Online video in an organizational context
Developing a business plan for a video production company

Mei Luukkonen
Abstract

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**Author(s)**
Mei Luukkonen

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The landscape in which the faculties of organizational communication, public relations (PR) and integrated marketing communication (IMC) function in has changed very crucially over the past few years. Digital platforms reign and stakeholders increasingly turn to social networks to find information about and engage with organizations.

Due to these changes the means to build organizational identity, image and reputation as well as to distribute important messages have increased, forcing organizational communication, PR and IMC professionals to diversify their toolbox. Within these changes theoretical and empirical evidence demonstrates online video has become an important tool to reach stakeholders.

This master’s thesis is a product-oriented study and the practical part of the thesis is a business plan for an online video production company. The aim of the theoretical part of the thesis is to outline a literature review centred on the changes in organizational communication, PR and IMC landscapes and the meaning of online video within these changes. The methodological part is focused on concepts and theories relevant in relation to the operation of the enterprise.

In this thesis theoretical key concepts relating to organizational communication, public relations, integrated marketing communication an identity, image and reputation will be discussed. Also channels and methods to transmit online videos will be dealt with. These include topics such as bought, earned and owned media, online platforms and content and storytelling online. In the methodology section concepts such as benchmarking internal and external opportunities, tools in making strategy and designing a business model will be addressed.

**Keywords**
Organizational communication, PR, IMC, Online video, social media, image, identity and reputation, business model.
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1 Introduction

Communication today is extensively networked and decentralized. We seek information, opportunities, recommendations, experiences, gratification through our online networks. As the focus of organizational communication is moving towards networked communities, the control over what is being said by who is increasingly difficult to maintain as well as attention of audiences to gain. These changes can either be seen as a threat or an opportunity. If an organization is able to turn these changes into their favour, new ways to engage with stakeholders, publics and new ways to distribute the organizational story and key messages may emerge (Cornelissen 2011, 154).

This is the communicational environment and context I have drafted my thesis within. My thesis is a business plan for a video production company as well as a theoretical work that supports the empirical part and attempts to justify the logic behind the business plan. I have drafted a business plan for a company called Lean Films. The company produces online videos for organizational communication, public relations (PR) and integrated marketing communication (IMC) needs and purposes. The operational logic is to produce inventive content that supports and constructs the brand of the customer organization. The content will be produced with a simple staff structure that enables agile making and resilient adjustment of production costs according to the need of the customer.

The business idea derives from the notion that we live in an increasingly visual world. Among the crossfire of messages bombarding us all the time and everywhere, images and especially audio-visual content have been studied to carry a specific attention value. Video has recently become the format for organizations to communicate about their products and services; it is utilized in internal communication and recruitment, and capitalized to boost the brand of an organization. The format is no longer reserved to be exploited in expensive marketing campaigns but instead the trend is towards smaller and more iterative content. This is the exact market that Lean Films will be capitalizing.

Another notion relates to the changed media and communication landscape in which organizations are increasingly pushed to communicate on several platforms in an open and personal manner to satisfy the demands of their stakeholders and audiences. They must immerse themselves into open discussion with audiences, offer insight, increase their expert position and cultivate their brand image in a complex communication environment. Old tools of communication and marketing are not enough anymore; instead new ways of
creating content are required. Thus this has lead to many organizations to become their own media houses.

Development of technology is dynamic, and change is continuous. Already our media consumption has become mobile, media is not place-specific and the days of a single device catching our attention are over. Instead we consume media from multiple screens simultaneously (Lipschultz 2015, 19).

Video is a format that has effective qualities to employ in organizational communication and it already has been made use of by communication and PR professionals. One practitioner in the field of marketing communication states that there a number of benefits a video can provide to an organization – it can be accessed on the go, it can communicate in seconds what could take multiple paragraphs to write, it is efficient in spreading training messages without costly seminars, it may eliminate in-person meetings and has a change of increasing the absorbance of the intended message. (Engine Creative 2012.)

The context of this thesis derives from the notion of four phases of media – the four clover of media – in which the media landscape is differentiated into four realms: traditional, owned, hybrid and social (Lipschult, 2015, 6). The business logic of Lean Films taps especially into two of these, owned and social, and I will examine these concepts in relation to audio-visual format within organizational communication, PR and integrated media communication.

In the following chapters I wish to elaborate on the concepts relating to the business plan and the opportunities the changing landscape of corporate and organizational communication, PR and IMC provide for it. I will be guided by two research questions, formulated as follows:

Q 1: How has the communication, public relations and integrated marketing communication landscape changed in the past years?
Q 2: What is the role of online video in this landscape and how can it be utilised in communication, public relations and marketing communication practices?

In chapter two I will go through a literature review relating to the topics of organizational communication, public relations and integrated marketing communication, identity, image and reputation, social networking sites as distribution channels as well as bought, earned and owned media as these are the concepts that relate to the products Lean Films operates with.
The business plan has been drafted in the guidance of Haaga-Helia StartUp School and the process has included several steps of analysis of operational environment, entrepreneurship, business strategy, and so forth. In chapter three I will go through the steps of drafting a business plan and tools used in the assessment, including PESTLE analysis, SWOT and TOWS matrixes and lean canvas -tool. Also I will offer a brief description of the company in chapter four, followed by conclusions in chapter five.
2 Literature review

The business logic of Lean Films is to produce online videos to answer the communicatonal needs of organizational and corporate communication, public relations and integrated marketing communication. In addition these concepts contain subcategories such as internal communication, public sector public relations and corporate advertising, in which online video can be utilized. Identity, image, and reputation are concepts that are in a very relevant role in all of the mentioned disciplines, in fact the maintenance of these concepts is the essence of the faculties of organizational communication, PR and IMC. Thus these concepts will also be covered in the chapter.

I will also go through channels and methods of communication that are relevant in relation to the distribution of online video. The concepts I address in this subchapter are bought, earned and owned media, online platforms and content and storytelling online.

I will start with a brief overview on some of the concepts within general theory of communication to lay the foundation for this thesis.

2.1 General theory of communication

Communication in its most general sense is a core concept of all human existence and can be seen as one of the most important factors shaping our way of being. Academic approach to communication can be roughly divided into three schools of thought: 1) communication as transmission of information 2) communication as producing meaning and 3) communication as creating communality (Karvonen 2005).

The process model sees the act of communication as a process of transmitting messages from sender to receiver through a given channel. The message is something that is selected by the sender, encoded for transmission, decoded and received by the receiver (Fiske 1992, 14.) In the simplest form of the model of thought, the possible modulation of meaning results from noise in the channels of transmission.

Semiotic school of thought then again constructs the theory of communication on the base of symbols, their relation to the origin and to the way these symbols are used to construct meaning. The message derives is final meaning when it is perceived by the receiver. Connotation, denotation and context of the study all affect the way the message is being read.
Finally, communality or ritual view of communication observes communication as a communal and ritualistic act, through which society and social relations are maintained and renewed. (Karvonen 2005.)

2.1.1 Process school of thought

Shannon and Weaver wrote their book *A Mathematical Theory on Communication* in 1949, which can be seen to have started the study of communication from the process perspective. Shannon and Weaver’s model derived from the need to find the most efficient technological medium to transmit the message (Fiske 1992, 19). Their model formulates a process-oriented scheme including information source, encoder that converts the selected message into a signal, message, transmitter, channel through which the message is transmitted, signal, decoder that enables the reading of the signal, receiver and noise. The sender makes a decision on the meaning of the message and makes a choice on the channel and transmits the message. Noise, that can originate either from technical or meaning–related matters, is an element that complicates the process. (Fiske 1992, 19-22.)

![Shannon and Weaver's process model of communication](image)

*Figure 1. Shannon and Weaver’s process model of communication (Fiske 1992, 20)*

Shannon and Weaver’s process model of communication reflected the view of communication as a process of transmitting messages in a straightforward way. They defined three levels of problematics: 1) technical problems affecting the way how efficiently the message can be transmitted, 2) problems in meaning, affecting the accuracy of transferred symbols and their ability to transmit meaning and 3) problems in effect or how efficiently the received message is able to direct the recipients actions into desired direction. (Karvonen 2005.) In this model the receiver does not actively give meaning to the message. Instead the sender may show different levels of activity in the choice of channel or text.
Successful choices result in successful decoding process and ultimately desired action by the recipient.

2.1.2 Semiotic school of thought

The process model school of thought focuses on the relation between codes, channels and mediums, rather than in the way meaning is constituted. The model ignored the social and political function of meaning production that has been the focal point of the semiotic research. Semiotic school sees the communication process as a production and exchange of meanings (Fiske 1992, 14). The semiotic approach to communication explores the way texts and people work in interaction to produce meaning.

Conrad defines communication, seen from the semiotic perspective, as a “process that happens in a certain context, in which people together create, maintain and deal with meanings through messages” (Conrad 1994, cited in Åberg 2000, 20). Giving meaning to the message is an important aspect in semiotic approach – the approach differs from sematic take on the matter in the sense that the text or the message never gains its meaning solely from the intentions of the sender but instead the meaning is also negotiated by the receiver. (Fiske 1992, 16.)

Semiotic school views the communication process from the perspective on giving meaning and uses conceptual tools such as signal and signification and for example concepts drafted by Peirce such as icon, index and symbol (Fiske 1992, 60). An icon is a morphological representation of the signified, whereas an index has a causal relationship to its signified, for example smoke being an index of fire. Symbols then again represent the signified by virtue of convention, not similarity or causality (Lundsten 2007, 286).

In addition, Barthes has conceptualized two semiotic levels of giving meaning. On the first, denotative level symbols are observed as icons of what they represent. On the second level the meaning can be read through the concepts of connotation, myth and symbol. Of these concepts connotation is relevant in the context of audio-visual communication in this theses. Connotation refers to the way things are portrayed and how these choices are situated in a cultural and subjective context. Connotative reading often transmits emotional values. (Fiske 1992, 112-115.)
2.1.3 Ritual view on communication

Process and semiotic schools of thought are accompanied by a ritual or communal view on communication. According to Juholin this school of thought emphasises the importance of doing and being together and sharing commonly agreed meanings. A message derives its meaning and communality is created in physical proximity as well as in virtual communities. Advent of a community depends on a common issue and commitment to it. (Juholin 2009, 37.)

James Carey has developed the theory of ritual view on communication. According to him the communication act can be defined as ritualistic when it relates to terms such as sharing, joining together, companionship, participation and sharing as well as sharing a common religion. Seen from this perspective, the process of transmitting a message is not as essential as is maintaining society and expressing commonly held beliefs in order to enact the social and societal relations. (Karvonen 2005.)

Ritual communication maintains communality and it depends on shared understandings and emotions. In contrast to the process view on communication, it is "celebratory" and often requires an element of performance in order for the communication act to be successful. (McQuail 2005, 70-71.) Communication and thus social life also include aesthetic experiences, values and intellectual notions that are shared in a ritualistic way (Carey 1988, cited in McQuail 2005, 112).

These theoretical views can be seen as complementary, describing the different levels of communication process (Karvonen 2005). Also audio-visual communication can be seen in either of these contexts. Video as a format is inherently technical and it is transmitted through technical channels. Thus the process of transmitting the message is likely to encounter noise in transmission and a process-oriented view, focused on technical fluency of the communication act, is intrinsic in order to reduce obscurities in the encoding process.

However, in the two latter views on communication are more essential in the context of this thesis. The grammar of visual communication is constructed by concepts used in semiotic approach, such as icon, index and symbol (Lundsten 2007, 287). Audio-visual communication allows strong connotative messages through the use of music, rhythm, choice of imagery and non-verbal communication. The use of indexes, symbols and choices made on a connotative level are the very tools that make audio-visual communication effective in transmitting information rich, emotional or persuasive messages. In ad-
dition, semiotic approach sees the receiver as a more active agent than process school of thought (Fiske 1992, 62). In this thesis it will be claimed that in the modern fragmented landscape of organizational communication, PR and IMC the activity of the audience is emphasized. One of my claims is that social networks provide a platform for organizational communication and PR, that is essentially communal and through which messages are shared commented and distributed in a communal way order to build and position social relations.

In the networked society messages and texts can be seen to partly derive their meaning in a socially networked way. Audiences consume and give meaning to messages within a community in which they belong. Thus an organization must be able to entice viewers one at a time to not only give meaning to a message but also to share it within his or her networks for a broader coverage.

As mentioned, the process models are not fully capable of describing the complex networks and processes of the modern mass communication landscape. Shel Holtz claims that the advent of online media changed fundamentally the distribution of messages from a hierarchical top-down model (the broadcast paradigm) to an open and networked system (the network paradigm) (Holtz 1998, cited in Theaker 2008c, 354).

A crucial element of the network paradigm is the multidirectional communications between citizens, whereas the broadcast paradigm involves one-way distribution of information from the encoder to decoder (Theaker 2008c, 368). This means that the role of a communication and PR professional is not anymore to reach all members of the target group most efficiently but instead to entice them one at a time to the organizations site (Theaker 2008c, 354).

According to Holtz in the networked society the way an organization communicates with an audience also needs to be networked. The question is how to get a message through to the stakeholders, when those targeted audiences no longer accept a top-down message. (Holtz 2002, 25.) To succeed in this task, professionals must be able to develop content and transmit it in a format that best answers the needs of individuals. Instead of pushing the message out to the receivers or decoders, the members of the audience must be pulled to the medium.
2.2 Communication in organizational context

In this subchapter I will review how communication has been theoretically discussed in corporate and organizational context. The terms addressed will be organizational communication including internal communication and public relations including corporate advertising and public sector public relations. Organizational communication and public relations more or less stem from the same tradition, whereas the final concept – integrated marketing communication converges with the methods of marketing.

2.2.1 Corporate and organizational communication

Currently the communication process can be seen as a complex process with often-unforeseen implications. Unlike the process model suggested, exchange of messages and meanings is much more than a technical process but instead it deals with relationships with humans and in this act form is just as important as content. (Juholin 2009, 20.)

Leif Åberg defines communication as a process, in which “meaning production is used to interpret the state of things and in which this interpretation is delivered to the awareness of others through an interactive network that transmits messages”. (Åberg 2000, 54.)

Youell and Downey write about communication in a new world order. According to them three generations can be found within the practices of corporate communication. The first generation of the late 20th century was mainly concerned with introducing products and services to the market. The next generation turned the gaze inwards and understood the value of employees and internal communication. The third generation emphasizes PR’s role in transmitting the values of the company and building confidence in the brand. The way of making business has changed and in this new paradigm “what they stand for” is increasingly important for companies to communicate to their constituencies. (Youell and Downey 2010.)

Even though the implication and effect of communication is often not fully predictable, strategic management and planning of communication is still a necessity for the survival of organizations. Cornelissen defines corporate communication as a management function, a concept that covers the effective coordination of all communication functions of a corporation or organization. The ultimate purpose of the corporate communication function is to establish and maintain a favourable reputation among the corporation’s stakeholders. (Cornelissen 2011, 5.) Therefore corporate communication can be seen as both a way to maintain reputation and as an organizational function (Johansen and Nielsen 2011, 206). Effective coordination can be understood as strategic, as according to Cornelissen it in-
volves concepts and themes such as mission and vision, reputation, image and identity, and objectives and goals. (Cornelissen 2011, 7-10.)

A Finnish association of organizational and corporate communication professionals, ProCom, defines organizational communication as a communicational function of the work community. The communicational methods are used to promote the vision, strategies and objectives of the organization. Some of the most important measures are reputation management, internal and external communication, marketing communication, PR, stakeholder communication, media relations, investor relations, as well as monitoring and measuring. (Viestinnän ammattilaiset, vuosikirja 2009 cited in Juholin 2009, 22.)

Cornelissen describes that until 1970’s corporate communication was largely understood as public relations dealing especially with the media. As other internal as well as external stakeholders started to require more attention, a wider strategic and tactical take on communication was required. According to Cornelissen the new measures came to incorporate corporate design, corporate advertising, internal communication to employees, issues and crisis management, investor and media relations and so forth. Cornelissen emphasizes that most importantly corporate communication has focused on the organization as a whole and the ways the organization presents itself to all its key stakeholders. (Cornelissen 2011, 4.)

Van Riel and Fombrun (2007, 14) define three different practice areas of corporate communication: 1) management function that aims at obtaining cooperation from internal stakeholders and communicating the organizational issues to external stakeholders; 2) marketing communication that operates in the crossroads of marketing and communication with the objective of selling goods through direct advertising, personal selling and sponsorship; 3) organizational communication, that aims at liaison with corporate stakeholders, including corporate advertising.

Paul A. Argenti refers to a list of different responsibilities that a modern corporate communications team is likely to have. These are for example community and investor relations, marketing communications, corporate website, external an internal social media and monitoring, reputation monitoring, employee communications and so forth. (2010 Resource Allocation Benchmarks Report cited in Argenti 2013, 50-51.)

The current communicational landscape, in which organizational communication functions in, has increased the importance of efficient strategic and tactical measures. As Juholin emphasises, the hypodermic needle model is long gone in the networked society, in which
anybody has access to sources of information. According to her, Internet enables new ways of interaction and anybody can function as the producer of content and opinion leader without external control. Social media has changed the notion of channel and medium, instead these should be perceived as an environment where people meet and interact and organize their daily lives. (Juholin, 2009, 20.)

I claim that online audio-visual communication is an efficient tool for organizational communication and video can be utilized in all these tasks that a contemporary communications professional or team is likely to have. It is a format that captures attention and communicates a wide range of messages efficiently. Tikkurila Paints (Tikkurila 2014) have capitalized online video to communicate part of their 2014 annual report. The result is a visually alluring video that nevertheless manages to communicate hard facts and figures while making the experience visually entertaining.

**Internal communication**

Video has advantages as a form of communication to external stakeholders but it also offers opportunities for internal communication. Joep Cornelissen lists the two central areas of internal communication, which are management communication that relate to specific tasks and corporate information and communication system (CICS) that is geared to propagate organizational information and decisions throughout the company (Cornelissen 2011, 164).

Elisa Juholin states that the evolution of technology and the new world order have increased the importance of environmental scanning within organizational communication. Especially the commitment of employees to the organization and the way they approve the operating mechanisms and ethos of the organization has risen to the forefront. (Juholin 2009, 31.) Thus internal communication can be seen as a crucial element in organizational communication.

Internal communication can be both downward or upward, from managerial level to employees or vice versa. Downward communication may involve informing employees about company’s mission, vision and valued policies. This form of internal communication is often disseminated through electronic means and it includes both managerial communication and CICS (Cornelissen 2011, 165). Effective internal communication about the core values of a company is essential as employees represent the company to the external stakeholders and thus need to have good grasp of the core values. (Cornelissen 2011, 135.)
Some studies rightfully claim that keeping employees informed, motivated and involved is a key to an organization’s success and profitability as employees are a channel to the outside world and represent the company in the eyes of the external stakeholders (Blundel et al. 2013, 267). It is claimed that before any relationships can be maintained with external stakeholders management should attend to employees, to their "number one public" or "most important asset" (Cornelissen 2011, 28).

Effective, motivational internal communication that encourages for upward exchange helps to keep the workforce content. It may also aid organizational identification or feeling of "oneness" or "belongingness" with the organization. In the competitive markets content employees are an important asset. Employees should be made to feel that they are listened to and involved in the decision-making but also have some power to influence their working life. (Cornelissen 2011, 167.) According to Argenti adequate internal communication requires strategic thinking in order to make sure that employees understand the marketing initiatives they are meant to communicate externally. Also strategic take on internal communication may aid in uniting the workforce behind common goals and corporate strategies. (Argenti 2013, 64.) Internal communication can build the corporate identity and thus reinforce a favourable image in the eyes if the employees through promoting a “we-feeling”, leading to higher loyalty and commitment (Cornelissen 2011, 167).

From a technological perspective new communication channels and mediums have enabled and eased internal communication through distances and independently from time and space. Thus corporate information can efficiently be disseminated to teams that work across the globe. In addition through technology information can be stored and consumed at a convenient time, without compromising the workflow. (Cornelissen 2011, 164.)

VR Track has already for past few years used online video extensively in their internal communication. According to the head of internal communication, Hanni Marin, video is a crucial tool in an organization in which all the employees are geographically dispersed. According to her video is the best way to reach employees as they can watch important briefings as well as more entertaining clips when it is convenient for them. (Marin, 2015.) The YouTube channel of VR Track provides examples of videos, in which the work of different experts are presented VR Track also encourages their employees to films their own videos in which they introduce improved work methods and so on.

The potential and importance of video as a tool in internal communication is also emphasised by Finnair’s director of marketing Jarkko Konttinen, who states that in the case of a company that employs thousands of people with dispersed workstations, video is practi-
cally the only feasible tool for internal communication. (Sorkio, 2015)

2.2.2 Public relations

One of the founding fathers of public relations, Edward L. Bernays has been quoted to say that the three elements of PR are as old as society, these are 1) informing people, 2) persuading people and 3) integrating people with people. (Kotler & Mindak 1978, 16.) These elements can also be seen to form an analogy with the three theoretical views of communication – transmitting information, generating meaning and creating communality.

Historically public relations has been associated with persuasion and even propaganda. Its ethos in persuasion has led to criticism that PR used to create a false impression of an organization (Blundel et al. 2013, 263). According to Broom (2009, 22) even today many practitioners work with managers and clients who think public relations is simply one-way communication to persuade others.

Academically organizational public relations have been defined in many ways and placed under different schools of though, such as management, social science and media, all with different emphasis (Fawkes 2008, 4). Argenti defines public relations as the predecessor of corporate communications that stemmed from the necessity to communicate to external constituencies. According to him the necessity grew out of new laws that forced organizations to communicate and constantly provide responses in situations they had not previously confronted. (Argenti 2013, 48.)

Public Relations can indeed be seen as a practice stemming from necessity to communicate with stakeholders. Stakeholders can be defined as a group of individuals who can be influenced by the actions of the organization (Freeman 1984 cited in Luoma-Aho & Vos 2010, 317). Public relations is a practice involved with publics – Dewey defines publics as a group of stakeholders that have an issue with the organization and who recognize and organize to do something about the issue or problem (Grunig & Hunt 1984, 141). Grunig and Hunt further divide four categories of publics: nonpublics to whom none of these conditions apply, latent publics who do not recognize the problem, aware publics who recognize it and active publics who organize themselves to do something about the issue (Grunig & Hunt 1984, 143). Customers, among other publics are a group of stakeholders that can try to exert their influence over an organization thus forcing the organization to manage the relationship through tools of public relations (Argenti 2013, 63).
As exemplified through literature later in this chapter, public relations is not only about reactive measures to the demands of pressure groups but it can also be seen as the proactive management of stakeholder groups with an aim to create favourable sentiments. In order to be effective, PR should be established and practised as planned and sustained (Fawkes 2008, 5). In addition it should be seen as an on-going task rather than a project applied in a moment of crisis (Blundel et al. 2013, 265).

L’Etang and Pieczka list Three functions of PR – according to them it is:

1) **Representational**: covering the language used and images conveyed  
2) **Dialogic**: conveying negotiation, bridge building between the organization and stakeholder and transmitting the voice of different groups to different audiences  
3) **Advisory**: counselling, from proactive to reactive (L’Etang & Pieczka 2006 cited in Fawkes 2008, 6.)

Broom claims that the fact that corporate communications, public affairs and public relations are sometimes used interchangeably creates confusion (Broom 2009, 41). According to practitioners of the field, even some of them are confused about the concept of PR thus calling themselves as ‘perception managers’ or ‘corporate communications’ (Fawkes 2008, 6). Nevertheless despite the confusion, as Broom claims, the basic operational logic and motivation of public relations are similar from one organization to another. He continues that “all effective organizations strive to establish and maintain relationships with those identified as important for survival and growth” (Broom 2009, 41).

Grunig and Hunt specify public relations as the management of organizational communication (Grunig & Hunt 1984, 6). Johanna Fawkes states that PR is a measurable science based on the application of communication tools (Fawkes 2008, 4). Grunig et al conducted their famous Excellence Project in 1985 in which one of their conclusions was that public relations increases the effectiveness of an organization when it identifies strategic stakeholders and develops long-term communication programmes to build trusting relationships (Grunig & Grunig 1998, 141).

Juholin states that public relations is often used as a synonym with organizational communication, even though organizational communication as a context covers all communication acts within an organization, whereas PR is more professionally organized and its goals are aligned with the objectives of the whole organization (Juholin 2009, 23). Public relations can be seen as a tool for strategic management (Moss, Newman & DeSanto 2005), and feedback gained from PR activities should inform strategic changes (Blundel et al. 2013, 265).
Cultivation of relationships with strategic stakeholders to maintain understanding and legitimacy to operate seem to be at the core of public relations. The UK’s Chartered Institute of Public Relations (CIPR) defines public relations as the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics (Blundel et al. 263-264). Strategic stakeholder management then again requires the identification or relevant stakeholder groups or publics in order to know to whom the organization should send its messages (Sedereviciute & Valentini 2011, 222).

Rex Harlow has scoured 472 different definitions of public relations to come up with his concise definition of PR in 1976. In his opinion public relations is a management function that helps to establish and cultivate understanding, cooperation, acceptance, and communication between an organization and its stakeholders. It helps to manage problems or issues when they rise but also helps the management to stay informed of and sensitive towards public opinion. It also helps the management anticipate change and trends and it uses research and communication techniques as its tools. (Broom 2009, 24.)

European Public Relations Education and Research Association have defined PR in 2002 as “the maintenance of relationships with publics by communication in order to establish mutual understanding”. The association sees PR to hold four tasks:

1) PR has a reflective function with an aim to analyse change and trends and raise discussion in the organization. The ultimate aim of the reflective function is to maintain and clarify the mission and vision of the organization
2) PR has a managerial function, it manages the stakeholder communication on a strategic and tactical level.
3) PR has an operational level, it develops the tools and methods and channels of internal as well as stakeholder communication and interaction. It also provides services and consultation to the organization members relating to these tasks.
4) PR has an educational level, it helps the organization members to develop into even better communicators to meet different stakeholders. (Juholin 2009, 24.)

Academically systems theory has contextualized the dichotomy of approaches to public relations described in the beginning of the chapter. Systems theory is a brand of research that aims to observe and develop public relations as a practice (Edwards 2009b, 150). It attempts to explain public relations practice through the systems and structure of an organization and its interaction with its audiences. An organization is seen as a set of parts that impact each other and interact with the organization’s environment. The interaction is motivated by change pressures and designed to reach a goal. (Gregory 2008, 52.) Ideally the mission or vision of the organization drives the goal, and thus public relations practise has a strategic role.
Systems theorists Grunig and Hunt proposed a four layer typology of the role of the public relations agent in their book Managing Public Relations (1984). The aim was to form conceptual frameworks, models to make sense of “the many diverse communication activities that we call public relations” (Grunig & Hunt 1984, 21). The first layer in their model of the roles of a PR practitioner is the press agentry/publicist. The role of PR practitioner in this level is to persuade the recipient into action by sending one-directional messages (Grunig & Hunt 1984, 22). and no dialogue with the audience is required (Edwards 2009b, 150). The operational mode of press agentry or publicist is close to propaganda as the persuasive and manipulative effect of public relations is valued more than accuracy of information (Grunig & Hunt 1984, 21).

The second level of public information is also one-way in nature but truth is essential in its dissemination, informative function is valued over persuasion (Grunig & Hunt 1984, 21). The third level, two-way asymmetric PR is still inherently persuasive by nature but it includes the element of feedback in the process. The aim is to bring the audience/receiver closer to the organization’s point of view (Grunig & Hunt 1984, 21) and feedback is used to adjust the message to be more effective (Edwards 2009b, 150).

Two-way symmetric PR is the final and ideal form of public relations practice and this is the model around which Grunig and Hunt developed their “Excellence in PR”–model of practice on (Edwards 2009b, 150). The practitioners of two-way asymmetric PR may use scientific theories and methods for planning and evaluation but these are rooted in the theories of communication rather than those of persuasion (Grunig & Hunt 21, 21).

The systems approach (Edwards 2009b, 156) of PR places the relationship between organization and its stakeholders and publics into the centre of the PR activities. The main focus of the practice is on the strategic and tactical level to maintain and cultivate this relationship. Two-way symmetric model aims to bring both the organization and the receiver closer together by shaping the perception of both of them to generate mutual understanding on an issue. (Edwards 2009b, 150.)

Thus it can be argued that two-way symmetric public relations is the mode of operation relevant in the context of effective contemporary public relations practice. Anne Gregory states that public relations is a complex activity that at its “highest articulation” involves the careful management of relationships between “dynamic, constantly forming, evolving, dissolving stakeholder groups and publics, many of whom see themselves as having a legitimate stake in the company” (Gregory 2008, 56).
According to systems theory approach to PR, the organizational cultivation of relationships may be reactive or proactive by nature, the latter being more characteristic to “open” organizations and the latter to more closed systems organizations. The sensitivity and activity towards their environment is what distinguishes these two systems. (Broom, 2000, 191.) Closed systems measure their success by the amount of releases produced and press cuttings (or online hits) gained. Focus is on keeping already gained audience informed and feedback is sought only to make the information transmission more effective. (Gregory 2008, 59.) Organizations that employ open, reactive public relations are more adaptive to change, they monitor their environment and anticipate trends before they are forced to change. Communication takes the form of genuine dialogue and possible resulting change in attitudes or behaviour takes place both inside the organization and among its external publics or stakeholders. (Gregory 2008, 60.) As the stakes get higher in the digitally networked field of communication, organizational survival and competitive advantage depend on an open system of communication (Byrd 2012, 246).

White and Mazur have emphasised their definition of the goals of public relations, in their opinion professionals ideally execute the two-way symmetric substance of PR by influencing dialogue between the organization and its publics instead of organizational monologue thus helping to implement the corporate strategy. (White & Mazur 1996 cited in Edwards 2009, 5.)

In the increasingly complex practice of public relations managing the two-way symmetric practice of PR has become challenging. According to the postmodernist view on PR, practitioners face significant challenges from fragmented audiences who have a great access to different sources of information and uncontrolled or even aggressive media. In addition organizations face challenges in the form of government policies, globalisation and increasing activity of publics (Edwards 2009b, 164). Fragmenting publics make it necessary for PR professionals to develop sustainable dialogue with a range of different publics that all have different information needs (Blundel et al. 2013, 263). Thus PR professionals are increasingly required to update and extend their skills and range of available tools to transmit messages as new technologies are changing and contesting old ways of acting (Juholin 2009, 33).

As Lipschultz indicates, the emphasis of PR is increasingly moving away from press releases and traditional media relations to content that for example can be shared online (Lipschultz 2015, 69). The selection of media available to the public relations practitioner has increased and company newsletters and a range of other print media have given way
to a broader range of platforms deliverable through the web (Brown 2012, 113) creating both opportunities and challenges to the practise of PR.

Online video poses many opportunities for public relations practices. One example of how online video is used to proactively evoke positive sentiments or understanding towards an organization is the YouTube Channel of REDI, currently one of the biggest construction sites situated in Helsinki. REDI YouTube channel (REDI 2016) depicts videos from the construction site with employee interviews about their job and expertise. In my view construction sites are an especially fruitful ground for online video communication as the sites essentially cause environmental disruption and disturbance in their surroundings while being places with heightened surveillance and restricted access. Thus openness about the project transmitted in the form of onsite videos can prove to be beneficial for the reputation of the project and the construction company.

**Public sector public relations**

Public relations is often conceived as the activity through which organizations seek to profit and the quest for maintaining and cultivating reputation and conspicuousness may be seen as an act that can potentially drive conversions. PR is seen as a vital tool for strategic management and it has an important role in building the reputation of some of the world’s most admired corporations (Davies et al 2003, cited in Gregory 2008, 51).

However, public sector operates with at least as wide range of stakeholders than commercial sector and is just as dependent on relationship cultivation due to legal, ethical and technical considerations (Theaker 2008, 288).

The role and responsibility of public sector public relations may be to:

1) Inform the public how the taxes they pay are being used  
2) Give information about the rights and obligations of the public  
3) Persuade the public to do something, relating to health matters, etc.  
(Theaker 2008, 290-291.)

Glen M. Broom states that making information available through public information systems and by thus increasing public knowledge and understanding it is essential for democracy and organizational survival. The information may promote debate and expression in the public field of ideas with topics that range from healthcare, transportation, global warming, immigration reform and the impact of trade barriers. (Broom 2009 44.)
Gregory states that sector influences the practice and methods of public relations. According to her fast growing and turbulent sectors such as the dot-com environment requires a faster paced proactive and reactive programmes whereas more stable fields, in this context the public sector may be more reliant to planned and sustained public relations programmes. In addition public accountability is critical when planning public sector PR programmes. (Gregory 2008, 64.)

Public sector services and information are increasingly being transferred to online platforms. As the role of face-to-face guidance is diminishing while the spontaneity of citizens is encouraged, the need for efficient virtual guidance becomes more relevant. Therefore public sector public relations may be seen as a favourable field for audio-visual communication as video is a strong format in its ability to communicate complex issues in an illustrative, demonstrative way.

Finnish public administrates have gratifyingly started to experiment with the opportunities provided by video communication. Police of Finland recently announced that it will establish it’s own broadcasting channel. Police has planned to produce five different program formats, including a children’s program, and distribute them through YouTube and other social media channels. The focus of video production according to Police is in preventive action and part of the logic is to reach stakeholders in a new way as police force is not able to disembark among people in the same way as before. (Kerkelä, 2016.)

Another interesting example of public sector utilizing video in a way previously seen in television is HSL’s (Helsinki Region Transport) “Matkalla Tulevaisuuteen” online talk show (HSL 2015), in which host Tuomas Enbuske invited guests to discuss issues relating to mass transportation in a talk-show format.
The Social Insurance Institution of Finland (Kansaneläkelaitos) also provides an excellent example on how public service sector can utilize the opportunities of video. Their Kelakanava YouTube channel (Kela 2016) provides both how-to videos, clips that discuss relevant social issues as well as behind the scenes –videos, introducing employees and Kela as a place to work.
As the examples manifest public administrators have many opportunities to utilize online video and some have already successfully done so. Therefore I count NGO’s and public sector organizations as one viable customer segment for Lean Films.

Corporate advertising

Corporate advertising is said to be a sub-function of corporate communication. It differs from product advertising in the sense that it aims to promote the organization itself. (Argenti 2013, 60.) In other words it may not directly aim for the increase of sales but may do it indirectly. Corporate advertising deals with the corporate brand, advertising it the way product advertising brands a product (Argenti 2013, 92).

As a tool of corporate communication, corporate advertising is closely aligned with the strategies of public relations. The aim of corporate advertising is to create positive sentiments towards the organizations through letting stakeholders know what the organization is all about. Corporate advertising creates goodwill and enhances reputation by letting constituencies in on what the organization is all about. (Argenti 2013, 98.)

Alongside traditional media such as television and print campaigns, the tools of corporate advertising are increasingly found from the "blogosphere" and social media with an attempt to create campaigns that have a possibility to turn viral and thus influence customer's opinions. (Argenti 2013, 60.)

In Van Riel and Fombrun's vision corporate advertising is a tool of corporate communication that aims at transmitting a favourable image about the company (Van riel & Fombrun 2007, 14). Blundel, Ippolito and Donnarumma state that organizational communication may help an organization to achieve satisfied repeat customers and well-motivated employ-ees that act as company representatives. In addition it may help the organization to reach a positive reputation in the wider community as well as promote innovative and creative and efficient operational view of organization instead of inefficiency, indecision and re-sistance to change. (Blundel et al. 2013, 2.)

Corporate advertising provides a way for an organization to effectively communicate about its identity, values and philanthropic activities. Ideally a corporate advertising campaign should aim to explain in simple terms what a complex organization is about and by doing this, adding to the image of the organization among internal and external constituencies. (Argenti 2013, 100.) As a powerful medium in communicating complex messages, a video can be a useful tool of corporate advertising.
2.2.3 Integrated Marketing Communication

Prior to 1980’s public relations was seen as a faculty that deals with other publics than customers and consumers. According to that view PR promotes goodwill and mutual understanding for the cause of the organization while marketing deals with markets and relates to product or service oriented communication with an objective to satisfy customer needs with a profit (Kotler & Mindak 1978 cited in Cornelissen 2011, 17). However, according to Cornelissen already in the 1980’s rising costs and diminishing impact of mass media encouraged organizations to seek new ways to raise awareness towards the brands and promote customer loyalty (Cornelissen 2011, 18). Changes in the promotional environment, such as diminishing budgets led to changes in the promotional mix of marketing (Kitchen & Moss 1995). Thus organizations started to use public relations techniques for marketing purposes and this was the advent of integrated marketing communications (Cornelissen 2011, 18).

The distinctions between faculties of public relations, organizational communication and marketing has been blurred by the emergence of the concept of integrated marketing communication. Integrated marketing communication (IMC) is seen as an integrated and holistic effort to communicate with stakeholders, directed and coordinated by the management function of corporate communications (Cornelissen 2011, 15).

As with any concept that operates in the contextual crossroads, integrated marketing communication may be vulnerable to some contextual confusion. Glen M. Broom states that governmental operators and non-profit organizations often talk about non-profit marketing and social marketing, when they refer to building and maintaining relationships with different constituencies. According to him many public relations specialists spend a major part of their work on supporting the marketing strategy. (Broom 2009, 26.)

Johansen and Nielsen and Thomsen further elaborate the ambiguity by stating that the scholarly use of the term integration in relation to organization of communication is vague – it can be applied to media coordination, message alignment or “convergence between activities”, such as internal communications, marketing communication and public relations. (Johansen & Nielsen, 2011, 206.)

In this thesis IMC is contextualized as an activity that converges different marketing, public relations and organizational communication activities. Davis (2003 cited in Theaker 2009b, 308) states that PR can contribute to four marketing objectives, awareness, credibility, stimulation of the sales force and holding down promotional costs.
Cornelissen sees integrated marketing communication as a systemized effort in marketing communication planning, in which the strategic value of advertising, direct marketing, sales promotions and public relations are evaluated and combined to provide "clarity, consistency and maximum communication impact" (Cornelissen 2011, 20). Thus integrated marketing communication can be seen to offer a holistic perspective on the above-mentioned disciplines.

Hutton (2001, 206) lists the similarities and differences between PR and marketing. Despite his critical view on the integration of these two functions, he sees overlapping in the tasks of communication persuasion and relationships – both PR and marketing are two functions most focused on external constituencies, messages and media, public opinion and segmentation of audiences. And finally, both are strategic management functions that stem from research.

According to Hutton, marketing communication exists in the intersection of marketing and public relations; it shares the function of sales promotion with marketing and borrows the methods of promoting organizational image, advertising, sponsorship and product publicity with public relations. (Hutton 2001, 214.)

The role of public relations in management has been contested for at least 100 years, in the focus of the debate has been the question of different emphasis in the balance between marketing and PR –should PR be in a supporting role or serve a broader social and political function. (Grunig & Grunig 1998, 141.) Grunig and Grunig suggest, along the lines of their Excellence study, that integrated marketing communication programme should be coordinated strategically through the public relations function, this way marketing does not dominate PR (Grunig & Grunig 1998, 141).

Kotler and Mindak stated in their 1978 essay that PR and marketing were both searching for more policy-making roles in organizations and thus alternatives on models on how to organize these were needed. In model A both have separate equal functions, performing from different perspectives and with different capacities. In model B both are equal but share some overlapping functions, such as product publicity and customer relations. In addition public relation latently operates as the “watchdog” for marketing. Model C draws a picture in which the functions overlap but marketing is the dominant function, managing the relationship with all publics like it would with customers. In this model the role of public relations is to support marketing. Model D portrays public relations as the dominant function overseeing the relationship management of all the publics. The argument to support
this type of model would be that the organization’s future critically depends on how it is viewed by key publics. Finally in model E marketing and PR are completely integrated, they converge in processes and methodologies and are overseen by the same department. (Kotler & Mindak 1978, 17-18.)

![Different models of the possible relationship between marketing and public relations](image)

*Figure 4. Different models of the possible relationship between marketing and public relations. (Kotler and Mindak 1978, 17)*

Professionally either side of the bipolarity may have differing perception of the emphasis of the integration. However, as argued by Kitchen and Moss, professionals agree that the gap between corporate and marketing PR is diminishing, as companies increasingly try to utilize the union of these two practices in communicating the product and company values (Kitchen & Moss 1995).

Harris refers to marketing public relations (MPR) as a promotional discipline constituting of public relations techniques used to support marketing activities (Harris 1991, cited in Kitchen & Moss 1997). The objectives of MPR are introducing new products, cultivating new markets, lobbying opinion leaders and “positioning companies as experts and leaders in order to extend the reach of advertising and gain exposure of products that cannot be advertised to consumers” (Harris 1997, cited in Theaker 2008, 308).

American Marketing Association has defined marketing in 1985 as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services, to create exchanges that satisfy individual and organizational objectives” (Marketing News 1985, cited in Kitchen & Moss 1995). According to Kitchen and Moss these exchanges are essentially based on communicating with target stakeholders. This then again requires managerial orientation and depends on analysis, planning, implementation and control and key resources from organization (Kitchen & Moss 1995).

Johanna Fawkes (2008, 12-13) states that IMC is a rising trend in corporate communication. According to her it involves marketing a company brand rather than product. According to Theaker (2008, 307) it comprises any form of communication that enables to con-
vert a non-customer to a customer. David Meerman Scott (2010, 44) argues that online is creating convergence of marketing and PR that does not exist offline. The press releases sent when there are big news need to be replaced with continuous content that highlights the organization’s expert status, new ideas and stories.

Digital tools and channels have created new ways to communicate with stakeholders. One of the ways is to create new kinds of narrative content (Brown 2012, 117). David Meerman Scott has written about “new rules of marketing and PR”. According to him information an organization provides needs to be digitally integrated, as digital consumers want to find the information online, compactly and when they need it. The way to appeal to customers is not to launch an expensive advertising campaign anymore – in increasingly socially networked societies consumers turn to online networks for information and reviews. Furthermore, audiences look for authenticity and participation. Instead of interruption, audiences want information at the exact right time. (Meerman Scott 2010, 42) Therefore the focus is on content and online presence.

2.2.4 Identity image and reputation

The identity of an organization is a result of all its actions and products it produces. It is the reality of the organization (Argenti 2013, 59). It is manifested through tangible products such as press-releases, visual material, logo, motto, brands and products (Argenti 2013, 72), but also immaterial factors such as customer service, human resources, social responsibility practices and so on. Employees are an important channel to the outside word and thus in a key role when an organization communicates its identity to its constituencies (Blundel et al. 2013, 267).

Image is the representation of the company in the eyes of its constituencies or stakeholders. Reputation then again is the sum of how the company is viewed. (Argenti 2013, 59.) Reputation differs from image in the sense that it is built over a period of time (Argenti 2013, 87). Thus a spoilt reputation is a also harder to recover. Fombrun has referred to corporate reputation as “a perceptual representation of a company’s past actions and future prospects that describes the firm’s overall appeal to all of its key constituents when compared with other leading rivals” (Fombrun 1996 cited in Caruana et al. 2006, 430). Image then again tends to be more directly connected to the creation of meaning assigned to symbols that define the organization (Byrd 2012, 245).

According to Paul Argenti, an organization may have many images depending on the constituency (Argenti 2013, 73). Stakeholder relations with different constituencies require the
emphasis of varying aspects of the organizational identity depending on the stakes and interests of the various groups. These differences are thus manifested in "polyphonic communication" that is based on the relevance of the different aspects of identity to each group. (Johansen & Nielsen, 2011, 209.)

Glen M. Broom states that every organization ultimately depends on reputation for “survival and success” (Broom 2009, 24). Reputation, image and identity should be carefully managed, as those are the most critical functions of any corporate communications function (Argenti 2013, 58). However, identity is the only factor of the three on which a company can aim to have an influence on, while image and reputation are always dependant on the perceptions of the stakeholders. As put by Wood and Somerville, image is related to perception: it is identity understood in wider frame of reference. An image cannot be fully controlled but neglecting it may send all the wrong messages. (Wood and Somerville 2008, 105.)

According to Cornelissen the aim and objective on building and maintaining a favourable reputation is the most essential task of corporate communication professionals. (Cornelissen, 2011, 3). Broom elaborates that public relations is about reputation that is built by all the actions of the company. Reputation is maintained and managed through the discipline of public relations. The role of public relations is to gain understanding and support to the company as well as influence opinion and behaviour – thus it is the “planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics” (Broom 2009, 25).

Even though public relations and reputation management as one of its functions does not directly aim for driving conversions, the image of a company or organization can positively reflect upon the brands (or services) of the organization thus increasing acknowledgement and favourable sentiments towards the brand (Cornelissen 2011, 20-21). According to Argenti distinctions are increasingly made based on brand impressions rather than products (Argenti 2013, 73-74). Fombrun and Low offer statistical evidence on this as they refer to Reputation Institute’s study from 2011 in which it was discovered that 61 per cent of intentions to purchase were initiated by the consumers’ perceptions of the companies behind the brands (Fombrun & Low 2011, 18).

Strategic management and success in image society requires a close alignment of how the company is seen and what its aims and objectives are. Thus effective communication is a substantial competitive factor (Juholin 2009, 26). Paul Argenti (2013, 59) states that specifying how the organization wishes to be seen in the eyes of the stakeholders is one
key element or organizational communication. The better a company identity and image are aligned, the better the reputation (Argenti 2013, 71).

Audio-visual communication, due to its ability to transmit strong connotative messages, is an excellent tool in building an organization’s identity and image. In the competitive markets efficient identity building is an essential asset for any organization. As Argenti emphasizes, organizations that operate within increased globalization and commodization might find identity and image the only way that constituencies can differentiate an organization from the next (Argenti 2013, 73-74).

To conclude, it can be stated that reputation matters when consumers make purchase decisions. Nowadays organizations need to be more open and the requirement to keep up a level of transparency to maintain a positive reputation has influenced greatly the organizational communication strategies (Argenti 2013, 50). Therefore I suggest that video may be an efficient tool in reputation management, as when strategically used, it offers way to increase transparency – to allow the stakeholders to gain a wholesome image of the organization.

2.3 Channels of communication

Below I will discuss the channels of communication relevant in relation to online video. The concepts reviewed are bought, earned and owned media as well as social media and social networking sites. These are the channels that online video is distributed through. In addition I will discuss the implications of the format to the content, as the efficient use of video format requires an understanding of the elements and character of the medium.

2.3.1 Bought, earned and owned media

As stated earlier in the context of the study -chapter, our communication and social interaction has become increasingly networked and social media networking sites especially have revolutionised the way audio-visual material is being produced and consumed. These platforms have challenged organizations to think of new ways to communicate to their stakeholders. Lipschultz goes as far as to claim that social media communication is nowadays the primary source of information for people across the world (Lipschultz 2015, 5).

Juholin states that lately media has been divided into traditional and social. By traditional she means print magazines, radio and television, that have editorial executives. Social media lacks this kind of editorial control but instead the control is held and rules set by the members of the online community. (Juholin 2009, 21.)
Different media, especially from the marketing perspective, have been categorized into three different types: bought, earned and owned (Stephen & Galak 2012, 624). Advertising is an example of paid media and it refers to something the organization or its agents generate. Owned media refers to types of content the organization creates and distributes in channels it controls. Earned media then again refers to content that is not directly generated by the company but instead by its constituents. Earned media can refer to word of mouth, media publicity, or more currently it can be gained through stakeholders’ social online or offline interactions. (Stephen & Galak 2012, 625.)

The emphasis within organizational communication has been shifting from bought (which associates with expensive campaigns) into earned and owned. Earned media can traditionally refer to a press release that has caught the attention of media. However social media has amplified the coverage of earned media. Lipschultz states that platforms such as Twitter and Pinterest allow users to gain earned media without high costs of advertising (Lipschultz 2015, 72).

Most interesting form of media in the context of this thesis is owned media. Owned media can be seen as YouTube channels of organizations, specific internet sites devoted to content produced by the organization and social media channels distributing content developed in-house. This type of broadcasting and publishing by a brand has been referred to as “brands as media”. (Brown 2012, 117). According to Brown dynamic and continuous content (such as video) is favoured by search engines and this drives the need for organizations to act as media channels. Relevant, dynamic content thus optimally creates customer engagement and benefits communications and business. (Brown 2012, 114-115.)

The emphasis of owned media over other types has increased but apparently the thought of brands as media is not new. Instead brands and organizations have always been publishers, offering news information from organizations to their stakeholders through the means of public relations. (Brown 2012, 113.)

It has also been studied that despite the democratizing effect of social media, allowing anybody to become a content creator, a shift towards distributing instead of creating has been detected. In other words instead of generating content of their own, users prefer to refer to and share more professionally created content from the traditional media. (Global Web Index 2011, cited in Sedereviciute and Valentini 2011, 223.)
Lipschultz refers to four different types of media environments – the cloverleaf of media developed by Edelman Digital. According to him there are the traditional (one-way mass-communication) media that once used to be the main source of information; owned media that started to emerge in the 1990’s including webpages and applications managed by organizations; hybrid media (for example blogs that are commercialized) and social media, which enabled users to became creators. (Lipschultz 2015, 6.) The mentioned types are result of evolution in media landscape but are by no means exclusive. Instead they should been seen as parallel and complementing each other. Lipschultz claims that for example traditional and social media should be integrated into campaigns. (Lipschultz 2015, 70.)

2.3.2 Online platforms

The field of organizational communication and public relations has gone through fundamental transformations through the advantages of digital platforms. As emphasized by Lipschultz, the emphasis of PR is moving away from traditional media relations and crafting press releases towards “shareable online content”. Through the new digital channels and mediums new audiences are in a direct reach of organizations. (Lipschultz 2015, 69.)

Online platforms enable the utilization of all the three categories of media, bought, earned and owned, especially the two latter categories. All social networking sites allow and most require a personal alias or personal account through which an organization can publish content, thus defining the channels as owned media. Other examples of owned media are organization blogs and websites. Content published through owned media can become earned, when content on social networking sites is shared, liked or reposted. Finally, content published through these sites becomes paid, when search engine optimization or social media advertisements are acquired.

The adoption of social media tools by professionals is necessary in order to reach momentous results. DiStaso, McCorkindale and Wright (2011, cited in Luo & Jiang 2012, 59-60) list relevant functions that can and should be reached through social media tactics. These are 1) environmental scanning through monitoring relevant discussions on relevant arenas, 2) incorporating social media methods in corporate communication strategies, 3) driving desired stakeholder behaviour, for example increasing stakeholder engagement and driving conversions, 4) brand awareness and organizational reputation, 4) calculating return on investment through metrics tool and 7) measuring credibility and trustworthiness.
Shih has described the recent development within social media as the web’s fourth revolution. The previous generations of media saw the large-scale computers utilized by mainly governmental organizations and corporations. The 80’s brought about the revolution of personal computers. 1990’s then again brought the internet available to households. The fourth revolution in the turn of the century was referred to as web 2.0, what Shih calls the online social graph and what we now know as social media. (Shih 2009, 11.)

Chartered Institute of Public Relations (CIPR) has defined social media as a "network aimed for the building of communities or networks and encouraging participation and engagement" (Appleby 2012, 18). Stakeholder interaction and engagement are made easier through social media, as it enables the expression of opinions to a wider public and thus giving more power to both organizations and stakeholders. (Luoma-aho & Vos 2010, 316.) In addition it has been studied that publics tend to view information delivered via social media as more credible than via other media. (Beaudoin & Thorson 2005 cited in Luo & Jiang 2012, 59).

Meerman Scott offers a more elaborate definition of social media as technology and platform of communicating. He defines social media as the technology and culture that enables people to share content, ideas and thoughts and to network online. It allows anyone to create content and comment on existing shared material. According to him social media are not just technologies but rather new means of communicating that can take the form of text, audio, video, images and communities. (Meerman Scott, 2010, 62.)

It is claimed that social media is characterized by five attributes. Social media needs to be authentic and transparent, inform rapidly and consistently, decentralize authority and engage users collaboratively. (Hart 2011 cited in Byrd 2012, 248). According to studies relationship management in social media should involve openness, transparency, usefulness for audiences and interactive features (e.g. Berman et al, 2007; Kelleher, 2006 cited in Luo & Jiang 2012, 59).

One of the arguments in this thesis is that is evident that social media and social networking sites are such a great aspect in contemporary organizational communication and public relations that they cannot be overlooked by any communication, PR or IMC professional. As before the emphasis of public relations was in media or press relations management, social media provides a direct link between organizations and its stakeholders (Argenti 2013, 48) bypassing the role of traditional media. Ways to do this are for example opening a company blog or setting up a Facebook profile through which to engage with stakeholders and tell stories about the organization. (Sedeviciute & Valentini 2011, 223.)
And these channels provide a beneficial platform to share online videos, as these often form the core of organizational owned media channels.

Social media evangelists state that companies need to develop tactics to effectively communicate online. I will go through some most crucial online platforms for delivering and spreading digital online content, in this case online videos.

**Social networking sites**

Social media is an umbrella term for media, platforms and connections, a social networking site then again is constructed by user profiles and it is made up of individuals (Howell 2012, 7). Organizations may also act as individuals and create a profile in a social networking site. These profiles may be seen to represent an organizational “persona”. Sanders states that social media are presenting the human side of business as they enable direct contact with the stakeholders to build trust, understanding and brand loyalty (Sanders 2012, 18).

Most of online communication happens via social media or social networking sites (SNS). Boyd and Ellison have defined SNSs as web-based services that allow individuals to

1) Construct a public or semi-public profile within a bounded system 2) articulate a list of other users with whom they share a connection and 3) view and traverse their list of connections and those made by others within the system. (Boyd & Ellison, 2008, 211.)

Social networks have been defined as avenues to establish and maintain understanding and “gauge consumer sentiment” (Byrd 2012, 242). Thus organizational communication and public relations professionals have an array of new channels and tools to communicate with their audiences. Online-video is one effective tool in communicating digitally as video sharing accounts for over four per cent of all Internet usage (Howell 2012, 9).

The emphasis towards owned and earned media has increased the use of SNSs as channels in organizational communication, PR and marketing communication. In addition SNSs are some of the primary platforms on which companies distribute video content relating to their PR and organizational communication, external as well as internal.

YouTube, Facebook, WhatsApp, Instagram, Twitter, LinkedIn, Pinterest, and more current platforms such as Snapchat and Periscope form the core of most important SNSs in Finland. YouTube is most popular with 79,3 per cent coverage in the age group 15 to 55 year
olds in 2015. Facebook follows with 76,8 per cent. These two SNSs are clearly in the lead, followed by Instagram with 17,5 per cent, Twitter with 14,9 per cent and LinkedIn with 14,1 per cent of users in the age group. The users that fall into these categories are fairly active as well – 32 per cent of users visit the sites many times a day and 46 per cent daily or almost. (Koret & Lähdevuori 2015, 3.)

YouTube, Facebook, Twitter and LinkedIn are Social Media Platforms with high media modality, in other words sites that embed rich forms of media such as text, picture and video. According to Lee sites with high media modality are more alluring and memorable than sites with lower modality (Lee et al 2010 cited in Luo & Jiang 2012, 59).

YouTube is a platform specifically designed for distributing and sharing video content. The platform holds a steady position, as according to a study, YouTube accounts for 70 per cent of visits to video websites (Howell 2012, 9). One can create a profile on YouTube and it has become common for companies to own branded channel profiles for the distribution of audio-visual material.

It has been claimed that YouTube has become a considerable competitor to large commercial television channels. In the second quarter of 2015 total watch time in YouTube was up more than 60 per cent compared to the same quarter a year ago (Jarboe 2015).

In practice organizations seem to favour YouTube as a platform to publish the videos and social networking sites were then used to promote the video. In a trend survey conducted among 600 organizations in 2013, Facebook was the most popular platform, followed by Twitter, LinkedIn and Google+ (Robertson 2013).

Facebook enables direct uploading of videos onto the site and since march 2015 the company has enabled embedding videos on other sites as well, meaning that one can link the post to a blog and Facebook will be the platform playing the content (Kumparak 2015). In the first quarter of 2015 Facebook had nearly 1,5 billion monthly users (Mangalindan 2015) and it claims to serve up to 4 billion video views per day (Fiegerman 2015).

Already in 2012 more than 750 million around the world were on social networking sites, spending more than 20 billion minutes a day on Facebook alone. More than half of Facebook users log in at least once a day. As emphasized by Simone Byrd, that is a significant amount of attention from a tremendous number of people (Byrd 2012, 247).

LinkedIn enables the sharing of material of many modalities, it differs from Facebook essentially in the sense is the main platform for B2B marketers and thus provides an excel-
lent platform for cultivating expert status. LinkedIn plays YouTube and Vimeo content directly. According to LinkedIn infographic, video material usually results in a 75 per cent higher share rate than other material (LinkedIn 2013).

Instagram is a medium designed for the purpose of mobile viewing of visual content. Originally only still images were supported but nowadays the platform allows loading and viewing of 3 to 15 second videos.

Other SNSs such as Snapchat and Tumblr offer opportunities for sharing video content, however I have chosen to exclude these platforms due to their practical limitations on content – Tumblr is mainly a site for sharing GIF’s (Graphics Interchange Format) and the ethos of SnapChat is to destroy the video few seconds after the viewing, which does not support the business logic of Lean Films.

Other ways to share video content are to embed them into e-mail messages or delivering them through organization’s websites. However one platform does not exclude another but, according to Vaynerchuk, an element of social sharing should be embedded into each campaign and act of public relations. He states that all channels should be treated as social media platforms. (Vaynerchuk 2013, 5.)

When social media is used as one of the marketing (or public relations) channels, the process should include a function of amplification. This means that activities should be designed to have an inherently social function that leads to social engagement and sharing. It is claimed by McKinsey&Company consultants that having a conversation with the brand may motivate consumer behaviour but also increase post purchase loyalty (Divol, Edelman & Sarrazin April 2012).

Thus it can be claimed that major technological changes enable a whole new way of interaction between organizations and their stakeholders. Online content is rocketing and among the different formats, video is doing quite well. However, as emphasised in the business plan of Lean Films, effective content production and distribution requires strategic insight on for what kind of content, which stakeholder groups, and which communication needs video suits the best. An average person is hit by approximately 13 000 commercial messages per day (Cornelissen 2011, 23.) and the message may otherwise be lost at the digital sea. Jeremy Harris Lipschultz emphasises that effective distribution of stories require an understanding on the digital platforms and contexts. As the audiences are fragmented, he claims that there is not such thing as undivided attention anymore. Therefore messages must connect with their audiences (Lipschultz 2015, 7).
An understanding of the audience needs is important for a practitioner of communication and marketing communication as well as a coherent, engaging presence on digital platforms. Social media environment, with its unpredictability and lack of control may pose challenges to an organization and therefore online reputation management is more crucial than ever. An organization may not be passive in this environment as passivity can lead to negative sentiments from the stakeholders. (Luoma-Aho & Vos 2009, 322.) Organizations need to be present online but there the presence needs to be tied into a strategy. They should not generate content not just for the sake of pushing out just anything – instead good content should be produced to serve a purpose and to be delivered within a right context, format and channel.

**Use of video in online platforms**

As stated earlier in this chapter, the increase of bandwidths and development of mobile technology in the recent years has had a “cannibalistic effect” on television. Cha and Chan-Olmstedt (2012, 261) claim that the rapid change has led practitioners and researchers to wonder is there is a possibility that the internet as a channel for audio-visual communication may replace television altogether. In the current media landscape brands have increasingly started to operate as media and it has been claimed that the developments within digital channels have enabled brands to become major players in the audio-visual media field (Vaynerchuk 2013, 182). Some brands, such as Red Bull, have even become their own media companies.

Audiences are thus turning to online platforms to fulfil needs that previously used to belong to the realm of linear television. This brings forward an opportunity for organizations to create branded content to cultivate their stakeholder relations. Garfield writes that there are signs that organizations are using their advertising budgets that blur the boundary between traditional division of advertising and other content. He calls these content hybrids, for example “webisodic shortfilms” to reach prospects online (Garfield 2009, 407).

In Finland an example of the current trend is a weekly talk show called #evek (Me Naiset 2016), produced by a magazine called Me Naiset. In the four-minute show three hosts discuss current topics and the aim is to strengthen and make the reader community more multichanneled (Markkinointi&Mainonta 2015). Another good example of the way organizations incorporate branded content are different food and cooking related brands offering recipes and video tutorials on their own platforms. K-Ruoka (K-Ruoka 2016) is one with their “Mitä tänään syötäisiin” brand. Mitä tänään syötäisiin -site offers useful and relevant
content that informs, educates and entertains the viewer. While the aim is to drive conversions, this is done is an indirect way.

![Figure 5](image.jpg)

**Figure 5. A screen capture of K-Ruoka’s Mitä tänään syötäisiin –site (K-Ruoka 2016)**

### 2.3.3 Content and storytelling online

As the popularity and importance of online video is increasing, it becomes more and more important to understand the most effective use of video – the audience expectations should be understood but also the content should be appropriate to the target stakeholders (Goldsmith 2012, 123). Storytelling is a term that has increasingly been referred to especially within the practices of integrated marketing communication. As websites have become more dynamic compared to the “digital brochures” of 1990’s, a demand for content and narrative has increased (Brown 2012, 114).

Branded content and brand journalism are terms that are referred to in the current digital landscape. Meerman Scott describes brand journalism as an effort of any B2B or consumer product company or non-profit organization to create valuable content and share it to the world (Meerman Scott cited in Brown 2012, 114). Digital online platforms have indeed created new opportunities for organizations to engage directly with the audience, especially with the methods of narrative content. However direct access has made the question of quality, attractiveness and newsworthiness of content increasingly essential. (Brown 2012, 117.) Thus these new platforms require an understanding of different storytelling techniques.

Strategic online video campaigns require understanding about the character of the different channels. Content Marketing Institute writes about choosing the right channels for
distribution of content. This includes a situational analysis of already existing channels, a review of channels required to tell the story as well as exploration of what are the channels not worthwhile to place resources on. (Content Marketing Institute 2013.)

The diversification of online platforms and their particular characteristics set definitions to the message. According to Jeremy Lipschultz messaging in corporate communications and PR should be created to suit online platforms inherently. Media rich content, such as photos, infographics and especially audio-visual material are best suited to be shared across multiple platforms. (Lipschultz 2015, 77.)

The attempt of Lean Films is to provide video production with a price that encourages for frequent campaigning instead of expensive campaigns. This follows the trend and emphasis of corporate communication, PR and IMC, which is towards more frequent, smaller scale content creation. Gary Vaynerchuk states that instead of big campaigns with a direct call to action (what he calls the right hooks), marketers should focus more on “jabbing”. By jabbing Vaynerchuk means smaller pieces of content that “benefit the customer by making them laugh, snocker, ponder, play a game, feel appreciated or escape (Vaynerchuk 2013, 7). Though Vaynerchuk writes about marketing, the same can be applied to stakeholder cultivation through organizational communication, public relations and marketing communication. The survival and profitability of organizations in the current communication landscape depends on engaging frequently with a variety of vital stakeholders (Morsing & Schultz 2006, 325).

Shel Holtz further elaborates the changing landscape of marketing and communication by claiming that the mission of organizations is no longer to reach an impressive number of hits but instead seduce members of a fragmented market, one at a time, to the company site. (Holtz 2002, 16-17.)

Content is an important factor in the process of gaining the attention of the audience. In the fragmenting media landscape one can often hear the utterance about content being the king. Even though video format is good in capturing the audiences’ attention, without engaging and relevant content the message will not stand out.

Quality content and high production value is one of the value propositions of Lean Films. Quality content requires a great idea but it also relates to strategic choices of channel and understanding of the stakeholders and different uses. Quality is difficult to measure but Gary Vaynerchuk offers some advice with his rules of great content. According to Vaynerchuk great content is native to the platform, it does not sell but instead applies skilful sto-
rytelling, it is not obvious and it does not interrupt or make demands, it builds emotional commitment and entertains and finally, it is self-aware and consistent. (Vaynerchuk 2013, 21-28).

Luukkonen states that in order to reach a maximum group of stakeholders, an organization needs to employ other means than just pushing fact sheets to the web. According to him one has to be able to create visualizations and experiences and storytelling is a tool for effective distribution of communicational content. (Luukkonen 2009, 262.) Bhurji states that the developments in tools of public relations have made insight in storytelling, content and technological platforms more relevant than ever (Bhurji 2012, 178).

Argenti suggests that storytelling may be an effective tool in reputation management of an organization. According to him a company that has aligned its identity so that it is consistent and integrated is well equipped to control its identity. Vision is an important tool in identity management and constructing vision into a form of narrative may aid to fabricate a coherent and continuous message about the organization to the constituencies. (Argenti 2013, 74.)

Luukkonen has drafted a diagram called “triangles of focusing” (kohdistamisen kolmio) to elucidate the measures an organization should take when digitalizing the organizational communication. According to him the process can be understood through two triangles, the other representing stakeholder groups and the other communicational measures to reach these audiences. All communication should involve both technical and narrational aspects to support the objectives. (Luukkonen 2009, 261.)

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![Figure 6. Triangles of focusing (Luukkonen 2009, 261)](image)
When an organization is hoping to reach a large audience, referring to reason and logical grounds is not enough but instead storytelling becomes increasingly important. By storytelling Luukkonen means metaphoric, interactive methods that convey dramaturgic skills. Luukkonen emphasizes that in the competitive market those who master the opportunities offered by a digital channel will be the ones who champion. He continues that when operating on this level, professional production is required in order to balance the narration, expression and technical implementation. (Luukkonen 2009, 262.)

2.4 Videos in organizational context

The context in this thesis is organizational public relations and communication as the term organizational offers a greater contextual flexibility than the term corporate. The potential customers of Lean Films come from a variety of sectors ranging from public sector to commercial operators. Corporate communication seems to refer to corporations with a commercial drive, whereas, in my opinion the term organizational includes both companies as well as governmental operators, municipalities, non-profit organizations and so forth.

Juholin elaborates this division by stating that the term organization can be defined to mean any operational entity with a need to tell about itself and communicate with its surroundings and which has a purpose and objectives. An organization may be a company, county, association, union, movement, or any other project, cooperation or network (Juholin 2009, 21.) and according to Broom it can be any large or small corporate or voluntary body concerned with health, culture or education (Broom 2009, 25).

I started my literature review with a brief review on the general theory of communication. This overview led to the notion that instead of focusing on the physical process of transmitting information from place A to B through a channel, my perspective in this thesis derives rather from the notion of producing meaning in communities and in a networked way.

Karvonen states that when the process model of communication is reversed, the focus is on the needs, interests and aims of the receiver. Seen from this perspective, the important questions is what people do with communication. This consumer-centric perspective sees communication as something that fulfils the needs of clients with purchasing power. (Karvonen 2005.)

This is the perspective that I lay the foundation of my thesis and the basis of my business plan as well. Online video has become increasingly popular format of communication and,
as will be seen in the following chapter, data reveals that a large amount of online traffic is composed of people watching videos. Organizational communication, public relations and integrated marketing communication have increasingly been practiced within digital realms. Therefore it is beneficial for these faculties to utilize the format of video.

Online video can be employed as a tool of organizational communication to reach large dispersed groups of employees efficiently. It can also be utilized to effectively or in an entertaining way communicate complex messages such as facts and figures or instructions. Within the practices of public relations the format allows the transmission of complex personal, emotional or aesthetic messages in order to build identity, image or reputation. In addition the trend already seems to be that online video has partly replaced or borrowed from the budgets of advertising as organizations generate and maintain discussion around their brand by producing content that used to belong to the realm of TV-channels. The aim of this trend within integrated marketing communication is not to directly or mainly to drive conversions but also to strengthen the favourable sentiments towards the organization.

Furthermore, I claim that video makes communication more personal as it allows a communication on many different denotative and connotative levels thus reducing the distance to the audience. This then again is important in the contemporary communicative landscape, in which image and reputation have such as high importance. In addition producing audio-visual content that exploits aesthetic and visually inspiring images and the techniques of storytelling potentially fulfils the audiences’ need to be entertained, informed or educated thus pulling the audience towards the brand over and over again.

Due to the digitalization of communication channels the importance of owned channels has grown. This has both increased the opportunities of communication, PR and IMC professionals to reach new audiences as well as increased the need to update skills and adopt new techniques. These changes have opened up opportunities for professional video producers and this is the exact realm my enterprise would be tapping into.
3 Methodology: starting a business

There has been a mass of academic literature defining the concept entrepreneurship. According to Montanye, traditionally the entrepreneur has been defined by the functions he performs, “what the entrepreneur does”, and by the intention of making financial profit with these functions (Montanye 2006, 559). Montanye states that the capability to cope with uncertainty is one defining factor of entrepreneurship (Montanye 2006, 563).

A plethora of academic literature attempts to define the personality traits that denominate entrepreneurship. If entrepreneurship is observed from the viewpoint of what an entrepreneur does, he or she can be seen as a person who creates “opportunities from various situations while others consider them as chaos or disorder, implement those in competitive environment by turning them into marketable business ideas” (Guven, 2013, 379).

Entrepreneurs are on constant search for profitable opportunities offered by markets in disequilibrium (Mayhew, Simonoff, Baumol, Wiesenfeld & Klein 2011, 833). Entrepreneurship has been seen on a positive light, as it can be seen to connote a special ability to notice and act on opportunity, combining unconventional thinking with determination to create new products or solutions to the market (Noruzi, Westover and Rahimi 2010, 4).

Fairlie and Holleran state that there is an increased interest in promoting entrepreneurship as evidence has shown that small and middle-sized enterprises create a substantial amount of jobs in the market. In addition these businesses are an important source for creativity, they help to reduce poverty as well as increase national gross domestic product by increasing national productivity. Therefore, according to them entrepreneurship can be seen as “a national priority” as well as strategic objective for many European countries. (Fairlie & Holleran 2014, 2.) This is manifested in the fact that both OECD as well as European Commission argue that entrepreneurship education should be one focus in national education policy (Johansen 2013, 216).

Conventional way of materializing the intention to start up a business is to draft a business plan. Steve Blank depicts it as a document that describes the scale of the opportunity, the problem that the business will solve and the solution that the enterprise will bring about to solve the problem. In addition it typically includes a forecast for income, profits and cash flow. (Blank 2013.)

As in the case of any venture, the initial though that leads to the innovation and further to a business plan is a collaboration of opportunities and assets, formed by the internal and external environment and circumstances. Shook, Priem and McGee have proposed a four step organizing model of starting a business:
1) Intent formation, the active motivation and decision to pursue a goal of starting a business

2) Searching and discovering (or speculating) opportunities for exploitation

3) Decision to move forward to exploit opportunities

4) Opportunity exploitation activities – action translates intent into a new venture, such as accumulation of proper resources (Shook et al. 2003, 380-382.)

Sahlman states that one of the key components on constructing a successful business plan is to systematically assess four independent factors relating to a business – the people, the opportunity, the context and risk and reward (Sahlman 1997, 99).

The practical part of my thesis is a business plan drafted in the guidance of Haaga-Helia’s StartUp School. The initial plan to choose this format derived from the notion that as a freelancer, the barrier to become an entrepreneur is lowered. My process of drafting a business plan followed several steps, I will list them below borrowing from the concepts outlined by Shook above:

1) Intent formation through the realization that entrepreneurship may be a viable option
2) Searching and speculating opportunities for exploitation through benchmarking external opportunities and probing internal opportunities.
3) Decision to move forward and drafting a strategy using relevant tools, such as PESTLE, SWOT and TOWS as well as designing a business model.

In this chapter I will elaborate and reflect on these steps of creating a business plan for Lean Films.

3.1 Benchmarking external opportunities

Prior to drafting the business plan of Lean Films, I chose to investigate the environment and context for potential opportunities and possible threats. This was done in order to justify the business model of Lean Films and to map the potential of the market Lean Films would be situated in. This entailed both reviewing statistical evidence on the use of video as well benchmarking the field for potential customers and competitors. According to Sahlman (1997, 101), opportunity should be analysed by asking two questions: is the market large or rapidly growing or both. To map this, I chose to search statistical evidence on the potential for use of video in organizational communication, public relations and integrated marketing communication.
I discovered that video as a tool in online communication has gained plenty of attention in the past few years and it has inspired many practitioners in the field to reflect on statistics relating to video consumption and the use of the format in communication, PR and IMC. To benchmark the opportunities and potential client base, I discovered domestic competitors and researched global trends on the rising success of online videos. To gain some insight in the potential customer base, I conducted small-scale informal interviews with fellow students at Haaga-Helia University of Applied Sciences. In addition I attended a seminar organized by Haaga-Helia that partly addressed the current trends.

A survey conducted by Kubo Creative Agency on 266 marketing communication respon-sibles about the content marketing trends in Finland in 2015 stated that 48 per cent of the organizations surveyed offered video content in their content marketing mix. (Kubo Finland 2015). Marketing technology companies ReelSEO, FlimpMedia and Webvideo marketing council conducted an in-depth survey in 2015 with 350 business and marketing professionals. Of the surveyed 96 per cent used video for marketing purposes. Those surveyed reported to use video to increase brand awareness and engagement (80 per cent), to promote products and services (65 per cent), to increase web site traffic and SEO results (61 per cent) and to generate new sales leads (57 per cent). (Web Video Marketing Council, Flimp Media and ReelSEO 2015.)

In 2014 online video consumption covered 64 per cent of all internet traffic globally, while 55 per cent of all mobile traffic was covered by video consumption (Meeker 2015). Another online video operative forecasts a 23 per cent increase in the time people spend watching online videos in 2015 and a further 20 per cent increase in 2016 (Ooyala global video index q2 2015).

The rising trend of online video watching is manifested by statistics announced by YouTube: the amount of videos uploaded to YouTube channels currently in Finland it has made the service as the third biggest commercial television channel. (Laine 2015.) Globally 60 minutes of video are being uploaded to YouTube every minute and more than 700 YouTube links are tweeted (Howell 2012, 4).

YouTube indeed is an important channel for many organizations to deliver video content as it has been calculated that in 2012 79 per cent of worlds largest companies had their branded channels on YouTube (Burson Marsteller, July 17 2012).

In the contemporary media landscape where the amount of online content increases in an enormous speed, dynamic audio-visual content is flourishing. It is claimed that search
Engines favour video content. According to Forrester research, an organization is 53 times more likely to appear on the front page of Google search if the organization’s site contains video that is supported with keyword-tagged copy. (Goldsmith 2012, 124.)

The ways online video content is being consumed is changing but so is the way material is produced. Online production allows different, technically lighter production methods than traditional broadcast television and thus videos can be produced with fewer costs thus changing the production base altogether. Production has become cheaper and distribution more accessible and convenient due to developing technology and more accessible distribution platforms. Thus an increasing number of organizations are utilizing or at least considering to utilize the opportunities of video format in their communication, PR and integrated marketing communication.

To benchmark the potential client base, I chose to informally interview 25 Master of Business Administration students at Haaga-Helia University of Applied Sciences. The students interviewed represented fields such as a technology start up, media and public relations, technological service provider, real estate franchising and a hospitality. Through the answers provided, I was able to picture some potential customer segments for the basis of my business plan. In addition replies verified my hypotheses on the needs of potential customers.

To conclude, through these examples I believe it can be stated that online video has already become a notable format in organizational communication, PR and IMC but due to the increasing importance of the format within these practices, I believe the field still offers opportunities for a company entering the market.

### 3.2 Tools in creating strategy

Osterwalder and Pigneur have drawn a model for constructing a business model, which they describe as the realization of the logic of a business system, describing how the business creates value to the stakeholders. Originally they aimed to draft a definition of e-business issues and their interrelations in a company’s business model, but some of the logic can be applied to businesses in various fields. Their formulation pictures a triangle, in which strategy is placed in the planning level and forms the tip of the triangle. Business model is the “conceptual and architectural” implementation of the business strategy and business processes stand at the implementation level of the business logic triangle. (Osterwalder & Pigneur 2002, 2.)
One view on strategy is that it deals with aligning the business to the opportunities and challenges of the environment and thus it is important to understand how the environment is changing as well as is likely to change. (Davies 2003, 4.)

In order to formulate the situational analysis of the company that would function as the base for strategy, I used several visualization and analysis tools, such as PESTLE, SWOT, personal SWOT-matrix as well as TOWS analysis. According to Davies SWOT and PEST[LE] analyses can be used to assess a company’s ability to match itself to its environment and it has become the logical starting point for an organization to define its strategy (Davies 2003, 4).

**Figure 7. Business logic triangle (Adapted from Osterwalder and Pigneur 2002)**

**Figure 8. PESTLE-analysis of Lean Films**
PESTLE analysis maps the external political, economical, social, technological, legal and environmental operating landscape of the company. The effect of PESTLE is to audit the external influences to inform strategic decision-making and to understand the economic environments, in which the organization operates at. (Chartered Institute of Personnel and Development 2015.)

External threats were further explored through SWOT-matrix. SWOT-matrix is said to have grown as a key tool for addressing and grouping internal and external issues as a starting point for strategic planning. It allows planners to better understand how strengths can be utilized to realize new opportunities and how weaknesses can slow down the organizational growth and progress and grow into threats. (Helms & Nixon 2010, 216.)

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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<tbody>
<tr>
<td>Networks in media production</td>
<td>Buying own equipment requires high initial capital</td>
</tr>
<tr>
<td>Insight in communications and public relations</td>
<td>Company relies heavily on the two partners’ abilities and know-how</td>
</tr>
<tr>
<td>Strengths and experience in visual storytelling</td>
<td>In the beginning buying services from subcontractors and renting out equipment lowers contribution margin</td>
</tr>
<tr>
<td>Insights in technical aspects - content and budget wise, resulting in ability to produce content cost-effectively</td>
<td></td>
</tr>
<tr>
<td>Interest in culture and society</td>
<td></td>
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<tr>
<td>Understanding strategies and connecting video content as a part of these Lean production method enabled by use of subcontractors</td>
<td></td>
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</tbody>
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<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
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<tr>
<td>96% of all online content in 2017 will be video (Cisco). Online video marketing is growing in popularity over tv advertising.</td>
<td>There is an increasing trend in audio-visual communication. This combined with the decreasing prices of recording technology breeds competition.</td>
</tr>
<tr>
<td>Mobile viewing is on the rise year over year</td>
<td>People are becoming more and more confident in producing audio-visual content, threshold to produce videos has become lower.</td>
</tr>
<tr>
<td>Native advertising and the importance of content marketing are rising, video compliments these easily.</td>
<td>Online video software, such as DreamBroker, are being developed that lower the barrier of companies to produce their own content.</td>
</tr>
<tr>
<td>Networks and low initial starting costs lower the financial risk when starting up the company</td>
<td>This can be turned into an opportunity through coaching in content and storytelling.</td>
</tr>
<tr>
<td>People are becoming more and more confident in producing audio-visual content, this may be turned into an opportunity by offering coaching services on production as well as packages for post production of content that the customer has produced.</td>
<td>Inability to stand out in the competitive situation among other companies.</td>
</tr>
</tbody>
</table>

**Figure 9. SWOT-matrix of Lean Films**

SWOT-matrix interestingly combines both internal and external opportunities and threats and it allowed me to further deepen the understanding on what the obstacles and potential of Lean Films might be. Thus I was able to address and utilize these factors in the strategy of Lean Films.
3.3 Internal opportunities

With the company in question, careful mapping of internal opportunities and threats was crucial – as the company relies heavily on the skills and assets on the founding member, threats and opportunities needed to be mapped. Sahlman states that a business plan should describe the team members’ experience on the venture’s type of product or service, production processes and the market itself. According to him, it is execution over ideas that count the most. (Sahlman 1997, 101.)

In order to map the internal opportunities and weaknesses, I chose to conduct a personal SWOT-matrix. And to take the analysis further, I drafted a TOWS-matrix in order to see how Lean Films benefits the most from its internal strengths and external opportunities, how the company can use internal strengths to tackle external threats, how external opportunities must be implemented to overcome internal weaknesses and how I can make sure that weaknesses and threats do not pose too big a risk together.

3.4 Designing a business model

According to David J. Teece, when a venture is established, it employs particular business model that describes the logic and design of how the company is orchestrated, how it delivers value to shareholders and clients, how it allures customers to pay for value and how those transactions are converted into profit. It is a reflection of the assumptions of what the customers want, how they want it, the behaviour of revenues and costs, and how should the business be organized to meet those needs while making a profit. (Teece 2010, 172-174.)

Osterwalder and Pigneur emphasize the notion of environmental factors. They claim that business models are constructed and utilized in specific environments or what they call design spaces. In order to create a strong business model, a good understanding and continuous scanning of the organization’s environment is required. The elements of the environment are market forces, industry forces, key trends and macroeconomic forces. (Osterwalder & Pigneur 2010, 200.)

A business model may be embedded in a business plan, income statements and cash flow projections. Anyhow, Teece emphasizes that a business model refers to a conceptual rather than a financial model of a business (Teece 2010, 173-174). According to him the notion of business model has been catapulted into business discourse only within the last decade or so. This is largely due to the emergence of knowledge economy, growth of internet and e-commerce and the outsourcing and offshoring of business activities. In other words, these changes have fundamentally changed the way companies make money
nowadays compared to the industrial era. (Teece 2010, 174.)

Osterwalder and Pigneur have formulated their business model canvas as a tool to design and visualize a business model. The canvas is set up around nine different building blocks that cover four main areas of business: customers, offer, infrastructure and financial viability. The blocks are:

1) **Customer segments**, a company can serve one or several customers
2) **Value propositions**, which define how the company will solve customer problems and satisfy customer needs. These may be quantitative or qualitative.
3) **Channels** of communication, distribution and sales that are used to deliver the value propositions to customers
4) **Customer relationships**, which are established and maintained with each customer segment
5) **Revenue streams**, that are the result of successful delivery of value propositions to customers
6) **Key resources**, necessary assets required to deliver the elements described above
7) **Key activities**, that need to be performed to deliver those elements
8) **Key partnerships** that are essential for outsourcing or acquiring outside the business (Osterwalder & Pigneur 2010, 15-17.)

According to Osterwalder and Pigneur, one of the advantages of business model canvas as a conceptual map and tool is in the way it enables one to understand the outline of the business model. Thus all the processes, structures and systems of the reality of the business are visually simplified in the canvas. (Osterwalder & Pigneur 2020, 152.)

Business model canvas has served as a basis for further developments of visualizing the business model. One of these is the lean canvas proposed by Ash Maurya. I discovered that lean canvas suited my needs better and it is claimed to have a focus on start-up enterprises and entrepreneurs whereas business model canvas has a wider range in target and focus (Canvanizer).
Lean canvas starts by outlining a problem, to which the enterprise is meant to offer a solution. Instead of customer relationships, lean canvas lines out the unfair advantage of a company, which is something that competitors will not easily copy. Also instead of key resources, lean canvas drafts out the key metrics, such as break-even point, speculated cash flow and so forth. (Maurya 2012.)

As I discovered that much of the elements of business model are based on speculation, the problem-solution oriented focus of lean canvas seemed to suit my purposes better. The segments acknowledge that the start up -phase of a business is full of uncertainties and thus allows more freedom for further development. Lean canvas acknowledges the fact that many businesses in the start up -phase do not yet have tested products to sell. (Canvanizer). Also key metrics gave me good insight on how much I should be able to sell, what the profit should be and whether this is reasonable.
4 Lean Films enterprise

I will go through a brief summary on Lean Films enterprise. The business plan will remain confidential as starting the business is a viable option. Business plan will be provided as appendix I.

Lean films aims to produce online videos for organizational communication, public relations and integrated marketing communication use. Channels for distribution are digital online channels. The company is run by two partners who utilize an extensive network of freelancers in the productions to keep the production structure agile. The company is specialized in turnkey video production but workshops on video production as well strategic design services related to video communication will be offered.

Customer segments of Lean Films are various, due to the potential usability of online video in several industries. Customer segments range from private to public sector and fields from technology and construction to hospitality, tourism and healthcare. Examples of customer segments are be provided in appendix I, pages 19-20.

I chose not to scale down the segments but instead specialize by production type. Production structure will be enabled by an extensive network of freelancers. This makes production costs and structure flexible and is one of the competitive advantages of the company.

I chose to parcel four examples of video production the company sells. All of these fall into the categories of organizational communication, public relations and integrated marketing communication. Examples of the product packages are given in Appendix I, pages 12-16.

The customer promise of Lean Films is to deliver imaginative content with high production value and open and simple cost and production structures. Most of Lean Films' unfair advantage is comprised of the entrepreneurs themselves. Over the years in television production I have gained insight and experience in storytelling, content creation, budgeting, technical aspects, project management and other fields of media production. I believe these assets combined with insight in communication, public relations and integrated marketing communication are the factors that provide a unique value proposition to the customer.
5 Conclusions

In this chapter I will round up the thoughts and conclusions drawn on the basis of my literature review and methodology section. The aim of this thesis was to find evidence through theoretical literature and some statistical data on how the landscape of organizational communication, public relations and integrated marketing communication has changed over the past few years. The second question I set out to answer was what is the role of video in this landscape and how it can be utilized in the above mentioned practices.

On the basis of data and literature provided in this thesis I conclude that communicational landscape has changed fundamentally in the past few years and it is most likely to continue to do so. World is has become extensively interconnected, people are not only observing their environment but also actively participating in it through online networks (Sedereviciute & Valentini 2011, 221). These changes have brought about a potential to find new ways to reach audience and need for professionals to expand and update their skills.

The literature reviewed in this thesis has suggested that the changes are most evident in the exponential growth in the importance of social media and social networking sites, which has altered the way publics communicate with and about organizations. Media consumption has become networked and audiences also expect the organizations to have a dialogue with them. As the communicational landscape complicates and fragments, these changes may pose both threats if not acknowledged and addressed. Nevertheless, fully realized the new ways to communicate may offer great opportunities for organizations.

Literature focusing on organizational and corporate communication suggested that organizational communication processes have gone through evolution from introducing products and service to the market to understanding the importance of internal communication as well as realizing the value of reputation management. (Youell and Downey 2010.) As stated earlier, organizational communication can be seen both as a way to maintain reputation as well as an organizational management function. (Johansen and Nielsen 2011, 206). I have attempted to demonstrate that online video has potential as a tool of both of these functions.

Public relations can be seen as a faculty of organizational communications that is set out to create favourable sentiments with the stakeholders and publics of the organization. In order for the PR practice to be effective, it should be practiced as a planned, sustained and on-going proactive task rather then reactive measures in a moment of crisis. (Fawkes 2008, 5 and Blundel et al. 2013, 265.) I have claimed that audio-visual communication has
the ability to make communication more personal and characteristic and therefore is an efficient tool in communicating the identity of an organization to its stakeholders. As mentioned, producing online content should be an on-going task. This I also aimed to take in consideration with the business model of Lean Films. Instead of big massive campaigns the enterprise aims to produce content for frequent acquisition.

Increase of digital networks and social networking sites has had an effect of consumption of audio-visual content to the extent that it has been speculated that online distribution of audio-visual content may replace television altogether. This, and the fact that organizations have emphasized owned media over bought, have enabled organizations to become notable players in the audio-visual media field (Vaynerchuk 2013, 182). The practice of integrated marketing communication has realized the potential of online video in enticing latent consumers and engaging existing audiences. This is evident in how many brands (such as K-Ruoka) have started to produce their own branded content. I believe this is also one potential market Lean Films can utilize.

As stated in chapter 2.3.2 (Online platforms), social networking sites have become an essential tool for organizations to distribute information about the organization and arouse conversation with stakeholders. Strategic use of these networks is essential – an organization should know what are the relevant audiences, what are the channels to use to reach these audiences and what kind of content should be distributed with the above in mind. Insight in these mentioned factors is essential and thus I claim that outsourcing the production of online videos to a specialist with strategic insight on the use of video may prove to be beneficial.

To conclude I claim that there have been fundamental changes in the communicational landscape and these are especially evident in the rise of networked communities and digitalization of channels. In addition I conclude that these changes provide many opportunities for the utilization of online video. I find the practices of communication, PR and IMC all important in the context of starting an online video enterprise. I believe there is a demand for a video production company that is able to produce quality content with a price that allows continuous investment in video production by the organization.

The methodological part of my thesis started with a discussion about the essence of entrepreneurship, followed by a review on the process of drafting a business plan. The process in my case started with benchmarking external opportunities and threats as well as reflecting on internal ones.
After the situational analysis I continued to design a business model. This is the part that most concretely actualized the operational logic of Lean Films. I chose to use lean canvas, an adaptation of business model canvas, as a tool in the process. The canvas allowed me to visualize what is the problem of the market that my enterprise can offer a solution, what is my unfair advantage and unique value proposition as well as what are the customer segments, key metrics, revenue streams and cost structure. All the information gathered through these building blocks will form into a business model and thus a strategy of lean films.

5.1 Discussion

I came to acknowledge through the process of creating a business plan that much of the input to the plan is based on presumption. A more thorough market research and potential customer analysis could have provided a base for better foundation. Then again it can be claimed that much of the calculations at this stage of business start up is speculation – projected cash flow for example cannot be based on any proofed data. In addition it may be that despite careful preliminary studies, customer segments may be different than anticipated or even the product may alter after its release due to public response. Therefore I assume that most relevant at this stage of Lean Films enterprise start up is to know the potential customer segments to whom to market to, to have articulate product packages and pricing on exemplary products to use in selling the product. In addition budgeted cash flow and break-even calculations are useful in measuring success. As Osterwalder and Pigneur state (2010, 200) business model are designed in specific environments. These environments may change and thus business model may alter after it’s initial form and thus it must be continuously updated.

I also came to conclude that more careful evaluation of the customer segments of Lean Films may be useful in the future. I stated in the SWOT-analysis of the enterprise that the saturation of the market may be a threat in the future and distinguishing the company from competitors may become even more relevant but also increasingly difficult. At the moment the potential customers of Lean Films operate in a wide range of fields, as I did not wish to limit the amount of opportunities.

Market research and a more detailed customer segmentation are thus areas to develop in the context of this business plan. In addition I would like to add metrics and return on investment into the further discussion of this topic. Online video is going through a heyday but the continuous and sustainable success of the format requires some data on the beneficiality of the investment.
Finally, to reflect on my development process during the construction of the business plan, I would like to state that in order to start a business, one must draft a plan but nevertheless I came to think that this plan is not the end product, instead it is the starting point, created in reality of contingency and speculation. The process of writing the thesis has provided both relevant insight on the topic through theoretical perspective and empirical data gathered through benchmarking. However, I believe that the true ordeal is ahead, when action transforms intent into a new enterprise.
References


Appendix

I Business Plan for Lean Films (confidential)