

Christian D. Wagner

**Creation of a framework for internet marketing strategies
for Germany and Finland**

Case: Fashionlabel Meshcute

Thesis

Fall 2010

Business School

Degree programme in Business Administration

International Business



SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

Thesis abstract

Faculty: Business School
Degree programme: Business Administration
Specialisation: International Business

Author/s: Christian D. Wagner

Title of thesis: Creation of a framework for internet marketing strategies for Germany and Finland: Case: Fashion label Meshcute

Supervisor(s): Cory Isaacs, Ville-Pekka Mäkeläinen

Year: 2010 Number of pages: 95 Number of appendices: 1

Expanding a business into international markets is an important step which needs to be planned carefully. The target groups change, the market situation may be a different one and marketing activities have to be adapted.

This thesis was written in cooperation with the fashion company Meshcute since the company is planning to enter into the Finnish and other European countries in the future.

The research focused on creating a framework for future internet marketing strategies which helps Meshcute to get more customers and profit in the future if applied correctly. The company was not doing any online or offline marketing earlier and thus the company did not have any ideas how to do marketing.

A survey was conducted in order to get answers from the German fashion consumers, Finnish consumers and European fashion consumers in general. A quantitative approach has been used in order to create statistics.

The results revealed that there is a difference between the German and the Finnish market and the differences have to be taken into account when creating marketing campaigns. The thesis provides the framework for the German and Finnish market.

Keywords: fashion, internet marketing

TABLE OF CONTENTS

THESIS ABSTRACT	2
TABLE OF CONTENTS	3
ABBREVIATIONS	5
TABLES AND FIGURES	6
1 INTRODUCTION	8
1.1 Purpose of the thesis	8
1.2 Structure of the thesis	9
1.3 Key audience of the thesis	10
2 CONSUMER BEHAVIOUR	11
2.1 Online consumer behaviour in Germany	11
2.2 Defining the target group.....	14
2.2.1 Introduction to market segments	15
2.2.2 Behavioural variables in market segment	17
2.3 Using the defined market segments.....	18
3 CULTURAL DIMENSIONS.....	20
3.1 Restrictions to this chapter.....	20
3.2 Definition of "culture".....	21
3.3 Definition of "Uncertainty Avoidance".....	21
3.4 Definition of "Individualism".....	22
3.5 Cultural dimensions of Europe	22
3.6 Cultural dimensions of Germany	23
3.7 Cultural dimensions of Finland.....	24
4 INTERNET MARKETING	25
4.1 Definition of "Internet Marketing"	25
4.2 Difference between conventional marketing and internet marketing	26
4.3 Internet marketing as a customer-centric approach to marketing	27
4.4 The nature of a company's web presence	28
4.5 Forming of internet marketing strategies.....	30
4.5.1 Stage 1: Set e-marketing objectives.....	31
4.5.2 Stage 2: Define e-marketing strategy	31

4.5.3 Stage 3: Implement e-marketing plan	35
4.5.4 Stage 4: Profile, measure and improve	35
5 GENERAL INFORMATION ABOUT THE SURVEY	39
5.1 The used method in the survey.....	39
5.2 Respondents of the survey	40
5.2.1 Online respondents of the survey.....	40
5.2.2 Offline respondents of the survey.....	42
5.3 The structure of the used questionnaire.....	43
5.4 Reliability and validity of the outcomes	44
6 OUTCOMES OF THE SURVEY.....	45
6.1 Creation of an fashion related "Individualism Index" (F-IDV)	45
6.1.1 F-IDV for Europe	46
6.1.2 F-IDV for Germany.....	47
6.1.3 F-IDV for Finland.....	48
6.2 Creation of a fashion related "Uncertainty Avoidance Index" (F-UAI)	49
6.2.1 F-UAI for Europe	50
6.2.2 F-UAI for Germany.....	51
6.2.3 F-UAI Finland	52
6.3 Answers from the questionnaire.....	52
6.3.1 Answers from German respondents.....	53
6.3.2 Answers from Finnish respondents.....	65
6.4 Comparism between Germany and Finland.....	78
7 FORMING THE FRAMEWORK FOR MARKETING ACTIVITIES..	81
7.1 Set e-marketing objectives.....	82
7.2 Define e-marketing strategies	83
7.3 The framework for future marketing acitivities of Meshcute	88
7.4 Advices for marketing activities in Germany	89
7.5 Advices for marketing activities in Finland	90
8 CONCLUSION	92
BIBLIOGRAPHY.....	94
APPENDICES	96

ABBREVIATIONS

- UAI** "Uncertainty Avoidance Index". Describes how comfortable people feel in unstructured, new situations within a country, company or organization.
- IDV** "Individualism Index". Describes if people tend to be individualistic or collectivists oriented within a country, company or organization.
- PDI** "Power distance Index". Describes how power and wealth is distributed between people within a country, company or organization.
- MAS** "Masculinity Index". Describes how gender roles are divided within a country, company or organization.
- LTO** "Long Term orientation". Describes if a country, company or organization is planning long term or short term.
- F-UAI** "Fashion related Uncertainty Avoidance Index". An index which shows how uncertain people are concerning buying clothes online.
- F-IDV** "Fashion related Individualism Index". An index which shows how individual dressing style and choice of clothes is within a country.

TABLES AND FIGURES

Chart 1. German internet users with interest in fashion.....	12
Chart 2. German internet users who bought fashion online.....	12
Chart 3. Global internet users who intend to buy clothes online.....	13
Table 1. Variables for market segmentation.....	15
Table 2. Market segments of Meshcute.....	16
Table 3. Shopper types.....	17
Table 4. Marketing messages in use.....	19
Chart 4. Cultural Dimensions of Europe by Geert Hofstede.....	23
Chart 5. Cultural Dimensions of Germany by Geert Hofstede.....	23
Chart 6. Cultural Dimensions of Finland by Geert Hofstede.....	24
Table 5. Differences between old media marketing and new media marketing.	26
Chart 7. Forming an internet marketing strategy.....	30
Chart 8. Number of respondents for each gender.....	40
Chart 9. Age structure of the respondents.....	41
Table 6. Online respondents of each country.....	41
Table 7. Offline respondents of each country.....	42
Chart 10. F-IDV Index for Europe.....	47
Chart 11. F-IDV Index for Germany.....	47
Chart 12. F-IDV Index of Finland	48
Chart 13. F-UAI Index for Europe.....	50
Chart 14. F-UAI Index for Germany.....	51
Chart 15. F-UAI Index for Finland.....	52
Chart 16. The importance of clothes in Germany.....	53
Chart 17. Clothes are more important than the brand in Germany.....	54
Chart 18. Importance of recommendations for German respondents.....	55
Chart 19. Percentage of people who bought clothes online in Germany.....	56
Chart 20. How many clothes of German respondents are from big retailers?.....	57
Chart 21. Importance of brand names for German respondents.....	58
Chart 22. What German men are not finding enough.....	59
Chart 23. What German women are not finding enough.....	59
Chart 24. What services should an online shop offer in Germany?.....	60

Chart 25. When would a German respondent buy products in an online shop?.	62
Chart 26. When is a German respondent willing to pay more for clothes?.....	63
Chart 27. What percentage of income does a German spend on clothes?.....	64
Chart 28. The importance of clothes in Finland.....	65
Chart 29. Clothes are more important than the brand in Finland.....	66
Chart 30. Importance of recommendations for Finnish respondents.....	67
Chart 31. Percentage of people who bought clothes online in Finland.....	68
Chart 32. How many clothes of Finnish respondents are from big retailers?.....	69
Chart 33. Importance of brand names for Finnish respondents.....	70
Chart 34. What Finnish men are not finding enough.....	71
Chart 35. What Finnish women are not finding enough.....	72
Chart 36. What services should an online shop offer in Finland?.....	73
Chart 37. When would a Finnish respondent buy products in an online shop?..	75
Chart 38. When is a Finnish respondent willing to pay more for clothes?.....	76
Chart 39. What percentage of income does a Finnish respondent spend on clothes?.....	77
Chart 40. Forming an internet marketing strategy.....	81
Table 8. Performance of www.meshcute.de	82
Table 9. Suitable shopper segments for Meshcute.....	84

1 INTRODUCTION

The Introduction gives an overview about the research and describes which theory and methods are used in order to serve the purpose of the research. The purpose of the research is presented in this chapter as well as the structure of this report and the key audience of the report. After reading this introduction the reader knows which problem the research has investigated and what the report has to offer to the reader.

1.1 Purpose of the thesis

The main purpose of this thesis is to provide the fashion label Meshcute with insight to German and Finnish consumers of fashion and a framework for future internet marketing strategies. Since the company is actively selling fashion on the internet, the company can easily expand to different countries without the costs of physical shops. The framework for forming internet marketing strategies has to help the company to increase the performance of the company's website and the sales, turnover and profit of the company.

In order to create the framework for the future internet marketing strategies for markets in Finland and Germany, the researcher has implemented theory about Internet marketing, cultural dimensions of Finland and Germany and consumer behavior in this thesis. Additionally, a survey has been created and handed to people from the target group in order to get answers on questions which Meshcute and the researcher have identified as important and suitable for the purpose of the thesis. The answers from the survey also helped to create cultural dimensions for target groups in Finland, Germany and Europe. The combined information of the theory and survey outcomes lead to the internet marketing strategies for Finland and Germany.

1.2 Structure of the thesis

The thesis is divided into seven major chapters in order to provide a clear structure.

The first chapter of this thesis provides the reader with background information and clarifies the importance and relevance of the topic to the researcher and the company Meshcute. It will give reasons for the chosen theory and describe the goals and structure of the thesis. Additionally the key audience of this thesis will be introduced to clarify for whom this thesis is most important.

Chapter two focuses on Consumer Behavior and is introducing the behavior of internet users in Germany. This will give a small overview about the home market of the company. Additionally, the chapter describes several ways to define a target group and shows why the selection of a target group is an important decision.

In the third chapter, the thesis focuses on cultural dimensions of Geert Hofstede and differences and culture in Germany and Finland. The thesis will focus on the "Uncertainty Avoidance Index" and "Individualism Index" of those two countries since these two dimensions seem to be of highest relevance for the purpose of this report and to the company Meshcute. The three remaining culture related dimensions by Geert Hofstede are: "Masculinity", "Long-term orientation" and "Power distance" and they will not be analyzed in this thesis. The chapter will also give general information on why it is important to reflect cultural differences in marketing strategies.

Chapter four focuses on Internet Marketing and explains the differences to offline marketing. Additionally, the process of forming an internet strategy will be introduced and each step of this process is explained.

The fifth chapter introduces a survey which has been handed to the target group by the researcher. The survey consisted of a questionnaire and the used questions, used methods and numbers of respondents are explained in this chapter.

The sixth chapter of this thesis will reveal the results for Germany, Finland and Europe from the questionnaire. The Individualism Index (IDV) and Uncertainty Avoidance Index (UAI) of Geert Hofstede will be compared to a fashion related Individualism Index (F-IDV) and fashion related Uncertainty Avoidance Index (F-UAI) which are also created in that chapter on the basis of the results from the questionnaire.

Chapter seven combines the theory from chapter two, three, four and the outcomes of chapter six in order to create the framework for future marketing strategies and provides a conclusion.

1.3 Key audience of this thesis

The research was conducted for the company Meshcute. Meshcute is a fashion label from Düsseldorf in Germany. The company has been founded in the year 2010 and is selling clothes online. The unique selling proposition of the company is that the products are handmade in Germany. Meshcute buys materials in Germany then designs women clothes in Düsseldorf and finally produces prototypes. These prototypes are then perfected and photographed in order to be placed in the online shop of the company.

In order to sell the clothes, the company is currently making use of the online platform www.dawanda.com. This platform offers private people and companies the possibility to sell hand made products online. The platform has many visitors everyday and attracts many people from the target group of Meshcute and is currently ranked among the top 200 most visited homepages in Germany according to the web information company Alexa.com.

For using this service, Meshcute has to pay 5% of the value of each sold product to the company Dawanda. Additionally the listing of each available product also costs 0.30€ for each product and 120 days.

2 CONSUMER BEHAVIOUR

In order to learn about consumer behaviour it is first necessary to understand what the nature of this subject is. Sandhusen, Richard, (2000, 218) describe it as follows: "The nature of consumer behaviour, focussing on when, why, how, and where people do or do not buy products". Solomon, Bamossy, Askegaard and Hogg, (2006, 6) define it as "...the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desire".

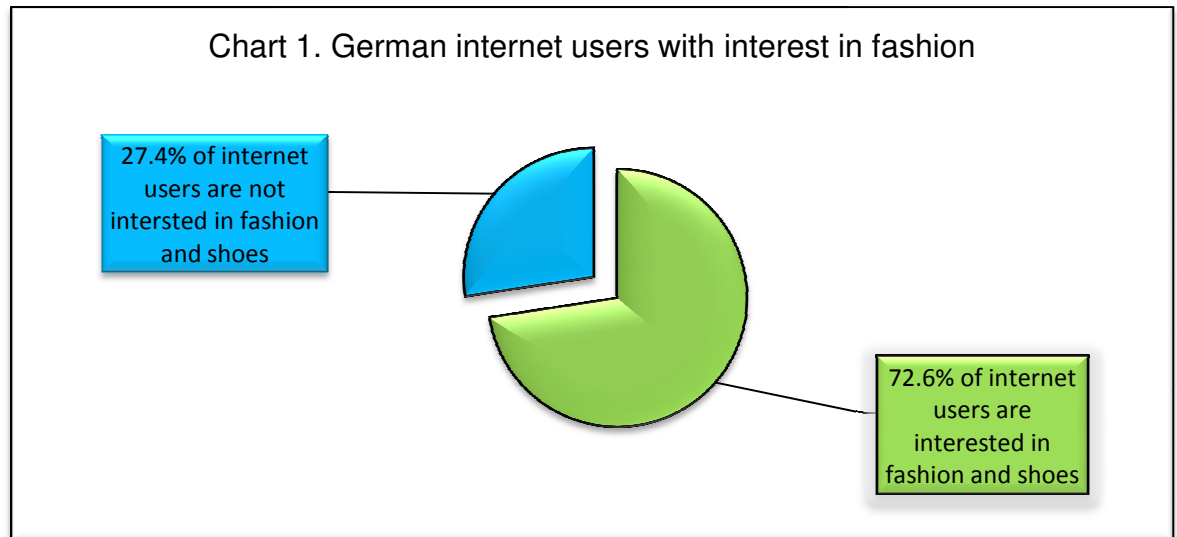
This means, that the analysis of consumer behaviour allows a company to understand a target group better and it provides better chances to understand and reach this target group with a company's advertising efforts. Furthermore it allows a company to offer products to the customers that the customer wants and not what the marketer thinks they want. Last but not least it gives answers to a very important question: "To whom are we marketing?"

As the previous definitions showed, the topic consumer behaviour is very big and thus the researcher had to narrow the subject down to the most relevant things. It helps to reach the goal of this thesis which is the creation of an online marketing framework for the company Meshcute. Therefore, only the German home market of Meshcute is introduced briefly and theory about the selection of a target group is provided by this chapter.

2.1 Online consumer behaviour in Germany

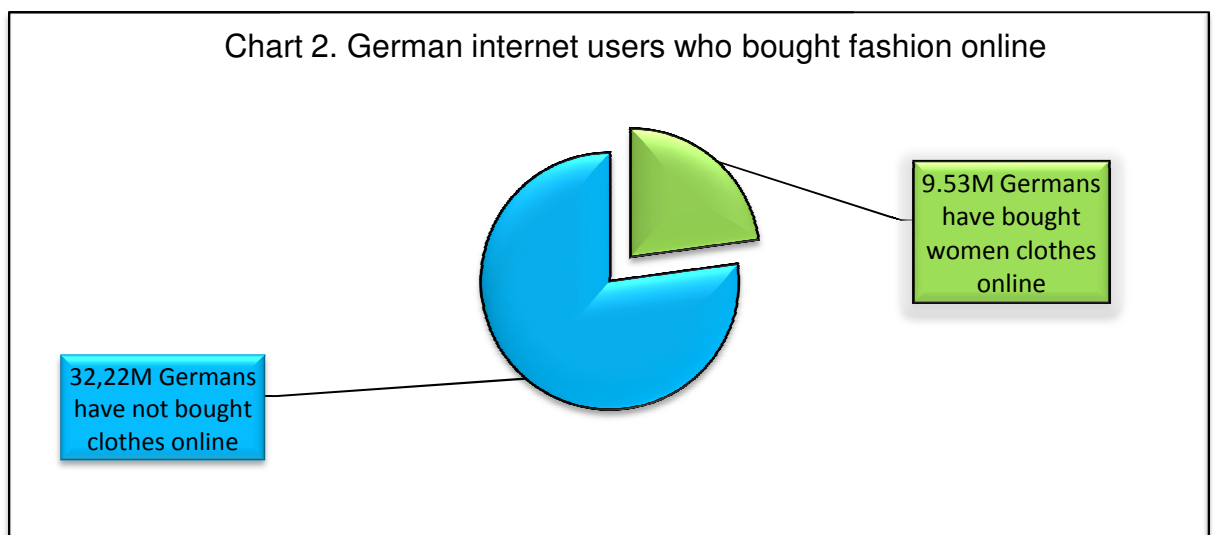
In May 2009 the German company AGOF published an industry report about Fashion and shoes. AGOF investigated how fashion-affine internet users use the internet. For the basis of this industry report, AGOF has analysed 41.75 million German internet users and their online shopping behaviour. The results of this industry report provide an overview of the home market of the company Meshcute.

According to this industry report, 72.6% of the Internet users in Germany are interested in fashion and shoes as visible in Chart 1. This means that almost $\frac{3}{4}$ of the



German internet users are interested in fashion. Furthermore, from these fashion interested users, 53.5% are women. This makes the internet a very interesting platform for Meshcute to advertise the products or the brand itself. The target group seems to be online and ready for the business model of Meshcute.

Furthermore, the industry report revealed that 9.53 million German internet users

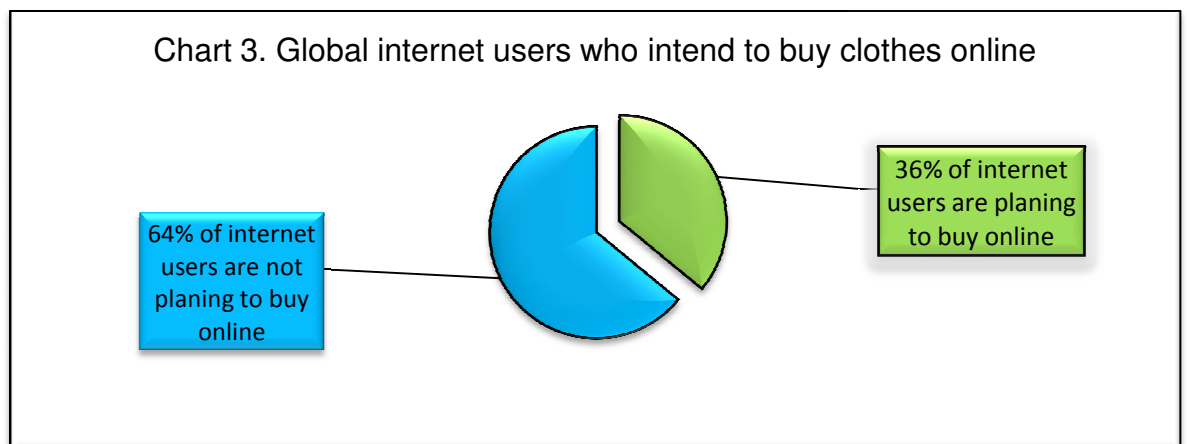


have bought women clothes online during the last 12 months (from May 2009 backwards) as it is visualized in Chart 2. The numbers make it clear that there is a lot of money in the online selling fashion industry in Germany. There is an enormous potential for Meshcute and if only a minor market share would be gained it

would probably already result in a huge turnover and maybe even profits as the following example shows:

If the company Meshcute could only achieve a 0.1% share of the online fashion trade with women clothes in Germany (9.53 million consumers) this would result in 9,530 customers. Assuming that the turnover per customer is about 50.00€ the yearly turnover would be 476,500.00€. Furthermore assuming that every customer generates 20.00€ (although the actual profit margin by Meshcute is higher!) profit for the company, this would result in an annual profit of 190,600.00€ or a monthly profit of about 15,883.00€. Those numbers support that the fashion industry and especially the online selling offer a huge potential for the company Meshcute.

On average, the consumers globally are very positive about buying clothes and fashion accessories online. According to a research which has been done by Niel-



sen in the first quarter of the year 2010, 36% of the consumers worldwide are planning to buy clothing/accessories or shoes online within the next 6 months. Chart 3 shows that this is a large potential market although it has to be evaluated which continents are most positive about buying clothes online and which are least positive since it may be possible that there are some big differences.

In total 27,665 consumers participated in the Nielsen research from the first quarter of the year 2010. The research also pointed out that the consumers in Europe have a very positive attitude towards buying products online in general. In Europe 79% of the internet users plan to buy a product online within the next 6 months.

This is large amount of consumers and shows once more how much turnover is generated online and that the industry is already well established.

The Nielsen research also asked respondents the question: "How to utilize cash after covering essential living expenses?" and 34% of the respondents answered with "New clothes". This ranks clothes on place three right behind "putting into savings" (49%) and "Holiday/vacations" (37%). This means that a new piece of clothing is the first "fast moving consumer good" that is bought after essential living expenses are covered. This makes the fashion industry even more attractive to Meshcute and makes it clear that clothes are needed, demanded and bought by the consumers as soon as money is available.

2.2 Defining the target group

According to Solomon, Bamossy, Askedgaard and Hogg, (2006) the theory about market segmentation belongs also to consumer behaviour and the choices that are made here are influencing which consumers are shopping at a company's store. A company's advertisements are created in order to attract a specific group of consumers and it will also reach this specific group of consumers and let them to perform the marketers' desired action if the marketing campaign is successful.

Nevertheless, marketing campaign may also attract consumers outside of the actual target group and this means it is not possible to influence it by 100% which consumers will come to your shop or do what a company's marketing campaign wants them to do. This may happen for example if a consumer simply misunderstands a company's marketing campaign or message.

Additionally, certain target groups share an element and are in some areas attracted by similar or same things. If a marketing campaign is advertising a new beer for men it can also happen that some women are buying this beer simply because they want to try a new beer or because they are buying it for the husband.

2.2.1 Introduction to market segments

A company has to try to identify the market segments as precisely as possible in order to be able to get the maximum return on investments in marketing. According to Solomon, Bamossy, Askegaard and Hogg (2006, 9) the segmentation process is only valid as long as the following five criteria are met:

- Consumers within the segment are similar to one another in terms of product needs, and these needs are different from consumers in other segments.
- Important differences among segments can be identified.
- The segment is large enough to be profitable.
- Consumers in the segment can be reached by an appropriate marketing mix.
- The consumer in the segment will respond in the desired way to the marketing mix designed for them

Therefore a company like Meshcute can take the variables shown in Table 1 into account when segmenting the market:

Table 1. Variables for market segmentation

Category	Variables
Demographics	Age, Gender, Social class, occupation, income, Ethnic group, religion, Stage in life, Purchaser vs. User
Geographic	Region, Country differences
Psychographic	Self-concept, personality, lifestyle
Behavioural	Brand loyalty, extend of usage, usage situation, benefits desired

Different combinations of these variables lead to a market segment and the amount of variables show that it is probably possible to find a market segment for many things. Because of that, the previously mentioned factors for measuring the validity of a market segment have to be considered when forming the market segments.

Further information about market segmentation in this chapter of the report focuses on the mentioned behavioural variables of Table 1, although the variables: Demographic, Geographic, Psychographic may be just as important as the behavioural variables.

Since the company Meshcute has already defined the target group by factors: Demographics, Geographic and Psychographic it is simply not necessary to introduce this theory. The defined market segment of Meshcute is:

Table 2. Market segments of Meshcute

Category	Variables
Demographic	Female 16 – 39 years old Middle class Average income
Geographic	Consumers in Germany Especially consumers in Düsseldorf, Germany
Psychographic	High individualism (Explained in chapter 3) Low Uncertainty avoidance index (Explained in chapter 3) Regards clothes as “important” or “very important” Positive towards online shopping Value high quality clothes Regard handmade clothes as something “special” Are willing to pay more for handmade products Very interested in fashion Always searching for new trends Innovators & Early follower
Behavioural	(Explained in chapter 2.2.2)

The geographic variables will change when Finland is targeted as a future market and thus this nationality and possibly specific Finnish cities will be added to this list in the future by Meshcute.

Additionally, the Internet offers the chance to sell on a global scale since the online shop is available to many consumers all over the world and it has to be considered if the geographic boundaries have to be evaluated again.

2.2.2 Behavioural variables in market segment

Many studies have categorized consumers concerning their way of shopping, shopping orientation and other things. According to Solomon, Bamossy, Askegaard and Hogg (2006, 313) the following shopper segments can be identified concerning their behavioural characteristics:

- **Minimalist** (Those are middle aged men that do not have much motivation to shop at all.)
- **Gatherers** (Those are younger males who are interested in trends and gathering information on new products.)
- **Providers** (Those are women that accept shopping as a part of their role. Usually they are also trying to look for discounts.)
- **Enthusiasts** (Those are young women that have many motivations for shopping.)
- **Traditionalists** (Those are women and men that are “average” concerning their shopping motivation.)

Solomon, Bamossy, Askegaard and Hogg (2006, 313) also categorize shoppers concerning their shopping orientation or general attitudes about shopping. They suggest, that certain combinations of the previously explained variables, can lead to the following behavioural shopper types:

Table 3. Shopper types

Shopper type	Attributes, characteristics
The economic shopper	Goal oriented, rational, wants to maximize value of his/her money
The personalized shopper	Likes to shop where store personnel knows him/her.
The ethical shopper	supports local shops, does not favour large company chains
The apathetic shopper	Is only shopping because he has to
The recreational shopper	shopping is fun, it's a nice way to spend time
The hate-to-shop-shopper	hates shopping because its related to stress for him/her

“Table 3. Shopper types” make it clear that there are many possibilities to select a target group and identify a company’s customers. However, it is not simple to determine the category to which one individual consumer or a group of consumers belong since it may depend on the product he or she is buying. Bamossy, Askegaard and Hogg (2006, 313) are providing the following example concerning this phenomenon: “Many consumers feel insecure about shopping for a car but they may love to browse in record shops”. Further explained, this means, that, one can be an ethical shopper when it comes to groceries but on the other hand one may be a personalized shopper when it comes to buying a car or an economic shopper when it comes to booking a holiday trip. Thus, like mostly in marketing “it depends” on several factors which behaviour a customer is showing.

By certain advertisements and marketing messages you can draw the attention of your preferred shopper category to your store. Marketing messages that tell the consumers what a time saving shopping experience shopping at your store is will draw different type of customers to your store than marketing messages that tell consumers what a fun experience it is to shop at your store as the following sub chapter will explain.

2.3 Using the defined market segments

After defining a market segment and the target groups it is important to use this knowledge when forming marketing messages and advertisements in general. The following list gives examples of things that a testimonial in an advertisement for gardening equipment from a gardening shop could say in the advertisement in order to clarify how different marketing messages affect different consumers:

- “I like to work in the soil”
- “I feel safe in the garden”
- “I can share my produce with others”
- “I can create something beauty”
- “My garden gives me a sense of peace”

Each of these slogans targets a different type of consumers and will thus also effect which type of consumers are buying in a company's shop. (Solomon, Bamossy, Askedaard and Hogg, 2006, 100)

Table 4. Marketing messages in use

Slogan	Will attract most likely consumers...
"I like to work in the soil"	... who like physical work
"I feel safe in the garden"	... who are looking for safety
"I can share my produce with others"	... who are social oriented consumers
"I can create something beauty"	... esteem oriented consumers
"My garden gives me a sense of peace"	... who are keen on self-actualization

As shown in Table 4, it is important to define a target group precisely and use the knowledge also when advertising products or the company to consumers. Mesh-cute wants to expand to Finland and possibly also other European countries. The following chapter three examines if and how this change in the geographic variable of the market segmentation affects the remaining variables of the market segmentation.

3 CULTURAL DIMENSIONS

Chapter two introduced the studies of consumer behavior and this chapter explains why consumer behavior differs among countries and is affected by “culture”. The term “culture” and its meaning to the business of Meshcute are explained as well. Additionally, this chapter explains an “Individualism Index (IDV)” and “Uncertainty Avoidance Index (UAI)” for Finland, Germany and Europe. The researcher Geert Hofstede has created those two index systems in order to categorize countries and reveal differences between countries.

3.1 Restrictions to this chapter

Geert Hofstede has also defined other culture related indexes like: “Power distance index (PDI)”, Long term orientation (LTO)” and “Masculinity (MAS)” but the thesis only introduces the UAI and IDV. It is possible, that these indexes are also influencing the buying behavior of the customers of Meshcute in the markets and this should be researched in future as well in order to come to a more valid and reliable conclusion.

For the moment, these dimensions do not seem as important to Meshcute as the IDV and the UAI. They seem to be the dimensions which have the biggest influence on the consumer’s online buying behavior concerning clothes. The following definitions of PDI, LTO and MAS explain, why they are not influencing the fashion behavior to a large extend. The Power distance index describes for example how wealth and power are distributed among people of culture, country or company and a low score on the power distance index could mean, that the hierarchies are flat within a company. The masculinity index tries to identify how the biological differences among genders are influencing the emotional and social role of the genders. Long term orientation index reveals if a culture, country or company is more short term or long term oriented. Hofstede (2001, 79, 279, 351)

3.2 Definition of “Culture”

In order to talk about culture, the term culture has to be defined. Many researchers have defined this term differently, but for the purpose of this research the definition provided by Geert Hofstede is used. He states that culture can be explained as “...mental programs” that are developed in the family in early childhood and reinforced in schools and organizations, and that these mental programs contain a component of national culture. They are mostly clearly expressed in the different values that predominate among people from different countries.” Hofstede (2001, xix).

Furthermore, Geert Hofstede gives the following example for this mental programming: “...for each prediction of behavior we take both the person and the situation into account. We assume that each person carries a certain amount of mental programming that is stable over time and leads to the same person showing more or less the same behavior in similar situations.” Hofstede (2001, 2). Geert Hofstede explains this mental programming (culture) with his “Cultural dimensions”.

3.3 Definition of “Uncertainty Avoidance”

One dimension which is used in this thesis is: “Uncertainty Avoidance (UAI)” and it is defined as “...the extent to which a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, and different from usual. The basic problem involved is the degree to which society tries to control the uncontrollable” by Hofstede (2001,19).

This dimension is important to Meshcute since buying products on the internet may be perceived to be risky by some people who are therefore avoiding this way of buying products. When buying on the internet, consumers do not have the

chance to see the clothes in reality and in many cases they solely depend on the information provided by the company. Additionally, people may be afraid, that they will not receive the products after paying them. Thus, a low UAI of a consumer could lead to a greater acceptance of the business model of Meshcute since the customer will not feel very unsecure and will possibly trust Meshcute faster. A high UAI on the other hand, could mean that consumers do not accept the business model of Meshcute since they may regard the internet buying process as risky and do not trust the quality of the products.

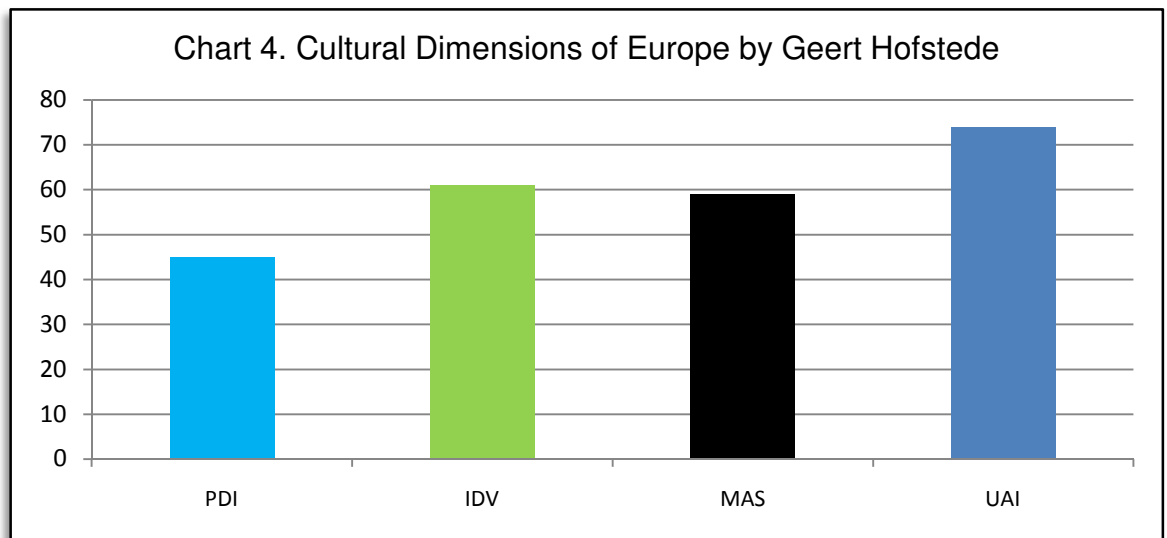
3.4 Definition of “Individualism”

Another dimension created by Geert Hofstede is “Individualism (IDV)” and it is defined as follows: “Individualism on the one side versus its opposite, collectivism is the degree to which individuals are supposed to look after themselves or remain integrated into groups, usually around the family. Positioning itself between these poles is a very basic problem all societies face” by Hofstede (2001, 20).

This dimension is of importance to Meshcute since consumers can express individualism by clothes. Consumers with a high IDV score may want to stand out of a group rather than fitting in. Thus, those consumers may be more attracted by fashion and the business model of Meshcute than consumers with a low IDV score.

3.5 Cultural Dimensions of Europe

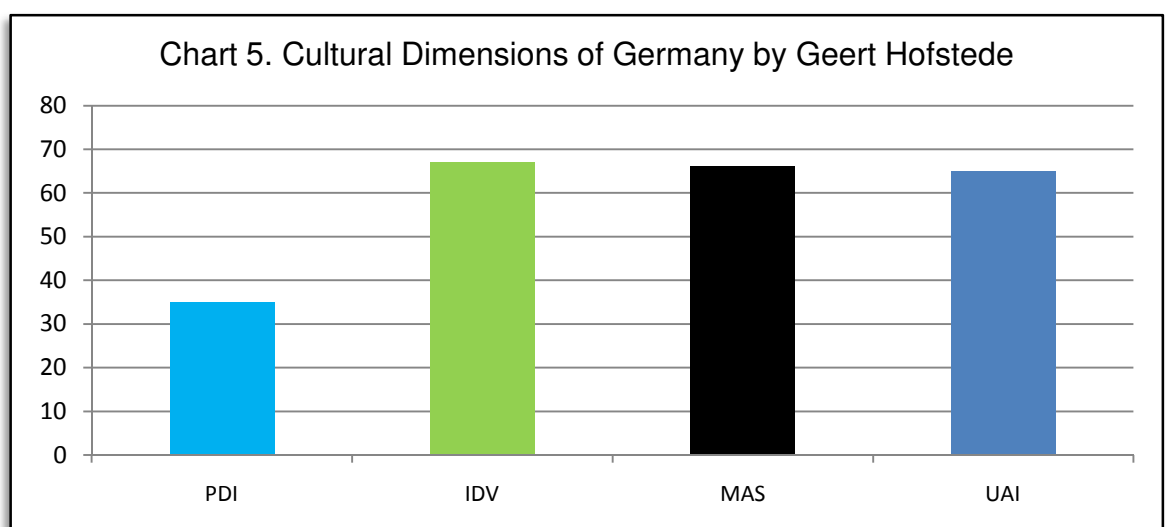
Chart 4 provides the results of Geert Hofstede’s research about cultural dimensions in Europe. As mentioned earlier in this chapter, PDI, MAS and LTO are not investigated in this thesis. On average, European countries score a 61 on the IDV scale and a 74 on the UAI scale. The score on the IDV scale means, that the in-



habitants of Europe tend to more individualistic than collectivistic oriented. The score on the UAI scale means, that people in Europe tend to avoid risks und favoring structured situation over unstructured and new situations. This information has to be compared with the results for Germany in Finland in order to see how well Finland and Germany are suitable as a market for Meshcute. Thus Europe may be seen as a benchmark for the specific countries.

3.6 Cultural Dimensions of Germany

Chart 5 provides the cultural dimensions for Germany created by Geert Hofstede.

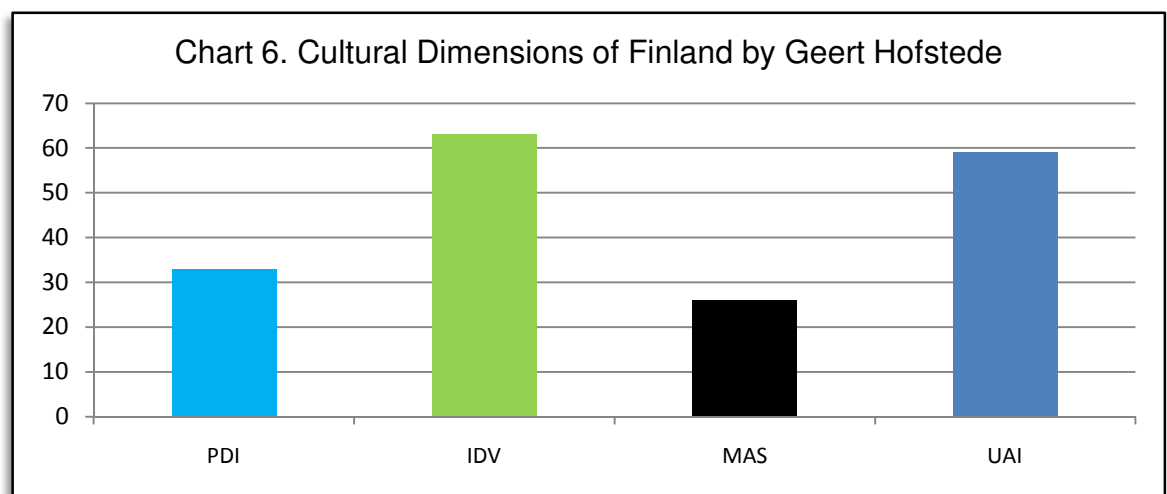


Germany scores 67 on IDV and 65 on UAI. Compared to the average score by European countries shown in chart 4 this means that people in Germany are more

individualistic than average European people. Additionally, German scores a lower UAI score than average European countries which means that Germans seem to be more positive towards new unstructured situation compared to the average European countries.

3.7 Cultural Dimensions of Finland

Chart 6 provides the cultural dimensions of Finland created by Geert Hofstede. Finland scores a 63 on the IDV scale and a 59 on the UAI scale.



This means that Finns are a little bit more individualistic than the average European inhabitant but less individualistic than Germans. Additionally, Finland scores lower on the UAI than average European countries and Germany. This means, that Finnish inhabitants are probably more comfortable in unstructured new situations and may thus also accept online shopping more than average European inhabitants and Germans.

4 INTERNET MARKETING

The company Meshcute is currently only active on the internet and is only selling clothes online. There is no physical shop available and thus the Internet is a very important media for Meshcute in order to generate brand awareness, sales, turnover and profit. Meshcute wants to get visitors on the website and convert these visitors to customers additionally; marketing activities should be as effective as possible.

Therefore the company wants to restrict the marketing activities to online marketing activities. From the researcher's point of view this makes sense since internet users that are confronted with advertisements or online marketing campaigns by Meshcute online are theoretically only one click away from the Meshcute website and only several clicks away from the shop. Offline marketing campaigns make it harder to convert a person into a homepage visitor since the person is currently not online.

However, offline marketing activities could be done in order to show examples of the product to the people on the street but this has to be evaluated in a further research. At the moment, Meshcute is only willing to spend money and time on online marketing activities.

This chapter of the report introduces the process of internet marketing to Meshcute and show what is important in internet marketing.

4.1 Definition of "Internet Marketing"

Internet marketing is defined as "The application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives" (Chaffey, Ellis-Chadwick, Johnston and Mayer, (2006, 8.) Nevertheless there are many other terms which are popular these days like "E-Marketing", "Digi-

tal Marketing”, “E-business” or “E-commerce”. They all share mainly the same subject and share similarities in their definitions but the researcher has chosen that the term “Internet Marketing” and definition of the above mentioned authors is the most suitable for this thesis.

4.2 Difference between conventional marketing and internet marketing

The biggest difference from Internet Marketing to conventional marketing is, that it offers new forms of interaction and information can be published and exchanged in new ways. McDonald and Wilson (1999) have summarized these advantages under “6 Is of the e-marketing mix”: Interactivity, Intelligence, Individualisation, Integration, Industry restructuring and Independence of location. Chaffey, Fiona Ellis-Chadwick, Kevin Johnston, Richard Mayer (2006, 26.) have interpreted the differences between old marketing possibilities and digital media marketing as follows:

Table 5. Differences between old media marketing and new media marketing

Old media marketing	New media marketing
One-to-many communication	One-to-one or many-to-many communication
Mass-marketing push model	Individualized marketing pull model for web marketing
Monologue	Dialogue
Supply-side thinking	Demand-side thinking
Customer as a target	Customer as a partner
Segmentation	Communities
Branding	Communication

Table 5 shows that new media marketing offers many advantages over old media marketing unfortunately this also makes clear that the way marketing is thought of by marketers has to change. Companies will most likely not reach their goals if they just convert old media marketing advertisements to new media marketing advertisements.

One of the most dramatic changes is the change from push-marketing to pull-marketing. Push-marketing basically meant that companies had to “push” product specific advertisements into the market in order to generate sells. Pull-marketing however describes a process in which users “pull” information about a company by researching online and the process of companies creating mainly brand awareness to “pull” consumers in their shops where companies can offer the full product range to consumers.

4.3 Internet marketing as a customer-centric approach to marketing

When doing marketing on the internet you should always use a customer-centric approach. “Customer-centric” means, to put the customer in the centre of a company’s marketing activities. The internet offers a marketer many tools to evaluate customer behavior and target each customer individually. There are many internet tools that provide a clear overview about a company’s homepage visitor demographic. Mostly, companies just have to sign up for these services and have to place some lines of source code on the company’s web presence in order to have access to those services. Chaffey (2007, 339).

Via commonly used free internet analytic tools like Google analytics or www.alexa.com for example it is easy for companies to get answers on questions like:

- From which country are my homepage visitors?
- From which cities are my visitors?
- How long did they stay on my homepage?
- Which pages of my homepage are frequently used and which are not?
- How many visitors leave the homepage directly after one page visit?
- Which search queries lead internet users to my homepage?
- How much traffic comes to my homepage from search engines like google.com or yahoo.com?
- How old are my visitors?
- Which genders have my visitors?

- Which educations have my visitors?
- Have my visitors' children?
- Are my visitors surfing at home at work or at school?
- What is the yearly income of my visitors?
- To which ethnic group do my visitors belong?

This information provides marketers with a very detailed overview about the group of people that is actually visiting and using a company's web presence. Furthermore, this information allows marketers to evaluate the success of marketing campaigns and most importantly let them create individualized advertisement specifically for the consumers.

By using this free information and by placing tailor-made advertisement for a target group and the individual user online on a company's own web presence, affiliate web pages or somewhere else online, marketers have the chance to get the maximum return on investment on the marketing spending since they can ensure that the marketing activities are created for and will reach the right audience.

4.4 The nature of a company's web presence

Chaffey, Ellis-Chadwick, Johnston and Mayer (2006, 14.) state that the relative importance of the marketing benefits of the internet depends upon the type of product and its market. This means that a company has to first identify its own product and market in order to be able to evaluate how the Internet can be used in order to achieve the desired marketing goals. In order to support the identification of a company's business, type of web nature, product and market Chaffey (2006, 14.) has identified the following four main types of online website:

1. Transactional e-commerce site

Transactional e-commerce sites are trying to sell products to the consumers online. The focus of those web natures is thus mostly to draw website visitors to the online shop. The company wants the consumer to initiate a "transaction"

in order to make profit. www.amazon.com is a good example of a transactional e-commerce site.

2. Service oriented relationship building web site

Service oriented relationship building websites are websites that provide free services to consumers. Sometimes, visitors just have to register on a website to access those services. Those pages are very often creating profits by serving as a marketing platform for other companies. A good example for a service oriented relationship building web site would be a page that lets you access thousands of cooking recipes if you register on the website.

3. Brand-building website

A brand-building website is a website that has the main purpose to create brand awareness and serve as an information source for visitors. One example for such a website would be www.mcdonalds.com. The company only introduces itself to the audience but isn't selling anything.

4. Portal or media site

Portal and Media sites are websites like www.youtube.com or www.clipfish.de which offer visitors the chance to publish or view media online.

The company Meshcute tries to sell clothes online and can thus be identified as a "transactional e-commerce website". In the same time, the company tries to establish itself as a new online fashion label. Thus, the website of Meshcute could also be classified as a "brand building website". The researcher of this thesis classifies www.meshcute.com thus as combination of "transactional e-commerce website" and "brand building website".

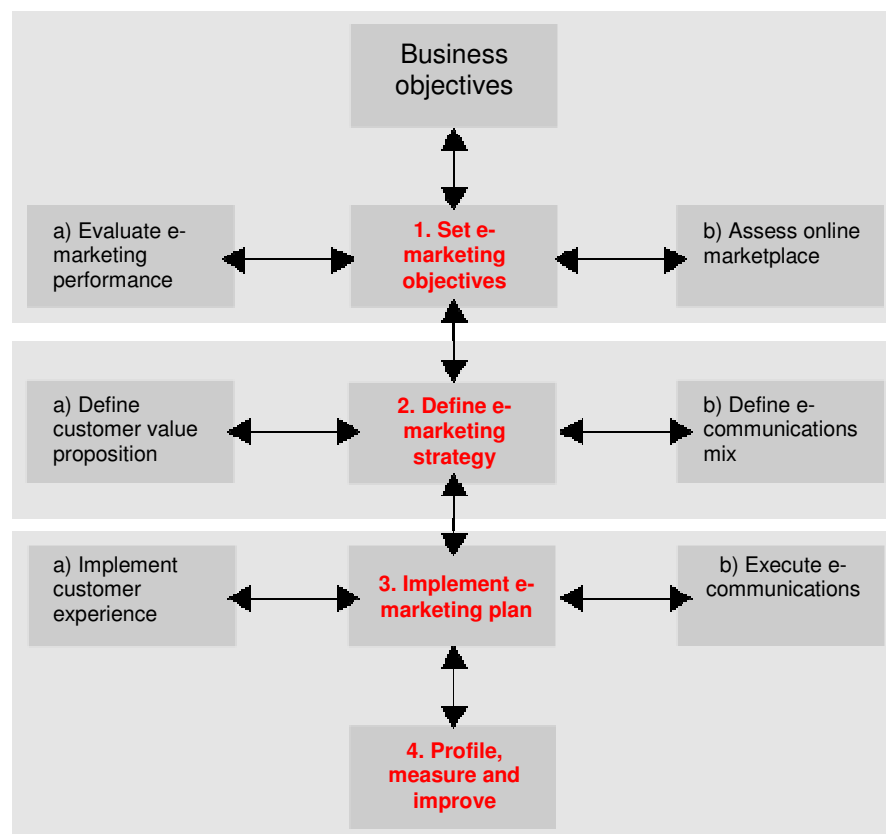
Therefore the following information about internet marketing focuses on terms, actions and case studies which the researcher has identified to be most suitable

for Meshcute and its internet marketing related problems. This may leave out major parts of internet marketing but the purpose of this chapter is to reveal important things which have to be taken into account when forming the framework for future marketing strategies.

4.5 Forming of internet marketing strategies

Chaffey, Ellis-Chadwick, Johnston, Mayer (2006, 14.) suggest that the following picture should be taken into consideration when forming internet marketing strategies:

Chart 7. Forming an internet marketing strategy



For the purpose of this thesis, this approach should be used. The now following chapters introduce each step of this process in detail.

4.5.1 Stage 1: Set e-marketing objectives

It is important for companies to set specific goals for their online channels and plan the resources accordingly. In order to define goals, companies can use web analytic tools. Those tools provide the company with numerical information about the past online achievements and statistics.

It is not enough to have the goal: “increase the number of visitors” or “reduce the bounce rate”. You should always specify precise goals and set numerical goals. Otherwise the success of the marketing activities will be hard to evaluate. Specific numerical goals can look as follows:

“Increase the number of daily visitors by 20% within next 2 months”

“Decrease the bounce rate by 20% points within next 2 months”

Those goals provide a specific numerical goal which has to be reached and also provide a time frame to reach these goals. Thus it is very easy to evaluate the success after two months.

4.5.2 Stage 2: Define e-marketing strategy

After goals have been set, the company has to plan the strategy and select appropriate offline and online communication tools to achieve the goals which have been defined in “stage 1”.

In the Internet you have many ways to deliver your advertisements to the consumer and advertisements or marketing efforts can be put into one of the following categories (Aviso 2009):

1. Mobile Marketing

Mobile Marketing described advertisements that reach the customer on mobile phones for example. The spending on mobile marketing in Germany have grown very rapidly during the last years. Precisely they have grown by 545% during the years 2006 and 2009. For the future the spending are expected to grow by about 30% in the year 2010 and by about 24% in the year 2011. (Martin, 2007)

New generations of mobile phones influence heavily the possibilities which marketers have in mobile advertising. For example the Apple I-phone has introduced new marketing possibilities by introducing Apple Apps. Those Apps allow marketers to create small programs which run on the consumers' mobile phone.

2. Social Media marketing

Social Media marketing is probably the most powerful term in marketing right now and many people believe that the election of the president of the United States of America (Barack Obama) is one example for the power of social media marketing. According to Braun (2010) many people believe that he would not have been elected if Facebook would not exist.

Communities like Facebook connect 500 million people worldwide into one virtual place where companies can advertise. "Where in the early part of the decade, many people began to research their purchases searching using Google, reading company website information, today they are searching for peer reviews, friend recommendations, and they have begun to add their recommendations about products into the general knowledgebase." (Hinz, 2010).

The advertising on Social Media platforms is very different than "normal" advertisements. "The main objective is to encourage individuals to "follow," to "like," and to encourage participation such that each individual then rebroadcasts information through their social networks. This "viral" growth provides a trusted

method to spread awareness -- people tend to trust information coming from their network of friends rather than from unsolicited advertisements” (Hinz, 2010).

Since the social media users are spreading the message of the marketer themselves the costs of Social Media marketing can be quite low compared to the profit. “Customers now trust each other and people they perceive as independent far more than the enterprise's own view.” (Thurlow, 2010)

3. Email Marketing

E-Mail Marketing can be used in order to contact several consumers directly. If a consumer has signed in for a company’s newsletter, the company can send him E-mails on a regular basis to inform him or her about latest sales, products or other things. However, E-mail marketing can also have a very negative effect if people consider a company’s messages as spam because the company sent too often messages without any real benefit for the consumer. (Kaiser, 2010)

Another advantage of E-mail marketing is that it can be very inexpensive if your company already has a database of people who signed in for the newsletter. All you have to do is design, write and send E-mails to those people. Small companies can do that on their own and do not have to pay any money to a third party to do so. For bigger companies it can be useful to buy special newsletter software since it can be very difficult to send thousands of emails on one day without appropriate software support.

4. Display Marketing

According to Zelewitz (2009) display marketing is one of the favorite advertising form of marketers (concerning spending) just behind “search marketing”. Display marketing is a very big topic and it covers things like banner advertise-

ments and so on. There are many advertisement formats that have been standardized through the last years and the most popular ones are:

- Super banner (A Super Banner is a 728px*90px large banner which is mostly placed at the top of a website.)
- Skyscraper (A Skyscraper is 120px*600px large advertisement which is mostly placed at the right or left side of a website.)
- Wallpaper (A Wallpaper is a combination of a Super banner and a Skyscraper advertisement. The two combined advertisements form the Letter "L" and are wrapped around the top-left or top-right corner of a website.)
- Medium Rectangle (A Medium rectangle is a 300px*250px large advertisement which is mostly placed somewhere in the content of a homepage.)

Those advertisements forms specify the dimensions of the ad and often also the position on a website. According to Kleiser, Klekamp, Perkovic, Schlüter (2008) "Wallpapers" are the advertisements which achieve by far the best click rates on a website although "Super banners" are the most popular advertisements concerning the online spendings. The reasons for this should be evaluated in a further research.

5. Search Marketing

Search Marketing is by far the type of advertising that receives the most spending nowadays. A very simple definition of search marketing by Althos (2009) is: "Search marketing is a process that uses key search words that people enter into search engines to find product or service information". So basically, companies pay money in order to place advertisements in search engines for relevant key words.

However, search marketing can also mean that the marketer improves the website of the company in a way that it is shown at the first page of a search engine like Google for example. This process is then called "Search engine optimization" (SEO). To demonstrate the importance of search engine optimization, one can just type "SEO" and "Search marketing" into a search engine and compare how many results are shown. The term "SEO" will deliver about

150.000.000 results and “search marketing” will deliver about 3.500.000 results.

4.5.3 Stage 3: Implement e-marketing plan

After goals have been set, strategies and communication tools have been selected the strategy has to be implemented. This stage of the forming of an internet marketing campaign is the one which will consume the money.

4.5.4 Stage 4: Profile, measure and improve

In order to be able to evaluate the success of an internet marketing campaign a company should monitor the campaign carefully. The internet is one of the first media types that offer a very high amount of tools and ways to measure the success of a marketing campaign. If those tools are used, the marketing campaign can be steadily improved during the duration.

Many companies are happy if they have a solid amount of daily visitors on their homepage. But in the internet it's the same like everywhere else, a company should try to be effective! It is not helping if a company has 10.000.000 monthly visitors at an online shop but only 2 people are buying products. Mostly smaller companies are not realizing that it is not only about page impressions or unique visitors. Those are the numbers that are looking nice on the paper, but these are not directly the numbers that will bring you the money. According to Chaffey, Ellis-Chadwick, Johnston, Mayer (2006, 14.) key performance indicators include:

- Unique visitors (A clearly identifiable visitor to on a company's web presence. Those unique visitors are usually identified by the users IP-address or MAC-address of the users computer)
- Total number of sessions or visits (Number of unique visits and repeat visits combined)

- Repeat visits (Number of visits by previous visitors)
- Duration (Defines how long a unique session)
- Subscription rates (Is the ratio at which the visitors of a website subscribe to a newsletter for example)
- Conversion rates (Is the ratio at which the visitors of a website are converted into customers for example)
- Attrition rate or Churn rate (the rate of users that are for example unsubscribing of a companies offered service)
- Click-through rate (The rate of internet users that land on a company's homepage after clicking on one of the company's advertisements for example.)

However, it is not that simple as it looks, a company cannot just look at the numbers and accept the numbers as they are. The following example concerning the "conversion rate" explains the difficulties of evaluating a websites performance and comparing it to a competitor.

So what precisely is a conversion rate? A conversion rate can be calculated very easy. You take the unique visitors of your homepage and divide them by a certain action you want them to do.

Assuming that there is a company named "ABC" and they have the homepage www.abc.com. The company's main target is to get a lot of registrations for their new Newsletter. The conversion rate shows how well this is working. Furthermore assuming that the company has 1.000.000 unique visitors every month and 1000 Newsletter registrations every month. Thus the conversion rate would look as follows:

$$1,000,000 / 1000 * 100\% = 0.1\% \text{ Conversion rate.}$$

This means that 0.1% of all unique homepage visitors are signing up for the newsletter every month.

Unfortunately there are several other factors that come in to play when "correcting" the conversion rate. For example the "bounce rate" has to be considered. Assuming that the homepage of company ABC has a bounce rate of 30%, it means that

30% of the 1.000.000 visitors are leaving the homepage after they have seen the first page of the web presence. This may be because they accidentally came to the homepage, they were looking for something else or many other things. However, these 30% have to be deducted from the 1.000.000 visitors.

1.000.000 – 30% = 700.000 unique visitors.

At 1000 conversions this results to a conversion rate of 0,14%, so the conversion rate looks already 40% better than before.

Next the company's employees that are probably also surfing on the homepage have to be deducted. Let's therefore assume that employees account for 10% of the homepages traffic. This will improve the conversion rate even more but it will reduce the amount of possible customers as well.

1.000.000 – 30% = 700.000 unique visitors

700.000 unique visitors – 10% = 630.000 unique visitors

At 1000 conversions this results to a conversion rate of 0,158%, so the conversion rate looks already 58% better than at the start.

Now as the last step the unique visitors have to be categorized into the categories "possible customer" and "researcher" whereby the researcher is only looking for information in the internet and is researching. Assuming that these researchers account for 60% of the homepages traffic, the math looks as follows:

1,000,000 – 30% = 700,000 unique visitors

700,000 unique visitors – 10% = 630,000 unique visitors

630,000 unique visitors – 60% = 252,000 unique visitors

At 1000 conversions this results in a conversion rate of 0.3968%. This looks already much better than the 0.1% conversion rate from the beginning.

This also clarifies that a conversion rate is always very subjective. When comparing conversion rates it is necessary to know which factors have been taken into account when calculating the conversion rates.

What Internet marketing does is, it tries to improve numbers like the conversion rate for example. The Internet department of the company ABC should now think how they can increase the conversion rate to a specific value. This can be done by advertising, better targeting of the advertising, redesigning the homepage or something else. The possible actions are countless and like always the optimal solution or marketing activity will most likely be a different one for each case and scenario.

Nevertheless, Internet marketing is not only responsible for the conversion rate. There are many goals and tasks that an internet marketing department or company has and many ways how an internet marketing department can increase the success of a company. Another goal could be that the Internet Marketing department has the task to reduce the “bounce rate” of the homepage. The bounce rate is a commonly used term in the Internet Marketing and it describes how many people are leaving your homepage after they have visited only one single page. Since most companies want to keep the visitors on their homepage it is not very good for them if the user leaves the homepage after he has seen the first page. A possible goal for the internet marketing could thus be to reduce this “bounce rate” down to 20% within the next six months for example.

However, the significance of internet marketing to the business largely depends on the nature of the companies' products. Ryanair (low-cost European airline) for example may have a bigger advantage of investments in internet marketing than a local bakery.

5 GENERAL INFORMATION ABOUT THE SURVEY

The researcher has created a survey and then handed to people offline and online in order to be able to get additional information about cultural dimensions and differences, consumer behavior and internet marketing from the target group itself. The results of this survey are compared to the theory part of this research in order to prove the theory right or reveal differences. In combination with the theory the outcomes of the here described survey are used in order to create the framework for future online marketing strategies for the company Meshcute.

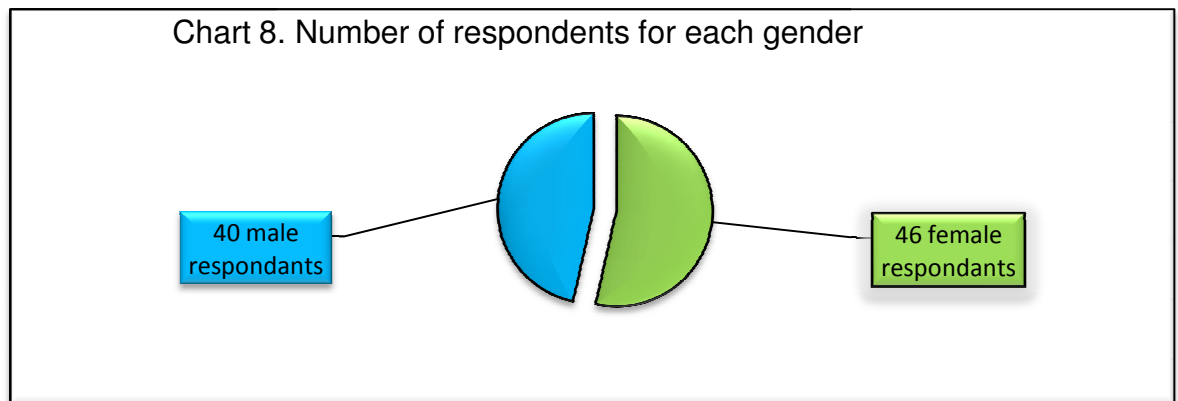
5.1 The used method and structure of the survey

The survey has been a quantitative approach to the research and the researcher tried to hand the survey to as many people as possible in order to create valid and reliable statistics and charts. Percentages, statistics and charts are important for the researcher and the company Meshcute and thus a qualitative research approach would not have been suitable for this thesis since it would have led to new complex answers which cannot be translated into numerical values. The used quantitative approach means that the researcher did not have any chance to question the given answers of respondents or interact with respondents at all. In the same time it means that the respondents did not have the chance to ask the researcher whenever they had problems to understand a question and answer it properly. Thus it is possible, that people gave answers which do not reflect their real state of mind.

A qualitative research could and probably should be done in the future in order to see if the outcomes of the quantitative research and the thesis have been used properly. In total, 88 people gave useful and valid answers in the survey and are from the target group in the target markets. These are the answers which were processed and evaluated in order to serve the purpose of this thesis.

5.2 Respondents of the survey

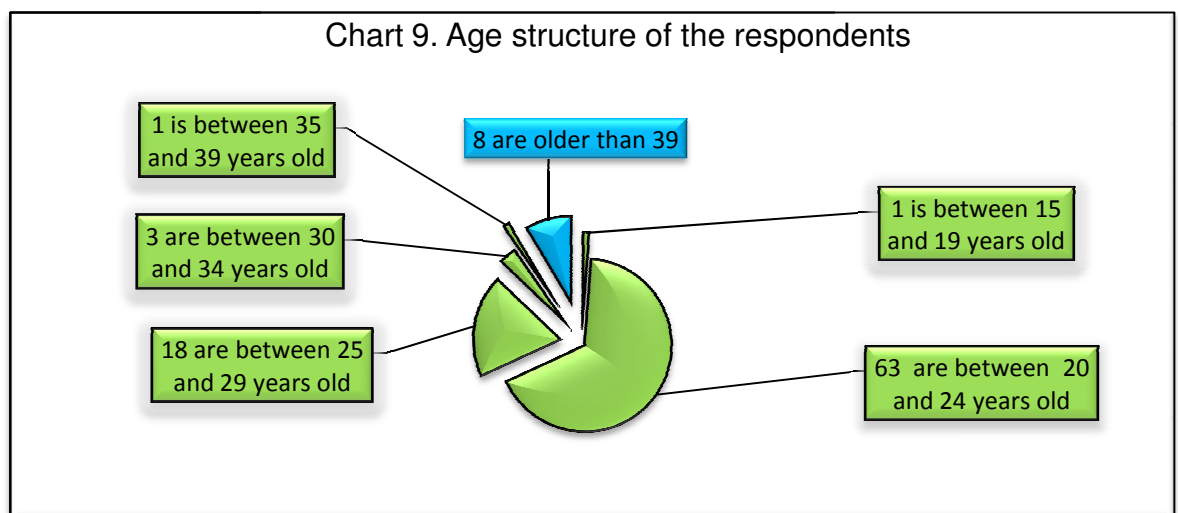
In total 86 people answered the survey, 41 male and 46 female. Although Mesh-



cute is currently only selling clothes to women, the answers from men still play a role since their opinion also reveals the state of mind in a certain country. Thus those answers are as useful as the answers from the female respondents.

In future the company also wants to sell clothes to men and this makes the feedback from this target group as well important to the company. The chart shows, that 47% of the respondents are men and 53% of the respondents are women.

The respondents are categorized into age groups. From those age groups five are important to Meshcute since they are representing the target group of the compa-



ny. The segment of the respondents above the age of 39 was not evaluated in this

report and answers from this group are deleted from the database since Meshcute does not consider those people as a target group for their business as mentioned earlier in this chapter. This means that 91% of all answers were used in order to support the outcomes of this thesis.

5.2.1 Online respondents of the survey

The questionnaire has been done online with the help of the tool “Google Docs” which is a free service offered by the company Google. The service allows it to create surveys with multiple types of questions and offers the possibility to invite respondents by sending them a link online which leads to the survey.

The researcher has created the questionnaire and sent invitations to the survey to people in Facebook in order to get respondents on the survey. As a result the questionnaire has been answered by many nationalities and people of all ages. The following table shows which European citizens participated how often in the online survey:

Table 6. Online respondents of each country

Nationality	Count
Germany	17
Finland	20
Lithuania	10
Czech Republic	9
Turkey	4
Estonia	3
Spain	2
Greece	1
France	1
Hungary	1
Italy	1
Netherlands	1
Bulgaria	1
SUM	71

This means that 71 people answered the questionnaire online. Unfortunately not all answers can be used since nine online respondents are too old for this survey and their answers do not matter to the company Meshcute at the moment as mentioned earlier in this chapter. Respondents of the online survey originating from countries outside of Europe are not analyzed as well since Meshcute is not planning to expand to markets outside of Europe.

Thus only the answers of the remaining 85 online respondents are processed, evaluated and analyzed in this research and only these answers influenced the outcomes of this research in combination with the offline respondents.

5.2.2 Offline respondents of the survey

The questionnaire has been handed offline to 23 people randomly among the exchange students from the winter semester 2010 in Seinäjoki, Finland. The results of the offline survey have been combined with the result of the online survey since the researcher does not assume any differences between those groups that would prohibit an assembly of the two groups. The following table shows which European nationalities participated how often in the offline survey:

Table 7. Offline respondents of each country

Nationality	Count
Germany	9
Czech republic	2
France	2
Slovakia	1
Finland	1
Sum	15

From those 15 respondents, 8 are male and 7 are female. Unfortunately not all answers from the offline survey could be evaluated since some people are not

from European countries. The remaining answers can be used since no one of these respondents has been older than 39 and thus all respondents are within the target group of Meshcute. Thus 15 offline respondents influenced the results of the survey.

5.3 The structure of the used questionnaire

The whole questionnaire including all questions can be found at Appendix 1 at the end of this report. Only several questions will be introduced in chapter six when the outcomes are presented. The general outline of the questionnaire is as follows:

The first ten questions of the survey had to be answered on a scale ranging from zero to ten by the respondents. The answers of those questions revealed how important certain things are for the respondent or how much a respondent agrees with a certain statement. Afterwards the respondents had to answer ten questions with “yes” or “no”. Nineteen of these questions are used in order to create a F-IDV (fashion related Individualism index) and F-UAI (fashion related Uncertainty avoidance index) scale which is heavily related and influenced to buying clothes online or fashion in general. This is done, since the UAI and IDV scales by Geert Hofstede seem to not reflect the current situation of the target group of Meshcute.

Following these twenty questions, the next seven questions were multiple choice questions where respondents had to choose between three and eight answers. For some of those questions the respondent had to choose the most appropriate answer and for some questions the respondent could give multiple answers. Those questions were related to Internet Marketing and Consumer Behavior. The results of these questions will show Meshcute how the current website and sales via internet can be improved and how consumers are behaving online.

Finally the last three questions of the survey were personal questions about age, gender and nationality which were used in order to categorize the respondents.

5.4 Reliability and Validity of the outcomes

It is possible to question the reliability of the outcomes of the survey since the number of respondents in general and for each country isn't very large. The underlying circumstances of the thesis didn't allow a very large number of respondents since resources for an extension of the boundaries could not be raised. In total 88 people from Europe gave valid and usable answers in the survey. In order to get reliable results, the research should be extended to a much larger number of respondents for each country. An amount of 250-1000 respondents should be targeted in a future research if more reliable results are demanded.

If the company plans to Expand into European markets like Finland, the company should do a further survey with more respondents in order to prove the reliability of the outcomes described in this thesis.

A different wording of the questions could have led to different answers and thus it is also questionable if a different survey with different questions would have come to the same or at least similar result. In order to prove the reliability of the questions, a further research could consist of two questionnaires which are handed to different people. If the different questions lead to the same results it can be assumed that the questions are well chosen.

6 OUTCOMES OF THE SURVEY

This chapter shows the outcomes the survey and introduces the F-IDV and F-UAI which are created on the basis of these outcomes. F-IDV is a fashion related Individualism index and F-UAI is a fashion related Uncertainty Avoidance Index which have been created by the researcher in order to compare it to the IDV and UAI created by Geert Hofstede.

6.1 Creation of a fashion related “Individualism Index” (F-IDV)

The Individualism Index provided by Geert Hofstede in chapter three is a general index that isn't related to fashion and buying clothes online at all. Since Meshcute is a fashion company, it is necessary to know how countries differ in their individual preference of clothes. The F-IDV created in this research thus rates Europe, Germany and Finland on a scale from 0 to 80. A high score on the F-IDV represents a high acceptance and usage of clothes as a way to express individualism. A low score on the F-IDV scale represents a low acceptance and usage of clothes as a way to express individualism.

In order to create this “F-IDV” nineteen questions of the survey described in chapter five have been used and evaluated. It is possible that other questions would have shown different results and thus the here presented outcomes may not seem reliable to some people.

Six of the used questions were questions which had to be answered with a number between zero and ten. Those six questions were:

- How important are clothing to you?
- How important are brand names to you?
- How well does this sentence fit you: “The clothes are more important than the brand they are from”?
- How individual/unique is your dressing style?
- How well does this sentence fit you: “I have a lot of clothes that most people would regard as “crazy, unique or special”?

- How many of your clothes are bought in big shops like H&M, C&A, Seppälä and other big fashion retailers?

Additionally to those six questions, the researcher also used three questions which had to be answered with “yes” or “no”. Those three questions were:

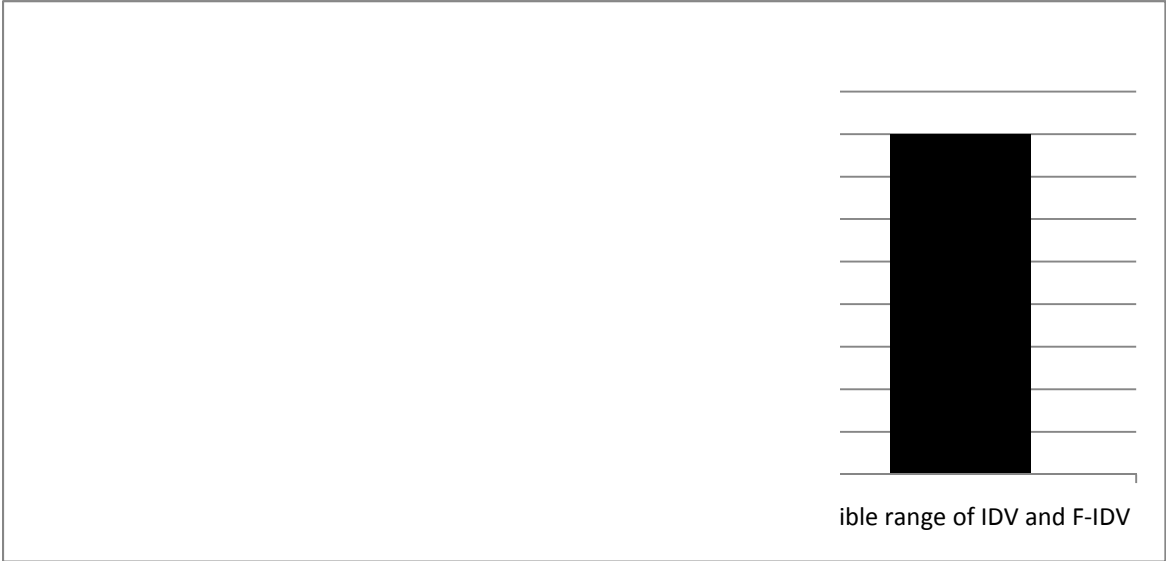
- Do you care about other people’s opinions concerning your clothes?
- Is it hard for you to find clothes because you have a special taste?
- Do you have an “insider shop” which not many people know and where you buy your clothes?

All those questions were rated by the researcher and each respondent gave positive or negative points to a respondent’s F-IDV. This made it possible for respondents to score a negative F-IDV. Since a negative F-IDV is not valid in the eyes of the researcher, the scale has been adjusted in order to range from 0 – 80.

In order to be able to compare the IDV of Geert Hofstede and the F-IDV created in this thesis, the scales had to be aligned since the IDV scale ranges from 0-100 and the F-IDV scale ranges from 0-80. Thus the IDV value of Geert Hofstede is reduced by 25% $[(100 / 80) * 100\% = 125\%]$ in order to be able to compare the two result.

6.1.1 F-IDV for Europe

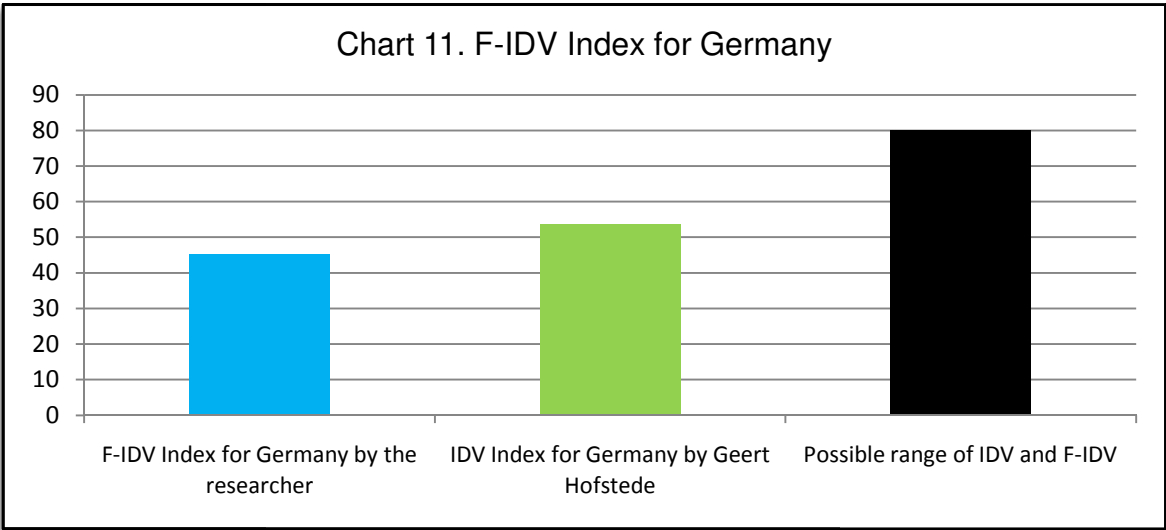
The following chart 10 compares the F-IDV index created by the researcher and the adjusted IDV created by Geert Hofstede. The average IDV from all European respondents combined is 48.8 on a scale from 0 to 80 and the F-IDV for Europeans created in this thesis is 44.9. The chart shows that the outcomes of the research conducted by Geert Hofstede and the researcher share similarities in the result but they are not the same. It shows, that the fashion related IDV is lower than the general IDV of European countries. The small differences between both results could possibly be smaller or disappear if the researcher would have included more respondents in the survey. Additionally it may be assumed that a dif



ferent rating of the questions could have come to different results and thus the reliability of the provided F-IDV may be lowered. If Meshcute wants to create reliable F-IDV scores, the number of respondents should be increased and the used questions should be evaluated and improved.

6.1.2 F-IDV for Germany

The average F-IDV value of the German respondents is 45.3 whereas the lowest

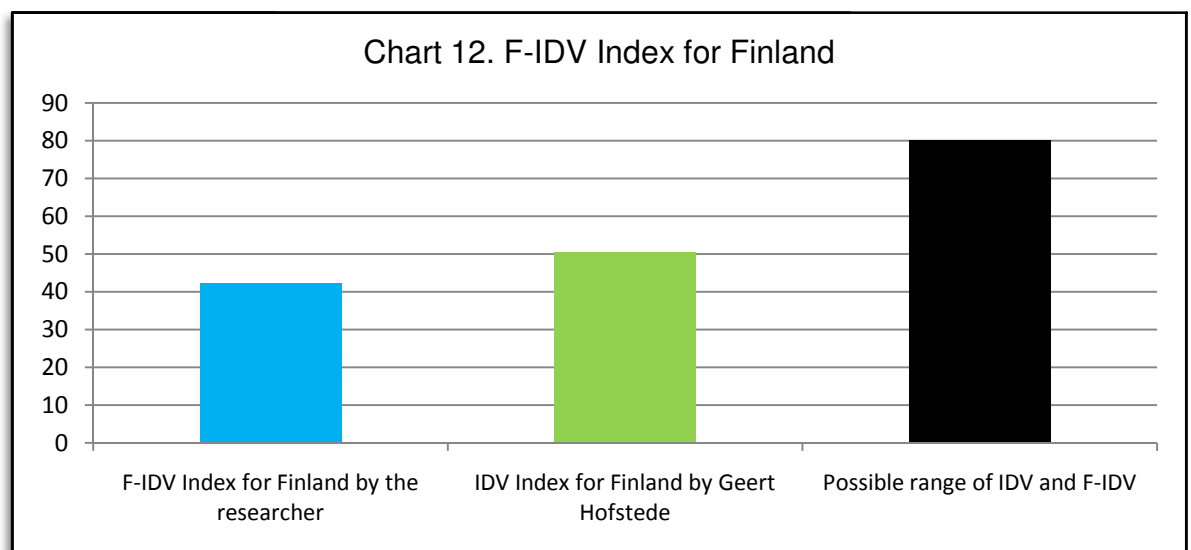


scored value was 27 by a male respondent and the highest scored value was 63 by a female in the age of 25 to 29. Chart 11 compares the IDV Index for Germany

by Geert Hofstede with the F-IDV Index for Germany from the researcher. The Index value by Geert Hofstede is 53.6 (after the previously mentioned alignment). This means, that the results are sharing similarities although the IDV value for Germany by Geert Hofstede is about 18% higher than the F-IDV calculated by the researcher. It is possible that a different amount of questions, different type of questions and more respondents would have come to a different result

6.1.3 F-IDV for Finland

The average F-IDV value of the Finnish respondents is 42.1 whereas the lowest scored value was 24 by a male respondents and the highest scored value was 59 by a female in the age of 25 to 29. Chart 12 compares the IDV Index for Finland by



Geert Hofstede with the F-IDV Index for Finland from the researcher. The Index value by Geert Hofstede is 50.3 (after the alignment). One can see that the results are sharing similarities although the IDV value for Finland by Geert Hofstede is about 19% higher than the value calculated by the researcher. It is possible that a different amount of questions, different type of questions and more respondents would have come to a different.

6.2 Creation of a fashion related “Uncertainty Avoidance Index” (F-UAI)

The Uncertainty Avoidance Index provided by Geert Hofstede in chapter three is a general index that isn't related to fashion and buying clothes online at all. Since Meshcute is a fashion company, it is necessary to know how countries regard the process of buying clothes online. The F-UAI created in this research thus rates Europe, Germany and Finland on a scale from 0 to 80. A high score on the F-UAI represents a high uncertainty when buying clothes online. A low score on the F-UAI scale represents a low uncertainty when buying clothes online. Thus, a low score represents that the inhabitants of the country do not regard the process of buying clothes online as a risky situation.

In order to create this “F-UAI” ten questions of the survey described in chapter five have been used and evaluated. It is possible that other questions would have shown different results and thus the here presented outcomes may not seem reliable to some people.

Four of the used questions were questions which had to be answered with a number between zero and ten. Those four questions were:

- How well does this sentence fit you: “I usually buy clothes from one or two brands only?”
- How well does this sentence fit you: “I only buy in shops that I know.”
- How important are recommendations of friends to you concerning clothes and shops
- How well does this sentence fit you: “I switch my favorite brands very quickly and often.”?

Additionally to those four questions, the researcher also implemented six questions which had to be answered with “yes” or “no”. Those six questions were:

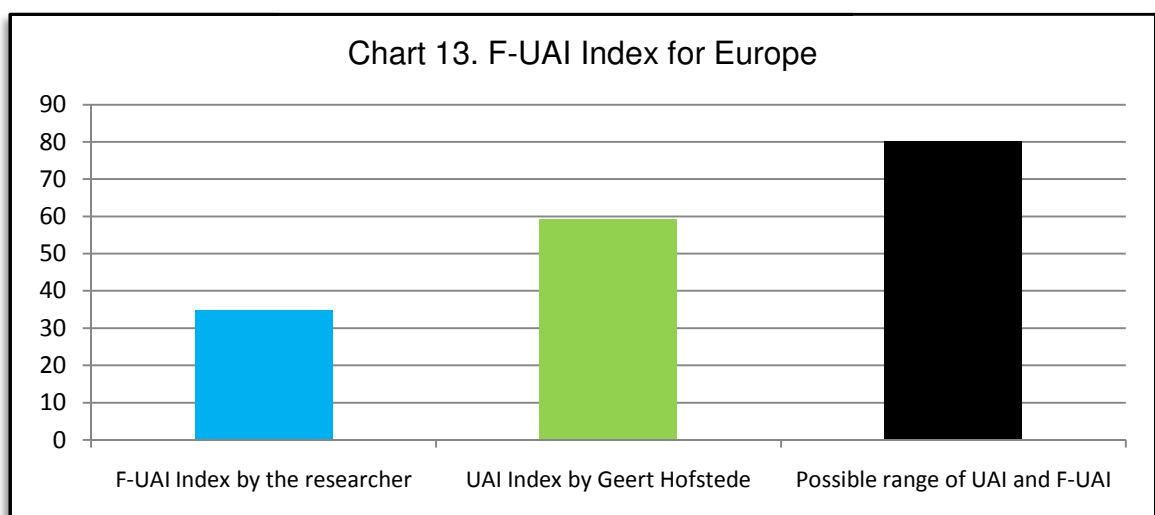
- Have you bought clothes for yourself online?
- Do you have a favorite online shop for clothes?
- Do you only buy from this favorite shop?
- Have you ordered clothes for yourself from a catalogue?
- Have you bought other products than clothes online?
- Have you bought clothes on online auctions like E-bay?

All those questions were rated by the researcher and each respondent gave positive or negative points to a respondent's F-UAI. After summing up all answers, the scale has been adjusted in order to range from 0 - 80.

In order to be able to compare the UAI of Geert Hofstede and the F-UAI created in this thesis, the scales had to be aligned since the UAI scale ranges from 0 - 100 and the F-UAI scale ranges from 0 - 80. Thus the UAI value of Geert Hofstede is reduced by 25% $[(100 / 80) * 100\% = 125\%]$ in order to be able to compare the two result.

6.2.1 F-UAI for Europe

The average F-UAI from all European respondents combined is 34.7 on a scale from 0 to 80 and the average UAI for Europeans created by Geert Hofstede is 59,2 (after the previously mentioned alignment). Chart 13 shows a big difference in the results and this means, that Europeans probably do not consider buying clothes online to be an uncertain or risky situation for them. The process of buying clothes online seems to be accepted among Europeans which is good for the business

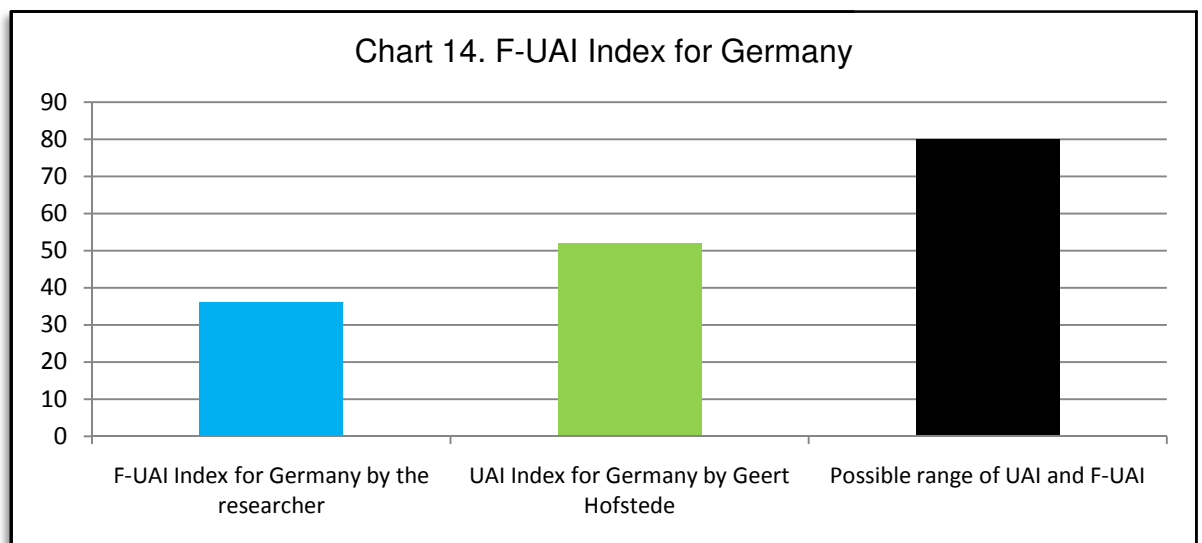


model of Meshcute. It is also possible that the F-UAI is lower than the UAI because the respondents from the F-UAI research were younger than the IBM employees Geert Hofstede investigated. Younger people may in general have a lower UAI or F-UAI than older people and this could be analyzed in a further research. It

may be questioned if different questions and a larger number of respondents in the F-UAI research would have led to different F-UAI results. If the company Meshcute plans to use this F-UAI it is recommended to create an additional survey with more questions and more respondents in order to receive more reliable results

6.2.2 F-UAI for Germany

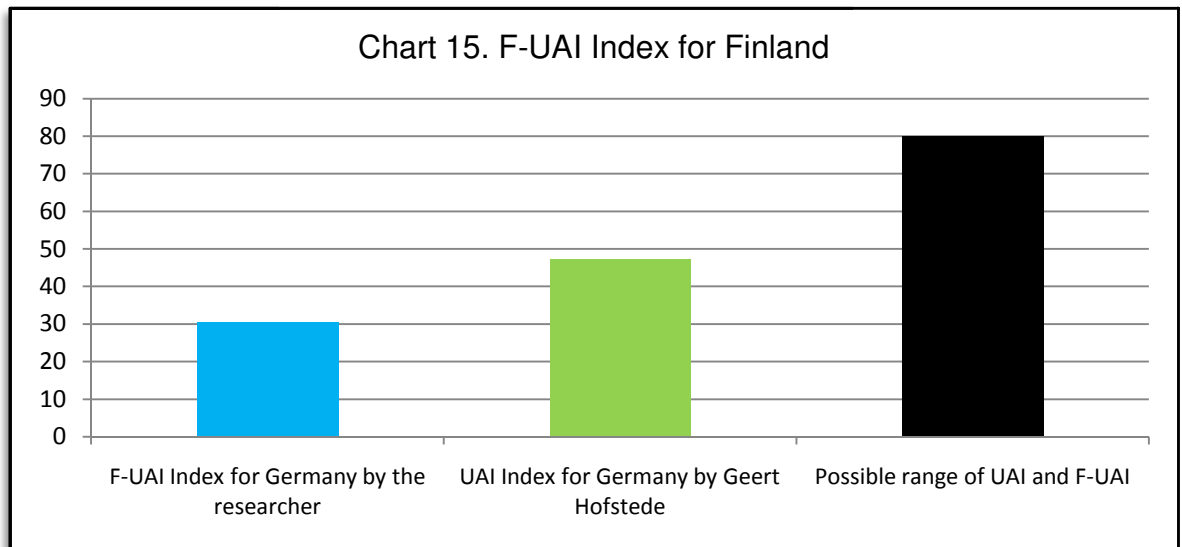
The average F-UAI among the German respondents of the researches done in this thesis is 36.2 on a scale from zero to eighty. After the alignment of the Geert Hofstede values, the UAI index for Germany by Geert Hofstede is 52. This shows that the researchers calculated UAI of 36.2 is about 40% lower than the index of Geert Hofstede. One reason for the difference in those two values may be that the re-



search of Geert Hofstede has been conducted among IBM employees which have been older than the respondents in the researchers' survey which have mostly been students. These two different types of respondents may have led to those two different types of results. Additionally, the questions for the F-UAI were related to fashion and online buying. The process of buying clothes online seems to be established and accepted among German respondents which is good for the company Meshcute.

6.2.3 F-UAI for Finland

The average F-UAI among the Finnish respondents of the researches done in this thesis is 30.4 on a scale from zero to eighty. After the alignment of the Finnish UAI, the UAI by Geert Hofstede is 47.2. This shows that the researchers calculated UAI of 36.2 is about 40% lower than the index of Geert Hofstede. One reason for the



difference in those two values is that the research of Geert Hofstede has been conducted among IBM employees which have been older than the respondents in the researchers' survey which have mostly been students. These two different types of respondents may have led to those two different types of results. Buying clothes online seems to be accepted and established among Finnish respondents which is good for the company Meshcute.

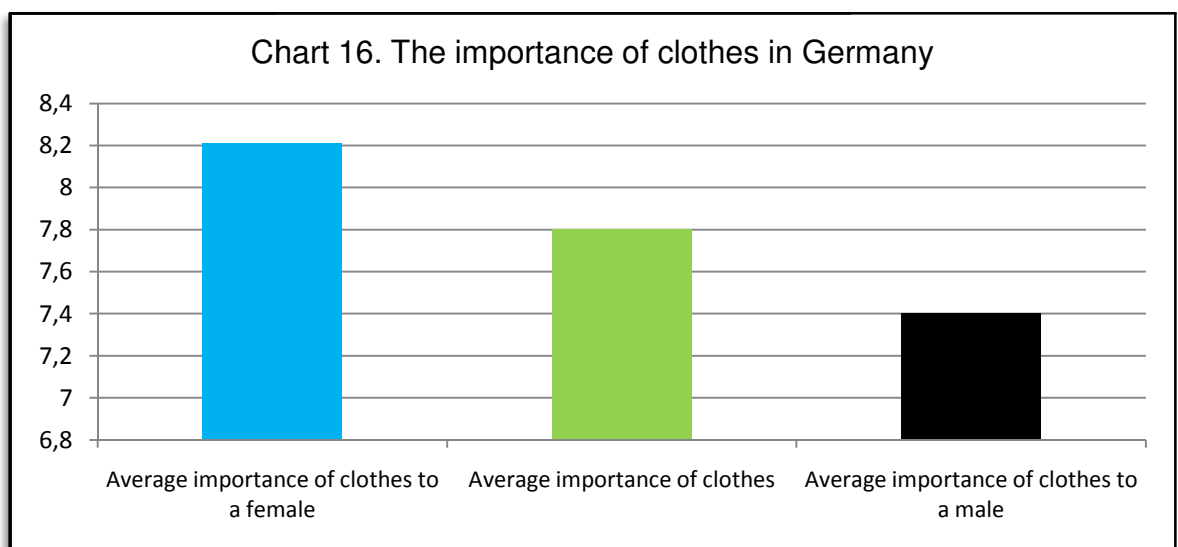
6.3 Answers from the Questionnaire

The following chapter 6.4.1 and 6.4.2 introduce the questions which have been answered by the German respondents and Finnish respondents. In total, 26 German responded to the questionnaire, 14 female and 12 male and 21 Finnish respondents (12 female and 9 male).

The results show how the situation in the home market of Meshcute and in Finland is and these results can be seen as a benchmark for other targeted countries.

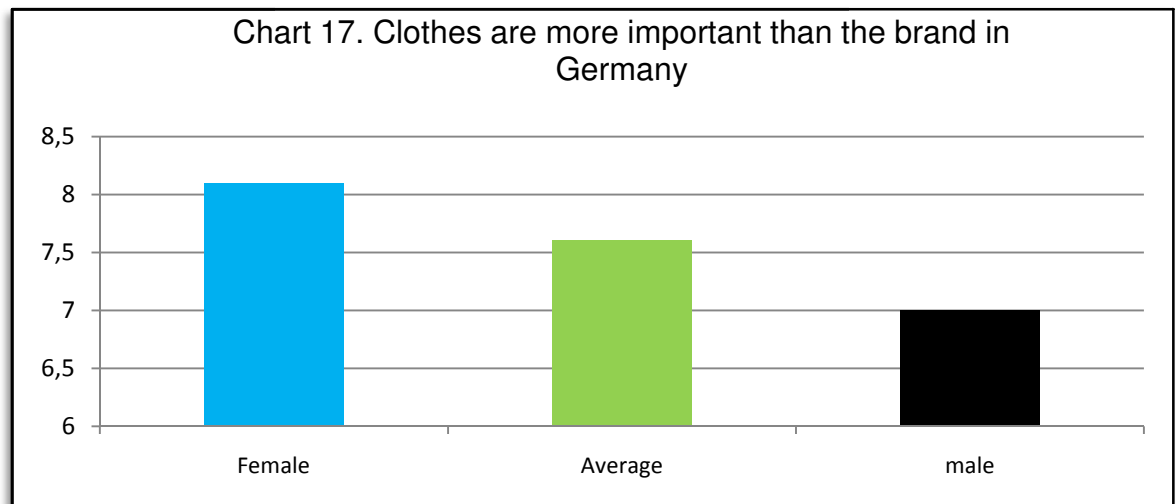
6.3.1 Answers from German respondents

The question “How important are clothes to you?” did the average German respondent answer with 7.8 on a scale from zero to ten. High results represent a high importance of clothes and low results represent a low importance of clothes to the



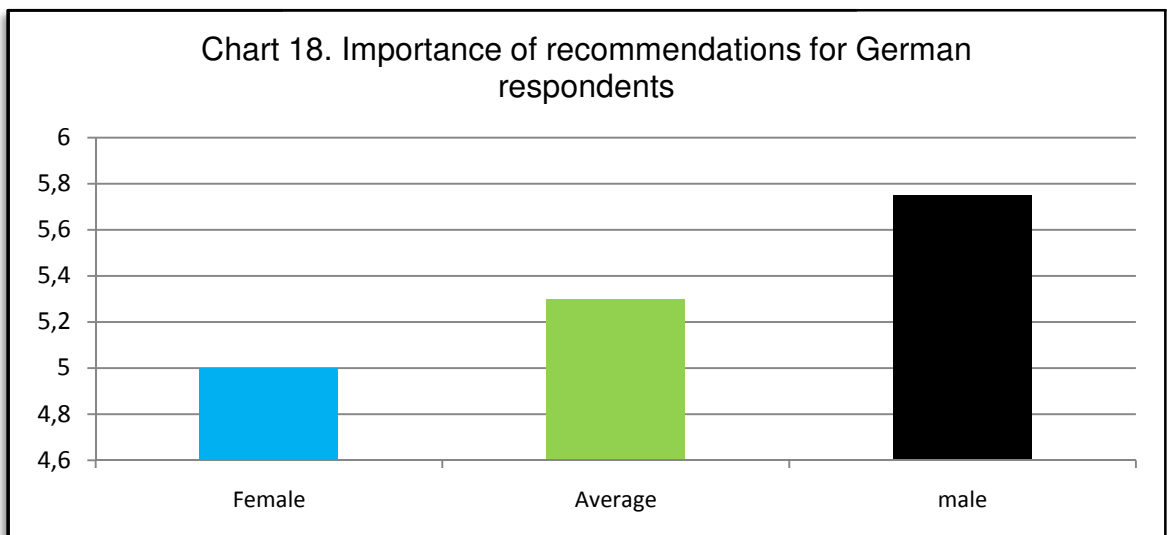
respondent. Chart 16 shows that the female respondents value clothes higher than the male respondents. Precisely, female respondents scored 8.21 on average and male respondents scored a 7.4 on average. This means that the market for women clothes may be more profitable than the market for male clothes. One could come to the conclusion that women are willing to spend more for clothes since clothes are more important to them than to men. This should be evaluated in a further research in order to make reliable conclusions. For the moment it only shows that the current target group of Meshcute is highly interested in fashion and fashion seems to play an important role in the value system of the German female respondents.

The question, how strong a respondent agrees with the statement “Clothes are more important than the brand they are from!” did the average German respondent answer with a 7.6 on a scale from zero to ten. A high number represents a strong agreement with the statement and a low number represents a weak agreement



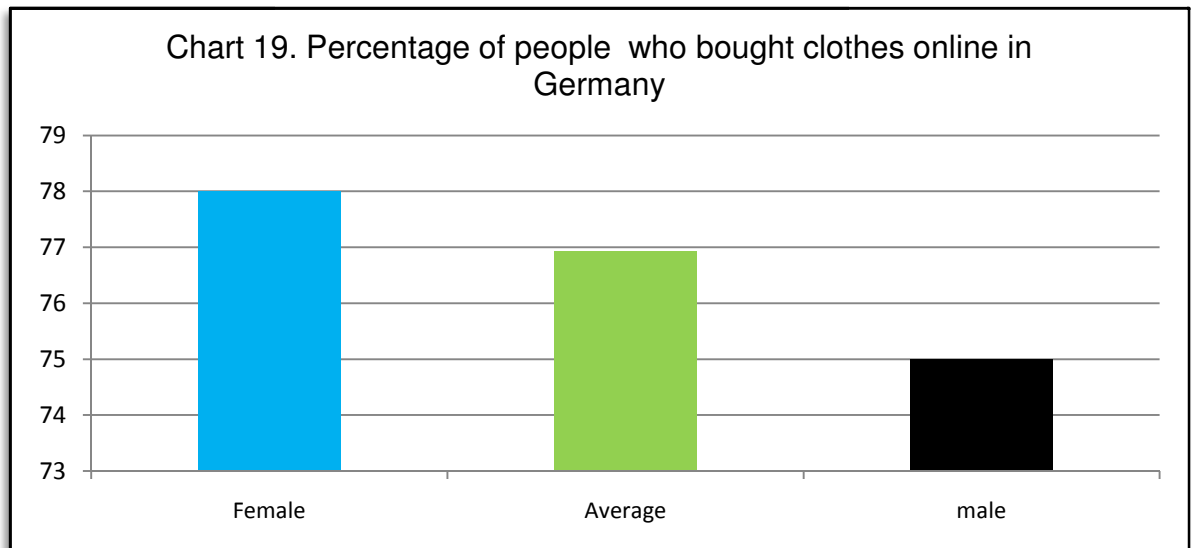
with the statement. Chart 17 shows that the female respondents agree more with the statement than the male respondents of the survey. Precisely, female respondents scored 8.1 on average and male respondents scored a 7 on average. After seeing the results many conclusions can be made. One could be that it is easier to establish a brand for women clothes than a brand for men clothes since it may not be of high importance to the women that the new brand is not very known at the start. Nevertheless, this should be evaluated in a further research in order to create more valid conclusions. For the moment it shows only that it may be more effective to advertise the quality of the sold clothes than the brand since the brand and the values which it represents do not seem to be very important to the German respondents of the survey.

The question “How important are recommendations of friends to you concerning clothes and shops” did the average German respondent answer with a 5.3 on a scale from zero to ten. A high number represents a high importance of recommendations to the respondent and a low number represents a low importance of recommendations to the respondent. The results show a difference between the male and the female respondents of the survey. German male respondents value recommendations of friends concerning shops and clothes much more than German female respondents. The reason for the difference in the two averages may show that German men do not have a strong own fashion taste, are unsure about buying clothes and thus rely on recommendations. On other side this may reveal that



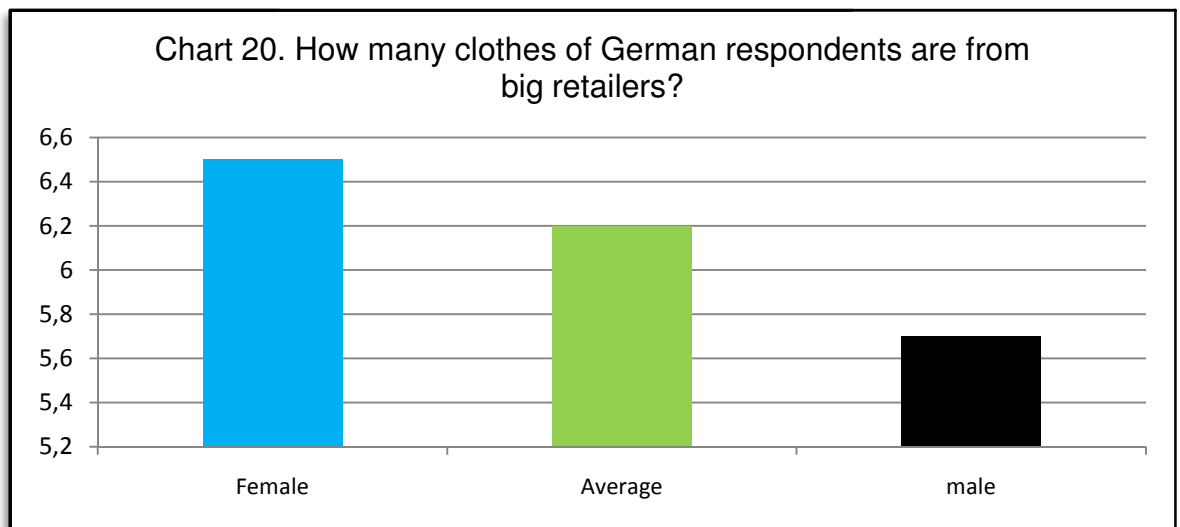
German women usually have a stronger fashion taste and know what they want and thus not rely that heavily on recommendations of friends. A possible second survey could research this topic further by examining questions like: “How much do you rely on your own taste concerning clothes” and others. The chart reveals that social media advertising could be a useful tool for marketing clothes to men since men seem to be more influenced by fashion recommendations spread virally by their friends and family.

On average, 77% of the German respondents in the survey answered the question if they have ever bought clothes for themselves online with “Yes”. Like in most results, this question also revealed a difference between male respondents and female respondents. In total nine out of twelve German male respondents answered



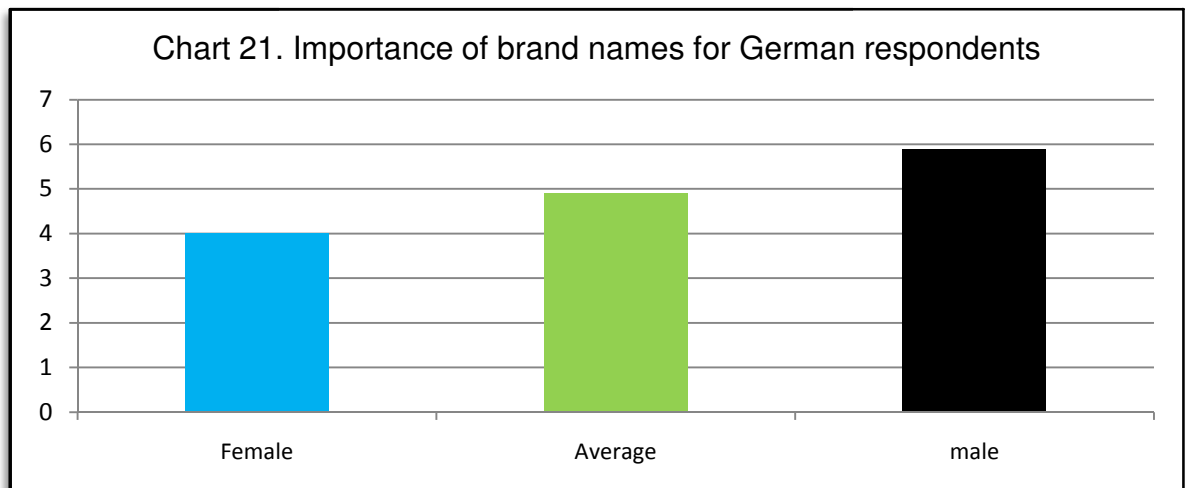
the question with a “Yes” which results in a percentage of 75% (the remaining three German male respondents answered with “No”). On the other side, eleven out of fourteen German female respondents answered this question with a “Yes” which results in a percentage of 78.5% (the remaining three German female respondents answered with “No”). This shows that more German female respondents have bought clothes online than German male respondents. These results may be connected to the fact that German male respondents are not as interested in fashion as the German female respondents as it has already been revealed earlier in this thesis. Nevertheless the high results show that the process of buying clothes online seems to be popular among the sample group since the percentage of people who bought clothes online is much higher than the median of 50%. One negative aspect of this question is that it is not showing when people have bought clothes online. The question did limit the shopping to a timeframe like the last twelve months for example. Additionally the results also do not reveal how many of the respondents are regularly buying clothes online or what percentage of the German respondents only bought one time clothes online.

The question „How many of your clothes are bought in big shops like H&M, C&A, Seppälä and other big fashion retailers?” did the average German respondent answer with a 6.2 on a scale from zero to ten. A high number shows that many clothes are from those shops and a small number shows that only a small number of clothes are from these big fashion retailers. On average people seem to have more clothes from big fashion retailers than from smaller retailers since the average number is above the median of 5. Like for most questions there is again a vis-



ible difference between the male respondents and the female respondents. The female respondents seem to buy more clothes from big fashion retailers than the male respondents. There are many factors which may influence this results and it is impossible to give reasons for these results without doing further research in this questions. The reasons for these results maybe the that big fashion retailers are advertising themselves more to women, have more clothes for women in their shops or the fact that women are more often wandering around in those shops. For the moment the results only reveal that big fashion retailers have a high influence on a German female respondent's closet.

The question “How important are brand names to you?” did the average German respondent answer with 4.9 on a scale from zero to ten. A high number shows that brand names are very important to the respondent and a low number shows that brand names are not very important to the respondent. The low 4.9 shows that



brand names are not very important to the average respondent. The female respondents state with their answers that brand names are not as important to them as brand names are important to men. German female respondents only scored an average 4 on this question and German male respondents scored a 5.9. It is possible that brand names are more important to German men than to German women because brand names make it easier for men to evaluate quality or good products. It makes the shopping experience easier for men if they can rely on certain brand values. If they go to company x they know what to expect and what they will get in this shop. Is it possible that this reveals that men are more brand loyal than women. This should be evaluated in a further research of this question since it could mean that Customer Relationship Management plays a more important role for the business with male customers than with female customers.

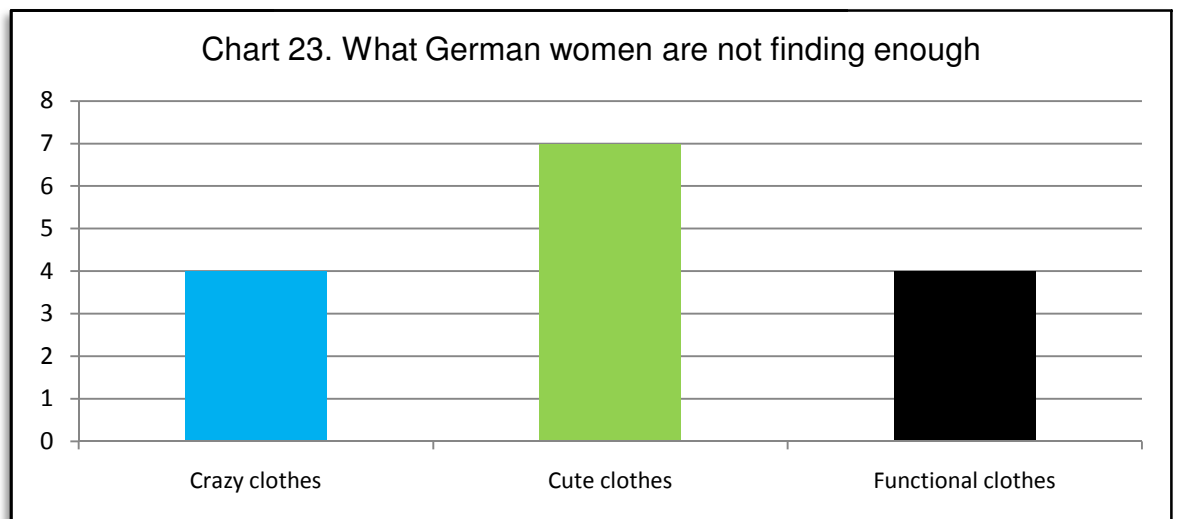
From a total of 12 German male respondents in the question “Which type of clothes are you always searching but never finding enough?” about 64% of the respondents state that they are not satisfied with the supply of functional clothes and are not finding enough whenever they are searching them. The answer with the second highest amount of answers is the option “crazy clothes”. In total about

36% of the German male respondents chose this option. Only one single (7% of respondents) respondent chose the option “cute clothes” and thus this option is



not evaluated further in this research. The given answers show up a potential market for Meshcute. When the company is starting to sell clothes to men as well it could be profitable to also focus a little bit on functional clothes or crazy clothes. However, the answers given to the question maybe a little bit distorted since the respondents had to choose something. It was not possible to give a neutral answer to this question. Multiple answers could be given at this question and thus the total percentage of answers is higher than 100%.

In total 14 German female respondents gave useful answers on the question:



“Which type of clothes are you always searching but never finding enough?”. 50% of the German female respondents state that they are always searching cute clothes but finding enough. This is great for Meshcute since the company currently already tries to sell cute fashion to young women.

The chart reveals that crazy clothes and functional clothes are equally requested by the respondents in the survey. Both options were chosen by about 28% of the German female respondents. However, the answers given to the question maybe a little bit distorted since the respondents had to choose something. It was not possible to give a neutral answer to this question. Multiple answers could be given at this question and thus the total percentage of answers is higher than 100%.

The questionnaire also included a question “What services should an online shop offer?”. This question tried to reveal how the current shop system of Meshcute has to be improved by finding out what the customers value at an online shop or e-



commerce website. The possible answers were: “The products should have many good pictures”, “Products should be cheaper than in a normal shop”, “The shop should have many products online”, “I want to read comments of previous buyers”, “I want a lot of text information about the product”, “A forum for discussions”, “free shipping of products” and “I do not know”. The chart shows how many times a certain answer was chosen. Multiple answers were allowed and

thus the total number of answers is higher than the number of German male and female respondents combined.

The most popular answer was “The products should have many good pictures”. In total 20 people chose this option which equals to 77% of the German respondents. For the researcher this is not a surprising result since pictures are a very popular and effective tool to present a picture.

“Products should be cheaper than in a normal shop” was the option which received the second highest amount of votes by the German respondents. In total 17 people chose this option which results in 65% of the respondents. This may reveal that customers are aware of the fact that online shops are usually generating lower costs for the owner than a normal physical shop. Thus the customers expect also that the products in the online shop are cheaper. Unfortunately the customers were not asked how much the products should be cheaper and it is possible that this question would have led to interesting answers which explain the expectations of the respondents even more. This topic could be further investigated by a new survey.

The answer with the third highest amount of votes was the option “Free shipping of products”. Sixteen people chose this option which equals 62% of the German respondents. Although many people chose this option it is not known if this is a service that customers are really expecting or if it is just a bonus feature that is nice to have for customers. Research has shown that many online shops like www.zalando.de for example are offering free shipment of products if the value of the products which a customer buys exceeds a certain amount of money like 50.00€ for example. If the value of the products is lower than this, the customer has to pay the shipping. This is a nice way to offer the free shipment since it can guarantee that shipping costs are not exceeding the actual costs of the product.

46% (12 respondents) of the German respondents want to read comments of previous buyers when they are surfing in an online shop. This feature insures that the customer is not only depended on information by the company but can also rely on

comments of previous customers. This means that this feature can reduce the uncertainty for the customer in the shopping process.

The options ““The shop should have many products online”, “I want a lot of text information about the product” and “A forum for discussions” did not receive a high amount of votes and was thus not evaluated in this thesis. The number of votes is too small in order to be reliable. The four most popular answers already reveal a sufficient amount of information on how the current shopping experience for customers can be improved by Meshcute.

The questionnaire also included the question “When would you buy products in an online shop” and the possible answers were “If I know the company”, “If the shop offers more products than other online shops”, “If the products are cheaper than in other online shops”, “If friends have recommended me this online shop”, “If it is a shop from my country”, “I would never buy at an online shop”. Multiple answers



could be chosen at this question and thus the total number of answers is higher than the amount of German respondents in the survey. The answer which received the most votes was “If friends have recommended me this shop”. In total 18 people (69% of the German respondents) chose this option.

This is very surprising since the question “How important are recommendations of friends to you concerning clothes and shops” has been answered with an average

of 5.2 by these respondents. This makes it hard to interpret the meaning of this answer properly since both questions led to different results. This could be a reason for a second survey on the importance of recommendations. For the moment the researcher just accepts the fact that these two questions gave two different types of answers.

The option which received the second highest amount of votes was the option “If the products are cheaper than in other online shops”. In total 14 respondents (53%) chose this options which shows that the price is a major factor when deciding if a product is bought or not. This means that the company Meshcute has to evaluate carefully the prices of other online shops in order to be able to undercut competitors’ prices if possible. The remaining possible options “If I know the company”, “If the online shop has more products than other online shops” and “If it is a shop from my home country” did not receive a satisfying amount of votes in order to give reliable information. Thus, these answers were not evaluated in this thesis.

The question “When are you willing to pay more for clothes?” gave the respondents 4 options to chose from. The question described the following scenario in

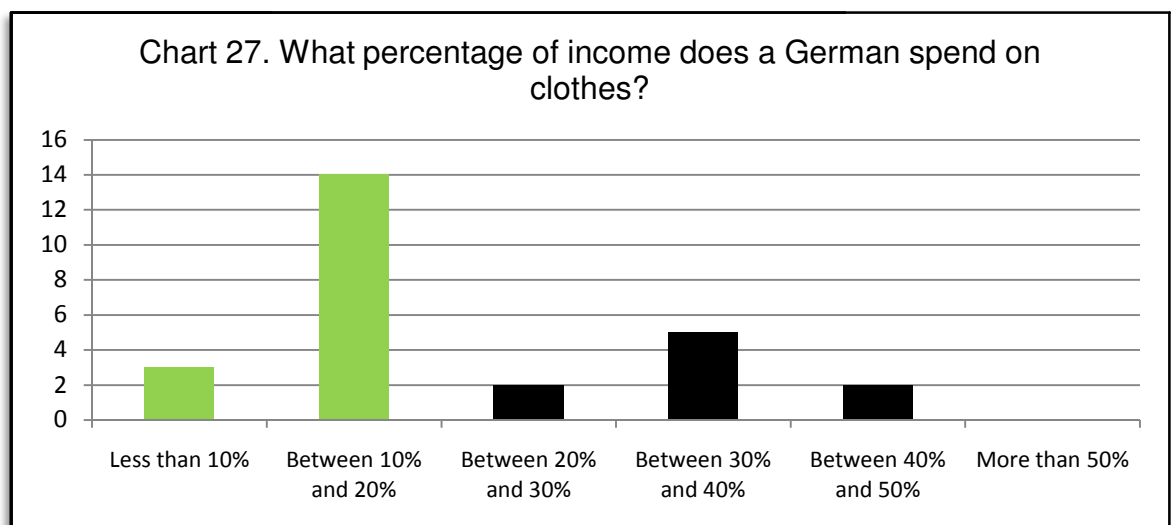


order to give the respondents a certain case on which they had to react: “Imagine there are two similar products: product A (50€) and product B (60€), both look the same.

When would you be willing to pay the higher price and buy product B?” After reading this text, the respondents could chose from “If the product is from a special material”, “If the product is made in my home country”, “If the product is handmade”, If the product is produced environmental friendly”. Since the company Meshcute is currently selling handmade clothes, it would have been very good if “If the product is handmade” would have been the most popular answer. The following chart shows how the answers have been divided:

Unfortunately the most popular answer was “If the product is from a better material” and this option received a total of 20 votes which represents about 76% of the German respondents. “If the product is handmade” only received 6 votes and thus it seems that it is not possible for Meshcute to charge the customers more money only because the product is handmade. However, the company could try to produce products environmental friendly by hand from a very good material. This way, the company would respond to all top three answers.

During the survey the respondents have also been asked what percentage of their monthly money they are spending on clothes. The possible answers where “Less than 10%”, “Between 10% and 20%”, Between 20% and 30%”, “Between 30% and 40%”, “Between 40% and 50%”, “More than 50%”. The following chart shows which options have been chosen how often by the German respondents:



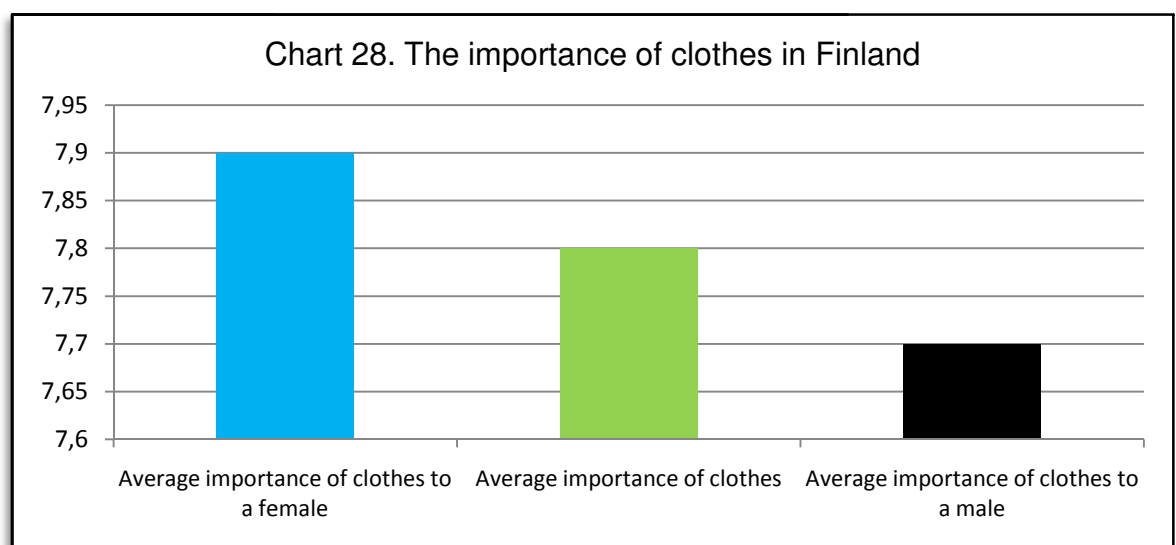
The majority of the respondents answered this question with “Between 10% and 20%”. In total 14 people chose this option which represents about 53% of the German respondents. The option with the second highest amount of votes was “Between 30% and 40%”. In total five people chose this option.

This shows that there seems to be a big difference on the buying habits of customers. Some people tend to spend more and some people tend to spend less. This could lead to the conclusion that a company should offer products in a low price segment and products at a high price segment in order to attract both categories of shoppers.

Additionally to the above mentioned results, the questionnaire also revealed that 25 of the 26 German respondents are using Facebook as a social network which equals to 96% of the respondents. This means that Facebook could be a suitable place for advertisements for Meshcute.

6.3.2 Answers from Finnish respondents

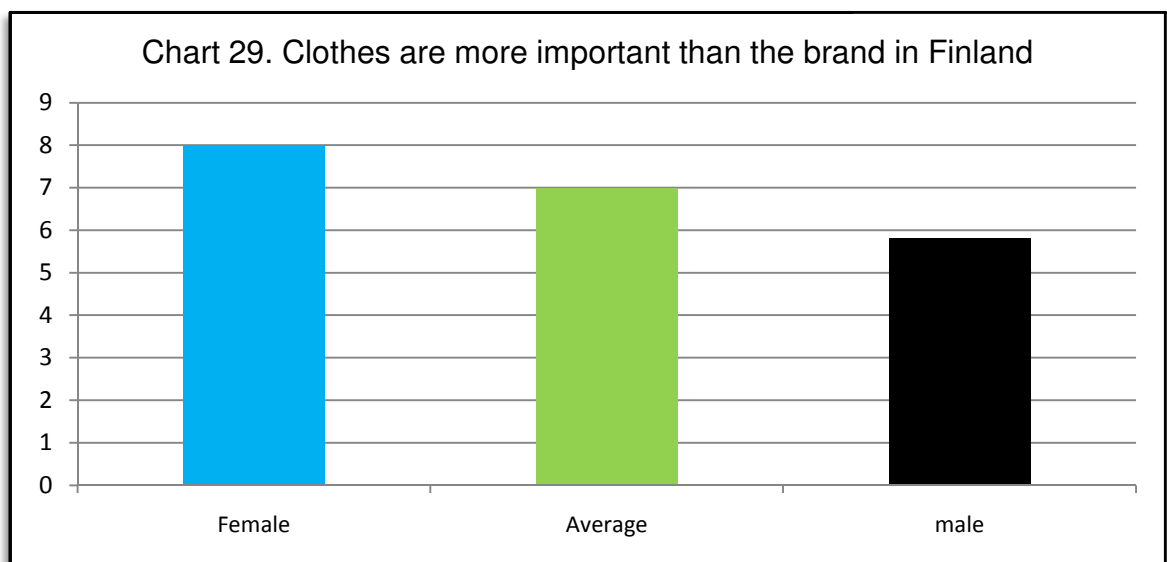
The question “How important are clothes to you?” did the average Finnish respondent answered with 7.8 on a scale from zero to ten. High results represent a high



importance of clothes and low results represent a low importance of clothes to the respondent. The results show that the Finnish female respondents value clothes

not much more than the male respondents. Precisely, female respondents scored 7.9 on average and male respondents scored a 7.7 on average. There is a difference but the difference is so small that not much attention should be paid to this difference. The results show that the market for women clothes may be just as profitable as the market for men clothes since both genders are almost equally interested in fashion. This could lead to the conclusion, that Meshcute should enter the Finnish market by also offering mens clothes and not only clothes for women. This result differs from the home market in Germany since the German female respondents seem to value clothes much more than German male respondents.

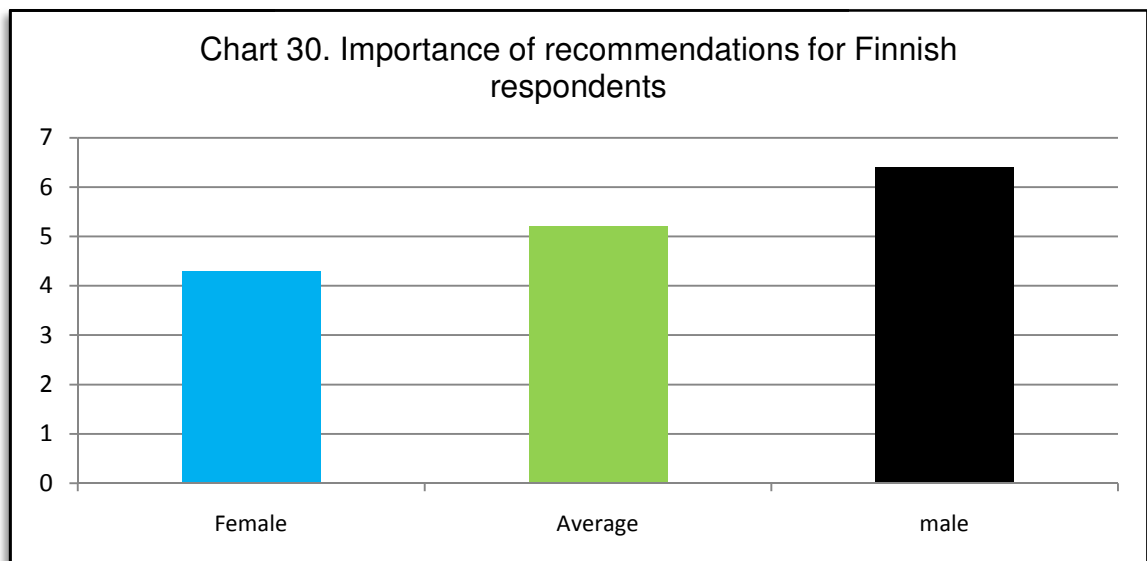
The question, how strong a respondent agrees with the statement “Clothes are more important than the brand they are from!” did the average Finnish respondent answer with a 7 on a scale from zero to ten. A high number represents a strong agreement with the statement and a low number represents a weak agreement with the statement. The results show that the Finnish female respondents agree much more with the statement than the Finnish male respondents of the survey.



Precisely, female respondents scored 8 on average and male respondents scored a 5.8 on average. The results may lead to many conclusions and one could be that it is easier to establish a new clothes brand for women clothes than a brand for men clothes since it may not be of high importance to the women that the new brand is not very known at the start and the clothes are valued higher than the brand. Nevertheless, this should be evaluated in a further research in order to

create more valid conclusions for the Finnish market. For the moment it shows only that it may be more effective to advertise the quality of the sold clothes than the brand to the female market since the brand and the values which it represents do not seem to be very important to the Finnish female respondents of the survey. The difference between the two genders is higher than the difference between the genders in the German home market where female respondents scored comparable results but men scored much higher on this question.

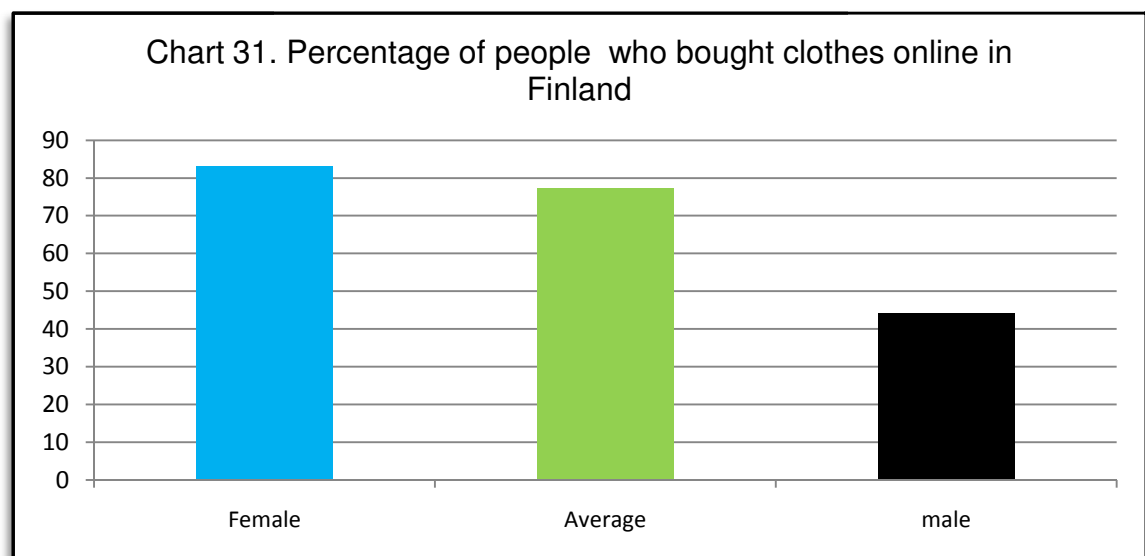
The question “How important are recommendations of friends to you concerning clothes and shops” did the average Finnish respondent answer with a 5.2 on a scale from zero to ten. A high number represents a high importance of recommendations to the respondent and a low number represents a low importance of rec-



ommendations to the respondent. The results show a difference between the male and the female respondents of the survey. Finnish male respondents value recommendations of friends concerning shops and clothes much more than Finnish female respondents of the survey. The reason for the difference in the two averages may show that Finnish men do not have a strong own fashion taste, are unsure about buying clothes and thus rely on recommendations. On other side this may reveal that women usually have a stronger fashion taste and know what they want and thus not rely that heavily on recommendations of friends. A possible second survey could research this topic further and provide reliable reasons for

the result by examining questions like: “How much do you rely on your own taste concerning clothes?” and others. The outcomes of this question are same to the German market where women also tend to rely less on recommendations than men. Nevertheless, the difference between Finnish female and Finnish male respondents is much bigger than the difference between German male and German female respondents at this question.

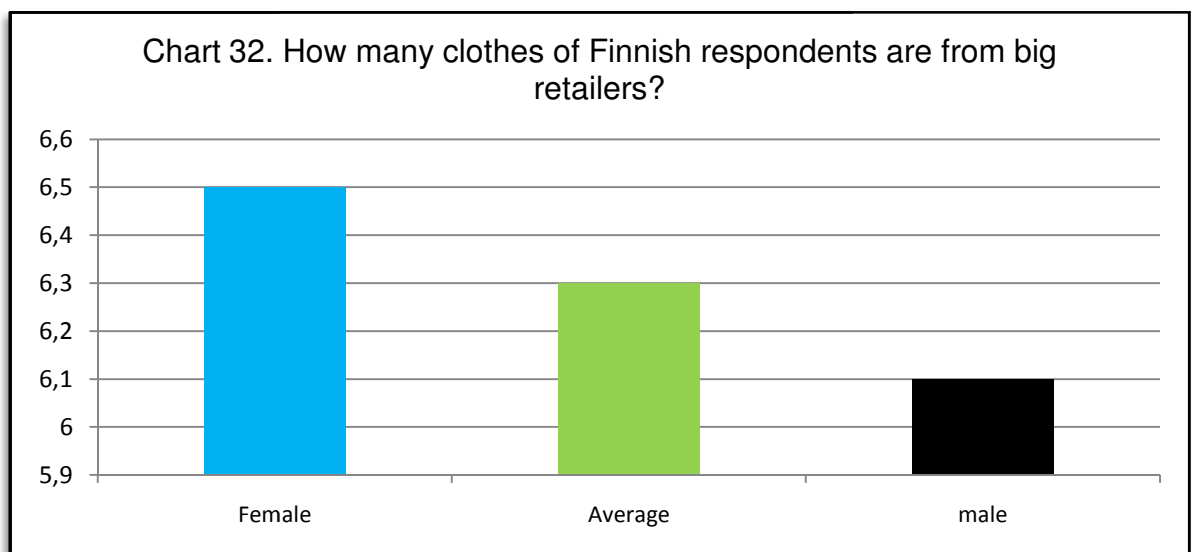
On average, about 77% of the Finnish respondents in the survey answered the question if they have ever bought clothes for themselves online with “Yes”. Like in most results, this question also revealed a difference between male respondents and female respondents. In total four out of nine Finnish male respondents ans-



were the question with a “Yes” which results in a percentage of about 44%. On the other side, nine out of twelve Finnish female respondents answered this question with a “Yes” which results in a percentage of about 83%. This shows that more Finnish female respondents have bought clothes online than Finnish male respondents. These results are comparable to the results from German respondents since the trend is the same. However, the percentage of German male respondents who have bought clothes online is much higher than the percentage of Finnish male respondents who have bought clothes. The fact that not as many Finnish males as Finnish females have bought clothes online may be connected to the fact that Finnish male respondents are not as interested in fashion as the Finnish female respondents as it has already been revealed earlier in this thesis.

Nevertheless the high results show that the process of buying clothes online seems to be popular among the sample group since the percentage of people who bought clothes online is much higher than the median of 50%.

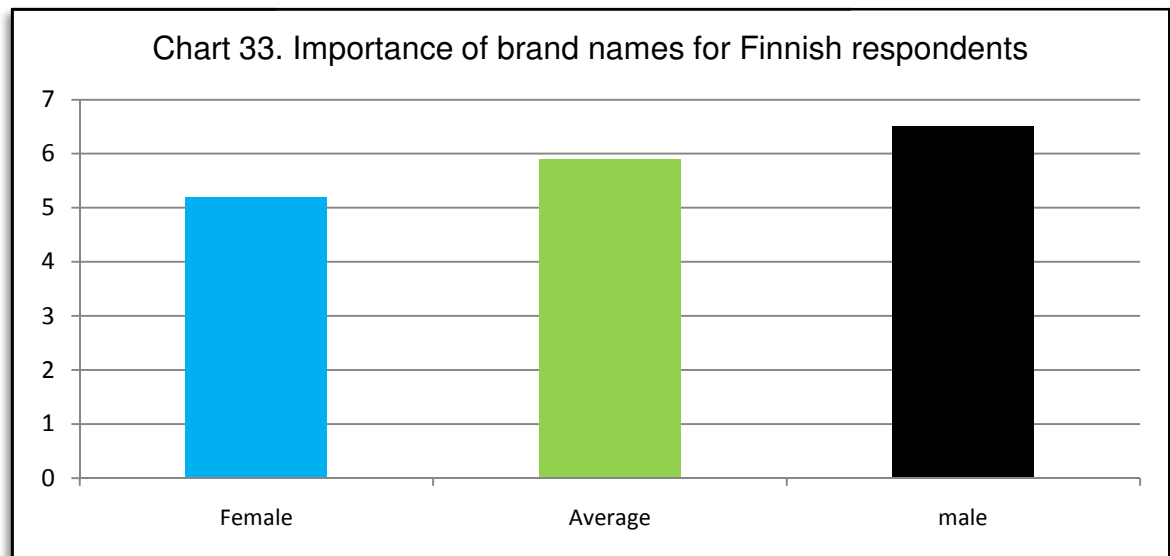
The question „How many of your clothes are bought in big shops like H&M, C&A, Seppälä and other big fashion retailers?” did the average Finnish respondent answer with a 6.3 on a scale from zero to ten. A high number shows that many



clothes are from those shops and a small number shows that only a small number of clothes are from these big fashion retailers. On average people seem to have more clothes from big fashion retailers than from smaller retailers since the average number is above the median of 5. Like for most questions there is again a visible difference between the male respondents and the female respondents. The female respondents seem to buy more clothes from big fashion retailers than the male respondents. There are many factors which may influence this results and it is impossible to give reasons for these results without doing further research in this questions. For the moment the results only reveal that big fashion retailers have a high influence on the closet of Finnish men and women.

The question “How important are brand names to you?” did the average Finnish respondent answer with 5.8 on a scale from zero to ten. A high number shows that brand names are very important to the respondent and a low number shows that brand names are not very important to the respondent. The result shows a differ-

ence compared to the answers from the German respondents where brand names seem to be valued much less by the respondents. The 5.8 shows that brand names are important to the average Finnish respondent although the influence does not seem to be overwhelmingly large. The female respondents state with



their answers that brand names are not as important to them as brand names are important to men which is the same for Germany. Finnish female respondents only scored an average 5.2 on this question and Finnish male respondents scored a 6.5. It is possible that brand names are more important to Finnish men than to Finnish women because brand names make it easier for men to evaluate quality or good products. It makes the shopping experience easier for men if they can rely on certain brand values. If they go to company x they know what to expect and what they will get in this shop. Is it possible that this reveals that men are more brand loyal than women. This should be evaluated in a further research of this question since it could mean that Customer Relationship Management plays a more important role for the business with Finnish male customers than with Finnish female customers.

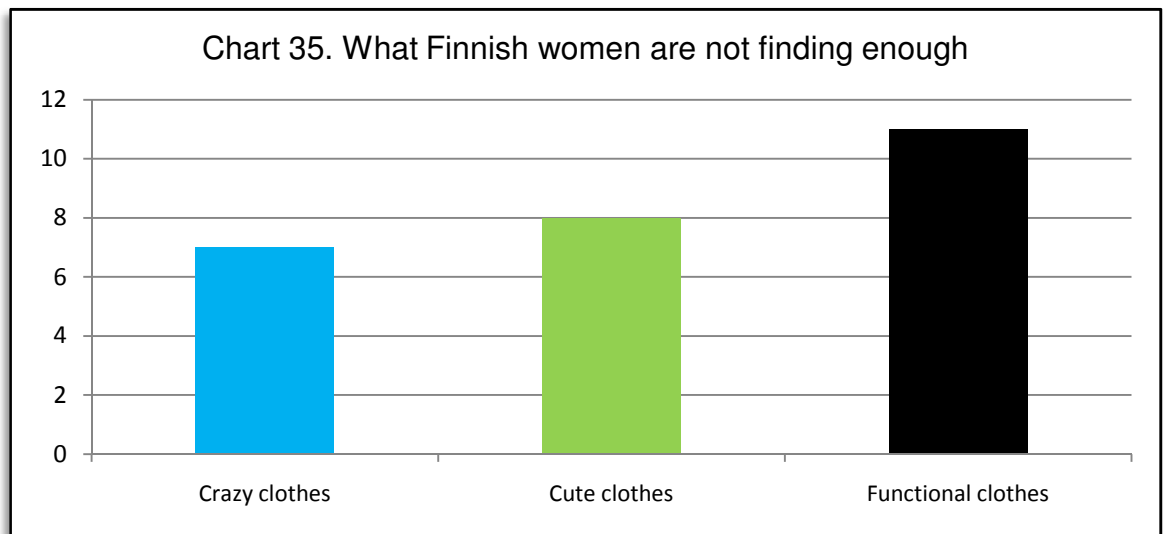
From a total of 9 Finnish male respondents in the question “Which type of clothes are you always searching but never finding enough?” about 77% of the male respondents state that they are not satisfied with the supply of functional clothes and are not finding enough whenever they are searching them. The answer with the second highest amount of answers is the option “crazy clothes”. In total about 33%

of the Finnish male respondents chose this option. Only two (22% of respondents) respondents chose the option “cute clothes” and thus this option was not evaluated further in this research. The given answers show up a potential market for



Meshcute. When the company is starting to sell clothes to the Finnish men it could be profitable to focus a little bit on functional clothes or maybe crazy clothes. However, the answers given to the question maybe a little bit distorted since the respondents had to choose something. It was not possible to give a neutral answer to this question. Multiple answers could be given at this question and thus the total percentage of answers is higher than 100%. The high number of answers to “functional clothes” may also be supported by the fact that the winter can be very cold in some parts of Finland and thus the demand for warm functional clothes is high.

In total 12 Finnish female respondents gave useful answers on the question: “Which type of clothes are you always searching but never finding enough?”. About 91% of the Finnish female respondents state that they are always searching functional clothes but not finding enough. This is different to the situation in the German market where females tend to have problems to find cute clothes the most. If Meshcute will enter the Finnish market it should be considered if functional clothes are maybe more profitable than cute clothes. Cute clothes only received the second highest amount of votes but still 66% of Finnish females state that they



are not offered enough of those clothes. This is a higher number than the 50% of German female respondents who state the same thing.

The chart reveals that even crazy clothes are requested by the respondents in the survey. The results suggest that each of those types of clothes can find a market in Finland and Meshcute should consider each option and evaluate the situation carefully. However, the answers given to the question maybe a little bit distorted since the respondents had to choose something. It was not possible to give a neutral answer to this question. Multiple answers could be given at this question and thus the total percentage of answers is higher than 100%.

The questionnaire also included a question “What services should an online shop offer?”. This question tried to reveal how the current shop system of Meshcute has to be improved by finding out what the customers value at an online shop or e-commerce website. The possible answers were: “The products should have many good pictures”, “Products should be cheaper than in a normal shop”, “The shop should have many products online”, “I want to read comments of previous buyers”, “I want a lot of text information about the product”, “A forum for discussions”, “free shipping of products” and “I do not know”.



The following chart shows how many times a certain answer was chosen. Multiple answers were allowed and thus the total number of answers is higher than the number of Finnish male and female respondents combined.

The most popular answer was “The products should have many good pictures”. In total 17 people chose this option which equals about 81% of the Finnish respondents. For the researcher this is not a surprising result since pictures are a very popular and effective tool to present a product.

The answers with the second highest amount of votes were the option “Free shipping of products” and “I want to read comments of previous buyers”. Both answers received twelve votes which equals 57% of the Finnish respondents. Although many people chose the option “Free shipping of products” it is not known if this is a service that customers are really expecting or if it is just a bonus feature that is nice to have for customers. The same case happens for German customers and this question should be investigated in a further research of this subject.

The ability to read comments of previous buyers seems to be as important for Finnish respondents in the survey as a free shipping of the products. German respondents also valued this feature very much and thus it can be assumed that those answers are reliable. The company Meshcute should consider implementing this feature on their current website.

“Products should be cheaper than in a normal shop” was the option which received the third highest amount of votes by the Finnish respondents. In total 11 people chose this option which results in 52% of the respondents. German respondents ranked this answer on rank two but the results from Finnish respondents also show that cheaper products is something that is really expected. This may reveal that customers are aware of the fact that online shops are usually generating lower costs for the owner than a normal physical shop. Thus the customers expect also that the products in the online shop are cheaper. Unfortunately the customers were not asked how much the products should be cheaper and it is possible that this question would have led to interesting answers which explain the expectations of the respondents even more. This topic could be further investigated by a new survey.

The options ““The shop should have many products online”, “I want a lot of text information about the product” and “A forum for discussions” did not receive a high amount of votes and was thus not evaluated in this research. The number of votes is too small in order to be reliable. Nevertheless it should be mentioned that the amount of votes for “A forum for discussions” are very high compared to the German results where only one respondent chose that option.

The questionnaire also included the question “When would you buy products in an online shop” and the possible answers where “If I know the company”, “If the shop offers more products than other online shops”, “If the products are cheaper than in other online shops”, “If friends have recommended me this online shop”, “If it is a shop from my country”, “I would never buy at an online shop”. Multiple answers could be chosen at this question and thus the total number of answers is higher than the amount of Finnish respondents in the survey. The answer which received the most votes was “If the products are cheaper than in other online shops”. In total 15 people (71% of the Finnish respondents) chose this option. This shows that Finnish customers may react strong on pricing strategies. “If friends have recommended me this shop” is the answer which has been the most popular answer among German respondents although the German respondents valued the importance of recommendations from friends only with an average 5.2 on a scale

from zero to ten.



On the other hand, Finnish respondents said that they value recommendations of friends with an average of 5.9 on a scale from 0 to 10 but the option “if friends have recommended me this shop” was not the most popular one at this question. Those results are hard to interpret since they reflect the exact opposite of what would have been logical.

The option which received the third highest amount of votes was the option “If the company is from my home country / city”. In total 7 respondents (33%) chose this options which shows that Finnish respondents seem to value products high that are produced in their own country or city. For the German respondents this was the least interesting option. This means that the company Meshcute could possibly succeed with a entry to the Finnish market if the products would also be produced in Finland and are branded as “Made in Finland”. The costs of this should be evaluated in a further research in order to be able to make real conclusions on this.

The remaining possible options “If I know the company”, “If the online shop has more products than other online shops” did not receive a satisfying amount of votes in order to give reliable information. Thus, these answers were not evaluated in this research.

The question “When are you willing to pay more for clothes?” gave the respondents 4 options to choose from. The question described the following scenario in order to give the respondents a certain case on which they had to react: “Imagine there are two similar products: product A (50€) and product B (60€), both look the same. When would you be willing to pay the higher price and buy product B?” After reading this text, the respondents could choose from “If the product is from a

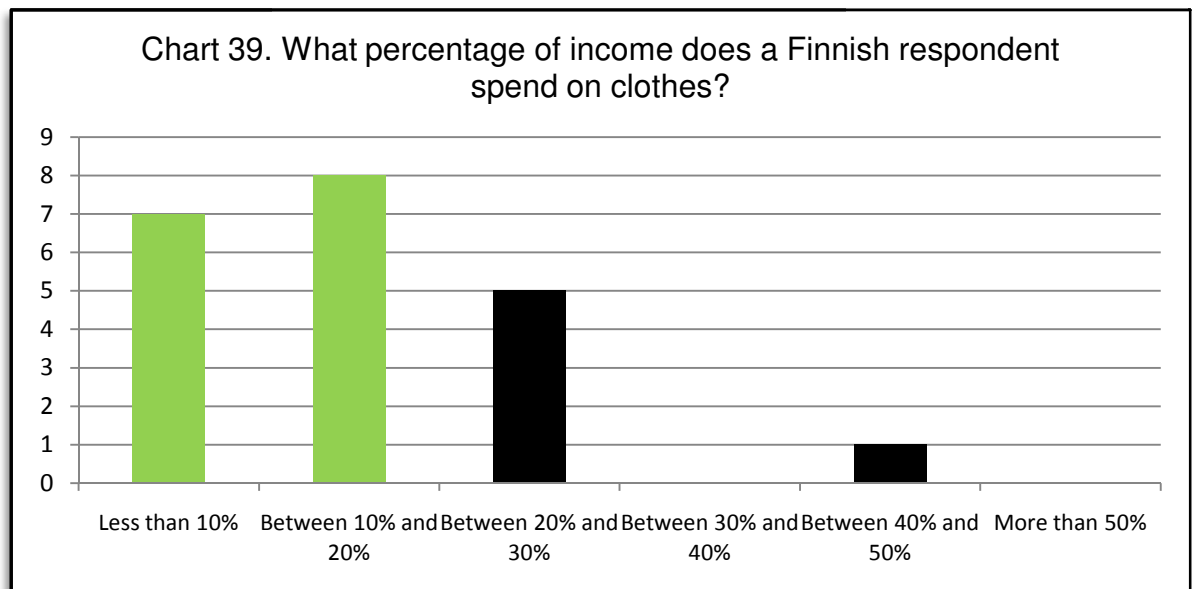


special material”, “If the product is made in my home country”, “If the product is handmade”, “If the product is produced environmental friendly”. Since the company Meshcute is currently selling handmade clothes, it would have been very good if “If the product is handmade” would have been the most popular answer. The above chart shows how the answers have been divided:

The most popular answer was “If the product is from a better material” and this option received a total of 19 votes which represents about 90% of the Finnish respondents. This makes the quality of the material even more important to Finnish respondents than to German respondents. The second most popular answer was “If the product is made in my country or city”. In total 9 people chose this option which results in about 42% of the respondents. This is different from the German respondents where only about 19% chose this option. National pride seems to be high in Finland concerning this results and it may be suitable for the business idea

to react on this fact. “If the product is handmade” only received 4 votes and thus it seems like it is not possible for Meshcute to charge the customers more money only because the product is handmade. The same results appeared among the German respondents and if this answer is evaluated isolated it may show that the business idea of Meshcute isn’t profitable. However, the company could try to produce in Finland by hand from a very good material. This way, the company would respond to all top three answers.

During the survey the respondents have also been asked what percentage of their monthly money they are spending on clothes. The possible answers were “Less than 10%”, “Between 10% and 20%”, “Between 20% and 30%”, “Between 30% and



40%”, “Between 40% and 50%”, “More than 50%”. The above chart shows which options have been chosen how often by the Finnish respondents:

The majority of the respondents answered this question with “Between 10% and 20%”. In total 8 people chose this option which represents about 38% of the Finnish respondents. The option with the second highest amount of votes was “Less than 10%”. In total, seven respondents chose this option which is percentage of about 33%.

This reveals a difference compared to the German respondents where people tend to spend more on clothes. In Germany 53% of the people are spending between

10% and 20% of the monthly income on clothes and the second most popular answer was "Between 30% and 40%". This shows that Finnish respondents are not spending much on clothes because they are not buying that many clothes or because clothes are cheaper in Finland than in Germany. This should be researched in an additional research in order to make reliable conclusions.

Additionally to the above mentioned results, the questionnaire also revealed that 21 of the 21 Finnish respondents are using Facebook as a social network which equals to 100% of the respondents. This means that Facebook could be a suitable place for advertisements for Meshcute. Unfortunately the survey didn't reveal if the percentage of Facebook-users is that high because Facebook is popular in Finland or because there are no other social networking platforms in Finland. This could also be researched in a future survey in order to find alternative social networks on which the company Meshcute can advertise.

6.4 Comparison between Germany and Finland

A comparison between the Finnish respondents and German respondents is necessary in order to reveal differences and similarities of the two countries. Therefore, the numerical results from chapter six have been translated into the following statements:

- Finnish respondents seem to be less individualistic than the German respondents. The highest scored result of Finnish respondents was lower than the highest scored result of a German respondent and the lowest scored result of a Finnish respondent was lower than the lowest scored result of a German respondent.
- Finnish respondents scored a lower result than German respondents on the Uncertainty avoidance index. The highest scored result of Finnish respondents was lower than the highest scored result of a German respondent and the lowest scored result of a Finnish respondent was lower than the lowest scored result of a German respondent.

- The average importance of clothes to the respondents is the same at German respondents and Finnish respondents. Finnish female respondents value clothes less than German female respondents. Finnish male respondents value clothes more than German male respondents.
- Finnish respondents regard the piece of clothes more important than the brand which is the same for the German respondents.
- Recommendations of friends concerning clothes and shops have the same importance among the average Finnish and German respondents. In both countries male respondents valued recommendations more than female respondents valued it.
- 72% of the Finnish respondents have bought clothes online and in Germany 77% of the respondents have bought clothes online which means that the results share similarities. However, the percentage of male respondents who have bought clothes online is in Finland much lower than in Germany.
- The importance of brand names for the respondents is higher among Finnish respondents than German respondents. The difference is largest among Female respondents of both countries. For Finnish female respondents the brand name seems to be much more important than for German respondents.
- Males in Finland and Germany are stating that they are not finding enough functional clothes in the shops.
- Female respondents in Finland have problems to find enough functional clothes the most whereas in Germany the female respondents stated that they cannot find enough cute clothes in the shops. "Cute clothes" was only the second most popular answer among Finnish female respondents.
- In both countries, respondents of the survey are expecting high quality product pictures in online shops and cheaper products than in normal shops. Followed by that, free shipment of the ordered products and the possibility to read comments of previous buyers are important to the respondents.
- Most Finnish respondents are buying products in an online if the shop offers cheaper products than other online shops. On the other side, Germans are

buying products in online shops if friends have recommended this shop to them.

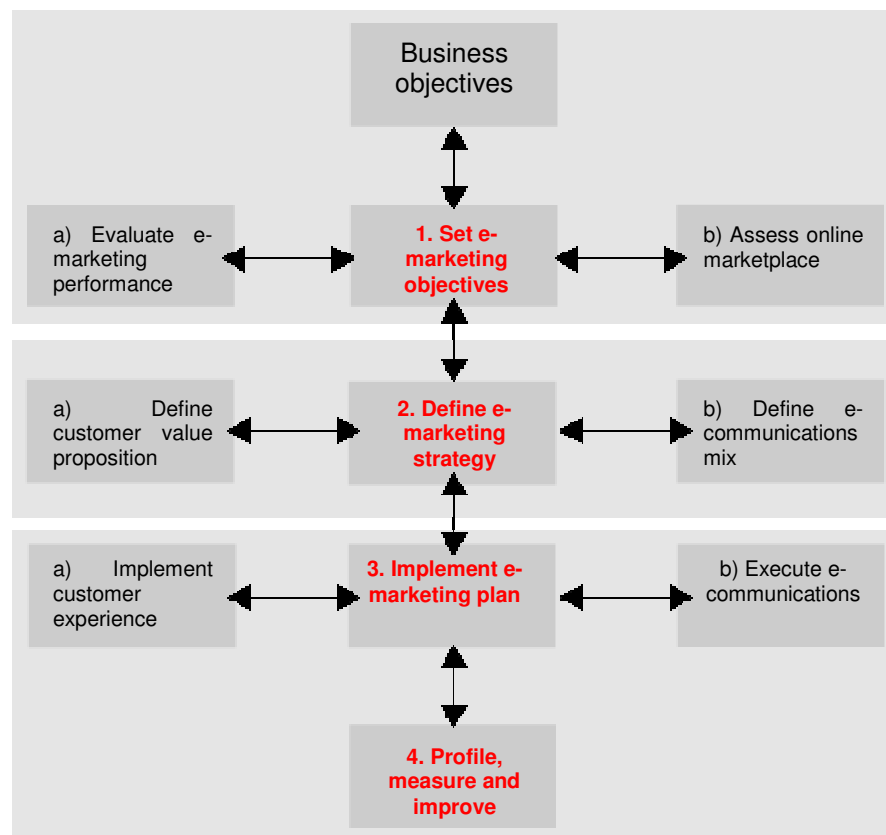
- Finnish and German respondents are willing to pay more for clothes if the used materials are better than in similar products of other shops. Additionally, 41% of the Finnish respondents are willing to pay more if the products are produced in Finland.
- Finnish respondents are spending a smaller percentage of the monthly income on clothes than German respondents.

Those results were taken into account in chapter seven when marketing strategies for the Finnish and German market are given. Together with the theory provided in chapter two, three and four.

7 FORMING THE FRAMEWORK FOR FUTURE MARKETING STRATEGIES

According to the theory of chapter four, a company should consider the 4 steps shown in the above diagram when forming an e-marketing strategy:

Chart 40. Forming an internet marketing strategy



This means, that the first step of the forming of an e-marketing strategy is the “Setting of marketing objectives” and a company has to “Evaluate the e-marketing performance” so far.

7.1 Set e-marketing objectives

In order to be able to set e-marketing objectives, the current performance of www.meshcute.de has to be evaluated. The researcher has picked up the relevant performance indicators mentioned in chapter three. The current performance of www.meshcute.de looks as follows:

Table 8. Performance of www.meshcute.de

	September	October
Unique visitors	212	93
Total number of visits	392	157
Repeated visits	180	52
Page impressions total	916	310
Page impressions per visitor	2,34	1,97
Duration of visit	121 seconds	87 seconds
Subscriptions to Newsletter	3	1

On the one hand, these numbers reveal that the performance of the website www.meshcute.de has decreased there is no positive progression visible at any of the categories. On the other hand, these numbers reveal that there are many aspects that can be optimized.

After evaluating those numbers, precise marketing objectives have to be created. The management of the company and the researcher agreed that:

“A 20% improvement of all performance sectors of the website should at least be achieved within the next 30 days after the execution of the new marketing strategies.” This will be the marketing objective!

In order to be able to define a customer value proposition and a marketing strategy, the now following subchapter 7.2 identifies the target groups of Meshcute based on the theory about consumer behavior described in chapter five.

7.2 Define e-marketing strategy

The web nature of the company Meshcute has been identified as a transactional e-commerce website with aspects of a brand building website in chapter four. This means, that marketing activities should mainly focus on:

- Increasing the brand awareness among internet users
- Increase number of sales, turnover and profit

After knowing what has to be done, the question “To whom will we market?” has to be answered. Chapter three defined several shopper segments which can be identified when examining consumer behavior. For the researcher, the following shopper segments seem to be most suitable for the company Meshcute:

- Gatherers
- Providers
- Enthusiasts

Those shopper segments could respond best on marketing activities by Meshcute as the following table shows:

Table 9. Suitable shopper segments for Meshcute

Shopper segment	Characteristic	What Meshcute offers:
Gatherers	Interested in new trends, gathering information on new products	Meshcute tries to establish a new trend (handmade clothes for young women), and offers new products
Providers	Shopping is part of their role, trying to find products for family, looking for discounts	Meshcute offers clothes for mothers and daughters alike, some products are also always on sale
Enthusiasts	Young women, Have many motivations for shopping, "shopping is fun"	Meshcute is a young modern company, with attractive products for young women

This shows that Meshcute is almost perfectly offering what those shopper segments are searching. Nevertheless, Meshcute has to be known among those shopper segments and the mentioned shopper segments have to know what Meshcute has to offer. Thus it is not enough to identify suitable shopper segments but also identify how those shopper segments can be reached via marketing campaigns.

Additionally, chapter three also revealed "consumer types" by inspecting attitudes and orientation of the consumers. The researcher has identified "Ethical Shoppers" to be also a very attractive shopper type. Ethical Shoppers are said to support local companies and do not favour large company chain. Meshcute is a local company and not a large chain. Thus the business of Meshcute can be interesting for this consumer type. Furthermore, the "Recreational Shopper" seems to be a suitable shopper type for Meshcute. The recreational shopper regards shopping as fun and according to the homepage of Meshcute; this aligns perfectly with the vision and motivations of Meshcute.

This means that the company Meshcute has to create brand awareness among “Gatherers”, “Providers”, “Enthusiasts”, “Ethical Shoppers” and “Recreational Shoppers” and should try to increase the number of sales generated by this consumer groups. Most of these groups share similarities in their definition and thus it is possible to market products to those different groups without the need for multiple marketing campaigns that state different things.

Marketing messages should try introducing Meshcute in a way that uses many words which attract several of the different target groups by using words which suit the characteristics of multiple target groups. For example: “Meshcute! A not too serious new fashion label for young women of all ages, just around the corner” could possibly attract:

- Gatherers, since they will hear about something new and they are searching for trends.
- Providers, since they are possibly trying to find a cheap fashion label for the girls and women in the family.
- Enthusiasts, and recreational shoppers, since they want to know more about this new, uncommon funny thing called “Meshcute”.
- Ethical Shoppers, since Meshcute is new (not established) and “just around the corner”.

The precise wording and marketing slogans should be worked on by a third party company that has more insight in the whole market and competitors marketing campaigns. Nevertheless, the overall message and atmosphere of Meshcute’s marketing campaign should not differ much from the above mentioned points.

After deciding what has to be improved by advertising to whom, the remaining question which has to be answered is: “Where should the marketing campaign take place?”. The following marketing communication mix focuses also on low costs of the campaign.

Social Media Marketing

Meshcute has to make more use of Facebook since the survey revealed that the majority of the respondents in the survey are using Facebook. Social Media Marketing has proven to be successful in the past as it is described in chapter four. The costs of using Social media marketing are low, since the company only has to publish news and content on the company's Facebook profile. This process will only consume time to create the content. A successful Social Media Marketing on Facebook has to initiate interaction with the user and force the Facebook user to share Meshcute content on his or her own profile to. This will introduce Meshcute to other people on Facebook that are currently not aware of the company.

In order to initiate interaction with the Facebook users, Meshcute should for example publish weekly surveys which feature a small amount of questions. This way, the Facebook user is entertained and Meshcute also gets information directly from the target group. Users could also share this survey on their profile pages if they like it. Meshcute should also make use of the "Photo album" feature in Facebook. To initiate a photo contest could for example increase the monthly active users of the Facebook page.

In order to make proper usage of the Social media platform, the company has to share new content, status messages, news as often as possible. This way the company appears more often on the Facebook summary of the subscribers of the Meshcute fan-page. Thus it is better to share more often small bits of new information than big status updates from time to time. Subscribers of the Meshcute Facebook page have to be drawn to the own website of the company in order to benefit best from social media marketing and have the chance to generate sales.

Additionally to Facebook the company should also consider other Social Media practices like a Blog or Twitter account.

Display marketing

Meshcute can make use of display marketing. It will help the company to introduce the company to the market. Unfortunately display marketing in big internet networks costs money and thus Meshcute should try to find partners. This way, Meshcute can advertise on the partner's website and the partner could advertise on Meshcutes website for free. Unfortunately, it may be hard to find a suitable partner for this kind of partnership since the performance of www.meshcute.de is not very good at the moment. The company is already cooperating with www.pressefoto.com and it should be considered to extend this partnership. Currently there is only a text link at www.pressefoto.com. Nevertheless, this partnership shouldn't be valued too high since the target group of this site is not comparable with the target groups of Meshcute.

Search marketing / SEO

Search engine optimization is another tool which offers many possibilities for Meshcute without costs. An optimization of the content and source code of www.mehscute.de will result in a better ranking in Google search results. The company should try to increase the current ranking for terms like "fashion from Germany", "individual fashion", "handmade clothes". In order to find the most suitable search queries by users Meshcute has to make use of a specialized company which offers databases and market insight. It may also be possible to find suitable information for free on the internet but the researcher has not found any during the research.

Search marketing is something that should be considered after the website of Meshcute has been optimized. In August, Meshcute already used the service "Google Adwords" and reports costs of about 0.50 € per click on a Meshcute advertisement placed in the Google network. This means, that 100 visits would cost about 50.00 €. Thus, this type of advertising can only be effective if at least one of these 100 visitors generates a profit (not turnover!) of 50.01€. Since the company makes about 33% profit with each sale, the company has to ensure that the generated turnover by the visitors is at least 150.00€. At an average product price of

50€ this would result in a required conversion rate of 3%. The researcher concludes, that Meshcute should not make use of Search Marketing as long as this conversion rate cannot be guaranteed by the quality of the website and the offered product.

7.3 The framework for future e-marketing of Meshcute

The combined results of chapter 7.1 and 7.2 lead to the following overall framework for future marketing activities of Meshcute:

Increase performance of the website by 20% within 30 days after the start of the marketing campaign by advertising the following benefits to “Gatherers”, “Providers”, “Enthusiasts” and “Ethical shoppers” on the social network “Facebook”, on www.meshcute.de, on new partner’s websites and on the partner website www.pressefoto.com:

- *“Meshcute offers individual products that not many people know about”*
- *“Meshcute is new trend which smart customers do not want to miss!”*
- *“Meshcute has affordable prices and high quality handmade products!”*
- *“Meshcute is only for you!”*

Additionally, search engine optimization has to be done in order to be ranked better in search engines and get more visitors from search engines.

The now following chapters 7.5 and 7.6 explain how this marketing strategies has to be changed or tuned in order to be suitable for the certain market. Chapter two and the outcomes of the survey revealed differences between Germany and Finland and those differences have to be taken into account.

7.4 Advices for marketing activities in Germany

The findings of chapter 7.1 and 7.2 can mostly be applied to the German market without any major changes. Nevertheless, the following changes can be effective if applied carefully and implemented in the previous defined marketing strategy.

German respondents in the survey received a little higher Individualism than the Finnish respondents which means that the advertisements should focus a little bit more on how individual a consumer can be by buying a unique product of Meshcute.

The uncertainty avoidance ranking created in this thesis revealed that the German respondents consider online shopping a little bit more risky than Finnish respondents. This means, that it could be effective for Meshcute to advertise the safety of the buying process, of the delivery and consumer information. Consumers should not refuse to buy just because they consider it as “not safe”!

Brand names are not considered to be that important for the German respondents, this means that advertisements should market the products more than the brand itself. This is good for Meshcute since it would consume many resources to first establish a brand name before sales can be generated.

Recommendations of friends and family are what make a German respondent buy products in an online shop. The company could easily reflect on this by introducing a kind of “friends and family”-discount which gives consumers the chance to name a certain amount of people (for example 3) who from then on receive a 10% discount on products. Additionally the consumer could be rewarded for this by getting a 20€ coupon once all of those 3 people have bought something from Meshcute. The effectiveness of this should be evaluated in a further research.

7.5 Advices for marketing activities in Finland

The survey revealed that individualism isn't valued as high in Finland as in Germany. This means, that it can be more effective to focus more on the benefits for the whole target group and not on benefits for the individual customer. This difference can be taken into account by adapting the marketing messages just a little bit. Instead of stating: "Individual clothes especially made for you (singular)" the company could market messages like: "Individual clothes especially made for us (plural)".

Finnish respondents in the survey received lower uncertainty avoidance indexes than German respondents. This means, that the company probably does not have to focus much on the safety of the buying process when advertising. The Finnish respondents do not seem to regard the process of buying clothes online as a high risk transaction.

Brand names are more important to Finnish respondents in the survey than to German respondents in the survey. This means, that the company should probably advertise the brand as much as the products. If the brand name is accepted, it is most likely that the products will be more accepted as well.

"Functional clothes" seem to be more demanded than cute products in Finland. This means, that Meshcute should consider changing the range of products prior a Finnish market entry. Females and males are both stating this demand as the survey revealed.

Finnish women and men are favoring online shops that offer cheaper products than other online shops. This is hard to implement by Meshcute since the shipment of products to Finland would already cost a sustainable amount of money. It may be suitable to search sewers in Finland that are willing to work for Meshcute. Alternatively, Meshcute to focus on products that are producible at low costs in order to be able to offer products that Finnish consider as cheap. Meshcute should

also evaluate Finnish online shop prior a market entry in order to know what average prices for comparable products are in Finland.

Since the survey also revealed that Finns seem to have a higher national pride than Germans. Meshcute should reflect this buy using pictures of Finns or Finland in the advertisements. Advertisements should thus also be in Finnish language and not in English. It may even be necessary to include Swedish language as well in the advertisements since Finland is bilingual.

8 CONCLUSION

The research has come to the conclusion that the following framework should be used for future marketing activities:

Increase performance of the website by 20% within 30 days after the start of the marketing campaign by advertising the following benefits to “Gatherers”, “Providers”, “Enthusiasts” and “Ethical shoppers” on the social network “Facebook”, on www.meshcute.de, on new partner’s websites and on the partner website www.pressefoto.com:

- ***“Meshcute offers individual products that not many people know about”***
- ***“Meshcute is a new trend which smart customers do not want to miss!”***
- ***“Meshcute has affordable prices and high quality handmade products!”***
- ***“Meshcute products are only for you!”***

Additionally, search engine optimization has to be done in order to be ranked better in search engines and get more visitors from search engines.

This framework can be used for the German market of Meshcute but it has to be changed for the Finnish market.

Finnish respondents valued brand names high and it will be more suitable for Meshcute to advertise brand characteristics as well as the products. This way the consumers are also influenced by the brand name and not only the product. In general, the F-IDV is lower in Finland than in Germany and this has to be reflected in the marketing messages. The company has to advertise to a group and not to an individual. This can be achieved by using words like “us, we” more than “you, I”.

The biggest challenge is based on the fact, that Finns seem to have a high national pride and favor products which are produced in Finland. Meshcute cannot just say "products are made in Finland", they also have to be produced in Finland. In order to reflect on this national pride, the company has to find ways to produce the product in Finland. A future research has to evaluate if this is profitable.

Additionally to the above mentioned changes, the company should also consider to sell a different range of products in Finland. The respondents from the questionnaire are demanding functional clothes more than the current products of Meshcute. Thus, it maybe even suitable to sell new products under a new company name which also brings up emotions linked to functional clothes.

BIBLIOGRAPHY

AGOF. 2009. "Branchenbericht Mode & Schuhe 2009". [Web Page]. Available at: <http://www.agof.de/index.924.html>

Althos. 2009. www.emarketingdictionary.com [2009]. [Web Page]. Available at: http://www.emarketingdictionary.com/Internet_Marketing_dictionary_Search_Marketing_definition.html

Braun, G., 2009. „Social Media für Marketer und Verkäufer – Eine kurze Einführung“. [Web Page]. Marketing-blog.biz: Gerold Braun. [March 3rd 2010]. Available at: <http://www.marketing-blog.biz/blog/archives/3218-Social-Media-fuer-Marketer-und-Verkaeuer-Eine-kurze-Einfuehrung.html>

Chaffey, D., Ellis-Chadwick, F., Johnston, K., Mayer, R., 2006. Internet Marketing – Strategy, Implementation and Practice. 3rd Edition. England: Pearson Education Limited

Chaffey, D., 2007. E-business and E-commerce Management: Strategy, Implementation and Practice. 3rd Edition. England: Pearson Education Limited

Facebook. 2010. "Press Room". [Web Page]. Facebook Inc. Available at: <http://www.facebook.com/press/info.php?statistics>

Hinz, P., 2010. „The five steps to Social product Marketing“. [Web Page]. www.Ecommercetimes.com: Paul Hinz. [October 22 2010]. Available at: <http://www.ecommercetimes.com/story/71085.html?wlc=1290274597>

Hofstede, G. 2001. Culture's Consequences: Comparing, Values, Behaviors, Institutions and Organizations Across Nations. 2nd Edition. United Kingdom: Sage Publications Inc.

Kaiser, D., 2010. "E-Mail Marketing for Small Businesses". [Web Page]. [www.allbusiness.com: Don Kaiser. Available at: http://www.allbusiness.com/marketing/direct-marketing-e-mail/2595-1.html](http://www.allbusiness.com/marketing/direct-marketing-e-mail/2595-1.html)

Kleiser, A., Klekamp, J., Perkovic, T., Schlüter, M., 2008. "Praxistest: Online-Spendings vs. Klickraten". [Web Page]. [de.adition.com \[December 12th 2008\]. Available at: http://de.adition.com/press/pressrelease/2008/12/11/](http://de.adition.com/press/pressrelease/2008/12/11/)

Martin, H. E., 2007. „Hohes Wachstum für Mobile Marketing prognostiziert“. [Web Page]. Hugo Egon Martin. [November 10th 2007]. Available at: <http://hemartin.blogspot.com/2007/11/hohes-wachstum-fr-mobile-marketing.html>

Solomon, M., Bamossy, G., Askegaard, S., Hogg, M.K., 2006. Consumer Behaviour – A European Perspective. 3rd Edition. England: Pearson Education Limited

Thurlow, S., 2010. "Interacting with the connected customer: Don't forget the cake". [Web Page]. [www.ecommercetimes.com: Steve Thurlowm \[August 31 2010\]. Available at: http://www.ecommercetimes.com/story/70721.html](http://www.ecommercetimes.com/story/70721.html)

Zelewitz, M., 2009. "Wieviel geben Unternehmen für Social Media aus?". [Web Page]. Aviseo Internetmarketing GmbH: Martin Zelewitz. [August 6th 2009]. Available at: <http://www.aviseo.at/unternehmen-social-media/>

APPENDIX 1: QUESTIONNAIRE

How important are clothing to you?										
0	1	2	3	4	5	6	7	8	9	10

How important are brand names to you?										
0	1	2	3	4	5	6	7	8	9	10

How well does this sentence fit you "The clothes are more important to me than the brand they are from"?										
0	1	2	3	4	5	6	7	8	9	10

How individual/unique is your dressing style?										
0	1	2	3	4	5	6	7	8	9	10

How well does this sentence fit you "I have a lot of clothes that most people would regard as "crazy/unique/special"?"										
0	1	2	3	4	5	6	7	8	9	10

How well does this sentence fit you "I usually buy clothes from one or two brands only"?										
0	1	2	3	4	5	6	7	8	9	10

How many of your clothes are bought in big shops like H&M, C&A, Seppälä and so on?										
0	1	2	3	4	5	6	7	8	9	10

How well does this sentence fit you "I only buy in shops that I know"?										
0	1	2	3	4	5	6	7	8	9	10

How important are recommendations of friends to you concerning clothes and shops?										
0	1	2	3	4	5	6	7	8	9	10

How well does this sentence fit you "I switch my favorite brands very quickly and often"?										
0	1	2	3	4	5	6	7	8	9	10

Do you care about other people's opinions concerning your clothes?	YES	NO
Is it hard for you to find clothes because you have a special taste?	YES	NO
Have you bought clothes for yourself online?	YES	NO
Do you have a favorite online shop for clothes?	YES	NO
Do you have a "insider shop" which not many people know and where you buy your clothes?	YES	NO
Do you only buy from this favorite online shop?	YES	NO
Have you ordered clothes for yourself from a catalogue?	YES	NO
Have you bought other products for yourself than clothes online?	YES	NO
Have you bought clothes on online auctions?(like E-Bay for example)	YES	NO
Have you bought clothes for other people online?	YES	NO
Which type of clothes are you always searching but never finding enough?	<input type="checkbox"/> Functional clothes <input type="checkbox"/> Cute clothes <input type="checkbox"/> crazy clothes	

<p>What services should an online shop offer? (Please dont mark more than 3 answers)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> The products should have many good pictures <input type="checkbox"/> Products should be cheaper than in a normal shop <input type="checkbox"/> The shop should have many products online <input type="checkbox"/> I want to read comments of previous buyers <input type="checkbox"/> I want a lot of text Information about the product <input type="checkbox"/> A forum for discussions <input type="checkbox"/> Free shipping of products <input type="checkbox"/> I dont know what I want. I know what I want when I see it
<p>When would you buy products in an online shop? (Please dont mark more than 3 answers)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> If I know the company <input type="checkbox"/> If the shop offers more products than other online shops <input type="checkbox"/> If the products are cheaper than in other online shops <input type="checkbox"/> If friends have recommended me this online shop <input type="checkbox"/> If it is a shop from my country <input type="checkbox"/> I would never by at an online shop.
<p>When are you willing to pay more for clothing? <i>(Imagine there are 2 similar products. Product A (50€) and Prduct B (60€), both look the same. When would you be willing to pay the higher price and buy product B?)</i></p>	<ul style="list-style-type: none"> <input type="checkbox"/> When the product is from a special material <input type="checkbox"/> When the product is made in my country <input type="checkbox"/> When the product is hand made <input type="checkbox"/> When the product is produced environmental friendly
<p>Which type of T-Shirts do you dress most? (Please mark only 1 answer)</p>	<ul style="list-style-type: none"> <input type="radio"/> With funny slogans printed on it <input type="radio"/> With cool pictures / logos printed on it <input type="radio"/> Plain colored T-Shirts without text or pictures
<p>What percentage of your monthly income do you spend on clothing? (Please mark only 1 answer)</p>	<ul style="list-style-type: none"> <input type="radio"/> Between 10% and 20% <input type="radio"/> Between 30% and 40% <input type="radio"/> Between 40% and 50% <input type="radio"/> More than 50%
<p>Which social networks do you use?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Facebook <input type="checkbox"/> StudiVz / MeinVz <input type="checkbox"/> Xing <input type="checkbox"/> Other (Please provide the name: _____)

Would you buy clothes with your university logo or slogan?	YES	NO
What would be a suitable price for a Hoodie from your university?	<input type="radio"/> Less than 25€ <input type="radio"/> Between 25€ and 35€ <input type="radio"/> Between 35€ and 50€ <input type="radio"/> I don't know	
What would be a suitable price for a T-shirt from your university?	<input type="radio"/> Less than 10€ <input type="radio"/> 10€ <input type="radio"/> 15€ <input type="radio"/> 20€	

How old are you?	<input type="radio"/> 15 – 19 <input type="radio"/> 20 – 24 <input type="radio"/> 25 – 29 <input type="radio"/> 30 – 34 <input type="radio"/> 35 – 39 <input type="radio"/> I am older than 39
Are you „male“ or „female“?	<input type="radio"/> Female <input type="radio"/> Male
What is your nationality?	