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# **How to Increase Customer Traffic in the Iittala Stores of Latvia and Lithuania**

A Marketing Communication Plan



Bachelor's thesis

International Business

Valkeakoski, autumn 2016

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ABSTRACT

The commissioner of this thesis is Fiskars Oyj Abp. The author became acquainted with the company during her internship in Fiskars, Direct Consumer Sales of Iittala –team. Therefore it was natural for her to continue working for the company in the form of a final thesis.

The purpose of this thesis is to create a plan of how to increase customer traffic in the stores of Latvia and Lithuania. The topic of this thesis was decided together with the commissioning company. The Iittala stores of Latvia and Lithuania are lacking customer traffic, which is the reason why this thesis was initiated.

The intent of the thesis commissioner was to research how the personnel and the store managers of Iittala Stores in Latvia and Lithuania consider that customer traffic could be increased in their stores. The theory applied in this thesis is therefore based on the different competitive marketing communication tools in retail business and it was used as a fundament of the questionnaires directed to the respondents. The questionnaires were formulated as open ended questions to allow creative thinking for the respondents.

The main results were based on the theory applied in this thesis and the findings of the questionnaires. The Author created a marketing communications plan which answers questions how to spread knowledge and enhance image of Iittala Stores in Latvia and Lithuania, how to affect their customer's attitudes towards Iittala, how to create sales and customer relationships and how to maintain those customer relationships.

Further actions require effective cooperation with the Iittala Store employees in Latvia and Lithuania and the retailer of Mocevičiaus firma, "Ginalas", and his team.

**Keywords** Marketing Communication, Retail, Questionnaire

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## TIIVISTELMÄ

Tämän opinnäytetyön toimeksiantajana oli Fiskars Oyj Abp. Opinnäytetyön tarkoitus oli luoda suunnitelma siitä, kuinka asiakastraafiikka voisi lisätä Iittalan Latvian ja Liettuan myymälöissä. Latvian ja Liettuan myymälöiden asiakasmäärät kaipasivat kohennusta, mikä oli syy aiheen valintaan.

Opinnäytetyön tutkintametodina käytettiin kyselytutkimusta. Toimeksiantajan toiveesta kysely kohdistettiin Latvian ja Liettuan myymälöiden henkilökunnalle ja sen tarkoituksena oli selvittää, löytyisikö siitä ideoita asiakasmäärien lisäämiseen. Kysely toteutettiin avoimena kyselynä helpottamaan vastaajien luovaa ajattelua. Opinnäytetyön teoria keskittyy markkinointiviestinnän kilpailukeinoihin kansainvälisen vähittäiskaupan alalla ja sen tarkoitus oli toimia kyselyiden pohjustuksena.

Opinnäytetyön päätulokset perustuvat opinnäytetyössä käytettyyn teoriaan sekä kyselytuloksiin. Näiden perusteella luotiin markkinointiviestintäsuunnitelma joka vastaa kysymyksiin siitä, kuinka lisätä tietoa ja parantaa asiakkaiden mielikuvia Iittalasta, vaikuttaa asiakkaiden asenteisiin, lisätä myyntiä sekä asiakassuhteiden luomista ja ylläpitää asiakassuhteita Latvian ja Liettuan myymälöissä.

Jotta opinnäytetyön tulokset voisi toimeenpanna ja jotta niitä voisi tulevaisuudessa myös kehittää, jatkotoimenpiteinä tulisi jatkaa tiivistä yhteistyötä myymälöiden työntekijöiden, sekä Latvian ja Liettuan jälleenmyyjän ja hänen työtiiminsä kanssa.

**Avainsanat** Markkinointiviestintä, vähittäiskauppa, kyselytutkimus

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## CONTENTS

1	INTRODUCTION .....	1
1.1	Iittala and Fiskars .....	1
1.2	History of Iittala .....	1
1.3	The Purpose of This Thesis; Methods and Tools.....	2
1.4	The Iittala Stores of Latvia and Lithuania.....	3
2	COMPETITIVE MARKETING COMMUNICATION TOOLS IN RETAIL BUSINESS .....	4
2.1	Advertising .....	4
2.1.1	Media advertising .....	5
2.1.2	Direct Marketing .....	7
2.2	Sales Promotion.....	9
2.3	Personal Selling.....	10
2.4	Shopper Marketing .....	12
2.5	Public Relations (PR).....	14
2.6	Word-of-mouth Marketing (WOMM) .....	15
2.7	Benchmarking .....	16
3	CREATING AND CONDUCTING THE QUESTIONNAIRES.....	17
3.1	The Respondents .....	17
3.2	The Questionnaire Methods and Objectives .....	17
3.3	The Questionnaire to the Store Personnel .....	18
3.4	The Questionnaire to the Store Managers .....	21
4	THE RESULTS OF THE QUESTIONNAIRES; CLASSIFICATION .....	24
4.1	Media Advertising.....	24
4.2	Direct Marketing .....	26
4.3	Sales Promotion.....	27
4.4	Consumer Promotion tools.....	28
4.5	Personal Selling.....	28
4.6	Shopper Marketing .....	30
4.7	Public Relations.....	30
4.8	Word-of-Mouth Marketing .....	31
4.9	Additional Ideas and Recommendations from the Respondents.....	32
5	RECOMMENDATIONS .....	33
5.1	Spread Knowledge and Enhance Image.....	33
5.2	Affect The Customer's Attitudes .....	35
5.3	Create Sales .....	36
5.4	Create and Enhance Customer Relationships.....	38
6	CONCLUSION .....	38
	SOURCES .....	41

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Appendix 1 QUESTIONNAIRE TO THE STORE PERSONNEL  
Appendix 2 QUESTIONNAIRE TO THE STORE MANAGERS

## 1 INTRODUCTION

This thesis project is commissioned by Fiskars Finland Oyj Abp. The author became acquainted with the company during her internship in Fiskars, Direct Consumer Sales of Iittala –team. Therefore it was natural to continue working for the company in the form of a final thesis.

### 1.1 Iittala and Fiskars

Iittala is an international company operating under Fiskars Oyj Abp. Iittala is one of the most known Finnish brands. Iittala's produces tableware, home interior and cookware products. Perhaps the most known product of Iittala is the Aalto vase, which is designed to illustrate the Finnish coastline (finnishdesign.com). Iittala's design philosophy is to produce products that are distinctive, long-lasting, combinable and multi-functional. Its main values are quality, aesthetics and functionality. Iittala's products are produced in production facilities belonging to Fiskars group in Finland, and in contract manufacturing plants in Europe and in Asia. Iittala's products are sold in Europe and Asia-Pacific, and Iittala also delivers to many countries. (iittala.com) Iittala has its own customer base program called MyIittala, through which customers can receive vouchers, special discounts and information.

Fiskars is a leading consumer goods company with globally known brands including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood. Its product sales categories are home, garden and outdoor, in which it has geographical presence in Europe, Asia and the Americas. Fiskars' products are sold in more than 100 countries and the company has approximately 8,700 employees in 30 countries. In 2015, the group recorded net sales of 332,8 MEUR. Fiskars is listed on Nasdaq Helsinki. (fiskarsgroup.com)

### 1.2 History of Iittala

Iittala started as a glass factory in Iittala, Finland, 1881, owned by a Swedish glassblower P.M. Abrahamsson. In the beginning of the 20<sup>th</sup> century Iittala introduced its first dinner wear, being one of the first company to change from decorative dinner sets to functional and aesthetic, progressive Scandinavian design objects. In the beginning of modernism and functionalism in 1930-1940 the pioneers like Alvar Aalto, Aino Aalto, and Kaj Franck led Iittala to its breakthrough. They created a tableware collection of simplified, modern and practical design that are Iittala's core objects still today. Iittala was later combined with an owner of Karhula glassworks, A. Ahlström, and their merged enterprise operated until the 1950's. In 1970's the oil crisis resulted in Iittala selling the company to Wärtsilä Ltd. In 1987. At the time Wärtsilä also owned a glassworks company Nuutajärvi, which led to Iittala

being merged again. In the end of 20<sup>th</sup> century Iittala was sold to a kitchen-wear producer Hackman. Iittala became an independent company in 2003. Nevertheless, in 2004 Iittala became part of Fiskars plc. and has been operating under Fiskars ever since.

### 1.3 The Purpose of This Thesis; Methods and Tools

The purpose of this thesis is to create a plan of how to increase customer traffic in the stores of Latvia and Lithuania for Fiskars Oyj Abp. The topic of this thesis was decided together with the commissioning company. The Iittala stores of Lithuania and Latvia are lacking customer traffic, which is the reason why this thesis was initiated.

The commissioner's intent was to use the personnel of the stores as the main source of research information and therefore the recommendations are based on the questionnaires conducted to the sales personnel and the theory used in this thesis.

The theory of this thesis processes the competitive marketing communication tools in retail business. The purpose of the theory is to identify different communication possibilities and then use them as the fundament of the questionnaires. The main sources used in the thesis are the text books of Pearson Education Limited in order to gain an overall and trustworthy knowledge considering the topic, alongside with other supporting sources, such as online articles to ensure that the information is updated and recent. The theory only considers "minimum budget" marketing communication decisions. This limitation is required by the commissioning company.

The methods of this thesis are qualitative, as the questionnaires are created to be open ended in order to receive as much information as possible and to give the respondents a possibility for creative thinking. The questionnaires are developed in two parts; the first questionnaire is indicated to the sales personnel and the latter questionnaire to the sales managers. The questionnaire is done in two parts in order to benefit the respondents' expertise in the best possible way. The reason for making a questionnaire is that all the respondents live in Latvia or Lithuania and therefore a face-to-face interview would be complex to organize. Secondly, the respondent's level of English knowledge requires time and concentration to the questions, which is why they requested a questionnaire instead of an interview, as writing is more convenient for them than speaking.

#### 1.4 The Iittala Stores of Latvia and Lithuania

Mocevičiaus firma, “Ginalas“, was established in Latvia, 1993, selling living products. Their brand portfolio expanded through the years, and they started selling Iittala products in 2012. In September they opened a new office in Riga, Latvia.

The first Iittala store of the Baltics was established under the control of Ginalas in April 2012, in PC Ozas, Vilnius, Lithuania, in a local Shopping Mall. In March 2014, they opened an e-shop. In June 2014, Ginalas opened another Iittala Store in Kaunas, Lithuania. The store is also situated in a shopping mall, center of the city. In December 2014, the Iittala store in Riga, Latvia was opened.

The Iittala Stores follow the Iittala Store concept established in the Fiskars headquarters.



Picture of the Iittala Store in Kaunas, Lithuania

In each store there are 3 members of Store Personnel and one Store Manager.

The stores follow the same marketing campaigns as all other Iittala Stores. The most effective marketing campaigns are winter and summer sales. PR holds the main attention of the marketing efforts used in Iittala of Latvia and Lithuania. In the past there hasn't been large marketing campaigns initiated by Iittala. Currently in these countries Iittala is using brand marketing and marketing in the shopping malls (Kaunas and Vilnius). Iittala Stores don't have specific Facebook pages representing single stores, although Iittala as a brand has a Facebook page but not any localized marketing in Latvia or Lithuania. Ginalas' Iittala e-shop has an Iittala Facebook page but not a mobile page.

Ginalas has also invested in Iittala's brand awareness in Latvia and Lithuania, for example culinary shows on popular TV, culinary and lifestyle magazines and events (Riga restaurant week, Culinary awards in LT, etc.). There has also been co-operations with restaurants who are given Iittala's tableware products and they will tell their customers about Iittala and direct them to Iittala's stores.



Ginalas has their own customer base program which used to be available only for customers who purchased products for a certain price. Today it is open for all consumers that are interested in the brand. Any Direct Marketing actions haven't been initiated through the customer base program yet.

## 2 COMPETITIVE MARKETING COMMUNICATION TOOLS IN RETAIL BUSINESS

Marketing communication means all kind of communication by which companies and organizations aim at helping the customer to make a purchase. The specific objectives for marketing communication are

- Spreading knowledge of a company's or organization's products
- To affect the attitudes of a customer
- To enhance the image of a company or organization
- To create sales
- To create and enhance customer relationships.

There are seven different steps in creating and executing marketing communication. The first step is to strictly define the objectives of marketing activity. Secondly the sender of the message is defined. Thirdly the message is created in a way that it is precise, well defined and competitive. In the fourth and fifth step the marketing channels and the marketing segment will be defined so that the communication will be as effective as possible. After that the results can be gathered which will lead the circle back to the beginning (step 1). (Lahtinen, Isoviita, 2001, p.172-173)

“The challenge of marketing communication is to choose the best channels for communication with the target market in varying situations in a way that it reaches the objectives as effectively as possible” (Isohookana, 2007, p.131).

Below will be described the different tools of marketing communication.

### 2.1 Advertising

Advertising, as one sector of the marketing as a whole, is the most visible for a large audience. It can be divided to media advertising and direct marketing. (Isohookana, 2007, p.139)

Advertising is “any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor” (Philip Kotler, 2013, p.658)

### 2.1.1 Media advertising

Advertising requires creating an advertising strategy which can be divided in defining the message and choosing the media. The correct message is important as ads only gather attention if their message is precise. The “clutter” of advertisements is difficult to break because consumers nowadays have a greater choice of what to watch and not to watch. (Kotler, 2013, p.450-451) The purpose of an advertising message is to make consumers think about or react to the message. A conceptive idea refers to the “big idea” that makes an advertising message distinctive and memorable. The message should also be believable. (Kotler, 2013, p.453) An advertising message can be executed by using different approaches. These are the most relevant ones; slice of life, lifestyle and personality symbol. Slice of life approach presents one or more average consumers of a product segment using the product in a normal setting. Lifestyle approach indicates to which lifestyle the advertised product fits in. A personality symbol approach presents a character created by the advertisers presenting the product. The advertiser should also define the tone, words and headline for the advertisement. (Kotler, 2013, p.454)

The main medias used in advertising are television, newspapers, the Internet, direct mail, magazines, radio and outdoor. The media where advertising costs are low are the internet, radio and outdoor. Also advertisers can nowadays choose from a wide variety of digital media, such as mobile phones and other digital services that directly reach consumers. A company can use one or multiple different media in advertising simultaneously. (Kotler, 2013, p.456)

When selecting advertising media a company should define reach, frequency and desirable impact before making decisions. A reach refers to the percentage of people in the target market who are exposed to the advertisement campaign in a fixed amount of time. Frequency refers to the amount of times that a medium target market customer is exposed to the advertising message. Media impact relates to the value of an advertisement – different media has different impact on customers. (Kotler, 2013, p.455)

Internet advertising (also known as online advertising) is increasingly important to companies. Different advertising methods for online are brand webpages, web sponsoring, campaign sites or “mini” sites, webspots, banners, adverts, search engine optimizations and search engine advertisings. (Isohookana, 2007, p.262) Brand or company webpage’s purpose is to raise interest, build a brand or encourage selling. The purpose of campaign or “mini” sites is to speed up the selling process. Webspots are advertisements that spontaneously appear to a computer user’s display. Banners are advertisements which encourage an internet user to click the advertisement that leads to the company website. Adverts are journalistically delivered information of a company which usually appear on the side of a webpage as a pop-up window. Search engine optimization are links on search engines such as Google or Yahoo that usually appear on top of other findings when an internet user has made a search using a specific word. Search engine advertisings also appear on search engines when the consumer has chosen

a specific word. Web sponsoring means making a contract with an organization offering the domain. Instead of sponsoring a company can also buy product placement from other websites. (Isohookana, 2007, p.263) The benefits of internet advertising are its global reach and many retailers find it to be a good way to attract new customers. (Berman, Ivans, 2013, p.514) Online advertisements are usually purchased through Cost per Thousand (CPT) when advertisers pay when an advertisement is exposed to specific audiences, Cost per Click (CPC) when advertisers pay every time their advertisement is clicked and Cost per Action where payment is required only if a specific action is performed. (technopedia.com)

Social media marketing is also part of internet advertising that includes sharing different content such as videos, pictures and posts in social media and also paid social media advertising. The objectives of social media marketing are to increase website traffic, build conversations, create brand identity, increase brand awareness and improve communication with key audiences. (Social Media Marketing for Businesses, wordstream.com) The most popular media used for paid social media marketing is Facebook. Advertising on Facebook usually means using adverts. Facebook adverts can be targeted to specific audiences selecting for example age, gender location and their interests. The audience can be narrow or broad. The advertiser can also decide the devices where the adverts can be seen, such as computer, mobile, Ipad etc. (Facebook Adverts Basics, facebook.com)

Mobile marketing is a common name for all the marketing activities that use mobile phones as a communication channel. Mobile marketing doesn't only include advertising, but rather the whole lifecycle of a communication channel. The benefits that mobile marketing offer to a customer are for instance a more suitable timing (a customer can search through advertisements when his/her buying window is open and the time is right), better customer service and place-situation specific offers. Mobile marketing includes creating company mobile webpages, creating mobile applications to support selling or to advertise in mobile applications, sending text messages to consumers and using QR-codes (2D-codes) that consumers can scan to their smart phones which then guide the user to a specific web page. (Marko Luhtala, 2013)

The benefits of radio advertisements are relatively low costs, ability to use segmentation, quite short lead time and a wide reach. It reaches car drivers and passengers quite effectively. Its disadvantages are audio-only messaging, the need for brevity and waste, and continuous need of repeating. Its definable market coverage is the area around the station, and it particularly suits to retailers with identifiable segments. (Berman, Ivans, 2013, p.514)

Outdoor advertising (also known as billboard advertising) is also used by retailers. Posters are attached to public places such as buildings, highway billboards etc. in an entire metro area or a single neighbourhood. They are particularly suited to amusement and tourist-oriented retailers and well-known companies. The benefits of outdoor advertising are the large sizes of the ads, the short frequency of exposure, relatively low costs, and that they

are attracting new customers. Its disadvantages are limited possibility of information sharing, legislation considering outdoor advertisings, the clutter of ads and a distracted audience. (Berman, Ivans, 2013, p.515)

Advertisements can be classified by their payment method and content. Pioneer ads aim at increasing awareness and offer information. This is usually used by new firms, products and locations. Competitive ads aim at persuading the customer to purchase a company's product or service. Reminder ads are pointed to a company's loyal customers, emphasizing what has made the company successful in the begin with. Institutional ads aim at keeping a company's image in the minds of consumers without emphasizing its products or services. (Berman, Ivans, 2013, p.515)

To reduce the costs of advertising, firms can also seek for cooperative ventures in placing ads where two or more parties share the costs and the decision making of an advertisement. Before deciding on a cooperative advertising agreement, companies should define what kind of ads they want to publish, how the payment is going to be divided, what media will be used, what qualifications the advertisements require, additional provisions, documents etc. (Berman, Ivans, 2013. p.515)

Cooperative advertisements can be vertical or horizontal. In a vertical cooperative advertising agreement a wholesaler and a retailer or a manufacturer and a retailer share an advertisement. Its advantages are the reduced ad costs, help with preparing the ads and shorter preparation time, and a greater market coverage. Its disadvantages are less flexibility, control and distinctiveness for the retailer. In a horizontal advertisement agreement the retailer works in cooperation with one or more other retailers and its disadvantages and advantages are common with the vertical agreement. Horizontal advertising agreement is mostly used by retailers who are not competing with each other, retailers that are located in the same shopping centre and a firm's franchisees. Vertical agreement can also offer retailers additional benefits such as bargaining power of retailers dealing with the media, more knowledge and ideas. (Berman, Ivans, 2013, p. 516)

### 2.1.2 Direct Marketing

According to Kotler, direct marketing means "direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships" (Kotler, 2013, p. 660).

Direct marketing refers to marketing channels through which a product or a service is marketed directly to the end customer. These channels can be direct mail marketing, catalogue marketing, telemarketing, kiosk marketing, direct-response television and web- and mobile marketing (Isohookana, 2007, p.156). Direct mail marketing can mean sending offers, announcements, reminders or other mail to a customer's particular address. Direct mail can be effective as it reaches the correct segments. Direct mail can be sent through post, email, fax or telegraphic services. Catalogue marketing means sending company catalogues to specific addresses. These catalogues

can be product merchandise or business catalogues usually in paper form but can also be audio-visual. Telemarketing means contacting consumers usually through telephone in order to attract new customers or to contact existing ones. It is widely used among many businesses because the working capital costs less. Kiosk marketing means placing machines in public places where customers can make orders. Direct response television refers to TV-channels where a product is advertised along with its ordering information. (Smriti Chand, [yourarticlelibrary.com](http://yourarticlelibrary.com))

Direct marketing is most effective on customers who have selected to receive direct marketing materials. These customers have shown their interest towards a company, a brand and its products and are willing to receive more information and benefits from them. ([marketing-schools.org](http://marketing-schools.org), 2012)

A direct marketing campaign can include many different direct marketing tools. Every campaign should encourage the customer to make an immediate action – such as a purchase (call now- and order) or another step that would lead to purchase in the end. All direct marketing tools should also include a possibility to track responses. ([marketing-schools.org](http://marketing-schools.org), 2012)

The purpose of direct marketing is to create a connection between the marketer and the consumer and therefore simultaneously be able to receive feedback and take care of other actions such as purchase, additional information etc. The benefits of direct marketing are for example a wider knowledge of the customer and their buying habits, direct feedback, and an increased performance in customer service. (Isohookana, 2007, p.157)

Direct marketing serves some benefits for the customers, too. It gives them a direct access to the products that a company is selling often with more options than a store could offer. It also serves the customer with more information. Also, by giving the customer an option to directly interact with the marketer, it gives the customer a feeling of having control over the situation. (Kotler, 2013, p.508)

A customer database is an effective tool in direct marketing. It includes data of a company's individual customers, such as geographic, psychographic, demographic and behavioural data. Companies use their database for example to learn about their customers, foresee and generate their sales leads, and to build strong long-term relationships. (Kotler, 2013, p.510)

An unfortunate issue of direct marketing is that it is sometimes perceived as annoying and offensive to some consumers, as direct marketing has cases of fraud or forced advertisings (junk mail, spams, and computer screen flashes). Television shopping channels irritate many people. Some are also afraid of “phishing”, identity thefts that fool internet users to give their personal data and then take advantage of it. This leads many consumers to worry about their online security and therefore decide not to trust direct marketers. (Kotler, 2013, p.528)

### 2.2 Sales Promotion

Sales promotion is encouraging the purchase or sales of a product or service with short term actions (Kotler, 2013, p.666). The purpose of sales promotion is to add more resources to retailers and selling personnel and encourage their willingness to sell, and also to affect the consumer's willingness to purchase. (Isohookana, 2007, p.161)

Sales promotion suits well to small- or medium sized companies. Its objectives are to increase short-term sales, complement other marketing and promotion tools, maintain customer loyalty and give priority to novelty. (Berman, Ivans, 2013, p.521)

The advantages of sales promotion are for example the distinctiveness from competitors, customers' impulse purchases and the possibility to increase customer traffic. Its disadvantages, for instance, are the difficulty to close some promotions without having negative reactions from customers, the broken image of a retailer in case the promotion is not good and that the effects sales promotion are often only short-term. (Berman, Ivans, 2013, p.521)

Impulse purchases arise when customer buys a product or a service that he/she hasn't planned before. There are three kinds of impulse shopping behaviour. Completely unplanned impulse buying occurs when a customer hasn't planned to make any purchases before entering a store but does it anyway. Partially unplanned impulse buying means that a customer has decided to buy something in a service or a product category before entering the store but hasn't decided what brand or model. Unplanned substitution happens when a consumer has already decided what brand or product to buy before entering a store but changes his/her mind after coming to the store. (Berman, Ivans, 2013, p.219)

Sales promotion targeted to consumers is called consumer promotions. Whereas advertising encourages consumers to buy a product, sales promotion encourages to do it immediately (Kotler, 2013, p.491-492). Major consumer promotion tools are:

- Sampling. Sampling can be a promotional tool. It offers a trial amount of a product. It is the most expensive yet the most effective tool of consumer promotion, and is sometimes combined with other products that are being promoted as well. Samples can be sent to the customer by mail (or email), handed out at the store or kiosk.
- Coupons. Coupons are certificates which the customer can exchange in return of a discount or other reward.
- Cash refunds. They are like coupons, where the customer receives part of the purchase price back after a sale.
- Premiums. They are goods that are offered to a customer for free or a low price to encourage buying a product. A premium can be attached to the package, be outside the package or be delivered separately.

- Sweepstakes, which give the customer a chance to win something. A sweepstake requires the consumer to submit their name for a draw.
- Promotional products, also called advertising specialities that are given as gifts to consumers. These products hold the company or brand's name, logo or message.
- Point of purchase displays, such as "shelf talkers"
- Event sponsorships. Marketers can create their own brand-marketing events or take part as sponsoring. It can also be a less-costly alternative to TV-marketing. (Kotler, 2013, p. 492)
- Frequent shopper programs. These are points or discounts given to customers depending on the monetary amount of their purchases.
- Demonstrations, such as showing how the products clean, mix food etc. (Berman, Ivans, 2013, p.522)

There are many possibilities on how to support a company's own selling team into better sales promotion. The objectives for personnel's sales promotion are for example to encourage additional sales, encourage attracting new customers and to create new customer relationships. Marketers can create supportive material for the sales team considering sales promotion such as handbooks and budget calculations. It is also important to have frequent meetings with the sales personnel in order to share experiences. Selling contests can motivate the personnel into better performance as well. (Isohookana, 2007, p.163)

Even though sales promotion encourages short term actions it should concentrate on building long-term relationships with customers. "Quick-fix" prize promotions should be avoided in order to retain the brand-equity. (Kotler, 2013, p.492)

### 2.3 Personal Selling

"Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships" (Kotler, 2013, p. 665) Personal selling means that a salesperson is having oral communication with one or more customers with the intention to make a sale. (Berman, Ivans, 2013, p.518)

The sales personnel stands as an important link between the company and its customers. They represent the company to its customers and also represent the customers to a company. As advertising consists of non-personal communication, personal selling covers most of the personal communication of a company or a product. Personal selling can be even more effective than advertising (Kotler, 2013, p.476). Its advantages include for example the flexibility of a salesperson in regards to customer's needs, immediate feedback and the attention that the customer receives from a salesperson. (Berman, Ivans, 2013, p.518)

The objectives of personal selling are to persuade the customers to buy and complete their transactions, to give them good customer service and simulate sales impulse, to receive some feedback and therefore improve customer satisfaction and to remind the customers of other products also sold in other channels such as internet, mail etc. (Berman, Ivans, 2013, p.518)

Customer service can differentiate a company from its competitors. A well trained concept of customer service and interpersonal skills are more difficult to copy than just products. (Lahtinen, Isoviita, 2001, p.45) Satisfied customers are more likely to return to a store than unsatisfied customers. Satisfied customers are also more likely to spread positive information about the company. (Lahtinen, Isoviita, 2001, p.81)

The major steps in sales force management are

1. Form sales force strategy and structure. Define the number of salespeople needed.
2. Select and hire salespeople.
3. Train salespeople. It is important for a company to train its salespeople to understand their customers and how to create customer relationships with them. The salespeople should also be trained to sell effectively and professionally.
4. Compensate salespeople. A manager should decide what type of “mix” of compensations best motivate the sales personnel.
5. Oversee salespeople. New salespeople require more attention and supervision whereas other employees in the salesforce might require more help with staying motivated and energetic. Management can boost sales through affecting its organizational climate (i.e. the overall atmosphere that salespeople feel about their opportunities, value and rewards), sales quotas and incentives.
6. Evaluate the salesforce. The management requires constant feedback of their salesforce (such as sales reports, call reports and expense reports) and provide the salespeople with feedback. (Kotler, 2013, p.487)

The personal selling process should be clear to every salesperson. It includes 7 steps; prospecting and qualifying, pre-approach, approach, presentation and demonstration, handling objections, closing and follow-up. (Kotler, 2013, p.487). Prospecting means that a salesperson needs to identify qualified potential customers (i.e. customers that are willing to buy). After that he/she should gather information about the customer and make a strategy (pre-approach). When a salesperson approaches the customer, he/she should already be prepared on how to greet the buyer and make a good first impression. The opening line should be positive and followed by key questions, however, listening to the customer is the most important factor that helps to identify their needs. When presenting products the salesperson should apply a customer solution approach, i.e. helping the customer more than selling to them. This helps in creating a long-lasting customer relationship with a customer. Customers usually have some objections which are also unspoken – which is why a salesperson should be prepared to handle objections using a positive approach and actually ask for their customers’



objections. This gives the salesperson an opportunity to serve the customer with more information and give them a reason to buy. When the time is right, the salesperson should know when to close the sale. Customers are often indicating closing signals which the salesperson should notice. These signals can be for example discussing the final price and credit terms. The last step in the selling process is to ensure customer satisfaction. After closing the deal the salesperson should complete all details of delivery and other documents. (Kotler, 2013, p.487-489)

Often the reason for why sales are lost is because of the misjudgement of a salesperson. Some typical mistakes are for example that a salesperson doesn't know how to present a product or how to demonstrate it or he/she simply has a poor knowledge about it. It is important that the sales personnel are well trained to present the products. Arguments with the customer should be avoided even if the customer is wrong. Sometimes the salesperson might forget that he/she can also suggest other products for sale if the customer is not fully content with the current one, or is indicating willingness to continue shopping. It is also important that the salesperson remembers to close a sale- it is quite common that salespeople give up too early. (Berman, Ivans, 2013, p.520)

Personal selling has disadvantages as well. Although it allows salesperson to communicate with the customer directly, a salesperson can only handle limited number of customers at a time. The costs of personal selling may be high and some customers don't even want to be served, but find customer servants rather aggressive or unhelpful. (Berman, Ivans, 2013, p.519)

Not in every customer service case the company needs to seek for purchase. (Kotler, 2013, p.489) It is also important to build a long-lasting customer relationship. Value selling is a practice that requires showing and serving superior customer value and seeking for fair, mutual benefits between the customer and the company. (Kotler, 2013, p.490)

### 2.4 Shopper Marketing

According to Kotler, Shopper marketing means "Using in-store promotions and advertising to extend brand equity to 'the last mile' and encourage favourable in-store purchase decisions" (Kotler, 2013, p.667).

Shopper marketing is concentrated on the idea that the retail store itself is a strong marketing tool. Shopper marketing uses for example point-of-sale promotions that encourage the customer to make a purchase when they are already in the shop. Shopper marketing requires attention to the whole process of product and brand development, logistics, promotion and merchandising. (Kotler, 2013, p.387)

Of all customer's purchase decisions, 70% are made in-store and 68% of them are impulse driven. Also, as studies state, as much as 68% of customers are willing to switch brands, and only 5% are loyal to a brand. This is

what makes in-store marketing so important. (GMA and Deloitte, 2007, p. 3)

The first step in shopper marketing plan is to find out what the customers are really looking for which is why a company should invest in shopper insights. They are important because they give an opportunity to get ahead of competition and truly understand the different segments of a company's customers. (GMA and Deloitte, 2007, p.21) Once the information is gathered, marketers should decide on the features that it wants to emphasize and the design materials that reflect the message. The final step in the process is to place the features in the store and evaluate their effectiveness. The effectiveness can be measured for example by an increase in sales, gaining advantage over a competitors etc. (Marketing-Schools.org, 2012)

The 4P's of shopper marketing, according to MarketingSchools.org, are as follows:

### Product

- Size
- Colour
- Packaging
- Language

### Price

- Coupon dispenser
- Circular advertisements
- Personal check-out coupons

### Place

- Music
- Lights
- Displays

### Promotion

- Sampling demo
- Floor advertisements
- In-store TV's
- Cart/basket advertisings
- Shelf signs

Point-of-sale promotions typically appeal to consumers who aren't brand-loyal and are very price sensitive. POS usually have a universal appeal. (Marketing-Schools.org, 2012)

According to Paco Underhill (a leader in shopping behaviour research), the amount of time a customer spends in a store is referable to the amount he/she will buy (Paco Underhill, 2009). There are different tactics in trying to persuade the customers to stay in the shop longer. These tactics include experiential merchandising, solutions selling and an enhanced shopping experience. Experiential merchandising aims at giving the customer a more

interactive shopping experience, such as hosting cooking classes or having a makeup artist come over. Solutions selling means presenting the customer solutions rather than products. This resembles cross-merchandising, where different products are grouped together to facilitate the customer's shopping experience and encourage impulse-buying. In solutions selling, some products are for example grouped under certain prices ("all these products under 25€") to offer an easy solution to a shopper with a tight budget. An enhanced shopping experience refers to minimizing everything in the store that might make the shopping experience unpleasant to the customer, e.g. reducing the amount of time a customer has to wait in line or setting up wider aisles to give more space to shoppers. (Berman, Ivans, 2013, p.505)

### 2.5 Public Relations (PR)

Public relations means building and maintaining good relations with a company's publics including actions such as building a corporate image or handling an unfavourable image. PR includes functions that are for example taking care of press relations, product publicity, public affairs, lobbying, investor relations and development. PR is mainly used for promotion. (Kotler, 2013, p.461) Its objectives are to increase awareness, sustain or enhance a company's image, show innovativeness, show a company's attributions to the community, present a pleasant message and to decrease total promotion costs to a minimum. (Berman, Ivans, 2013, p.517)

PR can have as strong of an impact to public awareness as advertising can, but with lower cost. Rather than paying for a media PR pays for information circulation and managing events. (Kotler, 2013, p.462)

Publicity of a retail shop is often more important to consumers than advertising. This is why advertising should work hand-in-hand with PR complementing each other. Sometimes it can be a good idea to gain publicity to a store before starting to advertise. (Berman, Ivans, 2013, p.516)

Major PR tools used are creating news, written materials, audio-visual materials, corporate identity materials and public service activities. Creating news means finding or creating stories about a company, its products or people. These stories can occur naturally, or a PR person can also suggest activities that gather attention (such as public speeches etc.) Special events are also widely used as a PR tool, ranging from multimedia presentations to educational programmes. Written and audio-visual materials are also prepared by PR to affect the consumers. These materials are for example annual reports, brochures, articles, and online videos. Corporate identity material, such as logos, signs and business tools attached in trucks or company cars can also be affective. (Kotler, 2013, p.462)

Internet as a PR tool is increasingly important to companies. A company's website is often visited by consumers and other companies in the means of finding information or entertainment. Social media networks such as Youtube, Facebook, and Twitter are offering companies ways to reach people. (Kotler, 2013, p.462) Especially blogging as PR is used by companies more and more. There are more than 100 million blogs on the internet

worldwide and they have a strong impact on customers. (Berman, Ivans, 2013, p.516) According to Technorati surveys, 68% of bloggers are influenced by other blogs they follow, and 65% of them are following their favourite companies and brands on social media. Thirty-eight percent of bloggers also write about these companies and brands to their blogs. 27% of bloggers write about their experiences when visiting stores and the customer care they received. (Technorati, State of blogosphere, 2011)

PR's main advantages are low cost, a large audience, usage of a more trustworthy messenger in the mind of customers to whom people often pay more attention to, an improved image and the possibility to a better positioning. Its disadvantages are little reliability from some retailers, not much control over the publicity messages and costs of planning and executing the activities and its suitability for rather short-run planning. (Berman, Ivans, 2013, p.517)

A negative side effect of PR is that also unexpected and negative publicity can occur without a notice. Media can turn a company's PR event into rather negative publicity by changing the presentation perspective. Hence, it is important that a company doesn't fully rely its marketing activities on PR only. (Berman, Ivans, 2013, p.518)

### 2.6 Word-of-mouth Marketing (WOMM)

The strong influence of word-of-mouth on buying behaviour is undeniable. Most people trust their relatives and friends' recommendations more than they trust advertisements or salespeople. It is important that marketers of a company learn who are the main opinion leaders, i.e. people who have social influence on others, and find ways to influence them. (Kotler, 2013, p.150)

According to Bill Lee by Harvard Business Review, usage of Traditional Marketing such as advertising, public relations, branding and corporate communications are losing their ground or are even dead. Word-of-Mouth Marketing, also called as "Community Marketing" is bound to replace the usage of Traditional Marketing ways in the future. (Bill Lee, 2012)

By using the social media as a platform for word-of-mouth marketing, companies can affect brand ambassadors. They are brand consumers who like a brand so much that they are advertising it for free. These people are a company's most credible forms of advertising because whenever a person recommends a company, they put their reputation on the line without anything to gain for. When these people are writing blogs or present v-logs (video bloggers using famous video sites such as Youtube or Vimeo) the message will quickly go viral. (Entrepreneur staff, word-of-mouth-advertising)

WOMM- campaigns often use the three E model; engage, equip and empower. Engaging means that a company should be present in their consumers and fan's lives, for example in social media, and respond to their follower's comments and questions as often as possible. Equipping means that a company should give their consumers a reason to talk – new products,

good customer service or stories. Empowering is giving the consumers different ways to share and talk such as creating competitions where the consumers can design new products. (Whitler, Forbes, 2014)

### 2.7 Benchmarking

Marketers need to compare their competitor's actions into their own to find what marketing decisions are useful and effective to use and to find ways to improve quality. (Kotler, 2013, p.545)

In benchmarking, a retailer compares its goals and achievements with other companies. A retailer should define which company in the field sets the standards and what can they learn from them. (Berman, Ivans, 2013, p.550)

A success of a marketing campaign depends also on the competitors' marketing campaigns. Benchmarking helps to understand a company's ROI considering its marketing actions. (Lynn Switanovski, 2011, Benchmarking your retail performance)

First a company marketers and managers should identify their competitors and assess their objectives. Every company has a mix of objectives considering for example market share growth and profitability. This helps to foresee how a competitor would respond to a company's actions, such as an aggressive sales promotion campaign. After the assessment, the competitor's strategies should be identified. In a strategic group firms are following the same or a similar strategy in a given target market. The firms in the same group are each other's key competitors. If a strategic group already has strong players, a company has to create itself strategic advantages to survive in the same market. This is why a company has to understand its competitors value delivering; their product quality, features and their marketing mix. After that marketers need to assess each competitor's strengths and weaknesses. In benchmarking it is possible to identify what practices should be followed, and where to differentiate. (Kotler, 2013, p.545)

Once the competitor's strengths and weaknesses have been estimated, it is possible to try and foresee some of their upcoming actions, such as price cuts, promotion increases and so on. This allows marketers to decide whether to attack or avoid the competing companies. Succeeding against strong companies often gives greater value to a company than attacking against weak competitors. (Kotler, 2013, p.546)

Retailers of all sizes can find comparative information from different sources for example as Small Business Administration, Internal Revenue Service, Progressive Grocer and annual reports.

### 3 CREATING AND CONDUCTING THE QUESTIONNAIRES

#### 3.1 The Respondents

There are 3 salespersons and one Sales Manager in each Iittala Store. The information of the respondents considering the questionnaire is not relevant, only their work location is needed.

#### 3.2 The Questionnaire Methods and Objectives

The information gathering from the personnel is conducted by a questionnaire. The personal wish of the head retailer of the stores was to conduct the interviews by questionnaires, as the respondent's level of English knowledge requires time and concentration to the questions. Therefore using a questionnaire is more comfortable to them than face-to-face interviews.

There are two questionnaires conducted to the personnel separately. The first questionnaire is targeted to the sales personnel. After its completion the next questionnaire is targeted to the sales managers of the stores. The reason for completing the questionnaires in two parts is to first gather information from the sales personnel and based on the results be able to pose deeper questions to the store managers.

According to [www2.amk.fi](http://www2.amk.fi), more than 30 questions reduce the motivation of the respondent, which is why each questionnaire has 22 questions. The questionnaire type is a structured questionnaire because putting together the results will be easier when the questions are precise. The questionnaire is open ended in order to optimize the outcome of all necessary information, and to give the respondents an opportunity for creative thinking.

A common risk with using a questionnaire is that the respondents may not understand all questions in a purposed way. To reduce this risk, the questions should be formulated in a way that the usage of language is not difficult or academic, but the questions are still precise. Another risk is that all questions aren't answered fully. A malfunction of questionnaires is that the interviewer is not able to make additional, specified questions even if there was a reason to do so. ([www2.amk.fi](http://www2.amk.fi)) The questions are posed in a way that the respondents shouldn't be able to answer with one word only (yes-no).

The objective of this questionnaire is to seek for information, such as the behaviour of the customers in the stores, the selling personnel's selling ability, and the common ways of marketing communication methods in the surrounding areas of the Iittala stores. Another objective is to gather ideas of how to increase customer traffic in the stores and how to keep the customers in the stores. The questions also study how to encourage customers to make purchases in the store because once a customer has already purchased a product there is a higher possibility for him/her to become a regular customer hence increase the traffic in the store in the future as well.

The questionnaire begins with a guide explaining the procedure to the respondents. The reason for everyone responding individually is to prevent similar responses and group-thinking. The details of how to reach the questionnaire creator (the author) are added in the end to offer help in case a respondent doesn't understand a question, hence prevent misunderstandings.

Every question refers to the subjects discussed in theory. All questions can be found in the appendix part of this thesis.

### 3.3 The Questionnaire to the Store Personnel

This questionnaire is intended to be done separately (not together with your colleagues). In the end, check that you have answered all the questions that have been written. Pay attention to all the words imposing a question (there might be multiple in one sentence), such as **where, how and why**. If you have any questions considering the questionnaire, you can contact me directly at (e-mail). After completing the questionnaire, if you remember something that you think would be valuable information, you can also send it afterwards to my email.

Answering these questions is optional and anonymous. Your answers will be used only in this thesis.

1. Which Iittala store is your location?

This question is needed to be able to plan each store's marketing actions separately. No other demographical data is required.

2. What type of media advertisements could benefit your store? Options are radio, outdoor, internet and mobile advertising (you can choose as many options as you think that are useful). (Attached with an explanation)

As discussed in the theory, radio, outdoor, internet and mobile advertising methods are the least costly. Hence, why they are chosen as options.

3. What message would the advertisement deliver?

This question is meant to indicate what the store personnel think is valuable and interesting about their store that the consumers should also know.

4. What type of media advertising is usually done in your area in similar kind of stores?

This question is meant to benchmark the retail advertising situation surrounding the specific Iittala store, and therefore give more ideas also to the responder.

5. What type of direct marketing methods are often used in similar kind of stores in your area? (Attached with an explanation)  
Also this question is meant to benchmark the direct marketing situation in the area and prepare the respondent with information of direct marketing, which will help him/her in responding the following question.
6. Which of these methods, in your opinion, could help in attracting more customers to your store and making more sales? Why?
7. Where do your customers spend most of their time inside your store?  
What products, product categories, or locations inside your store draw their attention the most?  
The purpose of this question is to define what products or product categories the customers find the most interesting in the Iittala stores and whether the customers are prone to discounts and/or other sales promotion points inside the store.
8. What type of products do your customer purchase the most?  
The purpose of this question is to find out what products the customers are actually buying, even if their interest has been elsewhere.
9. Do your customers make a lot of impulse purchases? What products are usually bought by impulse?  
This question helps to understand if the customers are prone to impulse purchases, and whether for example Shopper marketing could help increasing the number of customer traffic in the Iittala stores.
10. What kind of information have you received from your instructors in order to sell effectively? What information would you still like to receive? (Attached with an explanation)  
The purpose of this question is to find out whether the sales personnel is well educated to their selling tasks, and whether they need more training in order to make more sales.
11. How could your sales team sell better?  
This question is meant to create ideas, which could help the selling team to making more sales, create new customer relationships and attract more customers into the store.
12. What are the main obstacles that prevent the customer from making a purchase?  
This is a critical question in what comes to understanding why the loss of customers has happened.
13. What type of customers buy the most from your store? (age, gender, behavior)  
This question is meant to clarify, whether the idea of a target customer is similar in the minds of personnel and the brand targeting.



14. How long a time does an average customer spend inside your store?  
The purpose of this question is examine who long consumers are willing to spend in the store, and to prepare the respondent for the following question.
15. How customers could be encouraged to spend more time inside your store?  
As discussed in the theory part of this thesis (Shopper marketing), the amount of time a customer spends in a store is referable to the amount they buy.
16. What type of PR events are popular in your area? (Attached with an explanation)  
This question prepares the respondent with information about PR considering the next question and benchmarks other PR events that have gathered attention.
17. What type of a PR event, in your opinion, would attract more customers into your store and be memorable in the minds of customers?
18. Have you followed any bloggers that write about your store? What have they been writing about?  
  
As discussed in the theory part of this thesis, an effective tool of PR and Word-Of-Mouth Marketing are the usage of bloggers. In this question the purpose is to find out whether Iittala is known among bloggers.
19. What kind of blog, in your opinion, would encourage consumers to visit your store?  
This question examines whether the selling personnel know a blog that could help to gain attention from target customers.
20. How, in your opinion, could positive word-of-mouth be reinforced about your store? (Attached with an explanation)  
As discussed in the theory part of this thesis, positive word-of-mouth is important to companies and can also be affected through some actions. This question is meant to find out whether the personnel has ideas on how to increase the positive word-of-mouth of Iittala.
21. How could Iittala increase its presence in social media (for example Facebook, Twitter, WhatsApp), and in what sites? What channels would be the most effective?  
  
As discussed in the theory part of this thesis, a common channel for almost all marketing communications is internet and specifically social media. Young personnel of the stores are most likely equipped with information of the local social media trends.

22. What are some other possibilities, through which the customer traffic could be increased in your store?

This question is put in the end so that the respondent can conclude all ideas that have arisen during the questionnaire.

### 3.4 The Questionnaire to the Store Managers

The questionnaire to the store managers was created based on the responses in the questionnaire to the sales personnel.

1. Which Iittala Store is your location?  
No other information is either required from the sales managers of the stores.
2. How could you improve your store's marketing in Internet and Social Media? (Attached with an explanation)  
As discovered in the questionnaire to the sales personnel, many of the respondents find that internet and social media marketing are the most used media for advertising in the similar kind of stores, and also they consider that it could benefit their own store the best way.
3. Where in your area would you put outdoor advertisings?  
Three out of six of store personnel respondents find that outdoor advertising would also benefit their Iittala store.
4. What radio channel in your area would be the best for advertising your store?  
Although one respondent in the questionnaire to sales personnel considers that radio advertising would not be useful, 3 respondents still find it worthy.
5. If Iittala were to send catalogues presenting its products to consumers, which channels would be the most useful and why? (Attached with an explanation)  
Four out of six Store Personnel respondents find that direct marketing by catalogues could benefit their store, either by direct mail, e-mail or smartphone applications.
6. Which tourist media could bring more tourists in your store? (Attached with an explanation)  
As discovered in the last question presented to the Sales Personnel, one respondent considers the tourist media to be a useful channel to advertising and bringing more customers to the store. This question is meant to discover the possibilities of using the local tourist media.
7. How could you increase the tableware products (such as Taika or Teema) attention in the store? (Attached with an explanation)  
This question is meant to brainstorm how the customers could be encouraged to purchase the products that they like.

8. How could you encourage customers to make more impulse purchases? (Attached with an explanation)

As discovered in the questionnaire to the sales personnel, the customers don't usually make impulse purchases. According to the theory of this thesis, easy-made impulse purchases are still an effective way to increase sales and bring more customers to the store.

9. What of these Consumer Promotion tools are used in your store: Sampling, Coupons, Cash refunds, Premiums, Sweeptakes, Promotional products, Event Sponsorships, Frequent Shopper Programs and Demonstrations (all explained below)?

This long question is formed as a multiple choice- typed questions followed by an open end question asking which methods could help their store. As discussed in theory, Sales Promotion is an effective way to increase customer traffic, hence why it is important to discover new possibilities of SP.

10. Which of these methods help to increase customer traffic in your store?

11. What of these Shopper Marketing techniques are used in your store: Music, lights or displays, floor advertisements, in-store TV's, Cart/basket advertising, Shelf signs.

As discussed in the Shopper Marketing –subject of the theory, Shopper Marketing can increase customer traffic and selling vastly. The question poses the 4P's of Shopper Marketing (according to marketinschools.org), not including the "Product" as it is not possible to alter it or other options that are similar to consumer promotion tools. This question is also formed by a multiple choice, followed by a question "which methods could be useful".

12. Which of these methods could help increase customer traffic in your store?

13. How is your sales personnel trained to sell? How could they improve selling?

The questionnaire to the Sales Personnel left their amount of training somewhat unclear, hence the question is repeated to the sales manager as in hopes for clarification.

14. How often do you personally discuss with your sales personnel about their thoughts, feelings and attitudes towards their work?

As discussed in theory it is important to support the sales personnel by listening to their thoughts and feelings considering their work, otherwise they might suffer from a lack of motivation.

15. Have you received enough information on how to sell effectively?

What kind of information would you still like to receive?

It is also important that the Sales Managers are trained to sell effectively to be able to show excellent example.

16. How could you compensate (i.e. add value to) the prices of the products in your store? (Attached with an explanation)  
As it left no questions according to the Sales Personnel's survey what was the main reason that prevents the customers from making a purchase, this question is meant to discover the possibilities for compensating the problem.
17. How could you share even more information about Iittala with your customers? (Attached with an explanation)  
The importance of hearing and telling stories kept repeating in the responses of sales personnel- which is why it is useful to discover the possibilities to increase their presence even more.
18. Have you participated in cooperative advertising before? Why/Why not? Do you think it would be a good option? (Attached with an explanation)  
As discussed in the theory, sharing an advertisement can be a possibility to reduce the costs of an advertisement and gain more presence. This question includes an option to answer yes/no, but it also poses a question which requires more detailed explanation.
19. What kind of PR event, in your opinion, would benefit your store? (Attached with an explanation)  
This question is had also been presented to the Sales Personnel, but sometimes store managers have different views on these subjects.
20. Do you know any specific, popular blogs that could help bringing more customers to your store, such as home interior design or cooking blogs?  
As most of the Sales Personnel aren't aware of any blogs that have been writing about Iittala but some consider that home interior blogs or cooking blogs could improve the visibility of Iittala store,
21. How could you encourage people to spread positive information about your store?  
As discussed in the theory, positive word-of-mouth is important to a company. This question hadn't been understood perfectly in the questionnaire for the Sales Personnel, which is why it is reformed and presented again.
22. What are some other possibilities, through which the customer traffic in your store could be increased?

## 4 THE RESULTS OF THE QUESTIONNAIRES; CLASSIFICATION

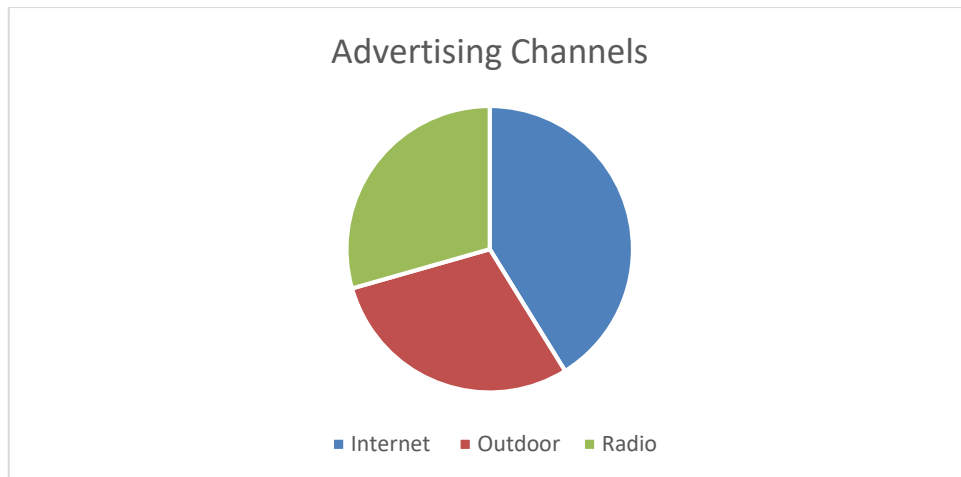
The results of the questionnaires are classified similarly as the subjects in the theory part. Under every headline the answers of a certain topic are opened up.

There are 9 Store Personnel respondents and 3 Store Manager respondents. Every respondent answered the questionnaire; however, some problems occurred in understanding the questions. Therefore only the responses where the respondent has answered the question properly are counted in the classification. Also every respondent didn't complete all questions- and therefore some classifications are based on less credibility than others. To some questions there have occurred similar responses from other respondents, the number of which is mentioned in parenthesis after the sentence. In case there has only been one response to a question that have no other resembling responses, a number is not presented.

Blank versions of the questionnaires are attached in the end of this Thesis.

### 4.1 Media Advertising

According to the Sales Personnel, internet advertising is the most useful way of advertising Iittala (7 suggestions), followed by radio and outdoor advertising (5 suggestions). Mobile marketing didn't receive any recommendations, however, social media was mentioned twice and many social media applications are used by mobile phones. The word "magazine" was mentioned two times as well even though it was not mentioned in the list of "possible choices". One respondent mentioned many channels to advertise very specifically: "The best media advertisements in our store, my opinion is internet, I'd prefer the publication 'Iittala' promotion of women's website f.e [www.moteris.lt](http://www.moteris.lt), [www.ikona.tv](http://www.ikona.tv) and so on. Also important propagate information about "Iittala" interior blog f.e [www.interjeropasaka.lt](http://www.interjeropasaka.lt), [kitokienamai.wordpress.com](http://kitokienamai.wordpress.com), [e-interjeras.lt](http://e-interjeras.lt) and so on. Also important to use social networks "Facebook" and "Instagram". "Iittala" advertising placed in magazines, which are designed for women f.e "Zmones", "Laima", "Moterys", "Ikona", "Lamu slenis" and so on."



According to the Sales Personnel, the marketing channels used in the similar kind of stores are mostly also internet advertising including social media (7 out of 9 responses), Radio (2 responses), magazine (2 responses) and TV or outdoor (1 response each)

When questioning the Store Managers about where should Iittala advertise in internet and social media, all responses vary from each other. The responses include following suggestions:

- Web magazines, for example interior style or pop magazines such as Cosmpolitan (2 responses)
- Advertising on TV-web pages and Daily News Pages, including delfi.lv, Apollo.lv and tvnet.lv, draugiem.lv, both in Russian and Latvian (2 responses)
- Blogs, such as lifestyle, food and interior
- Search Engine Optimization
- Buying advertising in social media pages such as Facebook, Pinterest and Instagram
- Posting information and pictures on Iittala's social media pages
- Creating games and competitions in social media, for example culinary picture competition using Iittala's products.

When discussing Outdoor Advertising, Store Managers would put Outdoor Advertisements in Book Stores, Bicycles (Already used in Berlin), in an Opera house, theatres, coffee shops, fashion events and furniture shops.

According the Store Managers the radio advertisements in Lithuania could be in the channels of M-1, (2 responses), M-1 Plius, Zip FM, Lietus, Radiocentras. In Latvia they could be in Radio SWH (both LV and RU channels) and Baltcom.

When asked from the Store Managers which tourist media could bring more tourists to their store, tourist brochures that are given out by hotels (for example sightseeing information) received three responses. Advertising in maps like tourist maps or Google maps received two responses. The Iittala Store situated in Kaunas Shopping mall could benefit from advertising in the shopping mall brochures or advertisements in the shopping mall's web

page. Plane brochures and internet page (not specified) advertising received one response.

When discussing the advertising message, majority of respondents of the personnel consider the stories of Iittala and its collections to be the most important aspect to advertise. Eight out of nine respondents specifically mentioned that telling the stories of Iittala, such as information about designers, history and the Scandinavian design, is something that the customers are very interested in. 8 respondents also emphasized the importance of Iittala's collections of products of which 6 respondents highlight the quality of the products (including mentions of timeless design) as an important message. Two respondents find that discounts would be useful to mention in an advertising message.

When questioning the Store Managers about cooperative advertising (Have you participated in cooperative advertising before? Why/Why not? Do you think it would be a good option?) all of the three respondents find it as a good idea. One respondent suggested that their Iittala could join cooperative advertising with a local furniture company, as soon as they are ready. According to another respondent a famous Latvian chef is making an Iittala room where their products are being used and displayed with his food.

### 4.2 Direct Marketing

In Store Personnel's opinion, considering direct marketing Iittala should concentrate on sending catalogues or marketing on mobile (3 responses each). Other mentioned channels were direct-response TV (2 responses) or web and mail marketing (1 response each). The question was understood differently among respondents. Some respondents mixed direct marketing channels and advertising channels with each other, hence why some responses needed to be left out. According to the Personnel, other similar stores to Iittala use mostly catalogues as a direct marketing channel (5 responses), mobile, internet or mail (3 responses each) or TV (two responses) and telemarketing (1 response).

As catalogue marketing received most responses among the store personnel, the question to the Store Managers "Which channels would be the most useful for catalogue marketing and why?" was presented. Direct e-mail received one response, as according to the respondent e-mail might be perceived as a spam because Iittala is not known very well yet. E-mail and SMS received one response. According to one respondent, Iittala is already sending catalogues by e-mail and mobile phone in their area.

### 4.3 Sales Promotion

According to the Store Personnel, customers that visit Iittala stores are most interested in the tableware products of Iittala, such as plates and cups. Four out of nine respondents specially mentioned Taika to interest the customers a lot. Aalto, Teema, Ultima Thule, Sarjaton, Mariskooli and Tanssi collections were also mentioned. Store displays and demonstration items were mentioned by one respondent. Two respondents answered that customers are also interested in interior design of Iittala – among tableware products. Two members of personnel from Vilnius specifically mentioned that their customers spend most of their time in the front part of the shop, next to the entrance.

When asked about what the customers mostly purchase from their shop, most of the Store Personnel (six out of nine responses) mentioned mugs or glasses, four responses considered plates and two respondents specifically mentioned Taika. Ultima Thule and Teema collections were also mentioned.

When asked from the Store Managers how to increase the attention of tableware products in the store, two out of three respondents specifically mentioned that they could invite customers to their store to “mix and match” different collections, either by customers themselves or let someone show how to do it. Another idea that received two responses was to explain to the customers how the designers see their collections and how the idea of “timeless design” means that one product can be used in multiple ways. One idea was to place the tableware products in front of the store to raise attention. One mention was to have boxes with cutlery for 4 and 6 persons with a better price than to buy them separately.

According to the Store Personnel, impulse purchases occur in Iittala shops very rarely or not at all and if they do, purchased items are small. Mugs are the most bought item by impulse (4 mentions), followed closely by candleholders (3 mentions). Tissues and spoons were also mentioned. According to one respondent from Riga, Latvia, customers that buy by impulse are mainly tourists. When asked from the Store Managers how to increase these impulse purchases, many ideas occurred, such as:

- Find out a customers’ “dream” –product, which represents their memory or object of tableware, and try to sell them their own idea of what they had forgotten.
- Make Sales Promotion actions such as “buy three, pay for two”, or
- Buy for a certain price, and get a certain percentage discount for the next purchase
- Enhance Customer Service; present the product well and show its multiple ways of usage for example.



#### 4.4 Consumer Promotion tools

Compared to other Iittala Stores in Latvia and Lithuania, most Consumer Promotion tools (7 out of 10) are used in the Iittala Store of Kaunas, Lithuania. Only Cash refunds, Frequent Shopper Programs and Event Sponsorships aren't being used in that store. According to the Store Manager, they could likely benefit from using Frequent Shopper Programs.

In the Iittala Store of Vilnius, Lithuania, six out of ten Consumer Promotion tools are used; Premiums, Sweepstakes, Shelf-talkers, Promotional Products, Event Sponsorships, and Frequent Shopper Programs. According to the Store Manager, their store could benefit from using more Frequent Shopper Programs.

The least Consumer Promotion tools are being used in Riga, Latvia, where only Coupons and Event Sponsorships are used. According to the Store Manager, their store could benefit from using Consumer Promotion tools such as Promotional products, for example ice scrapers before winter, and forming a MyIittala Program (or similar) where its members get special discounts.

#### 4.5 Personal Selling

When asked from the Store Personnel what kind of information they have received from their instructors to sell effectively, many of the respondents felt quite content with the amount of training they have received. The staff has been well trained about the collections of Iittala and the materials used in them, the designers and information about Iittala, and how to make dialogue with customers when presenting the products. The lecturers have often come from Finland. The question also held another question; what kind of information would you still like to receive (in order to sell effectively). Four respondents (out of nine) gave an answer to this question. The answers were;

- To have seminars of guest lectures about how their colleagues work in another country
- More information on new products
- More practical examples (on how to sell)
- Even more information on the same products.

The topic was followed by another question to the Store Personnel; How could your Sales Team sell better. Only two respondents found reasons within the Sales Team on how their selling could be improved. The first respondent considers that effective marketing, referrals, strong sales skills, and strategic questions are keys to better selling. The second respondent mentioned that (an enhanced) team work would help to sell better. 5 respondents see that there is nothing left to be improved about making sales or only an increased number of customers could help to sell better, of which one respondent considers that advertising would be a good way to bring new customers to their store. Another respondent recognizes the tourists as a possibility for making more sales.

Also according to the Store Managers their personnel is trained well. They all appreciated the amount of training that their personnel had received. All three respondents gave ideas for improvement, which were

- Travel to Finland and let the personnel see how the products are made (not only from a video)
- To visit the Iittala Store in Finland and Sweden, to see and learn more
- Improve the Customer Service inside the store by having conversation with every customer. If they don't make a purchase, ensure that they will come back.

When asked from the Store Managers about their own training, they didn't answer the question whether they were satisfied or not. All of them, however, gave ideas for improvement. One respondent would like to receive more information on how to use certain products differently. One respondent would like to know how to present the products to customers in a more interesting way. The third respondent would like to receive a Latvian sales course, as their customers vary from Finnish and Swedish customers.

The Store Managers were also asked how often they discuss with their Sales Team. One respondent explained that they discuss daily in person with Sales Team members, and monthly as a team. One respondent answered that they discuss daily about yesterday's sales, customers' purchases, how much they spent money, how long they were spending time inside the shop and what they had liked. One respondent explained that they discuss on a "regular basis".

According to the Store Personnel, most customers that visit their store are women from 30-60 years old. When asked from the Sales Personnel what are the main obstacles for a customer to make a purchase, all of the respondents answered "The price" of the products. One respondent also considers that perception of "Scandinavian design" also is an obstacle for purchase. The Sales Managers were then asked how the price of the products could be compensated, all of them gave some ideas, such as

- Emphasize the long-term usage, quality, design value and functionality of the products to the customer (2 answers)
- To give warranty to some products
- If a person has never tried/heard of Iittala's products, the personnel can suggest the customer to hold the products, offer the customer tea/coffee/water from the products and help the customer to feel the value of the product.

#### 4.6 Shopper Marketing

According to the Sales Personnel, an average customer spends time inside the shop approximately for 5-15 minutes. When asked from the Personnel how the customers could be encouraged to spend more time in their store, as many as 5 respondents out of nine suggested that the personnel could offer their customers coffee, tea or water, while explaining them stories about Iittala, their collection and the designers. In addition to serving the customer hot beverages, one respondent suggested that a specific resting area could be created inside their store, where the customer could spend time chatting with the seller. One respondent suggested that there could be demonstrations of the products rather than aggressive marketing. The Sales Managers were then asked how they could give Iittala's customers even more information about Iittala. One respondent answered that they could show videos of Iittala in the Shopping Centre's TV's (such as tanssi movie about foxes). Another respondent's idea was to show Iittala's videos through an in-store TV, while discussing with the customer orally. A third idea was to create a blog for Iittala with interesting articles, ideas, information and nice pictures, and post the same articles in other websites such as their Facebook page.

When asked from the Store Managers about what shopper marketing techniques are used in their store, most techniques are used in Vilnius and Kaunas, Lithuania. In the Iittala store of Vilnius, four out of six different shopper marketing techniques are used; music, lights, displays and floor advertisements. Only in-store TV's and cart/basket advertisings aren't being used. According to the Sales Manager they could benefit from an in-store TV, where they could show how vases and birds are being made.

In the Iittala Store of Kaunas four out of six shopper marketing techniques are being used as well; music, lights, displays and in-store TV's. According to the Store Manager they could benefit from using more displays.

In the Iittala Store of Riga, Latvia, two out of six shopper marketing techniques are being used; music and lights. According to the Store Manager they could benefit from displays and in-store TV's.

#### 4.7 Public Relations

The subject of PR created many misunderstandings among all respondents. The idea of PR being unpaid promotion was left unclear. Some problems also occurred in separating PR events from Advertising such as paid TV or paid magazine advertisings. Due to the misunderstandings, all responses cannot be taken account.

According to the Store Personnel, PR events that are popular in their area are exhibitions (5 responses), of which two respondents specifically explained that they mean showing new products to the press, fashion shows or events (2 responses), seminars, salon events, and catering events. When asked what kind of PR event would benefit their own store, according to the Store Personnel they could present new products to the press (2 responses),

show the press different table servings that Iittala has, host parties, fashion shows or other kind of events, have an exhibition, or give their products to restaurants. The same question was asked from the Store Managers. According to one respondent, they have tried all kind of PR events, but collaboration with a cooking chef has been the most effective. Other respondent also considers that cooking classes could benefit their store.

None of the Store Personnel respondents had heard or read of a blog that writes about Iittala. According to the Store Personnel, useful blogs for Iittala could be interior blogs (2 responses) or food blogs. From the Store Managers responses only one knew a blog that could bring more customers to Iittala, but did not mention what blog it is.

When asked from the Store Personnel how could Iittala increase its presence in social media and in what sites, Facebook received most recommendations (6 responses), followed by Instagram (4 responses). One recommendation also came to Twitter, "local newspapers" and to "restaurant sites". Two respondents suggested that Iittala should post more photos (2 responses) and videos (for example of producing the products).

### 4.8 Word-of-Mouth Marketing

When asked from the Store Personnel and the Store Managers how they could encourage people to share positive information about Iittala, 10 respondents from 12 answered the question. The answers are:

- Emphasize the brand and its quality crafted items (3 responses)
- Have excellent customer service (3 responses)
- The seller should be positive (2 responses)
- Maintain a positive image
- Have a good atmosphere in the shop
- Make sure that the customers leave the shop with a positive mood

#### 4.9 Additional Ideas and Recommendations from the Respondents

In the end of the survey, a question “What are some other possibilities, through which the customer traffic could be increased in your store?” was presented to all respondents. Eight out of nine respondents from the Store Personnel and three (out of three) respondents from the Store Managers gave an answer to that question. Also some answers that didn’t reply to a certain question presented before in the survey (and might still be worth considering) are put here. The answers are grouped below:

- Have advertising on TV (2 responses) for instance cooperate in two new TV shows two design programs "Jauna telpa" and "Košāka dzīve".
- Use more discounts
- Attract tourists using tourist media via brochures, hotels and airports
- Hospitality is the best way to increase customers; make sure that a customer feels important
- References to the shopping centre would bring more customers into the store (Kaunas)
- Have good advertisements
- Use internet; magazines, blogs, social networks and so on.
- The change of Store Location would help (Vilnius)
- “Live shows in stores or in big hall of shopping centre that includes using products, meetings with designers or Iittala glass masters”.
- “We should spread the word about Iittala in all of Latvia - many people still do not know Iittala. There are potential customers in Jurmala, Liepaja, Daugavpils and Ventspils - etc.”
- Connect Iittala Store with a Cafeteria that serves the best coffee and the most delicious desserts

## 5 RECOMMENDATIONS

In the introduction part of this Thesis the objectives of Marketing Communication tools are discussed. The objectives are:

- Spreading knowledge of a company’s or organization’s products
- To affect the attitudes of a customer
- To enhance the image of a company or organization
- To create sales
- To create and enhance customer relationships. (Lahtinen, Isoviita, 2001, p.172)

Reaching the objectives aim at increasing customer traffic in the stores. In the recommendation part of this Thesis the recommended actions are grouped under the headlines named after the objectives of marketing communication, to help the reader understand the overall picture. Spreading knowledge and enhancing image – parts are grouped together, as the main attention lies in gaining more attention to the stores.

<p style="text-align: center;"><b>Spread Knowledge and Enhance Image</b></p> <ul style="list-style-type: none"> <li>• Internet Advertising: Facebook, Web Magazine, SEO, Bloggers</li> <li>• Combine Outdoor and Tourist Advertising</li> <li>• Cooperative Advertising</li> <li>• Catalogue Direct Marketing</li> </ul>	<p style="text-align: center;"><b>Affect The Customers’ Attitudes</b></p> <ul style="list-style-type: none"> <li>• Create a resting area inside the Store</li> <li>• Offer customers hot beverages</li> <li>• Increase usage of Social Media: mix and match, cooking class competitions</li> </ul>
<p style="text-align: center;"><b>Create Sales</b></p> <ul style="list-style-type: none"> <li>• Organize a Latvian/Lithuanian Sales Course</li> <li>• Increase impulse purchases: placing most interesting product in front of the store, warranty, solutions</li> </ul>	<p style="text-align: center;"><b>Create and Enhance Customer Relationships</b></p> <ul style="list-style-type: none"> <li>• Give customers discount when joining the membership</li> <li>• Frequent Shopper Programs</li> <li>• E-mail reminders on birthdays</li> <li>• Shopper Insights</li> </ul>

### 5.1 Spread Knowledge and Enhance Image

As discussed in theory, internet advertising is increasingly important to companies. It is also a cost-effective way to bring new customers to the store. There are many options of how to do internet advertising, for example banner advertising, search engine optimization and company web-sites. Most of the Store Personnel (Seven out of Nine respondents) recommended Iittala to use internet advertising (or social media advertising) in order to increase customer traffic. Most of the respondents also say that internet advertising is the most used advertising channel in the nearby area. At the

moment Iittala in Latvia and Lithuania have an e-shop and a Facebook page on the internet. Considering internet advertising, the recommendations are as follows;

1. Advertise on Facebook. Advertising on Facebook is cost-effective and reaches the correct segments. The Facebook advertising could be paid promotion targeted to women from 30-60 years old. The advertising message could concentrate on information sharing of Iittala's quality, aesthetics and/or its story of designers, since according to the Store Personnel those are the most important factors that Iittala should advertise. The advertisement could be in a video-form, taken from other Iittala's ready-made visual advertisements to save costs.
2. Search Engine Optimization. Usage of Search-Engine Optimization could help to increase awareness of Iittala. The link in the search-engine would lead to Iittala's e-shop in Latvia/Lithuania. The search-words linked to the advertisement could be for example Iittala, The Shopping Centre in Kaunas and Vilnius, Tableware, Scandinavian design, Taika, Teema and Aalto.
3. Advertise on Web Magazine or Newspaper's web pages. Two respondents mentioned specifically that, in their opinion, this could bring more customers to their store. Magazine's web pages that are read by the target segment, such as Interior Magazine's web pages or Newspaper's Web Pages delfi.lv, Apollo.lv and tvnet.lv, draugiem.lv or women's magazines pages such as moteris.lt (mentions of a respondent) could raise attention. Also an advertisement of Iittala Store could be put in the web-page of Kaunas and Vilnius Shopping Centres, where Iittala Stores are located. The advertisement could be the same as used for Facebook, which is advertises showing videos of quality, design, aesthetics and/or Iittala's story of the designers.
4. Cooperation with bloggers. As discussed in the theory part of this thesis, the usage of bloggers is increasingly important, for bloggers are influenced by companies and therefore influence other consumers how to spend. The respondents' recommendations was to seek for cooperation with Interior design blogs, such as [www.interjeropasaka.lt](http://www.interjeropasaka.lt), [kitokienamai.wordpress.com](http://kitokienamai.wordpress.com), [e-interjeras.lt](http://e-interjeras.lt), or lifestyle and food bloggers.

A possibility to combine outdoor advertising and tourist advertising would be to place advertisements in the areas where tourists often spend time; museums, cafés, hotels and, if possible, to the tourist bicycles (that are already used in Berlin, according to one respondent) and the Kaunas and Vilnius Shopping Centres. Tourist page's websites could also be used for advertising. To choose the right places for outdoor advertisements, places situated near an Iittala Store and hotels whose customers are mainly over 30 years old should be favoured. The hotels' tourist maps and other brochures could also be taken advantage of.

As discussed in the theory part of this thesis, cooperative advertising can lower the costs of advertising, bring more visibility and shorter preparation time. However, there are risks in cooperative advertising such as the decreased amount of control, less flexibility and distinctiveness which is why the partners for cooperative advertising need to be carefully selected. All Store Manager respondents felt positively about cooperative advertising; it could help Iittala Stores to gain more attention with a lower cost. Advertising cooperation with the same restaurants with whom there has been cooperation before could be an option. Advertising with pictures of a restaurant's food in an Iittala's tableware setting (combined with both of the companies' logos) could make consumers interested in Iittala's products. Also the Iittala Stores situated in shopping centres (Vilnius and Kaunas) could create advertising brochures of discounts etc. together with other companies to be given straight to consumers, hotels, cafés etc. Also, with cooperative advertising, marketing in other more costly media could be considered of, such as magazines (many respondents thought this would be effective).

Direct marketing could be done through Iittala's customer base. Different actions can be initiated to increase the number of members (discussed more thoroughly in the part "create and enhance customer relationships"). According to the Store Personnel respondents (three out of nine responses) Iittala should send out catalogues to its customers' homes by mail. This is also the Author's recommendation. As one respondent also mentioned, sending catalogues to customers by e-mail might be perceived as annoying, a "spam", as the customer might not recognize the Iittala brand. Also, when customers can look through the catalogues in their own peace at home, they can imagine how the products would fit with their house's decoration. As mentioned in the Introduction part of this thesis, summer and winter sales are the most effective on customers; the catalogues could be sent twice a year presenting the products of summer and winter. After Iittala has gained recognition, using also other channels for direct marketing would be more effective, such as e-mail or mobile.

### 5.2 Affect The Customer's Attitudes

According to many respondents of the questionnaire to the Store Personnel, the customers of Iittala are interested in the stories of Iittala. Five out of nine respondents suggested that Iittala should offer their customer coffee, tea or water (from Iittala's tableware products) while they shop in their store to make their customers feel the personnel's hospitality and to have time to chat about Iittala's history, designers and collections. This is also the Author's recommendation. To create a resting area inside the store (another respondent's suggestion) could help the customer to spend more time in the shop as well. The resting area could include for example a couch, a chair, catalogues of Iittala's products and an in-store TV showing videos of Iittala. When a customer leaves the store feeling rested and inspired (even if he/she didn't make a purchase) it increases the possibility of him/her returning back to the store, as the shopping experience has been connected with positive feelings.



To affect the customers' attitudes (and also to gain recognition) Iittala could increase the usage of Facebook and Instagram. In Instagram there is already an Iittala page, which could be linked to Iittala Latvia/Lithuania's Facebook page. As discussed in the theory part of this thesis, positive word-of-mouth is very important to companies and it can be influenced for example by using social media. WOMM- campaigns often use the three E model; engage, equip and empower. Below will be described two different possibilities how to use this model in practice:

1. As some respondents suggested, the customers could be let to "mix and match" different collections of Iittala's products by themselves. A possibility could be to make competition among customers in the store to mix and match different products (equip), take a picture and share it on social media sites such as Facebook or Instagram (empower), and a winner of the best mix and match –picture would be awarded with a prize such as a discount card or a gift card (engage). This would help to raise awareness of Iittala. Also, if possible, influential bloggers in the segment category could be invited in the store to take part in the competition or to act as a judge in choosing the winner.
2. Some respondents of the surveys suggested that Iittala could host cooking classes or exhibitions with a chef. An option could be that Iittala would launch a competition on social media that encourages customers to post pictures of their food on an Iittala's tableware product. These pictures could also present just coffee, tea, or anything on an Iittala's product (equip and empower). The winner picture could then be awarded with a cooking class hosted in an Iittala Store or, for example, in the area of the shopping mall where Kaunas and Vilnius Stores are located (empower). The publicly shown cooking class would also work as a PR-event.

### 5.3 Create Sales

Creating Sales is also an important factor in increasing traffic in the store. It is vital for the sales that the salespeople are trained accordingly. In the questionnaire conducted to the Sales Personnel and the Sales Managers it turned out that most of the respondents feel content with the amount of the training they have received. However, especially store managers found ways to improve their training. Some respondents wished for more practical examples, some wanted to travel to the stores in Finland and see how their Finnish colleagues work in practice. One respondent suggested that they could receive training on how to sell to people of their culture. The Author's recommendation is that next time when a training session is organized in Latvia and Lithuania, a native Sales Trainer who concentrates on how to sell to people in Latvia and Lithuania (as their culture varies from Finnish culture in many ways) would be added to the training schedule. The training session could especially concentrate on the story-telling aspect of selling, which has turned out to be an important factor when making sales with customers from Latvia and Lithuania. The training could also cover parts on how to initiate conversations with customers (some respondents found that chatting with customers is important factor in making sales). Also, if needed, there would be an expert from Iittala to cover questions considering the products and all other issues.

As discussed in theory part of this Thesis, impulse purchases are important when it comes to making sales. As Iittala as a brand hasn't achieved the amount of awareness in Latvia and Lithuania that it strives for yet, many customers who enter the store haven't had the possibility to plan their purchases beforehand. This is why the threshold to making impulse purchases should be decreased to minimum in order to facilitate getting new customers. As revealed in the questionnaires to the Store Personnel and to the Managers, the customers of Iittala stores aren't prone to impulse buying, however, they sometimes make small impulse purchases such as napkins, candlesticks and spoons. Although making sales is important, any "quick fix" solutions should be avoided in order to maintain brand image. Below are described techniques that could increase impulse purchases as well as increase the amount of average monetary purchase.

- As discovered in the questionnaire, most customers are interested in the tableware products of Iittala. This can also work as a way to tempt customers inside the store by placing the most interesting items, such as Taika, Aalto and Ultima Thule products near to the entrance. The personnel should also try to stay around the entrance to welcome all customers in, (if possible to offer them coffee, tea or water) and to share information and stories of Iittala.
- Add warranty to some products (also a suggestion from a respondent). A warranty added to the most expensive products, such as interior design items could verify the image of good quality and decrease the threshold of making a purchase.
- Add more Solutions in the store. Solutions selling means presenting the customer solutions, rather than products. This resembles cross-merchandising, where different products are grouped together to facilitate the customer's shopping experience and encourage impulse-buying. The Recommendation is to increase solutions in following ways:
  - Selling ice scrapers before winter (a suggestion of a respondent) and other seasonal, small products near the registry or by the entrance
  - Having more group-discounts such as buy three/pay for two (a suggestion of a respondent)
  - Giving a discount to customers when they buy a package of items instead of one item, such as 6 wineglasses instead of one (a suggestion of a respondent).

#### 5.4 Create and Enhance Customer Relationships

It is important to create long-lasting customer relationships and keep them vital in order to maintain traffic in the stores and have a stable cash inflow. Also, marketing to existing customers is easier than to new consumers. One opportunity to maintain customer relationships is through a customer base, which the Iittala Stores in Latvia and Lithuania already have. It is important to increase the number of members in the customer base to increase visibility. There are many opportunities on how to encourage customers to join the membership program, but below will be described four that the Author recommends:

1. Encourage customers to join the customer case by giving them a discount on their current purchase or next purchase if they join.
2. Have frequent shopper programs in every Iittala Store. This was also the suggestion of every Store Manager respondent in the survey. Frequent shopper program means points or discounts given to customers depending on the monetary amount of their purchases. This encourages the customer to make purchases more often and keep returning to the store.
3. Send an e-mail through the customer base to every customer who has a birthday – offering them a 5-15% discount on their next purchase. This can make the customer feel valuable to the company and increase the positive feelings that he/she has for Iittala.
4. Shopper insights. According to GMA&Deloitte, the benefits of shopper insights are for example an increase in sales and gaining advantage over competitors. Grass roots level Shopper Insights can be done by asking the customers for feedback in the store or through the customer base on a regular basis.

## 6 CONCLUSION

The objective of this Thesis was to find ways on how to increase customer traffic in the Iittala Stores of Latvia and Lithuania through marketing communication. Marketing communication itself holds its own objectives that are spreading information of a company or an organizations' products, affect the attitudes of a customer, enhance the image of a company or organization, to create sales and to create and enhance customer relationships. The limitation of the Thesis Commissioner was to use only marketing communication alternatives applying a minimum budget. The method of this Thesis was to use the personnel and store managers of Iittala Stores in Latvia and Lithuania as main research information. The theory used in this Thesis was researched as a fundament for the questionnaires

sent to the store Personnel and store managers. The respondents answered the questionnaires through an online survey.

All of the respondents fulfilled the questionnaires in time and the objectives were reached as planned. As a conclusion to the recommendations it can be said that the main attention should lie in increasing general awareness of Iittala in Latvia and Lithuania in order to increase traffic in Iittala Stores and to maintain customer relationships effectively.

The main educational benefits that the Author reached in this thesis process was to learn of the wide variety of possible marketing communication methods and techniques and the multiple ways on how to apply them. What should be never forgotten is the intelligence of the personnel and the store managers and their views on how to improve the brand, marketing, selling and many other aspects. They often have a very precise image on who their customers are and how they can be reached the most effective way. Cooperation between company managers and its employees is important and can never be over-emphasized.

Some complications also arose during the thesis process. There were some misunderstandings considering the questions and some questions were left without responses. Although this was expected, it prevented the Author from making accurate conclusions of some responses. When using a questionnaire as a research method it is not possible to ask for more accurate answers or give more accurate explanations. Also, as the Author is not familiar with Latvia and Lithuania's Iittala Stores' surrounding political, economic, social, technological, legal and environmental aspects, all conclusions were only based on the theory that was researched and the findings of the questionnaires. Therefore the implementation of the recommendations still require some deeper research. To find all necessary information close cooperation must be maintained with the retailer Mocevičiaus firma, "Ginalas" and his team, and the Personnel and Managers of the Iittala Stores in Latvia and Lithuania.

Overall, the Author believes that the recommendations concluded in this Thesis can help the Iittala Stores in Latvia and Lithuania to increase their customer traffic and to provide a more effective communication channel between the Iittala's employees and managers in Finland, Latvia and Lithuania.



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## QUESTIONNAIRE TO THE STORE PERSONNEL

1. Which Iittala store is your location?

2. What type of media advertisements could benefit your store? Options are radio, outdoor, internet and mobile advertising (you can choose as many options as you think that are useful).

Media advertising is one way of marketing which is the most visible for a large audience. Radio advertising= radio marketing. Outdoor advertising=brochures or advertising that are found on public places. Internet advertising = for example, advertising on google, different webpages, social media. Mobile marketing= using QR-codes, or advertising in a mobile application.

3. What message would the advertisement deliver?

What is valuable, good and interesting about your store? What should the customers know? What would bring him/her to your store?

4. What type of media advertising is usually done in your area in similar kind of stores?

5. What type of direct marketing methods are often used in similar kind of stores in your area?

Different direct marketing methods are Direct mail marketing (sending mail to a customer via post or internet), Catalogue marketing (sending magazines that sell your products to your customers), Telemarketing (contacting new or existing customers via telephone), Kiosk marketing (kiosks that sell your products), Direct-response television (Selling on TV) and Web- and mobile marketing (contacting customers via SMS, or smart phone applications).

6. Which of these methods, in your opinion, could help attracting more customers to your store and making more sales? Why?

7. Where do your customers spend most of their time inside your store? What products, product categories, or locations inside your store draw their attention the most?

8. What type of products do your customers purchase (=buy) the most?

9. Do your customers make a lot of impulse purchases? What products are usually bought by impulse?



Impulse purchases occur, when a customer hasn't planned to make a purchase before entering the store but buys a product anyway.

10. What kind of information have you received from your instructors in order to sell effectively? What information would you still like to receive? It is important, that a salesperson knows how to sell effectively. This requires for example knowledge of a store's target customers (i.e. customers, who usually buy the most and to whom the products are targeted), how to present products to them and how to close a sale with them.

11. How could your sales team sell better?

12. What are the main obstacles that prevent the customer from making a purchase?

What prevents the customers from buying?

13. What type of customers buy the most from your store? (age, gender, behavior)

14. How long a time does an average customer spend inside your store?

15. How customers could be encouraged to spend more time inside your store?

16. What type of PR events are popular in your area?

PR, Public Relations, means building good relations with a company's publics, such as press and other media, consumers and other stores. PR events include events such as cooking classes, fashion shows and parties that are held by a company in order to gain attention from the publics.

17. What type of a PR event, in your opinion, would attract more customers into your store and be memorable in the minds of customers?

18. Have you followed any bloggers that write about Iittala? What have they been writing about?

Blogs are internet sites that are written by bloggers. Bloggers usually write about stories, experiences etc. attached with photos, videos and often a possibility to make comments.

19. What kind of blog, in your opinion, would encourage consumers to visit your store?

20. How could positive word-of-mouth be reinforced about your store?  
Positive word-of-mouth happens, when consumers share positive information of a company to other people they know. This kind of information often brings new customers to a store.

21. How could Iittala increase its presence in social media (for example Facebook, Twitter, WhatsApp), and in what sites? What channels would be the most effective?

22. What are some other possibilities, through which the customer traffic could be increased in your store?

QUESTIONNAIRE TO THE STORE MANAGERS

1. Which Iittala Store is your location?

2. How could you improve your store's marketing in Internet and Social Media?

Internet marketing includes options such as brand webpages banners and search engine optimizations (such as advertising in Google or Yahoo!) Social Media Marketing refers to marketing in Social Media, like Facebook or Twitter.

3. Where in your area would you put outdoor advertising?

Outdoor advertising means setting brochures and advertisements in public places such as on the side of the roads, library, or supermarkets.

4. What Radio channel in your area would be the best for advertising your store?

5. If Iittala were to send catalogues presenting its products to consumers in your area, which channels would be the most useful and why?

Possible channels are direct mail, e-mail, and mobile phone applications.

6. Which tourist media could bring more tourists into your store?

For example hotel brochures, tourist bus brochures, internet sites for tourists etc.

7. How could you increase the tableware products (such as Taika or Teema) attention in the store?

According to the questionnaire to the Sales Personnel, customers are the most interested in tableware products.

8. How could you encourage customers to make more impulse purchases?

According to most respondents, your customers don't make a lot of impulse purchases and if they do, they mostly purchase small things like candlesticks and napkins. Impulse purchases occur, when a customer hasn't planned to make a purchase before entering the store but buys a product anyway.

9. What of these Sales Promotion methods are used in your store?

Sampling = A trial of a product

Coupons = Certificates, which the customer can exchange in return of a discount or other reward

Cash refunds = Like coupons, but the customer receives money back after the sale

Premiums = Goods, that are offered to a customer for free or low price to encourage the purchase (like a teabag with a teamug)

Sweeptakes = A paper to fill, which gives the customer a chance to win something

Shelf-talkers = Material placed on shelves which encourage buying

Promotional products = Gifts to consumers holding the company's name or logo

Event Sponsorship = Giving money for an event

Frequent Shopper Programs = Points or discounts given to consumers depending on the monetary amount of their purchases

Demonstrations = For example showing customers how to cook using a company's products

10. What Sales Promotion methods (listed above) could help to increase traffic in your store?

11. Which of these Shopper Marketing Techniques are used in your store?

Music = Music that helps to create a specific atmosphere

Lights = Lights that help to concentrate attention somewhere in the store or just to create atmosphere

Displays = Visual advertisements placed inside the store or on the entrance

Floor advertisements

In-store TV's

Cart/basket advertising

12. What Shopper Marketing techniques (listed above) could help to increase customer traffic in your store?

13. How is your sales personnel trained to sell? How could they improve selling?

14. How often do you personally discuss with your sales personnel about their thoughts, feelings and attitudes towards their work?

15. Have you received enough information on how to sell effectively? What kind of information would you still like to receive?

16. How could you compensate (i.e. add value to) the prices of the products in your store? According to all respondents the main obstacle for customer in making a purchase are the prices of the products.

17. How could you share even more information about Iittala with your customers? According to many respondents, your customers like to hear about the stories and the history of Iittala, its products and its designers.

18. Have you participated in cooperative advertising before? Why/Why not? Do you think it would be a good option?

## How to increase customer traffic in the Iittala stores of Latvia and Lithuania

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Cooperative advertising means sharing the costs and space of an advertisement with a wholesaler, manufacturer, or another retailer.

19. What kind of PR event, in your opinion, would benefit your store?

PR events include events such as cooking classes, fashion shows, parties etc. that are held by a company in order to gain attention from the public.

20. Do you know any specific popular blogs that could help bringing more customers to your store, such as home interior design or cooking blogs?

21. How could you encourage people to spread positive information about your store?

22. What are some other possibilities, through which the customer traffic in your store could be increased?