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MARKETING COMMUNICATION CHALLENGES FOR SMALL AND MEDIUM SIZE ENTERPRISES

Case study MSTConsulting Oy
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ABSTRACT

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The topic of this thesis was provided by the case company, MSTConsulting Oy. The company had the need for information about marketing communications and the possible challenges they might face in the future. That is why the author took this mission and wrote this thesis. The author had done her practical training for the company, so this thesis is some kind of continuation for the training.

The main research question of the thesis is what the challenges are that the case company might face in its marketing communications and how they could overcome those challenges. This thesis aims to answer that question and provide the case company with information how they could improve their marketing communications and overall performance. The answers for the questions were gathered by conducting a qualitative study. This study included literature reviews to from the theory base and interviews with the case company to gather information about their needs and the overall situation. Benchmarking was also used to gather additional information for facing the challenges of marketing communication. As a result, there are some ideas the case company can use to improve their marketing communications in the future. There are for example ideas how the case company could utilize personal selling as efficiently as possible and how they could utilize business events to benefit their business actions.

This thesis provides basic information about the marketing communications, marketing services and operating in the business to business field. It also gives useful information for the case company about the practices they could use to improve their marketing and other related operations. In this last chapter there are also some practical tips for the company that they could use in the future. There are also some suggestions about bigger future improvements that could be made in the company.

Keywords:
Marketing communication, business to business, marketing, service marketing
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1 INTRODUCTION

The purpose of this thesis is to find out what could be the possible challenges the case company might face in its marketing communications in the future. The topic was given by one of the owners of this case company while the writer of this thesis was working in the company for her practical training. During the practical training marketing was the focal point of the training since the company had a need for marketing help. It was clear that the company has some challenges in their marketing and because of these challenges there was a need for this thesis. The company wanted to get ideas how to face the challenges that they currently have and how to face the challenges and problems that might come up in the future.

The theory base of this study is based on topic related literature and books that have been used contain lots of theories and wide range of information. The theory base of this thesis will be introduced in chapter three. The main concepts of this thesis are marketing communication, service marketing and operating in business to business field. The concept of marketing communication is a very broad and interesting topic and it will be the main focal point of this thesis.

The aim of this thesis is to introduce the important concepts related to the topic of the thesis and then connect them to the problems and challenges the case company has. The idea is to raise awareness how those theories could be used in practice to help to face the challenges the case company has and will have in the future. This thesis presents ideas how the company could overcome the challenges by using the theories provided in this thesis and what else could be done. The thesis also introduces principles of benchmarking and it is also used to gather information that has been later on used to provide hopefully useful ideas and tips for the case company.

The overall topic of marketing communication is very interesting, and it consists of multiple different techniques and methods that can be used. In this thesis some of those are introduced but the reader might also get more interested in this broad topic and want to find even more about this topic later on. This is only a short introduction to the topic, but it will give the reader basic information about marketing communication and the related challenges and provide ideas how the marketing communications could be approached. This thesis could be utilized as some kind of general guidelines how to use marketing communications in a small business to business company.
2 MSTCONSULTING OY

2.1 History

MSTConsulting oy was first established in the 1990’s in Sweden by Kari Raivio and Pekka Väänänen. Originally the company used another name. When the company was relocated in Oulu, Finland, in 2004 the owners changed the name of the company to Eqoweb Oy. In the beginning the company focused mainly on ISO systems and their focus was mainly on creating environmental systems (ISO 14001) and internal audits to other companies. Later on, the company added quality certificate systems (ISO 9001) to their services. (MSTC Liiketoimintasuunnitelma.)

In 2008, after hiring a new employee, the company added safety services to their service catalog. In addition to the management systems that the company was creating as a service to other companies, they started to offer safety planning and risk analyses to their client companies. The company also started to provide safety planning to the housing cooperatives. In the meantime, the company changed its name to MSTConsulting Oy. After changing the name, the company added new management systems to their service catalog. (MSTC Liiketoimintasuunnitelma.)

In 2011 the company added new services again to their catalog by starting to provide safety training and different safety courses to companies and housing cooperatives. In 2014 Kari Raivio sold the company to its current owner Teemu Myllyoja and in the beginning of 2015 Mr. Raivio left for other tasks, but he continued as a president in the board of directors. Later in 2015 the company hired Mr. Myllyoja’s partner Milla Korkia-aho to be in charge of financial management and customer communications. In 2016 Ms. Korkia-aho bought a share of the company. (MSTC Liiketoimintasuunnitelma.) Now Mr. Myllyoja and Ms. Korkia-aho share the ownership of the company making it officially a family business.

2.2 Company now

Currently the company has two owners Teemu Myllyoja and Milla Korkia-aho. The main office is in Oulu Finland. Nowadays the company is focusing on ISO systems and safety services and their
main customer segments are small and medium size enterprises, municipalities and housing co-operatives. Company’s turnover was 168 000 euros in 2016 and therefore the company is a micro-enterprise. To put it short the company is a micro-enterprise providing services in B2B field of business.

Now the company is using mostly word-of-mouth advertising, which means that current customers are buying new services from them and they recommend the services to other companies. MSTC does some marketing in social media, for example in Facebook, but the focus in social media marketing is on building the brand and raising awareness of the company. At the moment they have focused on their marketing less than usually. Their marketing is mostly based on customer needs. This means that they go through different companies and search if some of those companies need improvements. After finding potential customers, they contact them by email and later call them to book a meeting. (MSTC interview 1.)

MSTC stays in touch with their current customers by sending them newsletters a few times a year to tell news about their company and what is happening in the industry. Near Christmas time they send newsletter to sum up what has been going on during the past year. The company also organizes events to their customers couple of times a year. With some of their customers they stay in contact by email and by phone calls. They stay in contact as much as it is needed with each of their customers. (MSTC interview 1.)

2.3 Future plans

In the future MSTConsulting Oy is aiming to grow their business and add new services to their catalog to provide more services their client companies need and to attract new potential clients. One of the most important points of their future plans is to create better marketing strategies and implement them efficiently to showcase their knowhow and knowledge to market the services. MSTC also aims to develop new service concept for their safety services. Within five years of time, their goal is to have one new employee or stakeholder and to have their business operations divided making software business a subsidiary company. (MSTC interview 1.)
3 IMPORTANT CONCEPTS

3.1 Marketing communication

According to the Business Dictionary’s definition *marketing communication* is coordinated delivering promotional messages through different channels such as radio, print, direct mailing, television or personal selling (Business Dictionary, 2017. Cited 28.5.2017). This means that marketing communication is the essential part of marketing. There are many different ways to deliver marketing messages to the customers and potential customers and it is important to consider which of the channels will reach the target audience.

The term marketing communication refers to all those activities with which the company aims to deliver information and persuade customers and potential customers to buy their services and products. One of the important points of marketing communications is that the communication should always be audience-centered. (Fill, McKee 2011, 242.) Because the audience is an important factor in marketing communications, it is important to notice that marketing communication is different in business to business field than it is in business to consumer field. In this case the focus is on business to business marketing communications. In business to business field marketing communication should not be only one-way information sharing and be more about involving the audience and sharing something that is meaningful for all the parties (Fill, McKee 2011, 242). Keeping this in mind, it is important to make marketing communication a conversation that includes both the company and the audience as active participants. Business to business marketing communications consist of the ways company uses to communicate with other organizations about their products, services, desired identity and their reputation (Fill, McKee, 2011, 242). Marketing communications is an important tool of creating a brand and brand value. It is also important tool in maintaining brand loyalty. In service marketing it is crucial since the messages received from the company are the only evidences of service quality. To put it short, in this case marketing communications is very important tool for marketing and selling services.

The role of marketing communications varies in companies and they use it for different purposes. In many cases companies use marketing communications to persuade their marketing and busi-
ness objectives, but it can also be used to seek engagement of other companies by sending messages that encourage members of target audience to respond (Fill, McKee 2011, 243). This means that organizations are sending marketing messages to potential customers or other target audience they have chosen, and they hope that the message will cause some kind of reaction in some members of the target audience. Then again, the reaction is hoped to cause a member of a target audience to respond.

According to Fill and McKee there are two different kind of response categories to determine how the target audience can respond to marketing communication and create engagement. First there are thinking and feeling type of responses and those responses generate brand value. (2011, 244.) This means that when the member of target audience receives a marketing message the response to that message is a feeling or a thought. To put it short it has made someone from the target audience feel or think something about the company sending the message. This way the marketing communications help build the brand image and create brand value. The other response category, according to Fill and McKee (2011, 244), is behavioral response which means that the member of target audience responds to the marketing communication by action. This means that the person might for example respond by buying the product company is selling.

In the book Marketing management by Kotler and Keller another theory of responses is introduced. This theory is called *hierarchy-of-effects model*. In this model there are six different stages of response: awareness, knowledge, liking, preference, conviction and purchase. (2016, 586.) In this model the stages are different based on the situation the target audience is in. Therefore, the message to the target audience must be designed accordingly. In the book Principles of marketing by Kotler and Armstrong (2016, 454) this theory is known as buyer-readiness stages. This term explains well what is meant by the stages and what is the situation in each of those stages. According to the book Marketing management, the awareness stage means that the target audience has little to no information about the company or its services and products and the goal is to raise awareness of the company within the audience. In knowledge stage the target audience has some information about the company and the aim of the company is to deliver more information about them, the services and the products. These stages are cognitive stages of the model. (Kotler, Keller, 2016, 586.) It means that in these stages responses are based mainly on the persons thinking.

According to Kotler and Keller the next three stages liking, preference and conviction are affective stages. First the goal is to make the member of target audience like the product or service and then
in the next stage make the person prefer those products or services over others currently in the market. Then finally the goal is to try to convince the member of the target audience to buy the services or the products. (2016, 586.) To make it clearer, in these affective stages the aim of marketing communications is to develop knowledge into liking and in next stages further into preferring and conviction. For example, first the member of target audience knows about the company and their services and now the marketing communication is trying to affect the person to like the services. Next the aim of marketing communications is to make the person to prefer the company’s service over other services available by other companies and not only liking the service. Finally, the marketing communication aims at the person to be convinced to buy the company’s service. Last of the stages, presented by Kotler and Keller, is behavior stage in which purchasing stage belongs to (2016, 586). This means that the person who is convinced to buy the services finally goes and buys the service.

In the book Business Marketing Face to Face by Chris Fill and Scot McKee there is another theory of the tasks and objects of marketing communication. This theory is called DRIP which comes from words differentiate, reinforce, inform and persuade. This theory explains how marketing communication can be used to build the brand and company image. The first word differentiate, means that one purpose of marketing communication is to differentiate the company from its competitors and other brands. Reinforcing in this case means reinforcing the images and thoughts about the brand making the brand image stronger. Informing means that one of the purposes of marketing communication is to inform people about the brand, the company and its services and products. The last word persuade means that the purpose of marketing communication is to persuade the target audience to buy the company’s services and products. (2011, 246.)

Kotler and Keller explain in their book a theory called marketing communications mix. This theory explains the main categories of the tools that can be used in marketing communication. These categories are: advertising, sales promotion, events and experiences, public relations and publicity, online and social media marketing, mobile marketing, direct and database marketing and personal selling. (2016, 582.) This marketing communication mix can be applied to both business to consumer and business to business fields of business. In this case the focus is on business to business setting. For their part, Fill and McKee explain marketing communication mix from the perspective of business to business. In the theory they present, marketing communication mix consists of three basic bundle elements: tools, media and content or messages. All of these three elements are important in delivering effective messages to target audiences. Tools consist of five different tools
that are important in marketing communication. These tools are advertising, sales promotion, personal selling, direct marketing and public relations. (2011, 275—276.) In this case, based on the experiences of the author, personal selling and direct marketing have the biggest role in the current marketing strategies of the case company. Combining the elements of these two theories the most relevant concepts need to be examined and explained more.

The most important elements to be examined in this study are public relations, online and social media marketing, direct marketing and personal selling. First to be scrutinized is public relations. According to Fill and McKee public relations is about creating and maintaining relationships with different stakeholders. One of the important factors is also that it helps the company to build its image and adds credibility to the messages the company is trying to deliver. (2011, 279.) Kotler and Keller explain that there are three distinctive qualities that make public relations an appealing marketing tool. The stories told by the company are affective since the readers tend to find them more credible than regular advertisements. This means that public relations have high credibility. Public relations can also tell stories about the company, the products and the brand and that is why dramatization is one of the qualities of public relations. Different kind of marketing methods tend to appeal to those who prefer not to follow mass media and targeted promotions. Therefore, by using public relations can reach prospects that would not otherwise be reached. This means that public relations have the ability to reach hard-to-find buyers. (2016, 596.)

Online and social media marketing is important in this case since social media plays a role in building the brand image for the case company. According to Kotler and Keller online and social media marketing can take many different forms, but they share three noteworthy characteristics. Firstly, this type of marketing content is rich because it can provide lots of information and entertainment at once and the amounts can be adjusted as needed. Online and social media marketing is also interactive which means that the information can be changed and updated according to responses received. This type of marketing tends to be also up-to-date since it is easy to deliver messages through social media rather quickly. (2016, 596.)

Personal selling is currently one of the most important tools of marketing communications for the case company. That is why it needs to be examined in detail. Kotler and Keller state that personal selling is effective especially in the last stages of the buying process. It is considered to be powerful particularly in building up buyer preference, convincing the buyer to buy and getting buyer to act or in other words, to buy. There are three qualities that make personal selling a good marketing
method. It is easy to customize and design the message to appeal to any individual. The other quality is that personal selling is highly relationship-oriented, and those relationships can vary from business only relationships to deep friendships. The last quality mentioned is that personal selling is response-oriented. It means that seller is able to give customized and personal choices to the buyer and encourage the buyer to respond directly. (2016, 597.) According to Fill and McKee, besides being an affective marketing method, personal selling is also rather expensive tool of marketing communication compared to other tools. That is why it needs to be used efficiently. Taking a look at DRIP framework there are many tasks personal selling can fulfill. For example, in the stage where the relationship between the seller and the buyer is new or even non-existing the role of personal selling is to inform and persuade the potential buyer. Then again when there is an existing and collaborating relationship between companies, the role of personal selling is to inform and reinforce. (2011, 305—306.)

Kotler and Armstrong have presented a theory in their book Principles of Marketing in which they explain seven steps of personal selling process. The first step is prospecting and qualifying which means that sales person prospects the most potential customers to be reached. In the process the sales person might for example ask for references from other companies about the potential customers or search information from different databases. According to the information gathered, the sales person chooses those potential customers that would most likely respond. The next step is pre-approaching. In this step the salesperson examines the potential customer company even more and tries to find information about the company and its business field and everything that could be useful information later on. All this happens before the sales person has even reached out for the potential customer. (2016, 515—516.)

The next step in the theory is approaching in which the sales person approaches the potential customer. Before this first meeting it is important that the sales person already knows enough about the company that he/she is approaching. By knowing how to meet and greet the buyer there are better expectations for good relationship and also for better overall results. At this stage it is important to use key questions to the buyer about their needs or show a display about the products or services that attracts the attention or the curiosity of the buyer. The most crucial thing in this stage is to listen to the buyer. (Armstrong & Kotler 2016,516.)

In the next step there is presentation and demonstration. In this stage the sales person tells more about the company and presents the solutions to those problems or needs that buyer brought up
earlier. It is important to show how the services and the products the company is selling would help solving the problems the buyer has and how they would benefit from buying. Following this step there is a step of handling objections. In this step it is important to figure out if there is anything why the buyer would not buy and find the way to get over every possible objection there is. This is a good opportunity for the sales person to give more information to the buyer and turn the objections into reasons for buying. At all times the approach should be positive. (Armstrong & Kotler 2016, 516—517.)

The second last step of the process is closing the deal. In this step the salesperson might use different closing techniques, for example, suggest a purchase or order, go through the deal and its terms, ask a question which one of the offered products and services the buyer wants or offer to help making the order. The sales person can also give special reasons why the deal should be made right now and not later. The reason can be for example special price, additional quantity at no charge or additional services. Many sales people lose the sale because they do not know when to close the deal or they lack the confidence to suggest making an order. (Armstrong & Kotler 2016, 517.) Many people might think that this closing the deal would be the last step but there is one more step after it. According to the theory by Armstrong and Kotler the follow-up step is necessary if the company wants to make sure that the buyer is satisfied and will possibly make another order later. In this step the sales person makes sure everything is on schedule with the sale made and makes sure that everything goes well. Usually the sales person makes a follow-up phone call to the buyer and ensures that everything has gone well. (2016, 517.)

**Direct marketing** is one of the tools that the case company currently uses in their marketing. Usually they try to reach potential customers by sending an email first and then call and try to book an appointment to discuss. Sending emails and calling to potential customers are both methods of direct marketing and that is why this topic is important in this study. Fill and McKee state that direct marketing is a good way to complement personal selling and reduce the costs of it while also improving the overall performance. One of the purposes of direct marketing is that it is a cost-effective way to build one-to-one relationships by sending personalized marketing messages and customizing them according to the responses. Direct marketing can reduce costs from personal selling since some of the sales persons’ tasks can be reduced by removing face-to-face aspect from marketing and replacing the face-to-face communication with direct personalized emails, mails and phone calls. Direct marketing is not only a complementing tool to personal selling because it is also the
second most important marketing communication tool right after personal selling. (2011, 281.) Kotler and Keller have mentioned that there are three noteworthy characteristics of direct marketing explaining why direct marketing should be used. Direct marketing is personal since it is directly targeted to one receiver. Then again direct marketing is also proactive because messages can include call-to action besides information. The last characteristic mentioned is that direct marketing is complementary which means that it works well together with other marketing tools supports them. (2016, 597.)

3.2 Business to Business

The case company MSTConsulting Oy operates in business to business field and that is why it is important to fully understand this concept. According to Investopedia business to business refers to those business actions that are conducted between two companies. These business actions can be, for example between manufacturer and wholesaler or between wholesaler and retailer. (Investopedia, 2017. Cited 28.5.2017.) For MSTConsulting business to business means that they provide services to other businesses, not for the individual consumers.

Marketing to businesses is very different from marketing to customers since the buying process is different. When marketing to customers it is important to know how the buying process works. In this case the process is simple and usually there is only one or two people making the buying decision. The buying process is very different from that when targeting businesses. Usually in business to business marketing it is important to take into consideration that there are multiple people involved with the decision making.

3.3 Service Marketing

Since for the case company services is their main area of business, the concept of service marketing is crucial. Service marketing differs from marketing tangible goods and therefore it is important to know the differences and important elements of service marketing. Thinking about marketing services, one of the important steps is to define the characteristics that make services different from products. Four characteristics of services are intangibility, inseparability, variability and perishability (Armstrong & Kotler, 2016, 269). All these characteristics are important when thinking about the marketing strategies. According to Armstrong and Kotler unlike products, services are
Intangible and cannot be seen before making the purchasing decision. Intangibility makes the decision making harder since the signs of the quality might not be easy to detect. To make the buying decision, customers look for signals of the service quality. The buyer can look for those signals of quality from the people, equipment, place and price they can see. (2016, 269.)

According to the theory by Armstrong and Kotler inseparability is a quality that makes services different from products. Inseparability means that the services can not be separated from its producer and unlike products, services cannot be stored for later use. Unlike when buying products, also the buyer has many times an active role in the delivery of service. Because of that, both the service provider and the buyer affect the outcome. The third quality mentioned is service variability. This means that there are some factors that affect the quality of the service. These factors are usually the person delivering the service, the place it is delivered and also the time. (Armstrong & Kotler 2016, 269.) This means that for example if a buyer has gotten good service in one coffee shop and then goes to another one, which is a shop that belongs to the same coffee shop chain than the previous one, the quality of the service might be different.

The last quality mentioned by Armstrong and Kotler is service perishability. This means that service cannot be stored like tangible goods. The value of the service exists only when the service is delivered, and this is why some providers have to charge for the service also when it cannot be delivered because of the buyer. An example of this kind of practice could be a doctor as a service provider charging a fee from the service when the patient did not arrive to the appointment as scheduled. Usually perishability of services is not a problem when the demand is steady. The problem arises when the demand is suddenly high, and it is hard to serve everyone. (2016, 270.)

Fill and McKee state that there are different levels of service. This means that there are companies that sell products and have some services to provide and then again in the other end of the spectrum there are companies that sell only services. Those companies who provide only services are called primary service providers. (2011, 38—39.) In this study the focus is mainly on primary service providing since the case company has only some products supporting the service they are providing.

In the book Principles of Marketing Armstrong and Kotler explain the theory of service profit chain which consists of five links. The first link is internal service quality. This means that the company carefully selects and trains their employees, support those who work with the customers and the
work place is a good place. This leads to the next link which is satisfied and productive service employees. This means that the employees are satisfied with their work and are motivated to work hard. Then again this leads to the next link which is greater service value. This means that the customer value creation is more effective and also delivering services and engagement are more efficient. This fact leads to the next link which is satisfied and loyal customers. This means that customers are satisfied with the service and make service purchases over and over again. This link leads to the last link which is healthy service profits and growth. (2016, 270.)

3.4 Small and medium size enterprises

Small and medium size enterprises, also called SMEs can be defined in many different ways. Since the case company operates in Finland, the definition by European Union can be used. European Union says that to define which companies are SMEs there are two factors that need to be taken into consideration. Those factors are headcount of the company and turnover or balance sheet total. When those factors are taken into consideration a micro company is a company with the headcount ten or less and the turnover two million euros or less or balance sheet total two million euros or less. A small company is a company with headcount 50 or less and turnover or balance sheet total ten million euros or less. A medium size company is a company with headcount 250 or less and turnover 50 million euros or less or balance sheet total 43 million euros or less. This definition by European Union is based on the EU recommendation 2003/36. (European commission, 2017. cited 28.5.2017.)
4 METHODOLOGY

In this thesis qualitative research methods are used because this is a case study. The aim is to collect data and information that can be later on used to improve marketing communication in the case company. To gather information for this study a qualitative research is conducted in the form of interviews in two phases. All interviews are linked to the theory base of this study and the questions have been carefully selected to support the aim of this study. The research questions for this study are “What are the challenges the company might face in the present and in the future?” and “How those challenges could be solved?”. This study aims to answer those questions from the perspective of the case company while providing useful information for them.

Qualitative study methods and principles are important for this study since we want to find information that is useful for the case company which means that the quality of information has much higher importance than the quantity of information. According to the book Fundamentals of qualitative research by Saldana, Leavy and Beretvas qualitative research is an umbrella term for all those methods and approaches that can be used when studying the natural social life. One of the main characteristics of qualitative study is that the data and information gathered is mainly non-quantitative. This means that the information that is collected and analyzed is usually transcripts of interviews, notes and other documents, visual material, such as video, and the Internet sites. (Beretvas et al. 2011, 3–4.) In this study the information gathered consists of transcripts, notes of analyzing website materials and related literature. According to the book by Beretvas et al, there are multiple goals of qualitative research and the goal depends on the purpose of the study. Outcomes of the study are usually composed of essential representations and presentations of main findings conducted from the analytical synthesis of data. (Beretvas et al 2011, 4.) In this case study the outcomes consist of analyzing the data gathered from different sources and forming development ideas and improvement suggestions based on the data analysis.

The first interview was conducted by email with the case company MSTConsulting Oy. The questions for this interview are in appendix 1. Because of the method chosen for this interview all the questions were pre-selected. In this interview the main focus was to find out the future plans of the company. The next interview will be a theme interview and the focus will be on pre-selected themes. In the second interview the purpose was to find out the challenges the company has in its marketing communication and also try to find solutions. All this was based on the theory base of this study.
The themes chosen for this interview are in appendix 2. In the beginning the interview focused on the challenges the company has in its marketing communication now. The purpose of this was to try to figure out how the owners think about their marketing and what is their view of the challenges. The aim was also to figure out if they were facing difficulties in choosing the right target groups for their marketing. Trying to figure out their main problems was one of the biggest aims to gather important information for this thesis so that all the important things could be covered. The second theme of the interview was personal selling. This theme was selected since it is one of the most important methods of marketing services to other companies. It was also clear that the case company was already using this method. The aim of this theme was to figure out how the company views the use of personal selling in the company and how they utilize this method. The other target was also to find out if there has been problems or difficulties they have faced while using this method.

The third theme of the interview was direct marketing. This theme was selected because it supports personal selling and it is commonly used method. The aim was to find out if the company uses direct marketing and if it is done to support personal selling. Besides that, one of the aims was to find out overall thoughts the company owners have about direct marketing and how it could be used. The last theme selected to this interview was the development of marketing communication. This theme was selected to be the last theme to be discussed in this interview to find out the thoughts the owners have about the future of the marketing communication in their company and how they would like to develop it.

Later on, benchmarking was used to find out methods successful companies are currently using in their marketing communication. According to the book *Introducing Benchmarking* by Kari Tuominen benchmarking is a process in which the company takes a look at the practices of another company and adapts those practices into the company’s own business practices. The process is to identify, understand and adapt those practices that make that other company more successful. Instead of benchmarking target company’s whole business process, also individual processes can be benchmarked. In a nutshell the aim of the benchmarking is to adapt practices, that work in another company, to the company’s own business practices. (Tuominen 2016, 6, 9–10.) The aim of benchmarking in this study is to try to find the practices that have made other companies successful in their marketing communication and try to figure out which of those practices could be adapted to the case company’s practices. To utilize this method two different business to business service
companies were selected and their social media marketing methods were shortly analyzed. The purpose of this was to find out how the case company could use social media in their marketing communication to support their business activities.

For the theoretical framework the books Marketing Management by Kottler and Keller, Principles of Marketing by Armstrong and Kottler and Business marketing face to face by Fill and McKee form the main base for this study. In addition to the books also online sources have been used to gather more in detail information. The case company information is gathered from the papers delivered by the company, in addition the interviews. Some of the information about the case company has been gained by the author’s working experience in the company.
5 RESULTS

The results from the first interview with the case company are presented in the chapter two in which the company is introduced, and their present situation and future plans have been explained. The results from the second interview are presented in this chapter. The results from benchmarking and information from the business articles are also presented in this chapter. In this chapter only the results are presented, and the second interview is analyzed. Later on, in the next chapter the results are analyzed further.

5.1 The interview

In the beginning of the second interview it was made clear that the biggest challenge in the case company is that the marketing is currently almost non-existing. The main reason for this is that there have not been resources for the marketing since one of the owners has not been working full-time for one and half years. This has affected the resources of the company and there have not been resources for the marketing. It was also mentioned that the company lacks the marketing knowledge despite the fact that they have participated different kind of business courses. For the marketing communication it seems that the practices of communicating with existing are working and they have a routine the communication. There is also an existing practice for communicating with potential customers but only in the case in which the company is contacted by the potential customer. The practice is that when someone contacts and asks for the services, they call the potential client first and then present the offer by email. After a while, they call back after a while and ask about the offer trying the close the deal.

Based on the interview, it seems that the biggest problem the company has is how to reach out for new potential customers. One of the difficulties is to try to find the channels which to be used to communicate with new potential customers. There is no system for trying to find new customers since the company has gotten their new customers by the customer first contacting the case company first. For most of the services it is clear what are the target groups from which the company could find new customers. For management systems there is no specific target group to which the services could be marketed. For this Mr. Myllyoja has a suggestion that those systems could be marketed to companies which operate in the field of recycling. During the interview it was made
clear that most of the time with new potential customers the problem is that the company does not have the services the potential customer is asking. That is why it is important to figure out how to market the existing services and sell those to the companies asking for services.

It was also clear that at the moment the company does not want to invest lots of resources into marketing. The CEO mentioned that the websites need to be updated in the near future but besides that no other bigger investments will be made. It was mentioned that in order to grow the marketing is important factor to be developed. According to the interview it seems that some of the services have been well found from their websites and new potential customers have landed to their websites when searching for the services from the Google. From this the company has gotten new customers and sales.

5.2 Benchmarking

For this thesis the benchmarking was conducted by analyzing the ways the successful business to business service companies utilize social media in their marketing communication. For this purpose, the companies Safetum Oy and Kiwa oy were chosen since those companies seem to be active in their social media activities and both of those companies are successful in their own fields of business. These companies were chosen because they operate in the same business fields with the case company of this thesis. Safetum Oy was founded in 2012 and the turnover was 2,0 million euros in 2017 (Fonecta 2019.cited 14.5.2019). The company offers different kind of safety services for other companies. This company is a competitor to the case company. Kiwa Oy is the brand name that Inspecta Oy uses and since all the social media platforms the company uses were under that name it was used also in this thesis instead of Inspecta. The company was established in 2002 and their turnover was 28,1 million euros in 2017. The company offers inspections, testing and certificates to other companies. (Fonecta. 2019. Cited 20.5.2019.) Kiwa Oy presents the certificates also to those ISO systems that MSTConsulting helps their clients to build.

Safetum Oy uses Facebook, Instagram, Twitter and LinkedIn as parts of their marketing communications. It seems that they use the same content in slightly different forms in their social media platforms. They have the most followers in Facebook in which they have 541 people following. In Twitter the number of followers is 338, in LinkedIn 227 and in Instagram 500. Despite the fact that they have followers they get only a few likes and shares to the content they share. Usually they seem to post about their business activities and what is going on in the company currently. Besides
that, they post also information about the open positions they have and share information about their industry. They also have a blog in their website in which they write articles about the industry and other related subjects. They share those blogposts also to their social media sites. It seems that they are posting to their social media sites a couple of times a month.

Kiwa has lots of followers in their social media sites and they are also very active in posting new posts. They are currently using LinkedIn (9145 followers), Facebook (2717 followers), Twitter (431 followers), Instagram (190 followers) and YouTube (104 followers). Analyzing their social media sites, it is clear that they have different kind of strategies for their social media sites and the content varies depending on the site. For example, in Instagram they are mainly posting about recruiting new staff, the trainings they offer and their work in the field. They share some pictures only in Instagram. In Facebook they share information about the sales campaigns they have and have also some raffles. They also tell about their trainings in Facebook. In YouTube they are focusing on showing what is happening in the field and how they operate. Kiwa oy updates their social media four to five times a month. Currently the company has lots of material in their social media sites. People are also responding to their posts in social media by liking, sharing and sometimes even commenting on them.

Analyzing the social media sites of these two companies, it is clear that the amount and frequency of posting in social media has an effect on the followers and vice versa. It is clear that these companies are trying to post things that raise the interest of people on social media. The topic of the post is many times serious, but the companies make their posts interesting. Both of the companies share also less serious pictures and posts about the things they do as a company. It could be concluded that both companies are using content marketing strategies in communicating in the social media.
6 CONCLUSION

In the beginning it was already clear that the lack of resources would be one of the challenges the case company has. As it was mentioned in the theory base, personal selling requires lots of resources since it is time consuming (Fil & McKee 2011, 305—306). Then again it is a good method of marketing communication when marketing services and operating on business to business field, like this case company does. In the interview those same things came up. It was clear that lack of resources is one of the main problems now and also in the future. Personal selling is time consuming and, in this case, there is only two people working in the company and there is not that much time left for marketing purposes. According to the theory base, direct marketing is often used to support personal selling. As mentioned, direct marketing can reduce the time needed for personal selling and it can also significantly reduce the costs occurred by the working hours needed (Fil & McKee 2011, 281). When there is only two people working in the company there is not much time to be used and the time has to be used efficiently. This is why using direct marketing to support personal selling is essential.

In the interview it became apparent that there is an existing system how to act when a potential customer reaches the company and asks for their services. This system was described in the results section in which the interview was explained. When a potential customer asks for the services the company uses personal selling methods and also direct marketing methods, such as personal emails, but these methods could also be utilized when trying to reach for potential new customers. In the interview it was mentioned that there is not a specified system how to contact potential customers. Usually the new customers find the company and its services. There is an obvious need for creating an action plan how to utilize meeting other businesspeople in events and how to benefit from those and possibly even make sales. Public relations could also be utilized in the case company’s marketing communications since as mentioned in the theory base, it is many times the way to find the hard-to-find buyers (Kotler & Keller 2016, 596). After meeting other businesspeople in the events and exchanging business cards it would be important to contact the person after the meeting. For this the methods of personal selling, explained in the theory base, could be used (Armstrong & Kotler 2016, 515 —517).

At the moment marketing is almost non-existing in the case company and that is one of the problems when thinking about new potential clients. Some of the company’s services are found through
Google, and potential customers send email to the company to ask about those services. Then again not all the services can be found that easily and that is a challenge. To come over this challenge it would be important to make people aware of the services the company offers. In the theory base Kotler’s marketing communication hierarchy-of-effects model was mentioned, and it is important theory in this case (Kotler & Keller 2016, 586). Referring to the theory, the case company is now at the first stage of the model. This means that the purpose of marketing communication is to get people to know the company and its services. After achieving this goal and people knowing the company, they could move into the next stage and try to make people like their company and services. This model could be used in marketing communication strategy to find the focus points of the marketing communication on which purpose to focus and choose the methods of marketing communication accordingly. To build the knowledge people have about the company, social media marketing could be used in the same manner as other successful companies are using it. Examples of the ways using the social media in marketing communication are mentioned in the result section. Based on the benchmarks descriptions are presented of the ways to the different companies are currently using the social media in their marketing. When thinking about marketing it is important to keep in mind the special characteristics of marketing services. Those characteristics are mentioned in the theory base in the section about marketing services (Armstrong & Kotler, 2016, 269).

One of the main challenges the company currently has is the lack of marketing knowledge. It can make planning the marketing communications significantly harder than it would be with the knowledge. As it was mentioned in the interview, they are currently thinking about taking marketing classes and it would benefit them. Utilizing the theory about marketing communication in the theory base and the hierarchy-off-effects model by Kotler (Kotler & Keller 2016, 586) and DRIP model by Fill (2011, 246) planning marketing communications would be easier. Both of those models, one by Kotler and, another by Fill, can be used as basis when planning marketing communication. Those theories give guidelines about what companies might want to achieve by using marketing communications. Those models help to choose what should be done and when and they also help to analyze the current state of the company and its brand.

To sum up the challenges the company has, the biggest challenge is their marketing. People would need to be aware of the company and its services so the company would get new potential customers. The other challenge that came up is that how to utilize meeting people and make those encounters possible chances to make sales. Answers to the challenges can be found from the
theories in this thesis and also mentioned above. Also, the company could benefit from the benchmarking made and mentioned in the results. By using the same methods in social media that successful companies use, some good results might be achieved.
7 DISCUSSION

In the beginning of my thesis process the focus of this thesis was not very clear. Later on, after the first seminar it became little bit more clear, but after writing the theory base of this thesis I found out the things I should focus on. I was able to choose those theories I would actually need in this study and left out everything I did not need. I ended up taking of many of the concepts I first thought that would be needed. After direction seminar I had a better idea of what I would actually do to complete my thesis. I was able to complete everything according to the schedule that was set in the direction seminar.

At first, I worked on my thesis by thinking about the topic and trying to find as much information about it as I could. After finding interesting books I started going through the books one by one making lots of notes and writing down the topics and the page numbers. At this stage I did not spend that much time on reading the material and I focused on finding the pages that could be useful. Later on, I organized the notes by the topic, and I was able to choose one topic at a time and start writing the theory base. This time I went through my notes one by one and read the material from the pages I had mentioned in my notes. This method of working was really efficient for me and I think I will use it whenever I need to write something like a thesis again. I realized that for me it was beneficial to sometimes take a couple of steps back and just think about the whole topic and try to get some new ideas without focusing on something specific in the thesis. It gave me new ideas and I was able to develop my thesis in new ways.

During the writing process new questions and possible future research projects came to my mind. Nowadays the case company does not have a proper marketing plan and in the future it might be useful. This thesis gives lots of information about marketing communication, service marketing and focuses on some of the methods of marketing communication. Those ideas and theories could be used in the future when developing some kind of marketing communication plan. Some of the challenges and special characteristics have been explained in this thesis and those give some kind of direction to the marketing communication plan if it is done in the future. Now even without those specific plans, those theories that have been chosen can be utilized in the marketing the company decides to do. It might be useful in the future to give a task to another student to develop the company’s marketing further and make a plan how the company could handle their marketing with those resources they have.
During this thesis process I found finding good working methods really challenging. It was hard to find the ways that work for me. In the beginning the problem was that it was hard to know when to stop and not make the thesis way to broad and go too deep into the topics. Sometimes it was also little unclear what should be done next and what to write in each of the sections. To these problems I found the solution from writing everything down in a notebook and gather all the ideas I had into one place. It helped me to organize the material I had and all the ideas so that I could write my thesis and utilize those ideas.

In my opinion I managed to answer my research questions pretty well. I found at least some of the problems and challenges the company could have in their marketing communication and found solutions to those challenges from the theories written about the topics. Of course, new challenges and problems occurred, and it was clear that to support my thesis it would be beneficial to have a marketing communications plan. It would make the information of this thesis much more useful, but at the moment it remains undone and a possible future challenge. At some points lack of marketing plans and marketing communication plans made things harder. Despite those facts I was able to scrutinize the topic and answer my research questions. More material could be added to this thesis, but since this is only a thesis and it had to be narrowed down not to make it too broad some things had to be left out.

During this thesis process I learned a lot about marketing communications and the methods that can be used. I also found out that marketing communication and especially social media marketing are one of those topics that really interest me, and I would like to learn more about those topics in the future. It could also be possible that after graduation I end up working in marketing field. I also learned a lot about the studying methods that work for me and those that do not work for me. It was also something that I needed to learn that sometimes you just have to know when to stop and not work too long on one topic. Knowing when to move on and when to continue is really important when working on bigger projects.

There would be some ideas that I would recommend for the case company to make the marketing communications beneficial for the company without using too much of the resources. First, use social media to build the brand and raise awareness of the people about your company and your services. You can use timing in your posts so you can write many posts when you have time and they will then appear as scheduled. If you want it would probably benefit your company if you could have a student to do his/her practical training for your company. During the practical training the
student could provide you material for marketing purposes and those materials could be used later on. This could be done also by some kind of school project. Secondly, try to attend events in which there are other businesspeople and try to benefit from those contacts by using the personal selling methods and direct marketing. Meeting people face to face is a great chance to find out what kind of services they might need. Then the last advice I would have is that create a marketing communication plan according to the hierarchy-of-effects model. It does not have to be specific but try to figure out what you want to achieve in which stage and think how it could be done. Then make a timeline when you want to achieve those goals and evaluate the progress every once in a while.
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Tuominen, K. 2016 Introducing Benchmarking. Benchmarking Ltd
1. miten yrityksenne markkinointia hoidetaan tällä hetkellä? millaista markkinointinne on?

2. Miten viestitte asiakasyrityksilleen? sähköpostit, puhelut jne?

3. Miten lähestytte uusia potentiaalisia asiakkaita?

4. Mitä teette hankkiakseen uusia asiakkaita?

5. Kuinka tärkeänä näette yrityksenne markkinoinnin? (esim asteikolla 1-5 ei ollenkaan tärkeää- todella tärkeää) Mikä markkinoinnin merkitys on teille yrityksenä


7. Millaisenä näette yrityksenne 5 vuoden kuluttua?

1. How is your marketing at the moment? How it is done?
2. How do you communicate with your client companies? Emails, phone calls etc?
3. How do you approach new potential clients?
4. What do you do to get new clients?
5. How important is the marketing for you? (for example, on scale from 1 (not important) to 5 (really important). What is the significance of marketing to your company?
6. What are your company’s goals in the near future? (growth, development of services etc)
7. What kind of marketing your company would have in the future in an ideal situation? (how your marketing would be if it would be just as you wanted it to be and what could be achieved with it?)
8. What is the future of your company? for example your company within 5 years
INTERVIEW THEMES

Biggest obstacles in marketing communication currently
- Why
- Choosing target groups

Personal selling
- Problems/ possible solutions

Direct marketing
- How it is used
- How it could be used

Developing marketing communication
- Ideas
- Possible future obstacles