

# Strategic Communications of a Finnish Start-up Aiming for International Markets

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#### **Abstract**



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The need for this study was created when the commissioning company, a Finnish start-up organization, wanted to have a communication strategy created for them. The purpose of this study is to have a deeper understanding on strategic communications of start-ups and how they can use communications in internationalization. The study aims to discover what are the best practices for creating an effective communication strategy, how awareness can be increased cost-effectively and how well the communication methods designed for big corporations help a start-up company in achieving their strategic goals.

The literature review discusses different communicational methods required for creating an effective communication strategy. The practices that are considered best for the use of this study are chosen for the conceptual framework.

The study is conducted as a case study research that uses both deductive and inductive approaches. The data is collected from literature, interview, personal correspondence, questionnaire and observation and analysed using both quantitative and qualitative methods.

The key findings of the study indicate that corporate communication methods can also be applied in start-up context. However, the fast-evolving nature of start-ups needs to be taken into consideration and the communication strategy needs to be revised frequently to correspond the business strategy. Having a person dedicated to communications, who is also closely connected to business operations helps implementing the communicational objectives. Even though social media gives start-up organizations cost-effective channels for raising awareness through communications, the desired results are not reached if the channels are not used actively. In internationalization, it needs to be remembered that the communication strategy has to be linked to the business strategy and different strategies are needed for each target market.

This study provides some new insights on strategic communications from start-up perspective. More studies are needed, however, to increase the knowledge on the matter.

#### **Keywords**

Start-up Communications, Communication Strategy, Social Media Communications, Internationalization of Start-ups

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#### 1 Introduction

Strategies play an important part in all aspects of business and in all kinds of organizations. This applies also to organizational communications. The need for efficient communications has increased with the arrival of online communication channels that have created a need for faster or even real-time communications between organizations and their stakeholders. This study concentrates in strategic communications from a start-up organization's point of view. The purpose of the study is to find out, how the practices of strategic communications that are often designed for the use of big corporations can be used in start-up organization with limited resources.

The commissioning company of this study is Diske Inc., a Finnish technology start-up organization that was founded in 2014. Diske Inc.'s mission is to make the processes of health care simpler and to integrate life-style guidance into health care. Their vision is to reduce the number of life-style diseases globally by 80% in the next ten years. In order to achieve this, Diske Inc. is developing a software for the use of health-care professionals that helps realizing their mission. The software combines big data with personal health data and provides predictions of health problems and how they can be prevented by life-style changes. At the time of this study, two B-to-B products are in development that are based on the same technology. Having a consumer product is also in consideration.

Diske Inc. is in product development phase and the main product is developed together with a few case-clients. The main product is estimated to be ready for launch in early 2018. There are only three employees in the company and they are all busy with the product development and economics. Even though raising awareness and communicational tasks are part of the current work of the CEO, there is no-one in the organization who is concentrating solely on communications and a communication strategy has not been created yet. With the up-coming launch the importance of communications and raising awareness is highlighted. As many start-ups, Diske Inc. aims for rapid internationalization when the product is launched.

This study is conducted in two parts. Creating the communication strategy for Diske Inc. is the first part of this study. In this part, the data is collected from literature, Diske Inc.'s business strategy as well as from correspondence with the company's CEO. After the company has had time to implement the strategy, the second part of the study concentrates in evaluating the effectiveness of the study and how the stakeholders perceive

Diske Inc. and its communications. The main data collection methods for the evaluation part are interview, questionnaire and observation.

#### 1.1 Research problem

The focus of this study is on the overall strategic communications of Diske Inc. and how the creation of the communication strategy can support the business strategy and the company's vision and goals. The main focus is to find out the best practices for creating a communication strategy. There is also a need to understand whether the corporate communication models are functional in start-up context. Because there are only three employees in the organization at the moment, the main focus of the study is in external communications. However, the internal stakeholders are also taken into account in the communication strategy, because that aspect is needed when the company grows. The company's aspirations for international growth brings also communicational aspects of internationalization into the scope of the study.

The main research problem of this study is:

How to manage strategic communications of a start-up company in a way that supports the business strategy and increases stakeholder awareness?

In order to find the answer to the main problem, several sub-questions are defined:

- 1. How can the key stakeholders be identified?
- 2. What are the best and most cost-effective channels for increasing stakeholder awareness?
- 3. Which social media channels work best in increasing awareness?
- 4. What is the key message that should be integrated in all communications?
- 5. What should be taken into account in communications concerning internationalization?
- 6. What are the stakeholders' perceptions on the communications after the strategy is implemented, what can be improved?

By finding answers to these questions, this study seeks to provide new insights into strategic communications from start-up perspective. As current literature is heavily concentrated in corporate communications and rapidly growing and internationalizing start-ups seem to be a trend nowadays, this study can be seen relevant to today's business.

#### 1.2 Structure of this study

After introducing the commissioning company and the objectives, the study continues to chapter 2 which contains the literature review on theoretical concepts that are relevant for creating the communication strategy. When available, start-up perspective is discussed. Theories on internationalization are also added to the literature review but only from the viewpoint of start-up communications. Chapter 3 collects from the literature review those theoretical concepts that are used to guide this study and illustrates the conceptual framework.

Chapter 4 handles the research methodology of this study and presents the research process. The research philosophies guiding this study are introduced together with the chosen research approach. The methodology chapter also explains which strategy was chosen for this study and what methods are used in different stages of the study and why.

In chapter 5 the key findings of the study are introduced. The chapter combines data from different data collection methods under different areas of communication. First the findings from creating the communication strategy are discussed. After that the findings evaluate whether the strategy succeeded in creating awareness and how well the communicational objectives were reached during implementation. The findings also discuss the stakeholders' perceptions on communications. After the key findings are presented, the findings are summarized in a way that helps understanding how they help answering the research question. In the end of chapter 5 recommendations for future communications and actions for their implementation are suggested for Diske Inc.

Chapter 6 concludes this study by providing a short recap of the whole study. The business value of the study is also discussed. Suggestions for further research in the field are given as well together with reflections on the study as a learning process.

#### 2 Literature review

The purpose of this literature review is to find out the best practices in strategic communications and to discover the communicational aspects, that need to be taken into account when creating a communication strategy for an organization. There is a lot of literature that is written about corporate communications during the past decades. The theories are mainly based on research made on big corporations which have resources and have often already an established reputation among its stakeholders, which is steered to the desired direction with the help of communications. Because this thesis is written in the point of view of a start-up organization with no or limited conspicuousness among its stakeholders, many of the theories need to be viewed critically and it needs to be decided, which theories are the most applicable when forming a communications strategy for a start-up with limited resources.

Taking time to think about the organization's strategic communications is equally important whether we are talking about a multinational corporation or a start-up. Digitalization has shaped the business environment and created new opportunities and challenges for the organizational communications in the 21<sup>st</sup> century. Therefore, the literature review of this thesis is limited to more recent theories that take the aspect of online communications into account. Because this thesis is written for a start-up company that aims for international markets, the literature review also looks into theories on internationalization within the limits of communications. The following chapters review different theories in order to find the theoretical framework that best suits this study.

#### 2.1 Strategic organizational communications

Organizational leaders create business strategies to make their companies successful. Many leaders do not, however, stop to think strategically about one aspect of business that they are involved in most of their time every day and which affects everyone in the organization: communications. Strategic communications align all organizational communications with the company's business strategy in order to help reaching the strategic goals. (Argenti 2016,29.) Business strategy defines the organization's general purpose and a strategic vision for the organization's product, market or geographical scope. Organizational communications work as a connector between the stakeholders and the organization, because communication is used both to present the organization to the environment as well as to interpret information gathered from the environment. Therefore, it is important that the organization's communications professional is involved in forming the

business strategy. When the communication strategy is closely linked to the business strategy it is more relevant and not just a set of tactics. (Cornelissen 2011, 84.)

The link between the organization's business strategy and the communication strategy is demonstrated in figure 1. The decisions made in the business strategy are translated into communicational programmes, which convey the chosen elements of the strategy for right stakeholders. When the communication strategy is linked to the organizational strategy, the role of communications is to inform the executive leaders about issues that need to be taken into account in the business strategy. These issues can concern the stakeholders or the organization's reputation. (Cornelissen 2011, 84-85.)



Figure 1. The interconnection of organizational strategy and communication strategy (Cornelissen 2011, 85)

Strategic communications planning or creating a communication strategy means developing the guiding star that creates the basis for all practical communications in the organization. Some organizations use detailed plans whereas others prefer wider guidelines. Whichever form of strategic planning is used in the organization, the meaning is to create a core for the daily communications and to help in deciding what is important and what is not. (Juholin 2013, 86 - 87.) The communications strategy reflects the organizational identity and usually, its purpose is to ensure that all organizational communications are consistent and integrated in a way that the stakeholders' perception of the company is aligned with the desired organizational image. When the organization's reputation among stakeholders is already in line with organizational identity, the communication strategy is used to reinforce the existing reputation. This means that the communication strategy serves as guidelines to all communicational campaigns and programmes. (Cornelissen 2011, 10, 81-82.)

Communication strategy consists of goals, main guidelines and policies that are believed to bring success, when communication is used as an organizational asset and everyone in

the organization is participating. The strategy defines what is the main purpose of communications and what is the central communicational mission in the organization. The main focus of the strategy is in the future and it includes frequent monitoring and evaluating of communications. Communication strategy guides the actions and is seen in all communicational activities. Because the communication strategy is based on the organizations basic mission and business strategy, it also changes when the others are changed or updated. Therefore, it is important that the communications strategy is updated together with the strategy of the entire organization. (Juholin 2013, 88 – 89, 100.)

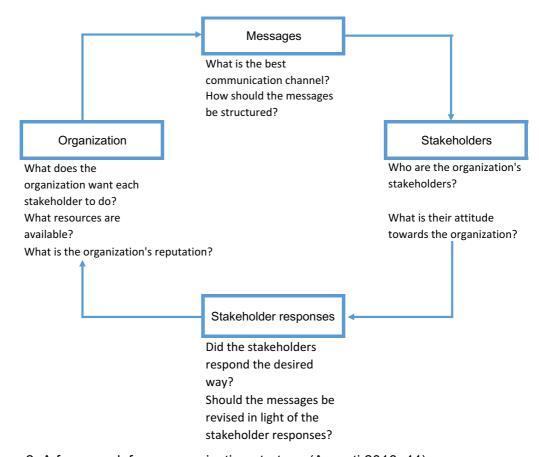


Figure 2. A framework for communication strategy (Argenti 2016, 44)

Figure 2 provides a framework for different parts of a communication strategy. An effective communication strategy first assesses the organization itself in terms of deciding the communicational objectives, the available resources and the organization's current reputation. After that the analysis turns to the stakeholders and deciding the appropriate communication channel and messages. It also needs to be decided, how the communications are to be evaluated to find out, whether the messages reached the stakeholders and were understood in the way it was intended. (Argenti 2016, 31 -43.)

Even though most literature handles communication strategy as a tool for big corporations, Juholin (2013) points out the importance of understanding communications for small

companies. When the organization is trying to enter the markets, communication is often the best way to differentiate from competitors. For a start-up organization, having clear communicational policies is essential and can save the organization from many pitfalls. (Juholin 2013, 99.) Patenaude-Gaudet (2014) did a research on communications in start-up companies. Based on her interviews, observations and co-operation with start-up companies she confirms that the internal and external communications need to be aligned with the business strategy also in start-up organizations. However, different kind of flexibility is needed in start-up communications because in developing companies the business strategy often evolves and the communication strategy needs to be flexible to evolve with it. (Patenaude-Gaudet 2014, 44.) Therefore, the different theories on how to form a communication strategy can be considered relevant also for a start-up organization, even though there might be a need to modify the practices according to the available resources and the organization's changing practices.

For organizations of all sizes, the circular ongoing process of communication is pictured well in Figure 2. The communications need to be revised all the time and the process started all over again when the communication does not reach the desired end result. The literature seems to be in agreement that the communication strategy plays an important role in achieving the goals of the business strategy and the two should be closely linked together. The following chapters of this literature review look into the creation of the different parts of the communication strategy in more detail.

#### 2.2 Assessing the current situation

A good way to start creating a communications strategy is to do an analysis of the current situation to see how the organization is seen currently by its stakeholders and what it is known of. The analysis will show whether the image and perceptions the stakeholders have about the organization are based on reality. If the organization is known for things that are undesirable to the company it poses new challenges for the communications. The information is gained by analyzing or researching the environment. (Juholin 2013, 102-105.)

When analyzing or scanning the environment, both internal and external environment affect the communications and need to be taken into account. The organization's mission is the core of communications and it is important to make sure that is defined clearly. Other internal factors are resources, previous results and business relationships. It needs to be analyzed, whether the human resources have the necessary abilities to support the mis-

sion, what kind of financial resources are available for communications and do the informational resources produce enough data to understand the stakeholders and their needs in communications. The organizations previous results reveal what kind of communication worked the best in the previous period and by looking into the business relationships it can be found out, what kind of communication is needed to maintain the support of partners. (Wood 2014, 30-33.)

External analysis is also needed to understand the environment in the industry the organization is in. The organization needs to be aware of macro-environmental factors that may affect the industry, such as politics, law, economics, culture, technology and nature. Also, the micro-environment, e.g. customers, competitors, partners, suppliers and employees need to be thought of. In today's dynamic business environment, understanding what is happening in the overall industry and predicting changes helps preparing for challenges and reacting to them early enough also in terms of communications. (Wood 2013, 27-28.)

After scanning the environment, the organization can prepare a SWOT analysis that shows the organization's internal strengths and weaknesses as well as external opportunities and threats (Wood 2013, 28). Doing a SWOT –analysis on the organization helps finding the communicational priorities. The SWOT analysis reveals which areas can be advanced by communications. The analysis also helps in defining the communicational objectives and what qualities the organization wants to be differentiated in. (Juholin 2013. 106.) The assessment of current situation is a good basis for forming the communication strategy as it gives important information about the stakeholders and resources and helps in determining the communicational objectives. These are discussed in detail in the following chapters.

#### 2.3 Determining the communicational objectives and resources

As it was demonstrated before in Figure 1, the organization's business strategy and communication strategy are linked to each other. The same can be said about the organizational goals and communicational objectives. It is, however, important to understand the difference between the two. Organizational goals mean the overall targets and end results that everyone in the organization is working to reach. Communicational objectives are the necessary communicational activities that change people's behavior and thus, help in achieving the organizational goals. (Hallahan 2015, 247.) The core idea, when defining communicational objectives, is to think about the audience's response to the communications and how the organization wants them to act as a result. The objectives must be measureable so that the level of success can be determined. (Argenti 2016, 32.)

The strategic goals of business strategy can be divided according to different areas of communications:

- Conspicuousness, reputation, brand, image, employer brand reputation
- Organizational culture, wellbeing at work, engagement, motivation
- Influence in the society
- Publics and affecting them
- Business revenue (Juholin 2013. 131-132.)

When defining communicational objectives, using SMART helps making the objectives as concise as possible. This means, that the objectives should be:

- Specific: It is specified what the desired end result of the objective is among the stakeholders.
- **M**easurable: It can be easily measured whether the objectives are met successfully or not.
- Achievable: The competition and current reputation need to be considered and the objectives defined so that achieving them is possible.
- Realistic: The objectives are realistic and can be achieved with the given resources.
- Timely: A clear timeframe is specified for achieving the objectives. (Cornelissen 2011, 108-109.)

Communication also depends a lot on what resources are available in the organization. Money is, of course, the most obvious resource that organizations think of. The amount of money available for communication is often a deciding factor when deciding what kind of communication is used and whether to hire a professional to do it. It needs to be remembered that the inexpensive solutions might not be the best ones in reaching the audience and may turn out to be more expensive in a long run. Human resources also play a big role in reaching the communicational objectives. The number of people assigned to communicational tasks need to be aligned with the size of the company and the number of stakeholders. It also needs to be considered, whether these persons have the required skills for the job. (Argenti 2016, 32-33.)

Nowadays technology as a resource is a big part of communication. Digitalization has changed the communicational environment and stakeholder groups with no direct connection with the organization can affect the organization's reputation through online media. The fast connections in the digital environment make the role of communication even more important. Time is also an important resource when it comes to communication strategy. The amount of time allocated to communication may be crucial to the success in reaching the objectives. Organizations often prefer doing everything efficiently and fast but this is not always the best approach. When allocating time or any of the other resources, it

needs be carefully considered what really is needed to reach the objectives. Often organizations need to allocate more resources to communications than they would like to but this is often a more profitable long-term solution. If the insufficient resources cause mistakes in the communications it is often very hard, expensive and time consuming to correct those mistakes. (Argenti 2016, 33-34.)

Linking the communicational objectives to the strategic goals is what the literature unanimously proposes. Different authors have a different approach to forming the objectives. Juholin (2013) facilitates the process by dividing the strategic goals into different communicational areas and Cornelissen (2011) recommends SMART as a way of defining the objectives as narrowly as possible. All authors agree that the objectives need to be measurable in order to see, whether the communication succeeded in creating the desired effect on the audience. The following chapter examines the audiences in terms of identifying and prioritizing the stakeholders the organization needs to communicate with.

#### 2.4 Stakeholder Communications

When an organization achieves its purpose and objectives, it affects different individuals or groups. All the affected parties become the organization's stakeholders. The purpose of stakeholder communications is to create a strong reputation among all of these stakeholders. (Cornelissen 2011, 39 -42.) Creating and maintaining value for key stakeholders is what leaders of successful companies do. There are many kinds of daily interactions with different stakeholders and their management needs to be well thought of. Even when the company executives think that the main purpose of the organization is to create value for shareholders, that cannot be accomplished and the performance of the business sustained without creating relationships and connecting with other stakeholders, such as customers, suppliers, employees, communities etc. (Freeman, Harrison & Wicks 2007, 3-5.)

All stakeholders are interested in different aspects of the organization and its operations and these interests can also contradict each other. Therefore, it is very important to give each stakeholder group specific information related to their interests. (Cornelissen 2011, 42-44.) Adopting a stakeholder mindset is crucial to an organization's success, whether it is a multinational corporation or a start-up. This means that the desires and needs of all stakeholders are satisfied eventually, even when it is hard to find solutions that fulfill the contradicting interests of different stakeholders. Instead of choosing to accommodate the stakeholders that are considered the most important, the organizations that are using the stakeholder mindset are trying to find a way to create as much value as possible to all

stakeholders. This is difficult to do and can be done only when there are committed leaders with discipline and vision. However, when all stakeholders are taken into consideration, it produces long-term results and makes it possible for the organization to grow. (Freeman et al. 2007, 10 -11.)

Stakeholder management has evolved over time. A conventional neo-classical economic theory sees making profit for shareholders and the organization itself as the main purpose for the organization's existence. This theory is pictured in figure 3. In the center of the economy is the organization. All the other parties are dependent on the organization. Employees, suppliers and investors have a role as input contributors and they are compensated appropriately for their input. Their contributions are transformed into outputs by the organization in order to benefit the customers. The interest and relationship between the organization and the other parties is purely financial. (Cornelissen 2011, 40 -41.)

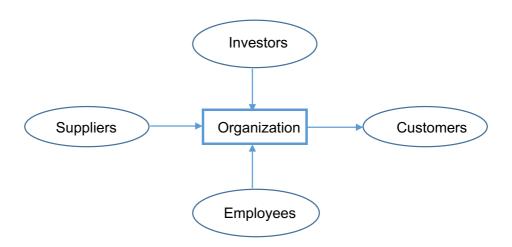


Figure 3. Input-output model for strategic management (Cornelissen 2011, 40)

An alternative for the input-output model in strategic management is the stakeholder management model provided by socio-economic theory, which is pictured in figure 4. The stakeholder management model recognizes all stakeholder groups that have an interest in the organization. The relationship between the organization and these groups is interdependent and the same groups can both affect the organization and be affected by the organization's operations. This model recognizes more stakeholders which all need to be communicated with and their needs accommodated. Because this model recognizes both market and non-market stakeholders, the interests are not limited only to financial benefits but include also the social and environmental factors of the organization's actions. (Cornelissen 2011, 41.)

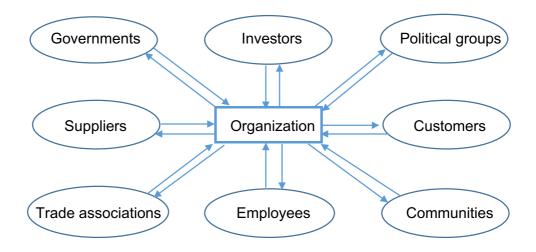


Figure 4. Stakeholder model for strategic management (Cornelissen 2011, 41)

The importance of viewing strategic management through the stakeholder model (Figure 4) is highlighted in today's digital business environment. Organizations can no longer see its stakeholders only as resources that can be used for financial gain. Social media has made it easy for stakeholders to publish their opinions of the organization and thus, affecting third parties. New stakeholders that the organization may not have thought of, may emerge as a result of peer recommendation and media. This makes it very challenging for the organizations to understand who the most important stakeholders are. Because the stakeholders are now in a more equal level with the organization, building relationships and interacting with them can make them long term assets to the organization. The organization's communications toward its stakeholders no longer means providing information one way but engaging stakeholders through dialogue and interaction. The more interaction there is, the more engaged the stakeholder is toward the organization. (Luoma-aho 2015, 3 – 5.)

Organizations using the stakeholder model engage with stakeholders both for instrumental reasons, which are connected to financial success and for normative reasons, which take into account group rights, social contracts, morality etc. Even if the stakeholders with normative reasons do not provide financial interest to the organization, the organization needs to stay engaged with them. (Cornelissen 2011, 41 -42.) Normative reasons can be seen more and more important nowadays when stakeholders have an increased power over the organization's survival. Stakeholder relationships that are built through engagement are not limited to monetary transaction. The organization's reputation can be affected by stakeholders who are not the organization's customers themselves, but have

certain opinions and feelings about the organization through peer recommendations in online media. (Luoma-aho 2015, 6-8.)

Digitalization and the value of peer recommendations have made it very important for organizations to build trust and positive relationship with stakeholders in order for them to become "faith-holders", who support the organization in both good times and bad. It is equally important, however, to interact also with "hateholders", who are negatively engaged with the organization and can harm the organization with their behavior. Negative feedback gives the organization an opportunity to find areas of improvement in its operations and by addressing the negative feelings appropriately, "hateholders" can be turned into "faith-holders". To complicate stakeholder management further, digitalization has created a third form of stakeholders, "fakeholders" which are software and algorithms posting positive or negative opinions online using fake persona. As peer recommendations are held in high regard and most people cannot distinguish between opinions posted by a "fakeholder" and a real person, "fakeholders" can be used to lobby and gain supporters for or against the organization. It is important that the organization tries to find out the source behind the "fakeholders" and tries to engage them in personal interaction. (Luoma-aho 2015, 8 – 16.)

Current communication literature highlights the importance of building relationships and engaging with the organization's stakeholders. Different theories seem to be in agreement that in today's business environment it is not sufficient to act following only the financial interest of the organization and its shareholders. Keeping all stakeholder groups satisfied produces the best long-term outcome also financially and interacting with them can make them faithful supporters of the organization. In order to manage the stakeholders successfully, the company needs to be aware of who they are and what is their interest in the organization. This process is explained further in the following chapters.

#### 2.4.1 Identifying Stakeholders

When the organization has defined the communicational objectives in the communication strategy, it needs to analyze its stakeholders. It needs to be determined who the stakeholders are and what is their attitude towards the organization. When a specific communication topic is known, the stakeholder's knowledge and attitude on the issue is also important to understand. (Argenti 2016, 36.) Literature proposes different stakeholder identification models to analyze the organization's stakeholders and their influence and interest in the organization. Understanding what information each stakeholder group is interested

in and what are their opinions about a certain issue defines what kind of communication strategy should be used to best serve the needs of each stakeholder group. (Cornelissen 2011, 44-45.)

The simplest model for stakeholder identification is a two-tier stakeholder map (Figure 5). Closest to the company are the stakeholders that are the defining stakeholders for the operations of most organizations. These primary stakeholders need the most attention in the communications because the relationships with them are the key to the organization's success. On the outer ring of Figure 5 there are the secondary stakeholders. These stakeholders can also affect or be affected by the organization. Their actions can also influence the relationships with the primary stakeholders. The primary and secondary stakeholders of different organizations vary depending on the organization's purpose. (Freeman et al. 2007, 7-8.)

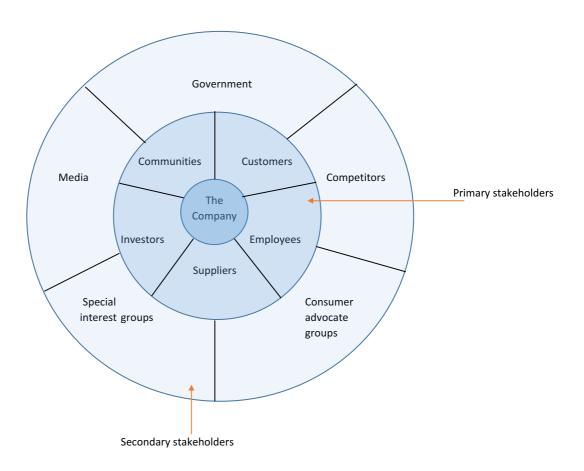


Figure 5. A two-tier basic stakeholder map (Freeman et al. 2007, 7)

The division into primary and secondary stakeholders is traditionally done based on the nature of the stakeholder's interest in the organization. Primary stakeholders are those that have an economic interest and the organizations survival depends on continuous

transactions with them. The secondary stakeholders have a moral interest in the organization and the organization is not economically dependent on them. These stakeholders, however, can affect the organization's reputation and through that, the overall performance. Another way is to divide the stakeholders into contractual and community stakeholders. Contractual stakeholders have made some form of contract with the organization and are thus formally tied together. These groups are for example employees, suppliers and customers and their interest is often financial. Community stakeholders, such as government, media etc. are not bound to the organization by contracts but can affect its operations. (Cornelissen 2011, 43.)

Argenti (2016) adds a third layer, tertiary stakeholders, to the two-tier divisions introduced by Freeman and Cornelissen. Tertiary stakeholders are the social media connections of primary and secondary stakeholders, which is a group that cannot be ignored in today's digital business environment. It needs to be remembered that these divisions should not be seen as fixed. In some situations, secondary stakeholders may need more attention than the primary. Stakeholders can also belong to more than one stakeholder group at the same time and the stakeholders interact with each other. All of this should be taken into account when planning communications. (Argenti 2016, 36 -37.)

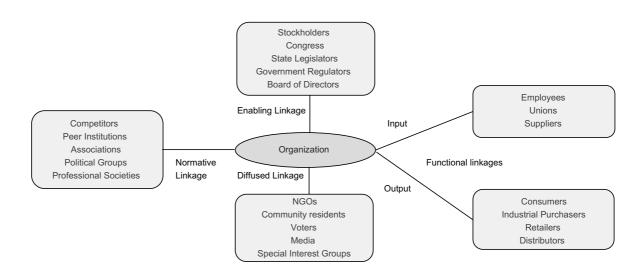


Figure 6. Linkage model by Grunig and Hunt (Rawlins 2006, 4)

These theories identify and divide the stakeholders based on their attributes and how they relate to the organization. This practice is criticized by Rawlings (2006) stating that all the stakeholders should first be identified before they are narrowed by attributes. He prefers using the linkage model (Figure 6) that was originally developed by Grunig and Hunt. In this model, the stakeholders and their relationship to the organization are identified using

four linkages: enabling linkage, functional linkage, diffused linkage and normative linkage. (Rawlins 2006, 3.)

The stakeholders with enabling linkage have control or authority over the organization and the relationships with them enable the company's operations. Functional linkages identify stakeholders that are needed for the organization's functions. Stakeholders with input functions provide resources for creating the product or service and those with output functions consume them. Stakeholders with normative linkage are identified when thinking about groups that have common interest with the organization through values, goals or problems. The most difficult to identify are the stakeholders with diffused linkage. These stakeholders do not interact with the organization frequently. Some actions of the organization evoke their involvement and the stakeholders in this group are different depending on situation. (Rawlins 2006, 4-5.)

Whatever form of stakeholder identification the organization uses, the main idea is to gather information that can be used to communicate effectively. In addition to identifying who the stakeholders are, the identification analysis should reveal their interest in the organization, the opportunities or challenges they present on the organization and how they can be addressed through communications and the organization's responsibilities to them. (Cornelissen 2011, 45.) After identifying all of the organization's stakeholders they need to be analyzed further to see what priority they have in communications.

#### 2.4.2 Prioritizing Stakeholders

The simplest way to prioritize the stakeholders is to categorize them to primary and secondary stakeholder groups by their attributes, as it was done in the basic two-tier stakeholder mapping (Figure 5). However, more comprehensive mapping tools that analyze the stakeholders in more detail are introduced in the literature. Cornelissen (2011) introduces two main mapping tools whereas Rawlins (2006) presents a comprehensive prioritizing model including a series of steps that build on each other using different tools found in literature. Sedereviciute and Valentini (2011) combine different theories in order to provide a holistic mapping model that identifies and priorities both off- and online stakeholders. The idea in all mapping tools is to gain understanding on the importance and influence of each stakeholder on the organization and to help choose the right communication strategy that supports the organizational goals. Using these mapping tools should be an on-going process in organizational communication as different issues and situations affect the stakeholder position on the list of priorities. (Cornelissen 2011, 45.)

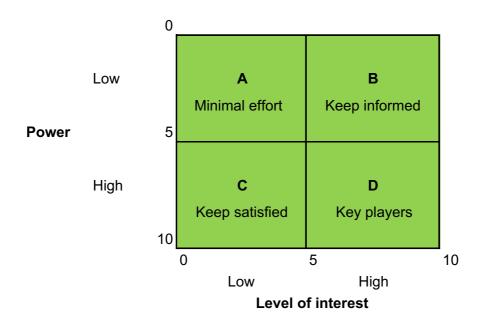


Figure 7. The power-interest matrix (Cornelissen 2011, 48)

The power-interest matrix (Figure 7) analyses the stakeholder's power over the organization and the likelihood that they will show interest in the organization's activities. Based on this the stakeholders are marked in the correct location in the matrix. The most important stakeholders needing on-going communications are the ones with high level of interest in the organization and high level of power to influence its actions. These stakeholders are categorized as key players. Also, the stakeholders with high interest level in quadrant B should be kept informed in order to keep them engaged to the organization. Engaged stakeholders are more likely to enhance the organization's reputation by their positive recommendations. The most challenging stakeholders for communications are those in quadrant C because they are not usually very interested in the organization's actions but may rise to use their high power in some situations. It is important for the organization's communication professionals to constantly monitor the changes in the business environment because they may also alter the stakeholders' position in the matrix. (Cornelissen 2011, 48-49.)

Stakeholder salience model (Figure 8) seems to be the most popular tool for stakeholder prioritization in the literature. According to Cornelissen (2011), the power-interest matrix and the stakeholder salience model (SSM) are the two main mapping tools and Juholin (2013) considers the SSM the most well-known among communications professionals. Rawlins (2006) uses the SSM as the second step in his four-step comprehensive prioritization model. The SSM is also the basis for the holistic model for identifying and prioritizing off- and online stakeholders developed by Sedereviciute and Valentini (2011). The stakeholder salience model was developed by Mitchelll, Agle and Wood by analyzing

stakeholders according to their attributes on legitimacy, power and urgency. Stakeholders with power over the organization have an influence on third parties' decisions. Legitimacy means that the stakeholder has a claim on the organization, whether legal, moral or presumed, that can influence the organization. The importance and time sensitiveness of the stakeholder's relationship or claim determines if the stakeholder has urgency. When the stakeholders are categorized using these attributes, seven stakeholder types can be identified and their priority determined by the number of attributes they possess. (Rawlins 2006, 5-6.)

The idea behind the SSM is illustrated in figure 8. A stakeholder can have all three attributes or only one or two of them. The highest priority is with those stakeholders in the middle of the model that have all three attributes: legitimacy, power and urgency. They are called *definitive stakeholders*. Those stakeholders who have two out of three attributes are considered expectant stakeholders and they are categorized further based on the two attributes they have. *Dominant stakeholders* have power and legitimacy to support their claims and because they can strongly influence the organization, they receive a lot of attention. *Dangerous stakeholders* have urgency and power but the lack of legitimacy makes them sometimes use violence or coercion to advance their claims. Stakeholders with urgency and legitimacy are called *dependent stakeholders*, because due to lack of power they need powerful stakeholders or the organization itself to address their claim.

The lowest salience is with the stakeholders who have only one attribute and are, thus classified as latent. The power of *dormant stakeholders* remains unused because they do not have legitimacy or urgency to support their claim. The organization needs to keep aware of these stakeholders, however, because they may acquire the second attribute and gain higher priority. *Discretionary stakeholders* have legitimacy but the lack of urgency or power to influence makes them dependent on the good will of the organization. The *demanding stakeholders* can be bothersome with their urgent claims but unless they acquire legitimacy or power to make the claim more salient, they cannot be considered dangerous and do not require special communicational attention. (Cornelissen 2011, 45-47.) Individuals or groups, who do not have any of these attributes are not considered stakeholders at all (Rawlins 2006, 6).

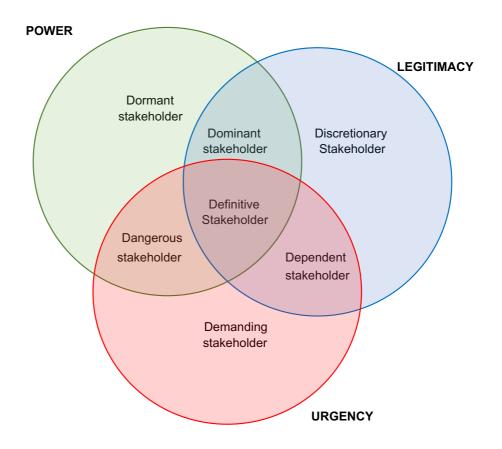


Figure 8. Stakeholder salience model by Mitchell, Agle and Wood. (Rawlins 2006, 7.)

When the stakeholder's have been categorized based on their salience, appropriate communication strategies can be formed to build relationships with them. The stakeholder groups in the middle of the model (figure 8) usually require on-going communications, whereas the latent stakeholder groups do not. (Cornelissen 2011, 47-48.) It needs to be remembered, as it was with the power-interest matrix (figure 7) that the attributes are not fixed and depending on the situation, any of the stakeholders can gain or lose attributes and thus, increase or decrease their salience. Rawlins (2016) would add one more attribute, support, into the SSM to make it more comprehensive. Any of the previously categorized groups can be supportive or threatening to the organization. The level of support can be a determining factor when deciding the communication strategy. (Rawlins 2006, 7.)

As it was mentioned earlier, studies in the 21<sup>st</sup> century combine different stakeholder mapping models in order to create a comprehensive way to analyze stakeholders. The need for renewing the traditional models has surely risen together with digitalization and the complexity and challenges it has brought to organizational communications. Sedereviciute and Valentini (2011) introduce a holistic stakeholder mapping model that identifies and analyses both traditional offline stakeholders as well as different online stakeholders and

places them into one map. Their model integrates the popular stakeholder salience model (SSM) with social network analysis (SNA). (Sedereviciute & Valentini 2011, 230.)

Sedereviciute and Valentini argue, that SSM works well in categorizing the known stake-holders but cannot be used in social media context to identify new stakeholders. In social media, new important stakeholders can be found using SNA to examine their network and by analyzing the shared content and the stakeholder's connectivity in the network. Connectivity analyses the network as an entity and identifies the most important actors regarding how connected they are within the network for example by the number of followers. The connectivity in social media results in the SSM attribute of power. The importance of shared content can be determined by using the other attributes from SSM. Legitimacy in social media comes from the type of content and is not directly an attribute of the person themselves. When the content is highly valued by known stakeholders and others, it gains legitimacy for the actor who shares it. The level of urgency is also determined by the type of content. (Sedereviciute & Valentini 2011, 226 -229.)

By integrating the SSM and the dimensions of content and connectivity of SNA the holistic stakeholder mapping model identifies four main groups of social media actors (Figure 9). Unconcerned lurkers are not well connected and do not share content that shows interest in the organization. They can be, thus, considered as non-stakeholders. Concerned lurkers are interested in the organization and share relevant content but their connectivity in the network is low. Their importance to the organization should not be undermined, because the content they share can be easily detected by other more powerful stakeholders with the use of search tools. In the SSM map the unconcerned lurkers fall into the group of dependent stakeholders. Unconcerned influencers are well connected but do not share content that shows interest in the organization. If they do not acquire urgency and legitimacy by sharing relevant content, they can be categorized as dormant stakeholders in the SSM. The most important social media stakeholders are concerned influencers, who have both high connectivity in the network and share content about the organization, which creates legitimacy. They also have a high level of urgency, because their shared content reaches a large number of others due to their great connectivity. The concerned influencers are, thus, categorized as definitive stakeholders in the SSM. (Sedereviciute & Valentini 2011, 230-232.)

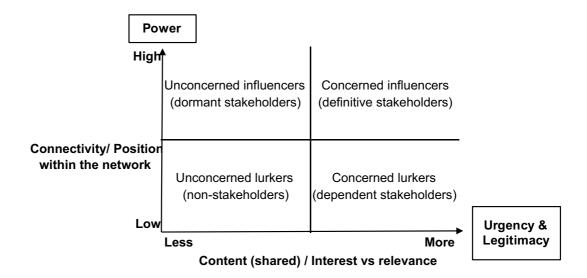


Figure 9. Social media actors and stakeholders based on connectivity and content (Sedereviciute & Valentini 2011, 230)

After analyzing and prioritizing the social media stakeholders using SNA and content analysis with the model pictured in figure 9, the social media stakeholders can be combined in a holistic stakeholder map together with the traditional stakeholders that are categorized using SSM. Figure 10 illustrates how the new social media stakeholder groups integrate with the SSM. (Sedereviciute & Valentini 2011, 232.) The holistic stakeholder mapping model can be considered highly relevant in modern organizational communications as it provides an updated version of the traditional SSM that serves the current digital organizational environment better. Social media plays such an important role in organizational communications today that the social media actors need more and more attention. The holistic stakeholder mapping model places both traditional and social media stakeholders in one map which helps the organization to understand that choosing the right communication strategy for both is equally important.

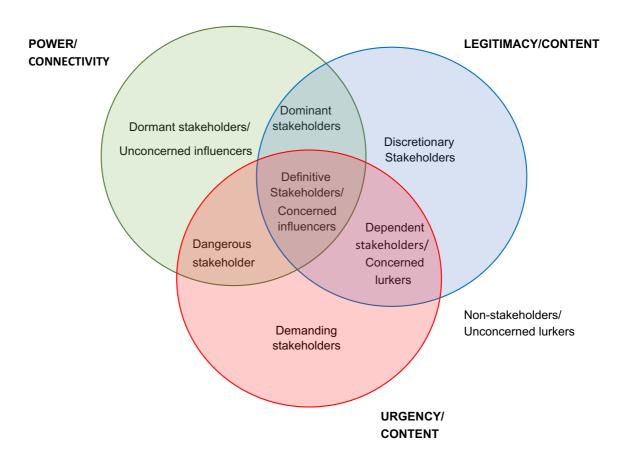


Figure 10. Holistic stakeholder mapping model (Sedereviciute & Valentini 2011, 232)

As it was mentioned before, Rawlins (2006) introduces a four-step process to identify and prioritize stakeholders. First the stakeholders are identified using the linkage model (Figure 6) and after that they are prioritized with the SSM. As Rawlins' study was published five years prior to that of Sedereviciute and Valentini (2011), it would be advisable for anyone using his steps to modify the process by replacing the traditional SSM with the holistic stakeholder mapping model. This assures that the important online stakeholders are also taken into account in the communications.

Rawlins' four-step process continues with prioritizing the stakeholders further based on their relationship to the situation. For this step, he uses the situational theory of publics created by Grunig. In this theory publics mean the stakeholders who have different activity levels in communicating about the organization's decisions that affect them. The publics are categorized using three variables:

- Level of involvement measures the extend of personal connection to the situation.
- Problem recognition means understanding the connection between the problem and themselves.
- Constraint recognition tells whether the public thinks that they can do something about the problem or not.

(Rawlins 2006, 9.)

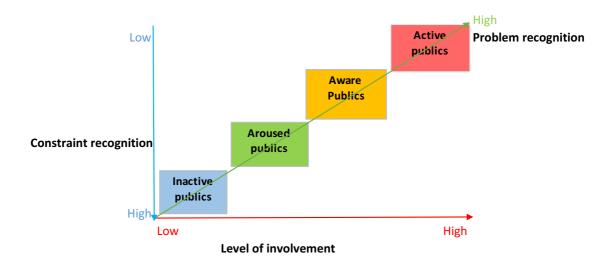


Figure 11. Prioritizing stakeholders by relationship to situation combining Grunig's and Hallahan's theories (Adapted from Rawlins 2006, 9-11.)

In Grunig's model the publics can then be categorized as active, aware, latent or non-publics based on their level of involvement, problem recognition and constraint recognition. Rawlins combines Grunig's model with Hallahan's notion of dividing the latent and nonpublics further into inactive and aroused public. The combination of these categories and their level in each variable is illustrated in figure 11. Active publics have high levels of involvement and problem recognition and feel that they can affect the situation, thus having a low level of constraint recognition. This category has priority over the others, because they are more likely to actively seek information and act on it. Aware publics may also act on the information but do not have as much urgency as active publics because their levels of involvement and problem recognition are lower or they have higher level of constraint recognition which limits their actions. Inactive publics do not feel involved or personally connected to the problem. Aroused publics have higher level of involvement and recognize the problem better than the inactive publics. Even though the publics in the latter two categories cannot be seen as urgent regarding communications, they should not be overlooked. They may begin seeking information which can easily move them to a more active category. (Rawlins 2006, 9-11.)

The fourth and last step in Rawlins' process is to prioritize the stakeholders by appropriate communication strategy. First the right strategy needs to be determined by the stakeholders' level of activeness and support. *Advocate stakeholders* are active and supportive and likely candidates to give third party recommendations. The communication to them should concentrate on action and behavior. *Dormant stakeholders* are also supportive but inac-

tive and the communication to them should try to inspire them to be more involved. *Adversarial stakeholders* are active and non-supportive and thus, initially on the defense regarding the organization. They should be approached with attempts to involve them in problem solving. Inactive and non-supportive stakeholders are categorized as *apathetic stakeholders* but this group should still not be forgotten in the communications. The best strategy is to try and increase their awareness and invite them to get more involved and collaborate in problem solving. (Rawlins 2006, 11.)

After the strategies have been determined, the final step in Rawlins prioritization is to identify priority publics, intervening publics and influentials. *Priority publics* have the highest priority regarding the SSM attributes and their active involvement makes their co-operation crucial in accomplishing organizational goals. They must be understood as thoroughly as possible and their interests should be integrated in the organization's purpose. *Intervening publics* are opinion leaders who pass the information on to priority publics. Strong relationships are needed with these stakeholders in order to get the desired information on to the priority publics. *Influentials* can be either supportive or non-supportive towards the organization and their personal opinions are often valued higher than the official communication. The way that influentials interpret the communication must be considered. (Rawlins 2006, 11-13.)

Because Rawlins' prioritization process has many steps and this literature review does not explain all steps successively, figure 12 clarifies the process. First the stakeholders are identified using the linkage model. In the figure Rawlins' original use of SSM as the second step is replaced by the holistic stakeholder mapping model by Sedereviciute and Valentini (2011) because it is regarded as a more comprehensive way to integrate also the modern social-media stakeholders to the overall model. The third step is to use the situational theory to see how active the stakeholders are and the final step is to determine the right strategies and see, whether the stakeholder is intended to be the final recipient of the communication (priority public) or someone who is meant to pass the message on or affect others with their opinions.

Many different ways to identify and prioritize stakeholders are found in the literature. The model depicted in figure 12 that brings together the studies of Rawlins and Sedereviciute and Valentini combines many traditional stakeholder models. This comprehensive stakeholder prioritization model analyzes stakeholders from multiple perspectives and should, thus be considered an effective and highly relevant tool that communication professionals can utilize in their work. Mapping and prioritizing stakeholders is equally important for start-ups as it is for larger organizations. Through prioritization the start-up can target the

communications of their products or services to appropriate stakeholders. However, the stakeholders of a start-up might change drastically in a short period of time because start-ups are often still in search of a sustainable business model. (Patenaud-Gaude 2014, 47.) As it was mentioned in chapter 2.1, the communication strategy is directly linked to the business strategy. This means that whenever changes are made in the business model the whole communication strategy, the stakeholder mapping included, needs to be revised.

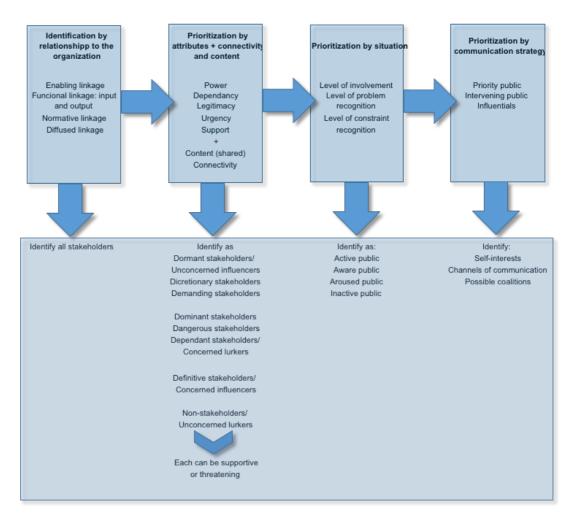


Figure 12. Comprehensive stakeholder prioritization model (Adapted from Rawlins 2006, 13 and Sedereviciute &Valentini 2011, 232)

As it was discovered when going through Rawlins' four steps, the identification and prioritization of the stakeholders is not enough. In order to effectively communicate with them, the right communication strategy needs to be determined. Rawlins' model already introduced one way to choose strategies based on activity and support. Further tools for deciding the right communication strategy are discussed in the next chapter.

#### 2.4.3 Choosing the communication strategy

When the stakeholders are prioritized, the organization has a better picture on how intensely they need to be communicated with. Some stakeholder groups require on-going communications whereas for some it is enough to keep them informed about organizational decisions or the organization's point of view regarding an issue. (Cornelissen 2011, 49.) As it was explained in the previous chapter, Rawlins (2006) uses the stakeholder's support and activity levels as measures to define the appropriate communication strategy for each of them. The communication strategies were divided into action concentrated communication for the advocate stakeholders, inspiring communication for dormant stakeholders, involving adversarial stakeholders into problem solving and increasing awareness of apathetic stakeholders. (Rawlins 2006, 11.)

Cornelissen (2011) uses the results of the stakeholder salience model or the power interest matrix as the basis for determining the communication strategy: the higher the level of salience or powerful interest, the more need there is to communicate with the stakeholder group and maintain their support by providing opportunities to connect with the organization. Cornelissen does not provide clear guidelines on how to determine which communication strategy should be used with certain stakeholders but provides descriptions on the main communication strategies and what kind of an effect using them has on stakeholders. The choice of the strategy depends on the salience of the stakeholder group and the effect the organization wants to have with the communication. (Cornelissen 2011, 49-50.)

Informational strategy means making information about the organization available to the stakeholders in form of newsletters, reports and memos on the company web page. This strategy is used to create awareness about the organization and inform the stakeholders about the reasons behind certain decisions. This communication strategy is also described as one-way symmetrical model of communication. The aim of the strategy is to provide information, not to listen to stakeholders and get their feedback on matters. The second communication strategy is persuasive strategy where the organization arranges campaigns, meetings or discussions with stakeholders in order to create common understanding on matters and to change their behaviour or attitude to be more favourable to the organization. This strategy is described as a two-way asymmetrical communication model because even though the communication flows both ways between the organization and the stakeholders, the emphasis is on the interest of the organization and the aim is to change the behaviour of the stakeholders but not the organization's. (Cornelissen 2011, 50-51.)

Dialogue strategy is the third communication strategy. This strategy uses active debate and consultation with the stakeholders as means to exchange ideas and involve important stakeholders in the decision-making. This strategy is described as two-way symmetrical model of communication because communication flows both ways and the goal is to reach mutual understanding that benefits both the organization and the stakeholders. (Cornelissen 2011, 50-51.) Both Rawlins' and Cornelissen's approaches include similar aspects from building awareness to engaging the stakeholders into certain behaviour. While Cornelissen goes more deeply into the tactics and purpose of the communication, Rawlins takes a very important factor, the stakeholder's level of support into account when deciding the correct strategy. Whichever theory an organization uses to choose the communication strategies, the choice of messages and appropriate communication channels to each stakeholder group depend on which kind of communication is used. This will be discussed further in the following chapters.

#### 2.5 Forming Key Messages

In order to reach the stakeholder groups and evoke the desired actions in them, the key messages need to be carefully structured and thought of. The messages should translate the organization's strategic intent and change or reinforce the stakeholder's perceptions according to the organization's vision. (Cornelissen 2011, 88.) One of the first things when starting to form the communication strategy is to assess the current state of communications. This procedure is explained in more detail in chapter 2.3. The communicational objectives and the analysis of the current state are the basis for forming the key messages. The communicational objectives define how the messages should affect the stakeholders and the analysis of the current state reveals the areas that can be influenced by communication and helps choosing appropriate message styles. When forming the key messages, it needs to be decided, what is the most important strategic goal and what organizational aspects should be highlighted to differentiate from competitors. (Juholin 2013, 105-107.)

Key messages need to be communicated consistently to the stakeholders in order to emphasize the chosen aspects of the organization to create the desired image in the minds of the stakeholders. The messages may include specific organizational ability, strength or values. By using different message styles the key messages are communicated convincingly. Cornelissen (2011) introduces five message styles that can be divided into three categories based on their orientation. *Functionally-oriented messages* include the organization's tangible physical capabilities whereas *symbolically-oriented messages* are designed to appeal to the stakeholder's experiences, psychological needs and preferences.

Industry-orientation message style concentrates in gaining advantage over the organization's competitors. It needs to be noted that the organization does not need to choose only one message style but different messages to different stakeholders may require a set of message styles to communicate. (Cornelissen 2011, 93, 98.)

Rational message style belongs to functionally oriented messages. The message is based on the organization claiming to be superior to competitors and having a specific physical or functional advantage over them. When using this message style, the organization finds a difference in its capabilities or achievements that can be highlighted and cannot be matched by competitors. This claim of superiority is done through rational argumentation that provides grounds for the claim through supporting information. This style works the best in market conditions where the competitors cannot make a similar claim. (Cornelissen 2011, 94.)

In the category of symbolically-oriented messages there are two message styles: symbolic association message style and emotional message style. The symbolic association message style aims to differentiate the organization from its competitors psychologically by repeatedly linking culturally recognized symbols and values to the organization and thus, transferring their meaning to the organizational image. This style can be used in market conditions where differences are hard to create or they can be easily copied by the competitors. Emotional message style is the other one in this category. This message style aims to reach and regulate the stakeholders' feelings and create positive reactions by displaying specific positive or negative emotions in the communications about the organization. This style works only if the display of emotions is perceived as authentic and they are relevant to the stakeholders. (Cornelissen 2011, 95-96.)

When the organization wants to gain advantage through industry orientation, there are two message styles to choose from. *Generic message style* does not differentiate the organization from others but makes a claim that can be done by any organization in the same industry. The idea is to raise awareness or create demand for a product category in general. This message style works best when the organization has monopoly or is dominating the industry and the increased demand in the product category naturally affects the organization's sales positively. *Pre-emptive message style* uses a similar generic claim that could be done by any other organization in the industry but with a hint of superiority of being the leader in the industry in certain matter. When the claim is done before the competitors it prevents them from using the same claim. This works well especially when there are notable changes in the industry and the stakeholders' expectations toward it. (Cornelissen 2013, 96-98)

There are two message structures that are seen to be most effective by experts. *Direct structure* reveals first the main point and then explains the details. *Indirect structure* works the other way around by providing first the context and only then showing the main point. Usually direct structure is the preferred way to send messages to the stakeholders because it might be confusing or harder to understand the indirect communication the way it was intended. A third message structure is having *no message* about an issue, but this approach is rarely used nowadays when people are constantly seeking information. It is considered better to tell that information cannot be provided before all the facts are clear rather than refusing to give no comment at all. (Argenti 2016, 42-43.)

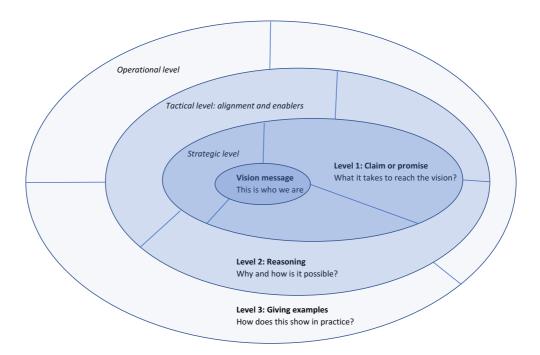


Figure 13. 3x3x3 model for creating strategic messages (Adapted from Juholin 2013, 106)

Juholin (2013) introduces the 3x3x3 model created by Åberg as a tool to define the strategic key messages. The name refers to the three layers in the model which all provide three statements to support the core message. This tool is visualized in figure 13. In the core of the model there is the most important message, vision message which embodies what the organization is about and what the ultimate goal is. This message is reinforced by three strategic level messages, which give a claim or a promise on how the organization plans to reach its visionary goal. The next level is the tactical level which gives reasoning on why to do this and how it will be possible. The third and outer level is the operational level which defines the operations and how they will show in action. (Juholin 2013, 106.)

Effective messages are accurate, relevant and clear and contain the right mix of emotions and evidence. The evidence may not be necessary to include in the messages but it needs to be made sure that the information in the message proves accurate should the stakeholders start evaluating it. If the stakeholders find that the information in the message is inaccurate the organization will be perceived as incompetent or even worse, unethical or illegal if the inaccuracies are presented intentionally. The relevance of the message can be increased by evoking appropriate emotions because feeling something gets the people's attention even if the words are bypassed. (Weintraub Austin & Pinkleton 2015, 330-331.)

Different stakeholder groups value different things when it comes to the content of the messages. The stakeholders' perception of the messages and their content is also affected by time, culture and environment. The strategic key messages should be supplemented with other communicational content that is not necessarily about the organization itself but about other interesting or critical issues which are important for the organization's existence or which reinforce its legitimacy. These issues can be supportive of the organization's actions or have a potential of causing problems. Participating in discussion about current issues is a way for the organization to differentiate from competitors and build reputation. (Juholin 2013, 110-111.)

Visual identity is also a part of strategic key messages because it goes directly into the sub-consciousness even when the words are forgotten. The organization's visual identity should be consistent in all communication and it should reflect and reinforce the key values of the organization. A unique visual identity differentiates the organization from competitors and connects the stakeholders' thoughts to the organization and its values as soon as they see it. (Juholin 2013, 111-112.)

The literature seems to be unanimous about the importance of key messages in translating the organization's strategic goals in a manner that results in desired behaviour among stakeholders. Different authors, however, approach forming the messages from different angles. Cornelissen (2011) concentrates on message styles and their orientation whereas Argenti (2016) talks more about the message structure. Juholin (2013) uses a layered 3x3x3 model to define the content of the messages and emphasises the importance of supporting the key messages with appropriate visual identity and other communicational content. The most comprehensive approach to forming the messages would be to take all of these different approaches into account. Whichever approach the organization chooses when forming the key messages, it also needs to be considered which communication

channels are the most appropriate to deliver the messages to different stakeholders. The next chapter will tell more about that part of communicational planning.

# 2.6 Choosing Communication Channels

When forming a communication strategy, it needs to be carefully considered which communication channels are going to be used to deliver the messages. Identifying the channels that reach the target audience the best and deliver the messages effectively is an important part of the communication strategy. The choice of channels may be affected by budgetary reasons which need to be taken into account, as well. Different channels should be considered through several criteria:

- 1. The reach and coverage of target audiences: How well does the channel reach the target audience in order for them to get the message at least once?
- 2. The creative match to the message: Is the channel consistent with the message style and its creativity?
- 3. Competitors choice of channels: Are the competitors using the same channel?
- 4. The channel's ability to create dialogue: Is the channel designed only for providing information or does it enable the stakeholders to interact with the organization?

The best communication channels for the message need to be chosen with an open mind and considering what channel works the best considering these criteria. This means that the organization needs to be open to use new channels instead of going for the familiar channels that have worked before. (Cornelissen 2011, 110-111.)

The choice of communication channels is more difficult for organizations than it is for individuals because of the variety of channels available. Digitalization has brought several new channels to choose from and many of them can be used to deliver the same message but they may have a different effect on the recipient. Often multiple channels are used at the same time for the same message, as well. (Argenti 2016, 41-42.) It needs to be decided, what is the right mix of channels for the communication in question and specified how the different channels support each other in order to reach the desired communicational objectives. Creating a timeframe for using the different channels is also important. (Cornelissen 2011, 111.)

There are a lot of channels for the organizations to choose from. The traditional non-digital channels such as spoken word, letter and print media are now complemented with a choice of digital channels that can be used for both internal and external communication. These digital channels include e-mail, TV, text messages, intranet and web pages, which can nowadays already be considered quite traditional. In addition, there are also more modern channels such as social media, blogs, podcasts, video conferences and so on.

(Argenti 2016, 41-42.) There are also channels that do not concentrate in advertising but make the organization go straight to the stakeholders. These channels can be for example, having direct meetings with the stakeholders or sponsoring events, people or causes. (Cornelissen 2011, 111.)

The communication channels can be divided into mass media and interpersonal channels. They all serve different purposes and have their advantages and disadvantages. Many of the channels using the modern technology fall between these two categories because they possess characteristics of both of them. Mass media can reach large audiences and pass on information fast for people who pay attention. Mass media channels work well when the goal is to raise awareness. The downside of mass media communication is the possibility for misinterpretation as there are little opportunities for stakeholders to have two-way communication with the organization or give feedback. The possibility to give feedback is, however, getting more common also in mass media channels. Interpersonal channels include humane things such as body language and touch into the communication and promotes interaction which reduces the possibility of misinterpretation. The reach of these communication channels is much narrower but they work especially well when the aim is to change attitudes, motivate people or create comprehension on issues. Interpersonal channels are often used as supporting channels to mass media. Internet can be used as a bridge between mass media and interpersonal channels as it provides a possibility for interaction. (Weintraub Austin & Pinkleton 2015, 333-334.)

Digitalization has made a shift in how much different media can affect people's opinions and behaviours. Traditionally, getting the mass media to pay attention to the organization and communicating the organization's messages forward to the public has been the most effective way to raise awareness. Mass media has had power to tell the public what matters and how they should feel about it. In today's digital age, however, there is new power in the stakeholder media. This means that a single stakeholder may have a big effect on the opinions of others when a blog or a social media post spreads in their own online communities. When popular enough, they can also gain the attention of the main stream media and the issue spreads also outside their own social circles. (Hunter, Wassenhove, Besiou & van Halderen 2013, 25-27.)

Monitoring and recognizing the most important influencers in stakeholder media is part of the organization's stakeholder management and prioritization but it is also connected to the choice of messages and communication channels. Organizations should recognize stakeholder media both as information sources and as useful channels to pass their messages on to their followers. Stakeholder media reacts faster to issues than main stream

media and it is also easier for stakeholder media to spread un-verified information. Therefore, it is important that the important stakeholder media gets the correct message directly from the organization. (Hunter et al. 2013, 39-41.) In today's digital world the value put on peer recommendations is higher than before (Luoma-aho 2015, 8). By communicating the organization's message through stakeholder media, the organization can increase awareness and control what information the media has.

Choosing the channel to communicate the organization's messages is not easy. There are many traditional and digital channels to choose from and the chosen channels need to match the design of the message. There is increasing power in stakeholder media and the online environment is an easy way to raise awareness. Therefore, the next chapter will examine closer the use of social media in communications.

#### 2.7 Use of Social Media in Communications

There is an increasing amount of literature and research available about social media and its use in business. For the purpose of this study the social media is examined only for its best uses as a communication channel and how especially start-ups and SME's with limited resources can benefit from it.

Social media has brought new kinds of communication channels for organizations to use. These channels make it possible for stakeholders to enter into direct dialogue with the organization. (Van den Berg & Verhoeven 2017, 149.) Whether a big corporation or a start-up, organizations of all sizes use social media in order to reach new stakeholders and to strengthen the relationships with the existing ones (Karimi&Naghibi 2015, 86). There is also an increasing pressure for organizations to start using social media. It is, however, important to remember that before starting to use any social media channel as a tool for reaching the organization's communicational objectives, it needs to be carefully considered why and how the chosen social media channel will be used to support the overall strategic goals. (Golden 2011, 4.) A social media strategy should be included in the communication strategy (Karimi&Naghibi 2015, 94).

Even though social media and its uses in organizational communication are constantly evolving, some key principles can be distinguished on how an organization can use social media successfully. The content needs to be fresh and frequently posted and designed in a way that the message benefits from the features of the chosen channel. It needs to be remembered that the social media channels are not owned by the organization but by the

participants using it. Interaction with these participants needs to be frequent and continued over a long period of time. (Goodman &Hirsch 2012, 92-93.)

According to Golden (2011), Facebook, Twitter, LinkedIn and blogs suit professional use of social media the best. Therefore, her book concentrates in analysing these four social media tools. It is noted, however, that new innovations are made constantly and emerging social media tools may supplement the old tools or replace them completely in the near future. (Golden 2011, 51.) A study on social media usage by organizations in Europe and Australasia done a year later shows similar results. Social networks, such as Facebook were the most popular among organizations followed by microblogging tools like Twitter. YouTube and other video sharing tools were slightly ahead of Twitter in Europe but held the third place in overall results and blogs were the fourth most popular tool in both areas. Photo sharing tools, such as Flickr also made it to the list but they were not nearly as popular as the other four. (Macnamara&Zerfass 2012, 296.) It seems that video and photo sharing are the only additions to Golden's list while the other ones maintain their popularity.

A recent Eurostat research shows that the organizations' use of social media is still pretty much the same, despite Golden's predictions that things may evolve rapidly in social media field. Figure 14 shows the results of the research done in early 2016 on the most popular social media tools used by organizations in the EU countries. The results reveal that social networks, such as Facebook and LinkedIn are becoming increasingly popular. The four most popular social media categories were social networks, organizational blogs or micro blogs (e.g. Twitter), multimedia sharing tools (e.g. YouTube, Flickr and SlideShare) and wiki-based tools for knowledge sharing. (Eurostat 2017.) Because it seems that Social networks, blogs and microblogs and multimedia sharing tools are keeping their positions as the most popular social media tools among organizations, it can be assumed that reviewing the most popular of them in more detail is the most useful for the purpose of this study.

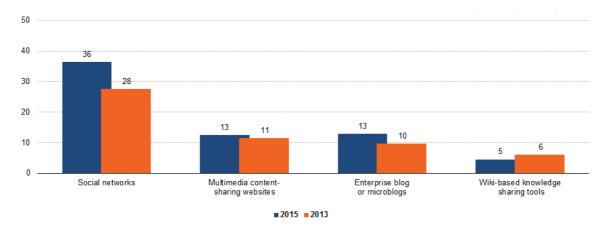


Figure 14. The types of social media used by organizations in EU area (Eurostat 2017.)

Facebook, which started as an individual networking tool, is now a popular channel for organizational communications. Approximately 50% of consumers feel that the Facebook page of an organization is more useful to them than the organization's web page. (Buyer 2014, 113.) Organizations can use company pages or groups to interact with consumers in Facebook. Having a presence in Facebook is beneficial for an organization if the organization has interesting content to share or it hosts events frequently. According to Golden, using Facebook for recruitment purposes rather than business development suits many companies better. (Golden 2011, 57.) Buyer considers Facebook also an effective tool to broadcast the company news and other important content. The number of visits on the company web page or blog can be increased by posting a short visual version of the story on Facebook together with a link to the full story found on the web page. (Buyer 2014, 76-77.)

Facebook and other social pages require interaction with stakeholders which happens when the organization shows that they are interested and invite others to respond. The invitations for interaction can be made by asking the stakeholders for their opinions on an issue, commenting on other pages with a link to the organization's page and by having a link to the organization's Facebook page posted in as many off-line and online communications as possible. (Goodman&Hirsch 2012, 93-94.) The content posted in the organization's Facebook page should match the audience and the general mood. A general rule for professional Facebook content is to have 50% non-competitive news, 30% highlighting the personality of the organization and 20% promoting your business. The aim is to get people to share the organization's content because it creates effective word of mouth. The use of emoticons in the posts increase the stakeholder's engagement and the amount of comments, likes and shares. It needs to be remembered that even though the communication on Facebook has to be frequent, the amount of posts needs to be controlled be-

cause posting several times a day affects negatively on the news feed optimization. Face-book also offers paid advertising which is an effective way for targeted marketing and building community. (Buyer 2014, 135-137.)

LinkedIn is a good tool for the organization to keep connections with its professional stakeholders and therefore, it is beneficial especially for organizations working in business-to-business field. It can be used to get opinions on specific issues, for recruitment and for building thought leadership. (Goodman&Hirsch 2012, 97.) Especially useful in building thought leadership is the feature of posting long form posts. These posts are shared with the organization's connections and followers and also members that are not in the organization's network can follow the long form posts and get updates on the organization's next posts. Long form posts are also available for searches outside LinkedIn, which gives possibilities to increase awareness among relevant stakeholders. (Buyer 2014, 79.) LinkedIn is also useful in building the organization's professional network and getting connected with decision makers. The use of LinkedIn is not as time consuming as Facebook because it does not require the same level of interaction. (Golden 2011, 54-55.)

Twitter is a popular tool among organizations, because it allows only short posts which means that it is not very demanding regarding content creation. Twitter should be used as a means to have interaction and not only as a channel to spread information. Organizational Twitter feeds can be managed for building thought leadership, serving customers and for investor relations. The tweets should be frequent and the organization needs to also ask questions. Following other tweeters that are interesting to the stakeholders and re-tweeting their relevant content is also a good way to raise awareness. (Goodman&Hirsch 2012, 96.) Sharing relevant tips and articles also prevents the organization from looking like it is only self-promoting, which usually is not preferable in social media (Golden 2011, 56). Twitter can be effective in reaching the media and bloggers in the organization's industry. The organization's news can be communicated to the followers and others in a short form in twitter together with hashtags and links to the full story. (Buyer 2014, 77.) Twitter works especially in business development in the organization's speciality area and works the best when it is connected to blogs or other shared content by the organization (Golden 2011, 56).

Blogs can be used as communication channels by maintaining the organization's own corporate blog or through other bloggers. If the organization has a leader with a strong personal brand it is most effective if the blog is written by him/her. (Goodman&Hirsch 2012, 94.) Writing a blog gives professionals a chance to show their personality and expertise. (Golden 2011, 58). However, the effectiveness of the blog is more important than who is

writing it. An effective blog is updated frequently and preferably at least once a week. The blog should be about issues that interest the organization's stakeholders and not only about the organization itself. The tone of the blog should be informal and generous in recognizing appropriate achievements, even if they are by competitors. It is important to allow people to comment on the blog in order to receive direct feedback. (Goodman&Hirsch 2012, 95.) Reading other blogs and commenting on them creates links to the organization's blog and increases the awareness among new stakeholders. The casual language of blogs enables them to be found easier in search engines than articles in the organization's web page. Blogging demands more time dedicated to the organization's communication than Twitter or Facebook but when done correctly, it can increase business and credibility. (Golden 2011, 58-59.)

Nowadays many bloggers are professional or semi-professional and hold similar influence than traditional media. Therefore, organizations should recognize the importance of maintaining relationships with bloggers relevant to their industry. Some differences to the traditional media are good to keep in mind, though. As individual players, bloggers are very sensitive to getting information and the organization needs to make sure that it does not favour any influential blogger in the industry. Whereas traditional journalists get fame from the importance of their writings, the success of bloggers is measured by number of visitors, subscribers and comments. Helping them improve these aspects can be a good way to create positive relationships. Reaching out to bloggers relevant to the industry can help a lot in building the organization's reputation and awareness. (Goodman&Hirsch 2012, 95-96.)

YouTube has become an effective tool for organizations to deliver messages by creating video content on their channels. Videos can be used to introduce new products, manage a crisis or handle issues related to customer service. There should be links to the official organizational web page for people to look for more information, especially if the message on the video is about a critical issue. YouTube videos often evoke both positive and negative comments and the reasonable ones should be commented on because it usually makes people more supportive. (Goodman&Hirsch 2012, 96-97.)

Social media suits the communications of small companies especially well, because the communications of small companies are usually more informal, spontaneous, unstructured and reactive than the communications of large corporations. Using social media channels is also a cost-effective solution to communications as many features can be used for free and they are easy to use. Organizational presence in social media can be used to increase product or brand awareness, improve customer loyalty, make the launch

of a new product more successful and improve the organization's web traffic and SEO. (Karimi&Naghibi 2015, 93-96.)

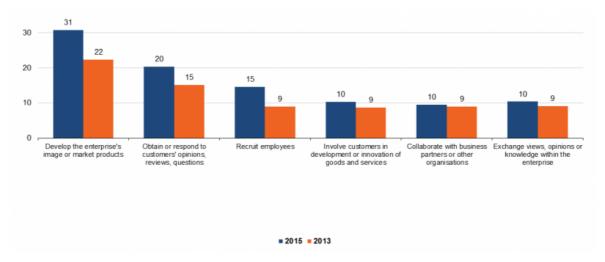


Figure 15. The purpose for organizations' use of social media in the EU (Eurostat 2017.)

Therefore, social media is a popular choice of communication channel also among SME's, because social media gives them the possibility communicate as effectively as large corporations. SME's can benefit from social media by having real time communication over issues, building awareness and reputation, improving customer experience by real time personal support, getting insights on the market, facilitating recruitment and developing their business networks. All of this can be done with reduced costs compared to traditional channels. (Karimi&Naghibi 2015, 93-96.) The results of the Eurostat research that are pictured in figure 15 confirm that these are the most popular uses for social media in organizations. Involving customers to service innovation and internal use of social media are also added to the list. Despite the easiness and cost-effectiveness of social media in organizational communications, the Eurostat research surprisingly revealed that it is still slightly more popular among large companies to use social media than it is in small companies. (Eurostat 2017.) However, Patenaude-Gaude (2014) concludes that in start-up companies, it is common to have a community manager that concentrates in social media communication instead of having a communications manager. This shows that small companies take social media communication seriously. Unfortunately, the social media managers often lack knowledge of traditional channels and other aspects of communications which may hinder the growth of the start-up. (Patenaude-Gaude 2014, 48.)

As brand awareness is one of the main reasons for communication and social media has created the possibility for individuals to brand themselves as well, it needs to be considered which brand the organization should use in social media: the organizational brand or the individual brand of the organization's leader. Goodman&Hirsch (2012) suggest that

the leader's personal brand might be more effective in corporate blogging than using the organizational brand (Goodman&Hirsch 2012, 95). DeMers also suggests that personal brands have advantages that organizational brand do not have. Personal brands can have a more personal voice and it is easier for people to trust a person. Using the personal brand can be used as a way to connect with people before introducing the organizational brand. Personal brands can also be used to differentiate from competitors through distinct personality and the reputation of the personal brand does not suffer from small mistakes as easily as organizational brands. (DeMers 2016.)

Connecting a personal brand to the organizational brand also increases the reach of the message when both have different followers that get the message. DeMers suggests that multiple personal brands should be linked to the organizational brand. (DeMers 2016.) In SMEs, the organizational identity starts to build easily around the founder's personality, because he/she is often the one building the brand and reputation and he/she is seen as a personification of the organizational culture (Spence&Essoussi 2010, 1041). Prince agrees that especially with start-up companies the reputation is often built around the founder's strong personal brand. However, it is wise to start developing an organizational brand as well and the aim is that at some point it should be more visible than the personal brand. This is simply because the ultimate goal of any start-up business is to grow. While it works well in the beginning that all the stakeholder's expectations are fixed on one strong personal brand, it is not possible for one person to satisfy them anymore when the business grows. Therefore, it is important to have a general organizational brand that the stakeholders can relate to and other professionals in the organization can support. (Prince 2017.)

Whether the organization uses traditional or social media channels to deliver their messages to the stakeholders, it needs to be determined which channels work the best for specific communicational objectives, who will be responsible for the task and what is the timeframe for these actions. The following chapter defines what is needed to plan the communications.

#### 2.8 Forming a communications plan

When the content of the communication strategy has been defined, a plan is needed to define the actions that are needed to realize the strategy. Communication programmes translate the content of the strategy and define the activities that are needed to reach the communicational objectives. (Cornelissen 2011, 106-107.) This can be called the operational planning of communications. The plan defines the required actions, the schedule for

when they need to be done, how they will be done and what channels are needed and who are responsible for their completion. The purpose of the plan is to align the practical communicational functions to follow the strategic guidelines. The content and scope of the plan depends on the organization. Some prefer detailed schedules for the upcoming months or weeks whereas others create broader guidelines that rely on people's own judgement. (Juholin 2013, 141.)

The theories on channels and stakeholders are already defined in previous chapters and they can all be used also when forming the communications plan. The scheduling depends on the organization and how its strategic goals are scheduled. However, an important part of communication is yet unaddressed and that is the communicational responsibilities in the organization. Regardless of new technologies, the structuring or positioning of communication has been and will be a challenge for any organization, because different options have their advantages and disadvantages. Argenti divides the structure in centralized and decentralized communications. Centralized structure makes the communicational activities the responsibility of one senior officer in the organization's headquarters and decentralized structure gives different business units freedom to take care of their own communications. (Argenti 2016, 53.)

Juholin introduces three main ways to position the communications, which follow the same lines with Argenti's two structures but broadens the concepts a little. The first option is to make communications the responsibility of professionals only. This means that all the communication is done by the organization's communication department or hired external professionals who serve to fulfill the communicational needs of different departments. (Juholin 2013, 98-99.) This corresponds to Argenti's centralized structure but points out the nature of communications serving the rest of the organization and adds also the choice of using external communications professionals. This structure makes it easier to control the communications and their consistency (Argenti 2016, 53). The weakness of this option is, that the overall communicational vision may disappear and important things may be overlooked when different departments actively use communications to their varying needs. (Juholin 2013, 99.)

Another extreme in Juholin's positioning is to consider communication as free exchange between people that everyone in the organization is involved in. Some general rules may exist but mostly people use their own judgement and communicational services can be hired when needed. (Juholin 2013, 98-99.) This option has similarities with Argenti's decentralized model which concentrates clearly more on large corporations where communication is the responsibility of different business units rather than individuals, like Juholin

suggests. According to Argenti, this model gives more flexibility for different business units to adapt communications to serve their own needs (Argenti 2013, 53). Juholin thinks that this free exchange model works in an organization where everyone's job is highly communicational and the overall vision is clear to everyone. If there is lack of common vision, however, the organization gets easily in trouble in unexpected situations. This model may work well for a long time when the organization is small but when the organization grows it is often necessary to establish a more structured way to handle communications. (Juholin 2013, 98-99.)

The third option by Juholin is to position the communications somewhere in between the two previously mentioned extremes. In this option, the communications are coordinated and managed by communications professionals according to the organization's communicational policies. However, all members of the organization also have communicational responsibilities that can be self-managed or guided on a team level. This way the communications are integrated in the overall strategy. Juholin highlights the importance of positioning the communications also in start-up environment. (Juholin 2013, 99.) In start-ups, the communicational role is often split between the CEO and the communications manager (Patenaud-Gaude 2014, 51.).

After actions are taken to translate the communication strategy to the stakeholders it also needs to be defined, how the success of these actions is going to be measured. Evaluating the communications is important in order to know whether the actions taken are producing the desired results. The following chapter will discuss that part of strategic communications in more detail.

# 2.9 Evaluating Communications

Because the main idea behind the communication strategy is to have an effect on stake-holders and change their behaviour in a way that supports the organization's overall strategic goals, it is also very important to determine how the effectiveness of the communication will be measured. The evaluation will tell whether the communicational objectives were reached and how the organization's overall reputation among the stakeholders has changed. When the research results indicate misalignment, communications can be adjusted or reinforced to better reach the objectives. The results can also be used to inform the company management on how the communications affect the overall results and thus, make them understand the importance of communications as an organizational function. (Cornelissen 2011, 123-124.) Sometimes the measuring can happen almost immediately after the communication and sometimes it takes more time to see the results. The main

idea is to get information regularly and react to it accordingly. Evaluation is an integrated part of the ongoing cyclical process of communications, which was pictured in the communication strategy framework in figure 2. (Argenti 2016, 43.)

One main requirement when forming the communicational objectives was to have objectives that can be measured for their effectiveness. Sometimes organizations use smaller intermediate objectives that pave the road for the overall objectives. Measuring these smaller objectives shows if the communication is going in the right direction. In the communication strategy, the means for measuring and evaluating communications are defined. The number of metrics should be limited and attention should be paid to their validity. (Juholin 2013b, 134, 140.)

In communications, there are three types of research that can be used for different functions. Formative research is used to get data that can be used to plan the communicational programmes. Program research makes sure that when the programme is implemented, it has the intended effect on stakeholders and no counterproductive effects occur. Summative research evaluates how successful the programme was in terms of reaching the communicational objectives. (Weintraub& Pinkleton 2015, 59.) Juholin (2013a) has a slightly different approach to these same concepts. She defines formative evaluation as development evaluation, which seeks to find out whether the actions are leading to best possible results. Summative evaluation provides information to the management so that they can see how different parts of communication contribute to the overall goals. (Juholin 2013a, 30-31.)

There are some principles that need to be taken into account when evaluating communications. The research should produce neutral and justifiable information on those areas of communication that the organization sees important. The evaluation should look both backward, to examine achievements and effectiveness of communications and forward, to find the best ways to communicate in the future. The evaluation is meant to serve the organization's overall goals. Situational evaluations are used to find out stakeholders' reactions e.g. during singular campaigns or a crisis situation. Long term evaluations are focused on the effectiveness of communication in general, such as measuring the development of awareness, reputation and brand or employee wellbeing and their effect on organization's results. It needs to be remembered, that the outcome of evaluation is not absolute but relative and directional and their interpretation depends on the organizational context. There are many different research methods available and the most important is to find the ones that produce information that serves the organization's needs. Because evaluation uses resources, instead of changing the metrics constantly, it is wise to choose

a few basic metrics that are used frequently. However, it is also important to realize to change the metrics, if it seems that they no longer produce relevant information. (Juholin 2013a, 31-32.)

One of the main communicational objectives for organizations is increasing awareness. When evaluating communications, the measures concentrate in awareness and reputation and in effectiveness of communication. The ultimate measurement for effectiveness is how big a role communication played in forming the organization's overall result. This can be measured by revenue, market share, stock exchange rate etc. When measuring effectiveness, it needs to be remembered that there are other things than communication that affect the outcome. (Juholin 2013b, 134-136.)

There are four categories that successful communication measures can be divided into. *Outputs* are the immediate results of the communication (Juholin 2013a, 35) that are measured by the number of actions that are used to project the organization's image and identity. These quantitative measures can be for example number of stories or articles appearing in media or the number of people that have had the opportunity to see the story. The organization's thought leadership can be measured by following up on executive speeches, appearances, press conferences, organizational events etc. and measuring how many stories and interviews were published based on them. Surveys can be used measure if the attendees received the intended content from these events. (Goodman&Hirsch 2012, 124-125.) The outputs measure both internal and external outcomes. Internal evaluation focuses the organization's own actions, what was accomplished and on the effectiveness and quality of the actions. External outcomes concentrate on different media and measures the number of visitors in an event or on the organizational web page and social media, the stakeholder's reaction and was the communication understood in a way that resulted in desired actions. (Juholin 2013a, 35.)

Outcomes concentrate on positive changes created by a specific communicational action. These changes can be business leads, changes in awareness, increased sales etc. (Goodman&Hirsch 2012, 126.) The immediate outcomes can be measured continuously or in connection to certain events. These outcomes concentrate on whether the message was noticed, how people reacted to it and what was the immediate feedback. Indirect outcomes measure persistence or change in opinions or willingness to act. The concentration is on whether the attitude toward the organization changed or stayed the same and did the communications affect the future actions of stakeholders. (Juholin 2013a, 36.)

An important and common way to measure the impact of a communicational action is through *outtakes*. Outtakes define if the messages were received by stakeholders, did they pay attention to it, did they understand the message and how well they remember it. *Outgrowths* measure how all communicational actions have affected the organization's reputation and the organization's positioning in stakeholders' minds. Leaders have come to understand the importance of reputation and its effect on revenue. (Goodman&Hirsch 2012, 125-127.) Tangible results of outgrowths can be connected to sales, market share or productivity and can be measured financially. Intangible results are changes in brand image or reputation which can affect getting funding, partnerships or stock value. (Juholin 2013a, 36-37.)

The literature introduces various different research methods that can be used to evaluate communications. Different metrics can be used as instruments to evaluate communicational results and recognize development areas. It is important to find the evaluation methods that measure those exact things that are relevant to the organization and correspond to the organizations communicational ideals and objectives. (Juholin 2013b, 136.) Therefore, this literature review does not explain all different research methods used in communications. The methods that are chosen for this study and are considered to best serve the organization's communicational objectives and purpose will be defined later in research methodology.

When the overall communication strategy has been defined it is also important to remember that special strategies are often needed in surprising situations and crises. Therefore, crisis communications should also be addressed in the communication strategy. This is explained further in the next chapter.

#### 2.10 Crisis Communication

In today's organizational life it is not a question of *if* but *when* a crisis will happen. In these situations, it is crucial that management knows how to respond to the crisis, because their response has the potential of improving the situation for the organization's stakeholders or making it worse. (Coombs, Frandsen, Holladay & Johansen 2010, 337.) Issues that may seem harmless may turn into crises if the organization does not react fast and deal with the situation responsibly (Cornelissen 2011, 202). Communication during a crisis should be based on the same communicational principles, stakeholder relationships and responsibilities that have been defined in the communication strategy. A separate crisis communication plan needs to be formed in advance and it needs to be designed from the organization's point of view to serve its needs. (Juholin 2013b, 373.)

Crisis communication is divided into phases. In pre-crisis phase the organization tries to prevent the crises and prepare for them, in crisis respond phase the organization deals with the ongoing crisis and post-crisis phase is time for follow-up communication with the stakeholders and for learning from the crisis to prevent similar crises in the future. (Coombs 2009, 99.) Crisis communication is a vast theoretical entity on its own and there is a lot of literature on the subject. In order to maintain the focus of this study on the communication strategy, this literature review concentrates only on those crisis communication theories that need to be taken into account when forming a crisis communication plan as a part of the overall communication strategy. The theories on how to respond to crises and the post-crisis communication are left out on purpose because they do not serve the needs of this study.

Like strategic communication in general, communicating strategically during a crisis aims to impact stakeholders' reactions and to reduce the negative effects of the crisis. The purpose of crisis communication is to protect the stakeholders and the organization from potential harm caused by the crisis. (Coombs&Holladay 2015, 498.) Protecting the stakeholders is the primary goal of crisis management and communication and protecting the organization's reputation and finances is the secondary (Coombs 2009, 99). Stakeholders need to know first how they can protect themselves from the crisis and then the communications can concentrate on reducing the stakeholders' negative emotions that cause a threat to the organization's reputation (Coombs et al. 2010, 338). Crisis communication is a part of crisis management and aims to gain control over the situation and reassure the stakeholders that the organization is looking after their interests according to social, safety and environmental standards. Having this control requires preparation for possible crises and drafting a communications plan that helps responding to the crisis effectively. (Cornelissen 2011, 199-200.)

Forming the crisis communication plan belongs to pre-crisis activities that the organization engages in before the crisis has happened. The pre-crisis activities are divided to prevention and preparation. Prevention tries to identify and reduce risks that have potential to develop into crises. (Coombs 2009, 100-101.) Cornelissen (2011) defines crisis as an issue or event that requires the organization to act immediately and decisively. The need for action may be caused by increasing media attention, pressure from the public or a direct danger to stakeholders. (Cornelissen 2011, 200.) Coombs (2009) points out that crises are also highly dependent on the stakeholders' perception of things. An issue can turn into a crisis just because the stakeholders believe that it is a crisis. The organization can prevent the crisis only by convincing the stakeholders that the issue is not, in fact, a crisis for

the organization. All crises cannot be eliminated and prevented and therefore, forming a crisis communication plan based on the risks identified in prevention phase is part of crisis preparation phase. (Coombs 2009, 99-101.)

When starting to form the crisis communication plan, the potential crises need to be first identified and their probability assessed. Risks that have low probability of turning into crises may not need as thorough planning as those with higher probability. However, worst case scenarios also need to be taken into account. It also needs to be considered, which stakeholders are affected by these crises and how. Stakeholders have been prioritized in the communication strategy and the effects of the crisis on the most important stakeholders need to be looked into first. (Argenti 2016, 270-271.) Literature introduces different types of crises that can be used to help identify possible crises in the organization.

Romenti, Murtarelli and Valentini (2014) talk about ten different crisis types developed by Coombs that can be divided into three categories based on the organization's level of responsibility. *Victim crises* include natural disasters, rumours, workplace violence and product tampering. The organization has minimal responsibility over these crises and can also be seen as a victim of the crisis. *Accidental crises* are challenges, technical error accidents and technical production harm that are caused by the organization's unintentional actions. The organization holds moderate level of responsibility for the occurrence of these crises. Human-error accidents, human-error product harm and organizational misdeeds are caused by the organization's inappropriate actions and belong to the category of *preventable crises*. The organization is highly responsible for these crises. (Romenti, Murtarelli & Valentini 2014, 11.)

Coombs' work on crisis types is also introduced by Cornelissen (2011) but the model he presents defines four types of crises and the definition is based on two dimensions. The internal-external dimension determines whether the crisis is caused by the organization's own actions or by external parties. The intentional-unintentional dimension refers to whether deliberate or intentional actions resulted in the crisis or were the actions unintentional. These dimensions and the crisis types they form are pictured in figure 16.

	Unintentional	Intentional
External	Faux pas	Terrorism
Internal	Accidents	Transgressions

Figure 16. Crisis type matrix (Cornelissen 2011, 202)

An unintentional action performed by an external party is called a *faux pas*. This type of crisis often begins when the public opinion turns against the organization or the organization's actions are challenged by an external actor but the organization does not enter into debate with this party. *Accidents* happen unintentionally inside the organization. Employee injuries, product defects and natural disasters belong to accidents and they can be further divided into acts of nature and human-included errors. This corresponds both to victim crises and accidental crises in the categories presented by Romenti et al. *Transgressions* are actions that the organization engages in intentionally, knowing that the stakeholders are placed at risk. This crisis type includes selling defective products intentionally, violating laws, withholding information from authorities and so on. This crisis type partly corresponds with preventable crises. *Terrorism* means intentional actions performed by external parties in order to harm the organization through sabotage, workplace violence, taking hostages and tampering with products. Direct harm can be caused for example by tampering with products and indirect harm by disrupting production. These can also be categorized as victim crises. (Cornelissen 2011, 202-203.)

Crises can be categorized in many different ways depending on the type and nature of the organization, the organization's operation and its operational environment. The crises can be tangible or intangible, sudden or evolve gradually and come from inside or outside the organization. In the crisis communication plan the potential crises need to be described in words that best suit the organization. (Juholin 2013b, 374-375.) It is good to involve people from different company operations in identifying the possible crises (Cornelissen 2011, 200) because different departments may have better understanding of the risks in their area of work. Having good interpersonal communications in the organization helps finding the risks. (Coombs 2009, 100.)

After identifying and describing the possible crises, the crisis communication plan moves on to setting communication objectives and principles. The communicational principles can be for example honesty, responsibility, humanity or other organizational aspect that the organization wants to reflect in crisis communication. (Juholin 2013b, 374.) The communicational objectives concentrate on how different stakeholders may respond to the crisis and what is the message that the organization wants them to hear. The stakeholders' communicational priority needs to be determined for each possible crisis separately based on how the crisis affects them. When the stakeholders are prioritized and the communicational objectives for each stakeholder group are defined, it also needs to be decided. which communication channel best serves the situation and the message. The channels that are normally used for different stakeholders may not be the best options in crisis situation. The organization should think about how the channel corresponds to stakeholders' emotions and needs during the crisis. (Argenti 2016, 271-272.) It needs to be noted that the structure of the stakeholder groups may change during the crisis and special circumstances may create new stakeholders from groups or people that are not normally involved with the organization (Juholin 2013b, 378).

The crisis communication plan should also determine how the responsibilities are divided between people and teams during the crisis. When the responsibilities and tasks are preassigned, the organization's response to the crisis will be quicker and more effective (Coombs 2009, 101). The executive level has always the ultimate responsibility during a crisis and the importance of their visibility increases the bigger the crisis is. In addition to that, a separate crisis team needs to be assigned for each crisis. The crisis team monitors the environment, analyses the information and prepares the organization for possible onset of a crisis either on a regular basis or continuously. (Juholin 2013b, 374, 379-380.) The members of the crisis team vary depending on the crisis. Different crises require different expertise and the responsibilities should be assigned based on that. It also needs to be decided, who is the spokesperson during the crisis. In some crises, using CEO or other executive level leader as a spokesperson may be the most credible choice but in some cases, the spokesperson with the best credibility and expertise comes from the department that is closest to the crisis. (Argenti 2016, 272-273.) Attention must be paid to the spokespersons' communicational abilities and public speaking skills and they need to be trained to deal with the media. The information should be presented and the questions answered clearly and the spokesperson should have a pleasant appearance that evokes trust. (Coombs 2009, 101.)

The contact details of the crisis team should be enclosed in the crisis communication plan together with contact details for relevant external co-operators, such as authorities, hospitals, police and fire department (Argenti 2016, 274). The contact details for key people and organizations are central to the crisis communication plan because searching for these details takes valuable time during a crisis (Coombs 2009, 101). It is important to keep the list updated when key people change positions or leave the company (Argenti 2016, 274). A list of media contacts is also useful to include in the crisis communication plan. Co-operation with the media is extremely important during a crisis and they need facts in order to pass information on to the public. (Juholin 2013b, 378-379.) The digital age has increased the demand for fast information flow and in a crisis the firs messages should be out within 60 minutes or less. Having the contact details for relevant media at hand facilitates giving them information fast before they start looking for it from other sources. (Coombs 2009, 103-104.)

Employees also need to be remembered in the crisis communication plan by including a plan on how they are going to be informed about the crisis before they hear it from somewhere else (Argenti 2016, 275.) Co-operation within the organization is crucial during a crisis and everyone needs to have the same information on the situation and know what to tell about it to outsiders if they are contacted. The crisis communication plan can also include a detailed description of the actions related to different phases of the crisis and how the communication is linked to them. (Juholin 2013b, 380-381).

The crisis communication plan should be detailed and done in writing. It should be passed to all relevant managers and ensured that they read it, so that they are familiar with the plan if a crisis happens. (Argenti 2016, 274.) The plan should be brief so that all the relevant information can be easily found when needed. Supporting materials should be gathered to a separate database and the crisis communication plan have information where to find it. (Coombs 2009, 102-103). A crisis communication plan is important also for a start-up organization. The workers in start-ups are often young and the teams are small and they are all concentrated in developing the organization instead of paying attention to situations that could cause problems for them. When the crisis occurs and the team has not prepared for it, they often lack the experience to deal with the situation. (Patenaud-Gaude 2014, 49.) A readymade plan for crisis situations helps tackling the issues.

The literature on creating a crisis communication plan concludes the literature review regarding the required parts of a communication strategy. Because this study seeks to give

some recommendations on how communication can be used when a start-up aims to international markets, the last chapter of this literature review touches internationalization from communications point of view. However, internationalization will be touched rather superficially because the focus of this study is to create an effective communication strategy and forming an internationalization strategy is an entirely different matter.

# 2.11 Using Communication in Internationalization

When an organization plans to enter international markets a business strategy needs to be formed for each market separately. Decisions need to be made concerning standardizing or localizing the product, prices and distribution channels. The same choice applies also to the communication strategy. Both internal and external factors need to be taken into account when making the decision in order to communicate effectively with international stakeholders. (Molleda &Kochhar 2015,564.) Standardization assumes that stakeholders' needs regarding the product and communication are universal in different countries and the same communications and marketing mix can be used in every country. This reduces costs but might lack in efficiency, because the stakeholders' country specific needs are not considered. Localization adapts the product and communication to fit the cultural, socio-historical and geographical environment in order to reach the stakeholders better. This approach is often more effective but also more expensive. (Karlícek, Chytková, Horejs, Mohelská&Fischer 2013, 138.)

As it was mentioned in chapter 2.1, the business strategy and communication strategy are closely linked together and the communication strategy needs to be updated when changes are made to the business strategy. The decision on localization or standardization of communications shows that the same applies also to internationalization. When the business strategy is adapted to better serve the requirements of a specific market, the communication strategy should be adapted accordingly.

The digital age with its new and innovative communication technologies has made it easier for organizations to interact with stakeholders regardless of location (Molleda&Kochhar 2015, 561). Online technologies provide organizations with new and more efficient ways to communicate and exchange information (Bell&Loane 2010, 213.) However, there is debate among scholars about how much digitalization has affected international business. Professor Ghemawat criticizes the statements that the digital revolution has made the world flat by removing barriers between countries. According to his research the global integration is not as advanced as many people think. Traditional barriers, such as borders, government regulations and local culture still affect internationalization of organizations.

Usually, the smartest thing is to start the internationalization in countries that are close to the home country geographically, politically and culturally. (Ghemawat 2012.) Political, cultural, social and economic factors also define the organization's strategic communications. The importance of trust and forming a relationship between the organization and stakeholders is highlighted when there are possibilities for interactive communication. (Molleda&Kochhar 2015, 561.) The right level of localization in communications helps reaching the stakeholders better (Karlícek et al. 2013, 138).

For start-up organizations, digitalization has brought clear advantages that help them enter international markets rapidly, often from inception. These "born global" companies usually internationalize within two years of starting the business. Online technologies enable them to communicate across borders with lower costs, get information faster, increase the contact with buyers and form intermediary relationships. (Bell&Loane 2010, 214-215.) Goncalves (2014) concludes in her research on internationalization of Finnish start-up companies that Finnish technology start-ups are very often "born global" companies. The same research also shows that gaining international client base requires a lower budget and less commitment when the product or service is sold online. (Goncalves 2014, 56.) Establishing trust with large and well-known companies together with extensive online activities are suggested to be the key behind the rapid start-up internationalization. Tacit knowledge of entrepreneurs, which means knowledge acquired by practice and personal experience, is valued by potential customers, partners and investors in international markets. Social networks help in transmitting that knowledge to others when the entrepreneur contributes in discussions in relevant communities of practice in social media. (Maltby 2012, 22-23.)

In his research on how social media networks can be used to help start-up internationalization from inception, Maltby identifies factors that should be taken into account when entering international markets. Because the tacit knowledge of the founders is the most valuable asset of the organization, it is recommended to use social media networks where potential customers, employees, partners and competitors seek to solve a problem. Helping these international experts to solve the problem creates credibility, amplifies the tacit knowledge in the organization and gives opportunities to interact with potential stakeholders and develop trust and relationships with them. It is important to establish credibility also by following and respecting the social etiquette in the community and by seeking acceptance of experts in the community by complementing their contribution or offering alternatives for them. (Maltby 2012, 24.)

It should be made clear in the community from the beginning that the contribution comes from a member of a professional organization. This way the interaction with possible stakeholders creates a relationship with the organization instead of an individual and creates possibilities to increase business. The users in social media networks should also be categorized to ensure that the limited resources of a start-up are spent efficiently. (Maltby 2012, 25.) This categorization follows the principles of stakeholder identification and prioritization which was explained in chapter 2.4. Social media can be considered an important channel to global market that enables start-ups to communicate with stakeholders, increase awareness of the organization, its product and the brand and promote their knowhow in a cost-effective way (Maltby 2012, 25).

The use of brand in social media was discussed in chapter 2.7. The importance of using the brand in communications increases when the organization grows. In order to differentiate from others in the global business environment, building a strong brand brings competitive advantage. Effective communications promote a positive brand image and increase awareness and the brand should be integrated in all communications. The 'Born global' SMEs often differentiate through product innovation because they lack resources for marketing communications and brand building. Finding low cost communication channels to enhance the brand during internationalization is important. When the internationalization progresses, the brand name also needs to be considered. For SMEs, the brand name may not be the same as the company's name and when the brand name gains more awareness internationally, it is often reasonable to start using the brand name also as the company name in those markets. (Spence&Essoussi 2010, 1040-1041.)

In conclusion, it appears that the same aspects of the initial communication strategy need to be defined for each international market the organization aims to enter. The local culture and regulations affect also the communications and how the stakeholders receive the messages. Online technologies and social media offer start-ups with limited resources an easy and cost-effective means to enter the global market quickly and build brand awareness and reputation through integrated communications. However, care needs to be taken that these media are used in a way that builds trust and positive reputation among the stakeholders.

# 3 Conceptual framework of this study

This chapter brings together the theoretical concepts found in the literature review and explains their relationship to this study and how they help answering the research questions. The main research question of this study is: How to manage strategic communications of a start-up company in a way that supports business strategy and increases stakeholder awareness? The literature review introduced many different theories on strategic communications and Juholin (2011) mentioned how important it is that start-up organizations, too, have a communication strategy from the beginning. Therefore, the required actions for creating an effective communication strategy and theories related to them form the conceptual framework for this study. Forming an effective communication strategy for Diske Inc. by using the tools and concepts that suit the needs and resources of a start-up is the foundation for successful strategic communications.

Cornelissen (2011) mentioned that the business strategy and the communication strategy are interconnected and Argenti (2016) pictures organizational communications as a circular ongoing process. These statements are used to visualize the conceptual framework, which is pictured in figure 17. The framework shows how the different concepts chosen to guide this study are linked to each other. In the core of the process is always the business strategy and the communication strategy is closely linked to it. The different steps of defining the successful communication strategy are pictured in the circular ongoing process around the core. The steps are further defined with the theoretical concepts that are considered to best serve the needs of this study and the situation of Diske Inc. as a start-up organization.

Environmental scanning is needed for analysing the current reputation and the state of communications in organizations of all sizes. In this study, it creates understanding of the situation and helps when defining the following parts of the communication strategy.

SMART is a good tool for defining communicational objectives as concisely as possible so that the effectiveness of the strategy can be followed. In order to find out, who are the stakeholders that need to be communicated with, the linkage model introduced by Rawlins (2006) is the most effective way for identifying all stakeholders of Diske Inc. The stakeholder salience model (SSM) was mentioned in various sources as a comprehensive tool for stakeholder prioritization and therefore, it is chosen to guide the prioritization of Diske Inc.'s stakeholders. Even though the holistic stakeholder mapping model introduced by Sedereviciute and Valentini (2011) provides a more comprehensive way of mapping and

prioritizing both online and offline stakeholders, this model is a bit too complex for Diske Inc. in its current situation. The company is just starting with its communications and does not have established online stakeholders that could be analysed for their content and connectivity. Therefore, the concept of SSM can be considered the best option for this study.

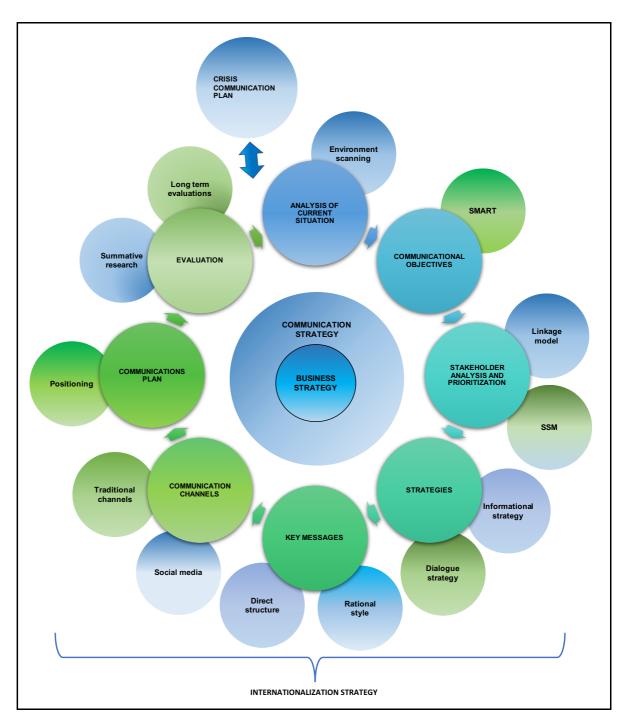


Figure 17. The conceptual framework of the study (Koivisto 2017)

Informational and dialogue strategy have different ways of creating awareness and they are both suitable strategies for Diske Inc. Informational strategy can be used to raise awareness of the organization in general and dialogue strategy is needed when forming

relationships with the stakeholders. The key messages in communications can be defined in different ways. For Diske Inc. it is best to use rational message style because the strength of the company is that it is different from competition and that can be supported with rational argumentation (Cornelissen 2011,94). Direct message structure is definitely the best option for Diske Inc. Direct structure tells the main point first (Argenti 2016, 42) and for a start-up organization it is important that the stakeholders understand what the organization is about and what are the products they offer.

For communication channels, both traditional and social media channels are chosen in the conceptual framework of this study. The literature highlights the growing importance of social media for all organizations and for start-ups it offers a cost-effective way for spreading information and can be used also to facilitate internationalization. Traditional channels, however, cannot be forgotten. For a start-up, direct communication, pitching in events and face-to-face meetings are often important ways to raise awareness and get funding. Therefore, best options from social media and traditional channels are used in this study.

After the strategy is defined, there needs to be an action plan how Diske Inc. will implement the strategy. The positioning of communications is an important part of the communications plan because it needs to be clear who has which communicational responsibilities in the company. Evaluation of how effective the communication is should be done regularly because based on the results, all the previous steps may need to be redefined to better help reaching the strategic goals. In this study the evaluation concentrates in summative research, which analyses whether the communicational objectives were reached and in long term evaluations, which concentrates in general success of communication in terms of awareness and reputation.

Crisis communication plan is included in the conceptual framework, because taking crisis communication into account is an important part of strategic communications in all organizations. The circle for crisis communication is placed outside the circular process of basic functions of strategic communications because even though it needs to be included in the strategy, the crisis communication is not directly linked to the ongoing process of other communicational activities of Diske Inc. Internationalization strategy is included in the framework, because Diske Inc. can be categorized as a "born global" organization and it aims for fast internationalization. All the concepts of the communication strategy are relevant to both domestic and international communications. Also, Diske Inc. will need a separate business strategy for each international target country or area they plan to enter and the interconnectedness of the business strategy and the communication strategy means

that the entire process of forming the communication strategy also needs to be revised according to the different needs of each international area.

Before looking into the practical use of the conceptual framework, it is necessary to look into the research methodology that was chosen to guide this study. The next chapter will describe that part of the study in detail before we move on to the empirical part and the research results.

# 4 Methodology

This chapter discusses the methodological choices that form the design of this study. The research design consists of defining the researcher's underlining philosophical assumptions about the world, the research method, data collection techniques, the research approach, the methods for analysing the results and how the results will be recorded in writing. (Myers 2013, 19.) The different parts of the research methodology are pictured and clarified in the research onion.

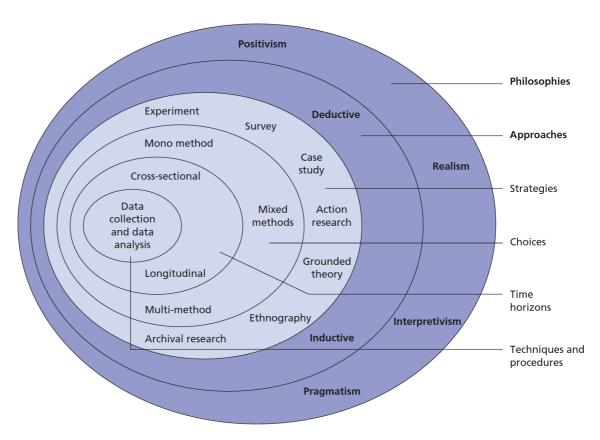


Figure 18. The research onion (Saunders, Lewis & Thornhill 2009, 108)

Classifying the research as qualitative or quantitative is the most common way of defining a research. However, both these research types are based on philosophical assumptions that guide the research and decide which research methods are appropriate and what is seen as a valid research. (Myers 2013, 19, 36.) Defining the paradigms that that form the basic belief system of the world and are applicable to the research has higher importance than defining the research methods. Defining the research starts with understanding the researcher's philosophy which is shown in the outer layer of the onion. Before arriving to the core and defining the data collection and analysis, the different parts of the onion need to be peeled away. (Saunders et al. 2009, 106 -107.)

The following chapters define the different layers of this study with the help of the research onion. Before going peeling the research onion of this study, the research process is explained so that it is easier to understand, how the chosen methodologies are connected to this study.

### 4.1 Research process

This study was conducted between May and November 2017. The idea for this study originated when Diske Inc. searched for student workers to help with certain company functions so that the founders can concentrate in product and business development. The company was in need of a communication strategy so creating the strategy and following up on its efficiency became the focus of this study. The study was conducted completely as distance work, because the company headquarters are in Kuopio and traveling there for personal meetings was not seen necessary as all relevant information could be collected by phone or e-mail.

The study started by reviewing the literature for topics that are relevant for creating an effective communication strategy. It was soon realized that the majority of literature on professional communications concentrate in big corporations with established networks and big budgets. This highlighted the importance of evaluating the functionality of the communication strategy after its implementation. It needed to be seen how well the corporate models work in start-up communications and based on the results, the communication strategy should be adjusted accordingly. After choosing the theories that could serve Diske Inc.'s communicational needs the best, a communication strategy was created for the company and delivered for implementation in June 2017. In addition to the relevant theories, the communication strategy was based on Diske Inc.'s business strategy as well as e-mail correspondence with the CEO about the founder's own ideas. The communication strategy included an action plan for this year's communicational activities. Appendix 1 shows the complete communication strategy that was delivered for implementation.

Diske Inc. was given three months to start implementing the communication strategy and evaluation of its effectiveness was conducted between September and November 2017. The evaluation concentrated in different aspects of the communication strategy. For evaluating how close Diske Inc. was in reaching the communicational objectives set in the strategy for this year, an e-mail interview was sent to the CEO to find out the current state of communications and what actions had already been done regarding the implementation of the communication strategy. In the interview, the CEO was also asked to evaluate how

the company revenue was impacted by the strategy. Appendix 2 includes the interview questions.

One of the main objectives was to increase stakeholder awareness and that was evaluated by analysing the number of visits on the company web page and the number of followers, likes and shares on Diske Inc.'s social media sites. Some of that data was obtained directly from the analytics offered in the web page and social media platforms. Part of the data was collected observing the company's social media platforms and collecting the shares and likes manually. Getting the stakeholders' perspective on communications was also seen important. Therefore, an online questionnaire (appendix 3) was sent to representatives of different stakeholder groups, such as customers, advisors, investors and partners to evaluate, how Diske Inc.'s communication can be further developed to serve the stakeholders better. The questionnaire and data collection methods are discussed further in chapter 4.7 when analysing the research methods.

As can be expected, there were also some challenges to the research process. Even though distance was not a challenge, doing the study as an outsider to the organization provided some difficulties, especially for data collection. It would have been much easier and faster to collect the data as an insider who has access to the company accounts and analytics in social media and can browse and choose data that seems relevant to the study. Without being able to see what kind of analytics was provided, the data collection was largely dependent on what was sent by the company and what could be calculated from Diske Inc.'s public profiles. In addition, things are evolving and changing constantly in a start-up and things that were in the strategy in May can have changed by September. An insider would have been privy to changes that affect the communication strategy and by being involved in implementing the communication strategy, changes could have been made in when necessary.

Some of the choices made in this research are already mentioned. However, the following chapters go deeper into the research methodology and the reasons and meanings behind those choices.

# 4.2 Ontology

Research philosophy defines the way the researcher views the world. This, in turn, affects the choice of research strategy and methods. One aspect of research philosophy is ontology. Ontology concentrates in the nature of reality and what assumptions are made about the way the world operates. The existence of social phenomena and their connection to

the actions of social actors are the core of ontology. *Objectivism* sees that social actors do not affect the existence of the social entities. *Subjectivism* views that individuals and their actions add a meaning to social phenomena. (Saunders et al. 2009, 108-111.)

The ontology chosen for this study is subjectivism. Social factors, such as individual feelings and preferences have a big effect on what kind of communications is seen as good and inspiring. As this study is made for a start-up company, it is seen important that the communications correspond to the founders' vision for their company and supports their strategic goals. Understanding the stakeholders and their opinions and perceptions on communication is also important, because the same planned content for communications can be perceived in very different ways depending on the chosen communication channels and the stakeholder's relationship with the company. In subjectivism, the researcher's role is to try to understand the subjective reality of others and how they interpret different situations (Saunders et al. 2009, 111). In this study, one of the main goals is to try to understand the reality from the stakeholders' subjective point of view and to find out how communication can be used to direct their actions to support the strategic goals of Diske Inc. This corresponds well with the subjectivist philosophy.

# 4.3 Epistemology

Another philosophical aspect that affects how the researcher sees the research process is epistemology. Epistemology refers to what the researcher considers being acceptable knowledge in the research. Some researchers prefer analysing facts whereas others prefer finding meaning from feelings and attitudes of research subjects. There are four different epistemologies that the researcher can adopt. (Saunders et al. 2009, 109, 112-113.) Before explaining the epistemology of this study, a short description of each of them is provided.

Positivism seeks to create law-like generalizations through the research and credible data is created only from phenomena that can be observed. A researcher using positivist philosophy works like a natural scientist and develops hypotheses based on existing theories and tests the hypotheses in the research to develop the theories. A positivist research aims to be as value-free as possible. Realism also takes a scientific approach to knowledge creation and believes that objects in reality exist, whether the human mind is conscious of them or not. Realism is divided into direct realism, which states that reality is exactly as we sense it and critical realism, which argues that we do not experience the reality directly but sense images of it. (Saunders et al.2009, 113-115.)

Interpretivism takes a more empathetic approach to research. Understanding differences between different social actors and seeing the world in the eyes of the research subjects is what an interpretivist researcher does. Interpretivist researcher uses social phenomena rather than scientific facts as acceptable data. The fourth epistemological choice is pragmatism. In pragmatism, the research question is the starting point of determining the research philosophy and being able to choose only one position on epistemology, ontology and axiology is seen unrealistic. Finding answers to the research questions is seen to be the most important factor and the choice of philosophy, approach and method can vary depending on what is most practical in answering the questions. (Saunders et al.2009, 109, 115-116.)

In this study, it is important to take the interpretivist approach to understand both Diske Inc.'s founders' and their stakeholders' opinions and feelings in order to develop the communications in a way that corresponds the founders' values and appeals to stakeholders at the same time. However, part of the research can also be considered as a positivist scientific testing of theories, because the meaning of the study is to find out how the theoretical practices of corporate communications can be adapted to the needs of a start-up company. The effectivity of communications is measured using both quantitative methods regarding business growth and awareness created by communications as well as qualitative methods to find out the stakeholders' perceptions on Diske Inc. and the current communications. Therefore, it was decided that pragmatism is the best philosophical choice for this study. Instead of having to follow the approach and methods associated with a certain philosophy, it is possible to choose the way that feels the most practical one in finding answers to the research problem in different stages of the study and the choices are not so restricted as in other epistemologies.

#### 4.4 Axiology

Axiology considers the researcher's values and how they affect the choices that are made during the research. The value question is important for the credibility of the research results. Axiology is reflected in the entire research process from topic selection to philosophy, all the way to data collection and analysis. It is important that the researcher understands their own values and how they may affect the interpretations made from the data. (Saunders et al. 2009, 116 -118.)

This study is conducted in the role of an outsider who has no other connection to Diske Inc. except for the thesis work. This helps staying objective throughout the process. Being as objective as possible is important in order to provide Diske Inc. with a communication

strategy and future communicational advice that serves the needs of the company the best. However, it needs to be noted that despite the lack of personal connection to the organization, the research is still somewhat value bound. The first part of this study consists of creating the communication strategy for Diske Inc. and the second part measures the effectiveness of this creation. Even though the way the communication strategy is implemented by Diske Inc.'s employees cannot be impacted, the data collected in the second part of the study assesses both the implementation and the content of the communication strategy, meaning the earlier work done in this study. Therefore, it is very important to keep the value question in mind when drawing conclusions from the data. The data needs to be interpreted in an objective manner, even if it means finding flaws in one's own work.

### 4.5 Research approach

Using relevant theory is part of every research project. The research approach depends on how the theory is used. *Deductive research* starts by exploring the theory and based on that a hypothesis is formed and tested through data collection. This research approach is often connected to the scientific positivist philosophy and collecting and analysing quantitative data. *Inductive research* builds a theory based on the collected data. The researcher tries to understand the context and human experience of the events, which often combines inductive approach with the interpretivist philosophy. The preferred data collection method in inductive research is qualitative. However, connecting the approaches with certain philosophies and data collection methods are not set in stone. It is also possible to combine both deductive and inductive approach in the same research and this can often be even advisable. (Saunders et al. 2009, 124 -137.)

This study started with reviewing the literature and finding suitable theories that can be used to create a communication strategy for a start-up organization. This points towards deductive approach and the communication strategy can be seen as a hypothesis that is testing the theories and data is collected on its efficiency. However, this research is guided by pragmatist philosophy that always considers what is the most practical for the research. In order to understand the efficiency of the communication strategy, it is important to understand the start-up context and the stakeholders' point of view and then instructions can be provided on how to develop the communications further. This in turn follows the inductive line of action. In conclusion, this study is a combination of both deductive and inductive approaches because that helps answering the research questions the best.

### 4.6 Research strategy

When doing a research, it is important to have a clear research strategy that helps answering the research questions. There are several different strategies to choose from and even though some of them are clearly connected to deductive or inductive approaches, no strategy is better than the other and they are not mutually exclusive. The research questions, amount of resources, existing knowledge and the research philosophy help defining suitable strategy for a particular study. (Saunders et al. 2009, 141.)

The research strategy chosen for this study is case study research. Case study research concentrates in examining a particular phenomenon in a real-life context. It is also typical to develop a theoretical proposition before data collection and analysis and triangulate data gathered from multiple sources. (Yin 2014, 16-17.) Yin's definition on case study research, however, is criticized by Myers (2013) for being either too broad or too narrow for case studies in business. The definition can be considered too broad because in business research, the focus is usually in a certain aspect of the organization. Therefore, case studies that are done about other matters and not about organizational issues cannot be called case studies in business. Myers considers Yin's definition also too narrow, because Yin describes case study research only from a positivist point of view, where developing theoretical statements is required. Theoretical hypotheses are not required in other types of case studies, such as interpretive and critical case studies, which Yin does not mention at all. Myers defines case study research in business as a research that gathers evidence from one or more organizations in order to study a matter in context. Interviews and documents are the sources that produce most of the evidence. (Myers 2013, 77-78.)

In this study, the phenomenon under research is the strategic communications and the context is Diske Inc.'s start-up environment. Once again, it is shown that the practical approach of the pragmatist philosophy suits this study well, because a combination of the case study definitions by both Yin and Myers can be applied to this study. In a way, the study follows Yin's positivist approach that starts from theory. However, the study also includes Myers' way of interpreting qualitative interviews and questions in the questionnaire. The design of this case study is a holistic single case study. The study covers a single case, the communication strategy, and Diske Inc. is the only organizational context of the study. The research covers Diske Inc. and its communication as an entity without having multiple units of analysis, which makes the study holistic. (Yin 2014, 50.)

The purpose of this research is both exploratory and descripto-explanatory. The study starts as an exploratory study, which seeks to find out new insights and clarify understanding of the problem. In this study, the literature was searched to understand the world of strategic communications better and literature, correspondence with the CEO and Diske Inc.'s business strategy gave insights on the start-up context and Diske Inc.'s strategic goals. With the help of the exploratory research the communication strategy for Diske Inc. was created. The follow up study on the implementation of the communication strategy and its effectiveness is done as descripto-explanatory study. This means that the data is used partly for providing a description on how the communication is perceived and how it has affected the company revenue and stakeholder awareness. Some causal relationships that are characteristic for explanatory study may also be found when analysing the level and activeness of implementation and how it may have affected the overall results. (Saunders et al. 2009, 139-147.)

#### 4.7 Research methods

In a research, data can be collected and analysed quantitatively or qualitatively. Quantitative data collection and analysis produce numerical data whereas qualitative techniques concentrate in non-numerical data. The data collection and analysis does not need to be purely quantitative or qualitative but they can be combined according to the researcher's choice. If the researcher chooses to use only one data collection technique and corresponding analysis method, the study is a mono method study. When more than one techniques and analysis methods are used, the study uses multiple methods. Figure 19 pictures the different choices that a researcher can make. (Saunders et al. 2009, 151.)

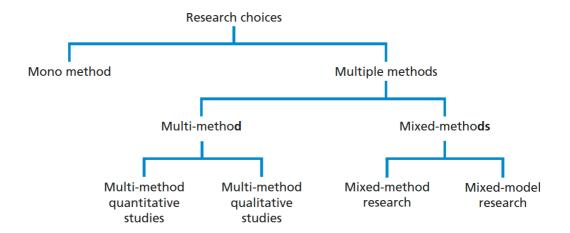


Figure 19. Recearch methods (Saunders et al. 2009, 152)

For the data collection and analysis of this study, multiple methods are used. Using multiple methods is seen as the most practical choice because it gives the best opportunity to answer the research questions. Different methods can be used for different parts of the study. This study uses literature and qualitative interviews and correspondence with the CEO of Diske Inc. in the exploratory phase for finding the most suitable choices for the communication strategy. In the descripto-explanatory part that seeks to find out the efficiency of the communication strategy, interviews, quantitative data, observation and a questionnaire are used. Part of the data is analysed quantitatively using tables and figures whereas some of it is analysed using qualitative methods of narrative analysis and summary. This means that this research is a mixed-model research which uses a combination of quantitative and qualitative data collection techniques. When the data is analysed, qualitative data can also be analysed quantitatively and quantitative data can be analysed qualitatively. (Saunders et al. 2009, 152-153.) The choices made in this study regarding the research methods are explained in the following paragraphs.

As it has been explained already, the data sources for the development of the communication strategy were literature together with Diske Inc.'s business strategy and interviews and correspondence with the Diske Inc.'s CEO. Reviewing the literature gave the basis for the initial theoretical proposition, that a communication strategy is needed also in start-up organizations in order to have effective communications. As Yin (2014) suggests, having a theoretical hypothesis is characteristic to a case study research. The interviews, correspondence and business strategy were used in this stage to understand the organizational context and to help choosing the theoretical concepts that best suit this specific communication strategy.

The evaluation phase of the study concentrates in determining the effectiveness of the communication strategy and its implementation. The data on Diske Inc.'s current state of communication in relation to the communicational objectives and the communication strategy's effect on the company revenue was collected by interviewing the CEO of Diske Inc. In a case study, interviews are one of the most important data sources because they provide the interviewee's insight on the actions that are studied (Yin 2014, 110.) The interviews of this study were conducted as qualitative non-standardised interviews. The interviews were semi-structured, which means that there is a list of questions to be covered and additional questions may be added when needed. (Saunders et al. 320.)

The interviews were conducted as an e-mail interview, because the company is in another city and the e-mail interview gives the CEO the opportunity to answer the questions when it suits his busy schedule. Even though a face to face interview provides an opportunity for

observation and immediate follow up questions, the e-mail interview was chosen because of its practicality concerning the situation. Usually, an e-mail interview has a series of emails with a small number of questions that are responded to in the follow-up e-mails. An e-mail interview provides both the interviewee and the interviewer time to consider the questions and the responses. The downside of the e-mail interview is that there is a long delay between the question and the answers and the entire interview may last for weeks. A special attention also needs to be paid in ethical issues of the interview. The answers of the e-mail interview can be easily forwarded to others, which breaks the confidentiality and anonymity of the interview. (Saunders et al. 2009, 194, 348 – 351.) In this study, the interview was conducted during September and October 2017. Questions regarding the current state of communications and the implementation of the communication strategy were asked gradually in a series of e-mails. The final e-mail contained questions related to the communicational objectives set in the communication strategy for this year. In this study, the CEO of Diske Inc. gave his consent to use all his answers in any way that is seen useful for this study, except for confidential information of stakeholders. It was made clear that this study will be published and he consented to having his opinions and answers in that publication. Therefore, the ethical issues of the e-mail interview are covered in this study.

To understand the stakeholders' perspective on communications, an anonymous online questionnaire was sent to those external stakeholders, whose contact information was provided by the CEO of Diske Inc. The questionnaire was sent to different stakeholder groups, such as customers, investors, advisors and partners. The questionnaire in this study can be defined as a self-administered, internet-mediated questionnaire, meaning that it was completed by the respondents themselves via internet. Questionnaires are generally used to collect data from a large sample. (Saunders et al. 2009, 361-362.) In this study, the sample was very small, only 17 individual recipients for the questionnaire, because Diske Inc. as a start-up organization does not have a large stakeholder network. Even though interviews are more common when the sample is so small, a questionnaire was chosen for specific reasons.

As it was mentioned, Diske Inc. does not have a lot of stakeholders, yet. Most of the stakeholders are busy with their own work in larger companies and the likelihood of them wanting to schedule a time-consuming interview regarding the communications of a start-up is very small. An online questionnaire takes much less time to answer and therefore, it was considered a better choice in order to have access to at least some data from the stakeholders. The stakeholders are also located in different parts of Finland which made

organizing face to face interviews rather impossible, keeping in mind the limited resources of Diske Inc. as a start-up organization.

Questionnaires are often used as one of the research methods in a multiple-methods research design and are often connected to descriptive and explanatory research, as is the case also in this study. Because the purpose of the questionnaire was to get the stake-holders perspectives of different communicational matters regarding Diske Inc.'s strategic communications, different parts of the communication strategy were used as the basis for creating the questions (see appendix 3). This ensured that the collected data is essential for answering the research questions. The questions were formed based on the needs of this study and no questions from other existing questionnaires were adopted.

The composition of the questionnaire can be seen in appendix 3. As is common for most questionnaires, the questionnaire in this study also included both open and closed questions. Open questions were used to get detailed, interview-like answers of the stakeholders own perceptions of Diske Inc. and its communications without guiding them by a list of options, as is done in multiple choice questions. To assess the usage of different communication channels and individual communication practices, list-questions including all Diske Inc.'s available communication channels were used. A category question in the beginning of the questionnaire asked the respondents to categorize themselves according to the stakeholder group they present. This was done in order to get an understanding of the behaviour and preferences of different stakeholder groups. The questionnaire included also one rating question using the Likert scale to assess the stakeholders' perceptions on how strongly the personal brand of the Diske Inc.'s CEO is connected to the company brand. (Saunders et al. 362, 368, 374-378.)

The following chapter reports the findings of the data. The questions of validity and reliability of the methods are also discussed further in connections with the findings. The report uses quantitative tables and figures to describe some parts of the data and qualitative summaries and narrative analysis in others. The use of different data collection and analysis methods makes this research is a mixed-model research, as was mentioned earlier. The reason for this design is complementarity, to get more detailed answers on some aspects than with using only quantitative or qualitative questions. The use of multiple independent data sources makes it also possible to triangulate the findings and corroborate the results. Using multiple methods is supported by the pragmatist philosophy. Because the research concentrates on the creation of the communication strategy, its implementa-

tion and time right after the implementation, the time horizon of the study is cross-sectional, which means that the research concentrates on a particular phenomenon at a particular time. (Saunders et al. 2009, 151- 155, 491-492, 514.)

### 5 Key Findings of the Study

The main objective of this study was to find the best practices for strategic communications of a start-up company with limited resources. The CEO of Diske Inc. told that their need was to have a communication strategy that helps growing the company brand and its visibility and discovering most cost-effective ways to get people to pay attention to the company and bringing the company news into the awareness of potential buyers. The fact that Diske Inc., as many start-up organizations today, has aspirations to enter international markets rapidly, created also a need to consider the international aspect of communications.

The study consisted of two parts. The first part started with the theoretical proposition that having a communications strategy helps start-up organizations to communicate effectively and to achieve their strategical goals. Therefore, the objective of the first part was to discover what is needed for efficient organizational communications and to create a communication strategy for Diske Inc. based on that. The second part of the study concentrated in evaluating how well the chosen methods worked in start-up context and did the implementation of the communication strategy generate the desired increase in company revenue and stakeholder awareness. In order to develop the communications further, the stakeholders' opinions were also included in the study.

### 5.1 Creating the communication strategy

As it has been mentioned before, the communication strategy for Diske Inc. was created by reviewing relevant literature on organizational communications and choosing the practices that were considered to fit Diske Inc.'s start-up context the best. It was soon found out from the literature that having a communication strategy is very important for start-ups and large organizations alike. The business strategy of Diske Inc. provided the core for the communication strategy together with insights given by the CEO of Diske Inc. in e-mail correspondence. The close linkage of the business strategy and communication strategy was also supported by the literature. Deductive approach and using literature as one of the main data sources were chosen at this point so that the common practices of corporate communications could be tested in start-up context and possible similarities and differences between corporate and start-up communications could be discovered in the second phase of the study, when analysing the effectiveness of the communication strategy.

Appendix 1 shows the communication strategy created for Diske Inc. in its entity. The concepts that were chosen to guide the formation of the communication strategy were explained in chapter 3 and illustrated in figure 17 which pictured the conceptual framework of this study. The main parts of the communication strategy, which are closely linked to the evaluation part of the study are reported here in order to have a better understanding of the follow up study and the results it provided.

A SWOT-analysis (see appendix 1) was first made to understand the current state of communication and the operational environment of Diske Inc. The SWOT-analysis was based on e-mail correspondence with the CEO of Diske Inc. as well as the content of the business strategy. A more thorough market research on the business environment was not performed at this stage because the business strategy provided insights of both internal and external factors of the industry. Also, Diske Inc. is still a rather unknown company and therefore, it was not seen reasonable to use the limited resources of a start-up to a market research which was quite unlikely to generate more insights on the matter.

From the SWOT, it was discovered that Diske Inc. has many strengths that should be highlighted in the communications and the industry offers many opportunities that can be used for Diske Inc.'s advantage. It was needed to be considered how weaknesses and threats could be used to gain advantage. Based on the SWOT, the following list of communicational guidelines for Diske Inc. was formed:

- The ability and willingness to provide innovative and holistic solutions to health care should be integrated in all communications.
- Though the resources are limited, online monitoring and frequent online presence should be used to increase the visibility through third party shares and mentions in social media. Even if nothing noteworthy is happening at Diske Inc. at the moment, taking part in conversations or sharing stories on issues that are important and linked to the company values make the company name known to potential clients visiting relevant forums.
- Through active online presence, indirect competition can be used as an advantage as the competitor's clients are likely to be interested in similar things that Diske Inc. provides.
- By gaining interested followers and engaging them to the company, the threat of big businesses stealing the market with similar product is smaller.
- The founders' strong personal brands can be used to build reputation for the company. It is easier for people to trust another person than a new company and there are more connection possibilities in social media for personal profiles.
- In a long run there needs to be concentration on the visibility of the company brand to ensure possibility to grow, because the founders do not have the possibility to be involved in everything in a growing company. Promoting the company brand for Diske Inc. ensures that the customer wants to do business with the company and it is possible for anyone representing the company to make the customer happy.

• In the beginning the general communications should concentrate on one main "flagship" product that embodies Diske Inc. the best. This forms the basis for the company identity and the image stakeholders will have.

The communicational objectives for the communication strategy were formed based on the strategic goals mentioned in Diske Inc.'s business strategy and the communicational guidelines that were created based on the SWOT analysis. The strategic goals concentrated in increasing the client base and financing for product development as well as making Diske Inc. known for its innovativeness and trustworthiness. The communicational objectives focused on increasing awareness especially in online channels, forming trusting relationships with regular and transparent communications and actively communicating with new potential clients. Online communication was also seen as a good tool for using the indirect competition to gain followers. Table 1 shows the communicational objectives that were set for the year 2017 and worked, thus, as the foundation for the data collection in the second part of the study. SMART was used to guide the formation of the goals so that the objectives would be specific and easily measurable.

Table 1. Strategic goals and communicational objectives of Diske Inc. in 2017.

Strategic goal	Communicational objective	
To be known as a trusted company that is contacted for new innovations and remembered as a solver of health care challenges.	<ul> <li>Increasing awareness and visibility of Diske Inc.</li> <li>Doubling the amount of followers/ shares/likes/web page visits by the end of 2017.</li> <li>Building trust with stakeholders with regular and transparent communications.</li> <li>Gathering regular feedback from current stakeholders and reacting on it.</li> <li>Developing an informative web page that engages the stakeholders into dialogue with Diske Inc.</li> <li>Use of SEO.</li> <li>Increasing reputation with user testimonials on web page.</li> <li>Finding 1-2 online forums discussing issues important to the company and participating on discussion there to promote the expertise and values of company/founders.</li> </ul>	
Getting 1 or 2 new case clients in 2017.	<ul> <li>Approaching 5 -10 possible case clients by the end of 2017 and following up on leads.</li> </ul>	
Getting financing to help finish the product development.	<ul> <li>Active pitching in relevant events offering start-up financing.</li> <li>Communicating with 5 -10 potential new clients.</li> </ul>	
Start marketing the new product in the end of 2017.	<ul> <li>Start planning and executing marketing at the latest fall 2017.</li> <li>Communicating before fall e.g. with Universities for a chance to make the marketing planning and maybe part of the execution as a student project.</li> <li>Increased online activity throughout the process.</li> </ul>	

The literature highlighted the importance of understanding who the organization's stake-holders are, what is their priority concerning communications and what kind of information they need. This helps forming the key messages for each group and choosing appropriate communication channels. Diske Inc. had concentrated mainly in customers and potential customers in their stakeholder mapping. Therefore, in the communication strategy all Diske Inc.'s stakeholders were first identified by using the linkage model and then prioritized with the stakeholder salience model.

It was decided that direct message structure is the best option for a start-up organization, because people need to first see the main point, to understand what the organization and its products are about, in order to spark their interest to find out more. By using rational message style, Diske Inc. can use communications to showcase its advantages and unique capabilities such as their holistic approach to health care and their strong operative knowledge in the field. The inspiring vision of Diske Inc. together with the company values: trustworthiness, innovation, uniqueness and scientific approach should be integrated in all communications so that the stakeholders get an understanding of the essence of the company. Literature also mentioned the importance of visual components in messages. Diske Inc.'s logo should be made visible in all communications to increase stakeholders' association with the company brand.

In the correspondence with Diske Inc.'s CEO, it was discovered that most of the communication in the company was done by personal e-mails or face to face contact as well as by appearances and pitching in relevant events. Diske Inc. had a web page and LinkedIn and Facebook profiles but they were not updated and posted on regularly. The communication in the organization was mostly done by the CEO and he admitted that because of limited time, he does not always have time to follow up on leads. Because of the limited time and personnel resources, it was decided in the communication strategy that no new communication channels should be introduced at that point so that the resources could be concentrated in improving the communications on the existing channels. Awareness could be raised in those channels by regularly posting in own pages and sharing and commenting other relevant posts. Table 2 brings together all Diske Inc.'s stakeholders in order of priority and their information need, content of key messages and main communication channels for each of them.

Table 2. Diske Inc.'s stakeholders, information need, messages and communication channels

Charmers				
٢	Stakeholder Client	Information need	Key messages	Communication channels
	companies/ institutions	What we offer	Innovative and trustworthy solutions to fight lifestyle diseases	face to face/phone
		How our product facilitates their work	Prevention reduces overall health care costs	e-mail
		How to contact us	Contact us by phone, e-mail or in social media	web page
		Where to get help when needed	More information on our web page	newsletters
				LinkedIn & Facebook
	Investors	How we are doing	Statistics of current revenue/online following	face to face/phone
			lollowing	e-mail
				intranet
	Board of directors	How we are doing	Statistics of current revenue/online following	face to face/phone
			Ç	e-mail
Definitive stakeholders	Employees	Who we are and what are our values/purpose	Innovative and trustworthy solutions to fight lifestyle diseases	intranet face to face/phone
		How we are doing	Our vision is to decrease the amount of lifestyle diseases by 80% by 2027	e-mail
		How to communicate	Statistics of current revenue/online	intranet
		with customers/media	following	muanet
			Transparent communications with company values integrated	
	Consumers	What we offer	Innovative and trustworthy solutions	e-mail
	333411013		to fight lifestyle diseases  Prevention reduces overall health	
		How to contact us	care costs	web page
		Where to get help when needed	Contact us by phone, e-mail or in social media	newsletters
		when needed	More information on our web page	LinkedIn & Facebook
Ĺ		Who we are and how	Innovative and trustworthy solutions	(+Twitter, Instagram)
	Media	our product works	to fight lifestyle diseases	press release
				face to face interview web page
				LinkedIn & Facebook
	Health care institutions	Who we are and how our product works	Innovative and trustworthy solutions to fight lifestyle diseases	web page
	Institutions	How to contact us	Prevention reduces overall health	newsletters
Dangerous-			care costs Contact us by phone, e-mail or in	e-mail
stakeholders			social media  More information on our web page	LinkedIn & Facebook
	Individuals and organizations promoting healthy lifestyle	Who we are and how our product works	Innovative and trustworthy solutions to fight lifestyle diseases	web page
	, ,	How to contact us	Contact us by phone, e-mail or in social media  More information on our web page	LinkedIn & Facebook (+Twitter, Instagram) e-mail/newsletters
	Suppliers	How to contact us	Contact us by phone, e-mail or in social media	face to face/phone
Dependent <sup>-</sup> stakeholders		Delivery schedule/changes in supplier needs	More information in our web page	e-mail
Ĺ			Thank you for co-operation Statistics of current revenue/online	
	Advisors	How we are doing	following	face to face/phone
		Problems related to their area of expertise		e-mail
Dominant stakeholders	Regulators of health care matters	Who we are and how our product works	Innovative and trustworthy solutions to fight lifestyle diseases	web page
		How our product will help health care in general	Prevention reduces overall health care costs	newsletters
				e-mail phone
Ī	Competitors	Who we are	Innovative and trustworthy solutions	web page
			to fight lifestyle diseases	LinkedIn & Facebook
Dormant	NGOs	Who we are and how	Innovative and trustworthy solutions	web page
stakeholders		our product works	to fight lifestyle diseases	LinkedIn & Facebook
	Community	Who we are and how our product works	A local company providing innovative and trustworthy solutions to fight lifestyle diseases	web page
<b>D</b> :		\A(\text{\text{\$\exitt{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\exitt{\$\text{\$\exitt{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\exitt{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\titt{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\tex{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\exittit{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\}\$\text{\$\text{\$\exititit{\$\text{\$\text{\$\text{\$\texittit{\$\text{\$\text{\$\text{\$\e		press release via local media
Discretionary stakeholders	Governmental legislators	Who we are and how our product works	Innovative and trustworthy solutions to fight lifestyle diseases	web page
7	123.210.010	. E. F. E Last Works	12g 22.910 dioodooo	newsletters
				e-mail phone
_				priorie

In order to have a clear schedule and tasks regarding communications, a communications plan was created based on the communicational objectives until the end of year 2017. As it was mentioned, the communicational efforts in Diske Inc. were mainly the responsibility of the CEO. However, it was seen important that in such a small start-up organization, everyone is somehow involved in communications in order to know what is going on and that everything is not done by the busy CEO. This positioning of communications can be changed when the resources increase and there is a possibility to have an appointed communications professional in the organization. The communication plan as part of the communication strategy can be seen in appendix 1. Most of the communicational tasks in the plan were still appointed to the CEO but some tasks were given to the other company founder and the first evaluations of the communications were appointed as part of this study. Because there are quite many communicational objectives and a small team taking care of them, it was recommended in the communication strategy that Diske Inc. would consider hiring someone to take care of communications or at least, approach relevant universities in order to have e.g. marketing planning and execution done as student work.

Even though Diske Inc. is still a start-up organization, a crisis communication plan was also attached to the communication strategy, as was recommended by the literature. The crisis communication plan included some current potential as well as some hypothetical threats in the future. However, the crisis communication strategy needs to be updated as the company grows. The importance of revising the entire communication strategy before the end of the strategy period and whenever significant changes are made to the business strategy was also mentioned. This was based on the close relationship between the business strategy and communication strategy mentioned in the literature. Literature also suggests that in start-ups things are constantly evolving which highlights the importance of keeping the communication strategy up to speed. Internationalization was not mentioned in the communication strategy, because the company functions were limited to Finland at that moment and the literature suggests that each target country needs its own communication strategy. Internationalization is addressed later when giving recommendations for the future communications of Diske Inc.

On-going evaluation of communications is also highly recommended in the literature. Therefore, certain practices for evaluating Diske Inc.'s communications were also mentioned in the communication strategy. Because increase in revenue and stakeholder awareness together with the visibility and awareness of the company brand were the main objectives for Diske Inc.'s desire to have a communication strategy in the first place, it was seen logical to start evaluating the effectiveness of the communication strategy by those

factors. As it was mentioned in the literature, the evaluation should look backward to assess the achievements as well as forward to improve future communications. This was the guideline for the evaluation phase which formed the second phase of this study. The procedures and findings are explained in the following chapters. The findings from different data sources are divided based on the communicational objectives that were measured. The findings are presented mainly by narrative analysis in order to have the data presented in a form of a clear story. Some quantitative figures are also presented to clarify the narrative. (Saunders et al. 2009, 492, 497.)

### 5.2 Increasing stakeholder awareness and visibility of the company brand

One of the main objectives of the communication strategy was to increase the awareness and visibility of Diske Inc. This was based on the strategic goal of making Diske Inc. known and remembered as an innovative and trustworthy company that solves healthcare challenges (table 1). The literature review revealed the importance of online communications in today's business and it was mentioned that online channels provide start-ups with a cost-effective way to compete with bigger organizations when it comes to communications. Therefore, the communicational objectives regarding the awareness and visibility concentrated in developing the online communications and gaining visibility through social media. In the communications plan, one of the main tasks scheduled for this year was developing the company web page. Actively and regularly posting own stories and sharing and commenting on other people's or organizations' stories with relevant content in Diske Inc.'s social media channels, Facebook and LinkedIn, were also a major part of the plan. This would make the company and its area of expertise known among stakeholders in relevant online forums.

The evaluation of awareness and visibility was done by collecting data on the number of visits on the company web page as well as the development of followership in Diske Inc.'s social media channels. The number of posts by Diske Inc. and the likes generated by them were also included. The data was collected partly from the online analytics provided by Diske Inc. and partly by observing the social media activity. In addition to collecting data in quantitative tables and figures, the data was analysed qualitatively by summarising the key points. Interview with the CEO was also a part of the data collection because his insights helped in understanding and interpreting the data.

The online analytics from Diske Inc.'s web page and Facebook, that were provided by Diske Inc.'s CEO, presented the number of visits in the online channels from June 2017 until October 2017. From the data, it was discovered that there was no significant increase

in the visits since the beginning of June when the communication strategy was delivered to Diske Inc. for implementation. The activity on the Diske Inc. web page remained almost non-existent and the Facebook visits were not increasing either, apart from two clear peaks in the beginning of July and mid-August. By observing the Diske Inc. web page it was easy see that practically no work had been done to make the site more informative and user friendly, as was suggested in the communication plan. In the interview, the CEO confirmed that web page development was not something that they felt was necessary at this point. The lack of development and regular news updates may explain the poor success in increasing the visibility of the company page.

The CEO was also asked, whether there was something special happening in the beginning of July and in mid-August that would explain the peaks in visitor numbers on the Diske Inc. Facebook page. The peaks indicated that some actions clearly increased stakeholder awareness in those times. He did not have an answer to that question but by observing the Facebook feed, it was discovered that in the beginning of July the company posted about Diske Inc. being nominated as a finalist in Nordic Start-up Awards. The story clearly made people interested in the company. There was no explanation found in the Facebook feed for the second peak in August. However, an internet search revealed that the voting for the winner of the Nordic Start-Up Awards closed on August 22nd, which is a quite likely explanation for people visiting the Facebook page more at that time.

When observing the online activity in LinkedIn and Facebook, it was discovered that there was almost no activity in the evaluation period, even though active online presence was recommended in the communication strategy. LinkedIn had no new posts in the entire period and Facebook had only the one post in July that was mentioned earlier. This post did not seem to generate much interest, because only six people had liked the post. Because there were no other posts to observe, it was not possible to use the number of likes on posts to generate data that would tell how well the posts gained visibility, as was the original plan in this study. There was basically no increase in the number of followers in social media, either, as can be seen in figure 20. This is understandable because there was no activity on the sites that would make people interested. Reaching the communicational objective of doubling the number of followers by the end of the year seems quite unlikely. However, things happen fast in the online world and only the scheduled evaluation at the end of the year will have the final answer to that.

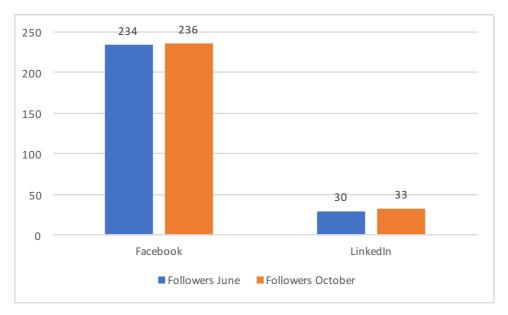


Figure 20. Development of Diske Inc.'s followers in social media

When asked about the social media activity, the CEO admitted that they had not increased the activity because they did not feel that it is beneficial for the brand. Except for a few discussions in Facebook, they had not tried to build awareness by commenting on articles or participating in discussions on issues relevant to Diske Inc. in online forums, either. They had come to a conclusion that Diske Inc. as the brand name was not working and it may need to be changed, especially when thinking about international markets. He had noticed that in Google, the search word Diske generates mostly results from Sri Lanka, where "diske" means some kind of a local product.

The CEO told that most of the communication was still lead by the CEO's personal brand and Diske Inc. came into the picture only after personal connection had been made. The reason for this was, that there was clearly more awareness of his personal brand and new partnerships and business opportunities created by the personal brand opened the doors also for Diske Inc. Instead of online activity, the CEO thinks that most of Diske Inc.'s visibility is gained by face to face contact and by participating in pitching competitions and events. The fact that there were clear spikes in Facebook visits at the time of the Nordic Start-Up awards indicates that these events really raise awareness of the companies participating in them. The CEO also revealed that Diske Inc. has started to develop a new product, Bono, which seems to interest people more than Diske Inc. in general and building a new internationally oriented brand around Bono is now in consideration. The CEO's personal brand has also created contacts with potential business partners in Estonia and Sweden, which could be used as the starting point for internationalization.

The literature suggested that in start-ups the business brand and personal brand are often used side by side and the use of the personal brand might be useful especially in the beginning, because people tend to trust other people more than organizations. According to the CEO, this applies for Diske Inc., as well. The CEO's explanation for the lack of data on the development of the company brand's awareness provided an incentive for some new data to be collected. In order to find out how much the awareness is really lead by the CEO's personal brand, it was decided to include also data from his personal social media sites in the study. The data on personal sites was collected only on those social media platforms where Diske Inc. was also present and on posts that were clearly related to Diske Inc.

Because the CEO mentioned the problem with the web searches with the name of Diske Inc. it was decided to investigate the data on the matter in Google Trends. In worldwide results the most searches for Diske came from Asian countries and the search results provided all kinds of sites related to "diske" but not about Diske Inc. It was then decided to compare the searches for Diske and the CEO Timo Kettunen and the geographical location was narrowed down to include only searches made in Finland. As can be seen from figure 21, it is quite clear that the CEO's assessment of the situation is correct. There is clearly more interest for his personal brand and whenever there were peaks on searches for Diske there were also peaks in searches for Timo Kettunen. This indicates that whenever there is growing interest towards Diske Inc. there is also interest for the CEO and the awareness of the organization follows the awareness of the CEO.

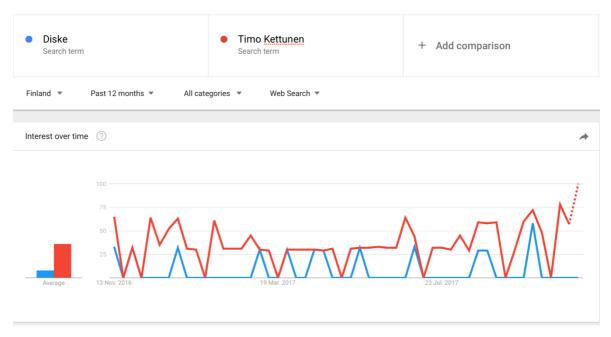


Figure 21. Web searches for Diske and Timo Kettunen over the past 12 months (Google Trends 2017)

When observing the social media activity on the personal social media sites of the CEO, it was noticed that in addition to personal posts, a big part of the posts were related to his work. Because the CEO is involved in many different projects, the data collected for this study concentrated only on those posts that clearly mentioned Diske Inc. in order to understand how wide awareness for the company brand is created through the CEO's personal brand. Even though the number of posts mentioning Diske Inc. in the period from June to early November 2017 were limited to only a few posts per month, it was noticed that the personal posts clearly reached more audience than the posts in the company social media sites. Facebook was generating significantly more awareness than LinkedIn. That is partly explained by the fact that there were fewer posts in LinkedIn. The number of followers of the CEO's Facebook page was also over twice the number of his LinkedIn followers, which means that more people were exposed to the Facebook posts.

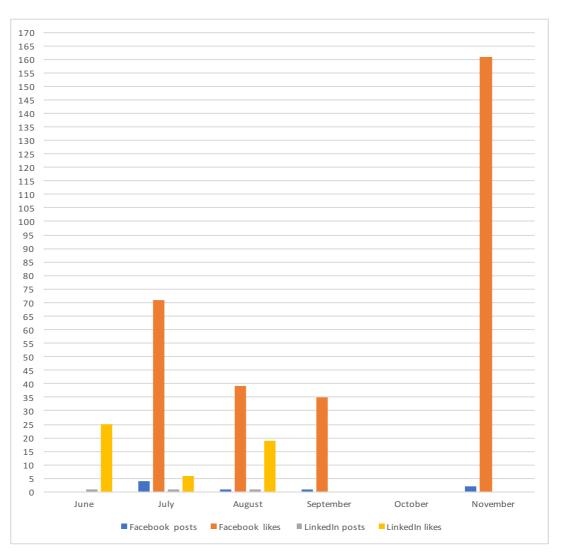


Figure 22. Posts about Diske Inc. in personal social media channels and the likes generated by them

The findings from the online data and the CEO's interview revealed that the implementation did not follow the recommendations given in the communication strategy for increasing the company brand's online awareness. The following chapter assesses the implementation further based on other communicational objectives.

### 5.3 Assessment of implementation

In addition to increasing awareness, one of the main strategic goals was to get new clients and financing to enable finishing the product development phase. As it was shown in table 1, measurable communicational objectives were set to help reaching those goals. In the business strategy, it was also mentioned that the new product is intended to be launched in early 2018 and therefore the marketing should start already in the end of the year 2017. The communication strategy offered recommendations for that part as well. For the evaluation of the success of the implementation, the interview with the CEO was used as the main data collection method. As it was mentioned already in the methodology chapter, for practical reasons the interview was conducted as an e-mail interview during September and October 2017 and the interview questions (appendix 2) assessing the implementation were directly based on the communicational objectives that were to be evaluated.

For getting new clients and financing, the communicational objectives suggested pitching in events that offer start-up financing and approaching 5 to 10 potential new clients by the end of the year and following up on communications with them in order to secure possible deals. In the interview, the CEO told that five potential clients had been approached and they were all likely to lead into co-operation at some point. This exceeds the strategic goal of getting 1 or 2 new clients in 2017 which means that this communicational objective was implemented successfully and it did help Diske Inc. to reach its strategic goal. The CEO had also participated in two hackathons for gaining financing and Diske Inc. has applied to pitch in three more events by the end of the year. The events where Diske Inc. were and will be pitching were chosen carefully based on how beneficial the event was seen to be for Diske Inc. and its media visibility. All these events offer a possibility to gain financing, which means that if the investors choose Diske Inc., this communicational objective was also helpful for Diske Inc.'s overall goals.

In the strategic goals of Diske Inc. it was estimated that the product launch will be in early 2018. From communicational point of view this meant that the marketing of the product should start already in the end of 2017. The communicational objectives proposed that marketing planning and execution should start during the fall 2017 at the latest. In order to

get cost effective help in marketing, it was suggested to contact relevant universities in order to have some work done as student projects. Also, the online activity should be further increased by the time the marketing is ready to be executed in order to gain maximum visibility already before the campaign. The CEO told in the interview that they had approached universities regarding the marketing projects but so far there had been no interest from the universities. However, they had actively investigated other options for getting cost-effective marketing support and some of the options seemed quite promising. It seems that this communicational objective was implemented as indicated in the communication plan but so far, it had not produced successful results.

When it comes to increasing social media activity for marketing purposes, the CEO told that it was not done yet. That was partly, because of the doubts they had about Diske Inc.'s suitability as the brand name. They had also decided to wait until they have participated in the pitching events in the end of the year in order to have some major news to tell all at once. With the visibility gained from the events and their own communication on them they intend to boost the visibility on the planned pre-launch of their new product Bono as well as the beta publication of their lifestyle API (application programming interface). Even though the increased online activity was scheduled to happen already earlier in the communications plan, it is understandable that this communicational objective was not implemented yet as the marketing efforts for the product launch had not started either. Therefore, the success of these communicational objectives should be evaluated again later.

All in all, it seems that apart from the objectives set for the online communications, the communicational objectives of the communication strategy were implemented as planned and some of them had already provided the desired results in reaching the strategic goals. The CEO told in the interview that by the end of the last quarter of the year, the company revenue is estimated to have grown by 35% compared to last year, which is always a sign of success for every organization. Even though it cannot be proved whether the increase in revenue was a result of an effective implementation of the communication strategy or would Diske Inc. have gained the same increase even without a communication strategy, it is clear that communicational aspects, such as pitching in events and actively communicating with potential clients, played a role in the matter. One of the objectives for building the desired company reputation was to gather regular feedback from stakeholders so that the communications can be developed further. The first gathering of feedback was included as part of this study and the findings are described in the following chapter

### 5.4 Stakeholder's perceptions of communications

Understanding the stakeholder's point of view regarding communications was seen as an important part of the evaluation, because the main point of the communication strategy is to help communicating with the stakeholders in the most suitable and effective manner. It was decided to include this part of the evaluation also in this study, because no feedback from stakeholders had been gathered before and it was seen important to have their opinions so that further recommendations on communications can be given to Diske Inc. This evaluation is only one of the many evaluations that should be conducted regularly in the future.

The data on stakeholder opinions was collected with an online questionnaire (appendix 3). The questionnaire was sent to 17 Diske Inc.'s existing stakeholders whose contact details were provided by the CEO of Diske Inc. The stakeholders represented different stakeholder groups, such as investor, customers, business partners and advisors. As it was explained when going through the research methods in chapter 4.7, a questionnaire was chosen instead of interviews despite the small sample available, because it was seen as the most effective way of getting at least some answers from the stakeholders. The stakeholders were mostly busy business people and it was seen unlikely that many of them would have time to schedule an interview to answer questions about a start-up organization. It was decided that an online questionnaire is more likely to provide more answers from a larger range of stakeholders than interviewing. In the end, only 4 stakeholders out of 17 chose to answer the questionnaire which in quantitative studies is not regarded as reliable data. This questionnaire, however, included few purely quantitative questions and the data is analysed qualitatively. Also, from Diske Inc.'s point of view, having even some kind of an insight on the stakeholder's perceptions is better than having no answers at all. which may have been the case with trying to interview the stakeholders. In order to have interview-like data, there were many open-ended questions in the questionnaire in order to get answers created by the stakeholders' own words instead of readymade options.

The questionnaire was sent to all respondents in Finnish, because they were all native Finnish speakers and it was felt that more in depth answers can be gotten when the stakeholders can respond in their native language. The answers were then translated to English when summarizing the data. The questionnaire was structured according to the different communicational aspects related to stakeholder communications: information need, communication channels, and the frequency of communications. The stakeholders' perceptions on the company brand and its online presence were also included. The questions are the properties of the stakeholders and the frequency of communications.

tionnaire was anonymous but it was possible to compare the answers of different stakeholder groups in order to find out the specific needs of each group and improve the communications accordingly. The stakeholders that responded to the questionnaire represented three different stakeholder groups: customers, investors and possible business partners.

Questions 3, 5 and 8 in the questionnaire were related to communication channels. The purpose of these questions was to understand what are the stakeholders' main communication channels with Diske Inc. currently and to see if they correspond with their own future preferences. Question 8 concentrated in analysing what are the main communication channels for pull communication, the ones that the stakeholders use when they want to access information about Diske Inc. Figure 23 shows the main communication channels currently used by all respondents. The data confirms the CEO's assessment that most of the communication is done personally, either face to face or by phone or e-mail. When comparing the answers of different stakeholder groups, it showed that existing customers use mostly e-mail and phone while the possible business partner uses e-mail and face to face meetings. This indicates that for Diske Inc., face to face meetings are important especially at the start of the stakeholder relationship. The stakeholder representing investors was the only one that used mainly Facebook for communications. The answers on future preferences on communications showed that the current communication methods are what the stakeholders are interested in using in the future, as well.

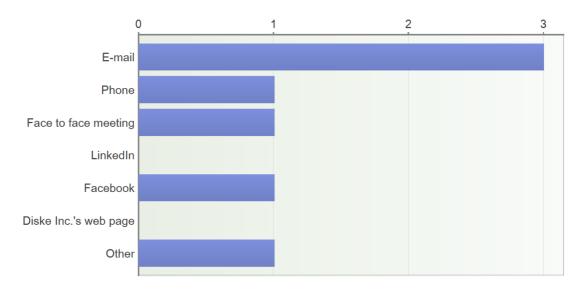


Figure 23. The main communication channels used by Diske Inc.'s stakeholders

The results on which communication channels are used for finding information provided different results. As can be seen from figure 24, online channels are the main channels for

pull communication for all stakeholders. There are some differences among the stakeholder groups. Customers prefer finding information from LinkedIn and Diske Inc.'s web page, the investor relies on Facebook and the possible business partner on e-mail and LinkedIn. This indicates that it is important to keep the online channels informative and up to date so that the stakeholders can easily find the information they need.

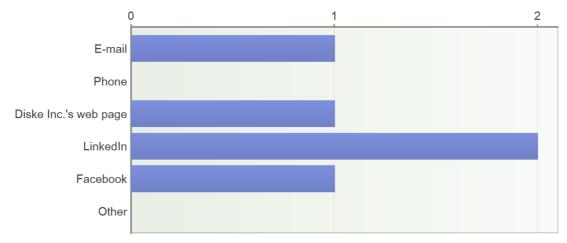


Figure 24. The stakeholders' preferred channels to find information on Diske Inc.

Question 4 concentrated in the stakeholder's information need in their communications with Diske Inc. and questions 6 and 7 analysed the current frequency of communication and how it could be improved. There were some differences in the information needs of different stakeholder groups, as could be expected. Customers were interested in receiving information on how the projects are advancing and on Diske Inc.'s insights on how different databases and computation capacity can be used to create new processes. This shows that the customers clearly trust Diske Inc.'s knowledge in their field which is good as being known as trustworthy was one of the main strategic goals for Diske Inc. The investor is mostly interested in information on stages of the development projects and the possible business partner on new business and project and service development. These have some correspondence with the information needs listed in the communication strategy. Business partners were not directly listed in the communication strategy because depending on the form of their partnership, they may be categorized as investors, suppliers or clients. It needs to be considered, if business partners should be added as a separate stakeholder group.

The rest of the questions in the questionnaire focused on social media communications and the company reputation. When asked about their perception of Diske Inc. as a company, all respondents mentioned Diske Inc.'s high capabilities for technology and innovation. It seems that Diske Inc. has managed well in integrating the company values in the communication, as was mentioned in the communication strategy. This has helped

them create an image of the company that was intended in the business strategy. However, the customers mentioned that there appears still to be some lack of focus and that things are not always handled in the accustomary way. The unorthodox methods may be explained by the fact that in a start-up organization many of the processes are constantly evolving but even so, that should not show to the customers. The communication strategy also suggested focusing on a flagship product that is used as the basis for the company identity. As was mentioned by the CEO in the interview, this is what Diske Inc. is now considering with their new product, Bono.

The communication between Diske Inc. and its stakeholders is currently quite frequent. Most of the stakeholders are in daily or weekly contact with Diske Inc. Only the possible business partner has quarterly communications. The current frequency was felt to be good by all respondents. The only suggestion for improvement regarding the frequency came from the investor who wished to receive more information when the projects are developing or there are changes.

When it comes to social media communications, all respondents thought that social media is an important communication channel for Diske Inc. They thought that it is an important channel for all companies nowadays and provides a means to reach the company fast. It was noted that having social media as part of everyday life and having interesting content is important. It was also mentioned that the CEO has become a known social media character. When asked, whether the respondent follows Diske Inc. or Timo Kettunen in social media, there were some differences among the stakeholders. The customers were not following either of them and the reason for this was, that they did not see a reason for it or they had just gotten to know the organization. LinkedIn was seen as the preferable channel to follow them in the future. The investor follows Diske Inc. both on Facebook and LinkedIn and the CEO in Facebook. The possible business partner is not actively following either of them but is nevertheless exposed to the posts of the CEO in social media. This shows that social media communication reaches also those stakeholders that are not directly connected to the organization and thus, helps raising awareness.

When asked, how strongly they agree with Diske Inc. and Timo Kettunen being one and the same, most of them agreed strongly with the statement. Only one respondent was neutral on the matter. The purpose of this question was to find out, how strongly the stakeholders associate the organizational brand with the CEO's personal brand. The answers confirm the CEO's own assessment that his personal brand is what leads the communications. The development suggestions given at the end of the questionnaire indicate,

however, that caution should be had when using the personal brand to promote the business brand. It was mentioned that the CEO posts funny and clever stories in social media that bring publicity. The respondent thought, however, that sometimes those clever personal posts and argumentative comments on the opinions of other experts may degrade the company image.

Other suggestions for further development of communications mention that the communication should be more focused and structured, especially when the projects become bigger. This was especially the opinion of the customers. It should also be thought about how the knowledge in the company and its products could be made more concrete through communications. Structured and focused communications is the purpose of the communication strategy. Regular transparent communications where the company values and vision are integrated together with a clear focus on the product line were some of the suggestions in the communication strategy. Implementing them may help developing the communications. However, the correspondence with the CEO showed, that in a start-up organization things evolve rapidly. The communication strategy was delivered in June and two months later the conversation revealed that there was already a significant change: when Diske Inc. was originally marketing SaaS product it had now changed into artificial intelligence. Before the focus of the company is found it is hard to focus the communications in certain products. The lack of focus in business does not mean, of course, that the communication could not be more structured. The next chapter summarizes the findings of the study, makes general conclusions based on the results and gives recommendations on how to improve the future communications of Diske Inc.

### 5.5 Summary of findings and recommendations for future communications

The previous chapter explained in detail the key findings of different parts of this study. These findings are summarized in figure 25 under the corresponding study subject. Conclusions based on the findings are explained here in a way that provides an answer to the research guestions and the main research problem.

### Research question 1: How can the key stakeholders be identified?

 Literature offers different models for stakeholder identification and prioritization. In this study, linkage model and stakeholder salience model were used successfully.

## Research question 2: What are the best and most cost-effective channels for increasing stakeholder awareness?

• Literature suggests that online channels offer start-ups a cost-effective way to communicate.

- Online channels do not create awareness if not updated actively.
- For start-ups, appearances in events increase also the organization's online awareness.

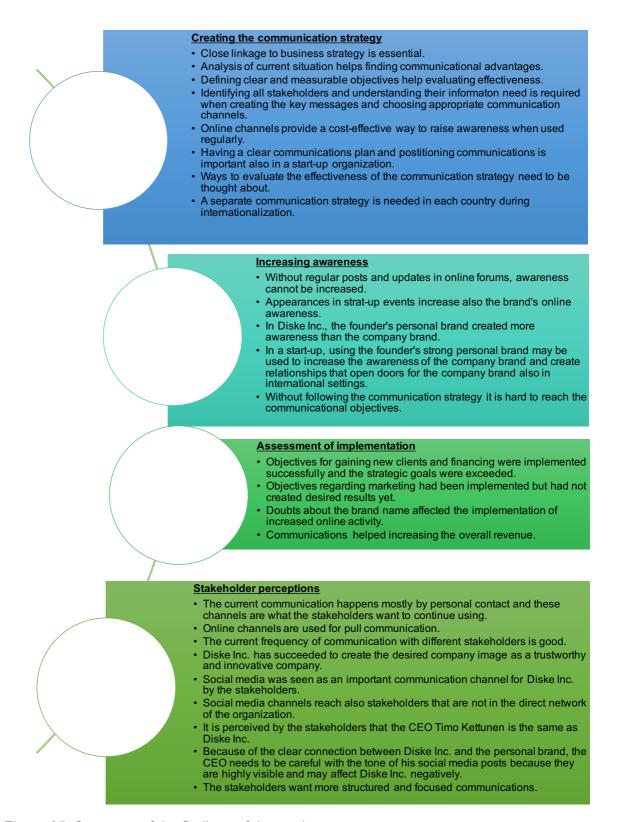


Figure 25. Summary of the findings of the study

## Research question 3: Which social media channels work best in increasing awareness?

- Online channels do not increase awareness if the organization does not use them actively.
- Stakeholders use LinkedIn, Facebook and company web pages for pull communication.
- The strong link between the company brand and the founder's personal brand makes it possible to raise the company awareness through the founder's personal online channels.
- When the company brand is strongly associated with the founder's personal brand, care needs to be taken in personal social media posts so that personal opinions do not degrade the company brand.

### Research question 4: What is the key message that should be integrated in all communications?

• For a start-up organization, integrating the company values and vision in all communications help creating the desired image in the minds of the stakeholders.

# Research question 5: What should be taken into account in communications concerning internationalization?

 When a company internationalizes, the business strategy needs to be modified to respond to the country-specific needs. Because the communication strategy should be closely connected to the business strategy, a separate communication strategy also needs to be created that supports the country-specific business strategies.

# Research question 6: What are the stakeholders' perceptions on the communications after the strategy is implemented, what can be improved?

- The stakeholders' perception of the company corresponds with the desired image described in the business strategy.
- There is a strong association between the company brand and the CEO's personal brand in the stakeholders' minds.
- The communications should be more structured and focused.

# The main research problem: How to manage strategic communications of a start-up company in a way that supports the business strategy and increases stakeholder awareness?

- Having a communication strategy is important part of strategic communications also for start-ups.
- Communication methods for corporate communications defined by literature are functional methods also for strategic communications of a start-up. However, due to the rapidly changing nature of a start-up, attention needs to be paid that the communication strategy is frequently revised and kept up to date with all changes.
- Communications play a crucial role in increasing awareness and the communication strategy needs to be constantly modified to follow the changing business strategy.
- In this study, the communication strategy was created by an outsider. Even though that worked well for the creation, the implementation was the responsibility of the

organization and there were some important objectives, e.g. the online communications, that were not implemented. It can be concluded, that despite the limited resources of a start-up, it is important to have a communications person who is closely connected to the operations and concentrates only on communications and has time to implement the communicational objectives and keep them up to date.

The following chapters give some recommendations for Diske Inc. regarding their future communications based on the research findings. The implementation of these recommendations is also discussed

#### 5.5.1 Recommendations for the future communications

The findings on the stakeholder perceptions indicate, that even though Diske Inc. has managed well in creating the desired image in the minds of the stakeholders, the communication should be more structured and focused. It seems that the communication strategy did not provide enough structure for the company communications. Whether it was due to a faulty communication strategy or lack of time to concentrate on implementation was not clearly indicated by the results. Even though the resources of Diske Inc. as a start-up organization are limited, it is recommended to consider hiring at least a part-time communications manager who could concentrate in fine-tuning the communications, keeping the communication strategy updated and corresponding the changing business strategy and exploring the true potential of online channels in raising awareness. Before increasing visibility, of course, a decision needs to be made whether the name of the company will be changed or if raising awareness will be led by Bono or some other product brand and the company name will be gradually changed.

Using the CEO's personal brand for gaining awareness and access has worked quite well, so far and there is no reason for changing that, at this point. However, as the stakeholders' opinions suggested, using the personal brand may also cause negative outcomes. If a conscious decision is made that the personal brand will continue as the leading brand, there needs to be some communicational decisions made on what kind of personal content is shared so that only positive associations to the organization are created. Because Diske Inc. aims to grow, leading with the personal brand cannot continue for long and it needs to be decided soon, what the company brand will be and actions to increase its awareness need to be initiated.

Diske Inc., as many "born global" start-ups, has aspirations for a rapid international growth. As it was mentioned in the findings, the communications need to be designed to correspond the country-specific needs. When it has been decided what countries Diske

Inc. will start its internationalization in, a separate business strategy and a corresponding communication strategy will need to be formed for that country. Diske Inc. has already some international contacts that may help the internationalization. The literature suggests that it is often most beneficial to start the internationalization in countries that are close to the homeland geographically but also culturally. This will most likely help defining the communication strategy, as well, because in countries culturally close to Finland, communicational principles are also quite likely to be similar to home country. Also, the channels for pull communication need to attractive and in an international language, so that anyone can access the basic information on the company, despite their geographical location. The web page of Diske Inc. is already in English but most of the social media posts are made in Finnish.

### 5.5.2 Implementation of the recommendations

The implementation of the recommendations is for the most part included in the recommendations themselves. The main task regarding the implementation of making the communications more structured and more concentrated in increasing awareness, is to hire a communications manager. Because Diske Inc. does not have a lot of resources before the growth starts, one option for implementation is to offer a communications internship position to university students. University internships are usually from four to six months and quite a lot of work on communications can be done in that time. If the person does a good job, there could be an option to hire them as a part time or full-time communication manager, depending on the resources at that point.

Clearly, a decision needs to be made about the company brand. Even though the personal brand of the CEO is creating awareness at the moment, there needs to be an attractive company brand in a long run. It seems that there are serious doubts about Diske Inc. as the company brand. Because the company is quite unknown, still, and most of the communication is led by the CEO's personal brand, anyway, changing the brand name should not be too challenging. According to the CEO's current assessment, the brand of the new product, Bono, seems to be more appealing, but when thinking about international context, it needs to be considered how much that name will be associated with the Irish singer and philanthropist. In any case, a suitable brand name needs to be decided soon because the product launches are just around the corner and it is best to do the change of name before marketing actions for Diske Inc. have started.

The original idea of Diske Inc. was to launch their product internationally from the beginning. For that, they need to think about suitable communications strategies in each individual country. As it was mentioned in the results, the company has some potential partnerships in Estonia and Sweden and these countries would be suitable for starting the internationalization, because they are close to Finland both geographically and culturally. Before internationalization, it needs to be made sure, that the web page and other online channels where the stakeholders find information on the organization are available in English language and designed in a way that appeals to people.

Now that the findings of the research have been presented and recommendations for future communications are given, the quality of this study needs to be assessed. This is done in the next chapter.

### 5.6 Quality of the research

This final chapter on the findings of the study analyse the quality of the research through validity, reliability and research ethics. The role of the researcher is also considered.

Validity is concerned with the credibility of the findings and whether the findings make sense to others (Miles & Huberman 1994, 278). Construct validity concentrates on how well the chosen research methods measure the concepts they are supposed to measure. One way to increase construct validity in a case study research is to use multiple sources of evidence in the data collection phase. (Yin 2014, 45-47.) In this study, the main objective was to study methods for strategic communications of a start-up. Data was first collected from literature related to strategic communications and from Diske Inc.'s business strategy and the correspondence with the CEO. The social media observation, interview and questionnaire were then used to measure, how well the theoretical models mostly concentrating in corporate communications work in start-up environment. The face validity of the questionnaire was pilot tested by sending it to an unconnected party to see, if the questions and instruction were clear, the questionnaire was easy to navigate and to see how long it took for the respondent to answer the questionnaire. (Saunders et al. 2009, 394). By combining the results from different data sources an answer was provided to the research question which means that this study has construct validity.

Internal validity assesses mostly the causal relationships established by an explanatory study and whether the inferences made by the researcher are correct. Internal validity is usually not applicable to descriptive or exploratory research and this study was first ex-

ploratory and in the second phase, mostly descriptive. However, some explanatory inferences on what may have caused certain results were also made. When explaining the events leading to certain results, multiple explanations were provided, when available, which is one of the ways for increasing internal validity. When the causal relationship could not be assessed as being airtight, it was mentioned that it may not be the only explanation. Care was also taken that incorrect explanations were not given. For example, even though the literature suggests that when used actively, the social media channels are an effective way to raise awareness, that conclusion was not made in this study because results confirmed only that when the organization is passive in social media, the awareness does not increase. (Yin 2014, 45-48.)

External validity considers if the conclusions of the study can be generalized to other cases (Miles & Huberman 1994, 279). In case studies, the basis for external validity is created in the design phase by defining appropriate theories or theoretical assumptions for the study and by forming "why" and "how" research questions that are typical for case studies. (Yin 2014, 48.) In this study, the research design has all elements promoting external validity. However, because the literature did not offer much information on communications specifically in start-up organizations the results of the study cannot be directly compared to prior theory that would increase the generalizability. Other researches, however, indicated similar results regarding the effects the fast changing business environment of a start-up have on communications. Therefore, the results can be considered somewhat generalizable to other start-up organizations even though individual settings and communicational habits of a start-up may have an impact on some aspects.

Reliability considers whether the results produced by the data collection techniques and analysis procedures are consistent. The main questions for assessing this are, whether similar results can be found regardless of when the research is done and by whom, and is the data analysis and process of sense making transparent. (Saunders et al. 2009, 156.) Miles and Huberman (1994) list some further factors regarding reliability. In order to ensure the reliability of the research, the research questions have to be clear and the research design has to be convergent with them. (Miles & Huberman 1994, 278.) In case study research, a recommended way to increase reliability is to conduct the research in a manner that anyone could repeat the same procedure and get the same results. (Yin 2014, 49.) In this study, the main research question is defined further by multiple subquestions in order to clarify the main question and the use of a mixed-model research and a combination of exploratory and descripto-explanatory research designs provides the most practical way of answering the research questions. The process of the study is clear and it is very probable and even though another researcher may have chosen different

theoretical models for creating the communication strategy, the main results would have been similar.

The use of anonymous online questionnaires and e-mail interview reduced the possibility for participant or observer bias compared to face to face interviews. This way personal opinions did not affect interpretation of the results and the same answers could have been collected by anyone using the same questions. The quantitative results from social media were not affected by bias either because the statistics are same for everyone and do not provide room for different interpretations. This means that the results can be considered reliable. (Miles & Huberman 1994, 278.)

When it comes to research ethics, the main consideration needs to be that there is no possibility for embarrassment, harm or material disadvantage to the research population. It is also important to think about the ethics of data collection from research population that does not know that they are being researched. (Saunders et al. 2009, 160.) In this study, there was no research population that was researched without their knowledge. When the questionnaire was administered to the stakeholders, they were informed that the results will be analysed anonymously for the purpose of this study and to help improve the strategic communications of Diske Inc. and the information will not be used to analyse the actions of the respondents in any way. The anonymity of the questionnaire ensured that no-one was subject to harm or material disadvantage. In all correspondence and the interview with the CEO it was made clear from the start which information was allowed to be used in this study and the CEO was, obviously, aware that the interview questions were asked for the purpose of being analysed in this study. Observing the online activity had no way of harming anyone, either.

As it was mentioned in the methodology chapter, this research was conducted in the role of an outsider to the organization that was studied. The role was to act as an external consultant who takes responsibility of planning the communication strategy and conducts the first stage of the evaluation. This role had both advantages and disadvantages. The advantage was that the role of an outsider gave an opportunity to view the results from an objective point of view and there was no emotional connection to the company that may have caused bias in interpreting the results. At the same time, the role of an outsider was also a disadvantage for the research, especially concerning the implementation. The research results would probably have measured the effectiveness of the communications better if the responsibility for implementation was also included in the role of the researcher.

### 6 Conclusions

The commissioning company of this study was Diske Inc., a Finnish start-up company developing technology-based solutions to prevent lifestyle diseases. Because the current resources of the company were used mainly in product development, there was a need to have help in developing a communication strategy for them. The fact that the current literature on strategic communications concentrates mostly in communications of big corporations, created a need to study the effectiveness of those models in start-up context. Diske Inc.'s aspirations for rapid internationalization added the aspect of international communication to the study. This study was conducted as a holistic single case study research and it was guided by pragmatist philosophy.

Because the communication strategy was to be the main product of this study, the research process started deductively by reviewing relevant literature and choosing the models for strategic communications that were used to guide the creation of the communication strategy. After Diske Inc. had some time to implement the communication strategy, the second phase of this study analysed the effectiveness of the communication strategy regarding the main communicational objectives. Data was collected by observation, interview and online questionnaire and the results were analysed mainly by summarizing and reported using narrative analysis. Some quantitative reporting methods were also included, which made this study a mixed-model research.

The findings of the study provided answers to all research questions and gave some new insight on the way start-up communications work. The findings suggested that many of the given communicational objectives were implemented successfully and they had helped Diske Inc. achieve the corresponding strategic goals. This indicated that a communication strategy is important also for start-ups. It also showed that methods for corporate communications can be used in start-up environment but the communication strategy needs to be revised more frequently in a start-up. Raising the brand awareness was the only objective where the implementation did not work. The reason for was this was also found in the results, a doubt of the suitability of the brand name and the founder's own personal brand being more attractive and used for raising organizational awareness. During internationalization, a new communication strategy needs to be made for each target country. Based on the findings, recommendations were given to Diske Inc. regarding their future communications.

The next chapters describe shortly what kind of business value the commissioning company gained from this study. Suggestions for future research and reflections on the study as a learning process are also provided.

### 6.1 Business value of the study

This chapter gives an assessment on what kind of business value the study created for Diske Inc. The assessment is based on the feedback given by the organization on the process and the recommendations the study provided for the company's future communications.

Start-ups do not often have resources to concentrate in creating a proper communication strategy and having one done as a part of this study was a big advantage for Diske Inc. as it helped the company move towards being a professional business. Even though there has not been enough time to implement the strategy as thoroughly as needed, its implementation will happen gradually. In face to face communications, some communicational objectives of the communication strategy have already been implemented and it has provided the organization with a clearer long-term focus. The recommendations given in the study were seen as relevant by the company and they summarized well the communicational aspects that need to be paid attention to. The recommendation of having a communications manager is something that Diske Inc. is planning on implementing in their short-term strategy and the suggestion of making it an internship position provided an opportunity that had not been thought of.

The fact that the study included also insights and recommendations regarding internationalization was considered very useful by Diske Inc. Because there are so many "born global" start-ups nowadays, Diske Inc. regarded this as an easy process. The recommendations of the study gave the organization valuable understanding on internationalization and opened their eyes to the process. The study helped them understand how to succeed in their attempts for internationalization.

### 6.2 Suggestions for further research

There are not many established methods in the literature regarding start-up communications. This study concentrated in a single organization and even though the results can be considered somewhat generalizable, further research on the matter is definitely needed.

When it comes to the case organization of this study, there is a need for frequent evaluation of communications and developing the communications based on that.

In this study, the researcher was not part of the implementation which provided its own advantages and disadvantages. A longitudinal study where the researcher takes part in the implementation and observes and evaluates the results over a longer period of time would provide more thorough results. That provides an opportunity to try different methods, messages and communication channels and to measure their effectiveness.

Having multiple start-up organizations included in the study and comparing the results on the effectiveness of their communications provides also an interesting opportunity to see how well the actions of different organizations work. Another way to gain knowledge on how the communications of start-ups differ from big corporations is to include a start-up and a corporation in the same study.

### 6.3 Reflections on learning

This study provided an interesting opportunity to have a deeper understanding on strategic communications and how start-up organizations function. The literature review created an extensive knowledge on different methods that can be used in strategic communications which can be used when pursuing a career in communications. Analysing the stakeholders and choosing the best message styles and communication channels based on the literature was an interesting and educative task. The world of online communications is very important in today's business and new insight was gained on how social media can be used to raise awareness with practically no costs, if there is just enough time and effort put into it by companies.

For a person who had no prior experience on start-up organizations, the research process provided many interesting insights into the world of start-ups. It was intriguing to discover how much the personal brand of the founders can affect the communications and the stakeholders' perceptions. The fast-evolving mind-set in start-up organizations is also very different from big corporations where change takes time and new ideas are implemented slowly.

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Appendices
Appendix 1. The communication strategy
COMMUNICATION STRATEGY 2017 - 2018
DISKE INC.

### 1 Statement of Purpose

This communications strategy is created to help Diske Inc. achieve its strategic goals during the strategy period 2017 – 2019. Communications play a key role in increasing the visibility and awareness of a start-up. This communications strategy shows how stakeholders can be introduced and engaged to the company, how to ensure that people understand the purpose of the company and its product, and how to affect stakeholder perceptions when needed. The main idea is to achieve best possible communicational results with the most cost-effective means saving the limited resources of a start-up.

### 2 The current state of communications

Diske Inc. is a start-up company which is currently developing its software for a SaaS product designed for healthcare professionals. The development is done together with some case clients. There are currently four different services under development which are directed for B2B –market but expansion into consumer market is also taken into consideration.

Currently communications are done by the CEO of Diske Inc. The company is building its brand but because the founders Timo and Tuomas are strongly involved in all the projects, the company brand seems to be directed towards their personal brands. Main communication methods are direct contact face to face or through e-mail. Communication to media is non-existent at the moment. The company has online presence in LinkedIn and Facebook but the posts are not frequent and done only when something noteworthy is happening. There is also a company web page which has the basic company information. The CEO has pitched in different events which has resulted in increased amount of indirect communication through third parties in social media.

Figure 1 shows a SWOT analysis on Diske Inc.'s strengths, weaknesses, opportunities and threats. The analysis is partly based on the analysis on Diske Inc.'s business strategy with some added analytical opinions. The main idea behind doing a SWOT analysis is to consider the company's communicational priorities: which areas can be advanced by communications and how to highlight the organizational strengths through communications.

Experienced team	Small team cannot follow up on leads
Holistic approach to finding solutions	Limited web page & online visibility
Small team can provide agile service	Lack of strategic communications
Innovative team for new solutions	Small team cannot handle big business
	Lack of resources
	Too many ideas can cause lack of focus
s	W
0	Т
No direct competition	Financing the development phase
A lot of good product ideas	Big businesses start developing similar product
Gaining customer base from indirect	Customers get confused with the
competition	company brand and personal brands
Visibility through third party communication in SoMe	A lot of indirect competition

Figure 1: SWOT-analysis on Diske Inc.

The small team at Diske Inc. have many strengths that should be highlighted in the communications in this phase when introducing the company to the market:

- The ability and willingness to provide innovative and holistic solutions to health care should be integrated in all communications.
- Though the resources are limited, online monitoring and frequent online presence should be used to increase the visibility through third party shares and mentions in social media. Even if nothing noteworthy is happening at Diske Inc. at the moment, taking part in conversations or sharing stories on issues that are important and linked to the company values make the company name known to potential clients visiting relevant forums.
- Through active online presence indirect competition can be used as an advantage as the competitor's clients are likely to be interested in similar things that Diske Inc. provides.
- By gaining interested followers and engaging them to the company the threat of big businesses stealing the market with similar product is smaller.
- The founders' strong personal brands can be used to build reputation for the company. It is easier for people to trust another person than a new company and there are more connection possibilities in social media for personal profiles.
- In a long run there needs to be concentration on the visibility of the company brand to ensure possibility to grow, because the founders do not have the possibility to

be involved in everything in a growing company. Promoting the company brand for Diske Inc. ensures that the customer wants to do business with the company and it is possible for anyone representing the company to make the customer happy.

 In the beginning the general communications should concentrate on one main "flagship" product that embodies Diske Inc. the best. This forms the basis for the company

## 3 Strategic goals and communicational objective

The purpose of communications is to support the company's business strategy and help achieving the targets that are set in the business strategy. Table 1 shows Diske Inc.'s strategic goals and the correspondent communicational goals that will help in achieving the targets. There are quite many communicational goals and therefore it needs to be considered whether the small team can handle all of it by themselves or is there a need to hire an employee to take care of the communications. One option to consider is also cooperating actively with universities and polytechnics to see if some of the communicational tasks could be included in relevant courses as student projects. Potential contact persons could be Hanna Rajalahti and Mirka Sunimento who teach communications in Haaga-He-lia University of Applied Sciences.

Table 1. Strategic goals and communicational objectives of Diske Inc.

Strategic goal	Communicational objective
To be known as a trusted company that is contacted for new innovations and remembered as a solver of health care challenges.	<ul> <li>Increasing awareness and visibility of Diske Inc.</li> <li>Doubling the amount of followers/ shares/likes/web page visits by the end of 2017.</li> <li>Building trust with stakeholders with regular and transparent communications.</li> <li>Gathering regular feedback from current stakeholders and reacting on it.</li> <li>Developing an informative web page that engages the stakeholders into dialogue with Diske Inc.</li> <li>Use of SEO.</li> <li>Increasing reputation with user testimonials on web page.</li> <li>Finding 1-2 online forums discussing issues important to the company and participating on discussion there to promote the expertise and values of company/founders.</li> </ul>

Getting 1 or 2 new case clients in 2017.	<ul> <li>Approaching 5 -10 possible case clients by the end of 2017 and fol- lowing up on leads.</li> </ul>
Getting financing to help finish the product development.	<ul> <li>Active pitching in relevant events offering start-up financing.</li> <li>Communicating with 5 -10 potential new clients</li> </ul>
Start marketing the new product in the end of 2017.	<ul> <li>Start planning and executing marketing at the latest fall 2017.</li> <li>Communicating before fall e.g. with Universities for a chance to make the marketing planning and maybe part of the execution as a student project.</li> <li>Increased online activity throughout the process.</li> </ul>
Launch of the product in 2018.	<ul> <li>Active marketing and online presence.</li> <li>By the end of the year doubling the followers/likes/shares/web page visits from year 2017.</li> <li>Contacting and forming relationship with at least 5 traditional media to increase visibility.</li> <li>Keeping up good communications and gathering quarterly feedback from existing stakeholders.</li> </ul>
Reach revenue of over one million euros by the end of 2019.	<ul> <li>from existing stakeholders.</li> <li>Collecting quarterly feedback from clients to ensure their satisfaction.</li> <li>Transparent and open dialogue with stakeholders to make them engaged.</li> <li>Continuous marketing and active online presence.</li> <li>Doubling the amount of followers/likes/shares/web page visits from year 2018.</li> <li>Keeping good media relations and offering regular press releases and interviews.</li> </ul>

## 4 Stakeholders

In order to communicate effectively Diske Inc. needs to first identify its stakeholders and think about what kind of information they are interested in the communications. The stakeholders need to also be prioritized using stakeholder mapping. Prioritizing indicates the frequency of communications needed for each stakeholder group. In this communication strategy, the stakeholders of Diske Inc. are identified using the linkage model and prioritized using the stakeholder salience model.

## 4.1 Identifying stakeholders

Figure 2 shows Diske Inc.'s stakeholders that are identified using the linkage model. The idea behind this model is to identify the stakeholders and their relationship to the company. This stakeholder identification model is chosen because it analyses the company's business from various perspectives and helps identifying all stakeholders.

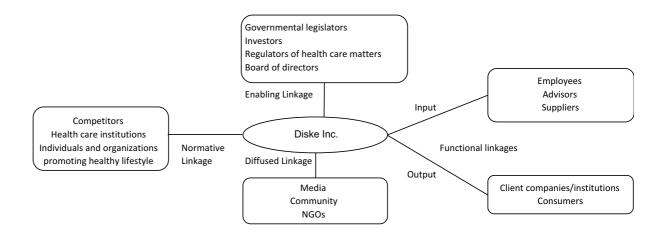


Figure 2. Linkage model on Diske Inc.'s stakeholders.

In the figure, the stakeholders with **enabling linkage** mean those who have control over the organization and enable its operation. Stakeholders **with functional linkage** are those that make the organization work. **Diffused linkage** means those stakeholders who do not regularly interact with the organization but may react to its actions. Stakeholders with **normative linkage** are other organizations with common interest

#### 4.2 Prioritizing Stakeholders

The stakeholders of Diske Inc. are now further prioritized based on their attributes. The salience model used to prioritize Diske Inc.'s stakeholders categorizes the stakeholders by three attributes: power, legitimacy and urgency. The more of these attributes a stakeholder possesses, the higher the priority. The following list shows Diske Inc.'s stakeholders divided by their attributes starting with the ones with highest priority.

**Definitive stakeholders with all three attributes**. These stakeholders have the highest priority:

- investors
- board of directors
- employees
- · client companies/institutions
- consumers

#### Dangerous stakeholders with power and urgency:

- media
- health care institutions
- individuals and organizations promoting healthy lifestyle

## Dependent stakeholders with legitimacy and urgency:

suppliers

#### Dominant stakeholders with power and legitimacy:

- advisors
- regulators of health care matters

## Dormant stakeholders whose only attribute is power:

- competitors
- NGOs
- community

### Discretionary stakeholders whose only attribute is legitimacy:

governmental legislators

## 5 Messages

As stakeholders have different relationships with Diske Inc. the communicational messages need to be tailored to suit the informational needs of each stakeholder group. However, it is important that all messages reflect the company's values and strategic goals so that each stakeholder group will have similar understanding of what kind of company Diske Inc. is. Table 2 shows Diske Inc.'s stakeholders in order of priority, what is their main interest in the communications.

Table 2. Key messages for each stakeholder group

Stakeholder	Information need	-	Key messages
Client companies/institu-	What we offer	•	Innovative and trust-
tions			worthy solutions to fight
			lifestyle diseases

Investors	<ul> <li>How our product facilitates their work</li> <li>How to contact us</li> <li>Where to get help when needed</li> <li>How we are doing</li> </ul>	<ul> <li>Prevention reduces         overall health care         costs</li> <li>Contact us by phone,         e-mail or in social media</li> <li>More information on         our web page</li> <li>Statistics of current rev-</li> </ul>
Board of directors	How we are doing	Statistics of current revenue/online following
Employees	Who we are and what are our values/purpose     How we are doing     How to communicate with customers/media	<ul> <li>Innovative and trust-worthy solutions to fight lifestyle diseases</li> <li>Our vision is to decrease the amount of lifestyle diseases by 80% by 2027</li> <li>Statistics of current revenue/online following</li> <li>Transparent communications with company values integrated</li> </ul>
Consumers	<ul> <li>What we offer</li> <li>How to contact us</li> <li>Where to get help when needed</li> </ul>	<ul> <li>Innovative and trust-worthy solutions to fight lifestyle diseases</li> <li>Prevention reduces overall health care costs</li> <li>Contact us by phone, e-mail or in social media</li> <li>More information on our web page</li> </ul>

Media	Who we are and	Innovative and trust-
	how our product	worthy solutions to fight
	works	lifestyle diseases
Health care institutions	Who we are and	Innovative and trust-
	how our product	worthy solutions to fight
	works	lifestyle diseases
	<ul> <li>How to contact us</li> </ul>	Prevention reduces
		overall health care
		costs
		Contact us by phone,
		e-mail or in social me-
		dia
		More information on
		our web page
Individuals and organiza-	Who we are and	Innovative and trust-
tions promoting healthy	how our product	worthy solutions to fight
lifestyle	works	lifestyle diseases
	<ul> <li>How to contact us</li> </ul>	Contact us by phone,
		e-mail or in social me-
		dia
		More information on
		our web page
Suppliers	How to contact us	Contact us by phone,
	<ul> <li>Delivery sched-</li> </ul>	e-mail or in social me-
	ule/changes in	dia
	supplier needs	More information in our
		web page
		Thank you for co-oper-
		ation
Advisors	How we are doing	Statistics of current rev-
	<ul> <li>Problems related</li> </ul>	enue/online following
	to their area of ex-	
	pertise	
Regulators of health care	Who we are and	Innovative and trust-
matters	how our product	worthy solutions to fight
	works	lifestyle diseases

	How our product	Prevention reduces
	will help health	overall health care
	care in general	costs
Competitors	Who we are	Innovative and trust-
		worthy solutions to fight
		lifestyle diseases
NGOs	Who we are and	Innovative and trust-
	how our product	worthy solutions to fight
	works	lifestyle diseases
Community	Who we are and	A local company
	how our product	providing innovative
	works	and trustworthy solu-
		tions to fight lifestyle
		diseases
Governmental legislators	Who we are and	Innovative and trust-
	how our product	worthy solutions to fight
	works	lifestyle diseases
1	1	

In all communications, it is important to have the Diske logo visible to increase the association with the brand. The company values: trustworthiness, innovation, uniqueness and scientific approach should be integrated in all communications so that the stakeholders get an understanding of the essence of the company. The vision of reducing the amount of life style diseases with 80% by the year 2027 is also an inspiring message that should be visible in the communications. For employees, it is especially important to communicate also the vision and purpose of the company so that the employees can get fully engaged with their work and communicate according to the company principles.

The structure of the messages should be direct. The main point needs to be revealed first and it can then be explained in more detail. This way the stakeholders understand straight away what the company is about and are more likely to continue reading if the issue interests them. For a start-up, a rational message style works the best as the company advantages need to be showcased to the stakeholders. When using rational message style, a company claims that its products or achievements are superior to its competitors based on e.g. capabilities or resources. This approach works well with Diske Inc. because there is no direct competition offering a similar product. The founders' expertise in healthcare and software development area can be shown as a valuable resource.

## **6 Communication channels**

There are different communication channels in use to reach the stakeholders. Different channels are useful when delivering the message to different stakeholders. Table 3 shows the preferred communication channels to each of Diske Inc.'s stakeholder groups. At the moment, the online communications are limited to Facebook and LinkedIn as well as the company web page. Because of the limited resources it is best to continue with the already existing communication channels. When the business grows or private consumers are added as a target group, additional social media channels need to be added to ensure visibility among customers.

Table 3: Communication channels to be used for Diske Inc.'s stakeholders.

Stakeholder	Communication channels
Client companies/institutions	<ul> <li>face to face/phone</li> <li>e-mail</li> <li>web page</li> <li>newsletters</li> <li>LinkedIn &amp; Facebook</li> </ul>
Investors	<ul><li>face to face/phone</li><li>e-mail</li><li>intranet</li></ul>
Board of directors	<ul><li>face to face/phone</li><li>e-mail</li><li>intranet</li></ul>
Employees	<ul><li>face to face/phone</li><li>e-mail</li><li>intranet</li></ul>
Consumers	<ul> <li>e-mail</li> <li>web page</li> <li>newsletters</li> <li>LinkedIn &amp; Facebook (+Twitter, Instagram)</li> </ul>
Media	<ul> <li>press release</li> <li>face to face interview</li> <li>web page</li> <li>LinkedIn &amp; Facebook</li> </ul>
Health care institutions	<ul><li>web page</li><li>newsletters</li><li>e-mail</li><li>LinkedIn &amp; Facebook</li></ul>
Individuals and organizations promoting healthy lifestyle	<ul> <li>web page</li> <li>LinkedIn &amp; Facebook (+Twitter, Instagram)</li> <li>e-mail/newsletters</li> </ul>
Suppliers	<ul><li>face to face/phone</li><li>e-mail</li></ul>

Advisors	face to face/phone
	• e-mail
Regulators of health care matters	web page
	<ul> <li>newsletters</li> </ul>
	e-mail
	• phone
Competitors	web page
	<ul> <li>LinkedIn &amp; Facebook</li> </ul>
NGOs	web page
	<ul> <li>LinkedIn &amp; Facebook</li> </ul>
Community	<ul> <li>web page</li> </ul>
	<ul> <li>press release via local media</li> </ul>
Governmental legislators	web page
	<ul> <li>newsletters</li> </ul>
	• e-mail
	<ul><li>phone</li></ul>

## 7 Communications plan

Appendix 1 shows a detailed communications plan for Diske Inc. for the start of the strategy period 2017 – 2019. The plan shows the timescale and the responsibilities for each communicational action until the end of the year 2017. A plan for the next year needs to be drafted in the end of 2017 because the timing and need for communicational actions in 2018 are strongly dependent on the success of product development in 2017. It determines the timing of the actual product launch and many of the communicational activities in 2018 are related to it. The actions that are marked as ongoing in the plan for 2017 as well as the quarterly evaluations are to be continued throughout the strategy period.

An additional crisis communications plan is included as appendix 2, because in today's business environment it is not a matter of *if* but *when* a company is faced with a crisis.

## 8 Evaluating communications

The main objective of the Diske Inc.'s communications strategy for the period of 2017 – 2019 is to increase stakeholder awareness and the visibility of the company in order to increase revenue and the number of customers. Building the company brand as a trustworthy and innovative solver of health care challenges is included in all communicational efforts. These goals are quite easily measureable and therefore it is important to evaluate how the communicational efforts are succeeding regularly.

Awareness and visibility can be measured by gathering statistics on the number of visits on the company web page, the number of followers in Facebook and LinkedIn and how many are sharing and reacting to the company's posts in the same social media forums. The baseline for the evaluations is the beginning of June 2017 and the progress should be evaluated at least in the beginning of every quarter.

The company brand, its image and the stakeholder perceptions need to be measured quarterly as well. It is important to keep regular contact with existing stakeholders and evaluate their perceptions of the company and its communications e.g. with short questionnaires where customers can give feedback and suggestions for improvement. In the beginning, online monitoring may not be possible due to limited resources. As the goal is to reach substantial revenue by the end of 2019, the planned growth enables starting of online monitoring by then. The purpose of online monitoring is to find out using relevant search words how stakeholders perceive the company and issues that are important to the company. As soon as the resources allow the starting of online monitoring, it needs to be ongoing in order to find out issues, either negative or positive, that might require Diske Inc. to enter into dialogue with the stakeholders.

## 9 Facts about this strategy

This communications strategy was designed to Diske Inc. as a part of a master's thesis project. The strategy was composed using well known communication literature on corporate communications as guidelines. The main source for this communications strategy, however, is Diske Inc.'s business strategy and the corporate communication theories are applied to best serve the needs of a start-up. The communications strategy is introduced to the CEO of Diske Inc. and after his comments it will be available for all employees. This strategy needs to be revised before the end of the strategy period (end of 2019) or earlier if significant changes are made to the business star

## **Appendices of communication strategy**

## Appendix 1: Communications plan for 2017->

# Communications plan and schedule for Diske inc. 2017 -> 2017

Communicational action	Audience	Channels	Jı	ıne	J	uly	Au	ıgust	Septe	ember	Oct	ober	Nove	mber	Dece	mber
Increasing awareness and building trust by developing infromative and engaging web page	All stakeholder groups	web page		ı	Tuor	nas Soir	nne	,								
Sharing new webpage to audience as soon as read	All stakeholder groups	Sharing new web page in SoMe						Timo /Tu	iomas							
Transparent and open dialogue through customer contact	Existing and potential customers	Phone/e-mail/face to face					Ti	imo Kett	unen/o	ngoing r	egular	contact				
Increasing awareness by sharing and commenting own and relevant posts by others in SoMe	All stakeholder groups	SoMe		ı	ı		I	Timo Ke	ttunen/	ongoing	regula	r posts				
Increasing visibility and awareness by marketing planning & execution	Existing and potential customers	SoMe, webpage, media							Timo	Kettune	n/stude	ents help	oing?			
Contacting universities/polytechnics for help in marketing		e-mail/phone/face to face		Timo	Kettune	n										
Contacting possible case clients and following up to get more case clients and financing	Potential customers	e-mail/phone/face to face/events	Timo	Kettune	en/ongo	oing pro	ocess									
Pitching in events	Customers, investors, media	face to face	Timo	Kettune I	en/ongo	ing pro	cess as	events o	ccur							
Evaluating communications by SoMe & Online statistics		SoMe, web page	1						2						3	
Evaluating communications by gathering customer feedback	Customers	e-mail interview/online questionnaire							2						3	

<sup>1.</sup> Susanna Koivisto/assessing baseline data

<sup>2.</sup> Susanna Koivisto/ first quarterly evaluation& questionnaire as part of thesis project

<sup>3.</sup>Timo Kettunen/ End of the year evaluation & questionnaire. Evaluations to be continued every quarter!

Checkpoints to assess the number of contacts made and if the contacts have resulted in new co-operation.

Communication strategy Appendix 2: Crisis communications plan

Crisis Communications Plan: Diske Inc.

In today's fast changing business environment, it is always a question of when and not if a

crisis will happen. This crisis communications plan is designed for Diske Inc. reflecting the

company's current situation and it needs to be revised when the company grows. Some

future scenarios are also considered and suggestions given on what may be needed in

the future crisis communications.

Potential risks

Accidental crises: Technical product harm. Diske Inc. operates in software business

and therefore, one of the most probable risks is **technical malfunction** in their product

that causes problems to the customers. In the worst-case scenario, malfunction in the sys-

tem could cause physical harm to the patients when they receive wrong recommenda-

tions. A crisis can also be due to the system just not working when needed, which affects

the customers' trust in the product. External factors can also contribute to the product be-

ing perceived as not functioning properly. The end user may use the system in a wrong

way without realizing it and blame the resulting problems on Diske Inc. and the product.

As the company is just starting its operations, losing customers' trust in the product and

the company can cause a big economical and reputational crisis that might be hard to re-

cover from.

Victim crises: Rumors. There is always the possibility of a victim crisis, such as rumors

about the company spreading in social media. However, at the moment the company is

relatively unknown and therefore, this risk is currently quite improbable. As the company

grows the risk for rumors grows as well. Any rumors that might cause reputational harm to

the company needs to be addressed, because a start-up company does not have a well-

established reputation yet and wrong impressions can cause big problems.

Preventable crises: employee misconduct or human-error product harm. At this

stage, preventable crises such as organizational misdeeds and human-error accidents are

quite unlikely, because Diske Inc. is mainly operated by two people, the founders of the

company. All the actions can be easily controlled and the founders are likely to act accord-

ing to the company values and ethics that they have created themselves. But as Diske

Inc. has aspirations to grow fast, which means more employees in the future, later on it is

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important to take employee misconduct and human-error product harm into account, as well.

#### Monitoring and prevention

**Technical product harm:** Monitoring technical product harm is quite easy because at the moment, Diske Inc. is working together with clients on product development. Having regular contact with the customers about the software ensures that possible malfunction situations or problems using the software are detected fast and can be reacted to before the issues grow into a reputational or economic crisis. When the company grows and the number of customers multiplies, the monitoring gets more difficult. Having good relationship with all customers is important and regular contact is the best way to continue with monitoring and preventing crises. The customers should feel comfortable to contact the company in any problems and there needs to be a designated contact number so that it is easy for the customers get in touch when problems occur. When there are more employees, a live chat on the web page makes it very easy for customer to contact the company and it helps with monitoring.

**Rumors:** At this point the risk of rumors is quite small. Because of limited staff an active online monitoring is not possible at the time. Because the company is currently known mainly by its investors and case customers, keeping regular contact and assuring customer satisfaction is the best way to prevent harmful rumors from emerging. When the company grows, monitoring the relevant social media platforms and issues is needed to spot the rumors and to address the issues before they grow into crises.

Employee misconduct and human-error product harm: Currently this risk has minimum probability and special monitoring is not needed. The most important is to keep developing the product carefully and communicating in a way that takes the company's values and ethical issues into account. When the company gets more employees, it is important that every employee gets thorough onboarding to the company values and ethics and integrates them in their everyday work. Open internal communications based on dialogue and work environment where the management is approachable will help in preventing errors that are caused by employees being afraid to admit their mistakes before it is too late.

## Roles and responsibilities

At the moment, there are only two people working full time in the company and they both need to take part in the crisis communication activities. The CEO Timo Kettunen is the current contact person for the customers and the CTO Tuomas Soinne is concentrating in technical development. In crisis situations, the roles are as follows:

Spokesperson: Timo Kettunen and in technical issues, Tuomas Soinne

Contact person to media and other stakeholders: Timo Kettunen

Leading the crisis response: Timo Kettunen

Communications and monitoring: Timo Kettunen Investigating technical issues: Tuomas Soinne

Internal communications and employee onboarding: Timo Kettunen and Tuomas Soinne

Implementation of crisis actions: Timo Kettunen and Tuomas Soinne

#### Who needs to be consulted

In a small start-up company, it is important that both founders consult each other before any crisis communication activities. The company advisors need to be consulted depending on how the crisis proceeds and what areas of business are connected to the crisis. Senior advisor of risk management, Lassi Väisänen needs to be consulted as soon as the issue is detected.

#### Who needs to be informed

At first it is important that all **employees** are informed about the situation and the communication policies during the crisis to prevent false news or unauthorized interviews. Also, the **advisors** need to be informed together with employees because they can be seen as directly connected to the company and the crisis and can be contacted by media or stakeholders. If there is a technical malfunction that can cause physical harm to customers' patients, it is crucial to inform **all the customers** of the situation. When there is a risk of the issue evolving into a reputational and economic crisis, the **investors** need to be contacted.

## Coordinating with partners and stakeholders

Currently there is little need to coordinate with other external stakeholders because the possible crisis scenarios are most likely to harm only the company itself financially. Because the software is for health care purposes it might be necessary to coordinate with

healthcare authorities such as THL or Valvira if for example a technical malfunction

causes wrong advice given to patients.

Media contact list

Currently the possible crises of Diske Inc. are unlikely to raise big media interest. The lo-

cal media in the company's home town Kuopio is most likely to be the first one to act on a

crisis related to the company and thereafter, the national media. Medical publications may

also react to the crisis concerning health care issues.

Savon Sanomat: Chief editor Seppo Rönkkö 050 597 9604, vaihde 017 303 111

Helsingin Sanomat: Vaihde 09 1221, Kuopio 017 2113332

MTV 3: Vaihde 010 300 300

Nelonen Media: Keskus 09 45451

Lääkärilehti: Chief editor Pekka Nykänen 040 5831770

Partner contact list

Available in Diske Inc. common contact list.

**Experts to collaborate with** 

Collaboration with company advisors is recommended during a crisis.

Target audiences and preferred communications channels

The target audiences of crisis communications are the ones that are affected by the crisis

in one way or another. The communication channels depend on the severity of the issue

and on the usual method of contact towards the stakeholders.

Customers: direct contact by phone/e-mail, web page

Customers' patients: web page, information through customers, media & social media

General public (in very serious worst case scenarios): media, social media, web page

Investors: direct contact by phone/ e-mail, web page

Partners: direct contact by phone/ e-mail, web page

Employees: meetings, e-mail, intranet, direct phone contact

Media: newsletters, direct contact

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#### Key messages

**Accidental and preventable crises:** "We are investigating the cause of the problem and will give more information soon."

In case of software not working at all: "We are investigating the cause of the problem and ensure you that the program will be up and running in no time."

If physical harm to a patient has occurred: "It is unfortunate that people think that any health problems may be caused by our software. We advise our customers to withhold using our software until we have identified the true cause of the problem."

**Rumors**: "What is said about our company is not true..." and then tell the true state of the matter that is discussed.

**In all cases:** Do not apologize before the investigation on the matter has clearly revealed that the problem is in the product/employees and not for example customers' incompetent use of the software.

**FAQ's:** Make a crisis communication web-page with FAQ's ready so that it can be launched when the crisis hits. It would be relevant to answer at least the following basic questions and add new ones as they emerge during the crisis:

- How does the software work?
- Is it possible to misinterpret the results given by the software?
- What are the company values and its view on ethical matters?
- What kind of training do the employees have to act according to the company values?

## Social media and web plan

**Web page:** Crisis page opened as soon as the issue is detected. Information updated as soon as investigation reveals something.

**Social media:** Social media monitoring and posting during the crisis should concentrate on the medias Diske Inc. currently uses: Facebook and LinkedIn. The communication to stakeholders during the crisis should happen with personal contact and newsletters. In Facebook, it is important to monitor the conversation about the crisis, give up to date information as soon as it is discovered and address any false rumors that may be circulating as soon as possible. Linked in is a professional platform where it is relevant to post only positive things after the crisis has been investigated and resolved.

#### Communications checklist

"The golden hour": Comment something to stakeholders and relevant media/social media and company web page within 60 minutes of discovering the issue. Let them know that you are aware of the issue and are taking steps to investigate and solve it.

**Keep commenting regularly** about your investigation until the issue is solved.

**Post-crisis:** Continue answering questions related to the crisis. Post assuring statements to webpage/ social media that the issue is solved and the company is back to its normal operation again.

## Evaluating and revising the plan

This crisis communications plan needs to be evaluated and revised regularly. Even small growth increases the probability of risks manifesting into crises. The plan should be revised when the number of employees increases and when there is significant growth in customers and the company gets more visibility. Re-evaluation is also needed if Diske Inc. expands the product line to consumer field, as has been discussed.

## Appendix 2. Interview questions

- 1. How has the company revenue/amount of financing developed since the communication strategy was delivered for implementation in June?
- 2. How has the company web page been developed since June? In your opinion, is the page attractive to customers and offers them necessary information?
- 3. Have you participated in discussions on issues related to Diske Inc. in online forums? Which forums and how often?
- 4. How many new case clients have you approached with enquiries regarding co-operation? Has it lead to co-operation?
- 5. Have you participated and performed in events to get financing?
- 6. Have you contacted universities in order to get help in marketing planning as a student project? Has the planning and implementation of marketing already started for the product launch of next year?
- 7. Have you increased your activity in social media?
- 8. Do you remember if there was something special connected to the peaks in Facebook visits in July and August, for example new content published?

## **Appendix 3: Questionnaire**

# Dear recipient,

I am an MBA student in Haaga-Helia University of Applied Sciences and I am doing my master's thesis in co-operation with Diske Inc. My study is about the development of strategic communications of Diske Inc.

By using a few minutes of Your time to answer the attached survey, You help mapping out the communicational situation of Diske Inc. from the stakeholders' perspective. Based on the answers we can develop the communications of Diske Inc. in a way that it corresponds Your needs better. The data of the survey is collected anonymously and the representatives of different stakeholder groups are not mentioned by name in any phase of the study.

Thank You in advance for Your participation and co-operation!

Best Regards,

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Susanna	ĸc	<b>\I\</b> /	ICTO

MBA Student in International Business Management/ Haaga-Helia University of Applied Science

Take the Survey

Employee Advisor Investor Customer Business partner Other  2. What kind of image do You have of Diske Inc. as a company?  3. What are currently the main communication channels that You use when communicating with Diske Inc.? You can choose multiple options.  E-mail Phone Face to face meeting Linkedin Facebook Diske Inc.'s web page Other  4. What kind of information are You interested in receiving from Diske Inc.?	. Which of Diske Inc.'s stakeholder groups do You represent?
. Investor . Customer . Business partner . Other  2. What kind of image do You have of Diske Inc. as a company?  3. What are currently the main communication channels that You use when communicating with Diske Inc.? You can choose multiple options E-mail . Phone . Face to face meeting . Linkedin . Facebook . Diske Inc.'s web page . Other  4. What kind of information are You interested in receiving from Diske Inc.?	- Employee
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• Other					
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