

KARELIA UNIVERSITY OF APPLIED SCIENCES
Degree Programme in International Business

Quyen Le 1401386

**THE POTENTIALS OF GRIP – A 3D VISUAL CONTENT
PRODUCTION SOFTWARE – IN FAST-MOVING CONSUMER
GOODS INDUSTRY IN EUROPEAN CONTEXT**

Thesis
May 2018

 <p>Karelia UNIVERSITY OF APPLIED SCIENCES</p>	<p>THESIS November 2017 Degree Programme in International Business Karjalankatu 3 80200 JOENSUU FINLAND Tel. 358-13-260 6800</p>
<p>Author Quyên Lê</p>	
<p>Title The potentials of GRIP – a 3D visual content production software – in fast-moving consumer goods industry in European market</p> <p>Commissioned by: INDG Digitale Communicatie B.V.</p>	
<p>Abstract</p> <p>The growth of fast-moving consumer goods industry and the demand for a cost-effective and quality visual content production encourage production companies to develop an automated solution that replaces the manual production.</p> <p>The research aims at investigating the market potentials of a new visual content production software called Grip in consumer goods industry in European market. The market research focuses on fast-moving consumer goods business environment, customer profiling and competitor analysis using a qualitative approach.</p> <p>Food and beverage industry shows a great potential for INDG because of its annual above-average growth and the lack of competition. Personal care and home care industries are promising at the later stage of the product launch. For the next few years, the case company should invest in partnership and event opportunities to increase product and technology awareness, create relationships with partners and approach qualified prospects.</p>	
<p>Language English</p>	<p>Pages 40 Appendices 5 Page of Appendices 5</p>
<p>Keywords Market research, Software-as-a-Service, Fast-moving consumer goods, Visual content production software, Europe</p>	

CONTENTS

1	INTRODUCTION	4
1.1	Company and project background	4
1.2	Objectives of the research	5
1.3	Methodology	6
1.4	Outline of the report	7
2	SOFTWARE AS A SERVICE MODEL.....	8
3	FAST-MOVING CONSUMER GOODS INDUSTRY BUSINESS ENVIRONMENT	12
3.1	Industry overview	12
3.2	Trends impacting consumer goods industry in Europe.....	13
4	CUSTOMER ANALYSIS	16
4.1	Customer segments	16
4.2	Customer persona.....	17
4.3	Customer awareness journey	19
5	COMPETITION ANALYSIS	22
5.1	Competitive positioning map	22
5.2	Porter's Five Forces of competitive positioning analysis	23
5.3	Direct competitors	25
6	COMPETITIVE ADVANTAGES OF GRIP.....	30
7	MARKETING STRATEGY RECOMMENDATIONS.....	33
7.1	Event marketing	33
7.2	Partnership marketing	34
8	CONCLUSION	37
	REFERENCES.....	38

APPENDICES

- Appendix 1 List of large and medium-sized FMCG companies in three segments
- Appendix 2 Interview questionnaire
- Appendix 3 SWOT analysis
- Appendix 4 List of potential events sorted by category
- Appendix 5 List of potential partners sorted by category

1 INTRODUCTION

1.1 Company and project background

INDG B.V. is an Amsterdam-based company that specialises in computer-generated imagery production for international product brands. The primary deliverables are 3D images and animations, interactive product pages and mobile applications. INDG mostly works for large and medium-sized businesses across Europe even though account managers occasionally receive requests from branches of these companies in North America and East Asia. The main customer segments of INDG are fast-moving consumer goods (FMCG), consumer electronics and home appliance, automotive, medical devices, and furniture and furnishings. In addition, INDG partners with other creative production studios, advertising agencies and e-commerce service providers in Western Europe (INDG 2018).

Originally found as an advertising agency in 1999, INDG have acquired a considerable amount of knowledge and resources of computer-generated imagery (CGI). Therefore, the board of director decided to expand their portfolios by developing a new software, called Grip, that automates most of the manual production. Traditionally, it takes a designer from one to two weeks to produce a piece of visual content (middle and right photo) from a 3D model (left photo). Grip allows non-technical person to produce the similar content 10 times faster at the same cost. Therefore, a marketer can use Grip to produce visual content for different marketing channels and campaigns.

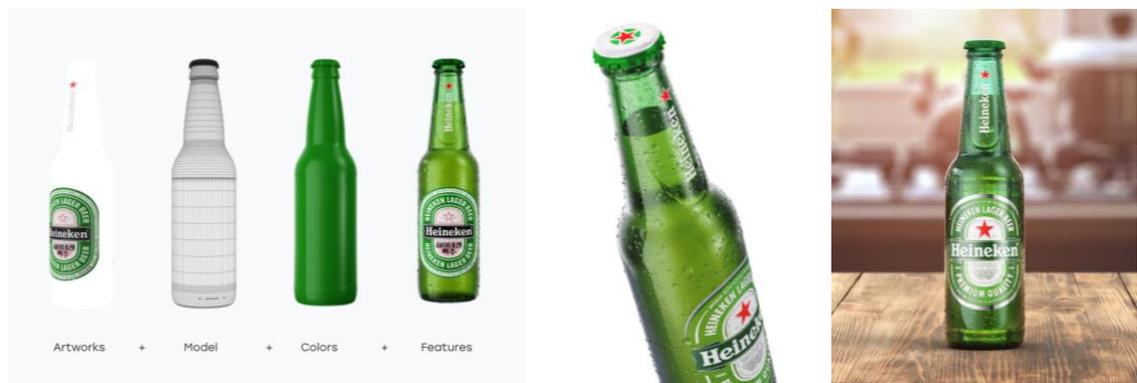


Figure 1. Examples of 3D visual content of a product.

Realising the growth of portfolio size of consumer goods brands and receiving increasing requests from customers in FMCG industry, the managers of INDG decided to launch Grip in FMCG industry in European markets. The distribution model of Grip is software as a service (SaaS), meaning that Grip is available to customers via website interface and is charged based on a pay-per-use basis (Gartner 2018). According to account managers of INDG, the responsibility to produce visual content as well as the decision to outsource content production belongs to the headquarter level or regional level; therefore, customer businesses are based in different territory (Vriesendorp, 2017). The reasons why Grip was launched in European markets are the familiarity with business environment, a network of business contacts, and the density of large and medium-sized FMCG businesses. INDG would like to conduct a market research to understand market trends and behaviours of customers and competitors.

1.2 Objectives of the research

The aim of the research is to investigate the market potentials of Grip in FMCG industry by studying market trends of creative industry (the industry that INDG belongs to), characteristics of customers and competitive landscape. Additionally, the research verifies whether the visual content demand of FMCG industry is growing as the managers of INDG expect. There are four research questions to be addressed in the research, as follows:

- What are the market trends of creative industry in European context and how they influence Grip and other design technology?
- Who are the decision makers and how they behave when seeking for a marketing technology solution?
- What are the direct competitors of Grip in European context and how they are approaching customers?
- How does INDG position Grip in the market?

Eventually, recommendations how Grip should be marketed are made based on the findings of these analyses and interviews with personnel of INDG.

1.3 Methodology

The research methodology includes both secondary research and primary research. The first three questions are addressed based on secondary data collected via reports of research companies, opinions of experts and articles. In addition, there are two primary researches, i.e. customer research and competitor research. Additionally, previous knowledge and researches on trends of FMCG industry are studied, and SaaS marketing studies and success stories are reviewed to support the marketing tactics in the recommendation section.

The first research issue, i.e. the business environment of creative industry, consists of an understanding of the industry and the current trends in European context. The data is obtained by studying previous researches and articles related to the field. Subsequently, the findings show how these trends influence the players in the market including INDG. The second issue to be addressed is customer profiling. Public information such as business size, product category, etc., is collected to create customer grouping. Similarly, competitor public information is gathered not only to categorise competitors but also to create a competitor mapping. Most of the information is derived from company websites, articles and knowledge of personnel of INDG.

The aim of primary research is to further understand customer behaviour and competitor positioning. The customer research includes qualitative interviews that help to identify the characteristics of the decision makers and their behaviour in sales funnel. A sales funnel refers to the buying process that customers experience when purchasing a product and that is divided into five stages, i.e. awareness, consideration, preference, purchase and repurchase (Johnston 2016). The research only focuses on the first stage when buyers become aware of either the product or the organisation. The main reason is that the most important goal of launching a new technology product is product awareness. The interview survey consists of two parts, i.e. decision maker profiling and behaviour in awareness stage. Six representatives of each large and medium-sized FMCG company are chosen to participate in the research. The answers are analysed and interpreted to form an ideal customer profile and point out marketing channels to approach these customers.

The competitor research mostly involves observation and comparison. The research focuses on the marketing communication aspect of each competitor. Based on the list of the frequently used marketing channels found in the customer research, marketing indicators of direct competitors such as frequency, traffic, content, etc., are compared to indicate which marketing channels bring the most benefits. The benefits are calculated based on the expected leads generated and the competition cost. Consequently, the findings of three research issues are employed to address the fourth question.

1.4 Outline of the report

The first part of the research reviews previous studies and researches covering SaaS marketing model and trends in the FMCG industry. Studies on SaaS marketing strategy are cited to discuss the marketing tactics that increase brand awareness of SaaS businesses. Moreover, this research takes into consideration only the relevant trends of FMCG industry in Europe that have impacts on creative industry.

The next two chapters of the research describe the findings of two primary researches on FMCG industry as the customer segment and competition. In the customer analysis, the research first explains the relationship between creative industry and FMCG industry and importantly how the selling process takes place between them. Subsequently, the research provides an overview of FMCG industry which is divided into segments. Based on the qualitative interview, a detailed customer persona including characteristics of a decision maker and his/her behaviour when purchasing a marketing technology is created. Additionally, influencers in the buying process are profiled.

In the competition analysis, the research shows a picture of the competitive landscape via competitor mapping and Porter's five forces model. Then the marketing mix concept is used as the basis of competitor comparison, model that refers to product, price, promotion and place. Importantly, the primary research takes into account each player's marketing communication indicators to describe the strategy of competitors.

Based on the findings of the customer and competition section, a conclusion on the market position of Grip including strengths and weaknesses is drawn. Finally, the research presents marketing tactics to market Grip to the FMCG industry.

2 SOFTWARE AS A SERVICE MODEL

2.1.1 What is software-as-a-service (SaaS)?

Grip is an enterprise software that provides visual content production solution for large and medium-sized businesses. The business model of Grip is software as a service (SaaS) that runs on the cloud computing environment (Palmira 2016). According to IBM (2018), cloud computing is “the delivery of computing resources – everything from applications to data centres – over the internet on a pay-for-use basis”. Beside SaaS, there are infrastructure as a service and platform as a service that also operate on the cloud environment (Rouse 2016). The cloud computing allows users to access SaaS or cloud-based applications, e.g. Grip, via the Internet and a web browser on a subscription basis. The cloud service model, therefore, defines how Grip is delivered to the end user and how Grip is priced. The pricing model of Grip is subscription or pay-for-use model where end users do not pay for the access to the application, but the volume of visual content generated in the cloud environment.

The term cloud computing appeared in the late 1990s, however, large technology corporations started using cloud computing in 2006 (Regalado 2011). Even though cloud service market has been existing only for more than a decade, it experiences a stable and rapid growth (International Data Corporation 2017). The global cloud service market is expected to increase by 2.4% in 2018 and reach €154 billion in total, and SaaS makes up the largest segment of the cloud market (Gartner 2018). Gartner also predicts that the revenue of SaaS will grow 22.2% to reach total €61.45 billion. The development of the cloud market is driven by increasing demands of enterprises for more business-oriented solutions (Nag 2018).

In addition, the adoption of cloud-based applications is derived from the benefits of SaaS over the traditional model of business software (Turco 2013). There are four main advantages, i.e. lower costs, reduced time to benefit, scalability, and accessibility (Sylos 2013). Firstly, the cost associated with deploying SaaS is reduced as the result of lower initial cost, eliminated maintenance cost and cost saved by subscription model. The traditional software usually requires users to purchase software licenses and install the software, however, SaaS model eliminates such upfront cost (Movahhed 2014). Users

simply log-in the application in a web browser to use the software. In addition, SaaS vendors take over the duty of maintenance and upgrade, and the cost is shared among all customers (Sylos 2013). In contrast, companies have to solely pay more fees to update the traditional software. SaaS pricing model also prevent large enterprises from spending a large amount of money on unused software license because they are only charged for what they are using (Turco 2013).

Secondly, the deployment of SaaS saves not only money but also time. Installation time is removed, and vendors take care of server maintenance and software update (Movahhed 2014). Therefore, the deployment time is reduced, and the involvement of IT department is minimised. Thirdly, applications in cloud environment are easily scalable as they are not tied to physical constraints such as space and memory (IBM 2018). Customers can easily expand the server capacity by changing the usage planning (Sylos 2013).

The last feature to be addressed is accessibility. Because cloud-based software is not tied to physical storage such as computer data storage or hard-drive, the software is accessible with internet connection on a wide range of devices and from any location (Turco 2013). It allows flexibility and the ability to access to computing resources when necessary.

In conclusion, cloud service market and specifically software as a service market experience a significant growth thanks to the advantages of cloud computing and cloud-based solutions. It indicates that Grip, a cloud-based software, has the features that businesses are demanding. These benefits can be used in marketing message or sales conversation with prospects. From a business perspective, subscription model seems to be an effective pricing strategy as it allows flexibility and prevents customers from overspending on traditional software.

2.1.2 Success stories of SaaS companies

This chapter reviews the marketing tactics of successful cloud enterprise software companies, i.e. Salesforce, HubSpot and Slack and helps to form recommendations in the marketing strategy recommendation section. Each of case companies applies many marketing tactics on different channels, therefore, only significant marketing stories publicly shared by company managers or analysts are covered in this section.

Salesforce is one of the first software companies to promote the cloud software concept and currently a leading SaaS company worth about €42 billion (Patrizio 2018). Founder and CEO of Salesforce, Marc Benioff, (2009) shared the success story of Salesforce in his book *Behind the Cloud*. Remarkably, he spent an entire section describing how Salesforce utilised event marketing to leverage other marketing activities. Salesforce organised events bringing customers and influencers such as analysts and press. Customers were encouraged to share their experiences with software of Salesforce with influencers and their peers. In one event, word of mouth marketing, press and media relation and direct sales were implemented. The acquisition rate of event marketing was strikingly high, around 80% close rate for non-customer attendees.

HubSpot provides a marketing, sales and customer relationship management platform targeted at enterprises, and sets a good example of content marketing for businesses worldwide. In order to attract customers to their website, HubSpot builds a great amount of content relating to the search results on search engines (Brown 2014). HubSpot offers free educating resources such as expert blog posts, webinars and performance measurement tools, etc. Mark Roberge, SVP of Sales for HubSpot, revealed that HubSpot built a content production engine that created quality and quantity content on most searched marketing and sales terms (Krogue 2013). The content hub is contributed by not only internal writers but also external experts to make HubSpot a thought leader (Brown 2014). In turn, visitors trust the brand and HubSpot uses many calls to action attached to each content delivered to convert visitors to customers (Krogue 2013).

Slack is a cloud-based group communication software valued at €4.25 billion in 2017 and expected to grow more than 100% annually (Nusca 2017). Founder of Slack, Stewart Butterfield admitted that the main strategy in the initial stage of Slack was word-of-mouth marketing that made Slack reach 2.3 million active users within two years (Kim 2016). The viral growth stems from not only the product itself but also the integration partnership (Wilpert 2017). Slack creates many integrations with other SaaS providers which brings their customers to Slack application as the shared working space. The partnership allows Slack to accelerate the growth brought by word-of-mouth marketing (Faison 2017).

Even though each company focuses on different marketing channels, three stories imply that successful SaaS companies invest in building their own touchpoints to attract customers and build trust. Salesforce organises events and workshops encouraging customers to persuade their peers and influencers. The core of HubSpot marketing is the content hub offering free educating resources for prospects. Slack concentrates on partnership integration that connects themselves to a wide pool of customers. In order to create a marketing strategy, INDG need to address two primary concerns, i.e. what touchpoints FMCG customers mostly participate in, and what touchpoints INDG has capabilities to build. The customer analysis will answer the former, and competitive analysis will point out what marketing practices INDG should and should not use.

3 FAST-MOVING CONSUMER GOODS INDUSTRY BUSINESS ENVIRONMENT

3.1 Industry overview

According to Telegraph Media Group (2017), consumer goods are defined as household products used for daily private consumption. FMCG are consumer products that have low shelf life. The FMCG industry has a large range of product portfolio, however, food and beverage industry and personal and home care industry comprise the majority of the FMCG section. Large and medium-sized consumer goods businesses have been existing in the market for a long period of time. According to Nielsen (2018), the top five global brands that have the highest market share in Europe are Nestle, Unilever, Procter and Gamble, Coca Cola and Mondelez. The top 10 brands make up 17% of the total FMCG value in Europe while private labels, which are produced by one company but sold under another company's brand, represent 36.1% of FMCG value. Other manufacturers own 46.9% of the market value. There is no considerable change in the market share in Europe in 2017 even though private labels are gaining more and more market value.



Figure 2. FMCG market value of top 11 European countries and growth rate in 2017 (Source: Nielsen 2018)

FMCG industry is considered one of the industries that have the largest market size and in Western Europe, the total market size of FMCG industry in 2017 is 546 billion EUR.

The growth rate of the industry is +2.1%, which continues to grow because of higher unit prices (Nielsen 2018). Figure 2 shows that 88% of the absolute growth come from top 5 European markets, i.e. Germany, UK, France, Italy and Spain. Figure 3 indicates that the food and beverage industry is thriving while the situation of personal and home care industry is deteriorating slightly.

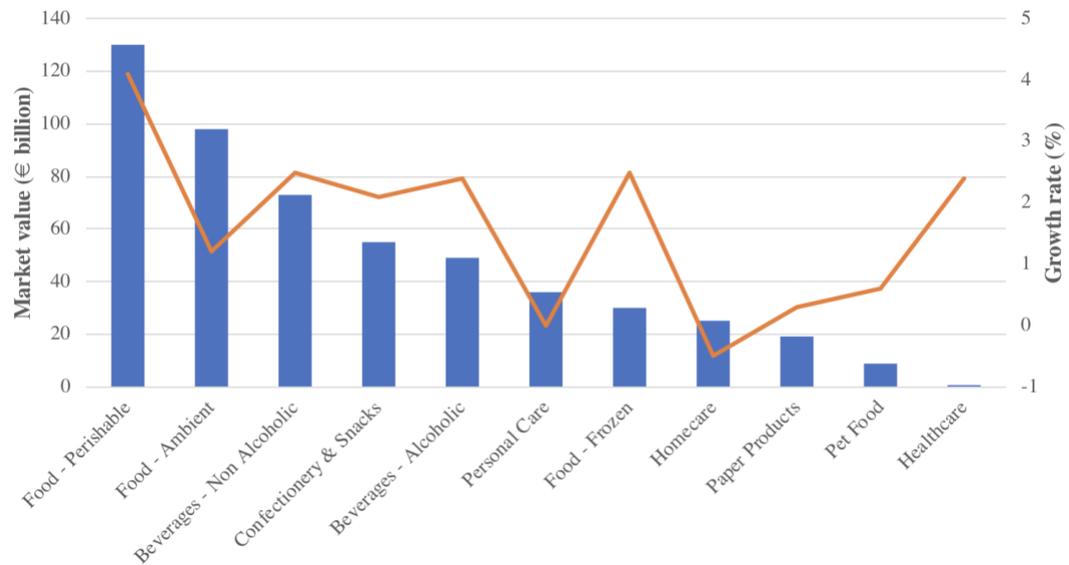


Figure 3. FMCG market value of 11 segments and growth rate in 2017 (Source: Nielsen 2018).

The spending of 21 European countries on consumer goods increased by 4.4% at the end of 2017 according to Nielsen (2018). This growth is a result of an increase of 1.8% in volume of items purchased and a rise of 2.6% in price per item. There are three factors that explains the growth of FMCG industry, i.e. improving economic situation with declining unemployment rate and improving wage levels, controlled inflation and increasing consumer confidence (Deschamps 2017).

3.2 Trends impacting consumer goods industry in Europe

Even though FMCG industry has experienced a stable growth for the past few years, consumer goods companies are still competing in an increasingly challenging environment. Krings, Kupper, Schmid and Thiel (2016) stated ten trends that would transform the European consumer goods scene by 2030. If consumer goods companies fail to rewire themselves, they will fall back behind rising small brands. These ten trends fall into three forces, i.e. consumer behaviour, industry dynamics and external influences.

However, only three out of ten trends have direct impacts on the creative industry, i.e. “stagnating mass market, e-grocery and fight for digital placements, and cost leadership and consolidation”.

The first two trends are the result of change in consumer behaviour. Growth of consumer goods has been stagnating in developed markets, and technology allows small businesses to produce with less production capacity and reach customers online at a low marketing cost (Gell, Gjerstad, Shinall, and Istvan 2017). More importantly, population ageing in Europe shows no signs of reversing. In 2016, people aged 65 or over comprise around 16% of European population, and by 2020, 25% of the population reaches the retirement age (Eurostat 2016). Therefore, more people will receive pensions from the government. The failing average disposable income leads to weaker consumer purchasing power. In other words, consumers are more price-sensitive (Krings et al. 2016). An increase in price, even slightly, will cause a subsequent plummet in sales volume. Thus, it is possible for manufacturers sustain their businesses only by large-scale cost reductions. Consumer goods companies will search for a more cost-effective solution to produce visual content and marketing materials, resulting in a price battle in the creative industry.

The second trend that has influenced strongly marketing strategy of consumer brands is online grocery shopping. In 2017, e-commerce experiences a strong growth in Europe at a rate of nearly 14%. Online grocery continues to grow slowly but steadily in most European markets (E-commerce Europe 2017). What constrains the growth of online grocery is not low demand but rather a lack of supply (Galante, Lopez and Munby 2013). In most markets, retailers are investing in online grocery and some forecasts predict that it would make up 15% of the grocery market in European countries by 2030. It is also shown that online buyers are loyal to grocery products, therefore, brand awareness plays a key role on attracting first-time buyers who have started their online purchasing journey. Websites, mobile apps, search engine and social media are digital placements where consumer goods brands will fight to catch the attention of customers (Krings et al. 2016). The contest for digital placements will drive high demand of visual content production, e.g. product images, animations and videos, etc.

The third trend is cost leadership and consolidation. In addition to the predicted decline in buyer purchasing power, investors and other stakeholders are pushing consumer brand

companies to modernise the production and operation lines (Cyriac, Backer and Sanders 2014). The major objective of investing stakeholders is financial growth. Therefore, managers are encouraged to improve efficiency as well as cut production and operation costs. Market leaders use their scale advantages to follow an aggressive pricing strategy to sustain the market dominance. Both external and internal influences force FMCG companies to operate more cost-effectively. Accordingly, creative companies have to offer a more appealing price strategy by either cutting expenditure or improving production efficiency (Krings et al. 2016).

In addition to three mentioned trends, personalisation does influence the way consumer products are marketed. With the help of marketing technology, predictive analytics and artificial intelligence, marketers are able to customise the marketing messages that match with the need of each customer (Laungani 2017). Simply put, personalised marketing is a marketing tactic to deliver individualised experience to each customer, and benefits of personalisation include improved customer experience, increased brand loyalty and conversion rate (Manthei 2018). The example of Share A Coke campaign by Coca-Cola proved the effect of personalisation strategy. During the campaign, personal names are printed on labels of Coca-Cola drinks and the company experienced an increase of 2% in volume of soft drinks after more than a decade of sales decline (Moye 2014).

According to designers of INDG, personalised visual content production takes up not only a lot of working hours but also expenditure (Vriesendorp 2017). Moreover, interactive and compelling images increase the traffic and website click-rate by 94%, comparing to products without visual content (MDG Advertising). Consequently, there are a demand for personalised and high-quality visual content production.

In brief, the picture of FMCG industry shows that the majority of sub-industries continue to grow, and that food and beverage industry is experiencing the highest growth. Therefore, INDG should focus on global food and beverage companies. Personal care and home care industries are promising at the later stages of the product launch.

4 CUSTOMER ANALYSIS

This customer analysis provides findings on the FMCG industry and marketing managers as decision-makers in the purchasing process. The chapter consists of three main sections: customer segments, customer persona and customer awareness journey. The customer persona and customer awareness journey are created based on the information collected from interviews with professionals from three segments of FMCG industry. Additionally, influencer in the buying process, i.e. art director, is profiled in customer persona section.

4.1 Customer segments

The purpose of customer segmentation in this research is not to design different marketing strategies for each segment but rather to prioritise which segment INDG needs to approach first. The reason why INDG should not target the entire market is that FMCG industry is a large market and the first successful customers have a positive impact on word-of-mouth marketing (Frans Vriesendorp 2017). Consumer goods industry is divided into many sub-industries, however, food and beverage, personal care and home care are the largest segments. In 2017, food and beverage industry make up nearly 80% of the FMCG market value in Europe while personal care and home care industries comprise 6.5% and 5.4% of the total market value respectively. The remaining 8% of the market include paper products, pet food, healthcare, etc. The growth rate of the food and beverage industry surpasses the industry average. Home care industry experiences negative growth while personal care industry stays unchanged (Nielsen 2018).

The ideal customer of Grip is a large and medium-sized manufacturer who sells a wide range of products with many variations (artworks, colour, environment). Appendix 1 lists large and medium-sized FMCG businesses in Europe in three segments. A consumer goods company may operate in more than one segment and have many subsidiaries. For example, Unilever has 400 brands operating in three segments. In conclusion, INDG should target Grip specifically at food and beverage businesses during the first stage of the product launch. The marketing approach to other segments does not differ significantly, therefore, INDG can approach personal care and home care industries with the same strategy at later stages.

4.2 Customer persona

A customer persona or buyer persona is a fictional representation of target customers (Vaughan 2018). Creating detailed customer persona helps to identify who decision-makers, what they need, and how companies can engage with them. Marketing persona includes demographic information and motivations. Examples of demographic information are age, income, location interests, education and work background, etc. Motivations of a customer persona are more related to the workplace such as challenges, objectives and expectations (Patel 2018). The template of influencer persona is similar to that of customer persona. Potential prospects of Grip are senior marketing managers of large and medium-sized FMCG brands who are responsible for budgeting and the marketing performance. The reason why INDG does not target Grip at small businesses is that they do not have enough financial resources to afford high-quality visual content production and their product portfolios are quite limited (Vriesendorp 2017).

A qualitative research was conducted to build customer persona and customer awareness journey. Six professionals from three segments of FMCG industry were interviewed. These interviewees are working in six different large and medium-sized companies as marketing directors and brand marketing managers. They are either existing customers of INDG or potential prospects that the sales team is working with. The interview consists of two parts: customer persona and awareness journey. The customer persona questions address their motivations in visual content production, and the awareness journey section helps to understand how they are aware of a new marketing technology. Appendix 2 shows the questionnaire of the interview.

The responses from the interviews indicate that marketing managers at the director level make a decision on purchasing visual production service or software while brand marketing managers take charge of content production and delivery. Art directors strongly influence the decision of the marketing directors because they are responsible for visual content quality control. The following section describes two customer personas, i.e. marketing director persona and brand marketing manager persona and one influencer persona, i.e. art director persona. Background information are also collected from professional profiles on LinkedIn.

Marketing directors of large and medium-sized businesses are around-45-year-old men and women who have been working for several well-known consumer brands in the world. They obtained master's degree in studies related to business, marketing and economics in highly ranked business schools around Europe. Marketing directors tend to take initiatives and prefer innovative ideas. In terms of visual content production, their objectives are improving brand engagement and catching up with the trends in digital marketing. The largest obstacles in visual content production are time and budget as marketing directors are responsible for planning and budgeting. Marketing directors expect that innovative and high-impact projects are executed in a fixed time frame (Vriesendorp 2017).

Brand marketing managers, aged around 35, have been working in marketing of consumer brands industry for several years and have been promoted to senior levels. They are not as ambitious and ingenious as marketing directors because they are committed to the strategy and decision of marketing directors. Brand marketing managers take charge of visual content production and manage multiple of stakeholders such as production agencies, advertising agencies, in-house teams, etc. The coordination of multiple parties is one of the challenges of brand marketing managers. In addition, they have to take budgeting into consideration. Their objectives are to create all visual content for the entire product range and to deliver richest possible content to all marketing channels and countries. Brand marketing managers expect that large-scale production of visual content is well-structured according to design guidelines.

Art directors do not take part in the buying process but rather sets the quality standard of visual content that marketing managers need to follow. They work in the same company for a considerable period of time and initially in product design department. Their objectives are to control the quality of visual content and to manage the brand consistency across all marketing channels and countries. Art directors always demand high-quality content; however, the budget constraint is the largest obstacle (Vriesendorp 2017).

Customer personas paint a detailed picture of decision makers in consumer goods companies. It is a practical tool for the sales team in the client prospecting stage and marketing team in marketing message design. Each persona has his or her own objectives,

challenges and expectations in visual content production. Understanding them helps sales team to deliver the right messages in the sales pitch to the right persona in the buying process. Limited budget, time pressure, scale of the production and the quality of visual content are the challenges that marketing managers are facing in visual content production.

4.3 Customer awareness journey

Customer awareness journey addresses to the question left in the customer personas, i.e. how companies can engage with customers. In fact, awareness is the first stage of the customer buying cycle when customers recognise the problem and search for solutions. There are five stages in the customer buying cycle: awareness, consideration, preference, purchase, repurchase (Redbord 2017). This research concentrates only on the first stage of the cycle because the later stages mostly involve conversations and meetings between prospects and salespeople (Savelsbergh 2017). The customer awareness journey is built based on the findings of the interview's second part. Because businesses are not familiar with the new technology of Grip, interviewees were asked how they were aware of any marketing technology. The following sections assess the effectiveness of five marketing channels mentioned in the interviews: social media marketing, search engine, content marketing, partnership marketing and event marketing.

Social media marketing is the least effective channel that interviewed marketing managers learn about marketing technology. Five out of six interviewees use social media for personal purposes even though they usually keep an eye on how brands are promoted on social media channels such as Facebook, Twitter and Instagram. LinkedIn is the only channel that marketing managers use for professional purposes, mostly for communication and peer updates. Content promoted on social media channels is ignored because online advertising is blocked. The large volume of content also dissuades them from reading posts of software vendors.

Search engine is a useful tool for interviewed marketers to search for a known solution. For example, when searching for a visual production service in the region, they would type in the search engine "360 product photography service in the Netherlands" or "3D animated video production company". If they are not familiar with the software, they are

unable to come up with the keywords and thus find the software on search engines. In addition, challenges that they face in the production process are too generalised that interviewees do not search for the solutions to these challenges on search engines.

Three out of six marketing managers sometimes read analyst reports and whitepapers. Nevertheless, none of them are actively looking for content to read. Interviewees only read content sent by salespeople at the late stages of buying process. Business newspapers and websites of well-known research companies are the most common places where they consume content. The content including news on marketing technology is either shared by their peers or written by their own companies or partners. It can be implied that content marketing relies heavily on word-of-mouth marketing in this case.

As brand managers take charge of managing multiple stakeholders in the visual content production, partnership marketing plays an important role in introducing marketing technology to marketing managers. Remarkably, large enterprises operate with a network of software providers and production agencies; therefore, software integration is crucial. Interviewees prefer using software of partners of existing vendors because it saves time and cost to integrate the software to the large system. When it comes to visual production, marketing managers consult existing production agencies before reaching out to external alternatives. If these agencies are not able to provide the specific service, they will introduce their partner agencies. In fact, INDG usually receives projects referred by partner agencies (Vriesendorp 2017).

Five out of six interviewees find event marketing an effective channel to learn about marketing technology because they are allowed to try the software and see the deliverables at the same time. More importantly, a large number of vendors showcase their software at events. Therefore, going to events save marketing managers a lot of time. Digital marketing events are the most recommended channel by the interviewees because the main purpose of these events is to showcase the latest technology in marketing and sales. Interviewed marketing managers also attend e-commerce events to learn about the industry trends and the technology as large and medium-sized businesses are investing heavily in online grocery. In addition, large and medium-sized consumer goods company regularly exhibit in industry events where marketing managers are not actively seeking

solutions. They may feel disturbed if they are approached by salespeople when exhibiting their products.

In conclusion, event marketing and partnership marketing are the most preferred channel that interviewed marketing managers learn about marketing technology. The partnership network of INDG is shown in the recommendation section. There are three kinds of events that consumer goods marketers attend: digital marketing events, e-commerce events and industry events. In fact, event organisers publish information of attending companies and representatives to attendees. It is a great chance for sales team of INDG to approach marketing managers who match customer personas at these events. Even though content marketing does not influence marketing managers directly, it is a great tool to educate them as they are not aware of the capabilities of Grip.

5 COMPETITION ANALYSIS

This chapter aims to describe the competitive landscape of 3D visual content production in Europe by examining an industry overview with competitive positioning map and Porter's five forces analysis. The research makes a comparison of marketing mix of direct competitors which provide similar visual content production software. At the end of the chapter, conclusions on how INDG should compete against other providers and what marketing practices INDG should apply are made.

5.1 Competitive positioning map

It is important to emphasize that INDG is not competing with 3D visual content production teams such as advertising agency, design studio and in-house design team. INDG provides Grip as a tool to improve the production efficiency. Therefore, INDG directly competes with other design software providers. Figure 4 shows the competitive positioning of 3D visual content production software providers in Europe. The horizontal axis shows the level of 3D design expertise that users need to acquire to use the software. The vertical axis demonstrates the extent of cloud computing application in the software.

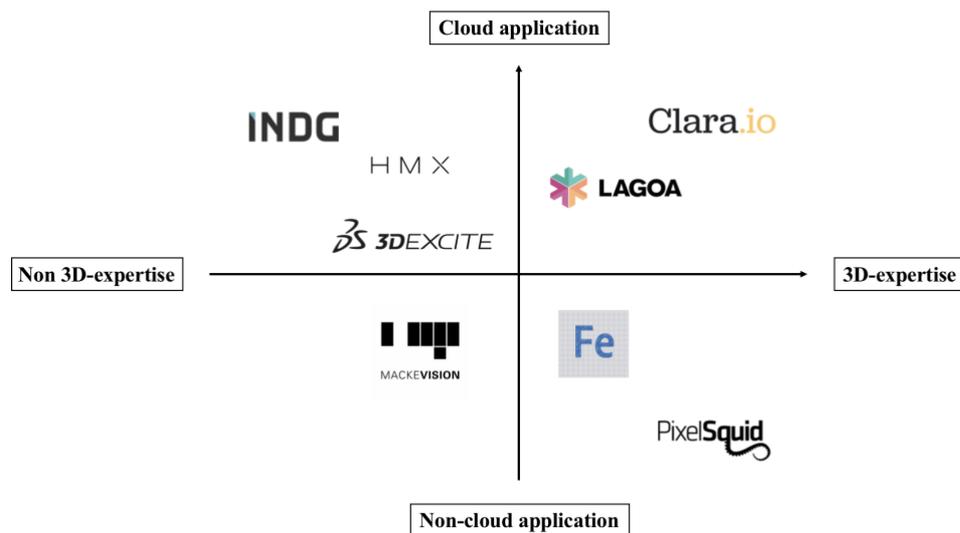


Figure 4. Competitive positioning map of 3D visual content production market in Europe (Source: INDG)

Figure 4 shows that there are a few players in the market and remarkably they are not overlapping one another. According to Mehrotra (2017), lead of INDG product team, the

major reason is that each company specialises in each segment of the market. Grip is positioned in the top left corner, indicating that INDG offers a cloud-based solution targeted at non-professional end users, e.g. marketers and salespeople. From the product perspective, the product leadership in the cloud-based solution segment for non-professionals is derived from the high automation and high application of cloud computing. 3DExcite, HMX Media and Mackevision are direct competitors of INDG which provides the solutions to the similar targeted customers, i.e. non-professionals. Clearly, there is a lack of businesses in the segment of non-cloud applications for non-professionals. According to BCSG, cloud application adoption of small and medium-sized businesses is 88% in 2018 (Ryhman 2017). The growth of cloud service industry driven by the demand of businesses forces software providers to move the cloud environment, and big corporates such as IBM, Microsoft and Google are leading the industry (Darrow 2017). Therefore, non-cloud applications seem to be an outdated segment for businesses.

5.2 Porter's Five Forces of competitive positioning analysis

The research applies Porter's Five Forces model to understand the competitiveness of the 3D visual content production market, and identify the potential profitability shaped by five forces, i.e. competitive rivalry, bargaining power of buyers, bargaining power of suppliers, threat of new entrants and threat of substitution (Porter 1979). Most of the industry information in this section is derived from the chief marketing officer, Savelsbergh, and founder of INDG, Vriesendorp who has been working in the creative industry for more than 15 years.

Firstly, the competition within the visual content production software market is not intense because there are a few players whose segment and customer industry do not overlap one another. The customer industry of each competitors is mentioned in the marketing mix comparison. However, according to Frans Vriesendorp, 3DExcite and HMX Media take actions to approach customers in consumer electronics industry. It does not guarantee that INDG will dominate FMCG industry, therefore, it is predicted that competitive rivalry will become more intense. The high competition may lead to increasing marketing cost and bargaining power of customers (Porter 2008). Therefore, companies have to offer more attractive pricing packages that hurt the profitability.

However, competition, at this point, does not limit the profitability because the quality of deliverables plays a more important role than the production cost (Vriesendorp 2017).

The buyers of 3D visual content in FMCG industry are large and medium-sized companies owning a portfolio of global brands. The small number of these FMCG companies as well as the large volume of projects leads to a high bargaining power of buyers. However, the switching cost is so high that consumer goods companies are stuck in agency lock-in situation and avoid shifting to other solution providers (Savelsbergh 2017). The high switching cost makes customers compromise with the vendors when it comes to pricing (Vriesendorp 2017).

The bargaining power of suppliers is slightly low due to the little involvement of suppliers in the production process (Mehrotra 2017). Providers of servers, storage, power, data centre and technology are suppliers of software companies. The switching cost is minimal as these suppliers are often big players in the market and their price difference is negligible (Mehrotra 2017). The bargaining power of suppliers does not influence the profitability of the 3D visual content production market.

Due to the specialisation of the market, the threat of entry is extremely low. Furthermore, building a visual content production software requires a huge amount of investment and expertise (Vriesendorp 2017). INDG, for instance, uses the resources of 15 years of experience to develop Grip. More importantly, technology of 3D visual content production is difficult to be copied (Mehrotra 2017). The high entry barriers keep the current players in the market the favourable positions to maintain their market share and profitability.

Substitutes pose a major threat to 3D visual content production software. Traditionally, businesses either outsource the production to the external such as advertising agency, design studio, freelancer, photographer or run an in-house production team (Vriesendorp 2017). However, the development of design software for non-professionals allows marketing and sales departments to produce visual content without the help of designers. There are plenty of advertising agencies and design studios that are operating in a highly competitive environment (Vriesendorp 2017). They offer a wide range of price and work quality, thus forcing software vendors to offer a more reasonable price. INDG and other

vendors can only compete with traditional service providers by offering benefits of software that outweigh the manual production (Mehtrotra 2017).

Porter's Five Forces analysis indicates that most of forces do not make a negative impact on the profitability of the industry. In contrast, the high threat of traditional production is a major concern for software providers for non-professionals. Only by beating traditional service providers in two out of three factors, i.e. production cost, work quality and production time, INDG is able to persuade large and medium-sized businesses to switch to Grip (Vriesendorp 2017). The research does not make recommendations on the product development because it is out of scope.

5.3 Direct competitors

In the segment of 3D visual design software for non-professionals, there are three direct competitors, i.e. 3DExcite, Mackevision and HMX Media. Four companies including INDG offers solutions to non-technical marketers and salespeople and at the same time professional designers in advertising agencies and in-house design team are still able to use the software to improve the production efficiency. All companies except 3DExcite are medium-sized businesses and production makes up the majority of the workforce (Vriesendorp 2017). 3DExcite has been a subsidiary of Dassault Systèmes since Realtime Technology was bought by Dassault Systèmes in 2014 and renamed 3DExcite (Dassault Systèmes 2014). Dassault Systèmes is a large 3D design and engineering software corporation in Europe that has more 15,000 employees. 3DExcite benefits from the leadership position of its parent company as Dassault Systèmes has a wide range of partners and contacts. Even though four companies offer similar software, they do not share the same customer pool. 3DExcite targets at automotive, lifestyle and industrial equipment industry (3DExcite 2018). The only customer industry of Mackevision is automotive industry (Mackevision 2018). HMX Media focuses on consumer electronics and automotive industry (HMX Media 2018). Therefore, FMCG industry is an unexploited territory for INDG.

The following section analyses direct competitors based on the marketing mix comparison including product, price, place and promotion. However, the research does

not explain every single feature of product but rather the key differentiating features of Grip. These features are derived from the analysis of INDG product team made by Fouillet.

5.3.1 Product

According to Fouillet (2017), there are three key features that differentiate Grip from the rest, i.e. user-friendliness, high-quality automated production and studio pre-set. The first feature refers to the little knowledge of 3D design required to produce a piece of 3D visual content. The automation of lighting and camera manipulation allows a non-technical person to produce the work with less hassle (Mehrotra 2017). The automated camera manipulation feature is not found in any software of direct competitors (Fouillet 2017). In addition, the product team employs visual content created during 15 years of operation of INDG to automate the manual production process with machine learning (Vriesendorp 2017). Therefore, the quality of content produced by the software matches the one produced by designers and artists. The third feature that only INDG offers is studio pre-set. Studio pre-set enables users to create visual content that matches the standard of retailers (Fouillet 2017). It removes the manual task of designers to resize images and add logos. In short, Grip differentiates itself from the rest by offering an automated production process with the minimum involvement of experts.

5.3.2 Price and place

The pricing strategy of the creative industry seems to be a standard thing as traditional service providers charge customers based on the volume of images (Vriesendorp 2017). 3DExcite, HMX Media and Mackevision also use pay-per-image pricing strategy (Fouillet 2017). However, the cost per image is not revealed because it varies by the size of the product and the additional artwork. There are two pricing options that managers of INDG consider. The first option is that INDG charges companies monthly an amount of money for a fixed volume of images while the second option is the industry standard, i.e. pay-per-image pricing plan (Vriesendorp 2017). The drawback of the former is that each campaign or each product requires a different amount of visual content, therefore, users are either forced to create more content than needed or do not use up the maximum

content allowed (Savelsbergh 2017). Both leads to an increase in production cost because of unused or unnecessary content. In short, the pay-per-image plan is still the most appropriate pricing plan.

3D visual content production software is mostly delivered to customers straight from the vendors (Mehtrotra 2017). However, 3DExcite also utilises the wide range of partners of the parent company to increase the customer reach, and their partners are divided into four categories: value added resellers, solution providers, alliance partners, academic partners (3DExcite 2018). The finding of the customer analysis shows that partnership is an effective way to approach large and medium-sized enterprises because the complexity of the organisation requires integration of many software. The partnership marketing strategy of Grip is discussed in the recommendations.

5.3.3 Promotion

The second primary research aims at investigating marketing activities of competitors by looking at the frequency of the marketing activities based on online presence and the performance of each channel. Table 1 shows the frequency of five main marketing activities of four players. The limitation of this primary research is that offline marketing activities are not measured. For example, HMX Media mostly relies on sales because there is no public information on websites and other channels. In addition, in career page, HMX Media has been searching for business development managers whose preferred experience and skills include communication and interpersonal skills (HMX Media 2018). The following section discusses each marketing channel and the performance of each company except HMX Media.

3DExcite is the most active company in all marketing channels thanks to the resources of parent company. In social media channels such as Facebook, Twitter and LinkedIn, 3DExcite writes 14 posts a week, half of which informs followers about the events that 3DExcite organises or participates in. Three to four posts are original educating content taken from the blog of parent company (Dassault Systèmes 2018). One out of ten social media posts mention product or sales-related content.

Table 1. Frequency of marketing activities of each competitor based on the online presence.

	INDG	3DExcite	Mackevision	HMX Media
Social media	1 post/week	14 posts/week	2 posts/week	inactive since 2016
Content marketing	-	1 blog post/week	-	-
Public relations	1 press release/year	3 press releases/year	1 press release/year	-
Event marketing	3 events/year	20+ events/year	10+ events/year	-

In contrast, Mackevision writes about 2 posts a week and one out of two about the software or customer projects. Only 15% of social media posts keep followers informed about the events Mackevision takes part in. Similar to Mackevision, INDG only posts twice a week and half of the posts are devoted to showcase the software. Around 15% of the social media posts are used for employee branding. However, the customer interviews imply that social media is not the channel where they use for a work purpose and rarely look for a marketing technology on social media, even LinkedIn. The social media presence mostly helps to keep loyal customers informed.

Content marketing is the only channel that 3DExcite invests in. However, 3DExcite rarely create blog posts on their own but rather share the content from parent company Dassault Systèmes. The content of the blog concentrates on the trends of the customer industry such as automotive industry, retail industry, etc. and the benefits brought by 3D visualisation (Dassault Systèmes 2018). The frequency of blog posts shared on social media channels of 3DExcite is one post per week. In short, four companies do not invest heavily in content marketing.

All companies except HMX Media use the public relations agency to inform a wide range of prospects about product releases. INDG and Mackevision have one press release annually while 3DExcite has two to three press releases a year. These press releases posts

appear on channels of press release distributors such as PR Newswire, however, few industrial newspapers cite the press releases. It indicates that the spread of press relations is limited, furthermore, interviewees of customer research do not mention press relations as one of the effective channels that keep them well-informed about the marketing technology.

The last channel to be addressed is event marketing. The customer analysis indicates events are one of the most effective marketing channels where large and medium-sized companies learn about new marketing technology. Events gather a large number of software vendors and companies are allowed to see and try the software. Event marketing is a fairly new field for INDG as sales team only took part in three events in 2017 (Savelsbergh 2017). In contrast, 3DExcite took part in more than 20 events, six of which were organised by either themselves or the parent company (3DExcite 2017). 3DExcite exhibited its software in eight automotive industry events and two large conferences, i.e. The International Consumer Electronics Show and NRF Retail's Big Show. In 2017 3DExcite organised one event showcasing the latest technology in their headquarters. Mackevision went to around ten events in 2017, however, they participated as keynote speakers or speakers in panel discussion. Mackevision only took part in media and creative industry. Remarkably, Mackevision exhibited in large conferences with partners such as Chaos Group, Autodesk (Mackevision 2017). In addition, Mackevision software is promoted on marketing channels of these partners. There are many opportunities of event marketing that INDG can learn from its competitors.

In conclusion, the 3D visual content production software industry is not highly competitive because of the small number of competitors. Furthermore, there are unexploited customer segments that existing companies are not targeting at, i.e. consumer goods industry. Event marketing is the most active channel of 3D visual content production software companies. Social media marketing and public relations do not make a great impact on catching the attention of new customers even though most companies still maintain these channels. None of companies creates original content for content marketing partly because it takes a lot of effort and resources to build a content production engine (Savelsbergh 2017). The competitor analysis indicates that consumer goods industry is a reasonable choice and event marketing is the marketing tactic recommended for INDG.

6 COMPETITIVE ADVANTAGES OF GRIP

This research uses SWOT analysis to identify competitive advantages of Grip and the external opportunities and threats. The strengths and weaknesses of Grip are derived from the findings of the customer and competitor analysis, and the conclusion on the external aspects, i.e. opportunities and threats, is made based on the trends of the customer industry. This section serves as a brief conclusion of the research before the recommendations. The summary of SWOT analysis is presented in Appendix 3.

Strengths and weaknesses

There are three strong points that distinguish Grip from competitors' software, i.e. 20 years of experience in computer-generated imagery production, unique features of Grip and established contacts with global consumer brand companies. First, the expertise in 3D content production ensures the high quality of Grip's deliverables. For the past 20 years, designers at INDG has accumulated many computer-generated imagery resources from projects with international brands. These resources are such indispensable inputs for Grip development that newcomers spend a lot of time collecting them.

Furthermore, the technology applied in Grip development is machine learning, one of the most current technologies that helps to speed up the production process at the same cost. It results both in high barriers of entry for newcomers and in a strong positioning against other vendors. The technology and features of the software are the key competitive advantages that make it difficult to replicate Grip easily. Lastly, established contacts with consumer brand companies speed up the prospecting process of salespeople of Grip. Relationships are essential to setting up businesses with FMCG companies as all interviewed professionals rely on partnerships and business relationships to some extent to learn about new solutions (Mehrotra 2017).

On the other hand, INDG has two major weaknesses that limit the growth of a new software launch. The scalability of Grip requires an investment in human resources and software development. However, the current financial resources of INDG do not allow the expansion of the human resources (Meerman 2017). From the perspective of

marketing, the lack of salespeople reduces the productivity of the sales process as one salesperson or one account manager has to handle many accounts simultaneously. The low scalability in marketing, therefore, is an obstacle for INDG to compete with competitors, especially 3DExcite. While competitors are able to scale up its marketing activities such as content marketing, public relation, event marketing, etc., INDG may fail to catch the attention of the prospects. One of the solutions to the scalability issue is to seek a source of investment from financial institutions. Rabobank is one of the potential financial services companies as it has given INDG a few loans before. In addition, venture capital funds are investment sources for disruptive software, managers of INDG can reach out to venture capitalists in Amsterdam.

The other weakness of INDG is the lack of strategic partnership. Other advertising agencies in the region are the only partners of INDG, and it does not partner with any software vendors. The customer analysis indicates that partnership is one of the effective channels to make marketing managers aware of new marketing solutions. If INDG fails to partner with other software vendors, there is a possibility that 3DExcite or Mackevision will expand their partnership network. The partnership marketing strategy is discussed in the next chapter (Vriesendorp 2017).

Opportunities and threats

There are several opportunities created by the growth of the FMCG industry. The annual growth of 2.1% in market value of FMCG industry in Europe implies a growing demand in the content needed in the marketing campaigns. In fact, the Coca-Cola company launched more than 450 new products in 2014 (Staff 2015). PepsiCo introduced more than 130 new products in 2015 (PepsiCo 2015). For each new product, marketing managers need around 200 to 300 images for a campaign in 20 markets (Vriesendorp 2017). It does not include image format customisation for different marketing channels and platforms. More importantly, FMCG industry is a gap in the market because no existing software companies are targeting at them. Food and beverage industry is experiencing a growth rate higher than the industry average and the number of food and beverage product launches is greater than those of personal care and home care industries (Nielsen 2018). Therefore, food and beverage industry should be the first customer group that INDG focuses on.

There are two major threats that INDG has to face, i.e. threat of traditional solutions and low adoption rate. Traditional production service poses a great threat to the adoption of Grip because the switching cost is considerably high. The agency lock-in is the term used by interviewed professionals to indicate the difficulty to integrate a new software into the system of large corporations. The complexity of network and the onboarding process costs a lot of time and effort to take place, therefore, marketing managers avoid switching to a new solution. The solution in this scenario is to partner with the agencies currently working for the prospects. The partnership simplifies the onboarding process and shortens the sales process simultaneously (Mehrotra 2017).

The interview shows that there are a few channels that marketing managers reach out to learn about marketing solutions and the content they consume are mostly referred by their peers. It implies that marketing managers are not actively looking for marketing solutions on the daily basis. When the marketing reach of INDG is limited by financial resources, it is likely that marketing managers are not aware of its technology. The lack of awareness leads to a low adoption rate simply because marketing managers do not know the existence of Grip. Content marketing is an effective tool to educate marketers, however, it only helps after the prospects are familiar with Grip (Savelsbergh 2017). Content marketing strategy is discussed in the next chapter.

7 MARKETING STRATEGY RECOMMENDATIONS

This chapter uses the findings of the entire research to make recommendations on marketing tactics for the sales of Grip. Based on the insights from There are two main marketing channels that effectively make marketing managers of FMCG companies aware of Grip: event marketing and partnership marketing. This research also discusses content marketing in the partnership marketing. These recommendations are applied for other sub-segments of FMCG than food and beverage industry because there is no difference in marketing approach between sub-segments in FMCG industry.

7.1 Event marketing

Conferences and exhibitions are the channels frequently visited by interviewed professionals to learn about marketing technology. Moreover, competitors of Grip attend many events to showcase their software. While they mostly attend industry events, there are marketing and e-commerce conferences that mostly attract marketing and sales managers of consumer brand companies. There are three categories of events where INDG is able to find prospects matching customer persona in the customer analysis: marketing and sales technology, e-commerce and industry events. The list of relevant events in Europe in 2018 is displayed in Appendix 4.

Event marketing is not only about attending the event but also preparation and follow-up. Tickets to large conferences are often sold out four to five months before the conference date, therefore, planning an annual event marketing is beneficial to not miss out any promising events. It is important to decide whether the company should only attend events or organise some events itself. Due to the lack of financial resources, INDG is recommended to attend events instead of investing in its own events. Geographically, it may not be financially feasible to organise a small event in Amsterdam because prospects are located in different countries around Europe.

One of the most important steps in the planning process is to select events and assign salespeople to each of them. The selection of event depends on attending cost, timeline

and attendees. The attending cost does not only include the ticket fee but also travel expenses, food and accommodation and other networking expenses. Buying early bird tickets and discounted tickets through partnership or on special occasions may save an amount of money for INDG. The attending cost should be calculated based on the objectives, i.e. the number of prospects approached and the number of closed deals. It is quite impossible for INDG to close the deal at the venue because the sales process involves a lot of stakeholders and customer companies usually want to use a trial of Grip before purchasing decision. Therefore, the number of successful follow-ups is a more realistic objective (Savelsbergh 2017).

Before going to any event, INDG need to do some preparations to maximise the productivity of event attendance. Finding out who is attending the event is the most crucial preparation step. Since many conferences have tools to communicate with other attendees and schedule meetings, INDG can reach out to prospects, whose background information meets customer personas in the customer analysis chapter. Learning the agenda and venue space is effective in saving time to avoid delays in meetings.

During the event, the objective goal is to make prospects aware of Grip and set up for future conversations. In order to arouse interest of prospects in Grip, salespeople of INDG should not present the features of Grip but rather how Grip would solve challenges of marketing managers in the visual content production such as budget and time limit, quality, etc. After the event, it is advantageous to transfer information of prospects to customer database and share the experience with other team members. Content marketing is beneficial for the even follow-ups as salespeople can send well-tailored content to educate prospects about Grip and set up demo meetings (Ye 2017).

7.2 Partnership marketing

Partnership marketing is simply combining marketing resources of two or more partner companies to achieve mutual benefits. There are three partnership marketing opportunities that INDG benefits from: distribution, content co-creation and partnered event marketing. Figure 5 shows possible partners of INDG and the list of companies is included in the Appendix 5. Most partnership opportunities engage INDG with qualified prospects who are decision makers in other software purchasing processes.

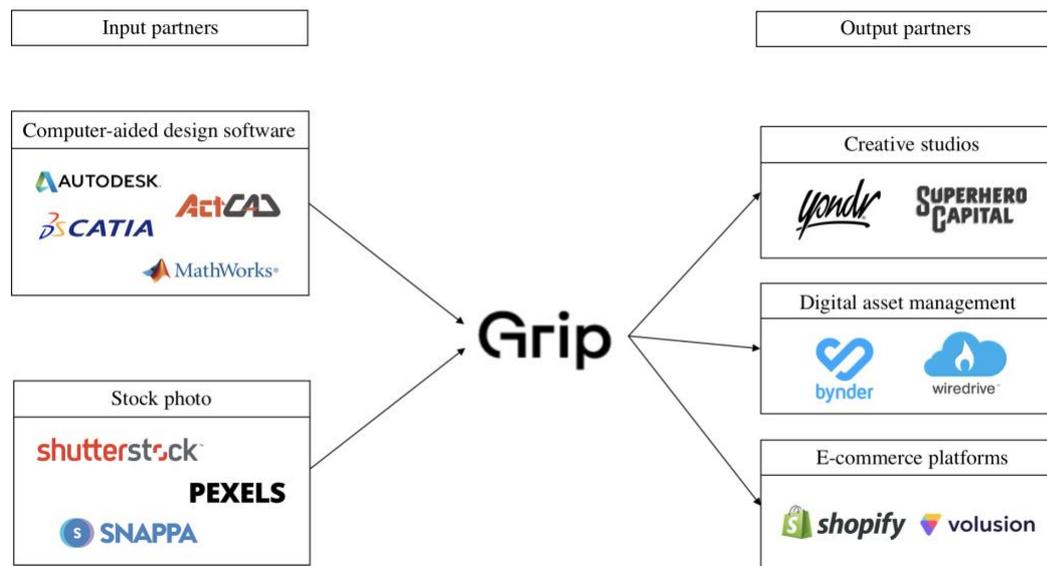


Figure 5. Partnership mapping (Source: INDG)

From the technical perspective, partnered distribution is to enable integrations of many partner software. In other words, partner companies introduce Grip to existing customers in their platforms that offer additional service. It allows INDG to reach out to a more extensive customer pool. Only partner software companies including computer-aided design software, data and asset management, e-commerce platforms and syndication partners, can do a distribution partnership with INDG. What INDG needs to do in return is to add partner software in the integration platform of Grip. Partnered distribution is a straightforward strategy even though it requires involvement of development departments of each partner (Mehrotra 2017).

Partnered event marketing enables INDG to gain more value from event marketing despite budget constraints. INDG can partner with other software companies to organise own events such as product release events or virtual events. The benefits of co-organised events are shared knowledge, increasing brand awareness and increasing attendee pool. INDG and partners are recommended to hold virtual events discussing trends in the market or case study followed by product or feature release. Virtual event saves up a large amount of money from renting the venue and logistics, and attendees are able to join from any location. Co-exhibition is the partnership option if INDG decides to showcase its software at conferences. Similar to co-organised event, co-exhibition allows INDG to

participate in large conferences which require slightly high attending and exhibiting fees (Kim 2017).

Unlike partnered distribution, all partner groups can take part in content co-creation partnerships. Partner companies collaborate to create marketing content such as product releases, research papers, educating videos. The benefit of content partnership lies on the marketing platform sharing. As the content is shared on multiple platforms, it increases the website traffic, making marketing managers aware of Grip. More importantly, appealing content can be viral and be shared in marketing or media channels of third parties. INDG can collaborate with other software companies to create thought-leadership papers while digital marketing agencies and consulting companies are valuable partners to showcase the quality produced by Grip (Cristal 2017).

In addition, INDG is recommended to create its own content such as whitepaper and video tutorials. Video tutorials are extremely valuable for demo meetings and onboarding process after sales, and whitepaper are used to educate visitors about Grip. The content of whitepaper should focus on the challenges of visual content production and how they are solved by automated production. A slight promotion of Grip at the end of whitepapers is highly recommended as it is a hinted follow-up encouraging readers to learn more about Grip. Customers are the ones to give the most valuable contributions which content should be delivered, therefore, further conversations with future customers on their preferences are crucial for content marketing.

INDG has enough human resources to implement event marketing strategy. Currently, there are six people working in sales department. It means that two or three salespeople are able to attend an event or a conference. Moreover, two digital marketing events are rarely organised simultaneously, allowing INDG to attend as many events as possible. In terms of content marketing, INDG has outsourced content production involving text content such as press release, research paper, etc. The chief marketing officer takes charge of text content production and no other internal employee is involved in production process.

8 CONCLUSION

The research provides a market research of 3D visual content production software in fast-moving consumer goods industry in Europe, focusing on customer industry business environment and analysing customer and competitor on the market. The growth of FMCG industry in Europe, market gap in customer segment and uncompetitive environment indicates that food and beverage sub-industry is a promising segment for INDG.

Even though European consumer goods industry experiences an annual growth rate of 2.1%, the matured mass market forces businesses to achieve cost leadership by major cost reductions. At the same time, investors encourage innovation to improve the productivity in the business operation. Both external and internal factors drive marketing managers to move to a cost-effective visual content production. In addition, online grocery is growing rapidly, and companies are competing in the digital placements. Time pressure and quality control become challenging for businesses. The trends in consumer goods industry pushes visual content production companies to offer a quality and quick service at a lower cost.

Food and beverage industry is a market gap in the customer segment because of its above average growth and the lack of competitors on the market. The customer analysis shows that head of marketing and marketing director are the decision-makers in the purchasing process. In addition, event marketing and partnership marketing are the most effective channels to learn about marketing technology for marketing managers.

The competition in the visual content software market is not fierce due to the small number of competitors and the technology required. It implies that FMCG industry is promising for INDG to make profits and become the market leaders. Other software companies use event marketing, partnership marketing and content marketing to approach prospects.

INDG is highly recommended to utilise event marketing and partnership marketing to target Grip at consumer goods businesses. Co-organised virtual event and content partnership are two activities that bring many qualified prospects from partners to Grip while attending events are effective to approach targeted prospects.

REFERENCES

- Brown, M. 2014. HubSpot – How to grow a billion-dollar B2B growth engine. <https://growthhackers.com/growth-studies/hubspot>. 10.05.2018
- Cristal, J. 2017. A complete guide to partnership marketing: Part one. <https://econsultancy.com/blog/69182-a-complete-guide-to-partnership-marketing-part-one>. 20.05.2018.
- Cyriac, J., Backer, R.D. and Sanders, J. 2014. Preparing for bigger, bolder shareholder activists. <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/preparing-for-bigger-bolder-shareholder-activists>. 07.05.2018
- Darrow, B. 2017. Amazon still leads cloud rankings, but competition is coming on strong. <http://fortune.com/2017/06/15/gartner-cloud-rankings/>. 13.05.2018
- Dassault Systemes, 2014. RTT becomes 3DExcite, Dassault Systemes' brand to power marketing in the age of experience. <https://www.3ds.com/press-releases/single/rtt-becomes-3dexcite-dassault-systemes-brand-to-power-marketing-in-the-age-of-experience/>. 16.05.2018
- E-commerce Europe, 2017. Ecommerce continues to prosper in Europe, but markets grow at different speeds. <https://www.ecommerce-europe.eu/press-item/european-ecommerce-report-2017-released-ecommerce-continues-prosper-europe-markets-grow-different-speeds/>. 06.05.2018
- Faison, I. 2017. Slack's epic marketing strategy and Stewart Butterfield's thoughts about storytelling. <https://medium.com/the-mission/slacks-epic-marketing-strategy-and-stewart-butterfield-s-thoughts-about-storytelling-c971fccccd8a8>. 12.05.2018.
- Fouillet, A. 2017. Product development intern at INDG. Recoded interview on July 2017.
- Galante, N., Lopez, E.G. and Munby, S. 2013. The future of online grocery in Europe. <https://www.mckinsey.com/industries/retail/our-insights/the-future-of-online-grocery-in-europe>. 06.05.2018
- Gartner, 2018. Gartner forecasts worldwide public cloud revenue to grow 21.4 percent in 2018. <https://www.gartner.com/newsroom/id/3871416>. 10.05.2018
- Gartner, 2018. Software as a Service (SaaS). <https://www.gartner.com/it-glossary/software-as-a-service-saas/>. 01.05.2018
- <http://www.nielsen.com/be/en/press-room/2017/european-grocery-market-grows-at-fastest-rate.html>. 05.05.2018
- International Data Corporation, 2017. Worldwide public cloud services revenue growth remains strong through the first half of 2017, according to IDC. <https://www.businesswire.com/news/home/20171106005140/en/Worldwide-Public-Cloud-Services-Revenue-Growth-Remains>. 09.05.2018
- Johnston, E. 2016. Five steps to understand your customer's buying process. <https://www.b2bmarketing.net/en/resources/blog/5-steps-understanding-your-customers-buying-process>. 20.05.2018.
- Kim, E. 2016. No salespeople for us, says CEO of \$4 billion start-up Slack. <http://www.businessinsider.com/slack-ceo-stewart-butterfield-no-salespeople-2016-3>. 12.05.2018
- Kim, S. 2017. Event marketing: the 2018 guide. <https://blog.bizzabo.com/event-marketing-guide#partnership>. 20.05.2018.
- Krings, B., Kupper, J., Schimd, M. and Thiel, A. 2018. Western Europe's consumer-goods industry in 2030. <https://www.mckinsey.com/industries/consumer->

- [packaged-goods/our-insights/western-europes-consumer-goods-industry-in-2030](#). 06.05.2018
- Krogue, K. 2018. HubSpot shares 11 secrets that help them generate more leads than even Salesforce.com.
<https://www.forbes.com/sites/kenkrogue/2013/01/07/hubspot-shares-11-secrets-that-helps-them-generate-more-leads-than-salesforce-com/#8e17f4355e88>. 12.05.2018
- Laungani, R. 2017. Perspectives: 3 things big FMCG marketers need to do to win again.
<http://www.nielsen.com/us/en/insights/news/2017/perspectives-3-things-big-fmcg-marketers-need-to-do-to-win-again.html>. 07.05.2018
- Meerman, L. 2017. Human resources manager at INDG. Recorded interview on July 2017.
- Mehrotra, S. 2017. Product owner at INDG. Recorded interview on July 2017.
- Movahhed, M. 2014. Why SaaS? 7 benefits of cloud vs. on-premise software.
<https://www.handshake.com/blog/why-saas-cloud-benefits-vs-on-premise-software/>. 09.05.208
- Moye, J. 2015. Share a Coke: How the ground-breaking campaign got its start ‘down under’. <https://www.coca-colacompany.com/stories/share-a-coke-how-the-groundbreaking-campaign-got-its-start-down-under>. 20.05.2018
- Nielsen, 2018. European grocery market grows at fastest rate for three years.
- Nielsen, 2018. Grocery spend in Europe rises by six-year high.
<http://www.nielsen.com/be/en/press-room/2018/grocery-spend-in-europe-rises-by-six-year-high.html>. 05.05.2018
- Nielsen, 2018. Western European FMCG Report Q4 2017.
[http://www.nielsen.com/content/dam/niensenglobal/de/docs/Western_European_FMCG_Trend_Report_Q4_2017%20-%20Incl%20CH%20\(1\).pdf](http://www.nielsen.com/content/dam/niensenglobal/de/docs/Western_European_FMCG_Trend_Report_Q4_2017%20-%20Incl%20CH%20(1).pdf). 01.05.2018
- Nusca, A. 2017. Slack raises \$250 million; top \$5 billion valuation.
<http://fortune.com/2017/09/17/slack-raise-valuation/>. 12.05.2018.
- Palmira, S. 2016. SaaS, PaaS and IaaS: Understanding the three cloud computing service models. <https://doublehorn.com/saas-paas-and-iaas-understanding/>. 07.05.2018.
- Patel, N. 2017. How to create highly accurate customer personas for marketing.
<https://neilpatel.com/blog/accurate-customer-personas/>. 17.05.2018.
- Patrizio, A. 2018. 50 leading SaaS companies. <https://www.datamation.com/cloud-computing/50-leading-saas-companies.html>. 10.05.2018
- PepsiCo, 2015. Trending now: The taste sensations of the year.
<http://www.pepsico.com/live/story/trending-now-the-taste-sensations-of-the-year>. 20.05.20.18
- Porter, E. M. January 2008. The Five Competitive Forces That Shape Strategy. Harvard Business Review. https://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy?referral=03758&cm_vc=rr_item_page.top_right
- Redbord, M. 2017. How to leverage the five stages of the customer buying cycle for more sales. <https://blog.hubspot.com/blog/tabid/6307/bid/19022/how-to-leverage-the-5-stages-of-the-customer-buying-cycle-for-more-sales.aspx>. 18.05.0218.
- Regalado, A. 2011. Who coined ‘cloud computing’?
<https://www.technologyreview.com/s/425970/who-coined-cloud-computing/>. 09.05.2018

- Rouse, M. 2018. Software-as-a-service.
<https://searchcloudcomputing.techtarget.com/definition/Software-as-a-Service>. 01.05.2018
- Savelsbergh, M. 2017. Chief Marketing Officer at INDG. Recorded interview on July 2017.
- Sylos, M. 2013. Top five advantages of software as a service (SaaS).
<https://www.ibm.com/blogs/cloud-computing/2013/09/18/top-five-advantages-of-software-as-a-service-saas/>. 07.05.2018.
- Telegraph, 2015. What is FMCG? <https://jobs.telegraph.co.uk/article/what-is-fmcg/>. 01.05.2018.
- Turco, K. 2013. Four advantages of Software as a Service (SaaS).
<https://technologyadvice.com/blog/information-technology/four-advantages-of-software-as-a-service-saas-2/>. 09.05.2018
- Vaughan, P. 2017. How to create detailed buyer personas for your business.
<https://blog.hubspot.com/marketing/buyer-persona-research>. 17.07.2018
- Vriesendorp, F. 2017. Founder at INDG. Recorded interview on July 2017.
- Wilpert, C.V. 2017. Peek inside Slack's multi-million-dollar SaaS growth strategy.
<https://labs.openviewpartners.com/slack-saas-growth-strategy/#11>. 11.05.2018
- Ye, L. 2017. 14 tips to juice the most value out of a conference.
<https://blog.hubspot.com/sales/tips-to-juice-the-most-value-out-of-a-conference>. 20.05.2018.

List of large and medium-sized FMCG companies in three segments in Europe

Food and beverage	Personal care	Home care
Nestle	Procter & Gamble	
Unilever		
The Coca-Cola Company	Henkel	
Mondelez	L'Oréal	Reckitt Benckiser
Danone	Colgate-Palmolive	The Clorox Company
Mars	Beiersdorf	Church & Dwight
Ferrero	Estée Lauder	S. C. Johnson & Son
PepsiCo	Johnson & Johnson	
Heineken	Revlon	
Kellogg's	Yves Rocher	
General Mills	Kimberly-Clark	
Perfetti Van Melle	Coty	
Anheuser-Busch InBev	Chanel	
SABMiller	LVMH	
Carlsberg	GlaxoSmithKline	
Diageo		
The Kraft Heinz Company		
FrieslandCampina		
Arla Foods		
Associated British Foods		
The Hershey Company		

Interview questionnaire

I. Customer persona

1. How do you describe your position and responsibility in your organisation?
2. When it comes to visual content, what are the largest challenges that you and your team are facing? How do you plan to solve these challenges?
3. What are the top objectives that you personally want to achieve in visual content production?
4. In which way do you want to improve the current visual production? How do you and your team make it happen?

II. Customer awareness journey

1. When it comes to an unfamiliar technology, which of the following channels do you find most effective to learn about marketing technology: social media marketing, search engine, content marketing, event marketing and partnership marketing?
2. Which social media channels do you use for personal purposes and professional purposes? What kind of content do you encounter on social media? For what purpose do you use LinkedIn?
3. What kind of marketing technology content do you read? How often do you consume marketing technology content? How are you aware of these contents and where are they published?
4. How does partnership influence the visual content production? How do you learn about marketing technology and other service providers via partners?
5. What kind of events do you attend to learn about marketing technology? How often do you attend an event for professional purposes? What event do you recommend INDG promoting their new visual content production software?

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ 20 years of experience with specialisation on CGI production ▪ Revolutionary technology that is difficult to replicate ▪ Established contacts with FMCG companies 	<ul style="list-style-type: none"> ▪ Low scalability in product development and marketing due to the lack of human and financial resources ▪ Lack of strategic partnership in distribution
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Growth of FMCG industry in Europe that is not by existing software vendors ▪ Growing demand of visual content production of FMCG companies 	<ul style="list-style-type: none"> ▪ Threat of traditional solutions: agency lock-in ▪ Low adoption rate because of the lack of awareness of new technology

List of potential events sorted by category

Category	Event	Dates	Location
2018			
Digital	Savage Marketing 2018	Jun 13-14	Amsterdam, Netherlands
E-commerce	eTail Europe	Jun 19-21	London, UK
Digital	DigiMarCon Midwest	Jun 20-23	Illinois, Chicago
Digital	Web Marketing Festival	Jun 21-23	Rimini, Italy
E-commerce	E-commerce Summit	Jun 25-26	Barcelona, Spain
Industry	Digital Food & Beverage	Jul 16-17	Illinois, Chicago
Digital	Growth Marketing Summit	Sep 6	Frankfurt, Germany
E-commerce	eTail Delivery	Sep 11-12	Amsterdam, Netherlands
Digital	#DMWF Expo Europe	Sep 19-20	Amsterdam, Netherlands
E-commerce	eCommerce Expo	Sep 26-27	London, UK
Digital	Technology for Marketing	Sep 26-27	London, UK
E-commerce	eTail Nordic	Oct 2-3	Copenhagen, Denmark
Digital	Digital Marketing Innovation Summit	Oct 3-4	London, UK
Digital	Festival of Marketing	Oct 10-11	London, UK
Digital	OnBrand '18	Oct 11	Amsterdam, Netherlands
Digital	Digital First	Oct 17-18	Brussels, Belgium
Digital	MarTech Alliance Festival	Nov 1	London, UK
Industry	B2B Online Europe 2018 (Manufacturers & Distributors)	Nov 28-29	Amsterdam, Netherlands
Industry	iba	Sep 15-20	Munich, Germany
Industry	Broodway	Sep 30 – Oct 3	Kortrijk, Belgium
2019			
E-commerce	NRF (Retail's Big Show)	Jan 13-15	New York, US
E-commerce	Mobile Shopping EU	Jan 31- Feb 1	London, UK
E-commerce	E-commerce Berlin Expo	Feb 20	Berlin, Germany
Digital	Marketing Technology Expo and B2B Marketing Expo	Mar 27-28	London, UK
Digital	SMX Germany	Apr 2-3	Munich, Germany
E-commerce	Retail Business Technology Expo	May 1-2	London, UK
Industry	ISM	Jan 27-30	Cologne, Germany
Industry	BioFach	Feb 13-16	Nuremberg, Germany
Industry	European Coffee Expo	May 22-23	London, UK
Industry	Anuga	Oct 5-9	Cologne Germany

List of potential partners sorted by category

Category	Partner companies
Computer-aided design	Autodesk
	Dassault Systemes
	ActCAD
	MathWorks
Stock photo	Shutterstock
	Pexels
	Snappa
Marketing/advertising agencies	Yondr
	Superhero capital
	Boomerang Agency
	Wieden and Kennedy
Data/asset management	Bynder
	Canto
	Wiredrive
	MediaValet
eCommerce platforms	Shopify
	Bigcommerce
	Volusion
	WooCommerce
Syndication partners	Flixmedia