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GUERRILLA MARKETING
A creative marketing method for start-ups

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The objective of this thesis work was to introduce guerrilla marketing as a valuable marketing method for small and medium size startup companies. The thesis presents the theoretical studies on the subject based on literature and case studies. The practical use of the theory is demonstrated in the marketing plan based on guerrilla marketing approach. The marketing plan was written based on the example of an existing startup company, mCASH. The company is located in Oslo, Norway.

The thesis provides understandable and comprehensive definition of guerrilla marketing and presents the main differences between guerrilla marketing and traditional marketing approach.

Key words

Advertising, guerrilla marketing, marketing plan.
PREFACE

I always underestimated the importance of this part of someone’s thesis. Now, when it is my turn to write it, I finally understand.

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1. INTRODUCTION

Every company, regardless of its area of business, provided services or location, needs marketing. For decades, the importance of marketing has continuously increased. Its definition and role has evolved in response to the changing economic environment. Today, a product or service provided by a business must be known by the potential buyer to make the business successful. The only way to successfully achieve this is to pursue creative and consistent marketing strategies.

However, in the era of emerging technologies, social media, and globalization, marketing is changing more rapidly than ever before. Increasing competitiveness and the fragmentation of most markets makes modern marketing process complicated and difficult to follow. Independent entrepreneurs and the owners of small and medium sized businesses struggle with understanding marketing and finding the right strategy to effectively utilize their limited resources. In his series of books, American business writer J.C. Levinson purposes guerrilla marketing as an answer to the marketing needs of SME and NGO (Levinson 2005, 10.).

The first chapter of this thesis defines the concept of guerrilla marketing. From understanding traditional marketing and its historical outline, the reader can recognize the need for a new marketing strategy. This presents guerrilla marketing and its differentiating features from traditional media marketing, along with both its advantages and disadvantages.

The second chapter provides information about traditional and nontraditional media vehicles, also with their advantages and disadvantages. It will also touch
upon several interesting case-study examples that accurately illustrate the provided theoretical information and inspire creative use of available media. Possible threats that carelessly planned or executed campaigns may incur are also explored.

The third chapter explains the basis of relationship marketing, and the related terms ‘word-of-mouth’ and ‘publicity’. Descriptive examples prove the importance of relationship marketing and its potential value for businesses.

The last chapter focuses on the practical use of a guerrilla marketing strategy for a startup company, mCASH. Based in Oslo, mCASH is the first Norwegian provider of a mobile payment system. Their product was launched in February 2014. The objective of their marketing campaigns is to prove its value to potential and current investors. The proposed strategy is a combination of traditional methods of marketing and guerrilla marketing.
2. WHAT IS GUERRILLA MARKETING?

Marketers around the world define guerrilla marketing in a variety of ways. Some sources say that it is only an advertising method, while others state it includes many more aspects. These differences are inevitable. Even the term ‘marketing’ is a broad idea that does not have one ultimate and fully clarified definition.

There is no agreement on a definition of marketing. A shelf-full of textbooks on the subject produces a shelf full of differences. (Tedlow & Jones 1993, 150.)

2.1 Historical outline

The history of marketing and its development is indivisibly connected with the history of the market; changes in the market generated a need for marketing. In principle, the shared history of the market and marketing can be divided into three stages:

I. Fragmentation (until the second half of the XIX century) – In this phase, the market was highly fragmented. Transportation of goods was expensive, production was mainly low volume, and products were sold locally and usually had a high margin because of a low-level of competition. At this stage, the need for marketing was low or non-existent. (Tedlow & Jones 1993, 8-35.)

II. Unification (the second half of the XIX century through the middle of the XX century) – The implementation of mass production and the lowering cost of transit caused a both decrease in the margin level and a rapid growth of competition. In the second phase, companies were faced with a growing need for marketing their products in order to stay on the market. (Tedlow & Jones 1993, 8-35.)
III. Segmentation (from the middle of the XX century) – At this stage, the world market became segmented in both a demographic and psychographic sense. In addition to a pricing strategy, the right type of advertising became crucial. (Tedlow & Jones 1993, 8-35.)

The cultural, economical and in particular technological developments in the XXI century drastically deepened the segmentation. The availability of new media, the change of habits in the younger generation and the higher level of customer awareness makes it increasingly difficult to reach the target audience. Facing those difficulties and meeting the marketing needs of SME makes new marketing strategies arise. (Tedlow & Jones 1993, 8-35.)

2.2 Definition

The English word ‘guerrilla’ comes from the Spanish diminutive of ‘war’ and therefore its literal meaning is the ‘little war’. In English, the word means ‘a fighter in an irregular, independent armed force’ and as such perfectly describes the nature of the guerrilla marketing. (Skeat 2007, 225.)

For the purpose of this report, the author focused on the definition of guerrilla marketing created by Jay Conrad Levinson, also known as the father of guerrilla marketing. Levinson was the very first person to use this term, and describes it in his book “Guerrilla advertising”, published by Houghton Mifflin in 1984. Since then Levinson published over 25 books on the subject. Guerilla marketing has evolved over the years because of the changes in the world market, customers and technology. The main idea, however, remains unchanged and can be presented as:
Guerrilla marketing is unconventional strategies, secrets, and tactics for earning conventional goals - big profits from your small business. (Levinson 2005, 5.)

Guerrilla marketing focuses on reaching the target audience in an original and surprising way with low- or even no-cost and therefore maximizing return on investment rate. It is a great opportunity for small companies, since guerrilla techniques usually require more time and creativity than actual resources. Thanks to the use of word-of-mouth and social media successful guerrilla action can effectively reach the target market (often a niche market), but also establish brand recognizability. Very often advertisements are interactive and usually exploit nontraditional media. (Levinson 2005, 3-35.)

As mentioned before, marketers do not agree fully where to draw the borders of guerilla marketing. One of the main examples is the usage of marketing strategies based on the guerrilla approach by big companies. Of course in that case one of the main assumptions, low cost, is usually omitted and guerrilla marketing often plays only a supporting role for a traditional advertising campaign.

2.3 Guerrilla marketing vs. traditional marketing

There are several differences between guerrilla marketing and traditional marketing approach. Understanding those differences is crucial to understanding guerrilla marketing.

One of the main differences is the engagement of resources. In the traditional approach, the key requirement is money whereas in the guerrilla approach time, effort, creativity and knowledge are much more important. This enables small companies to compete with bigger businesses. This naturally leads to another difference – guerrilla is designed for SMEs whereas traditional marketing
intended for big companies. However, as mentioned before, big companies are also the exploring possibilities of new marketing strategies. (Levinson 2005, 6-9)

Guerrilla marketing is relatively easy to implement. Most of Jay Conrad Levinson’s books are addressed to business owners and not to marketing professionals. The idea is to free marketing from its mystical and intimidating appearance, giving control of all marketing process over to the entrepreneur. (Levinson 2005, 6-9)

Every process of the company is measured and special key indicators show how successful a particular move was. The same goes for marketing, where the key performance indicators show if an advertising campaign or pricing policy went well. In the traditional approach the success of marketing is usually measured by an increase or decrease in sales, while guerrilla marketers search for a shift in the profits rate instead. (Levinson 2005, 6-9)

Traditional marketing is generally based on professional expertise, namely the experience of the marketing team and their judgment, while guerrilla marketers base their decisions mainly on psychology and human nature. (Levinson 2005, 6-9)

In addition, the way in which traditional and guerrilla marketing grow varies. Traditional marketing aims to grow the business in a rather linear pattern and in a second stage diversify it. Its marketing actions are more expensive since it focuses on growing the customer base alone. The number of purchase transactions increase, but not necessarily their value. At the same time, guerrilla marketing concentrates on the continuous growth of the market share and the progress is geometrical. The key issue in that matter is the performance indicator – guerrilla marketers search for a higher profit, not a larger customer
base. The way to achieve this objective is to convince existing customers to buy more, more frequently and utilize their positive feedback to gain more customers. (Levinson 2005, 6-9; Margolis & Garrigan 2008, 58.)

Crucial for guerrilla marketing companies is to follow up and maintain a constructive relation with their clients. Most businesses using traditional strategies neglect this issue. About 68% of businesses in the United States ignore their customers after a purchase is made (Levinson 2014). Well planned and executed post-purchase marketing is a major contribution in reaching the goals presented in the previous paragraph. Moreover, it helps in establishing a long term personal connection with the client and plays a significant role in gaining customer loyalty. (Levinson 2005, 6-9; Margolis & Garrigan 2008, 58.)

Another important difference is the perception of the competitors. While the traditional approach seeks for a way to undermine and obliterate the rivals, guerrilla marketers see them as potential partners. Finding and exploring relations can be an asset to any company. Naturally this attitude applies best to companies that produce or deliver services that are compatible with their product, but guerrilla marketing proves that even the biggest competitors can benefit from cooperation. (Levinson 2005, 6-9)

Traditional companies make sure that the customer knows the company, its name and products. The company is what matters. Guerrilla companies are heading to the opposite direction. Guerrilla companies are personalized, which means that the owner or the person who leads the company is the advertised ‘object’. The company’s brand is important, but it is the people working at the company who create it. The company’s owner is its brand, to the same extent as the company’s name. (Levinson 2005, 6-9)
There is a significant difference in attitude towards the customer in traditional and in guerrilla marketing thinking. The former focuses on what the customer can give to a company – “how much can he spend? How much money can we earn?” The latter rather asks “what can a company give to the customer?”. All further advertising and marketing strategies are based on that thinking. (Levinson 2005, 6-9)

In the traditional approach the emphasis is placed on advertising, while in guerrilla marketing the advertising always goes together with other ways of catching the customer’s attention. Crucial is the usage of nontraditional media and interaction with customers. Traditional marketing can be compared to a monologue, where the communication is one way whereas guerrilla marketing tends to be an open dialogue. (Levinson 2005, 6-9)

Guerrilla marketing embraces the use of technology. It is the main communication tool utilized and can be extremely useful in advertising, especially when reaching a younger audience. Traditional marketing relies heavily on proven advertising vehicles like newspapers, TV, billboards, celebrity endorsement, etc. This is another distinctive feature of traditional marketing. The usage of primary media is rather impersonal and aimed at larger groups while guerrilla marketing tries to use different tools to send a personal message to the specific target group. Advertisements are one example of those tools. Every single aspect of customer relation and brand perception can be considered as tool as well. As a result, guerrilla marketing gives entrepreneurs multiple effective and money saving tools that can be prepared and managed by a business owner. (Levinson 2005, 6-9; Margolis & Garrigan 2008, 58.)
2.4 Principles of guerrilla marketing

All principles of guerrilla marketing have been mentioned in the previous sections of this report. However, an understanding of the basic assumption is crucial, therefore they are clearly listed below:

- Has a basis in human psychology and the way people think and react.
- The emphasis is placed on profit.
- An important measurement is the number of created relationships within a period of time.
- Aimed at the target market and audience.
- Three ways of growing a business – new referrals, increase in the number of transactions per customer, increase in the value of transactions.
- Support for cooperation with other companies.
- Building a marketing program with multiple elements that are supporting each other.
- Technology is one of the most important tools.

(Levinson & Lautenslager 2009.)

2.5 Pros and Cons

Just as any other marketing strategy, guerrilla marketing has its pros and cons. It may be hard to identify them, depending on particular circumstances.

Pros:

COST EFFECTIVENESS – the creative use of low-cost or no-cost methods of marketing aims for the most effective use of the company’s budget.

MEMORABLE – one of the most important features of guerrilla marketing is to make the marketing action stick out and therefore be unforgettable.
WORD-OF-MOUTH – memorable campaigns are naturally a conversational subject, which is one of the guerrilla business goals. (Blakeman 2014, 37-56)

Cons:

PUBLIC OPINION – guerrilla marketing campaigns are often controversial and therefore businesses using them should always consider the risks.

TIME INVESTMENT – in order to make up for the lack of budget or various resources guerrilla marketing often require remarkable time sacrifices.

CREATIVE SKILLS – certainly not every business owner’s strength is creativity, which is a major obstacle in creating a successful guerrilla campaign that relies on out-of-the-box thinking.

(Blakeman 2014, 37-56.)
3. GUERRILLA ADVERTISING TECHNIQUES

Nowadays, the accumulation of commercial messages on television, radio and the street’s billboards is overwhelming. Viewers no longer rely on those messages and often ignore them completely. Marketers need to find new ways of sending their message, a way that enables them to bypass the clutter of mass media and send a more personal message to potential customers. Not a complete sentence (Blakeman 2014, 85-86.)

3.1 Nontraditional media

Finding a clear definition of nontraditional media is not easy. The explanation of the term changes with time. As a result of technological advances and sociological changes, media vehicles are evolving, often much faster than the marketers’ perception of them. Possibly the most accurate definition of nontraditional media is that it tends to enter people’s lives in an unexpected and original way. (Blakeman 2014, 85-100.)

For guerrilla marketers, nontraditional media vehicles are the core interest. The reason for that is, among others, the possibility of sending a more direct message to the niche market, but also the fact that those vehicles allow minimizing the cost while maximizing the effects. Below there is a list of the most important pros and cons of nontraditional media. (Blakeman 2014, 85-100.)

**Pros:**

CONSUMER FOCUS – every business should primarily focus on the customer’s needs, regardless if they are creating a product/service or a marketing campaign.
CREATIVE – by definition the output of a creative process’ output is always something new, something unknown that attracts people’s attention, and those are the attributes of every successful marketing campaign.

TARGETABILITY – unlike traditional mass media vehicles nontraditional media can be targeted at much smaller niche markets.

INTERACTIVE – creativity and original features make nontraditional marketing more memorable and effective leveraging personal engagement of potential customers.

AFFORDABLE – thanks to use of low-cost methods and creativity, the budget requirements are often much lower than when using traditional media.

(Blakeman 2014, 94.)

Cons:
REACH – depending on the particular type of nontraditional media used it may be relatively difficult to reach the whole target market. It is often bound to the particular location where the campaign takes place.

TIME – the process of preparing the nontraditional media campaign is often more time consuming than using traditional media, especially considering what is the transience of the commercial.

ROI – it is relatively difficult to estimate the return on investment for campaigns utilizing nontraditional media.

TRANSIENCE – nontraditional ads not only last for a very limited time, but also are impossible to repeat and reach a similar result in the same time.

(Blakeman 2014, 94.)

3.1.1 Examples of ambient marketing

While discussing nontraditional media there are a few key terms that cannot be overlooked:
**Ambient marketing** – this term is used to describe almost every form of nonstandard marketing. Often the main advantage of ambient marketing is the placement of the advertisement, therefore it is often referred to as place-based advertising. To a great extent, it is synonymous with nontraditional media. (Derval 2007, 32.)

**Outdoor, indoor and street marketing** – those terms determine only the positioning of the advertising efforts, not the method used.

**Ambush marketing** – this term is much more precise than the ones previously described. It is a form of marketing where the advertiser associates its image with a particular event, but without paying the sponsor fee. (Louw 2012, 93.)

**Buzz marketing** – this is a general term for any event or activity that generates publicity, excitement or information to the customer which is known as buzz. Essentially, well done buzz marketing creates public attention that can be used as a PR vehicle. (Hughes 2008, 1-9.)

During the last decade a growing number of small and big businesses, NGOs and individuals have used nontraditional media in their marketing strategy. Some managed to achieve astonishing results.

**Try K2r**

The “Try K2r” campaign aimed to promote the usage of the stain remover K2r in France. The marketers used stains of oil commonly present in streets and parking areas. By simply painting an outline of a piece of clothing around the stain they drew attention to their advertisement and presented the quality of their product (see FIGURE 1). This campaign is a perfect example of how important creativity and placement of the marketing message are. (Gavin Lucas 2006, 26-27.)
Wrong Color, Wrong Opinion, Wrong Faith

Amnesty International is a well-known international nonprofit organization. During the past years this NGO has successfully drawn attention to its cause with clever guerrilla advertising. Wrong Color, Wrong Opinion, Wrong Faith is a great example of their marketing efforts. It has been carried on on the main crossroads in Frankfurt, Germany. The idea was to catch the attention of passers-by with a shocking view of what appeared to be a man trapped in a drain (see FIGURE 2). When the viewer came closer he discovered that it is indeed an amnesty international’s installation. The campaign brought a powerful message – one does not want to pass by an unjustly imprisoned man no matter what is his opinion, faith or skin color. This campaign on the spot encouraged over 800 people to join an action against human right violation around the world. (Gavin Lucas 2006, 36-37.)
Forever sport

This marketing campaign was aimed to promote exercising by pointing out to people that sport is present everywhere. With Adidas logo stickers, marketers revealed objects in public space that were similar to sporting equipment (see FIGURE 3). It was a simple shift of perspective. For example, dangling rings in a public bus touted their resemblance to gymnastics rings. It is a perfect example of the clever usage of everyday objects. (Gavin Lucas 2006, 58-59.)

FIGURE 2. “Wrong Faith and Wrong Opinion” by Amnesty International; Frankfurt, Germany (adapted from Gavin Lucas 2006, 36-37.)

FIGURE 3. “Forever sport” by Adidas; Singapore (adapted from Gavin Lucas 2006, 58-59.)
10X Optical Zoom

In 2004 Olympus released its newest camera with a 10x optical zoom. In order to promote it the company prepared quite an unusual marketing campaign. Extraordinarily large objects appeared on Australian streets (see FIGURE 4). Leaves, bicycle locks, cats were exactly 10 times bigger, just as big as their normal size equivalent could be in the eye of newest Olympus’ camera. The ads not only showed off this feature of the product unique for its time, but certainly caught attention of everyone around. (Gavin Lucas 2006, 66-67.)

![FIGURE 4. “10X Optical Zoom” by Olympus; Sydney, Australia (adapted from Gavin Lucas 2006, 66-67.)](image)

Clean/Reverse Graffiti

Among the many artistic forms of expression that can be seen on the streets, one of the more interesting styles is the so-called clean or reverse graffiti. It can be used by virtually anyone. In principle the technique requires only an idea, a template, a pressure cleaner and a little time. The template patterns are “applied” through the purification of the display surface – be it the pavement or a brick wall (see FIGURE 5 and 6). Graffiti as a form of expression, no matter if for commercial use or not, has always been a controversial topic. The main issue
is of course the devastation of buildings. In the case of clean graffiti, this problem is minimized, after all the graffiti cleans the surface rather than covering it.

FIGURE 5. “WE DO IT” by reversegraffiti.co.uk (adapted from Reverse Graffiti Advertising 2014.)

FIGURE 6. Clean graffiti by ARIEL (adapted from Contaldo 2005.)

A very clever version of the clean graffiti idea is the so-called car dirt art. This form of art, preformed by using the dust on car’s windows was most likely started with simple “Wash your car!” message left by a passerby. Lately this has truly evolved to an art form. Clever marketers did not miss this opportunity
as a form of expression either. FIGURE 7 shows possibly the simplest and yet creative guerrilla marketing example – using a dirty car for advertizing a car wash. Not only does it reach exactly the right recipients, but it also does so with negligible material cost.

FIGURE 7. Car dirt art by JORDAN car wash (adapted from Orangemaster 2008.)

Flash mob

Another example of nontraditional marketing is a technique known as Flash mob. It has been a very popular means of sharing virtually any message, from non-profit causes to more commercial messages. The first Flash mob took place in Manhattan in May 2003. The idea behind it was simple – confuse as many people as possible, there was no greater message to send. However, the creator, Bill Wasik – a senior editor of Harper’s Magazine, proved existence of extremely effective mechanism of gathering and connecting people. Namely, he managed to convince a large group of people to join the event and he managed to do so solely via email without revealing his identity. Later on Flash mobs gained popularity all around the world and have since been adapted as a marketing technique. (Heaney 2005.)
However, the commercialization of Flash mobs has decreased their influence on people’s imagination. In the late 2000’s Flash mobs have stopped being a cheap and interesting way of catching people’s attention and become a highly organized and often extremely expensive marketing event. The case of Flash mob shows how short a life-span nontraditional media vehicle may have in a context of guerrilla marketing. (Lum 2010.)

Despite the general aversion to commercialized, high-budget Flash mobs there have been many that successfully caught people’s attention and gone viral. The most common ones are the dancing Flash mobs; two good examples are the Flash mob organized by T-Mobile in Liverpool (July 2009) (Lum 2010.) and a non-profit tribute to Michael Jackson that took place in many cities worldwide such as Stockholm in July 2009 (BouncE Streetdance Co::.. 2009). Another great example is a Heathrow Airport Flash mob by T-Mobile from October 2010, where incoming passengers were greeted by musical actors singing situational appropriate songs (FIGURE 8). A perhaps slightly controversial case is Tic Tac’s Fainting Flash Mob, organized in France in April 2012, where actors were fainting whenever a random passerby opened his mouth to ask for directions. Everything went back to normal once the unsuspecting target used a Tic Tac offered by one of the fainting ‘victims’ (FIGURE 9) (Johnson 2013).
The examples presented above show successful marketing via nontraditional media pushes beyond what has been previously done, instead of aiming to be creative and original. Those two main qualities make people pay attention to
the message. Another important feature is that, in most cases they cannot be repeated. Something that made people stop one day does not interest them as much the second time, and at some point becomes just a standard commercial like the ones in the newspapers or on TV. The key to keeping the recipient’s attention is showing something in a new, unexpected way.

3.1.2 Examples of online marketing

Not so long ago, in the 90’s and early 2000’, nearly all forms of online advertising qualified as nontraditional. Now, the Internet is an important part of every company’s marketing, and determining whether it is a traditional or nontraditional marketing depends more upon the presentation and usage. The importance of an online presence in modern society, and therefore any online marketing, can be expressed by the internet penetration rate. GRAPH 1 shows the statistics from Europe 2013.

The Internet may be the greatest weapon for all guerrilla marketers. Outside of the commonly used pay-for-click or pay-for-view ads present on nearly every web site and portal (which most frequent internet users actually block), there is a whole range of other tools to be used. Most importantly, those tools are often completely free and have potential to reach broad audience.
Social media and online presence

The importance of social media, and the broader impact of having an online presence, is clear to most of the business world. For instance it is hard to find a restaurant or a coffee shop that would lack a Facebook profile. A Facebook profile is sometimes more important than a webpage depending on the target market. Social media is mainly used by a younger generation with the penetration reaching nearly 90% in the age group of 16-24 and 70% among 25-34 year olds in Europe (European Commission 2012). GRAPH 2 shows the number of social media user in Europe.
Intrinsically connected to social marketing is viral marketing. It is, as the name suggests, a type of marketing whose spread pattern imitates the spreading of a virus. The point is to persuade users to pass forward the marketer’s message. That way the message’s recognition and effect grows exponentially. Viral marketing has benefits such as low cost of implementation and efficiency in use thanks to good reach. Important is also added creditability due to the fact that every person by the act of sharing the message gives a personal recommendation. However, marketers aiming to create a viral marketing campaign must remember its heavy dependency on current Internet tendencies. (Smith 2013.)
Successful online campaigns often involve more than just this one media. Examples below illustrate cases of two extremely effective campaigns based on the social media and viral marketing principles.

**ALS Ice Bucket Challenge**

One of the recent examples of the effective use of the influence power of social media is the “ALS Ice Bucket Challenge” or, as referenced to online, #icebucketchallenge or #alsicebucketchallenge. An awareness campaign with a slightly unclear origin, the “Ice Bucket Challenge” gained popularity in July and August 2014, starting in the North United States and spreading to other countries via Facebook, YouTube, Twitter and other media. (Setaysha, 2014)

The aim was to raise awareness of the amyotrophic lateral sclerosis (ALS), a neurodegenerative disease causing progressive deterioration of the patient’s motor skills. The idea was simple – a nominated person had to dump a bucket of ice cold water on himself, supposedly to simulate the numb feeling ALS patients experience. The event had to be filmed and the resulting video posted to one’s social media profile. Everyone who did the challenge had a right to nominate a few of his or her friends to do the same. As an alternative to cold-water showers, nominees could donate money to the ALS Association. (ALS Association 2014.)

The campaign has been discussed widely, both on the Internet and in nearly every major press and TV media worldwide. While gaining a number of supporters, it also received varied levels of criticism. The most common accusations were connected to the fact that the people taking part in the challenge often had no idea of the cause they were supporting and that involvement was motivated by potential popularity boosts rather than the desire to raise awareness. (Herper 2014.)
Despite that negative publicity, the campaign undeniably reached its goals. People learned what ALS is not only through the social media, but also through more conventional channels. The ALS Association has received over 115 million USD in donations only in United States (ALS Association 2014.), which is over 40 times more than during the same period in 2013 (Saul 2014). As for the online presence, 28 million people have joined the discussion on the subject and over 2.4 million #icebucketchallenge videos have been shared on Facebook and a similar number has been uploaded to YouTube. (Owyang 2014.)

**Dumb ways to die**

Another example of a successful campaign is the “Dumb Ways to Die” campaign prepared for Melbourne Metro. The aim of the campaign was to increase the people’s caution around trains and the decrease number of incidents. By pairing humor with a catchy melody, Melbourne Metro managed to make safety instruction interesting, but perhaps even fun. (McCann 2013.)

The campaign was launched on the 16th of November 2012 by releasing the YouTube video with a song by Tangerine Kitty titled “Dumb Ways to Die” and a collection of gif pictures on Tumblr. The song was additionally made available on Soundcloud and iTunes, where within 48 hours it reached the top 10 in singer/songwriter category. Within two weeks the YouTube video had over 20 million views and by October 2014 it is over 90 million (DumbWay2Die 2012a). In addition to the song, a game app for the Android and the iOS has been released, both extremely successful with over 70 million downloads and 1 billion unique plays by July 2013. Furthermore, the campaign has been taken out of the online world as well with interactive billboards placed at the metro stations. These video displays play karaoke videos at the platforms, improving the spread of the safety message. (McCann 2013.)
The secret to the popularity of the song was its unique sense of humor and creativity. The song names a number of dumb ways to die: setting your hair on fire, disturbing a nest of wasps for no reason, eating superglue or even selling both of your kidneys on the Internet. In the video simple, skillfully animated characters make the last message to not to “Stand on the edge of a train station platform/Drive around the boom gates at a level crossing/ Run across the tracks between the platform” easily accessible (DumbWays2Die 2012b). FIGURE 10 shows “Dumb Ways to Die” characters. The fact that the video is actually a commercial is revealed only at the end of the song, so the viewer initially is not aware of the origin of the message.

FIGURE 10. “Dumb Ways to Die” by Melbourne Metro (adapted from DumbWay2Die 2012a.)

The campaign has received very little negative feedback. It has been successful in its reach worldwide, as the numbers above demonstrate. Moreover, estimations show that it has reached 46% of the intended target market within only a month from the launch (Diaz 2013). According to the Melbourne Metro, there has been
a significant 32% reduction in the number of accidents and deaths on its network (McCann 2013). Furthermore, “Dumb Ways to Die” has won 28 awards at the prestigious Cannes Lions International Festival of Creativity in 2013, a proof of the international recognition and the excellence of the chosen tactic (Diaz 2013).

3.2 Traditional media

Traditional media vehicles are widely recognized and have commonly been used over the years. Typically the costs of the promotion campaigns are high and not affordable for small business owners. What is more, traditional media have a tendency to reach the general audience and being hard to aim at a particular target group. Therefore, campaigns have often a low return rate in the direct sale. However, thanks to wide audience view the company has a possibility to raise general brand awareness and recognizability. (Blakeman 2014, 57-84)

Traditional media vehicles can be divided into three basic groups:
Printed – magazines, newspapers, billboards, leaflets, etc.;
Broadcasted – TV including commercials and product placement, radio;
Direct marketing – face-to-face marketing, telemarketing, ads send by post.

Traditional media vehicles have their strengths and weaknesses. Often, depending on the situation, it is arguable if a particular feature is a strength or a weakness. Despite that objectivity list bellow sums up the most important attributes of traditional media vehicles. (Blakeman 2014, 57-84)

**Advantages:**
REACH – traditional media vehicles reach mass market and can be used for a product sold to a large percentage of general population, such as a shampoo or a supermarket brand.
TARGETABILITY – in case of a larger target group that holds on to specific press, TV channel, etc., traditional media have a chance to reach it easily. Good examples are people interested in architecture or diving, having at least one popular magazine.

TRUSTWORTHY – according to research a large number of people still find advertisements and commercial delivered with traditional media vehicles more trustworthy than for example those appearing in electronic media.

(Blakeman 2014, 61.)

Disadvantages:

MASS MEDIA – even though traditional media can be relatively well targeted, today’s market becomes more and more segmented and reaching just the general target group is often not precise enough.

COST – usage traditional media vehicles is often very high.

MEDIA SATURATION – nowadays customers are being exposed to too many commercial messages, they start to percept them as disturbing and not worth attention.

MESSAGE LIFE – the many commonly used vehicles have a short life time which limits the number of people reached, for example daily newspapers or commercial on TV.

(Blakeman 2014, 61.)

3.2.1 Examples

Traditional media in guerilla marketing has been used successfully in campaigns around the world. Usually traditional media are used as a supporting channel.
Television

Since 1941 when the very first TV commercial was broadcast television advertising has come a long way. Currently in the United States spending in this particular branch of marketing has a share of over 38% of the total investments in marketing. What is more, the average American spends in front of TV about 4.5 hour a day and one in six American adults watches TV for more than 40 hours a week. Television is by far the number one American leisure activity and it is not far off in most of the other first world countries. (AdvertisingAge 2013.)

The data above shows how extremely important this media vehicle is for a large corporation. Used well it can bust the marketing effectiveness. A carefully planned guerrilla marketing campaign can also successfully utilize television advertising. Of course, the usage of this media is usually very expensive and that is why it is mainly used by companies with bigger budgets. However, it is possible to use it also by smaller businesses, if the TV commercial is used in a clever way in the media mix and the remaining vehicles are low-cost ones.

A good example of the witty usage of television commercials is a campaign carried out in the United States by a TV station Fox in 2009. FIGURE 11, 12 and 14 show the TV commercials aired by the station in the chronological order.
Each of the first three spots broadcasted revealed the same picture on a different background and a webpage address was visible in the last few seconds.

In the later stage of the campaign, the symbol of snakes on a cane appeared on a man’s t-shirt. Viewers were not able to see the face of the man, just the part visible in the picture.
The TV spots had a mysterious character – both picture and the music was selected to make the viewers intrigued. The only information given was a webpage address, however everyone who tried to solve the mystery by visiting it did not find much more information (see FIGURE 13).

![Image of a sign with countdown](image)

FIGURE 13. “Snakes On A Cane” by Fox TV; USA; webpage (adapted from Sheena 2009.)

On the related page the visitor could find the same symbol as in the TV commercial and in addition a countdown to an unknown event. The campaign was extremely successful. Its mysterious character caught people’s attention and raised questions. It has been widely discussed in the social media creating buzz desired by the creators of the marketing campaign. This was extremely effective usage of broadcasting marketing used together with viral marketing means. (Hibberd 2009.)
FIGURE 14. “Snakes On A Cane” by Fox TV; USA; stage three (adapted from SnakesOnACane 2009.)

The very last stage of the campaign revealed its meaning to the viewers. The FIGURE 14 shows last spot emitted by Fox. As shown the marketing efforts aimed to promote the new season of a TV series called House. (Hibberd 2009.)

**Billboards**

Guerrilla marketing as stated before is a tool for SMEs. However, it has been successfully used by other bodies. While looking for a job everyone does uses all they can to get an employer to hire him. This includes preparing a CV and a Cover Letter, our performance during interview, etc. Those are ways people are try to sell their talents and skills just as marketing tries to sell a product and services. What is more, there is no doubt that an individual person with more than a limited budget is the one in the need of guerrilla marketing strategy. (Pacitti 2013.)

During the recent crisis a desperate university graduate from the UK has successfully utilized guerrilla marketing campaign in his favor. Adam Pacitti
invested his, as claimed, last money on a billboard showed in FIGURE 15. (Pacitti 2013.)

FIGURE 15. “EmployAdam” by Adam Pacitti; London, UK (adapted from Pacitti 2013.)

Together with created by Pacitti page, video CV and a traditional media vehicle usage he managed to the attract attention of national TV channels and press. In short time he received not one but 60 job offers, proving the campaign to be extremely successful. (Pacitti 2013.)

**Leaflets**

Leaflets are a relatively cheap and common way of spreading commercial messages. However, usually they are considered annoying and useless especially when delivered unbidden to a passers-by on a street corner. Leaflets delivered to postboxes or left on the windshield of the cars are just as irritating and often
considered as intrusive rubbish. Nevertheless, guerrilla marketers found an application also for this simple, yet slightly controversial, form of advertizing.

In addition to previously mentioned earlier Amnesty International, another nonprofit organization proved to know how to use the power of a shocking message and ambient marketing. In 2004, EnvinromentWaikato, a New Zeeland organization, pursued a marketing campaign against speeding in the school areas. (Gavin Lucas 2006, 54-55.)

EnvinromentWaikato printed simple leaflets and placed them on the windscreens of the cars, right in front of the driver seat (see FIGURE 16). The message carried on by a simple piece of paper must have etched on the drivers memory. (Gavin Lucas 2006, 54-55.)

FIGURE 16. “Please don’t speed near schools” by EnvinromentWaikato; Waikato, New Zealand (adapted from Gavin Lucas 2006, 54-55.)
Examples of traditional media use in guerrilla marketing campaigns proves the statement mentioned before. The key to keeping the recipient’s attention is showing something in a new, unexpected way.

3.3 Risks of Guerrilla Advertising

Guerrilla marketing campaigns, no matter how creative and astonishing, should always be well planned also from the point of view of the possible risks. Any, traditional or not, advertising camping may be controversial in terms of the content and its perception by the public. Every marketer knows it. However, when it comes to the use of nontraditional media, one other extremely important issue becomes vital. Legal issues are often crucial for the success or fail of the campaign.

Plus GSM and Microsoft

A very common accusation against guerrilla marketing campaigns is the littering of the public space. A perfect example of that is a case of Plus GSM, a Polish phone operator company. In 2009 the company launched its campaign “36.6” and immediately caused much mainly negative buzz. The campaign aimed to leave behind the frames of the billboards and enter the public space on a new level. Among tools used the most controversial were stickers, over 500 thousands of them in the whole country, and small graffiti on the streets. An example of the sticker placement is presented in the FIGURE 17. (eirena 2008.)
Plus GSM, answering the ubiquitous accusations, released a press statement explaining that the target group of the campaign were teenagers and that indicated the chosen media vehicles. The statement generated even more negative buzz around the company, especially because the country’s officials were unable to take any action. According to the Polish law the action, especially the graffiti, was illegal and the liable legal body could have been charged of vandalism. However, only the person making the graffiti could have been taken to the court, not the company who ordered the graffiti. As a result the company was not held responsible for the littering of the public space nor vandalism. However, the infamy among the population remained. (eirena 2008.)

An interesting question arises when thinking of the Plus GSM case. Namely, Plus GSM was not the first company using the so-called, sticker art in a marketing campaign. Why did the company not study the possible outcomes before taking this risky measure? Before the “36.6”, Microsoft’s “It’s better with the Butterfly” received similar feedback back in 2002.

In this campaign, within one night, Microsoft distributed about 16 thousands stickers around Manhattan in New York city. In the morning people woke up to
the view of thousands of colorful butterflies on shop windows, signs, pavements, etc., as shown on FIGURE 18. The butterflies led the way to the Times Square where the launch of a new Microsoft product was taking place. (Gavin Lucas 2006, 22-25.)

FIGURE 18. “It’s better with the Butterfly” by Microsoft; New York, USA (adapted from Gavin Lucas 2006, 22-25.)

The campaign ended after Microsoft received a negative buzz from the citizens of New York and a warning from the city officials as this kind of a campaign and littering of public space is illegal in New York. The situation was saved by the fact that in response to the negative feedback the company helped collecting all stickers and issued a formal apology to the city. Thanks to that, the final result of the campaign was rather positive. (Gavin Lucas 2006, 22-25.)

The difference in the final outcome of the presented campaigns comes from the way the eligible company respond. Play GSM, unlike Microsoft, did not take the responsibility for its actions. Considering that the Polish company simply ignored the voice of its customers it is not surprising that the feedback received was negative. The following chapter explains the importance of customer relation in the marketing strategy.
Mooninites Boston Bomb Scare

The littering accusation from the previous examples can be devastating for a campaign, but as the case of Turner Broadcasting System Inc. shows there are even more significant consequences that should be avoided by the marketers.

In the end of January 2007, Turner Broadcasting launched a guerrilla marketing campaign for its adult cartoon “Aqua Teen Hunger Force”. LED signs representing Mooninite, one of the cartoon’s characters, were placed in several locations around Boston (see FIGURE 19). The aim was to intrigue passers-by, in which the campaign was successful but not in the way of the original intent. (CNN 2007.)

FIGURE 19. “Aqua Teen Hunger Force” by Turner Broadcasting Systems; Boston, USA (adapted from Urbanist 2014.)

When the first device was found at the metro station, the police closed down the whole station in order to safely remove a suspicious device. Following 8 devices were found soon after. In post-9/11 Boston innocent devices were suspected to be bombs and caused a general panic. Before Boston LED signs had already been placed in a number of other American cities, including New York and Los Angeles, but only in Boston they caused such an extensive reaction.
The form of this campaign was not what caused the problem. The reason why the campaign failed was the lack of imagination of its creators. It is extremely important to ensure that the campaign is not only legal in every aspect, but also that it has all the necessary permissions and in case something goes wrong the right official bodies such as the police are aware of what is happening. (CNN 2007.)

As a result of this campaign the company released apologies to the citizens of Boston and an official statement informing about the aim of the campaign. Furthermore, Peter Berdovsky and Sean Stevens responsible for creating and placing the devices faced the charges of felony. They were sentenced to 140 hours of community service and had to issue a formal apology. (Ord 2007.)
4. RELATIONSHIP MARKETING

Guerrilla marketers will not settle when it comes to effectively reaching their customers. Guerrilla marketers, often small/medium size businesses, have a pressuring need of gaining customer loyalty. The reason for this need comes from the fact that it is always more expensive for a company to find and gain new clients than to convince an existing client to make another purchase. Valuable possibility also increases the value of transaction per purchase. Furthermore, keeping in mind the principles of buzz and viral marketing, efficient customer relation management for guerrilla marketers is yet another method of advertising. This attitude towards customer relationship management is often referred to as relationship marketing. (Bruhn 2003, 1-16.)

4.1 Customer focus

The primary method for improving the client’s impression of the business is to provide excellent customer service. Small companies can especially benefit from this practice. The aim is to treat every customer with individual care and open two-way communication. Ideally each customer has a feeling of joining an exclusive club, is treated personally, and feels at home. These kinds of emotional attachments create a loyal customer who not only will keep repeating the purchase, but also will want to share his or her experience with others. (Levinson 2014.)

Special Delivery Instructions
Providing individual service does not have to be challenging. A simple value added to services may significantly improve the perception of the business. Good examples are special delivery instructions that can be requested by
an increasing number of pizza restaurants mainly in the United States. Thanks to one extra field in the pizza order page, restaurants can make the ordering fun and custom made pizzas make their client feel special and individually treated. What is more, most of the young people share the picture of their special pizza on social media, often including the name or logo of the restaurant that boost recognizability of the brand. (Brad 2014.)

**Sainsbury’s Giraffe Bread**

In customer service, small acts may often have a significant role. Take the case of Sainsbury’s from 2012, when the company changed the name of one of their products after receiving a letter from a three-year-old girl, showing how important it is to listen to even seemingly trivial remarks. The little girl explained in the letter that Sainsbury’s Tiger Bread looked actually more like a giraffe and therefore it should be called Giraffe Bread. The company responded to the letter referring to the girl’s suggestion as a “brilliant idea” and indeed changed the label on their product. The story went viral thanks to the mother of the girl who posted the letters online. Additionally it was reported by a number of national new agencies in the UK such as BBC and The Telegraph (O’Hare 2012). As a result Sainsbury’s gained much positive media publicity and gave its clients positive emotions by choosing the customer- and child-friendly shop. (BBC 2012.)

4.2 Transactional marketing

Transactional marketing is stands in the opposition to relationship marketing stands. Companies using this type of marketing focus on the point-of-sale transaction, placing value on the number of individual sales rather than the impact of customer relation. This marketing approach is based on the traditional 4 P’s attitude. The lack of focus on customer relations may be less expensive, especially for bigger companies and corporations, but in the long run it gives a lower ROI
than relationship marketing. The examples below show how much of a risk it is underestimating the value of good customer service. (Berndt 2004, 4-5.)

**United breaks guitars**

United Airlines is an American company that in 2009 experienced how one wrongly handled complaint can transform into a truly terrible publicity blunder on a national scale. In 2008, the singer and songwriter Dave Carroll was flying with United to start his music tour. However, because of extremely bad luggage handling by the United staff his guitar (valued at 3,500 USD) was damaged. The passengers on board this flight, including Dave himself, witnessed the process of careless luggage handling. Onboard and land-based staff that were informed about the incident were rude and refused to take action. After discovering the resulting damage Carroll filed a complaint in a number of different locations between other departure and arrival locations. The complaint process was unclear and by all means unpleasant. After nine months of negotiations, United has even denied reimbursement the 1,200 USD repair costs. (Carroll 2009.)

By this point the singer had realized that any further battling with the airline was futile and decided to take a different direction. In July 2009, Carroll uploaded on YouTube a catchy song titled “United Breaks Guitars”. The song quickly went viral and when the video had barely 150,000 views, United offered the author payment for removing it from the web. The singer refused and as planned produced another two songs on the same subject “United Breaks Guitars Song 2&3”. By the year 2011, the original song was seen by over 10 million people and by October 2014 over 14 million (Maxwell 2009). Additionally the story has been reported by national media agencies giving the United even more bad publicity. According to the BBC the company’s stock prices recorded a 10% drop within four weeks of the release date of the “United Breaks Guitars” video, which is over 180 million USD of the company’s value. (Wilson 2011.)
Dell Hell

In June 2005, Jeff Jarvis, the author of the popular Buzzmachine.com blog, published a post about his month-long struggle with the well-known computer company Dell. It appeared that his frustration was shared by thousands of people. The Buzz Machine blog post was the last straw needed to make a difference. At the time of publication, when searching for “Dell” in the Google search engine the first hit was “Dell Hell”, which clearly is not a title any potential buyer finds encouraging when deciding on a purchase. In 2005 Dell clearly lacked any kind of Internet monitoring system that would have surely helped in overcoming this situation. Instead the corporation found itself under the attack of the media and public opinion. (Jarvis 2007.)

In August 2005 Jarvis wrote an open letter to the CEO of Dell suggesting that the company should listen to its clients and open a dialog with its customers (Jarvis, 2005). Unlike United Airlines, Dell did the right thing. In April of the following year, after enormous expenditure for the reorganization of the customer service and public relation department, Dell made its appearance online. (Jarvis 2007.)

The company’s staff started with answering the dilemmas concerning the Dell products and posted on blogs, forums and different pages on the Internet. These actions brought about positive buzz of the surprised internet users. In the following year the company opened two different blogs in effort to improve communication with the public. The first, Direct2Dell blog, allowed customers to get a quick advice from the company’s technicians. The second, IdeaStorm blog, was intended to involve customers in product design and improvement process. Further reorganization of the customer service department resulted in a decreased number of redirected calls, therefore reducing the time necessary to resolving
problems, and simplifying the reach to the technical service. Nowadays Dell is a company with one of the best-rated customer service, including their door-to-door repair service, however the satisfaction level may still vary depending on the country. (Sharma 2012.)

In October 2007 the man who started the storm, Jeff Jarvis, admitted what a good job the company did. In an article for The Businessweek “Dell Learns to Listen” Jarvis states that Dell has come a long way during this two year period and successfully cleared its good name. The “Dell Hell” case is therefore a perfect example of the importance of customer focus. It is interesting to consider how much Dell could have saved if the company listened to their customers from the beginning. (Jarvis 2007.)

4.3 Word-of-mouth and publicity

Word-of-mouth is a type promotion where a satisfied customer shares his or her recommendation either in the oral or electronic way. Normally, these reviews are often unpaid and unrewarded. However, when a company has some kind of a reward system for customer recommendations, it is referred as the word-of-mouth marketing. Either way word-of-mouth is very important, if not crucial, for most guerrilla marketing companies. (Sernovitz 2012, 3-36.)

By this definition, word-of-mouth refers only to positive feedback. On the other hand, publicity, understood as gaining public visibility via various media, can be either positive or negative (White 2012, 1-9). Guerrilla marketers should focus on word-of-mouth promotion since a personal recommendation is always more important to a potential customer than feedback or random pieces of information from unreliable or distant sources. However, it is often significant for the company to gain positive publicity since it is a good way of increasing brand awareness.
5. MARKETING PLAN

This chapter is devoted to presenting a full marketing plan for an existing startup company based in Oslo, Norway. In the case of this particular company there is a high risk for using the guerrilla marketing strategy. The company’s product is a financial tool and therefore the company needs to avoid an unprofessional and trivial appearance. It could however still be still highly beneficial to implement some of the guerrilla marketing approaches and techniques.

5.1 Executive Summary

mCASH is a Norwegian company founded in 2006 and launched its product in February 2014. It offers a safe and easy to use mobile payment tool. To simplify, mCASH offers an app for Android and iOS users that can be used for payments at points-of-sale as well as online shops. In addition, the users can freely send money to other users thanks to the peer-to-peer function.

The company’s mission can be summed up as follows: providing simple and secure mobile payments. It focuses on simplifying everyday payments for its end users while at the same time offering cheap and quick service to merchants.

The Norwegian market of non-cash transactions as well as the mobile payment market has a stable and positive growth tendency. The company’s focus on being user-friendly gives it its main competitive advantage. However, as a startup company lacking an established brand, mCASH is faced with the challenge of gaining trust of its current and potential investors. Therefore the main objective
is to gain a stable customer base with a high number of transactions during every period.

5.2 Environmental Analysis

mCASH provides a unique product on the Norwegian market: a multifunctional payment tool that can be used from every smartphone with a Norwegian sim card. This kind of an application can be used by virtually anyone. Therefore the target market is potentially unlimited. However, considering the current trends, the company aims at the 18-29 age group as its primary target customer group.

Additionally, apart from app users, mCASH provides their services to two more groups of customers: integrators and merchants. Integrators are companies that provide computing systems to businesses. Their products often combine hardware and software. In this particular case integrators are card payment services providers. At this stage mCASH has managed to acquire as their partners all major integrators on the Norwegian market. As for merchants, mCASH reached a number of important customers, including many established brands. Most of the merchants however, are still in the integration phase. GRAPH 3 provides a clear overview of the existing target markets of the company.
Further targeted marketing for merchants will be mainly performed via integrators. In a country like Norway where only 6% of all transactions are made in cash, the number of merchants who do not utilize services provided by the integrators is extremely low. Therefore most merchants in the country, at the point when all of mCASH integrators have implemented the mobile payment system, have necessary tools to enable their clients to pay with mCASH. It is in the integrators’ best interest to ensure that all of their clients are familiar with all the payment possibilities and promote their usage. (Norges Bank 2013.)

GRAPH 4 shows the increase in the number of point-of-sales terminals and the decrease in the number of ATMs. This proves of the tendency of the Norwegian market to favor non-cash transactions.
5.2.1 Market Environment

The Norwegian market potential is generated by the population of 5 million people according to the Norwegian Statistics Agency (Statistisk sentralbyrå 2013.). The primary target group of mCASH – 18-29 year olds, includes an estimated number of 1 million Norwegians. Data on the population by age and gender is presented in GRAPH 5.
Moreover, Norway has one of the highest smartphone penetration rates in the world. In 2013 over a half of the population was using a smartphone. Additionally, the smartphone penetration rate has a positive growth tendency and the number of smartphones users doubled within only 2 years – from 2011 to 2013 (see GRAPH 6).

GRAPH 6. Smartphone penetration in Norway, data from 2011-2013 (adapted from Ipsos MediaCT, 2014)

Among the reasons for choosing this particular target group is the fact that 18-29 year olds have the highest smartphone penetration rate as seen on the GRAPH 7. A significantly more important reason is the openness for innovation and the ability to adapt to new solutions that characterize this age group.
GRAPH 7. Smartphone penetration in Norway by age group and gender, data from 2013 (adapted from Ipsos MediaCT, 2014)

The Norwegian market has the highest growth tendency in the field of online transactions of all Scandinavian markets. GRAPH 8 illustrates the increase of the value of online purchases in the Scandinavian countries while GRAPH 9 shows the rising number of annual online purchases per customer in Norway.

GRAPH 8. Growing markets, data from 2012-2013 (adapted from DIBS 2013.)
Furthermore, Norway has a growing market of mobile shopping. GRAPH 10 shows the percentage of smartphone users who use their smartphone for purchasing goods.

As it can be seen in GRAPH 11 mobile payments are particularly attractive for the age group 15-34 year olds, which correlates with the mCASH target group.
5.2.2 Competitors

Currently there is no direct competitor in the field of mobile payment methods on the Norwegian market. However, in a broader perspective, available payment methods such as card payments or innovative solutions such as MasterCard PayPass can be considered as competition. Another factor to consider is the way a customer decides to obtain goods and services. It can be done by going to a physical shop and making a purchase in a point-of-sale or via the Internet by using online payment instruments.

GRAPH 11. Mobile shopping by age group, data from 2012-2013 (adapted from DIBS 2013.)

GRAPH 12. Cash as a share of a means of payments in selected countries, data from 2012 (adapted from Norges Bank 2013.)
Only about 6% of all payments in Norway is done with cash and the remaining 94% are card transactions. The main reasons for that are the convenience of usage, time saving and the easiness of keeping records when using a card. (Norges Bank 2013.)

As for online payments in Norway there are several well established methods preferred by the customers. GRAPH 13 shows the use of particular online payment methods.

GRAPH 13. Online payment methods in Norway, data from 2013 (adapted from DIBS 2013.)

The main competitors are card payment systems. However, it is important to point out that in Norway the online use of debit cards requires identification with the so called “BankID” which is often difficult to use, requires a special code generator device and has a high failed transaction rate. As for credit card payments it is often considered risky due to the fact that confidential information is shared on the web.
Following card payments are the online bank payments and invoice payments. The first of the above uses BankID and the second one not only requires making a bank transfer manually, therefore also requiring BankID, but also extends the time of the transaction and the order execution.

GRAPH 14 presents the features that Norwegian customers seek in online payment methods. The customers tend to focus primarily on how easy it is to use the payment method, followed by its safety. Currently there is a lack of a payment method that would successfully meet those requirements.

GRAPH 14. The reasons for the choice of the online payment method, data from 2013 (adapted from DIBS 2013.)

5.2.3 Market Segmentation

As mentioned before, currently the main target group of mCASH is the 18-29 age group. Considering many factors including the accessibility and targetability, the best focus group at the moment are students.

Over 33% of 19-24 year olds and 15% of 25-29 year olds in Norway are attending tertiary education (Statistisk sentralbyrå 2013b). That gives a group of almost 270 thousand people within the target market. A significant advantage is that nearly
all the members of this group are attending same physical space – university campuses and higher educational institutions.

From a psychological point of view students are highly influenced by peer opinions and general trends. What is more, they are open to new ideas and the use of new technologies. Furthermore, this group tends to reject most of the traditional marketing efforts, and therefore requires a more innovative and creative approach. Important is the fact that over 95% of students are frequently using social media and the Internet in general. They share their likes and dislikes as any other social group and as a result they influence a much wider audience.

With the usage of the right marketing tools a successful campaign among students can bring much more customers than the target group size. This is visible especially when considering long term commitment after graduation.

5.3 Business Analysis

mCASH is a Norwegian home-grown company offering mobile payment solutions for the home market. The company was founded in 2006. By the time of releasing the product in February 2014, mCASH had raised NOK 43 million (EUR 5,15 million) capital. In the year 2011 mCASH became Norwegian start-up of the year, award by Selmer (Norwegian Investment Forum) and has been nominated to a number of other international awards such as Rosing Creativity Award 2012, London Web Summit 2013 and the Mobile Premier Awards. (Anderson 2014.)

As a provider of financial services, mCASH was required to obtain a license from the Financial Supervisory Authority of Norway. The license allows it to operate as a payment provider and e-money institution, in accordance with the EU
payment services directive (PSD, 2007/64/EC). The license was granted in February 2014. (van der Molen 2014.)

Currently the company employes over 20 people with the majority working in the technical floor – software engineering, graphic design and project management. In general, the mCASH corporate structure can be characterized as typical of Scandinavian countries, with its flat structure with direct communication, inclusive decision making process and the lack of middle management. (van der Molen 2014.)

5.3.1 Product Overview

It is possible to define the mCASH product as a payment system as that is in fact what the company creates. However, it would be more precise to divide this highly complex system into:

- An iOS app
- An Android app
- Various backend systems, including
  - App API
  - Bank API
  - Merchant API

(mCASH 2014.)

The first two are for end user use. They share the exact same features, functions and have an almost identical user interface. There are three main functions that can be easily designated from the first time using the app and they can be accessed from the main screen.
The first one is the “Payment” option that allows a user to transfer funds to anyone in the user’s phone book (the identification of the individual user is directly connected to his/her phone number).

The second function is called “Scan” which allows the user to scan the QR code of a merchant payment terminal. This action connects the user with the merchant’s payment request. After successfully scanning the code, the user gets information about the request. At this point the app user can either confirm the payment and complete the purchase or reject the request and resign from making the purchase.

The third and the last option is the “Request” option. This function allows the user to simply request the transfer of a chosen amount from any other app user to his or her own account. (mCASH 2014.)

Backend systems are created for merchants and other partners. Those systems need to be integrated in the partner’s internal systems so that the partner can offer mCASH payments to its clients. (mCASH 2014.)

GRAPH 15 shows the simplified mCASH environment.
As can be seen in the figure mCASH provides its internal system including Bank API, Merchant API and Apps in order to connect end customers (app users), banks and card companies with merchants via integrators. All products are created and maintained in-house by the mCASH technical team. (mCASH 2014.)

5.3.2 SWOT Analysis

Strengths

- Unique product offered
- A wide range of contacts and pre-established customer relations (when considering integrators and merchants)
- Enthusiastic business team
- Experienced and dedicated technical team with a high creative potential
- Dynamic business model
- International team
Weaknesses

- The lack of established brand – the lack of public trust for new company handling their money
- Miscommunication issues between technical and business team
- Limited budget
- The lack of trust from investors

Opportunities

- Growing market for non-cash payments
- Significant market opportunity for mobile payment systems
- Easy product distribution possibilities
- International potential of the product, also possibility of approaching international investors

Threats

- Perspective of new entries to the market
- Lack of leverage in customer acquisition
- Possible hacker attacks or data leaks
- Growing costs of customer support

5.4 Marketing Objectives

mCASH is an enterprise with an extremely low margin – the income for one transaction made with the app is very low. Considering that the process of acquiring, and more important integrating, new points-of-sale is more time consuming that it was previously assumed, mCASH has to focus on the short term plan of acquiring investors rather than becoming an independent business. The profitability of the venture is therefore a long term plan.
Currently mCASH’s objective is to ensure its existing investors and to attract new ones by proving its effectiveness and usability in real life. The goal is to reach the required amount of funding necessary for the company’s operations within the next 10 months (until August 2015).

5.5 Marketing Strategy

5.5.1 Target Market

The primary market segment for mCASH is Norwegian students. Taking into account the objectives, the company’s target market is the student community of Bergen.

Target market 1

Tier 1

Based on the cooperation with the student welfare organization in Bergen (SiB), mCASH intends to merge into the student community. There are about 40 thousand students at 11 higher education institutions that are part of SiB. An estimated number of 28 thousand students regularly visit the university campus and use SiB services.

The main focus is placed primarily on the network of student canteens that provide unique marketing opportunities. Furthermore, mCASH aims to reach the student bars and clubs, gaining a more familiar and fun appearance. The integration of points-of-sales frequently visited by students is vital. To ensure smooth integration of the system, encourage app use and to enable an accurate evaluation of the process, mCASH will hire three Brand Ambassadors from
the student community. The Ambassadors are prominent figures among students and their task is to provide an inside-view of the situation.

mCASH continues the development of on the spot point-of-sale creation for purposes of different types of events such as a university book market or fundraising. In a later phase, mCASH intends to organize mCASH parties or events to additionally boost the company’s popularity and to improve its image.

Tier 2
One of the currently integrating merchants is Bunnpris. This Norwegian retail chain is open on Sundays while nearly all other shops in Norway are closed. Therefore it is known amongst youth as the post-party shop and it is visited by a great number of students. The spread of the app users among students can be continued through Sunday-buyers to Bunnpris customers.

Target market 2
mCASH focuses primarily on students. However, it is very important not to forget the existing customers and their potential in word-of-mouth advertizing. Encouraging customers to use the mCASH app in newly integrated points-of-sales is one objective. Additionally the company intends to use viral spread possibilities. The app can be shared with friends from the phone’s internal phonebook. A person who successfully invites a new customer is rewarded with a 20 NOK bonus. Another possibility is rewarding on the basis of the number of transactions or their value.
5.5.2 Marketing Mix

Product
mCASH provides a revolutionary payment solution. Constant maintaining of the software system is vital for the app to stay in operation and avoid errors. However, in order to stay ahead of the current and incoming competition, the mCASH strategy includes constant development of its product. The development process is enhanced by the creativity and skills of the team as well as the consultation and feedback of customers.

Price
mCASH’s product is virtually free for its end customers. The app is available for download for free in the Google Play Store and the iOS App Store. Later on the company will charge the user a small percentage of the transaction value depending on the source of funds used. For example in P2P transaction, if the funding source is a credit card the fee is 1% of the transaction value. However, if the chosen funding source is a bank account the fee is waived. It is the company’s policy to make the use of the linked bank account more attractive.

The company also cares about merchants who have to pay 2,5% of the transaction value – it is related to the card companies standard fee. mCASH charges its merchants the card company fee, but allow the merchants to save money on the card terminal costs. In the future, mCASH will consider lowering the charges for merchants and with that the company will gain an additional competitive edge.

Placement
The mCASH product is easily accessible to all Android and iOS smartphone users from the dedicated stores. As for the point-of-sales where the app can be used,
the company is primarily interested gaining visibility next to the well known brands. It is important from the point of view of brand recognizability and credibility. Due to the lower level of fragmentation and the bigger customer base mCASH focuses on merchants in bigger cities such as Oslo, Bergen and Stavanger.

**Promotion**

The primary target market are students. Gaining a stable customer base in this market segment is vital for the future of the company. Therefore, nearly all the promotional funds are dedicated to promotional action for this target market. mCASH is a customer oriented business that has to maintain a good relation with existing customers. The promotion of new features and an improvement in customer service is an important point in the company’s marketing strategy.

**People**

mCASH is a small company that highly values its employees. The quality of service provided to the company’s customers heavily depends on the qualifications of the technical team, the internal communication and teamwork. The company, due to the character of its product, does not have a personal contact with the customer. However, the value of a personal, more familiar appearance is highly beneficial for the company. It is possible to explore the possibilities of using non-marketing employees in the marketing process.

**Process**

One of the most important competitive edges of mCASH is its simplicity and convenience of using the app. Primarily the process of registration, necessary after installation of the app, had to be simplified and made more user friendly. At this point, the registration process is not the main focus any more. However, it is essential to keep it under constant evaluation. The whole process of payment,
peer-to-peer transactions and sharing the app is under constant development. Depending on customer feedback and emergence of new features, the changes are being implemented. Additionally mCASH explores the possibilities of simplifying point-of-sales creation. This feature will give the company additional competitive advantage.

**Physical Evidence**

mCASH’s product is basically a service delivered through an app available through the Internet. It is very important for the brand image is how it is presented in for example points-of-sales. The mCASH marketing team monitors the visibility of the company’s logo, the placement of the QR-codes, etc.

### 5.6 Marketing Implementation

All implementation activities were to begin at the beginning of November 2013. The marketing plan, due to the budgeting reasons, has a scope of 10 months.

- By the end of November 2014 mCASH payments will be available in the four major student restaurants in Bergen. For the first month a discount of 10% will be offered from all purchases made with mCASH. On the spot advertising will include banners and stickers on the payment terminal as well as a pop-up store with deal breaking offers like Red Bull for 1 NOK. The aim of the pop-up store is to convince people to install and share the app. The company’s Brand Ambassadors will overlook the process and offer personal assistance in case of installation or registration issues. The Ambassadors task is to give an example by using and sharing the app as well as providing word-of-mouth advertising.

- By the end of December 2014 mCASH payments will be available in all student restaurants in Oslo. The 10% discount offered will be replaced by
loyalty deal – every 10th meal is free or free coffee is provided for all purchases before lunch etc.

- By the 5th of January 2015 mCASH payments will be available at students bars in Bergen.

- In the second week of January 2015, the first week of Spring semester, an mCASH party week for students will take place. Advertising of the event will be executed through posters at the campuses and in the restaurants, social media networks with the cooperation with SiB and the local bars and through word-of-mouth advertising.

- The main focus will be placed on the fact that mCASH is present in the nightlife of students. Special deals for beer and other beverages will be offered when paying with mCASH. Additionally mCASH will be present in the welcoming event of new students organized by SiB. The new students will be invited for a specially prepared geocaching event. During the event students will need to utilize the mCASH app to scan QR codes which lead their way through the campus and all the main points of the orientation tour. As a reward for finishing the task each student will get a free coffee code.

- The week will be concluded by a club party organized together with a student union. The tickets purchased with mCASH will give the buyer the right to enter the party with a VIP entrance with red carpet and take a picture in front of an mCASH branded Press Wall.

- By the end of January 2015 mCASH payments will be available in the majority of Bunnpris shops across the country.

- By the end of February 2015 the main student restaurants and/or campuses will be visited by the mCASH team – as a continuation of the implemented in the early months of the company’s operation “Meet the team” social media action (the picture with a short introduction of every new employee was posted on mCASH Facebook profile). The point of the action is to show
mCASH employees as accessible and fun. The Marketing team will utilize the employee’s hobbies such as building a quadcopter or even gaming. By enabling the students to get to know the mCASH team in an informal matter the company gains a positive brand image.

- Furthermore, the company will announce a month long contest for students where the first reward will be one semester university fees cover. The contest will take place in the social media, however the recognizability of it will be ensured by a marketing campaign done through students unions across the country.

- By the end of March 2015 the mCASH marketing team will work out procedures for collecting and responding to feedback in the social media as well as from the distribution channels.

- The company will prepare a pop-up store in a bus that will be open for a week, every day in a different location at the campuses of Bergen universities. The exact theme is to be decided depending on the current top interest topic for students. Crucial is the close cooperation with the Brand Ambassadors who will play a decisive role in the theme selection.

- By the end of April 2015 the company will conduct a countrywide campaign focused on peer-to-peer payments and the possibility to connect the mCASH app with one’s bank account. The act of linking the bank account is rewarded with 100 NOK on the user’s mCASH account and sharing the app with peers gives another 20 NOK per share. The user can freely transfer money from mCASH to his or her bank account. The campaign will be primarily focused on advertising through press, posters and banners. The main aim is to make the message intriguing and humorous. FIGURE 20 presents a sample message of the campaign.
As a follow up to the campaign, the company will organize a full time mCASH event. The event will include concerts of top artists as well as an after party. The tickets will be available for purchase only through mCASH as well as all the drinks and treats on the party. The event will be targeted mainly at students and young people. Special invitations will be send out to prominent figures of show business and the younger generation’s role models, such as famous bloggers.

- From May to August 2015, based on the in-depth analysis of the results of the campaign and the mCASH event, follow-up actions will be taken. Those may include a variety of loyalty programs in selected points-of-sale, continuation of pop-up stores in different locations in the country, social media campaigns, etc.

- By the end of August 2015 the company expects to reach all the objectives and, what is most important, will obtain new investors.
5.7 Evaluation

Staff
Primarily responsible for all the marketing activities is the marketing team and CMO – Chief Marketing Officer. The marketing team closely cooperates with the Head of Compliance, who is required to overlook all the legal issues related to the activities. The Product Designer also plays a vital role in marketing activities and is responsible for the graphic design issues.

Of course the marketing team needs to stay in constant contact with the technical floor, especially considering the development of new features and any issues with the app usability. It is crucial that any negative feedback related to app operations is consulted with the developers. Additionally, selected developers responsible for the data collection system are obligated to deliver the evaluation data for the monitoring process.

Budgeting
Because of the confidentiality of the data no budget information can be presented in this publication.

Monitoring
The results of each marketing action will be evaluated based during a bimonthly review of the statistical data collected. The list below includes the most important indicators and states the desired value after a 10 month period (until August 2015).

- The number of downloads of the application. This includes both the iOS and the Android app. The aim is to reach an estimated number of 400 thousand new users.
• Crosschecked data on transaction and point-of-sale transactions. The primary objective is to gain a stable customer base in the Bergen area. The aim is to gain 15 thousand active users in this location.

• The number of transactions per day. The goal value of this factor is an average of over 500 transactions per day.

• The social media indicators. The mCASH profile on Facebook should reach 10 thousand “likes” and the Twitter account should gain over 3 thousands followers.

Particular actions, such as the peer-to-peer transaction-campaign will be monitored with their own individual parameters depending on the needs.
Marketing is extremely important for nearly every currently existing company. Nowadays, as shown in the “What is guerrilla Marketing?” chapter, new effective methods of marketing arise. The changes are a result of the changing socio cultural factors as well as of the undergoing technological changes. The importance and efficiency of guerrilla marketing advertising practices are proven in the chapter “Guerrilla advertising techniques”. Various examples illustrate the best practices for NGOs, SMEs and bigger companies. The last theoretical chapter “Relationship marketing” introduces a practical approach to what lies at the very foundation of guerrilla marketing – customer focus and personalization of the business.

The chapters listed above are the result of months-long research, studies on the subject and previous experience of the author in the field of guerrilla marketing. The importance of Internet sources in the conducted research cannot be overestimated. Currently the subject is not represented well enough in literature and the existing works are hard to obtain in public libraries. However, taking into consideration the nature of guerrilla marketing and its high reliance on online resources, the author of this thesis recommends the usage of this source of information.

The last chapter, “Marketing plan”, aims to illustrate a practical example of creating a full marketing strategy for an existing start-up company. The author was asked by one of the company’s co-owners to use the example of mCASH. The first stage of writing the marketing plan was to gain a comprehensive understanding of the company, its products and the business environment it operates in. This was done thanks to information given by the company itself
as well as through market studies performed by the author. The choice of students as the target group was based on the mCASH objective for the years 2014-2015 and the relevant market factors. The marketing strategy presented in this thesis is an adapted version of the original company’s strategy. The changes mainly concerned the social media and some elements of marketing actions targeted at students. As for budget and evaluation issues, the information is confidential and therefore omitted or briefly estimated with no connection to factual numbers.

To conclude, the main aim of the thesis was to enable the reader to thoroughly understand the meaning of guerrilla marketing and to provide a comprehensive source of information on the subject. The author believes that the objective was achieved and encourages readers to search for more information and inspiring examples. Guerrilla marketing is a valuable marketing approach with a variety of useful tools that every marketer should consider in their work.
REFERENCES


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