service is present at that exact moment when the e-mail is received. All of the answerers stated that they preferred to receive brochures with traditional marketing letters, for the reason that it

offered them an easy and immediate way of familiarizing themselves with the offerings of the company that had approached them. Five interviewees stated that they normally hang on to the brochures for future reference and four said that they normally leave the brochure somewhere that others can see it if they do not need the offered product or service at the moment.

In the following question the importance of different aspects: product or service, price, content and structure, and visual outlook, of a sales letter were assessed. The product and service was clearly the most important aspect of the sales letter along with a clear message toward the recipient. 11 out of twelve interviewees stated that they want to get the idea of the offered product or service at the first glance of the letter, and in order for that to be achieved the content and structure has to be clear and affective. All of the interviewees rated the content and structure as the second most important aspect of the sales letter, out of the four options. Only one of the interviewees thought that the price is the most important part of the message, whereas all of the others thought that it was the least important of the four options. A clear visual outlook of the message was rated as the third important aspect by all of the interviewees, but many stated that it was crucial for the letter in order for it to portray the offered product or service in the most positive and effective way. Three interviewees especially said that they do not necessarily even need to see the price of the offered product or service in the first marketing letter.

Many companies use gifts and other types of tools in order to make the sales letter more attractive toward the receiver. These may include raffle coupons, small gifts such as key chains, or tickets to trade shows. The attractiveness of these presents was estimated in the next question. Eight interviewees said that raffle tickets and small gifts do not attract them at all, but at the same time they do not cause a negative reaction. Rest of the interviewees said that they might even get irritated if they received raffle coupons. All the interviewees thought that trade fair tickets were the most favorable marketing gift, because it offers the respondent the choice to familiarize oneself with the offered product and the company behind it.

The next question dealt with procedures used to follow up a sent sales letter. The follow up contacts of the marketing letters can be done either by receiver impulsive method or sender impulsive method. In the receiver impulsive method the receiver of the sales letter is offered the chance to express ones interest in the offered service or product. Whereas in the sender impulsive method the sender of the marketing letter will actively contact the receiver in order to follow up the offer. (Rope 1998, 180-183)

Half of the interviewees favored the sender impulsive method and half favored the receiver impulsive method. The reason that all of the interviewees who favored the receiver impulsive method mentioned were that they like to be able to choose whether or not they are interest-

ed in the product and then ask for the seller to contact them, four of the interviewees also mentioned in this context that they want to minimize all the telemarketing they receive. The six interviewees, who favored the sender impulsive method, did not mind to receive telemarketing and follow up calls and many stated that they like the fact that they do not need to remember to take contact with the seller, but that they will be contacted to find out if the offered product or service has aroused interest.

Part five of the interview handled telemarketing when used as a tool to start the sales activities. The objective of the first question of this part of the interview was to find out the overall attitudes toward telemarketing. All of the interviewees had a negative attitude toward telemarketing, especially if the aim was to close the deal on the phone. Eight interviewees mentioned that the way they reaction toward telemarketing changes when there has been affective pre communications, such as sales letter, and they are prepared to receive the follow up call. The four interviewees who had strong negative attitudes toward telemarketing said that they do not want to receive any phone calls from sellers, but that they much rather make the first phone call to the seller themselves. The most common comment from the interviewees was that in order for the phone call to be affective, the message has to be clear and the person on the phone has to be persistent and polite.

The next part of the interview dealt with follow up procedures. Pelican Self Storage offers storage facilities, and therefore most potential clients do not necessarily have the need for the service when the marketing campaign is executed. The challenge that Pelican Finland faces is how to make sure that he contacted companies remember their service when the need presents itself. All of the interviewees answered that e-mail is the most favorable method to use to make sure that the contact made with the companies stays in their mind. Seven interviewees said that they would not mind to receive reminder e-mails once every six months, three interviewees suggested to add specialized campaign follow up offers to these reminder e-mails. Three interviewees preferred to receive the reminder contacts once every year and two felt that a reminder every three months would be sufficient.

Part seven of the interview focused on unannounced sales visits by sales personnel. All of the interviewees thought that unannounced sales visits were both intrusive and rude. None of the interviewees had had any positive experiences resulted from such sales visits and one stated that he thought that such sales activities could harm a company's image considerably.

The last part of the interview was added after the case company's Operations and launch manager Niklas Sontag had reviewed the interview. He felt that it would be important to gain information on the level of co-operation between the companies operating in Herttoniemi and especially in the Hitsaajankatu industrial district. The level of co-operation revealed to be nonexistent. Three out of the twelve interviewees mentioned Itä-Helsingin Yrittäjät Ry,

(Eastern Helsinki Entrepreneur association) but none of the twelve CEO's felt that there was any active co-operation or partnerships between the companies operating in the area.

5 Summary and conclusions

5.1 Summary

The purpose of this study was to reveal and identify the opinions and attitudes toward direct marketing used in the marketing interaction between micro and small companies operating in the area specified by the case company. The purpose was that the results of the study would offer knowledge that could be implemented in the marketing actions of the case company's existing and future sites of operation. The case company can utilize the information received when planning their future tactical marketing efforts to be executed by the on-site personnel in addition to their daily responsibilities. The study was conducted as a qualitative interview. 12 companies' representatives were interviewed between March 29th 2011 and May 15th 2011.

The answers to the interview reveal that in many small companies that employ less than five people, the CEO is often solely responsible of all the buying activities in the company. Buying center in many micro companies many times consists of only one or two persons, and the purchase decision is always made by the CEO.

The answers suggest that the most effective methods out of the different types of marketing communications are reference lists and social networking. Most of the interviewed companies found their suppliers and service providers through their own social networks or through a comprehensive reference network of the supplier company. Companies often use internet as a tool to find suppliers when they are faced with a new task buying situation. From the answers it can be stated that trade fairs and seminars as well as press releases and industry publications gather interest and attention from potential customer companies but rarely result in an immediate buying decision. The answers reveal that media advertisement is rarely used in business to business marketing. According to the answers to the study, presale marketing is not necessary, but recommendable task for business to business marketer.

Traditional mail is recommendable form for delivery of the direct advertisement message, due to its rare usage in modern business to business marketing, according to the results of the study. According to the answers, companies receive large amounts of e-mail marketing letters every day, and that causes them to often be discarded.

The interview answers suggest that the most efficient way of making sure that the sales letter is delivered to the person responsible of the purchases of the area concerned, is to assign the letter to the person that is responsible of the matter in question. From the answers it can be

argued that the assignment of the letter with the name of the recipient often results the letter being noticed and opened by the receiver.

The results suggest that the usage of brochures together with sales letters is recommendable, therefore that they offer additional information to the receiver of the sales letter in case they are interested or for future reference. According to the interviews made the most important aspect to be highlighted in sales letters targeted to micro and small companies is that the product and service that are offered are clearly presented on the letter. From the answers it can be stated that a good content and structure together with a clear visual outlook will increase the effectiveness of the sales letter.

It can be stated, based on the answers received, that raffle coupons and other small gifts that are often used together with sales letters can increase the effectiveness of the letter campaign if the used gift is relevant for the receiver and related to the marketed product or service.

The follow up actions that follow the sales letters divided opinions among the interviewed company CEOs. It can be argued however on the bases of the answers received that the follow up procedure should be marketer impulsive, in order to maximize the attention and sales received from the letter campaign. The attitudes toward telemarketing are in general relatively negative, according to the interview answers. However attitudes change toward a follow up call that is preceded with a sales letter, receivers know to anticipate a follow-up action of some sort after receiving a marketing letter.

According to the answers, if the offered service or product is not needed at the time it is marketed to the receiver, reminder follow up e-mail could be affective way of keeping the offerings in minds of the receivers. This reminder e-mailing should not be done too actively, because that causes negative reactions among the receiver and could result in a negative effect on the company and brand image.

5.2 Conclusions and recommendations

It can be concluded, that micro and small companies receive large quantities of marketing material on daily basis. In order to make sure that the direct marketing efforts fulfill the marketing objectives of the company, the direct marketing method has to be carefully planned.

The direct marketing campaign targeted to micro and small companies should be well segmented, in order to maximize the sales received from the campaign. Logical segmentation of the contacted companies should be promoted in order for the company to be able to create a sales letter that offers a solution for a need common among the receiver companies. It can be

concluded from the answers that the use of traditional mail instead of e-mail is seen as more effective way of capturing the receiver's interest.

The composition of the sales letter should be done in a way that the core message of what is being offered is obvious with a short look at the letter. A clear visual outlook is appreciated by majority of the companies that receive sales letters, which can be concluded from the answers. A clear professional looking brochure can be recommended to be used to add informational value to the sales letter. Other material used in order to increase the attractiveness of the letter should always be well thought out in order to make sure that they are relevant and complement the initial marketing message.

From the answers it can be concluded that the people with power to make purchase decisions, in micro companies pay attention to letters assigned either by their name or their position in the company. Therefore the most effective way of assigning the direct marketing letters is by name and position in a company combined for example Mr. Firstname Lastname, CEO of Example Ltd.

The sales letter should be accompanied with a brochure that offers additional information about the company and the products and services it offers. The usage of other additional materials together with the sales letter should be carefully planned and assessed. If the used gift for example is irrelevant in relation to the offered product it can be stated according to the answers to the interview that it will rather cause negative than positive reaction among the receivers.

In order to maximize the effects of the sales letter campaign a planned follow up procedure is recommendable. According to the answers to the study interviews it can be argued that individuals who receive a follow up action after the initial sales letter, remember the offering much longer than the ones who do not receive the follow up action. In order for the follow up contact to be affective it should be executed as quickly as possible after the estimated time that the letter has been received. If the sales letter campaign and the follow up actions do not result with a sale or a potential future client, the offering of the company can be kept in the minds of the contacted companies by the usage of an e-mail campaign. According to the answers, the individuals who partook in the study would not want to receive reminder marketing offers more often than once every three months. It can be argued that the e-mail marketing letters that are used in order to make sure that the company's offering stay in the minds of the potential customers, should be well planned and offer new value to the receivers.

The study revealed, which type of direct marketing is perceived the most affective and receiver friendly by the individuals responsible of the purchasing decisions of micro- and small companies operating in the area specified by the case company. It could offer interesting

differences to repeat the study when the economic situation in the EU-area is more stable, in order to reveal whether or not it affects the way the small and micro companies make their purchase decisions and which individuals they include in their buying centers. The changes in those two studied areas could affect the way the direct marketing should be executed.

The research conducted can be argued to be reliable and that the results would not differ if the interviews would be conducted to the same respondents by another interviewer. As mentioned in the research approach section of this report, a list of standards was used for the assessment of the validity and reliability of this study; the purpose of the study was taken into account in each step of the research process from selecting the sample group to the analyses of the data received; the collection of the data was done with the same interview structure. In order to eliminate possible differences and inconsistencies, all of the interviews were done by the same interviewer using the same interview form and with the same technique. Due to the limited geographical area where the sample was selected from it could be argued that the results of this study are not valid in any other geographical area. The operations of Pelican Finland will be limited in the Helsinki metropolitan area and therefore it can be stated that the results offer information that is relevant for the case company and can be used by it when planning and executing the direct marketing efforts of its existing and future sites.

The purpose of this thesis was to produce current information to the case company about the attitudes and opinions toward direct marketing efforts among the micro- and small companies operating in various industries in the specified area of Helsinki Herttoniemi Hitsaajankatu industrial district. However the aim was to identify and target a group of companies that could produce information to be used in the pre- and after launch marketing activities of the two new sites in Kilo and Ala-Tikkurila. More industry specific studies of the topic could offer a potential thesis topic for many students. Especially from the point of view of the case company it could be useful to execute a study that would help them to recognize the industries that need outside storage services in their everyday business or could offer their customers the services of Pelican Finland as a supportive service to their own products and services.

This thesis succeeded in its purpose of producing information about the attitudes toward direct marketing in the chosen geographic area. The received answers are gathered from a sample that can be argued to represent the average micro- and small companies and their buying procedures in the whole Helsinki metropolitan area and can therefore be utilized with the marketing actions of the whole company as well as individual sites. The business-to-business marketing campaigns conducted for the launches of the sites in Herttoniemi, Kilo, and Ala-Tikkurila were executed according to the guidelines presented in this thesis. The case company can also utilize the information about the direct marketing procedure provided in the theory section of this thesis when planning its marketing actions.

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6.1 Appendix 1: Interview form in Finnish

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1. Yrityksen yleiset tiedot

Haastateltava	
Yritys	
Toimiala	
Paikka	
Päivämäärä	

Toimipisteiden määrä:

Työntekijöiden määrä:

Liikevaihto:

Toimitilat (Osoite:omistus vai vuokra)

Varastointi: (Yrityksen omissa tiloissa vai ulkopuolinen varasto. Onko toimipisteillä oma varasto vai muiden kanssa jaettu keskitetty varastointi.)

2. Ostoprosessi

- Ketkä osallistuvat yrityksen ostoprosessiin?
- Kuinka ostoprosessi etenee?

Päätöksenteko

Kuka tekee lopullisen ostopäätöksen?

3. Pohjustusviestintä

-Mitä kautta kohde yritys useimmiten saanut ensikosketuksensa tuleviin yhteistyökumppaneihinsa ja tavarantoimittajiinsa?

-Harjoittaako yritys aktiivista yhteistyökumppaneiden ,tavarantoimittajien ja palveluntarjoajien kartoitusta?

- Lehdistötiedotteet ja ammattiartikkelit
- Messut ja seminaarit
- Mediamainonta (ammattilehdet, radio, televisio yms.)
- Verkkoviestintä (internet)
- Refrenssitoiminta

Tehokkuus 5=korkea (tärkein pohjustusviestinnän muoto)

Tehokkuus 4= Melko korkea

Tehokkuus 3= kohtuullinen

Tehokkuus 2 = melko matala

Tehokkuus 1= Matala (yritykselle merkityksettömin pohjustusviestinnän muoto)

Tehokkuus	1	2	3	4	5
Viestintä- muoto					
Lehdistötiedotteet ja ammattiartikkelit					
Messut ja Seminaarit					
Mediamainonta					
Verkkoviestintä					
Refrenssitoiminta					

- Kuinka tärkeänä haastateltava pitää sitä, että pohjustusviestintää on suoritettu ennenkuin siirrytään myyntiviestinnän toteuttamiseen?

4. Myyntiviestintä (tässä uusasiakashankinta)

- Suoramainonta (henkilökohtainen kohdistettu viesti vastaanottajalle, voidaan sisällyttää myös pohjustusviestintään jolloin se korvaa mediamainontaa)
 - ✓ Myyntikirjeen kohdistus: millä tavalla kohdistettu myyntikirje / myyntiviestintä tavoittaa tehokkaimmin ostoprosessissa mukana olevat henkilöt?
 - ✓ Kuinka voidaan varmistaa, että viesti ohittaa prosessin ns. gatekeeperin (useim. assistentti yms.) ja etenee päätöksentekoon osallistuville henkilöille saakka?
- Asiasisällöllisesti kohdistettu viestintä
- henkilönimellä kohdistettu viestintä
- tehtävän / aseman mukaan kohdistettu
- Kohdistamaton

Tehokkuus Kohdistus- muoto	1 Matala	2	3	4 Korkea
Asiasisällöllinen kohdistus				
Henkilönimellä kohdistettu				
Tehtävän mukaan kohdistettu				
Kohdistamaton				

- Kuinka haastateltava suhtautuu erilaisiin viestin perillevientitapoihin; sähköposti, kirje (kaikkine muotoineen)?
- Kuinka haastateltava suhtautuu **esitteisiin** joita käytetään suoramainosten ja myyntikirjeiden tukena?
 - Huomioiko haastateltava liitteenä toimitetut esitteet?
- ❖ Mihin seikkoihin, myyntikirjeessä, haastateltava kiinnittää eniten huomiota?
 - Tuote tai palvelu
 - Hinta
 - Viesti
 - Visuaalinen ilme

- Kuinka haastateltava suhtautuu suoramainoslähetysten yhteydessä käytettäviin **huomion herättämismuotoihin** joiden tavoitteena on lisätä lähetyksen kiinnostavuutta? (lahjat, kilpailulipukkeet, messuliput)
 - Minkälainen herättää huomion positiivisessa mielessä?
 - Minkälainen herättää huomion negatiivisessa mielessä?
- **Jatkotoimenpidesystematiikka**
 - suosiiko haastateltava asiakasimpulsiivista vai lähettäjäimpulsiivista mallia?
 - miksi?

5. puhelinviestintä (myyntiviestinnän osana eritoten myynnin käynnistystyössä)

- Onko asiakkaan suhtautuminen puhelinviestintään negatiivista vai positiivista?
 - Vaikuttaako pohjustusviestinnän tehokkuus asiaan?
- Kuinka viesti tulisi muotoilla ja ketä tulisi lähestyä, jotta myynnin käynnistystyössä päästäisiin tavoitteeseen eli sovittuun tapaamiseen asiakaskandidaatin kanssa?
- Pelicanin tapauksessa tavoitteena on päästä esittelemään palvelu asiakkaalle, jotta tämä tarpeen synnyttyä muistaisi yrityksen ja sen palvelun. Kuinka tämä voitaisiin tehokkaasti hoitaa ilman, että asiakas kokee myyntiviestinnän ns. tyrkyttäväksi?

6. Jälkimarkkinointi

- ❖ Pelican Self Storaagen kohdalla etenkin yritykset jotka eivät ole tulleet asiakkaiksi, mutta kontakti on jo onnistuttu luomaan.
- Kuinka varmistetaan, että prospekti muistaa Pelicanin kun tarve on syntynyt?
- Kuinka usein on sopivaa olla yhteydessä yritykseen?
 - Mitä viestinnän keinoa haastateltava suosii?
 - Miksi?

7. Henkilökohtainen myyntityö

- Kuinka haastateltava suhtautuu ns. heittokäynteihin eli myyntikäynteihin joita ei ole ennalta sovittu?

8. Pelicanin integroituminen Herttoniemen yritys yhteisöön

- Kuinka tiivistä yhteistyö Herttoniemessä toimivien yritysten välillä on?
- Mikä on tehokkain tapa integroitua yritys yhteisöön ja tehostaa sen toimivuutta?

6.2 Appendix 2. Interview form in English

B2B Marketing communications qualitative research

1. Company information

Interviewee	
Company	
Industry	
Place	
Date	

Number of places of business:

Number of employees:

Turnover:

Facilities (Company owned or rented)

Storage: (Does the company have storage in its facilities or has the company rented storage elsewhere? Does each place of business have its own storage or is there a central warehouse?)

2. Buying process

- Who takes part in the company's buying process?
- How does the buying process proceed?

Decision making:

Who does the final purchase decision?

3. Primary marketing communications

-Through which media does the company normally get the initial contact with its partner companies and service providers?

-Does the company actively screen for new partners, suppliers and service providers?

- Press releases and industry publications
- Trade fairs and seminars
- Media advertisement (printed media, radio, television etc.)
- The Internet
- Reference networking

Effectiveness 5= high (Most monitored and affective form of communications)

Effectiveness 4= fairly high

Effectiveness 3= medium

Effectiveness 2= fairly low

Effectiveness 1= low (The least monitored and affective form of communications)

Effectiveness Form of communications	1	2	3	4	5
Press releases and Industry publications					
Trade fairs and seminars					
Media advertisement					
The Internet					
Reference networking					

- How important it is that there has been active primary communications before moving to communications that are aimed to create sales?

4. Sales communications (new customer acquire)

- Direct advertisement (Personal advertisement directed to a specified individual)(Can also be used as a part of primary communications, where it substitutes media advertisement)
 - ✓ Assignment of the sales letter: To whom and how should the sales letter be assigned so that it reaches the right individual/ people involved in the buying process?
 - ✓ To whom the sale letter should be assigned to in order to make sure that it gets past the gatekeepers in the buying process?
- Assignment according to whom it may concern (e.g. person responsible for advertising)
- Assignment to a specific person
- Assignment according to the status in the company (to the CEO. etc.)
- Un assigned letter

Effective- ness	1 Low	2	3	4 High
Form of assignment				
To whom it may concern				
Name of the recipient				
Status/Job description				
Un assigned				

- How does the interviewee feel about different ways of delivering the sales letter, e-mail, mail (And their different forms)?
- How does the interviewee relate to **brochures** that are used to reinforce the affect of the sales letters and e-mails?
 - Does the interviewee pay attention the brochures?
- ❖ What are the aspects that the interviewee pays attention to in the sales letters?
 - Product or service
 - Price
 - Message
 - Visual outlook

- How does the interviewee relate to gifts etc. that are used in order to add to the attractiveness of the sales letter? (gifts, competition/raffle tickets , trade fair tickets)
 - What type of a gift appeals in a positive way?
 - What type of a gift evokes a negative reaction?
 - Follow up
 - Does the interviewee favor receiver- or sender impulsive action?
 - Why?
-

5. Telemarketing (As a part of pre sales communications)

- How does the interviewee relate to telemarketing in general?
 - Does the effectiveness of the primary communications affect this?
 - How should the message be presented and who should be approached in order to reach the goal of agreed meeting with the potential customer.
 - Pelican Finland aims to be able to introduce their service to potential clients in a way that the client would remember their service when the need presents itself. How can this be achieved without being seen as too pushy?
-

6. Follow up marketing

- ❖ In case of Pelican Self Storage these are companies that are already contacted but customer relationship has not been acquired yet.
 - How can Pelican Finland make sure that the customer remembers their offering once the need of storage is acute?
 - How often is it appropriate to be in contact with the potential customer?
 - What form of communication would the interviewee prefer?
 - Why?
-

7. Personal selling

- How does the interviewee relate to unannounced sales visits by sales representatives?
-

8. Pelicans integration into Herttoniemi business community

- How close and active is the co-operation between the companies in Herttoniemi and Hitsajankatu industrial district?
- What is the most efficient way to integrate into the community and enhance its efficiency?