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# The present state of locally operating businesses' marketing, CASE: Born Local

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The present state of locally operating businesses'  
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### Paikallisesti toimivien yritysten markkinoinnin nykytila, CASE: Born Local

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Tämä opinnäytetyö toteutettiin toimeksiantona suomalaiselle start-up -yritykselle, Born Local Oy:lle. Yritys on kehittänyt ja hiljattain julkaissut hyperlokaalin sosiaalisen median palvelun nimeltään Nearhood, joka kokoaa kaiken tiettyyn kaupunginosaan liittyvän tiedon yhdelle vuorovaikutteiselle alustalle. Paikallisesti toimiville yrityksille Nearhood tarjoaa tarkoin kohdistetun kanavan paikallismarkkinointiin. Born Local Oy kehittää parhaillaan erilaisia paikalliseen markkinointiin tarkoitettuja tuotteita Nearhood-palvelussaan, ja voidakseen luoda tarkoituksenmukaisia ja houkuttelevia tuotteita, yritys tarvitsi lisää tietoja kohderyhmästään, eli paikallisesti toimivista yrityksistä.

Tämän opinnäytetyön tarkoituksena oli tutkia paikallisesti toimivien yritysten markkinoinnin nykytilaa ja haasteita, sekä kartoittaa tapoja ja käytänteitä, joilla markkinointia näissä yrityksissä tällä hetkellä toteutetaan. Samalla tutkimusta hyödynnettiin Nearhoodin esittelemiseen palvelun ensisijaisen, kaupallisen kohderyhmän edustajille, jotta palvelusta saatiin ensikäden reaktioita ja palautetta. Tavoitteena oli selvittää, miten paikallisyrietykset toteuttavat markkinointia toiminnassaan, sekä ymmärtää taustalla vaikuttavia syitä olemassaoleville käytännöille ja asenteille. Tavoitteena oli lisäksi selvittää, mitkä ovat paikallisesti toimivien yritysten merkittävimpiä markkinoinnillisia ja viestinnällisiä haasteita. Tutkimus toteutettiin laadullisin menetelmin puolistrukturoituina yksilöhaastatteluina. Kaikkiaan viittä paikallisyrietyksen omistajaa tai johtajaa haastateltiin tutkimusta varten.

Tutkimuksen teoreettinen viitekehys koostui markkinoinnin perusteoriasta, jossa painotus oli paikallismarkkinoinnin kannalta olennaisissa tekijöissä. Myös laadullisen tutkimuksen ja tutkimusmenetelmien teoriaa käsiteltiin kattavasti. Nämä aihepiirit sisällytettiin työhön, jotta tutkimus oli mahdollista toteuttaa pätevästi ja tutkimuksen pääaiheesta eli markkinoinnista oli riittävä tietämys. Tuoreen näkökulman varmistamiseksi paikallismarkkinoinnin käsitettä käsiteltiin modernin paikallistumisen näkökulmasta. Koska lokalisaatio globalisaation vastatrendinä on keskeinen ajatus Nearhoodin taustalla, nähtiin se olennaisena käsitteenä sisällyttää työhön.

Ensisijaisena tuotoksenaan tämä opinnäytetyö tuotti oleellista tietoa paikallisesti toimivien yritysten nykyisistä markkinointikäytännöistä sekä tarjosi toimeksiantajalle konkreettisia kehitysehdotuksia Nearhoodin kehittämiseksi tehokkaaksi paikallismarkkinoinnin kanavaksi. Tutkimuksen tulokset osoittavat, että paikallisesti toimivilla yrityksillä on rajalliset voimavarat sekä tietotaito markkinoinnin tehokkaaseen toteuttamiseen. Tästä syystä yrityksillä on perustavanlaatuisia markkinoinnillisia ja viestinnällisiä haasteita. Johtopäätöksinä ilmeni, että Born Localin tulisi korostaa uusasiakashankinnan mahdollisuuksia ja yhteisöllisyyttä sekä sallia riittävästi joustavuutta palvelun maksumalleissa kehittäessään markkinointituotteita Nearhood-palveluunsa.

Asiasanat: lokalisaatio, paikallinen, yhteisö, markkinointi, viestintä, paikallismarkkinointi, markkinointiviestintä

Nella Kuitunen

**The present state of locally operating businesses' marketing, CASE: Born Local**

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This thesis was conducted as an assignment for a Finnish start-up company Born Local Ltd. The company has developed and recently launched a hyperlocal social media service called Nearhood, which gathers all information regarding a specific city area onto one interactive platform. For locally operating companies Nearhood provides a closely targeted channel for local marketing. Born Local Ltd is currently designing a selection of products for local marketing on Nearhood and in order to be able to come up with suitable and desirable products, the company required further information on its target group, locally operating businesses.

The purpose of this thesis was to study the present state and challenges of locally operating companies' marketing as well as to survey the current practices through which marketing is implemented in these companies. The research was also utilised for introducing Nearhood to representatives of the platform's primary commercial target group to receive first-hand feedback and reactions to the service. The objective was to learn how local businesses implement marketing in their operations as well as to understand the underlying reasons for existing practices and attitudes. Another goal was to find out what locally operating companies' biggest challenges are regarding marketing and communications. The research was conducted through qualitative methods as semi-structured, individual interviews. Altogether five local company owners or managers were interviewed.

The theoretical framework for the study consisted of basic marketing theory with the emphasis on elements relevant to local marketing, as well as elementary theory on qualitative research and methods. These subject matters were studied in order to perform a proficient research through appropriate methods as well as to have sufficient knowledge on the research topic. For a fresh perspective, the topic of local marketing was discussed from the viewpoint of modern localisation. With localisation as an opposing trend to globalisation being the central idea behind the creation of Nearhood, it was essential to integrate the concept in the study.

As the ultimate output, this thesis presented relevant information on the present state of locally operating companies' marketing practices, additionally providing the thesis partner with concrete development suggestions to further develop Nearhood for local marketing. The results of the research indicate that locally operating businesses have limited resources and know-how for efficient implementation of marketing and hence, are struggling with fundamental issues and challenges related to marketing and communications. In conclusion, Born Local ought to emphasise customer acquisition and sense of community as well as allow enough flexibility with the payment models for the marketing products on Nearhood.

Keywords: localisation, local, community, marketing, communications, local marketing, marketing communications

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## 1 Introduction

Globalisation and digitalisation have been the leading trends in business for some time now, with globalisation bringing about large, multinational corporations and new technology enabling vast consumption across local borders. Small, local businesses have largely stood aside for national and international chains, as they have not been able to compete in the toughening environment. All the while the modern digital advancements are allowing consumers to do many of their purchases on the internet without any interaction with the service provider or other consumers. The world has, so to speak, gotten smaller and people today have access to services and products from virtually anywhere around the globe.

Despite these new and widely established developments, physical location has yet retained its significance in the everyday lives of consumers. Local services are the prerequisite and the backbone of people's daily routines and comfort and it is in our human nature to long for social interaction and sense of community. The impersonality and anonymity of shopping in chain stores and online may satisfy consumers' desire for fast, flexible and individual shopping, but fails to satisfy the social side of it. What's more, consumers have grown aware of the flipside of globalised economy and are now seeking more ethical ways of consumption from environmental, social and economic viewpoints. Hence, resistance movements such as favouring local foods and product designers are on the rise.

These factors indicate that after almost two decades of being overshadowed by global brands and big-box stores, the time is now favourable for small, locally owned businesses to flourish again. And as marketing is the basic element of success for any company, it may just be the factor that could help local firms to outshine the big ones. The question simply remains how well these companies master and implement marketing in their operations in reality and if they have what it takes to compete with the transnational marketing machines that have had the consumers' attention for the past 20 years.

This thesis was carried out to study this interesting and timely subject and it was conducted in cooperation with a Finnish start-up company called Born Local. The purpose of the thesis was to survey the marketing practices and challenges of locally operating businesses. The main objective of this study was to learn how local businesses execute marketing and why, what their prime concerns are regarding marketing as well as to survey the local business owners' and managers' initial reactions to Born Local's new social media platform, Nearhood, aimed at local marketing. The results of the research give clear indication of the lay of the land of locally operating businesses' marketing and provide some insight as to why things are as they are. The theoretical framework for this study consists of theory on locality, basics and trends of local marketing as well as theory about qualitative research methods.

## 2 Local in the world of global

Globalisation has been the dominating trend in economics and society over the past couple of decades, and it has largely formed and moulded the way companies and consumers behave today. While the globe has seemingly gotten smaller with people, information and products more readily available to all and at all times, the significance of place and locality still remain. In spite of being able to shop and communicate around the world online, certain local services continue to be indispensable and people generally still perform a great part of their everyday tasks in a limited geographic area. Many feel a certain sense of belonging into their local community and so they tend to support local service providers for both ethical and emotional reasons.

### 2.1 Thesis objectives and outline

The purpose of this thesis was to study the marketing and communications practices of locally operating businesses in the Lauttasaari city district of Helsinki. The thesis partner Born Local has created a hyperlocal social media service and is currently developing products for local marketing within this service. Hence, the idea behind this work was to conduct a survey to study Born Local's intended target group, locally operating businesses. The main focus was on finding out what types of marketing and communications related practices, challenges and needs different locally operating businesses have. The study also surveys the basic features of locally operating businesses and what kinds of internet users the people responsible for marketing in these companies are. Moreover, this research was utilised to introduce Born Local's social media platform to its target group and to receive first-hand feedback and ideas for developing the service to better suit locally operating businesses' marketing and communications needs.

From the thesis partner's point of view the main purpose of this study was to gain a broader understanding of their target group. Born Local wished to learn valuable information about the present state and the needs of locally operating businesses regarding their marketing and communications. With this information the thesis partner will be able to create and develop products aimed at local marketing and advertising. In the process Born Local was also interested in gaining ideas as to how locally operating businesses could better utilise digital marketing in their operations. Furthermore, Born Local looked to receive first-hand reactions and comments about the service from potential customers, as well as how they see it would serve their marketing-related needs.



The primary objective of this thesis was to learn about the different means and media used in local marketing and communications and to understand the underlying reasons behind certain practices. In order to be able to successfully study the topic and analyse the results, it was also essential to comprehensively familiarise oneself with the field of marketing, its basics and current trends. Another goal for the thesis was to learn about different research styles and methods and how to conduct qualitative research. The theoretical framework of the thesis comprises of theory on the trend of localisation and locality as well as the benefits of it, the basics and current trends of local marketing as well as basic theory about conducting qualitative research.

## 2.2 Localisation

The word localisation can be used to describe several different occurrences, whether it has to do with economy or culture. Different kinds of localisation also occur in engineering, physics, mathematics and biology. In the corporate world the term localisation commonly speaking refers to the process of a company commencing operations in a new geographic area when its customer service, products and marketing are being translated and adapted to a new culture or area. In this thesis, however, the term localisation is used to discuss the opposing trend to the far-advanced economic globalisation. This phenomenon stems from the increasing need and search for sustainability and novel solutions in economy and trade.

The concept of economic localisation has been around for several decades, but the context in which it has been discussed has changed in the course of time depending on the era and its specific occurrences. In today's society the discussion is premised on three current and major topics; financial crisis, peak oil and climate change. As economic localisation directly responds to the problems related to these conditions, it can be viewed as highly timely. (Frankova & Johanisova 2011, 1-2.)

Frankova and Johanisova (2011) define the modern economic localisation as “support for as many aspects of local production and consumption as possible”, adding that the proponents of economic localisation generally consider it one of the strongest ways to sustainably satisfy basic human needs (Frankova & Johanisova 2011, 1). In this sense, localisation can be seen as an opposite trend to economic globalisation. However, the advocates generally agree that economic localisation is not a process of pursuing complete autarchy or isolation from the outside world and its economic, cultural or other influences (Frankova & Johanisova 2011, 4; Hines 2000, 46). Rather, internationality and profitable interaction across country borders should still be encouraged in order to gain, maintain and share valuable information and co-operation (Hines 2000, 46).

All things considered, economic localisation means moral, practical and political support for locally owned and operating businesses that primarily employ local people, serve local consumers and community and utilise local resources. Thorough localisation would enable local production of all goods and services that can be produced locally. This emphasis on favouring all things local increases local communities' self-sufficiency, decreases their dependency on import and strengthens their resilience towards global economic fluctuations. (Frankova & Johanisova 2011, 4; Hines 2000, 20, 43-44.)

### 2.2.1 The concept of local

Various ways and definitions exist to describe local. Hines (2000) explains that sociologists, when talking about personal interaction, typically use the name 'social field' to refer to a city area of about 1500 to 10 000 residents. Commutes included, this area may extend to approximately 15-20 kilometre radius. Commutes excluded, the social field is usually delimited by the nearest supermarket, shopping centre, school and other integral parts of the social infrastructure. (Hines 2000, 44.)

An important viewpoint when determining the concept of local is that for the residents of a certain area local always means home. According to Kytö and Väliniemi-Laurson (2013) home is where our everyday lives and daily chores take place. Thus, local services play an integral role in defining the area called home. In their research Kytö and Väliniemi-Laurson (2013) found that the local grocery store and library were consistently considered the two most pleasant service places to patronise in the respondents' home areas. Other commonly mentioned local meeting places were places of consumption such as shops, shopping centres, kiosks, the post office and chemists'. More than geographic or administrative borders, people tend to delineate their neighbourhood based on where the closest and most used services are located. (Kytö & Väliniemi-Laurson 2013, 67, 69.) In conclusion, local services are at the centre of what local is.

Alongside the modern localisation, a fresh concept of hyperlocal has arisen to explain and describe communities that are bound by geographic proximity both physically and digitally. While still in its infancy in Finland, hyperlocal media landscape is emerging overseas as far as is known at least in the UK and the US. Radcliffe (2012) explains that hyperlocal in this context means primarily online news and services that concern a particular city area, village, postcode or other geographically defined community. A sense of place is generally at the core of these hyperlocal services. While there is no such thing as a typical hyperlocal service, it is characteristic for such media to provide more grass roots level news and content than any traditional media would. There are several reasons as to why hyperlocal is emerging strongly. First of all, traditional media is going through a major change and at the same time the inter-

net and various devices have enabled more diversified connection within geographic communities. Second, social media is altering the way people consume and especially produce information these days, while businesses are also beginning to recognise the value of local content and communication. Most importantly, local issues continue to matter to audiences. Hyperlocal media does not only provide locally relevant content but also feeds the communal feeling and allows different players in the community to interact with one another. (Radcliffe 2012, 6-7, 23.)

Community is an integral part of local and locality, and the concept of localisation actually retains the ideal of communal activity and spirit. Mäkinen (2009) agrees, suggesting that the significance of community and communal actions is a common topic in the present day and as a concept it has spread to discussions in politics, markets as well as civic society. Mäkinen (2009) explains that, according to researchers, the increasing appreciation of community is a sign of people seeking security in today's world that is tinged with constant change and uncertainty. The emphasis on local communities and sense of community has risen up as a response to globalisation and researchers suggest that this is because of issues related to risk management. (Mäkinen 2009: 75, 81.)

Although the meaning of place in sense of community has visibly decreased, the place of residence with its neighbourhoods still matters. People want to live in safe areas where there are adequate services and activities available. Knowing the neighbours and being able to trust them is an important factor in helping people feel comfortable in their residential area. However, nowadays communities are often also virtual, which means that residents in a certain city area may engage in communal activities regardless of time and place. This type of community can also be easily mobilised and joined together with other social networks. (Mäkinen 2009, 80, 82.)

### 2.2.2 The pros and cons of localisation

While in Finland the discussion of locality and economic localisation is still seemingly limited, there is an increasing amount of talk abroad about the many advantages that economic localisation presents. And while the whole localisation phenomenon is largely bred from environmental and ecological issues, more and more debaters are beginning to acknowledge the economic and social benefits this orientation may generate. Comprehensively thinking the benefits of localised economy can be listed as follows:

Environmental benefits	Social benefits	Economic benefits
<ul style="list-style-type: none"> <li>• Shorter production and distribution chains</li> <li>• Invocation of local available resources</li> </ul>	<ul style="list-style-type: none"> <li>• Vibrant communities</li> <li>• Sufficient services</li> <li>• Enhanced well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Stability in global financial crises</li> <li>• More jobs provided and held locally</li> <li>• Keeping money in the community</li> <li>• Diversity in competition and supply</li> </ul>

Table 1 Environmental, social and economic benefits of localised economy

Relative to this thesis, the most interesting aspects of the modern localisation are the social and economic factors. Mitchell (2012) points out that concentration of local businesses sustains liveliness in different city areas, which consequentially strengthens communities in these areas by linking residents in a network of both social and economic relations and in turn prevents habitat loss in the community. Kytö and Väliniemi-Laurson (2013) agree, stating that local businesses help residents identify and become attached to their residential area. Accessible services and their functionality are indispensable in sustaining the comfort and satisfaction of residents in the area, which in turn increases the stability of residents and thus, secures tax revenue and improves the area's image. The familiarity and stability that stem from this will also enhance the sense of community and security in the area. (Kytö & Väliniemi-Laurson 2013, 71.) Local places of consumption also provide an environment that encourages social interaction and thus, helps people see their residence in a more meaningful way. (Mitchell 2013.)

In tight communities both consumer and business decisions are ultimately driven by personal motivations and support is shown between fellow residents who people are in regular contact with. In times of crisis this means that economy that is controlled locally is more easily rearranged to respond to changing local needs. (Mitchell 2013.) Brown (2013) concurs, stating that local businesses are often quicker to react and adjust to changing economic climates than large national and international companies. This is largely because small businesses are typically very customer-oriented in their operations and often manage to establish a base of loyal clientele. (Brown 2013.) Furthermore, local companies enhance competition and product diversity, as a diverse marketplace of small businesses inspires innovation and ensures lower prices in the long run. When many small, locally owned businesses are selecting their products based mainly on the needs and wishes of their local customers, it also results in a much wider range of goods. (Mitchell 2012.)

But localisation is not just for small and medium-sized companies. Rigby and Vishwanath (2006) point out that large companies may benefit from localisation too. Consumer markets have changed significantly in recent years and aware producers and service providers have realised that standardised mass products no longer please all customers all over the world. In response, offerings of products, service packages, deals and so forth should be customised to suit a certain community or clientele. This would mean moving from global standardisation to local customisation. (Rigby & Vishwanath 2006, 84.)

Besides the advantages of the modern localisation, it also deserves some critique. Frankova and Johanisova (2011) argue that prioritising local production and consumption leads to less efficient operations, which is against the general economic system in which as much benefit should be gained with as little input as possible. Too much focus on locality may also result in what is called the local trap; the assumption that local is undeniably good. This may keep people from finding other, potentially more efficient solutions to achieve the intended outcomes. (Frankova & Johanisova 2011, 7-8.) It can also be questioned just how far backwards people are willing or even able to go in the pursuit of more sustainable living. People are used to a certain level of convenience in their everyday activities, such as purchasing goods online instead of patronising a local store. Digitalisation in particular strongly supports the progress of globalisation, as the Internet and other technological innovations have presented consumers with numerous opportunities. From the easy access to the ever growing and diversifying global range of goods to vast consumer networks with instant recommendation systems, these possibilities have impacted consumer behaviours across the globe. At the same time increased unemployment and financial instability have resulted in more cautious and frugal consumers who cannot afford to or simply do not want to spend excess money on possibly more expensive local products and services just to support the local businesses. In this regard, while the thought and intent of localisation might be ideal and desirable, in reality there may merely be more talk than there are concrete actions towards realising active localisation.

### 3 Marketing in transition

Marketing is one of the fields in business economics that is highly prone to change and its characteristics are strongly affected and moulded by contemporary trends. Hence, marketers must be able to control the ever more rapid changes that occur in the marketing environment, customer relationships and networks (Bergström & Leppänen 2009, 10). Kotler, Kartajaya and Setiawan (2011) state that any changes in the economy, that affect consumer behaviour, ultimately impact the ways of marketing as well. In today's world constant changes and upheavals have become commonplace. Widespread financial crises and the economic focus shifting from west to east have increased unemployment worldwide, which has conse-

quently led to increased distrust towards global economy. Climate change and the pollution of the environment forces nations to consider ecological issues in economy and politics. Technological development is no longer mechanical but digital, which in turn has significantly impacted the behaviour and importance of both information providers and consumers. These major changes among a number of other factors call for considerable changes also in marketing practices. (Kotler et al. 2011, 11.)

In the past 60 years the focus in marketing has shifted from product-oriented to consumer-oriented, with Kotler et al. (2011) suggesting that it is now strongly changing again, becoming increasingly human-centred. The new age of marketing acknowledges human emotions and intellectuality in an entirely new way, and it has become yet more important to appeal to consumers' emotions. (Kotler et al. 2011, 12, 19, 43.) Bergström and Leppänen (2009) concur, suggesting that through several decades the marketing philosophy and thinking has gradually developed from production-, sales-, demand- and customer-oriented into the modern-day relationship- and responsibility-oriented thinking. Attitudes towards marketing have changed a lot even within organisations and it is no longer seen as solely the marketing department's job, but as part of the whole organisation's operations. (Bergström & Leppänen 2009, 12, 21.)

In a way marketing can be considered as the force that broadly combines and utilises the strongest trends of each current phenomena. Moreover, in many respects modern marketing and localisation have been generated by the same issues and phenomena, while localisation itself is likely shaping marketing and communications for its part. Emphasis on locality and sense of community are inevitably going to affect, if not already affecting, the marketing and communications of those businesses that are interested in operating and succeeding in their local communities. On the other hand, in spite of the ever-changing nature of marketing, certain regularities and basic ideas continue to apply. It is the very basics of marketing that all companies, however local or small, ought to master in order to succeed in the toughening competition against global chains.

### 3.1 The basics of marketing

Marketing is a central part of business and trade, and an important success factor for companies. With the help of marketing companies are able to communicate about their products and stand out from their competitors. All marketing is based on knowing customers' purchasing behaviours and satisfying their needs better than the rivals do. Marketing is both a strategy and a tactic, in other words a way to think and to act, and nowadays marketing plays an essential role in organisations even on the strategic level. This means that customership-oriented marketing thinking influences and guides most business decisions and solutions. Bergström and Leppänen (2009) define marketing as a responsible philosophy and a set of

methods that are founded on relationship thinking and with which organisations, by interactively communicating, create competitive offerings that bring value to different parties. (Bergström & Leppänen 2009, 10, 20, 23.)

Marketers are collectively unanimous about the importance of measuring the effectiveness of marketing (Tolvanen 2012, 97). The starting point for measuring marketing is to determine clear goals, set the budget and define what the signs of success are for the company in question. After this it is simply a matter of measuring whether the goals were achieved or exceeded and with what cost. (Forsgård & Frey 2010, 140; O'Leary & Sheehan 2008, 109.) The means of measurement are diverse, with many content with campaign surveys offered by different media. These surveys typically measure attention values, contacts or the nowadays trendy recommendation index. The measurement tools used in different media provide a perception of how powerful the contents of an advertising campaign are. However, marketing is not just advertising but covers the whole process of building, maintaining and developing customership. How successful the company's overall customer relationship management is shows in its revenue and profitability and thus, the measurability of marketing ought to be extended to cover these strict gauges as well. (Tolvanen 2012, 97.)

Market segmentation is one of marketing's basic concepts. At the heart of segmenting there are customers' divergent valuations, needs and behaviours. (Bergström & Leppänen 2009, 150.) Segmenting means taking potential customers and sectioning them into different segments based on certain criteria (Lahtinen & Isoviita 2007, 32). Thus, a segment is a customer group in which the buyers share at least one conjunctive purchase related characteristic (Bergström & Leppänen 2009, 150). From the formed segments a company then chooses one or more as its target groups. With segmented marketing companies strive to achieve high sales and profitability objectives. (Lahtinen & Isoviita 2007, 32.) In fact, Bergström and Leppänen (2009) argue that without successful segmenting customer-oriented marketing hardly has the prerequisites for succeeding. Segmenting is the foundation of marketing's competitive factors, as products and customer service must be designed by segments, the price and place may be different for different target groups, marketing communications are designed to suit each target group and customer relationships are dealt with differently in different segments. (Bergström & Leppänen 2009, 151.)

For all target-oriented marketing a marketing mix, or a set of competitive tools, must be determined. This combination of tools is the ensemble with which a company approaches its customers and other external interest groups. The original and most basic marketing mix is called the 4P model and it comprises of product, price, place and promotion. Product of course is the premise for success, and products are developed and acquired for selling based on customers' needs, valuations and preferences. (Bergström & Leppänen 2009, 166, 169.)

Product as a competitive tool is a collection of items, services and associations and its parts include the core product, also known as the concrete item that customers buy, the association product including elements such as product name, packaging and brand as well as additional services that can be added to respond to customers' individual needs and thus bring added value to the product. (Lahtinen & Isoviita 2007, 77.) Price as a competitive factor consists of price decisions and pricing in general (Lahtinen & Isoviita 2007, 97) and while important, it should not be the only tool. When using price as a competitive tool companies must know how to operate in changing situations and be able to decide the appropriate price level in relation to competitors and customers' expectations. Place as a marketing tool, on the other hand, means making the purchase of the product as easy as possible, though rather than selling the product everywhere, the place should be determined based on how well it reaches the target group and fits the product's image. (Bergström & Leppänen 2009, 169-170.) Promotion, otherwise the marketing communications, is the most outwardly visible competitive factor and it covers advertising, personal selling, sales promotion, public relations as well as customer service (Bergström & Leppänen 2009, 170, 328; Lahtinen & Isoviita 2007, 118-119). Direct marketing can also be counted as one of the marketing communications instrument (Karjaluoto 2010, 36). In other words, marketing communications is in fact a process of communicating information and associations to target audiences and thus, it systematically builds and improves the company's recognisability and image. (Bergström & Leppänen 2009, 170, 328; Lahtinen & Isoviita 2007, 118-119.)



Figure 1 4P marketing mix

According to the 4P model marketing is made up of the four aforementioned factors that all support one another. Vuokko (2003) explains that promotion's purpose is to communicate out-



side the organisation about the company's product, price and where one can purchase it, while for instance pricing decisions must be in keeping with the messages told through promotion. It is important to notice that, correspondingly, the three other factors also practice communications in their own way; a product communicates with its external features and brand, price signals about the quality and value of the brand, and the image of the selling place may affect the image of the product. (Vuokko 2003, 22.)

The original marketing mix has been strongly criticised over the years for being too product-oriented and thus, outdated. As a response several extensions and combinations of the traditional mix have been developed, with new competitive factors such as people, customer service and peer-to-peer being established and utilised. Particularly in the service field people are in a central position. The amount, quality and behaviour of the personnel together with customers affect the success of the service. Customers often participate in the fulfilment of the service and influence other customers' choices. Peer-to-peer as a competitive tool, on the other hand, means networks formed by customers and active exchange of marketing messages within these networks from one customer to another. (Bergström & Leppänen 2009, 166-168.)

### 3.1.1 Traditional marketing communications

Advertising in its different forms is often a company's most important communications tool (Bergström & Leppänen 2009, 337). It is generally the most visible and also the most common one in consumer marketing (Karjaluoto 2010, 36). Advertising is paid and target-oriented informing about products, services, events, ideologies and other general matters and it is mainly executed through mass media (Bergström & Leppänen 2009, 337; Lahtinen & Isoviita 2007, 124). In other words, by advertising companies communicate to a large group at once. This type of mass communication is used to pass messages especially when marketing consumer goods and services and when the target group is big. These days, however, advertising is more often aimed at a specific, restricted target group and potential buyers are spoken to on a more personal level. At best, advertising is continuous and long-term but also covers short-term campaigns. (Bergström & Leppänen 2009, 337.) Table 2 below presents concrete examples of short and long-term advertising.

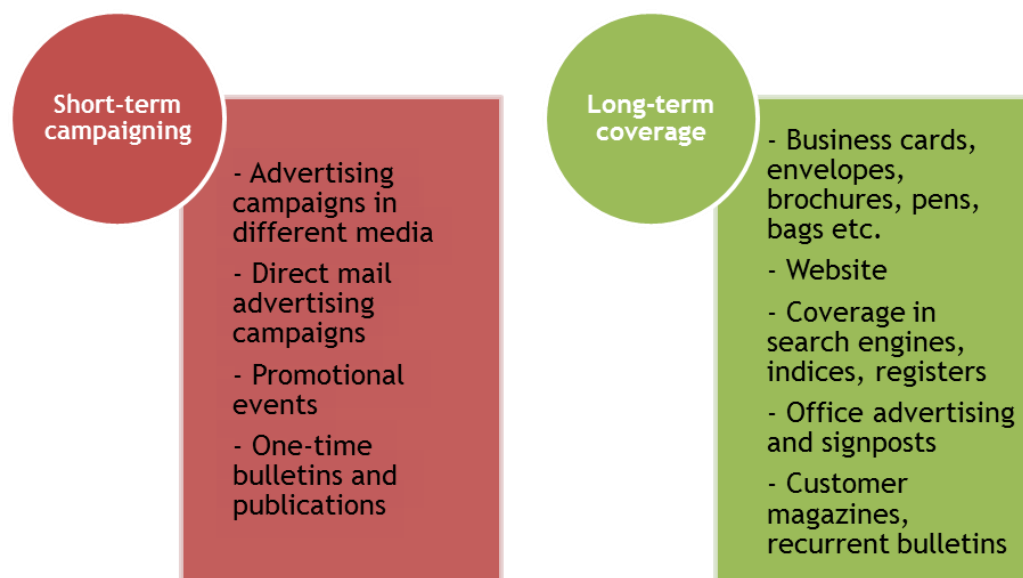


Table 2 Short and long-term advertising (Bergström & Leppänen 2009, 337.)

Different forms of marketing can be studied from the viewpoint of available advertising media. In marketing communications it is important to find the advertising forms and media that best reach the desired audience. In Finland the common division between different forms is media advertising such as newspaper, outdoor and online advertising, direct advertising such as print, mobile and email advertising as well as below-the-line advertising which covers office or shop advertising, printed indices and registers, promotional gifts and advertising related to events, trade fairs and sponsoring. Industries that utilise media advertising the most include retail trade, food industry and service providers among a few others. (Bergström & Leppänen 2009, 338-339.)

There are exceptionally many local newspapers in Finland and they are a good media for reaching the residents of a certain area. These papers are typically read first thing in the morning and at the same time readers also browse through for specials and tips for the day's shopping. Advertising prices for newspaper advertising vary a lot depending on the paper's circulation, number of readers and competition as well as what kind of advertisement is in question and when it is published. Traditional newspaper and magazine advertising is facing a great challenge with new digital media constantly conquering a bigger share of advertising. Consumers' media use is mostly electronic and print media reaches audiences less and less all the time. Even so, print advertising is still the major form of advertising in Finland. (Bergström & Leppänen 2009, 339, 342-343.)

Karjaluoto (2010) suggests that due to fragmentation of target groups, rise of media costs, toughened competition, increased information overload and technological development marketing and thus, marketing communications, is becoming more individual and personalised.

The digitalisation of communications is one of the major reasons why direct marketing has been gaining a greater share of the promotion mix. Direct marketing means delivering marketing communications messages about products or services directly to the recipient. Most commonly it is implemented via telephone or by mail as direct mail advertising or catalogues. Besides these traditional means, it is becoming more common to use email and gradually also text messages. (Karjaluoto 2010, 68-70.) Direct advertising is both a medium and a sales channel and it is often used for maintaining and developing already existing customer relationships. Direct advertising can be addressed or unaddressed, printed or digital. (Bergström & Leppänen 2009, 383-384.) As presented by Lahtinen and Isoviita (2007, 139) it can be divided into three groups based on the nature of its contents; informative, reminding and advising. Compared to other media the benefit of well planned and executed direct advertising is that the recipients can be chosen carefully and the message can be moulded individually. (Bergström & Leppänen 2009, 383-384.)

### 3.1.2 Modern marketing communications

Digital channels are moulding how people experience and perceive marketing and marketing communications. The coexistence of marketing and media as it has been up until now has reached the next phase in its evolution with new, vivid and innovative media and marketing opportunities challenging the yet differentiated advertising, media and communications structures. Advertising has gained numerous new platforms from games to blogs. Marketing messages are more often now planned according to the chosen media or channel. Thanks to digitalisation, consumers now have ever more power to say and to choose. Their media use is fragmented, especially online, and almost slyly the consumers of the digitalised world have transformed from passive readers into active players and participants. (Leino 2010, 34, 324.)

Digital marketing communications means generally speaking all marketing communications that are carried out in digital form or media. Karjaluoto (2010) defines it as the utilisation of new digital marketing communications forms and media such as internet, mobile media and other interactive channels in marketing communications. It is not a synonym to internet marketing, though the two share a lot of the same contents. Digital marketing communications differs from internet marketing with the fact that it covers more channels besides just the internet. In other words a person who has never used the internet can still receive digital marketing communication for example via text message on their mobile phone. The most familiar forms of digital marketing include electronic direct advertising such as email and mobile, internet advertising, which covers company websites as well as online advertising such as search engine marketing. (Karjaluoto 2010, 13-14.) According to Bergström and Leppänen (2009, 126, 370) digital marketing has increased significantly in recent years and so it should, given that back in 2009 there were already around 3,6 million Finns who spend on average 30

hours a month online and there are more mobile phone subscriptions in Finland than there are people.

In Karjaluoto's (2010, 127) opinion, compared to the traditional media the two biggest advantages of digital media are that they are interactive and that they can be specifically targeted. Perhaps the most significant and intriguing media in digital marketing is the rapidly evolving and expanding social media scene that both challenges traditional marketing thinking and presents marketers with a number of fresh opportunities. According to Leino (2012), we are in the midst of social internet and social media revolution, and it is impacting the mechanisms of participation, communication and sharing. This revolution has had and will have particularly big impact on the everyday operations of businesses; how they will market and sell individual items in the future. It is important that companies understand exactly how internet communities work, how people in these communities are networked and how they share opinions. Leino (2012) further argues that understanding and acknowledging the revolution is particularly important for small and medium-sized companies, regardless of their field of business. New means, channels and tools provide great opportunities to succeed better in the constant competition. (Leino 2012, 9-10.)

Social media are primarily mobile phone and web-based tools for sharing information and exchanging opinions (Leino 2010, 266). From the marketing point of view, companies must realise that in the age of social media instead of shouting and purporting the time has come to redeem the promises made in marketing communications by performing true actions. This means shifting to content marketing; with meaningful content and appropriate actions companies can hold on to their customers, get customers to speak on their behalf and attract new customers with the help of social internet. (Leino 2012, 10.) In fact, the key to success comes from the realisation that consumers have gone from passive targets to active followers and forces. Forsgård and Frey (2010) describe the popularity of social media as a natural part of the renaissance of humanity. In the old days local village shop owners and staff knew their customers, and these shops were the meeting places where the people of the community gathered to catch up and exchange opinions and preferences. Village shops were swept away for most parts by globalisation and the many hypermarket chains it generated, and the personal connection between shopkeepers and customers stood down from the way of impersonal mass communication. After decades of this impersonality people now want to converse and have social relationships again. (Forsgård & Frey 2010, 10, 16-17.)

Hence, Leino (2010) suggests that social media for organisations is all about creating a connection with the recipients. By producing great content it is possible to connect with potential customers. Customers, on the other hand, leave traces of themselves in the form of feedback, which marketers can then analyse. This way a dialogue has begun. (Leino 2010, 266.)

Successful and subservient social media presence requires genuine and active participation from organisations, as interest groups' questions must be answered and their worries listened to. Thus, although marketing is the main reason for many organisations to be on social media, the traditional marketing models with outsourced marketing operations and simple one-way notifying does not work. Maintaining a company's Facebook page for instance may turn out to be surprisingly challenging as the constantly updating contents are or at least should be interactive public relations, which cannot be completely outsourced. (Forsgård & Frey 2010, 39.)

More than anything, social media should be perceived as a public, live platform for customer service rather than an advertising channel. Traditionally marketers have defined brand promises and slogans as the foundation for marketing communications, and by repeating these messages they have been pursuing the desired image within target groups. Social media has brought up a new perspective to this definition, and it is forcing marketers to ponder how to have target-oriented conversations and how to utilise conversational messaging. So instead of pure self-praise, companies ought to start observing their environment and the budding trends in it, and by discussing these in the social media, establish their status as pioneers. Forsgård and Frey (2010) explain that in social media customer service is also not just about listening, responding and doing this quickly, but before anything it is about building relationships and trust. When an organisation responds, it listens. When it responds quickly, it cares. On the other hand, if the organisation does not respond at all, its social media profile can easily turn into a space for complaints and dissatisfaction. (Forsgård & Frey 2010, 41-42, 59-60.)

Finally, Leino (2010, 291) adds that consumers under the age of 40 are hard to reach comprehensively and aptly without any presence in social networks and without offering them interesting and inspiring content that benefit them with new information and entertainment. In the light of all this, it seems inevitable for organisations, however small or local, to consider how and to what extent they should utilise digital marketing communications in their operations.

### 3.1.3 Community and social relations in marketing

Bergström and Leppänen (2009, 44) concur that in the recent years the rising trend of sense of community has been affecting marketing too. Technology has connected consumers by allowing all kinds of communities to flourish. Consumers want to identify with other consumers, which is why companies should be helping them create connections to different communities. In order for companies to succeed in business today they must actively support various communities. Communities are not built for companies but for the members of the communities, hence companies should provide them with relevant content. (Kotler et al. 2011, 49-50.) With

the significance of community and social interaction and relations rising among consumers, affecting their habits of consumption, the definition of marketing has also been updated and expanded to cover community in its broader sense. Kotler et al. (2011, 33) present the American Marketing Association's official new definition from 2008 as the following: Marketing is actions and processes through which special offers that are meaningful to consumers, customers, partners and communities are made, communicated, delivered and exchanged.

Kotler et al. (2011) believe that it is time to forget the division between marketers and consumers. Marketers are just as much consumers themselves, whereas nowadays consumers are more and more of marketers too. In other words we are all both marketers and consumers, and marketing is no longer the exclusive right of marketing professionals, as consumers are currently just as much marketing to other consumers. Modern-day consumers act in a communal, social way, sharing product and service experiences within their personal networks. (Kotler et al. 2011, 48.) Consumers today have almost an endless amount of choices for what and where to buy (O'Leary & Sheehan 2008, 1), and when making these decisions they very much trust the experiences and recommendations of their networks and look askance at outside influences. For this reason companies ought to understand the communicational and creative power of consumer networks. (Kotler et al. 2011, 48.)

So what are the concrete means and channels for companies to integrate community and social networks in their marketing? One of the traditional marketing communications instruments that companies can use to increase their positive coverage and improve their image is sponsoring. Bergström and Leppänen (2009, 453) describe sponsoring as buying or renting a person's, an event's or another target's image to employ it in a company's marketing for promotional purposes. Sponsoring can be seen as part of company's sales promotion and public relations, and it is typically directed at sports clubs, culture organisations and events as well as charity (Lahtinen & Isoviita 2007, 150). The purpose of sponsorship is to benefit both parties mutually, with the target profiting from getting funding and the sponsor gaining positive publicity and coverage. Typically the sponsoring company achieves this by having its name or logo visible at the venue or in flyers, schedules, tickets, outfits and so on. (Lahtinen & Isoviita 2007, 150.) Sponsoring ought to be planned carefully by determining if and how it can help the company best reach a specific target group. Popular events, clubs and athletes that have a positive image are usually sponsored more easily than small, local players. For a company looking to sponsor it is important to know exactly what they will gain from sponsoring the chosen target. (Bergström & Leppänen 2009, 453, 455.)

Event marketing, on the other hand, occurs when a company organises its own marketing event. Such events are particularly important in business-to-business marketing and in maintenance of customer relations. Typically these are informal events with which the com-

pany aims to provide the guests positive experiences. A successful corporate event has a suitable theme, venue, timing and programme, which are all planned from the target group's perspective. At best, event marketing provides a setting for the marketer and customers to get to know each other better, to build trust and discuss openly. (Bergström & Leppänen 2009, 455-456.)

Customer service is specifically social interaction. According to Bergström and Leppänen (2009, 180) customer service is a set of actions whose purpose is to assist and guide the customer, and Lahtinen and Isoviita (2007, 39) argue that it is actually one of the most important competitive tools in marketing. Service is an effective way for a company to stand out from its competitors. While products can be easily copied, it is a lot more difficult for competitors to catch up with a company that is known for its more service-minded, eager and better trained personnel. The key to good customer service is to know how people want to be treated in service situations. It is also important to remember that negative experiences and impressions die hard, while positives are forgotten a lot easier. (Lahtinen & Isoviita 2007, 38-39.)

Where good customer service is what keeps customers coming back for more, word of mouth marketing is what companies wishing to utilise community and social relations can exercise to acquire new clientele. Sernovitz (2009) defines word of mouth marketing as providing people with reasons to talk about a company and enabling them to do so. In other words it is straightforward consumer-to-consumer marketing (Sernovitz 2009, 1), and it is in fact the oldest form of marketing, since before there were other media all advertising was spread through word of mouth (Salmenkivi & Nyman 2007, 234). O'Leary and Sheehan (2008) describe word of mouth marketing as the process of two people informally exchanging information and especially recommendations about products and services. What makes it an especially noteworthy form of marketing communications is that when the information comes from another consumer, it is generally considered highly credible. (O'Leary & Sheehan 2008, 2.)

In this age, where consumers already do half the marketers' work whether they like it or not, this kind of customer-to-customer marketing should be systematically harnessed by companies. O'Leary and Sheehan (2008) note that, customer communities that are built through word of mouth marketing present numerous benefits for companies. First of all, they increase and reinforce customer loyalty and improve business performance, as the more these customers have positive experiences and the more they keep talking about them, the more they are reminded of the products or services and consequently the more likely they are to visit. Word of mouth marketing also decreases marketing costs while at the same time positively setting the company apart from its competition. Furthermore, satisfied customers who keep coming

back are likely to lead to satisfied personnel, which in turn lead to better employee loyalty. (O'Leary & Sheehan 2008, 2-3.)

The reason word of mouth marketing is particularly current is the emergence of online communities along with the traditional physical communities. O'Leary and Sheehan (2008) explain that with people these days being more inclined to share their experiences and the Internet facilitating this broad information exchange, word of mouth now reaches more people than ever before. As a matter of fact, a recent study shows that nowadays a satisfied customer will tell on average ten people about their positive experience, whereas a dissatisfied customer is likely to recount a negative experience to approximately 300. (O'Leary & Sheehan 2008, 4.) Sernovitz (2009) adds that while word of mouth has always been around, it is now topical due to the fact that companies are finally able to do something about it. It has evolved from something abstract into something marketers can influence and actively work with. Numerous platforms and channels exist where companies can, so to say, plant a seed of conversation, have people talking and make the discussion visible to many. (Sernovitz 2009, 3.)

Word of mouth is not just about getting customers to talk outside the company, but it is also about companies talking with their customers to find out their likes, dislikes and development ideas. Consumers are much more likely to complain to a friend than directly to the company, and so company owners and staff should be active in making conversation with them in order to hear the feedback first. (O'Leary & Sheehan 2008, 5.) Sernovitz (2009, 4) concludes that word of mouth is first and foremost about practicing such excellent customer service that people actually want to tell their networks about it.

### 3.2 Local marketing

The concept of local marketing is most commonly discussed from globalisation's perspective, when organisations expand to foreign markets and they must adapt their marketing to new cultures and geographic areas. Given this thesis' topic, local marketing is in this context discussed from the point of view of how locally operating businesses can and could utilise marketing and what means and media exist for marketing locally.

Shuman (2010) argues that locally owned and operating businesses largely have what it takes to successfully compete against global corporations. Nowadays consumers are not solely interested in the price of the product, but care about the all-around value of it. Modern-day consumers consider the quality of the product, how trustworthy the producer is and if they are going to be overcharged for it. In addition to the purchase itself, they value a great shopping or service experience. Above all, today's consumers care about whether the company adheres to a certain level of corporate social responsibility with its employees, the environ-



ment and the community. Generally speaking, these are the aspects where local businesses have all the prerequisites to excel and outshine large, internationally led chain stores. It is easier for aware consumers to stay informed about the operations of local companies than to follow multinational corporations that have different parts of their operations spread out in several countries or continents. However, consumers today still get relatively little information about specials and offers on a local level and instead are strongly influenced by national or international marketing in their purchase decisions. (Shuman 2010, 3-4.)

As a matter of fact, a recent report confirms that marketing is not Finnish small and medium-sized companies' strong suit. Instead of being considered a central competitive function as it should be today, it is rather seen as a mere support function for the "real" business operations and hence, has no room in the small and medium-sized companies' strategy. The top management in these companies generally does not know or understand the opportunities that marketing presents in business development. The generation of customer insight and marketing communications are considered marketing's most important functions, whereas it does not get to intervene in pricing or place. These old-fashioned attitudes and ways of thinking occur in some of the small and medium-sized businesses lacking marketing budgets altogether. Furthermore, another recent report found that digital know-how in Finnish small and medium-sized companies is falsely considered to be strong, when in fact in international comparison it is in no way sufficient. (Savaspuro 2013, 18.)

So although small local companies have many of the preconditions for success, it seems that these opportunities are not sufficiently taken advantage of because the companies cannot or will not put enough emphasis on comprehensive marketing. Nonetheless, whether locally operating businesses acknowledge it or not, there are endless ways and means to market locally. The modern human-centred marketing thinking caters especially well for small and local businesses' purposes, as they operate with and within physical and geographical communities where relationships and networks play a particularly big role in the success of a company. Out of the original competitive tools, price and product have been most influenced by globalisation with ranges of products expanding exponentially and simultaneously prices going down, which means that both consumers and companies have been getting more for less. Small businesses may not be able to compete in prices or product offerings with big chain stores, though small, local businesses could get the upper hand with other factors such as place in its most traditional sense. For instance, getting groceries from the corner shop or visiting the local hair salon or café are still today some of the daily activities whose social appeal and significance neither globalisation nor digitalisation have been able to replace. Besides the traditional 4P marketing mix there are numerous other competitive factors to suit small and local companies operations. Personnel, people and peer-to-peer ought to be among the factors to consider for any locally operating company looking to harness its role in the local

community and social circle. Additionally, competing with customer service may just be the main divider between the company and its geographically closest rivals.

Locally operating businesses have a rather clear segmentation, as most would offer products or services for all consumers in the surrounding area. Granted, local companies can and perhaps should still exercise segmenting to further refine different target groups to determine their primary target markets and to achieve the best results with their marketing. For local companies, which are often small and independently owned, it is particularly important to keep to the budget. Hence, the cost-efficiency and general effectiveness of all marketing ought to be ensured by measuring it systematically.

When it comes to choosing different marketing channels and platforms, local firms can utilise both traditional and digital media rather freely. The key is to measure and determine which channels are the most effective for reaching existing and potential customers and for managing customerships. Traditional channels such as local newspapers, direct advertising, sponsoring and grapevine are still relevant marketing platforms today and especially effective locally, as they help the company gain more coverage and establish social ground in their operational area. At the same time digitalisation has entrenched digital and social media in marketing in such way that it should not be ignored by even the smallest businesses. Consumers have adopted some of these media so strongly, that they cannot be reached through more traditional channels or methods. Moreover, social media in particular provides an additional platform for more personal communication between the company and its local community.



Figure 2 The elements of local marketing

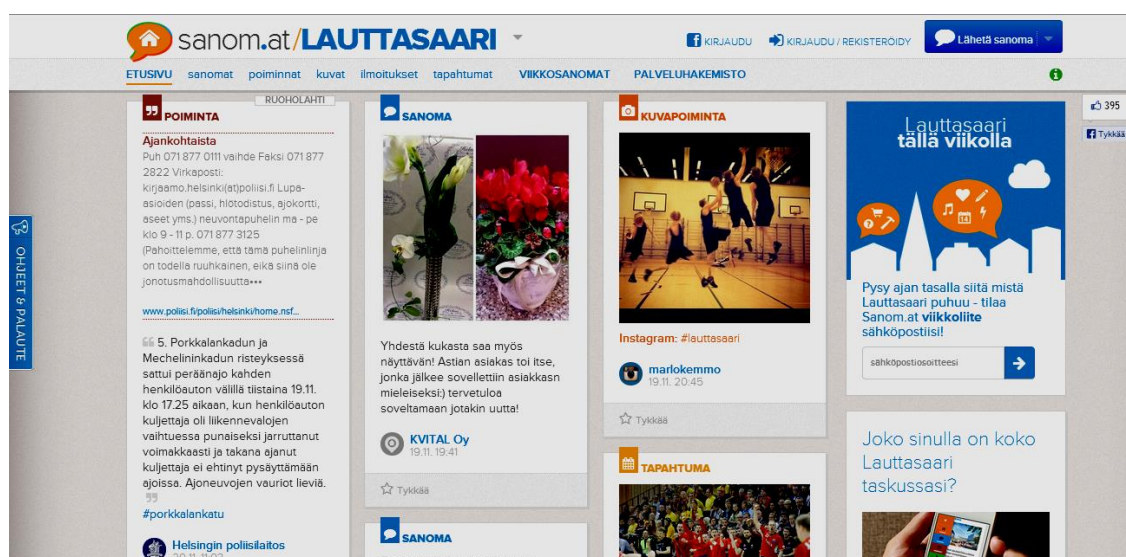
Figure 2 above illustrates the primary elements that form the whole of local marketing. This combination covers the central basics as well as the current trends in marketing that ought to be considered when marketing locally.

### 3.3 Born Local and Nearhood for local marketing

The partner in this thesis work was Born Local Ltd, a Finnish start-up company founded in 2012 by two digital technology experts Lari Lohikoski and Miemo Penttinen. At present Born Local's office is located in Helsinki and the company only employs its founding members. Born Local has developed a hyperlocal social media platform called Nearhood, and launched the service in Finland under the brand Sanom.at. The driving force behind the Nearhood platform is the basic idea for the need of economic localisation in order to establish sustainable development of production and consumption as well as to satisfy the basic human need for com-

munity and stability. Born Local believes that the modern localism does not mean regressing to pre-modern lifestyles but rather the opposite, stating that “the glocal world combines the best of both worlds: strong local communities and economies, but globally connected with each other” (Born Local 2013).

Nearhood brings together residents, their associations, city officials and local businesses of a certain city area “on a vibrant and social platform” (Born Local 2013). In other words, it is a local website and mobile application for city districts and villages and it is aimed for both daily and weekly use. For an individual user the Nearhood platform is a channel for sharing local observations and concerns, a way to find information on local services, organisations and events and to influence the municipality and local businesses.



Picture 1 Front page of <http://sanom.at/lauttasaari> on Nov 20<sup>th</sup> 2013

Picture 1 demonstrates the front page of Lauttasaari Sanom.at as it was on November 20th 2013. The structure of the service comprises of five different categories which include sanomat, poiminnat, kuvat, ilmoitukset and tapahtumat. As of yet the platform has not been translated from Finnish into other languages and so there are no official translations for these sections. “Sanomat” are general messages that can be posted by any individual or organisation, “poiminnat” and “kuvat” are automatically posted stories and pictures related to the area which are gathered digitally from public feeds, “ilmoitukset” are advertisements for buying, selling, lost and found and so on and “tapahtumat” includes all local events. The idea is that these different categories bring all matters related to a particular city area, in this case Lauttasaari, onto one platform either manually by local people and organisations or by automated technology.

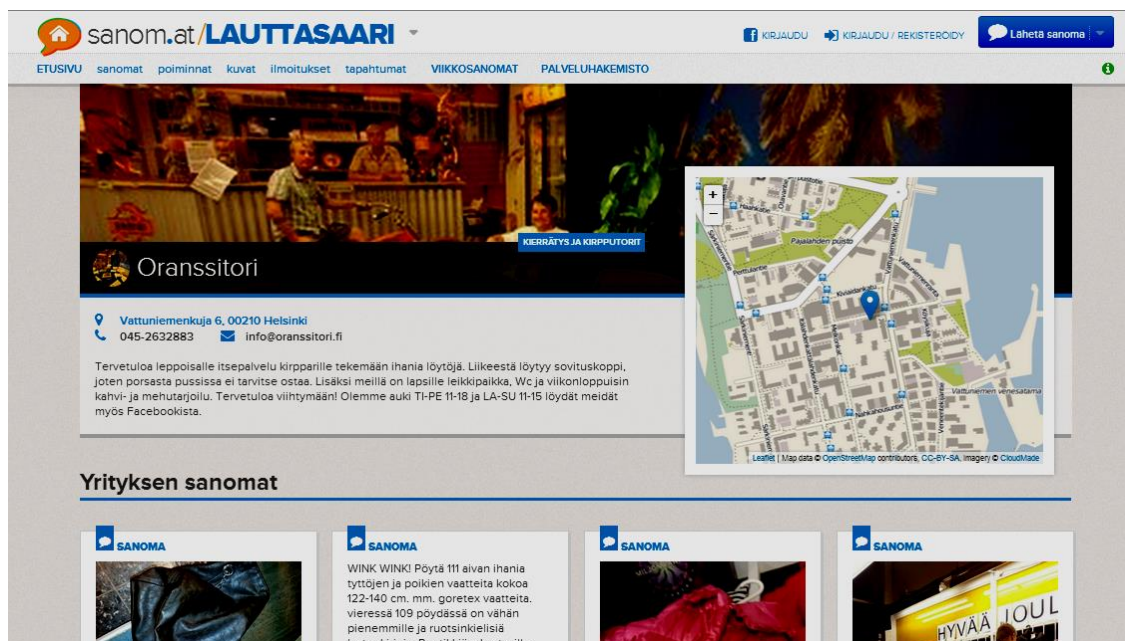
Beta versions of the platform were in test use in Lauttasaari, Laajasalo, Herttoniemi, Viikki, Pitäjänmäki and Konala city districts in Helsinki during spring and summer 2013 and the service was officially launched for piloting in these areas in November the same year. The first user research for residents was carried out in summer 2013, which helped Born Local to better understand the different types of individual users and their needs and to evaluate how the existing service met these needs. Still in its starting blocks, the service is constantly developed based on user feedback and new innovations.

For locally operating businesses the Nearhood platform is a local, real-time marketing channel where marketing messages can be presented as conversational messages that help build rapport and sustainability between companies and their customers. One of the key features of the platform, both from individual users' and local companies' point of view, is the service index (palveluhakemisto in Finnish). See picture 2 below for the default view of the index as it was in November 2013.



Picture 2 The default view of the service index on the Nearhood platform

The aim of this feature is to gather all public, private and third sector services and organisations under one hyperlocal index, so all service providers in a certain area can be found from the same source. If a company creates their own page on the index, it secures a broader coverage for them in their geographic operational environment as well as allows the company to interact with their target group and other potential customers. As can be seen in picture 3 below, the service index page combines the organisation's basic information as well as all of its posts on the service.



Picture 3 An example of an organisation's service index page on Nearhood

In the future the idea is that these functions will be subject to a charge for companies, while the service remains free for individual users. With the closer details of Born Local's revenue generation model and its implementation still under consideration, it is yet to be determined exactly what the expenses will be for companies using Nearhood.

Since the platform has been available for individual users for several months now, Born Local has gained a broad understanding of how Nearhood should be further developed and marketed to individual users. However, the company does not yet have sufficient information to do the same when it comes to their other prime target group, local businesses. Ideas exist as to what kinds of marketing products and other functions ought to be built to benefit companies, but the lack of knowledge about this target market has delayed the successful establishment of these ideas. Also, the company has thus far prioritised gaining a solid user base of residents before targeting commercial users. In order for the service to become commercial and profitable in the desired way, designing the platform and developing suitable products on it to please corporate customers is essential. Hence, the research conducted during this thesis work will play an important role in the future development and marketing of the Nearhood social media service.

#### 4 Qualitative research in target group familiarisation

The concept of method is ambiguous. According to the common characterisation, method is a procedure guided by a set of rules. In science it is used to seek and pursue information or to solve a practical problem. A method is closely linked to the research problem and subject at

hand and the choice of method is determined by what type of information is sought and from whom or where it is sought. (Hirsjärvi, Remes & Sajavaara 2005, 172-173.) When studying the contents of one's consciousness, qualitative methods such as participative observation, diaries, drawings, memoirs or semi-structured interviews are generally utilised. These qualitative research methods allow a closer examination of the meanings that people give to different trends and events and moreover, they bring out the respondents' perspective on the matter. (Hirsjärvi & Hurme 2008, 27-28.)

The data in qualitative research may be a single case or an individual interview, but can also consist of a number of individual interviews. Since the purpose of qualitative research is not to find statistical conformities or average connections the amount of data is not dictated based on these factors. (Hirsjärvi et al. 2005, 170.)

#### 4.1 When to utilise qualitative methods

Qualitative research methods are used for studies with both exploratory and explanatory objectives. Exploratory objectives that can be reached with the qualitative approach include consumer familiarisation and discovery. In other words, when more or new information is needed about a subject, when the goal is to gain a broader knowledge and understanding of specific target group behaviour or when the researcher wishes to understand the preferences and attitudes of the researched target group. Explanatory research objectives include motivational analysis, where there is a need for better understanding of the reasons and meanings related to certain attitudes or behaviour, as well as interpretation, where further insights need to be yielded on a set of findings to clarify underlying reasons. In addition to the aforementioned, qualitative methods are also used in new product or service development studies. By applying qualitative research methods, new product ideas, concepts or prototypes can be introduced to the target group to gauge their initial reactions. (Mariampolski 2001, 23-24, 27.)

In addition to gaining basic knowledge on the research topic, one of the major benefits of qualitative research methods is that they provide complementary and necessary insight and explanations on human behaviour. Qualitative research digs deeper into the topic and provides a possibility for broader insight with questions such as how and why people make choices as consumers or use certain products or services that they purchase. (Mariampolski 2001, 8.) That is to say, qualitative methods are suitable when the goal is to uncover the meaning and context of people's behaviour. Qualitative research brings out the respondents' observations of different situations and allows the researcher to take into account factors related to the respondents' past and personal development. (Hirsjärvi & Hurme 2008, 27.) Unlike in traditional quantitative survey studies, qualitative research also enables direct client in-



volvement, as decision-makers from the company that commissioned the research can partake in the interview or focus group sessions and thus, observe and get to know their target market first hand (Mariampolski 2001, 55).

#### 4.2 Interviewing in qualitative research

Traditionally, interviews have been considered the main method of data collection in qualitative research (Hirsjärvi et al. 2005, 194). When the aim is to hear people's opinions, collect information, ideas and beliefs or understand why people act in a certain way or how they value different events, the natural way to approach the subject is to discuss the topic with them. Research by interview, however, is not completely problem-free, as studying information, conceptions, beliefs, values and meanings is often problematic. A certain level of interpretation is always included in the results of research interviews and the generalisation of these results needs to be well thought out. (Hirsjärvi & Hurme 2008, 11-12.)

As a highly flexible research method, interviewing is suitable for numerous research purposes. Interviews are interactive situations where the researcher has a chance to redirect the conversation, get to know the motives behind the responses and rearrange the order of topics discussed as required. Face-to-face interviews also make it possible for the researcher to study non-verbal communication which in turn may help to better understand certain responses. While interviewing can be time-consuming and the free-form interview data analysis, interpreting and reporting is often problematic due to lack of existing models, there are also a number of advantages to conducting research through interviews. Interviewing is a suitable method for example when the research topic is relatively unknown or answers to research questions need to be clarified. Interviews are recommended when the researcher wishes to deepen the received information by asking additional questions such as reasons for particular opinions or actions. Interviews are also great for surveying, as alongside other information they may provide hypotheses that can demonstrate connections between different occurrences. (Hirsjärvi & Hurme 2008, 34-36.)

Different styles of research interviews vary mainly in how structured they are, in other words how fixed the questions are and how much the interviewer structures the situation. Many different names are used for various kinds of interviewing styles, but the most straightforward division is to categorise these styles based on how structured they are from form interviews to semi-structured and unstructured interviews. As the name suggests, a semi-structured interview is a cross between a form interview and a completely unstructured interview. Based on various definitions, what is characteristic to semi-structured interviews is that some aspect of it - be it the question form, the order of the questions or the answer options - is fixed, while others are left undetermined. (Hirsjärvi & Hurme 2008, 43-44, 47.)



#### 4.2.1 Selecting the interviewees

When determining the group of respondents to be interviewed for the research, the best advice is to interview as many as is necessary to get the required data. The number of interviewees always depends on the purpose of the research. For instance, the research problem may call for a survey type of approach, in which case the research is based on enquiries and interviews. What is typical for a survey research is that a sample representing a specific population is chosen and then data will be collected from the people included in this sample. The idea is to ask all the respondents the same questions in the same way in order to get all the data in a standardised form and hence, be able to work out similarities and differences between groups and individuals. The flexibility and openness of actions and decisions in all stages of the research, including when selecting the interviewees, is rather common in qualitative research. Thus, samples in qualitative research are often discretionary and the researcher uses their judgement as to which direction the interviews should develop or when enough data has been compiled. This type of discretionary sampling is, however, erroneous in many ways because there is never absolute certainty about whether the data gathered is presentable enough. The researcher can merely try to prove that there is no systematic error in the selection of the interviewees. (Hirsjärvi & Hurme 2008, 58-60.)

In short, when picking out potential interviewees for a research interview the first step is to determine what kind of people should be interviewed and how many can be included in an interview. It is important to decide whether the interviewees will be handled in one group as one would do in a small survey research, divide them into several groups or deal with them as a collection of separate interviews. All candidates from each group should then be interviewed or alternatively an arbitrary sample should be taken. Finally, the list of interviewees ought to be studied critically, bearing in mind any possible errors that might have occurred. (Hirsjärvi & Hurme 2008, 60.)

#### 4.2.2 Framework and questions in a semi-structured interview

The starting point to creating an interview framework is to decide what types of conclusions are going to be made from the collected material. The creation of hypotheses is an important part of planning the contents of an interview. However, the objective of semi-structured interviews is generally to be able to understand the nature and essence of the examined phenomenon and to find hypotheses rather than verify any predetermined hypotheses. (Hirsjärvi & Hurme 2008, 66.)

For a semi-structured interview framework it is adequate to merely outline the main points, while strictly worded questions are not necessary or even desired. Thus, when drafting the framework for a semi-structured interview, the point is not to compile an elaborate list of questions but a list of themes and topics that should be discussed. In the interview session these topics and their subheadings will serve as the checklist and guideline that steer the discussion. The themes listed in the framework are naturally amplified with free-form questions during interviews and, specific to semi-structured interviews it may also be the respondent - not just the researcher - who amplifies the topics. (Hirsjärvi & Hurme 2008, 66, 106.)

Interview questions can be seen as having two main functions: to direct the conversation towards the themes and theoretical concepts of the research as well as to promote positive interaction, sustain conversation and motivate the interviewees to talk about their experiences and feelings. Question types can also be divided into two categories, facts and opinions, based on their contents but in semi-structured interviews all questions are open regardless of their type. (Hirsjärvi & Hurme 2008, 105-106.) The reason qualitative research employs open-ended questions in principle is that they allow the interviewee to shape their answers freely. This in turn creates responses that generate further questions and consequently, enable genuine discussion and interaction instead of set questions and answers. (Mariampolski 2001, 192.)

There are a number of do's and don'ts when it comes to asking questions in a research interview. First and foremost, it is advisable for the researcher to get to know and use the natural language of the interviewees, as this helps the researcher to understand their respondents, while mutual language also reinforces the positive experience of the interviewees (Mariampolski 2001, 192). The interviewer should avoid vague questions as well as questions that can be viewed as negative, offensive or explosive or questions that require any special knowledge from the respondent (Hirsjärvi & Hurme 2008, 105). Similarly questions with 'why', though integral to qualitative research, can be seen as pushy and accusatory and so creative wording ought to be used to avoid insensitivity. The interviewer must also keep in mind that their personal opinions should not show when presenting the questions, and even the most subtle prompting should be carefully avoided. (Mariampolski 2001, 193-194.) In general all interview questions should be rather short and always easy to understand. Academic language or professional jargon ought to be kept to a minimum. Moreover, questions that require the interviewee to recall events from a long time ago are often difficult for the respondent to answer accurately. A good mnemonic for research interviews is that a few simple questions always beat one very complicated one. (Hirsjärvi & Hurme 2008, 105.)

## 5 Conducting qualitative research for Born Local

Qualitative research methods were utilised in this thesis work in order to study the marketing practices and challenges of locally operating businesses for the service development purposes of the thesis partner, Born Local. The aim was to get to know Born Local's target market regarding the company's new hyperlocal social media platform Nearhood. Before beginning the study, relatively little was known about the researched topics and existing perceptions were mainly based on sheer assumptions. On this account, qualitative research methods were used and the survey was carried out as semi-structured individual interviews.

### 5.1 Research objectives

This thesis study aimed to gain valuable information about Born Local's commercial target group. The main objective was to learn how locally operating businesses from different fields and forms of enterprise are marketing and communicating in their local area and what their biggest challenges are in marketing and commercially. The target group's first reactions and opinions of Born Local's Nearhood platform were also gathered, and in this context the study additionally surveyed how the people responsible for marketing in these businesses use the internet and whether they are locally active aside from professionally. The prime objective of this thesis research was to find out what kind of marketing and communications practices, challenges and needs locally operating businesses have. To more clearly demonstrate what was studied, the research questions are listed in figure 3 below.

1. Basic information about the companies

2. Internet activity and habits of local company owners/marketers

3. Present practices in marketing and communications

4. Challenges in marketing, communications and commercially

5. Initial reactions to the Nearhood platform

Figure 3 The research questions

## 5.2 Interview framework

This thesis study was conducted through qualitative methods and implemented as semi-structured, one-on-one interviews. The interview framework for the research was compiled in close cooperation with Born Local. The compilation of the interview framework was first initiated by listing and defining all the information that would be important or relevant in this market research. The starting point for the study was Born Local's wish to gain a better understanding of the present state and needs of locally operating businesses' marketing and communications. They required this knowledge in order to be able to develop suitable advertising solutions for local companies on the Nearhood platform. Early on in the process the interview framework was structured into three principal themes that ought to carry the interviews; basic information, present state as well as the Nearhood platform.

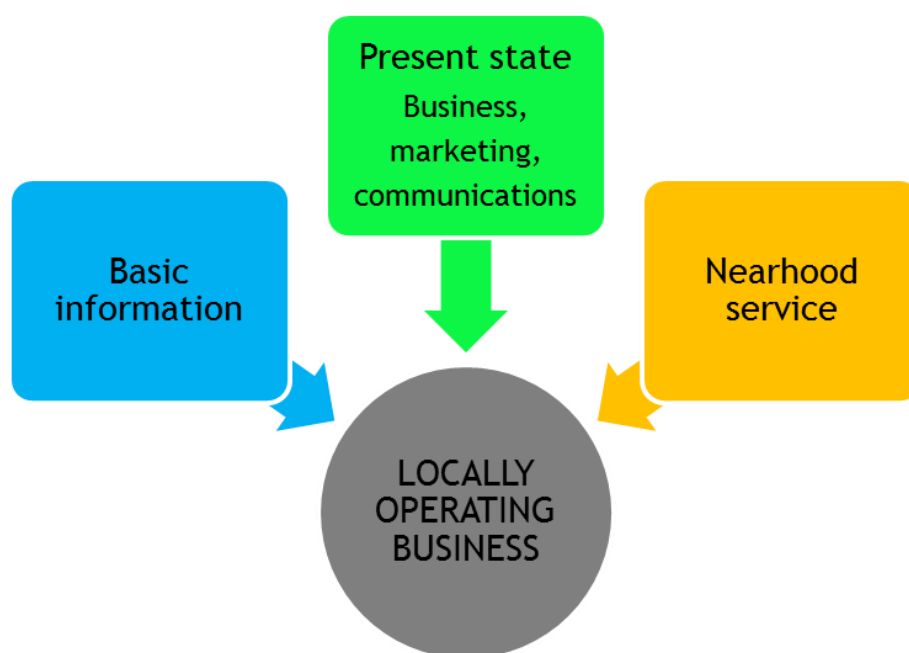


Figure 4 The three main interview themes

These main themes presented in the above figure were based on the aforementioned research objectives and each objective was connected to its own theme. For the division see the colour-codes in figures 3 and 4. No exact questions were compiled but the idea was to carry out the interviews using the main sections as guidelines to gather all the necessary data. Questions regarding the basic information of the companies and their owners or marketers were included in the framework for two reasons. Firstly, these types of simple questions in the beginning of the interview were good for easing into the situation and breaking the ice. It was also useful to get to know each interviewees background and what underlying factors may affect their marketing practices. As to the information about the company owners or market-

ers themselves, it was important to find out how digitally advanced and active these people are, seeing that they would most likely be the ones responsible for upholding the Nearhood service on their company's part should they start using it for marketing purposes in the future.

The purpose of the second theme, present state, was to gather as much information as possible about the present practices, needs and challenges that the interviewed companies have related to marketing, communications and also commercially. This section allowed the most free-form discussion between the interviewer and interviewee, and mainly just specifying questions were presented based on what the interviewees said. In the last part of each interview the interviewer presented the Nearhood platform to the interviewee and then asked for initial thoughts and opinions. Depending on whether the interviewee showed positive interest in the service, they were asked for additional opinions about costs and devices. For the full interview framework in Finnish see appendix 1 at the end of the thesis.

### 5.3 Interviewees and interviews

The elementary population of this study consisted of businesses that operate locally, in other words companies whose primary target group and clientele are the residents and other local actors of the city area where the business operates. No limitations were imposed regarding the companies' size, field of operation or form of enterprise, but rather as broad a scale of participants as possible was aspired. Because the Nearhood platform was first piloted and launched in the city district of Luttasaari, Helsinki, all the potential interviewees were chosen from that area in particular. It was also not restricted to whether these companies were already familiar with the service or not, as this would not have affected the interviews or the results in any way. The actual interviewees were either the owners, retailers or store managers of these companies and thus, purportedly the people responsible for the businesses' marketing and communications.

Although in qualitative research the volume of the studied sample is generally rather flexible, the number of interviewees in this research was predetermined and held to. Due to the inexperience of the researcher in this case, the researcher may not have been able to tell when a sufficient amount of data had been achieved. Moreover, because the time for completing this research was limited, the number of interviews had to be kept to a minimum, which affected the variety of the scale by narrowing it down to some extent. The eventual number of interviewees was finally set to five.

At the beginning, potential interviewees were charted widely, using online business indices and then categorising all potential companies by their field of operation. Together with the

thesis partner the most interesting categories were then determined as follows; grocery stores, restaurants (including cafes and bars) and specialty stores. These categories were considered interesting based on the type of services and products the companies provide and how much local competition they have, as well as their potential of becoming future Nearhood users. Closer outlines were not drawn within these categories as to which exact company ought to be interviewed over another, but chain stores were avoided in other categories besides grocery stores. This special division was due to the fact that the vast majority of groceries in Finland are chain stores. Potential interviewees out of these final groups were initially contacted via email, see appendix 2 for the interview invitation email template in Finnish. As a result of the poor response percentage via email, the remaining three interviewees were reached by visiting the businesses and appointing a time for the interview in person. The final list of the interviewees included:

- 1 COMPANY X - Medium-sized store of a national grocery chain
- 2 K-EXTRA HERKKULAUTTA - Small store of a national franchising grocery chain
- 3 HAIRSPOT - Local, independent hair salon
- 4 CAFÉ MUTTERI - Local, independent café
- 5 KUKKAKAUPPA STENIUS - Local, independent flower shop

All interviews were carried out face to face and one on one. Only one person, either the owner or a manager, from each company participated in the interview. All meetings were recorded and notes were additionally taken manually during the discussion. From 30 minutes up to an hour was allowed for each session, with the shortest interview being 25 minutes and the longest one just under an hour. Four out of the five interviewees gave permission to publish the company names, while one asked to remain anonymous. Hence, this company is referred to as Company X.

#### 5.4 Challenges

In the beginning of the research the challenges were insufficient knowledge about conducting research in general as well as difficulty in finding relevant theory on local marketing. These challenges were responded to by reading up on marketing basics and different research methods. By deciding to conduct a qualitative study, the pressure of finding existing data on the research topic was also lessened, as qualitative methods are cut out for studying unexplored topics.

The biggest challenge during the implementation of this research was performing the interviews. As the researcher is not an experienced interviewer, it was difficult to maintain a conversation-like discussion instead of asking a question after another. Impromptu and specifying

questions were asked rather fluently, but at times these questions were leading either due to careless sentence formation or under duress to maintain or steer the conversation. With the main topics being marketing and communications, it was also challenging to find a mutual language or terminology and to avoid jargon with the interviewees, who were not marketing professionals and did not necessarily have the same perceptions of all the handled concepts. Moreover, analysing the results proved to be challenging as the aim was to establish different phenomena and trends instead of generalisations. From the substantial and partly diffuse data it was also difficult to gather all essential information.

## 6 Recapitulation

This thesis research implemented for Born Local's service developmental purposes provided useful and interesting information about current marketing practices, perceptions and challenges of locally operating businesses. It also offered some insight into the company owners' attitudes towards the Nearhood platform. Some of the collected data confirmed certain presumptions but also brought to light new phenomena and information, which can be used for future development and marketing of Nearhood.

### 6.1 Results

The basic information gathered through the interviews can be summed up as follows:

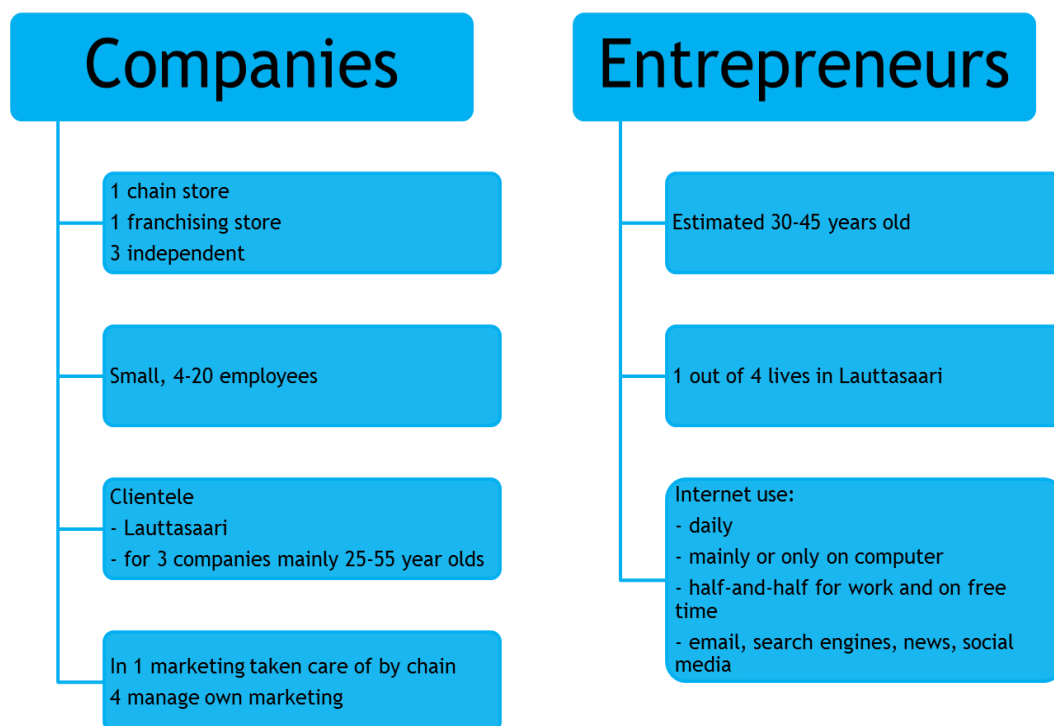


Figure 5 Interviewee's basic information

All interviewed companies are small, with the smallest only employing four persons including the owner and the biggest employing up to 20 people. Company X is a grocery store of a national chain, K-Extra Herkkulautta a grocery store of a national franchising grocery chain and the remaining three - Hairspot, Café Mutteri and Kukkakauppa Stenius - are independent. The primary clientele for these businesses are people living and working in Lauttasaari area, with two out of five estimating that an average customer varies widely and the other three naming their prime segment as between 25 to 55 year olds.

The four entrepreneurs were asked additional questions about their place of residence as well as internet usage to get an idea of how active they are in Lauttasaari and how advanced each of them are with digital devices and services. This information was needed for analysing the attitudes towards Nearhood as well as their likelihood of joining the service in the future. One out of four entrepreneurs lives in the area. All four entrepreneurs use internet daily, preferably and mainly or only on a computer and equally for work and on free time. The primary services used on the web include email, search engines, social media and different news websites. All interviewees were by a rough estimation between 30 to 45 years old.

For Company X marketing is taken care of by the chain, with the remaining four entrepreneurs managing their own marketing. Marketing measurement is largely limited to observations and mere monitoring of turnover and sales during campaigns. Outside measuring tools like statistics provided through different advertising channels were only in use at Hairspot. Company X and K-Extra Herkkulautta do, however, have appropriate mechanisms for measuring their marketing, as these are provided by the chains. It seems common that besides the lack of systematic measuring, marketing decisions in these small companies are mostly guided by gut feeling and guesstimates. The emphases in marketing as well as the used media are chosen based on experiment, experience, current trends and habit rather than strategic goals or clear segmenting.

*“Well who knows, if we have our lousy regular ad in the Lauttasaari newspaper, then what effect does it have, would it be the same to spend the money on something else, would the results be better or not. This is how it is when you’re not a marketing professional... -- It easily goes the way it’s always been done, until a new thing comes along that you want to invest in and you start wondering whether to allocate the old remains somehow different.” (1)*



### 6.1.1 Traditional marketing communications in local marketing

One of the most fascinating phenomenon that emerged from the results of this study is that local marketers' confidence in the power of print media at present and in the future is low, yet it is still used for marketing purposes often and regularly. This is also a concrete example of the highly unsystematic approach to marketing that seems to be prevailing among the respondents. All interviewees still utilise print media such as the local Lauttasaari newspaper, print indices, direct advertising and other local printed publications as one of their main marketing media. However, the common belief and perception among local marketers appears to be that print media is a dying form of communication that is ineffective in reaching the desired number of consumers.

*"In my opinion those print ads they reach exactly the same clientele they did some 25 years ago. It is totally a dying thing." (2)*

*"I think that print media is nowadays pretty much just a waste of time." (3)*

*"But, like, those traditional advertising channels - newspapers and such - will probably vanish completely, or those printed indices." (4)*

*"Anyway these print publications are on a constant downward trend, they're shutting down newspapers, and perhaps free distribution is our biggest paper consumption, but how many people actually read them... Studies show that communication is focusing more and more on digital media." (5)*

Meanwhile, local marketers are seemingly in search for more effective marketing channels. With improving reach and building better coverage for the company and its marketing listed as major challenges by several of the interviewees, the results suggest that the common difficulty is the lack of a single channel through which these marketers could reach all or at least most of their target groups.

*"I would argue that coverage is one of the biggest, or how to get the message delivered to a person." (6)*

*"The challenge, maybe like how do you reach the customer, what is the thing at the moment because there are so many. Some like to read the*

*paper, others like getting emails or text messages and then others don't like that at all. - But, I mean, what would be the forum that would get, that everyone would like.” (7)*

When it comes to planning the contents of the local marketing messages, the respondents presented dissenting opinions on what sells. While one interviewee considers low prices and great offers to be the hook for attracting more customers, another interviewee stated that a simple offer is not enough to attract anyone.

*“In marketing in general is still seems that it is the best prices that attract people.” (8)*

*“For example to a shop like this, nobody comes here for specials. They come here to quickly grab something they need. -- They are not interested even if there was salmon for a euro, not if they don't feel like coming in.” (9)*

#### 6.1.2 Modern marketing and local marketers

The interviews brought to light that the use of digital media among these local marketers is rather active, yet not made use of to full extent. All entrepreneurs use long-term internet advertising such as company websites and online business indices as well as social media, whereas Company X has its digital media usage limited to the chain's general websites and social media presence. The four other companies have a Facebook page as their only social media profile, with K-Extra Herkkulautta's and Hairspot's pages in active use, Kukkauppa Stenius' page under construction and Café Mutteri's page created and public but not in use. While the K-Extra franchisee considers Facebook one of the company's most effective communications channels, it is mainly used as a platform for informing customers about current news, offers and events, much like Hairspot's page. The interviewees explained that due to limited resources for maintaining the social media profile, it was preferred to keep all social interaction in face-to-face situations in store. Regardless, the interviewees acknowledge the possibilities and timeliness of social media and joined Facebook for its popularity and the perception that all modern companies ought to be present there.

*“It is so closely part of today that it is, like, you have to be on there.” (10)*

*“Well we have a Facebook page yeah, but it's updated so poorly... -- Nobody has time to.” (11)*

*“I’ve tried not to play the game there that much, like, people can of course comment and give thanks and such, but I haven’t gotten involved like that, I’ve just transferred it to the shop, that’s where I like to have it. -- You could be a lot more active on there if you wanted to and if you wanted to focus all your time on that.” (12)*

*“On the other hand on social media people also have a big expectation that everything is responded to right away - 24 hours, seven days a week - which creates its own challenges. Plus you also have to be especially careful what you say or write. Something’s a little poorly phrased and it explodes in a completely different way to something that is in a magazine, the snowball effect happens fast. And usually it is in a negative way, not positive. Well sometimes there are positives too. So it’s like, all in all I consider it profitable and useful, but it has quite a few risks to it.” (13)*

Similarly, with the limited usage of their current social media profiles, the interviewees are also slow to adopt and join new services. Generally local marketers appear to adopt only media that has fully established its status among individual users and there are statistics and numbers to prove the popularity of the medium. Sufficient information and concrete examples of the power of the medium affect the entrepreneurs’ decisions as well. K-Extra Herkkulautta’s franchisee, for instance, signed up the store on Facebook after attending lectures on Facebook marketing and learning more about its possibilities. In spite of the somewhat reserved attitude towards the use of social media, it still seems that its efficacy has been noted.

*“Facebook for us is probably, or I’ll say that for us it is by far the most efficient, it reaches immediately and everything on the just works. -- Facebook is the thing, like if I advertise on the paper that we serve coffee I’d say there’ll be ten people coming in asking about the coffee. If I post it on Facebook there’ll be a queue.” (14)*

In terms of other digital media and marketing tools such as blogs, YouTube or Google AdWords, the usage is scattered and uncommon. Presence on online business indices is being cut down due to high costs and low benefit. Another interesting aspect is that, while all respondents use printed direct mail advertising despite acknowledging its weaknesses in reaching the audiences, only one interviewee mentioned the alternative of utilising digital direct advertising such as email or text messages. Nonetheless, the increasing popularity and consumption

of mobile applications and services has not gone unnoticed, it is simply yet to be utilised among these entrepreneurs.

*“I sit at my desktop computer, but for sure most people would surf also on their mobile phones.” (15)*

### 6.1.3 Community and customer service at the core of local marketing

All interviewees were unanimous about the importance of community and social relations in their operations. In fact, some said that face-to-face interaction and acting as a visible part of the community were vital to their success.

*“We are so tightly a part of this community -- we support that kind of activity in any way possible. -- Sense of community is the most important part.” (16)*

The interviewees also agreed upon the fact that their most important and efficient marketing and communications channel as well as the tool for maintaining customerships is the store itself and each customer service situation that takes place there. Furthermore, the general understanding among these local marketers is that a small company's biggest asset against big stores is the fact that the owner of the store is present and able to build rapport with the customers. This, in turn, creates additional value to the customers' service experience.

*“I have to be visible and I have to be in the shop and I have to participate in local activities, support functions, everything else. I simply have to be visible because we don't have any other assets compared to big stores.” (17)*

*“The fact that you're selling flowers, super markets are taking over that business now. So then this business, us, we'll have to be something else. Flowers are easy to buy from anywhere these days, so I believe that we have to be able to offer more. The atmosphere in our shop compared to another one where they sell flowers, it has to stand out and the customers should feel that they get more from here.” (18)*

*“The most important area is the store, when we meet the customer, that's when you have to be able to do it, and that is why we have invested so much and constantly invest in service and create the sort of atmosphere. And we have profiled ourselves to be the old-style corner shop*

*where older ladies come tell their stories, people leave their keys and whatever else they can trust their belongings with us and a million other things that you could ask from your neighbour. -- That's where we have really succeeded.” (19)*

Additionally, a few of the respondents hold customer events regularly in order to maintain customerships. All of the interviewed companies take part in local events and support local players with donations and endowments for different occasions. These communal activities are not participated in for better instant coverage but, in the long run, for better awareness and reputation in the local community.

*“There is this Christmas tree on Lauttasaari road every year, where we buy shares for the lights and they have the names of all the companies there in small writing. It doesn't necessarily increase our coverage but we have considered it to be communal activity to participate in that.” (20)*

It is particularly the word of mouth benefit that the interviewees seek in being active in their community and performing well in their customer service. They all acknowledge and understand that customer networks are a powerful media in customer acquisition and maintaining existing customers. All in all these locally operating businesses put more emphasis on all-round communications and customer service rather than mere advertising.

*“Grapevine is pretty great, it is actually the best, like the negatives spread like crazy, the negative things, and positives from one customer to another.” (21)*

*“I think that a lot of it comes through the grapevine -- that a friend has recommended us and these kinds of things you hear a lot.” (22)*

All in all, albeit the respondents rather consistently understand and make use of the flourishing sense of community and value the power of social interaction in their local community, the most common challenge to be named by the interviewees is still customer acquisition. Despite operating as an active member of the community, attracting new customers is considered inadequate. Besides this, creating awareness and maintaining customerships were also mentioned as considerable challenges.

*“The challenge, because no one comes here besides the people who live here, the challenge in a way is to break through among the people here, that there is very little recurrent flow of customers. -- So those, let's say*

*those who don't already come here for some reason even though they live nearby, it is really hard to get them to come in.” (23)*

*“We constantly have outdoors events, about ten times a year there are some happenings going on. -- You have to have something on all the time, if you fall asleep, it shows straight away.” (24)*

#### 6.1.4 Local marketers' reactions to Nearhood

The general reception from the interviewees towards Born Local's Nearhood service was rather contradictory, yet unanimous. See figure 7 below for the demonstration of the division in opinions.

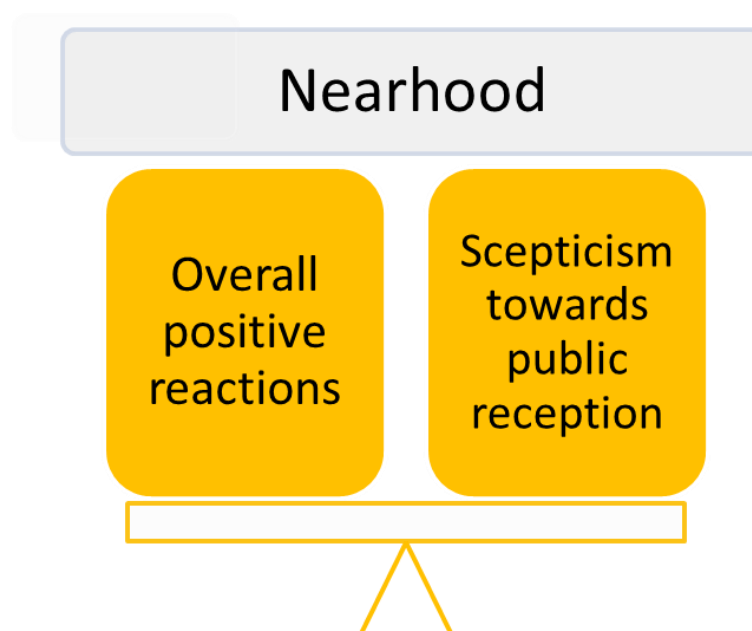


Figure 6 Interviewees' initial reactions to Nearhood

Four out of five interviewees complimented the platform for its usability, features and strong local aspect and believe that, should the service take off among the public as desired, it could be a great channel through which to gain more visibility locally. Even still, the service was not seen as a groundbreaking medium for attracting new customers. At the same time, all five interviewees also showed strong scepticism towards how the public will react to the service and if there is room for another social media platform in the markets. None of the respondents would join the service without seeing evidence of user numbers and popularity first.

*“My first thought is, how are they going to get people to go on a new service, seen as nowadays there are Facebook and Twitter and this and that. And new services keep coming up, that might stay afloat for a while and then disappear again.” (25)*

*“It’s just like, how to get the people on the website, that it becomes the thing where people go to, that is probably a tough challenge for any website. -- I don’t have anything like, on principle, why I wouldn’t or I don’t have any reasons to be like no not another one or anything like that, nothing negative. -- But that I also don’t want to advertise on useless channels.” (26)*

*“All coverage is of course positive, so it probably wouldn’t hurt, but I don’t know if it is like a groundbreaking channel, like if I was on there, that surely it would be better coverage but I don’t necessarily feel like for me it would be the kind of key that it would open up a flow of new clientele.” (27)*

The local emphasis of the service was considered Nearhood’s strength and the divider that makes it stand out. However, one of the respondents acknowledged that, while its locality may be attractive in a communal area such as Lauttasaari, this may not be the case in other city areas.

*“Lauttasaari is a communal place, so as such there is a certain we-spirit here, that I could imagine that here people would actually register on there and look around. But then again I don’t think in many city areas it would take off the same way.” (28)*

*“It would be great to have something like that, because most of our customers are specifically from this area.” (29)*

A possible payment model for using the service was also discussed with three of the respondents, and the responses varied widely. One would rather pay per usage, while another would prefer a monthly fee or package deals. They all agreed that if the service was expensive, it would turn them off from joining. Should they use the service in the future, all respondents would choose to use it for marketing purposes on a computer rather than on mobile devices.

## 6.2 Analysis

In summary, the findings of the study confirmed the following principal themes:

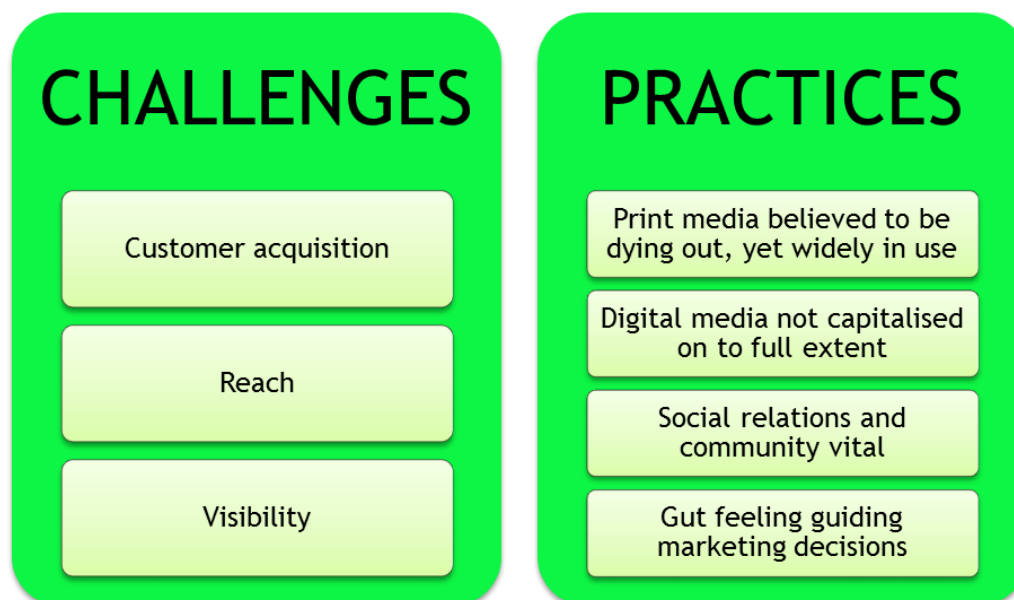


Figure 7 Current practices and challenges in local marketing

The primary marketing challenges listed by the interviewees - customer acquisition, reach and visibility - are all central questions in marketing. However, the reason why these were consistently named as the main difficulties by the interviewed locally operating companies could be explained by several circumstances. First of all, in local operations many companies establish a certain clientele early on in their existence, after which it becomes more challenging to break through in the community among those who did not welcome the company's services to begin with. The challenge of achieving visibility, on the other hand, comes down to the company's physical location within the community as well as, much like with reach, limited financial and human resources to invest in comprehensive marketing to gain more awareness and reaching the targeted audiences.

The fact that the respondents still widely use print media despite strongly doubting its efficacy and prospects is a concrete indication of transition that is currently happening in marketing. This also applies to reach being one of the main challenges. Local marketers are seemingly struggling with there being a large group of elderly consumers who opt for the traditional media, while the younger generations of consumers are practically unattainable through any other media but digital or social. Thus, local marketers' problem is how to reach various different consumer groups with limited resources.



On the other hand, this phenomenon could also be a sign of local marketers lacking sufficient, overall marketing know-how. When specifically asked, the entrepreneurs had no factual reasons for choosing the media they are using at the moment, but rather brushed off the questions by invoking habits and personal experiences. The same goes for digital media use. Although most respondents utilise it in their marketing and communications on a regular basis, it is not systematic. Presence on social media for instance is simply based on the perception that in order to be up to speed with the current trends, one must be on it. This view, however, is not accompanied with the appropriate approach to making the most out of social media in the company's marketing and communications. This would indicate that, while these local marketers are aware of the current trends and developments in media and marketing, they do not have enough knowledge about how it affects people as information consumers and providers and how these changes ought to form their way of marketing.

The lack of interest towards or knowledge of digital media may have something to do with the personal attitudes and habits of the entrepreneurs as well. Considering the interviewees' general internet usage it looks like none of the respondents is a so-called social media native or has adopted a diverse scale of digital media use in their everyday life. Hence, there may be underlying attitudes and ways of thinking that affect the entrepreneurs' enthusiasm and confidence to try out new media and methods and especially to give up old, fixed and familiar means and tools. Activity and progressiveness with digital services and devices is highly individual and compared to large corporations, in small, local companies methods used in different business operations depends largely on the entrepreneur's personal habits and preferences.

The emphasis on community and social activity amongst the respondents may indicate that, despite the changes brought on by globalisation and digital advancements, local and independent entrepreneurs have retained their faith that customers still appreciate and desire social interaction and emotional value in their service experiences. If this is the case, it would seem that local business owners have also understood that it is one of their strongest assets when competing against large chain stores. However, it may also simply be due to the fact that Lauttasaari as a city area is known for its strong sense of community, which is not so commonly met in other city areas in Finland's capital area. Nevertheless, sense of community and social interaction are presumably so high up on these local marketers' list due to the simple fact that they operate right in the middle of it, interacting with the community and individual members of it on a daily basis. Thus, the entrepreneurs and business owners themselves can build and maintain customer relationship themselves first hand. On the strength of the results, it appears that locally operating businesses utilise communal activities and social relations quite systematically, acknowledging the power of word of mouth and customer networks as well as actively managing existing customerships by organising events and investing

in excellent and overall customer service. Furthermore, the respondents seem to value the long-term benefit gained from donations and sponsoring in the local community over seeking short-term coverage from advertising campaigns. On the other hand, in most cases sponsoring and endowments do not seem to be systematic or strategically planned, but are more often based on spontaneous situations where community members ask for a favour, which again enforces the businesses' role as a member of the community.

Results show that marketing measurement in these locally operating businesses is also unsystematic and mainly restricted to cover advertising campaigns, not overall marketing operations. This may signify that marketing is for most parts perceived as sheer advertising, in which case marketing is not extended to affect other decision-making processes. This could explain the incoherence and ineffectiveness of the companies' marketing, which consequently cause them challenges in new customer acquisition, coverage and reach, as there are no pertinent budgets, plans and follow-ups carried out to guide the marketing as a whole.

The mutual scepticism towards Nearhood among the respondents could be explained by the same factors as why digital media in general is not fully utilised in these companies' operations. The entrepreneurs' personal preferences and attitudes towards social media may be the reason why the service was more seen as just another platform instead of a new medium offering fresh possibilities. In terms of the generally positive feedback about the locality aspect of Nearhood, it may just be the selling point for locally operating businesses who, like the interviewees, are interested in being active members of their local community. At the same time, the interviewees' response to Nearhood's local nature may only attract companies operating in areas as communal as Lauttasaari, and not appeal to those in looser communities. Lastly, what also need to be taken into consideration when analysing the reactions to Nearhood is, that in a face-to-face situation the interviewees may have been holding back negative responses or exaggerating positives.

### 6.3 Conclusions

Support for all things local - foods, designers, service providers and so on - has been on the rise in the recent years, as consumers have started to grow tired of faceless, impersonal mass production generated by such wide-spread trends as globalisation and digitalisation. And while these phenomena have impacted consumers' behaviour in irreversible ways, there are certain aspects in the new developments that do not fulfil all of the sentimental needs of consumers. Hence, the recurrent trend of localisation is yet again rearing its head, with people seeking more sustainable and ethical development and ways of consumption from their local geographic areas. While there is no doubt that globalisation will continue to prosper, also securing the prosperity of local communities has some major benefits to it. Having local

businesses around ensures vibrant city areas with adequate services available for all and a more diverse environment for both consumers and entrepreneurs.

This is where marketing comes in. These different trends are constantly shaping companies' marketing as well, as consumers' habits and expectations change and companies must be able to respond to the new developments. And as comprehensive marketing is the backbone for any business' success, it seems like the factor to take a closer look into, to determine whether local firms have what it takes to compete against their global rivals. Local marketing naturally comprises of many of the same elements as basic marketing, but there are different emphases on the competitive tools as well as different factors in the background, such as the local community and its customs, that affect the selection and effectiveness of different marketing channels and methods. Furthermore, in local marketing, community and the social relations within it between the business and the rest of the community play a particularly big role in the success of the company, as found in this thesis research.

Born Local, the partner in this thesis, is currently developing products for local marketing on their hyperlocal social media platform, Nearhood. Thus, this thesis research was carried out to study how locally operating businesses implement marketing in reality. The objective was to learn about what types of marketing related challenges and practices locally operating businesses have and if they see Nearhood as a potential tool to enhance their marketing. The data gathered through the study will help Born Local develop suitable and attractive marketing products for Nearhood, as well as market the service to local businesses with appropriate selling points in the future. The research was conducted through qualitative methods as semi-structured interviews, with all in all five businesses being interviewed from Nearhood's head pilot area Lauttasaari, in Helsinki.

The results of the research proved interesting and useful, partly confirming some presumptions but also bringing to light unexpected trends among the target group. First and foremost, new customer acquisition was commonly considered the greatest challenge both commercially and in local marketing amongst the respondents, with coverage and reach also mentioned regularly. Based on conclusions of the interviewees' verbal and non-verbal responses to questions about the present state of their marketing practices, a recurrent theme arose; in small, local companies marketing related decision are often founded on mere gut feeling rather than strategic goals, factual data or other systematic methods.

All interviewees use print media often and regularly for marketing purposes, but what is interesting is that the majority of the respondents admitted to not believing in the efficiency, utility or the future of print media anymore. On the other hand, attitudes towards the alternative, digital media, are generally receptive yet it is not fully utilised. The possibilities and

prospects of digitalisation are acknowledged, however its effects on consumers and consequently the interviewees' own operations are either not fully understood or these businesses genuinely lack the requisite financial and human resources to invest in it accordingly. This imbalance between the different media usage may be explained by the interviewees' personal habits regarding digital media as well as underlying attitudes towards it.

Perhaps the strongest, most distinctive aspect of local marketing practices established through the study is the great emphasis on community and social relations in local marketers' everyday operations. Customer service and the physical store environment are considered the primary platforms for effective marketing, and local marketers understand and value the power of word of mouth marketing that happens from customer to customer. Local marketers also understand the long-term marketing impact particularly that communal activity and social relations have, instead of solely pursuing short-term coverage or awareness through them.

The general reception of Born Local's Nearhood service was sceptical yet positive. The platform was complimented for its locality, usability and features, but each respondent expressed doubts about how well the service will take off and if there is enough interest from individual users for another new social media application. An interesting notion was that, despite the open and public nature of the service, it was not seen as revolutionary new platform for raising awareness and attracting new customers.

In the light of these results, one of the most significant aspects concerning Born Local is that their commercial target group comprises primarily small, independent local businesses, which have limited marketing budgets and, in most cases, limited marketing know-how. Thus, undoubtedly one of Born Local's greatest challenges will be to attract these companies to a completely new social media service, which also happens to be subject to a charge for commercial users. As can be seen from the results, these companies are relatively slow in getting in to new media and methods, whether it is because of their personal stance or lack of resources.

So, in order to attract local companies to register on Nearhood, Born Local ought to develop the platform first to suit commercial users' needs and purposes better. To guarantee that all service providers and other commercial players of a particular city area join Nearhood's service index, perhaps the paid slot for a company's own service index page should be offered to companies for an especially tempting special offer or even for free. This would lower the threshold for small companies to expand from free social and other digital media platforms to Nearhood. Due to the wide variance of responses regarding the potential payment models for companies to use Nearhood, it may be relevant to consider having a broad scale of different

payment types for different kind of commercial users. For instance, if a company is otherwise very passive and only utilises the platform for the service page and occasional advertising, they may be more open to do so based on one-time payments rather than monthly or other periodic fees. Granted, in order for establishing a functional and profitable revenue generation model for Born Local, one-time payments are certainly not it. Perhaps just enough flexibility and customisation in the payment models would be enough to satisfy the paying customers. However, in order for businesses to find Nearhood appealing enough to invest their time and money in it, the platform must gain a solid base of individual users and enough buzz for even the most skeptic companies to see that there truly is demand for local social media in the markets.

When marketing Nearhood for local businesses, the strongest selling point for the platform would, without a doubt, be the potential for better customer acquisition and visibility within the local community. Although the researched group showed scepticism towards whether Nearhood would be the key to open up new customer flows, this is just a matter of selling the features of the service more thoroughly. Compared to the existing and most popular social media services, Nearhood has the potential to expose a company to a much broader audience than for instance a company's Facebook page, as all messages would be visible to everyone, not just to those who are following the company's page. Moreover, with locality and sense of community in such a significant part in locally operating businesses' operations, they are certainly the qualities to highlight when marketing Nearhood to local businesses as well as individuals. With the emphasis in sense of community and customer networks strongly shifting from physical environments to digital platforms, Nearhood may provide local marketers just the tool to maintain their role as active members of their local community also online.

While this thesis research provided relevant and useful information on the present state of local marketing, the reliability of the results is debatable to some extent. The inexperience of the researcher affected the process throughout, from determining the relevant theoretical framework to defining the research problem and questions as well as compiling and implementing the interviews and handling the results. Additionally, the sample for the research was not as varied as originally intended, which limited the results slightly. Lastly, the communal characteristic of Lauttasaari, where the sample was taken, may have manipulated the results related to community and social activity. Ultimately the research opened up new and important questions. Further studies on the subject may be necessary in the near future to decipher whether the importance of community and social activity are peculiar to all small, locally operating businesses or just to businesses in particularly communal areas. Moreover, more in-depth research may be required to study the role and potential of digital media in local marketing, to discover reasons behind certain attitudes and to learn how digital methods are best utilised in local marketing.

To conclude, rapidly forming trends and constant development are a standard in today's world, which is why the ability to transform and adapt is inevitable for the success of any business. Small, locally operating businesses possess many of the commercial, social and sentimental qualities that help them compete against global competition in their local operational environment. Based on this thesis research, however, it seems that small, local companies do not have sufficient marketing know-how or resources to face the modern challenges. Local companies understand the local consumers' needs and wishes, but cannot reach them adequately. In order to be able to respond to consumers' new-found interest in local supply, local service providers must find and make use of the right marketing media and methods that are suitable for this time and age, the local community they operate in as well as the specific target groups they are pursuing. It may not be an easy task, but once conquered, the success of local companies is guaranteed.

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## Pictures

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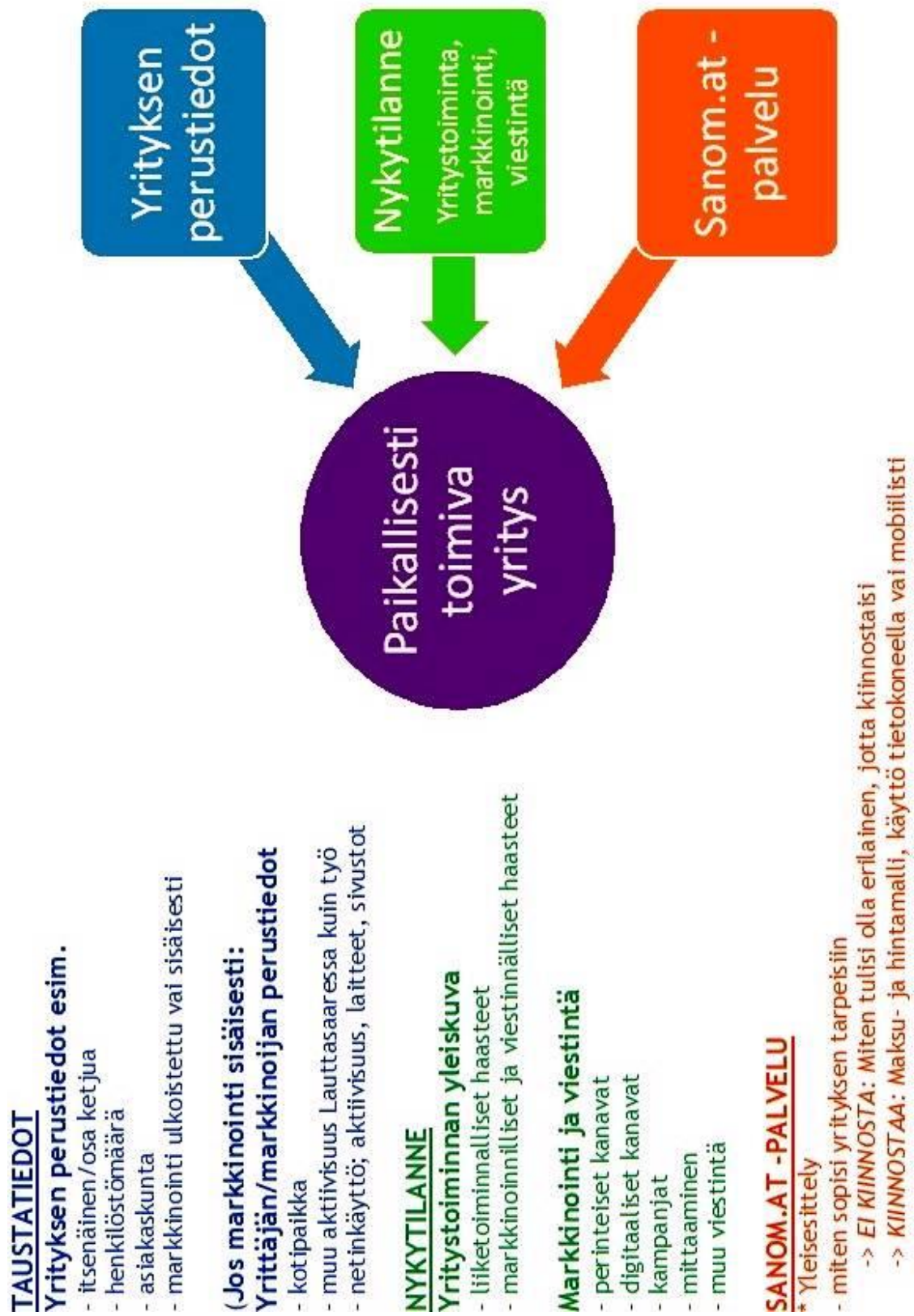
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Appendix 1 Full interview framework in Finnish



## Appendix 2 Interview invitation email

Hei!

Olen tradenomiopiskelija Laurea-ammattikorkeakoulussa ja työstän tällä hetkellä oppinnäytetyötäni, jonka aiheena on tutkia paikallisesti toimivien yritysten markkinointi- ja viestintäkäytäntöjä sekä -tarpeita. Opinnäytetyö toteutetaan yhteistyössä Born Local Oy:n kanssa, joka on kehittämässä paikalliseen markkinointiin tarkoitettuja tuotteita Sanom.at - paikallisverkko palvelussaan (palvelun pilottiversio <http://sanom.at/lauttasaari>).

Tutkimusta varten tavoitteenani on haastatella Lauttasaaren alueella toimivia yrityksiä, joiden pääasiallinen asiakaskunta koostuu alueella asuvista ja toimivista. Haastattelut suoritetaan yksilöhaastatteluina loka-marraskuun aikana kunkin haastateltavan toimipisteessä. Toivon myös lupaa nauhoittaa haastattelut kokonaisuudessaan.

Kysyisin nyt Teidän kiinnostustanne osallistua tutkimukseen. Haastatteluun osallistuvan henkilön tulisi olla yrityksenne markkinoinnista vastaava henkilö. Haastattelu vie aikaa noin puolesta tunnista tuntiin, ja olen tavattavissa sekä aamu-, päivä- että ilta-aikoina. Haastatteluaikoja sopisin mielelläni viikosta 43 alkaen.

Vastaustanne ja osallistumistanne toivoen.

Ystävällisin terveisin,

Nella Kuitunen  
Laurea-ammattikorkeakoulu  
Tikkurila, Liiketalous P2P  
p. xxx xxx xxxx

## Appendix 3 List of original citations in Finnish

- (1) ”Ku ei sit tommostkaan tiedä et jos meil on joku kämänen vakiomainos Lauttasaari-lehdessä ni mikä vaikutus silläkään nyt sit on, että onks se sama pistää ne rahat jonnekin muualle tai onks se lopputulos parempi tai ei. Et tää on just vähän tätä ku ei oo kuitenkaan mikään markkinoinnin ammattilainen ni... -- se helposti menee siihen et täl tyylil ollaan käytännössä niinku aina menty mut sit joku uus juttu tulee mihin haluu panostaa, et se et pohtii niitä vanhoja rippeitä vielä et kohdentaisko ne jotenkin erilailla.”  
- Omistaja, Kukkakauppa Stenius
- (2) ”Sellainen printtimainos on mun mielestä se tavottaa just siis sen asiakaskunnan, minkä se tavotti joskus 25 vuotta sitten. Et se on niinku ihan kuoleva juttu.”  
- Kauppias, K-Extra Herkkulautta
- (3) ”Mun mielestä se printti on ihan nykyään melkein yhtä tyhjän kanssa.”  
- Kauppias, K-Extra Herkkulautta
- (4) ”Mut kyl niinku tommost perinteiset mainoskanavat, sanomalehdet ja tämmöset varmaan tulee niinku kokonaan jäämään, tai tommost painetut luettelot.”  
- Omistaja, Kukkakauppa Stenius
- (5) ”Kuitenkin nää printtijulkasut on vähenemään päin koko ajan, et lehtii loppuu ja et ilmaisjakelu on ehkä se suurin, suurin lehtimäärä mitä menee, mutta kuin paljon ihmiset niitä oikeesti lukee. Tutkimuksessa se on kuitenkin niin kun enemmän sähköiseen mediaan painottuu viestintä koko ajan.”  
- Marketpäällikkö, Yritys X
- (6) ”Kyl mä väitän et se näkyvyys on niin kun se yks isoin, että miten sen saa viestin ihmiselle lähetettyä.”  
- Marketpäällikkö, Yritys X
- (7) ”Siis haaste, että ehkä toi niin kun et miten sä tavotat sen asiakkaan, mikä on täl hetkellä se juttu, koska niit on niin paljon. Osa tykkää lukee lehteä, toiset tykkää et tulee sähköpostilla tai tekstiviestillä, toiset ei tykkää siit taas yhtään. - Mutta tota siis et mikä ois se foorumi, et sais niin kun, et kaikki tavallaan tykkäis.”  
- Omistaja, Parturi-kampaamo Hairspot
- (8) ”Markkinoinnissa yleensäkin niin edelleen tuntuu siltä, että se on kuitenkin ne kovat hinnat, mitkä ihmisiä vetää.”  
- Marketpäällikkö, Yritys X
- (9) ”Esimerkiks meidänlaiseen kauppaan niin ei ne tänne tarjousten takii tuu. Ne tulee sen takii et ne tarvii jotain nopeesti tost noin sillä lailla. -- Ei niit kiinnostosta vaikka siel ois lohta eurolla, ei niit jos ei huvita tulla.”  
- Kauppias, K-Extra Herkkulautta
- (10) ”Kyllähän se nyt kun se on niin tätä päivää, niin kylhän se on niin kun, siellä täytyy olla.”  
- Omistaja, Parturi-kampaamo Hairspot
- (11) ”No Facebook-sivu on joo, mut sitä päivitetään niin huonosti... -- Ei kukaan kerkee.”  
- Omistaja, Café Mutteri
- (12) ”Mä oon pyrkiny sillai et mä en siellä niin paljon sitä pelii pelaa, et ihmiset voi kommentoida ja kiitellä ja totta kai muuten, mut sillai et alkais sillai kierrättää sitä juttuu, et mä oon niinku siirtäny sen sit tänne myymälään sillai että kyl mä tykkään täällä sitten sitä. -- Paljon, paljon aktiivisempi vois olla, jos haluis ja niin kun, jos haluis keskittää aikansa siihen.”  
- Kauppias, K-Extra Herkkulautta

(13) "Toisaalta sosiaalisessa mediassa myös on ihmisillä iso odotus, että kaikkeen vastataan heti - 24 tuntii, seitsemänä päivänä viikossa - niin se tuo omat haasteensa. Plus sitten se, et sosiaalisessa mediassa saa myös olla huomattavan varovainen mitä suustaan tai mitä kirjoittaa. Et vähän väärin muotoiltu asia räjähtää ihan eri tavalla käsiin kun jossain lehdessä ollu asia, niin se lumipalloeefekti tulee nopeesti. Ja yleensä se on pahassa, ei hyvässä. Silloin tällöin tulee niitä hyviäkin asioita. Et se on aika niin kun, mä nään sen kyllä kaiken kaikkiaan hyödyllisenä, tarpeellisenä, mut siin on aika paljon riskitekijöitä."

- Marketpäällikkö, Yritys X

(14) Facebook on sanotaanko meillä ehkä, tai mä sanon näin että se on meillä niin kun ylivoimaisesti tehokkain, et se tavoittaa niinku heti ja siellä olevat asiat toimii. -- Facebook on se juttu, et jos mä lehdessä laitan jonkun kutsun vaikka et mul on kahvitus, ni mä sanon että kymmenen ihmistä tulee kyselee et oliko tänään joku kahvitus. Jos mä laitan sen Facebookiin ni siel on jono."

- Kauppias, K-Extra Herkkulautta

(15) "Minä istun kotikoneella, mut varmaan suurin osa surffais miksei kännykälläkin."

- Kauppias, K-Extra Herkkulautta

(16) "Me ollaan niin kiinteesti täs yhteisössä kumminkin mukana, -- me tuetaan semmosta toimintaa kumminkin kaikilla mahdollisilla tavoilla. -- Yhteisöllisyys on kaikkein tärkein osa."

- Omistaja, Café Mutteri

(17) "Mun pitää näkyä ja mun pitää olla myymälässä ja mun pitää olla mukana niinku paikallisissa toiminnoissa, tukijutuissa, kaikessa muussa. Ihan sen takii just et mun on näytävä, et mä en, ne muut kilpailuvalt isoihin verrattuna ni meil ei oo sellasia."

- Kauppias, K-Extra Herkkulautta

(18) "Se et myy kukkia, niin marketit valtaa nyt sen alan. Et pitäähän tän alan, mejän niinku olla jotain muuta. Että kukkia on helppo ostaa niinku mistä vaan tänä päivänä, et kyl mä niinku koen että tota pitää pystyä tarjoamaan enemmän. Et se tunnelma mikä täällä liikkeessä on verrattuna johonkin muuhun pisteeseen, missä myydään myös kukkia niin pitää erottua ja asiakkaalle tulla se tunne et hän saa enemmän täältä."

- Omistaja, Kukkakauppa Stenius

(19) "Kaikista tärkein alue on toi myymälä, et silloin ku me kohdataan se asiakas niin silloin se pitää niinku pystyä tekemään, et sen takii niinku palveluun on satsattu niinku tosi paljon satsataan koko ajan ja luodaan niinku sitä semmosta tunnelmaa. Ja me ollaan niinku profiloitu se idea sillai et me ollaan semmonen vanhantyylinen, vanhan ajan lähikauppa, jossa on niinku sillä lailla että ne mummit tulee kertoo niit juttujaan tohon, ihmiset jättää avaimiaan mitä sun tahansa tavaroita tänne niinku voi luottaa, ja miljoonaa muuta asiaa mitä vois olla semmonen et sä niinku meet naapurilta kysymään. -- Se on niinku mis me ollaan niinku tosi hyvin lyöty läpi."

- Kauppias, K-Extra Herkkulautta

(20) "Lauttasaarentien varressa kun on tää joulukuusi vuosittain, niin siihen lamppuosakkeet on aina otettu, et siel on pienellä maininta näistä firmoista jotka ne on ottanu. Se ei välttämättä mitään suurta näkyvyyttä tuo, mutta kuitenkin ollaan koettu se ihan niinku yhteisölliseksi toiminnaks että mennään siihen mukaan."

- Marketpäällikkö, Yritys X

(21) "Puskaradio on aika kova sana, se on se paras oikeestaan, että huonothan lähtee menee kulovalkean tavoin, huonot asiat, ja hyvät sitten asiakas toiselle kertoo eteenpäin."

- Omistaja, Parturi-kampaamo Hairspot

(22) "Mä luulen että paljon tulee ihan niinku puskaradion kautta -- että ystävä on suositellut ja tämmösiä kuulee kans paljon."

- Omistaja, Kukkakauppa Stenius



(23) "Just se on se haaste et koska tänne ei tuu, tääl on vaan lauttasaarelaisia, niin tavallaan se on se haaste et lyödä ittensä läpi sille porukalle mitä täällä, et sitä uusiutuvaasi asiakasvirtaa on niinku tosi vähän. -- Että semmoset niinku jotka, sanotaan on se osa jotka ei käy täällä jostain syystä vaikka asuis tossa vieressä ni on tosi hankala saada niinku käymään."  
- Kauppias, K-Extra Herkkulautta

(24) "Meillä on jatkuvasti ulkotapahtumia, varmaan kymmenen kertaa vuodessa on jotain häppeninkiä. -- Et koko ajan pitää olla jotain, jos nukahdat, ni se näkyy heti."  
- Kauppias, K-Extra Herkkulautta

(25) "Tälleen ensituntumalta kuitenkin niin kun mietin sitä, että kuinka ihmiset saadaan sitten uuteen paikkaan, koska nykypäivänä kun löytyy Facebookii ja Twitterii ja sitä ja tätä ja tota. Ja sieltä tulee uusii palveluita, jotka saattaa olla hetken pinnalla ja sitten taas lähtee pois."  
- Marketpäällikkö, Yritys X

(26) "Se että miten saa niinku ne ihmiset sinne sivustolle, et siitä tulee se et siellä väki käy, niin se on varmaan sivustolle ku sivustolle kova haaste. - Että ei mulla ainakaan mitään semmosta niinku lähtökohtasta semmosta niinku että miksi ei, tai että ei siis mitään niinku estettä oo sille heti, että no ei taas lisää tai niinku et ei mitään, ei niinku kielteinen ainakaan. -- Mutta että ei niinku ittekkään halua turhilla kanavilla mainostaa."  
- Omistaja, Kukkakauppa Stenius

(27) "Kaikki näkyvyys on tietenkin hyväksi, että ei siitä niinku varmaan mitään pahaakaan olis, mut emmä sit tiedä onks se niinku sitten semmonen niinku mullistava kanava, niinku että vaikka mä olisin siellä sillä lailla, että onhan se nyt lisänäkyvyyttä, mut mä en ehkä koe sitä sillai että se olis niinku mulle mikään niinku suuri semmonen avain siihen, että se avais hirveesti mitään uutta asiakaskuntaa."  
- Kauppias, K-Extra Herkkulautta

(28) "Lauttasaari on yhteisöllinen paikka, että sinällään täällä on sellanen me-henki olemassa, et täällä mä voisin kuvitella, että ihan oikeesti sinne ihmisii kirjautuu ja tutkiskelee. Mutta sitten taas moni kaupunginosa niin en usko et siellä samalla tavalla niin kun saa tuulta alleen."  
- Marketpäällikkö, Yritys X

(29) "Sehän olis ihan älyttömän hyvä joku tommonen, koska kylhän niinku suurin osa meidän asiakkaista kuitenkin on nimenomaan lauttasaarelaisia."  
- Omistaja, Kukkakauppa Stenius