



LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

INTEGRATED MARKETING COMMUNICATION PLAN FOR PENETRATING THE U.S MARKET

Cloud computing - Case: Senso Oy

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Nguyen Minh Hoang

Lahti University of Applied Sciences
Degree Programme in International Business

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ABSTRACT

Cloud computing – a hype phrase buzzing around the industry – is believed to be a new emerging computing paradigm that will fundamentally transform the information technological landscape. A fledgling Finnish software enterprise – Senso Oy – is eager to tap into the new trend by penetrating the U.S market in anticipation of a major leap in business.

This thesis primarily focuses on the business perspective of cloud computing and on designing an integrated marketing communication plan for the case company in the face of a tough economic climate.

Besides elaborating on the increased movement of workloads to cloud environments is a comprehensive effort yet to explore the issues related to the target market and the case company. The combination of in-depth industry knowledge and market insight puts forward a cost-effective marketing campaign to communicate the case company's message to the target audience. Without detriment to the effectiveness of the campaign, measurement methods are proposed to keep track of an ongoing process.

A deductive approach is employed together with a qualitative technique to analyse different business models such as external audit of the U.S market, competitor analysis, internal audit of the case company and its business offerings. Data collection is conducted through either primary sources like interviews and unpublished papers or secondary sources such as books, journals, articles and reports.

It is concluded that the choice of communication channels plays a significant role in generating leads needed to fuel the growth of the case company between leading service providers. A strong emphasis is put on the interaction among various marketing channels to effectively create touchpoints with customers and prospects on the journey of building brand awareness.

Key words: Cloud computing, Senso Oy, integrated marketing communication, the U.S, leads, interaction, marketing channels.

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GLOSSARY

4Ps	Product, Price, Place, Promotion
7S	Structure, Systems, Style, Staff, Skills, Strategy, Shared values
B2B	Business to Business
B2C	Business to Customers
CAGR	Compound Annual Growth Rate
CAO	Chief Administrative Officer
CCC	Content, Communication and Collaboration
CDO	Chief Distribution Officer
CEO	Chief Executive Officer
CIO	Chief Information Officer
CMO	Chief Marketing Officer
COO	Chief Operating Officer
CRM	Customer Relationship Management
CTO	Chief Technology Officer
DCC	Digital Content Creation
DDoS	Distributed Denial of Service
ERP	Enterprise Resource Planning
FTC	Federal Trade Commission
IaaS	Infrastructure-as-a-Service
IMC	Integrated Marketing Communications
IT	Information technology
NP	Naisten Pukutehdas – Rosendahl family-owned business
NRF	National Retail Federation
PaaS	Platform-as-a-Service
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
PPC	Pay-Per-Click

ROI	Return On Investment
S3	Simple Storage Service
SaaS	Software-as-a-Service
SCM	Supply Chain Management
SMEs	Small and Medium-sized Enterprises
SWOT	Strengths, Weaknesses, Opportunities, Threats

1 INTRODUCTION

1.1 Background information

With the rising tide of the digital age over the past years, cloud computing has been characterised as a new paradigm and state-of-the-art technology that potentially transforms the information technological landscape (Fenn et.al 2008). The movement of workloads to cloud environments is beginning to be felt across industry as IT software and hardware are being offered as a service (Armbrust et.al 2009).

Cloud computing refers to a large arena of flexibly accessible virtualised resources consisting of software, hardware and development platforms. These resources have typically adopted subscription-based pricing model enabling dynamic adjustment for optimal resource utilizations. (Geelan 2009.)

From a technological perspective, cloud computing is an advanced version of virtual servers available over the Internet. It is a predictable progress from large machines and mainframe architectures to private computers and ultimately to small personal devices or handheld gadgets. (Freiberger & Swaine 2000.)

The business aspect of cloud computing is becoming more attractive to businesses of all sizes due to the fact that cloud-based services flexibly offer a cost-effective alternative and a greener IT ecosystem (GFI Software 2010). Cloud technology is most likely to revolutionise the provision of computing resources and deployment capabilities, smashing long-established value chains and bringing forth a new business model (Leimeister 2010).

In anticipation of a giant leap in business, a fledgling Finnish enterprise Senso Oy is attempting to join the game with big players who obtain the full deployment in cloud computing in order to tap into the emerging phenomenon. The U.S represents the largest opportunity for those who have an ambition to acquire the lion's share of the market (Mertz et.al 2010). Breaking into the U.S - the most mature of the regional markets - poses a great variety of obstacles and requires rigorous planning. As a result, a well-grounded marketing communication plan is of utmost importance for a firm foothold in the fiercely competitive market.

1.2 Thesis objectives and research questions

The research study aims to design an integrated marketing communication plan for the case company as part of its strategic objectives to penetrate the U.S market. Hereby the thesis highlights the utilization of various marketing channels in an effort to communicate the case company's message to the target audience. In the pursuit of positioning the case company in the U.S market, the following research questions are formulated.

Research question: How can the case company launch a productive marketing campaign in the U.S market?

In order to fulfil the aforementioned question, five sub-questions are identified:

- What is cloud computing, its drivers and inhibitors?
- How can the U.S become a strategic market in the case company's expansion plan?
- Based on the strengths and weaknesses of the case company, can it survive the competition and claim its presence as a cloud service provider in the U.S market?
- Which communication vehicles should the case company employ?
- How can the effectiveness of marketing channels be measured?

1.3 Thesis scope and limitations

The term – cloud computing – more than often presents an IT-related topic of discussion which appears to be technical. Cloud is a collection of internet-based services which offer a wide range of applications and solutions for businesses. Cloud as a building is supported by complex datacenter hardware and software or mainframe infrastructures. (Armbrust 2009.)

Therefore this research paper strongly focuses on the business angle of cloud technology. It aspires to provide an insight into cloud computing as a business tool to maximise profitability, cut down unnecessary expenses and fully concentrate on core business offerings.

Being commissioned and supported by the case company, the research study aims to meet all the requirements set out before the start of the project. Based on the discussion with Mr. Markus Rosendahl – CEO of Senso Oy and Mr. Jukka Lehto – U.S Regional Manager, the following issues were revealed in the face of entering a highly mature market. A strong grasp of cloud computing market in the U.S together with the knowledge of internal strengths and weaknesses should be underlined. The success of a marketing campaign heavily relies on the choice of marketing vehicles and measurement tools.

For the purpose of this study, the traditional marketing mix (4Ps) and the mode of internalisation will be ignored. However, throughout the research, the elements of marketing mix such as pricing and product will be discussed briefly in order to support for the decision making process in the communication plan.

An in-depth analysis of the market, competitors and the organisation will be carried out to create a strong foundation for the integrated communication plan. The financial allocation – an indispensable part of the plan – is likely to suffer from a high degree of uncertainty due to the fact that marketing expenses and costs of operating the campaign are subject to change and difficulties in obtaining the right figures. As a consequence, the financial allocation should be updated or agreed to with marketing planners before the start of the campaign to produce accurate financial figures.

1.4 Research methods

The research paper pursues the subsequent methodology.

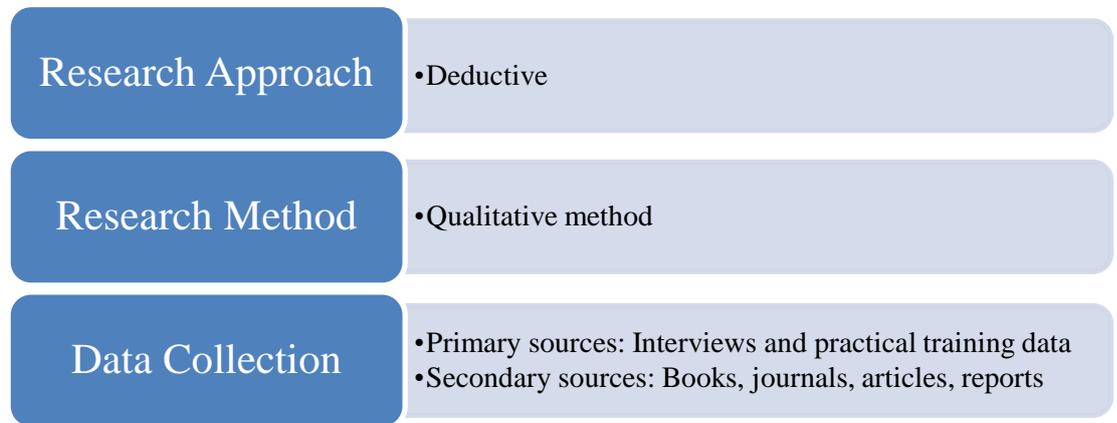


FIGURE 1. Research framework.

Research approach

According to Lancaster and Crowther (2009), the research methodology was divided into two key approaches – deductive and inductive. The former approach derives from a theory or hypothesis then draws on logical conclusions regarding the issue under attack. Based on the flow of information presented, it is also referred to as a “top-down” approach. The latter approach follows a converse direction moving from particular observations to broader generalisations and theories. For that reason, it is dubbed as a “bottom-up” approach. (Lanscaster & Crowther 2009.)

The deductive approach is applied throughout the research. The conclusion and recommendations will be put forward by analyzing and collaborating different theoretical frameworks, such as PESTEL, SWOT and Five Forces model.

Research method

A research method is the practice of collecting, organising and analysing information. Quantitative and qualitative methods are the most common approaches in conducting scientific and social studies (Teddlie & Tashakkori 2009, 21). The quantitative method refers to the systematic examination of a

specific phenomenon via measuring variables, statistical and mathematical techniques. On the other hand, the qualitative method encourages researchers to employ various academic data-collecting approaches to gain a closer insight into the issue (Thomas 2003, 1).

The qualitative technique is selected for this thesis together with small group discussions and key informant interviews. Group discussions and interviews are popular techniques in obtaining market insight and testing new initiatives (Axinn & Pearce 2006). This particular communication plan benefits from this model.

Data collection

The thesis is expected to tap into a wide range of sources depending on the reliability and scalability of structural frameworks. Both primary and secondary sources are used to provide a solid basis for argumentation and debate.

Primary data is extracted during the practical training period at the case company. Acting as a facilitator in small group discussions and carrying out face-to-face interviews with business experts help produce lots of valid and relevant information for researching (Axinn & Pearce 2006, 3). Secondary sources from publications such as books, journals, articles and previous research are expected to use as well.

1.5 Thesis structure

The study is presented in the combination of the theoretical framework and the empirical part. The empirical part is simultaneously embedded into the theoretical one to enhance the understanding and make the train of thought more fluid.

The thesis structure is depicted in figure 2:

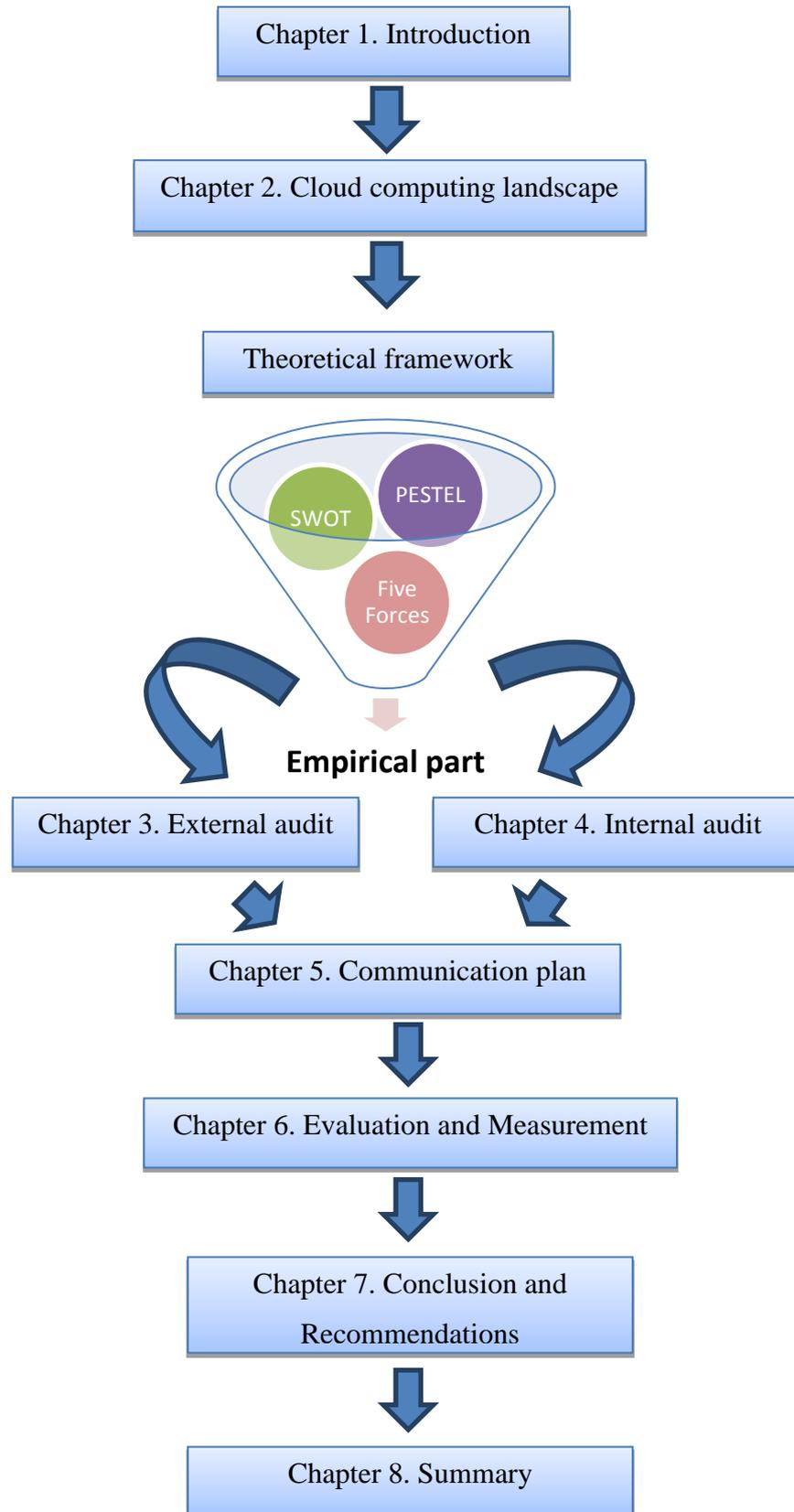


FIGURE 2. Thesis structure.

Chapter 1 introduces the background information as to why it is important to investigate the issue.

Chapter 2 reviews the growing shift of IT industry to cloud environments.

Chapter 3 sketches out the theoretical frameworks, and then applies these models into deeply analysing the U.S market.

Chapter 4 continues utilising analytic approaches to explore strengths and weaknesses of the case company in the way of searching for a new source of business growth.

Chapter 5 merges the aforementioned findings to create an integrated marketing communication plan to penetrate the U.S market.

Chapter 6 is designed to provide measurement tools for the effectiveness of the used communication vehicles.

Chapter 7 draws on conclusions and proposes some recommendations for the case company's journey to America.

Chapter 8 puts the whole thesis in shorter contexts to easily implant these ideas into readers' minds.

2 CLOUD TECHNOLOGY OVERVIEW

Over the past couple of years, cloud technology has become one of the most significant trends in technology. The migration of workloads to the cloud has driven the growth of technology spending, generating plenty of business opportunities for companies positioned to offer cloud-based services and for those building their business models in the cloud (Morgan Stanley 2011). The report of Morgan Stanley (2011) continued to point out that public cloud workloads may grow twice as fast as the current market prediction with a Compound Annual Growth Rate (CAGR) of about 50% in the next three years. Cloud vendors are expected to improve the level of adoption in breadth and depth from 28% to 51% and the percentage of workloads in the cloud increases from 10% today to 21.5% in three years. Richer information concerning cloud computing forecast can be found in the Appendix 2.

As companies are tightening their belts, searching for leaner alternatives, popularity and interest of new business models are receiving a robust boost especially among small and medium – sized enterprises (SMEs) (Mertz et.al 2010). Companies used to buy massive computing time and spend hours at a limited terminal inputting and processing data. The process required skilled IT engineer support which occupies a high portion of income. The age of “on-premise” model where the data and IT system are stored at companies’ premises is starting to lose its appeal. (GFI Software 2010.)

Moving to the cloud offers companies higher scalability on a pay-as-you-go or rental basis. The costs of setting up IT departments, recruiting staff and procuring the hardware and software is likely to be greatly reduced (Deloitte 2009). IT industry is running toward the “all cloud” age competing on the same platform to become a market leader. Still there are many concerns over the hype and myth surrounding a metaphor of the Internet, “the cloud”, whether it lives up to organisational expectation, who is able to gain access to their data in the cloud and how secure the cloud is. The cost benefits, however, often outweigh those worries. (Ried et.al 2008.)

2.1 Cloud definition

Armbrust and his colleagues (2009) referred to cloud computing as both the applications provided as services and the hardware/systems software in the data centres that deliver those services. The services have long been known as **Software as a Service (SaaS)**. The data central hardware and software is called a **Cloud**. A cloud which is open to the general public on a pay-per-use basis is referred to as a **Public Cloud**. The service being sold and running in the cloud is **Utility Computing**. A **Private Cloud** only exists in an organisation as internal data centres which are not made available to the public. Cloud Computing is the combination of SaaS and Utility Computing, not Private Clouds. (Armbrust et.al 2009, 1.)

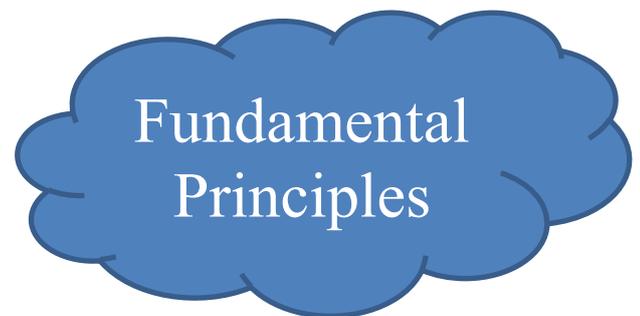
Many other business experts also strived to provide a precise definition of the emerging phenomenon. For example:

Cloud computing can be considered a new computing paradigm that allows users to temporarily utilise computing infrastructure over the network, supplied as a service by the cloud-provider at possibly one or more levels of abstraction.(Youseff et.al 2008,1)

The lack of a consistent definition does not fog over the cloud's benefits and its characteristics which have long been realised before it was granted a name. Figure 3 basically illustrates the characteristics of cloud computing.

Highly abstracted
Systems hardware and software
is highly abstracted from the
users

Pay
the



Multi-tenant
The architectures allow a large
number of companies to subscribe to
the system while maintaining
privacy and security

Us
up
c

FIGURE 3. Cloud characteristics (Adapted from Deloitte 2009, 4).

2.2 Drivers and Inhibitors

Businesses across industry are prepared to adapt a new business model as the cutting-edge technology is bubbling to the surface. The cloud has clearly offered a cost-effective alternative to organisations in the current economic climate. Cutting costs, however, comes at what price. Companies have to be cautious and not stuck into the “all cloud” solution trap. Hardly is there one-model-fits-all, organisations are supposed to examine what cloud-based services can contribute to the existing set-up. (GFI Software 2010.)

2.2.1 Drivers

The aforementioned cloud characteristics obviously exhibit its advantages driving the migration of workloads to cloud environments. Increased Return on Investment (ROI) with quicker payback and the elimination of upfront investment result from the pay-as-you-go model and multi-tenancy infrastructure. On top of that, high abstraction and immediate scalability lead to greater flexibility and higher productivity.

Increased ROI, quicker payback and reduced upfront investment

The pay-as-you-go pricing model indicates that a service is charged based on the actual consumption through a subscription model or utilisation-based option which is similar to mobile phone charges. The multi-tenancy infrastructure allows companies to shift their costs to service providers who can stretch them across their client base. (Deloitte 2009.)

Being engaged in cloud environments, companies no longer need to invest capital upfront or tie up their spending capabilities in long-term contracts. Tactical cost reduction releases more funds for investment in other business areas and improves companies' adaptability to changing business needs in terms of finance. The capability of directing more finance into revenue-generating operations helps accelerate payback and enhance ROI. (Ried et.al 2010.)

Greater flexibility and extreme scalability

As the dot com bubble is accelerating business cycles, shortening the life of existing systems, companies need to quickly adapt to a new environment by immediately scaling up and down their businesses (Deloitte 2009). In other words, the cloud allows organisations to match their IT infrastructure such as processing power, storage, networking and staff management with variable needs, avoiding costly resources in upgrading systems, wasting time and capacity limitations (Columbus 2011).

As cloud computing offers companies a flexible approach to gain access to optimised and high standard IT systems, companies are able to move swiftly to meet new demands while maintaining a competitive advantage (Ried et.al 2010).

2.2.2 Inhibitors

A downtime and data loss at U.S phone company T-Mobile in association with the collapse of the server of Danger Inc, a subsidiary of Microsoft, represents a real drawback of floating in the cloud. T-Mobile stored data with Danger which went down unpredictably that led to the loss of access to all its customers' data as well as photos and calendar entries (Rivera 2010). This is just one of the stories surrounding the downside of cloud computing. Concerns about security, control and compliance, availability and performance issues and resistance to change in IT are perceived and examined deeply.

Data security

The most perceived concern with cloud environments is that on-line services are not as secure as their on-premise systems. The favourable characteristics such as multi-tenancy model and the high abstraction associated with the cloud service have legitimately created worries over data security and confidentiality. Exposing corporate data to public clouds is making companies vulnerable to more cyber attacks. (Vogels 2008.)

In order to alleviate security issues, cloud vendors have been applying contractual protection, security audits, certification by trusted third parties. Those measurements help protect cloud clients and ensure vendors adhere to appropriate practices. (Deloitte 2009.)

Availability of a service

Internet outages and downtimes seem familiar to the general public one way or another on a daily basis. The degree of availability of a service makes organisations wary to move to cloud environments. Table 1, adapted from Stern, (2008) shows recorded outages of some big players in cloud computing such as Amazon Simple Storage Service (S3), AppEngine and Gmail in 2008.

TABLE 1. Outages in S3, AppEngine and Gmail (Stern 2008).

Service and Outage	Duration	Date
S3 outage: authentication service overload leading to unavailability	2 hours	15/02/08
S3 outage: Single bit error leading to gossip protocol blow-up	6-8 hours	20/07/08
AppEngine partial outage: programming error	5 hours	17/06/08
Gmail: site unavailable due to outage in contacts system	1.5 hours	11/08/08

Another availability issue of cloud-based solutions is Distributed Denial of Service (DDoS) attacks. Cyber criminals targeted SaaS providers' income by disconnecting their services at prime times. Cloud vendors were likely to spend \$10,000 to 50,000 to counter-attack the launch of DDoS (Rangan et.al 2008). Cloud providers such as Google and Amazon are improving uptimes up to 99.9% to meet the most demanding corporate expectations since service credibility heavily depends on this (Deloitte 2009).

Control and compliance

Data ownership and access right are the main implication of the control issue. The high abstraction quality of cloud computing has led to these fears over control and compliance concerns. As corporate data is stored outside companies' walls, worries over trust, authentication and authorisation are legitimate. Data ownership and access raises the question as to who owns and has access to the data while compliance issue poses the question whether the organisation comply with strict data privacy protection regulations. (Siegele 2008.)

Persistence of conventional IT systems

Huge investments in setting up IT infrastructure including placing hardware and software in house have become the resistant factor against applying cloud technology. Streamlining IT departments has effectively changed the main role of CIO and CTOs from implementing technologies to integrating services by leveraging technology and information. (Chorafas 2011.)

A market research by Deloitte (2009) pointed out that the nature of IT management will shift from internal operational maintenance to IT service relationship management as cloud computing is put in place. Even though facing initial resistance, cloud computing will become a force of change shaping a whole new IT industry.

To put it more succinctly, figure 4 profiles the perceived drivers and inhibitors of cloud computing.

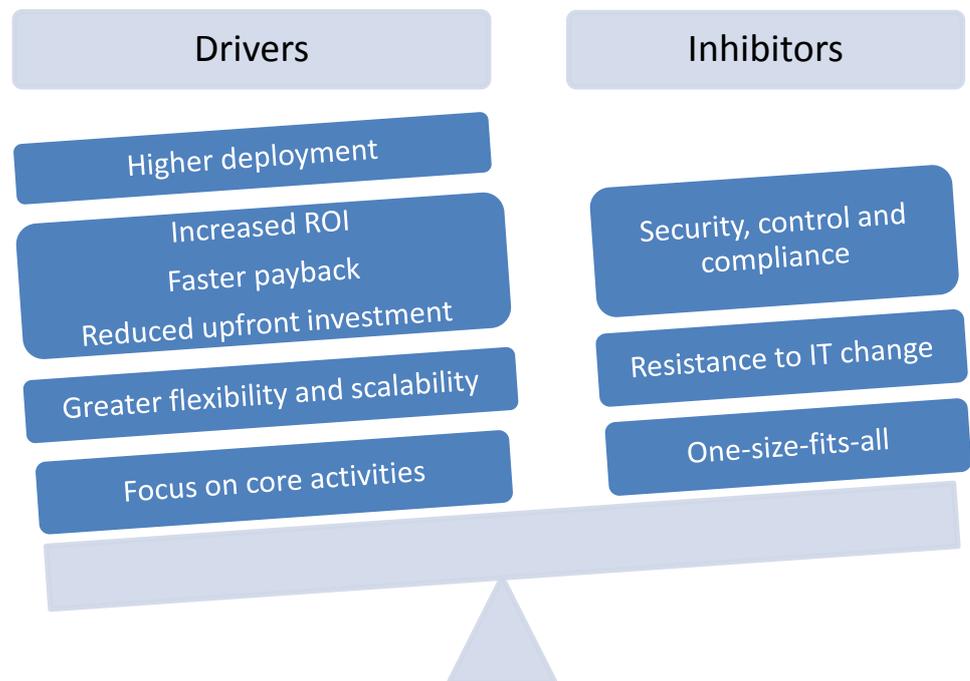


FIGURE 4. Cloud computing drivers and inhibitors (Deloitte 2009, 15).

2.3 Market segments of cloud-based solutions

There are two dimensions to classify different market segments:

- Horizontal dimension (see figure 5) refers to *what* resources are shared among users in clouds. Distinct IT resources are shared based on types of offering in cloud-based services: applications, infrastructure, platform, and information and processes. Business applications change the conventional purchase and installation of software into a pay-as-you-go model. Infrastructure in the cloud transforms the purchase of hardware in terms of storage and servers. Platform provides an IT environment in which tailor-made products / software are created and replace the licensing model, mood of installation and integration of such software. (Ried et.al 2010.)

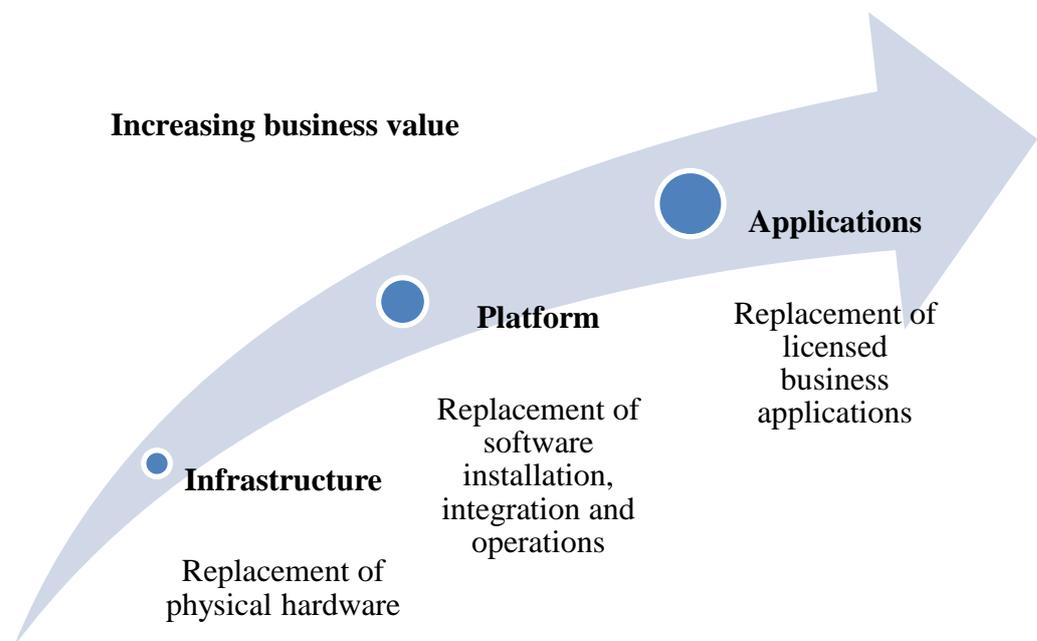


FIGURE 5. Horizontal dimensions of market segments.

- Vertical dimension (see figure 6) demonstrates *with whom* resources are shared. Cloud services can be shared within a single company through a private cloud. Levels of sharing proceed to a larger number of trusted companies and ultimately escalate to the unlimited public cloud (Ried et.al 2010).

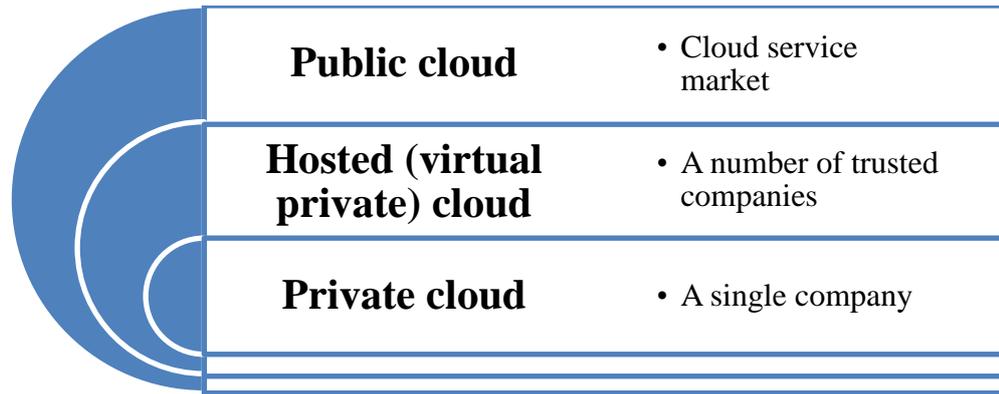


FIGURE 6. Vertical dimensions of market segments.

According to a study by Ried et.al (2010) at Forrester, Inc, the entire picture of cloud technology market segments is created by putting two dimensions together – what resources are shared and with whom (see figure 7). Each market segment details its own market size, maturity, competitive landscape and market trends.

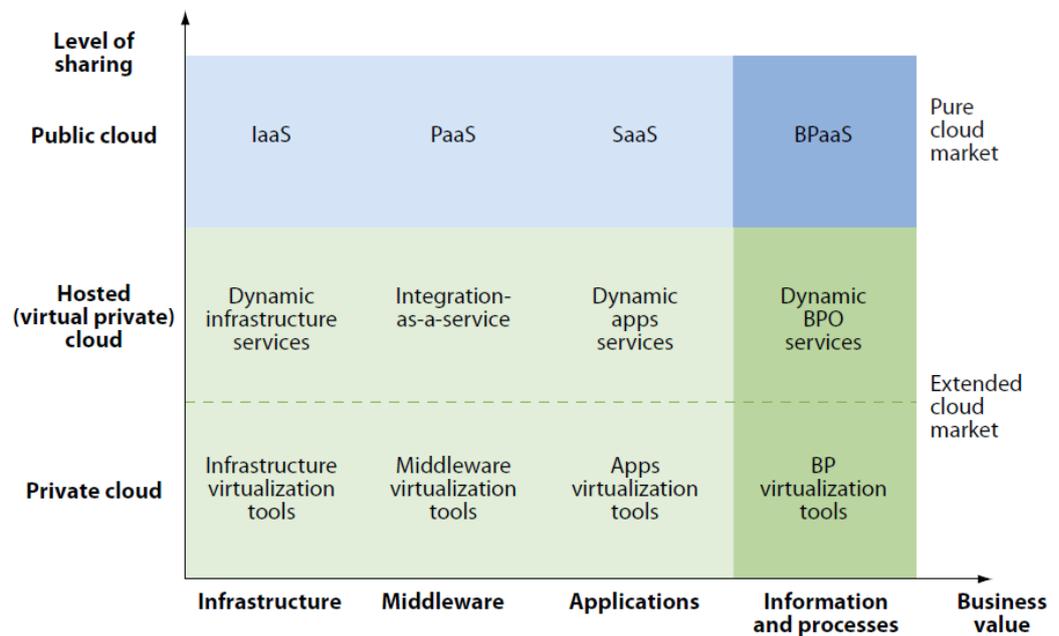


FIGURE 7. Full cloud computing market segments (Adapted from Forrester Research 2010).

Market segments including SaaS, PaaS and IaaS in the public cloud are to be thoroughly analysed and examined to gain an insight into stretching portfolios of competitors and their positions in the IT industry.

Software-as-a-Service (SaaS)

A majority of business applications are employed via software installations. With cloud computing, companies can access their applications through web-portals or some user interaction venues. The innovative software provision is referred to as Software-as-a-Service (SaaS). (Leimeister et.al 2010.) Adoption of SaaS continues to grow and accounts for \$8.1 billion worldwide which is the largest segment of the cloud computing market (89%) (Finch 2006).

SaaS providers generate a large part of revenue based on the number of users subscribing to their service. Leading vendors have enjoyed extremely strong growth by early adoption of on-demand solutions such as Salesforce.com, Workday and Net Suite. A major shift toward on-demand capabilities from established vendors such as SAP, Oracle and Microsoft has been made to cope with the growing pressure since their revenues primarily come from on-premise licenses. (Morgan Stanley 2011.)

A great variety of portfolios have been introduced to meet increasing demands of the SaaS market. These portfolios include Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Content, Communication and Collaboration (CCC) and Digital Content Creation (DCC) (Finch 2006). A comprehensive research into these portfolios is conducted in the next chapter for the U.S market since the SaaS market segment - especially small and medium-sized enterprises (SMEs) - has been chosen as the target market and the target customers of the case company.

Platform-as-a Service (PaaS)

Traditional application development has been the pursuit of large software vendors mostly aiming at the highest end-markets. PaaS clouds has been introduced for SMEs to develop application capabilities to facilitate a much wider range of business processes due to their ease of use, lower up-front investments

and time-to-market benefits. (Jacob & Ulaga 2008.) PaaS offers a full set of well-developed application programming interfaces (API) featuring multi-function components such as automatic scaling, authentication services and graphical user interfaces (Leimeister et.al 2010).

The lack of development tools for SaaS deployment on Java, Microsoft.NET and some other common programming languages has brought forth the emergence of PaaS technology (Kontio 2009). PaaS is expected to grow approximately 50% in the next five years although PaaS still remains at the very immature stage. The largest players in PaaS market are Microsoft's Azure, Salesforce's Force.com, Google's AppEngine and Amazon's Elastic Beanstock. (Morgan Stanley 2011.)

Infrastructure-as-a-Service (IaaS)

Cloud applications and cloud software development are built and stored at the virtual machines provided by the cloud infrastructure. Cloud services range from data storage, rented servers to communication services and computational resources. These resources are notably referred to as Infrastructure-as-a-Service (IaaS). (IBM 2009.)

The adoption of virtualization has driven the migration of on-premise data centers to managed hosting and public cloud infrastructures (Frank 2009). IaaS total revenue is expected to increase from 969 million USD in 2008 to 8 billion USD in 2013. IaaS accounts for a share of 31% of the cloud market worldwide. The leader in the IaaS market is Amazon with Elastic Compute Cloud (EC2) and simple storage (S3). IBM and HP as the established hosting providers are making a significant transition to the cloud by offering one central resource managed directly by IBM for instance instead of being managed dispersedly across various departments. (Deloitte 2009.)

3 THE U.S MARKET - EXTERNAL AUDIT

In order to build a solid foundation for penetration strategy, a wide spectrum of factors influencing the cloud computing market in the U.S are taken into account by systematically analysing PESTEL framework and Porter's Five Forces model. Furthermore, a keen interest has been placed into the competition landscape of the IT industry in the U.S as the case company is seeking a niche market which has not yet been tapped into.

3.1 PESTEL Analysis

PESTEL analysis stands for “**P**olitical, **E**conomic, **S**ocial, **T**echnological, **E**nvironmental and **L**egal analysis”. These are the main macro-environmental factors that affect the decision making process of any organisation. It has become a useful strategic management tool that allows business to have a better understanding of changes in the market landscape. (Oxford University Press 2007.) Internationalisation poses a variety of changes within and outside organisations. PESTEL framework tackles the issue of adjustment by pointing out the uncontrollable elements circling around companies (Manktelow 2010). Table 2 details what is involved in each element.

TABLE 2. PESTEL analysis (Adapted from Oxford University Press 2007).

Political	Economic	Social
<ul style="list-style-type: none"> - Bureaucracy - Government type - Political change/stability - Regulation - Employment legislation - Trade Restrictions 	<ul style="list-style-type: none"> - Business cycle stage - Economic Growth - GDP Growth - Unemployment rate - Inflation rate - Globalisation - Labour supply - Exchange rate 	<ul style="list-style-type: none"> - Population growth rate - Age distribution - Career attitudes - Perception of safety - Social mobility - Employment patterns - Attitudes to work - Cultural taboos
Technological	Environmental	Legal
<ul style="list-style-type: none"> - Degree of automation - Emerging technologies - R&D activities - Technology incentives 	<ul style="list-style-type: none"> - Weather - Climate - Climate change 	<ul style="list-style-type: none"> - Consumer law - Discrimination law - Employment law - Health and safety law

3.1.1 Political

Since the emergence of the internet as a new paradigm for communicating and exchanging information in the early 1990s', many years have been spent by policy makers on setting up common norms and regulations with regard to the internet's usage. When cloud computing first introduced to the general public, politicians took initiatives to address the major technological shifting. (Grimes et.al 2008.) Despite efforts of harmonising IT industry, regulations remain immature and contain many loopholes for cloud computing. New regulatory models are being processed to avoid new kinds of monopolies, controlled and manipulated by the strongest service providers. (Gross 2008.)

Cloud computing issues regarding security, ownership of data and privacy have been addressed by policy makers with the introduction of the U.S Safe Harbor Act, the USA Patriot Act and the Homeland Security Act. Since the majority of data centres are located in the U.S, companies must comply with the disclosure of corporate information. (Ma 2007.) Some vendors have made a number of attempts to avoid breaching such laws like Amazon Web Services which allow its clients to choose their own operating zones (Deloitte 2009).

Regardless of the adverse climate of politics and the immaturity of the new technology, cloud computing has caught up a few positive signals. To encourage the construction of data centres for cloud-based services, some jurisdictions have just added tax breaks to companies like IBM and Google. That is one of the key reasons as to why many data centres have been built in Iowa. (Foley 2008.)

Besides that, the Obama administration's 2010 budget requests suggest that government departments and agencies should focus on identifying cloud-based governmental services and solutions (Office of Management and Budget 2009). A website *www.apps.gov* was unveiled to assist U.S Government departments to adopt cloud computing by the U.S Chief Information Officer Vivek Kundra in September 2009 at NASA's Ames Research Center. Terremark Worldwide has been responsible for providing cloud-based hosting of the U.S e-governmental portals. (Kundra 2011.)

3.1.2 Economic

The U.S economy went into a tailspin as soon as the financial market crumbled to its feet. Investment and funding started to withdraw from the main market leading to the suffocation of many businesses. Escalating cost pressures forced companies to look for less capital-intensive solutions in desperate hope of staying in business. (Deloitte 2009.) Cloud computing has emerged as a rescuer by offering on-demand alternatives with its pay-as-you-go model. Lower up-front investments are required for various business needs. Greater flexibility and scalability offered by cloud computing are the true key of competitive advantage. (Briscoe et.al 2009.)

In 2009, IT investments dropped sharply by 3.7% due to the economic downturn while a high performance in IT investments has been observed in 2007 at 10.5%. The positive growth of IT spending and investments are expected in the next 5 years. (Levy 2009.) Deloitte market research (2009) predicted that the upward trend of cloud computing would meet no end until it reaches the mature point of its life cycle and that will not happen any time soon. The on-demand model is expected to grow and mature as service providers are developing and sharpening their solutions to meet the increasing demand of IT enterprises.

3.1.3 Social

The increased utilisation of the internet over the past decades has a significant impact on all facets of social life regarding communication, collaboration and social networking, etc. Cloud computing has experienced a great deal of benefits due to its nature as an internet-based technology. (Dimitrakos 2010.)

The number of internet users has reached over 200 million in the U.S in 2010 (eTForecasts 2010). The number is expected to increase in width and depth as more people are engaging in various activities and entertainment on the internet such social networking, internet banking, online shopping, and video sharing. Without any doubt, the internet will become the most common platform for sharing and connecting. In that respect, organisations are most likely to leverage

the internet to enhance their business performance and to use that arena as a communicating tool with their customers and prospects. (Jayakar et.al 2010.)

In recent years, social media have received much attention in the general public ranging from younger generations, film industry to business life in both popularity and intensity. The emerging trend first primarily adopted by younger generations then spread onto older generations like wildfire, creating a new phenomenon. (Deloitte 2009.) Leading vendors like Salesforce.com has been leveraging social media since the very first day of establishment. Salesforce.com communicates its latest business offerings to its customers through social media platforms such as Facebook, Twitter and Youtube. New opportunities and the recent success presented by social media proved the right path the company has been taking on. (Chorafas 2011.)

3.1.4 Technological

In the current economic climate, huge investments in IT infrastructures and resources carry many risks that easily put companies out of business in the blink of an eye. As a consequence, IT infrastructure and service sharing have materialised as a new source of growth. Besides certain internal capabilities being built in house on their own terms, there are an increasing number of processes and resources being shared among companies. Technologies like virtualisation, service-orientated architecture and cloud computing have become the tools to support changes in business models. The latest trends allow companies to use resources more efficiently at reduced costs and greater scalability. (Deloitte 2009.)

IBM research about IT transformation roadmap in cloud computing demonstrated an improvement in standardisation and industrialisation of the IT industry. Initially, a large number of customers can access cost-effective services via simplified and consolidated infrastructures. Then those companies pull their IT resources together to benefit from the higher architecture. Finally, the emergence of cloud computing enables companies to operate in cloud environments with the full deployment of IT resources that are flexible and extremely scalable. (Morgan Stanley 2011.)

3.1.5 Environmental

Lawrence Berkeley National Laboratory observed that electricity consumption of servers doubled from 2000 to 2005. On top of that, the level of CO₂ emissions of the IT industry is as much as that of the Airline Industry – about 2%. (Frank et.al 2008.) Due to the tighter regulation concerning the global CO₂ emissions, IT vendors and their clients have moved to abandon the traditional way of designing, manufacturing, operating and disposing of computing assets (Deloitte 2009).

Cloud computing has been recognised as a novel environment-saving solution or a so-called “IT ecosystem”. Cloud environments offer a new playing ground for IT vendors and their clients without so much physical material, namely virtualisation. Business applications, software development and IT infrastructures can now be shared among users via the internet. Cloud data centres as the only tangible materials are becoming even greener and operating more efficiently thanks to the high standardisation of their services. (Deloitte 2009.)

3.1.6 Legal

As being mentioned above in the political part, some legal issues related to security, ownership of data and authentication have been tackled by policy makers even though they remain insufficient. The free flow of information has been limited by borders when IT vendors face the tangle of local regulations. However, in order to protect the interest of cloud service clients, those regulations seem necessary. For example, the Canadian government forbids public-sector IT projects from using U.S.-based hosting to avoid the U.S laws like the USA Patriot Act(Thompson 2008).

3.2 Porter's Five Forces Analysis

The Five Forces model provides a deeper insight into the cloud market on five parameters – barriers to entry, power of suppliers, power of buyers, substitutes and competitive rivalry (see table 3). This industry analysis emphasises on determining the competitive intensity and attractiveness of a market as a result (Porter 1988). Attractiveness is characterised as the overall industry profitability. An unattractive market refers to the combination of the five forces driving down the level of profitability (Manktelow 2010). These interrelated forces help identify what course of action should be taken to beat the competition.

TABLE 3. Porter's Five Forces model (Oxford University Press 2007).

Barriers to entry	Bargaining power of suppliers	Bargaining power of customers
<ul style="list-style-type: none"> - Entry costs - Government policy - Loyalty of existing brands - Reaction of existing brands 	<ul style="list-style-type: none"> - Number of suppliers - Switching costs - Size of suppliers 	<ul style="list-style-type: none"> - Number of customers - Switching costs - Size of orders
Competitive rivalry		Threat of substitutes and complements
<ul style="list-style-type: none"> - Number of similar sized firms - Exit costs - Level of capacity utilization - Brand loyalty 		<ul style="list-style-type: none"> - Price of substitutes - Switching costs - Substitute performance

Figure 8 demonstrates Porter's Five Forces model which is adjusted for the cloud computing market.



FIGURE 8. Porter's Five Forces model for cloud computing.

3.2.1 Barriers to entry

There is likelihood that a large number of newcomers from SMEs will enter the cloud market, raising the bar of competition. SMEs have experienced the rapid growth from the migration of their workloads to cloud environments due to low fixed costs, low switching costs of the new technology and immature government regulations. (Faisal 2011.) Big cloud vendors such as Amazon, Google, Microsoft, Hewlett-Packard, and IBM have also provided a gateway to other small cloud enterprises to cover every corner of the U.S market (Chorafas 2011). Cloud offerings are purely internet-based which is considered low costs and short time-to-market (Deloitte 2009). As a result, barriers to entry are relatively low.

3.2.2 Bargaining power of suppliers

In an age of constant and relentless change, many young new entrants are riding the wave of the new technology moving businesses across industry to a whole new landscape. An increasing number of customers of cloud computing are being served by a few dominant service providers like Google and Amazon. (Morgan Stanley 2011.) These large suppliers tend to integrate in order to provide a high level of standardisation across industry. This collaboration is likely to tilt toward suppliers' favour leading to a high bargaining power of suppliers in the cloud market. A significant impact of high bargaining power are explicitly reflected in the contract in which "terms and conditions" are drafted – the contract benefits greatly the suppliers in the buyer and supplier relationship. (Faisal 2011.)

3.2.3 Bargaining power of customers

Cloud computing customers can be classified into many categories such as enterprises and individuals. The enterprise segment is further divided into big corporations and SMEs. Each category grasps different offerings from cloud environments. On the one hand, mega corporations prefer to pay for a service that is professionally delivered with a high degree of guarantee while SMEs are left behind due to the immaturity of enterprise cloud services. On the other hand, retail customers adopt cloud computing in the form of SaaS such as Gmail, Youtube and Facebook which are provided without any charge. (Deloitte 2009.)

Different customer segments have distinct impacts on its power against suppliers. In the enterprise segment, large corporations have a stronger bargaining power than SMEs. However, SMEs are improving their positions since the cloud services become standardised and under tighter legal regulations. (Faisal 2011.)

3.2.4 Competitive rivalry

The escalating amount of companies tuning their operations into cloud environments might just be a red alert for high rivalry. Portfolios of products and services being offered in the cloud market keep on expanding with time. (Buyya et.al 2011.) Competitive rivalry is critically influenced by which particular

provider holds a dominant position in the market even though cloud computing has not yet matured. (Faisal 2011.) Additionally, the authentic differentiation between cloud-based services plays a crucial role in determining the competitiveness of the cloud market since this distinct element would create a competitive advantage over other players (Deloitte 2009). A better understanding of competition landscape of cloud computing are provided in the next part.

3.2.5 Threat of substitutes and complements

A paradigm-shifting technology – cloud computing competes and struggles with open-source computing to capture potential customers since both technologies offer cost-effective alternatives to business. Moving workloads to cloud environments has created a catalyst for business prospects just like people prefer to watch movies in 3D. Cloud computing is a hype term but it is a new horizon that the technology world is trying to reach. (Knorr & Gruman 2008.) Open-source computing is still favoured by some companies due to brand loyalty and current trends. Switching costs from one technology to another cannot be afforded by most companies. (Faisal 2011.) Consequently, the threat of substitutes to cloud computing is quite high but is limited to this main type.

3.3 Competitor Analysis

This research study primarily focuses on the Software-as-a-Service (SaaS) segment since it is the target market of the case company. First, the adoption of SaaS continues to be thoroughly analysed by investigating competitors' portfolios in the SaaS market in an attempt to distinguish genuine differences in cloud offerings. Second, ongoing efforts have been put into exploring competitors' pricing structure as costing and pricing pose a major challenge for companies' strategic planning. Finally, one of the most defining secular trends of marketing approaches – social networking – will be examined to provide a better understanding about how to leverage social media in cloud computing.

3.3.1 Software-as-a-Service (SaaS) portfolio

The SaaS market landscape is classified into a wide spectrum of sub-segments as illustrated in table 4.

TABLE 4. Main Software-as-a-Service categories (Mertz et.al 2010).

Main SaaS sub-segments		Representative providers
CRM	Customer Relationship Management	Salesforce.com – RightNow
ERP	Enterprise Resource Planning	SAP – Netsuite
SCM	Supply Chain Management	Descartes – Ketersa
CCC	Content, Communication and Collaboration	Cisco webex – IBM Lotus
DCC	Digital Content Creation	Adobe – Youtube
Int.aaS	Integration as a Service	Castlron – Boomi

For each sub-segment, a large number of companies have been categorised based on their service offerings, individual maturity and their positions and influence within their own markets. With reference to the degree of maturity of the players, it is necessary to pinpoint that getting a cloud business off the ground requires significant investment and high experience of the players as the market is evolving fast and going through major changes. (Mertz et.al 2010.)

No longer does heavy investment in cloud businesses mean success or stronger growth. Even leading companies in the IT industry need to be wary of moving their operations to cloud environments. For instance, Yahoo has to shut down Jumpcut, a video sharing platform, as the company realised that it was already too late to take part in the game. (Arrington 2009.) As a consequence, a key to sustainable growth is the collaboration and partnerships between players. Joining

hands together, they offer complete and flexible services with the ultimate purpose of remaining in the market. (Deloitte 2009.)

Cloud computing offers an open marketplace for an increasing number of players competing for a piece of the action. Some of the competitors are long-established hardware and software providers with consulting as their complementing services such as IBM, Oracle and Hewlett-Packard. Others are just start-up businesses like Salesforce.com and SuccessFactors. The cloud market is the mix of new entrants and niche players racing with more established vendors. (Chorafas 2011.)

These subsequent tables are the summary of the representative competitors in each category of the SaaS market. More information about these competitors can be found in the Appendix 3. Numerical figures in the table were calculated and forecasted on the global scale since the internet-based services operate worldwide including the U.S. However the U.S-based firms contributed a large part of the total revenue. Therefore, these figures are still appropriately valid when analysing the U.S cloud market.

CRM (Customer Relationship Management)

Mertz et.al research (2010) anticipated that the fastest growing area in the SaaS market is the “on-demand” CRM. CRM total revenue reached almost 2 billion US dollars having a share of 44% of the SaaS market. In the next five years, it is expected to grow up to 50% of the total SaaS market share. Leading beneficiaries in the CRM market (table 5) are Salesforce.com, Oracle and Right Now with the core products focusing on Marketing, Sales and Customer Service.

TABLE 5. Leading CRM beneficiaries (Mertz et.al 2010; Deloitte 2009).

Beneficiaries	Key difference	Key clients	Key partners
Salesforce.com	Market leader in extended web-based functionality especially in sales. It first launched in 1999 and now become dominant in all areas of on-demand CRM. It is continuously updating and developing apps linked to web 2.0 technology (integrating CRM apps with various Social Networks)	- Dell - Kone - Allianz	- Facebook - Google - Amazon - Castlron
Oracle	Market leader of on-premise CRM. It successfully moved to offer on-demand CRM. Oracle Social CRM Suite will soon be released with a toolset of using social media and data available on the internet (Google Maps, LinkedIn)	- 3M - Bayer	- Facebook - Hoovers - Castlron
Right Now	A significant player in the U.S. It can run live more quickly than traditional on-premise CRM in an average of 45 days. It is well-known for high quality of customer service solutions. It acquired SalesNet in 2006 to further enhance its delivery of Sales solutions.	- British Airway - Drug store - Tom Tom	- Cisco - Demand ware - Boomi

ERP (Enterprise Resource Planning)

ERP largely ranges from human resources to financial management. The majority of ERP clients are medium-sized enterprises. The biggest hurdle of adopting cloud ERP is the massive investment in current infrastructures leading to the reluctance of replacing them (Morgan Stanley 2011). However, during recent years, the entry of some new players has encouraged the full adoption of cloud ERP for the existing customers and open more opportunities for larger organizations (table 6).

TABLE 6. Leading ERP beneficiaries (Morgan Stanley 2011; Deloitte 2009).

Beneficiaries	Key difference	Key clients	Key partners
SAP	SAP Business ByDesign is a SaaS application that enables companies to meet their end-to-end needs. The solution is mostly employed by the midmarket. Hence the software can be modified or tailor-made as required	- Calsberg - Air France - Cisco - Bayer Health Care	- Akamai - Pervasive
Net suite	Netsuite aims to provide an integrated suite of on-demand apps to SMEs. Its customer base is mid-market companies and has not yet customised to large organisations	- Virgin - Money - Computer Warehouse	- Root stock - Ebay - HP
Work day	It emphasises on the usability and embedded analytics of its apps. It offers payroll systems and talent management programme. Increased adoption of ERP in the SaaS market accelerates growth of Workday	- Sony Pictures - Flex tronix - ATMI	- ADP - Micro soft

SCM (Supply Chain Management)

SCM solutions help improve companies' externally-oriented procedures, control some parts of their supply chains and better manage their supplier base. Cloud-based SCM applications have been made widely available across regions in the U.S. On-demand SCM providers are attempting to add new functionalities in the current system based on the cloud platforms (table 7). (Mertz et.al 2010.)

TABLE 7. Leading SCM beneficiaries (Mertz et.al 2010; Deloitte 2009).

Beneficiaries	Key difference	Key clients	Key partners
Descartes	SaaS apps enable real-time access to delivery information with greater flexibility and scalability. It helps to plan, optimise, track and monitor delivery vehicles in real time. On-demand service requires no installation of software in sites and continues to update routes and maps.	- Coca-Cola - Crate & Barrel - BAM	- Navteq - ALK - Microsoft
Ariba	Ariba is pioneering in integrating spend management and contract management services with worldwide consulting. Ariba acquired Procuri in 2007 – a private SaaS provider of sourcing and contract management solutions – to widen its on-demand offerings	- BMW - American Express	- Sun micro system - Tibco
Ketera	Ketera cloud delivery model is the combination of hosted procurement solutions and “heavy lifting” services. Its cloud service includes supplier operations, hardware infrastructure, project provision, system management and instant upgrades. Ketera is nominated in Deloitte’s prestigious Technology Fast 50 Program for Silicon Valley	- Delta - GAP - United	- The Claro Group - HCL

CCC (Content, Communication and Collaboration)

The CCC market encompasses various layers in association with the maturity degree of its sub-segments. High adoption rates of SaaS involve e-learning solutions (60%), web conferencing (70%) and team collaboration solutions (47%). Email and instant messaging markets are in medium adoption category at about 10-15 %. Finally, enterprise content management is at low adoption rate, only 2% together with 4% of search and information access on the cloud. The CCC market (table 8) has observed more consolidations of various players. For example, WebEx acquired Intranets and in recent years was acquired by Cisco. (Deloitte 2009.)

TABLE 8. Leading CCC beneficiaries (Deloitte 2009; Mertz et.al 2010).

Beneficiaries	Key difference	Key clients	Key partners
Cisco Webex	Cisco Webex is the world leader in web-conferencing. It currently has more than 35000 corporate customers for more than 13 years	- DSM - BDO - Toshiba	- Sum Total
Sum Total	SumTotal is the world leader in learning management. It continually develops its on-demand learning solutions and has projected to gain significant growth in 2010. 80% of its revenue was generated from the U.S market and it plans to expand its offerings to EMEA market in the next couple years.	- AA - Microsoft - Fujitsu	- Adobe - Cisco Webex
IBM Lotus	Lotuslive is famous for its hosted collaboration and communication solutions. It is user-friendly and is designed to easily integrate with third-party infrastructures.	- N/A	- Facebook - LinkedIn - Skype

DCC (Digital Content Creation)

The DCC market share is very small compared with other sub-segments in the SaaS market. However, the cloud DCC has a great deal of prospects since customers' appetite for digital video and online image editing is catching up fast with other applications and technologies. Due to the immaturity of this cloud solution, there is a lot of room for development in the years ahead. The lack of the current interest in the DCC market is primarily due to the limited internet bandwidth capacity. Although internet bandwidth capacity has been improving every day, every hour, customers find it difficult and time-consuming to share high-volume information like images and videos. For corporate purposes, the DCC providers has not yet developed enough and will experience major changes in the next few years. Table 9 shows main beneficiaries. (Deloitte 2009.)

TABLE 9. Leading DCC beneficiaries (Deloitte 2009; Mertz et.al 2010).

Beneficiaries	Key difference	Key clients	Key partners
YouTube	YouTube dominates the video broadcasting online in the world. It has obtained an amazing growth during recent years and has the customer base of more than 100 million viewers. In 2007, YouTube remixer was successful launched as the online video editing programme with over 250 million users.	- CNN - Fox 4 News	- Google - Universal
Adobe	Adobe occupies over 55% of the total market share in digital imaging software. Photoshop Express – the first online image editing software – was launched in Beta version and free of charge up till now. Integrating the current platform with “Lightroom” and “Elements” to provide a more flexible and scalable solution.	N/A	- Sum Total

Integration-as-a-Service

Mertz et.al study (2010) revealed that spending on enterprise integration projects grew to 1.5 billion U.S dollars in 2008. However, most of these projects were conducted on the hosted applications, not in cloud environments. The potential of integration market is vast and massive in terms of capital resources and advanced technologies. The current Int.aaS landscape (table 10) is experiencing adverse turbulence due to the significant investment in on-premise applications and high switching costs.

TABLE 10. Leading Int.aaS beneficiaries (Mertz et.al 2010;Deloitte 2009).

Beneficiaries	Key difference	Key clients	Key partners
Pervasive	Pervasive first released cloud offerings in 2009 and has enough experience to survive in the U.S market.	- Astadia - Centive	- Oracle - SAP
Castlron	Castlron has been in the business for more than 20 years with solid experience in enterprise integration. It becomes one of the most innovative players in the market. It offers a complete and flexible SaaS integration model to a wide range of companies. Its business model is built on configuration, not on coding which helps accelerate project integration in just days.	- Salesforce - PayPal - Fiat Group - Hilton	- Google - Oracle - Sales force
Boomi	Boomi first made a move to target SaaS providers with its visual integration editor application. User-friendly and affordable characteristics are its competitive advantage.	- Puma - Raley's - D&H	- Exact Target - Netsuite - Right Now

3.3.2 Pricing structure

The practice of pricing products and services has always been a complicated issue especially when it is associated with cloud computing services. The current charging system in the cloud involves accurately metering and billing a service based on the actual consumption of resources. Pay-as-you-go model emerged as a new charging system that perfectly fits into this purpose. (Mertz et.al 2010.)

As the cloud market has not reached the mature stage, none of the vendors in cloud computing can exert their power to control the price. In addition, it is not necessary for any new entrants to follow the pricing structure of existing players. It is highly recommended that new players should bring a new breath of air into the market by its innovative ideology. No matter what these young companies can offer, it has to be synchronised with capital expenditures and operational expenditures in a break-even analysis. (Chorafas 2011.)

Costs incurred during the process of delivering cloud-based services to end users need to be determined before making decision on putting a price tag on its services.

According to one cloud pricing theory dating back to the 1960s, analysts applied an algorithm: running 100 machines of the same type for 1 hour costs as much as running 1 machine for 100 hours. It was mathematically correct that costs should be proportional to user hours. (Armbrust et.al 2009.) However, cloud applications involve many other cost factors such as inputs/outputs, distributed data storage and data access. Applying the algorithm without judgement can lead to poor results. (Chorafas 2011.)

For a young on-demand service provider, the cost of designing, operating and upgrading interfaces may become a completely new experience. On top of that, quality, credibility and faultless operations require significant investment affecting directly the bills of cloud users. (Chorafas 2011.)

The following presentation is the innovative pricing model of Salesforce.com – a new force challenging the dominant positions of Microsoft, SAP and Oracle.

Salesforce.com put forward a price list that has completely won over the traditional pricing. The structuring of its applications plays a critical role in determining the price associated with. Salesforce.com's applications entail five layers in which feature additional functionality:

- Unlimited
- Enterprise
- Professional
- Group
- Contact manager

The entire range of applications consists of CRM, custom programmes, default tab, specialised objects and premier support and management. For all editions, CRM are available together with the utilisation of custom functionality. However, the use of custom functionality is limited in number for lower-cost editions. The unlimited edition can access to the full range of applications for 250 USD per user per month. Application programming interface (API) record styles, workflow and offline access are included in the top two editions, but unavailable to the lower-level editions. (Salesforce.com 2011.)

Salesforce.com designed the pricing structure that is genuinely inventive in encouraging customers to climb up to a higher edition as soon as they grow in experience and fulfilment with the lower version. Different demands of customers are met by various offers of Salesforce.com. To raise the bar of competition and maintain its competitive advantage, the company presented an original equipment manufacturer (OEM) edition to strategic partners and third-party developers who can create and develop their own applications on top of its platform. (Chorafas 2011.) Salesforce.com is continually improving its offerings to add more value to existing customers and to attract more prospects.

3.3.3 Social networks and cloud computing

The popularity of the internet has sparked the rise of online communities and social networks where millions of people are connected to share common interests through various platforms like Facebook, Twitter, LinkedIn, Youtube and many more. These social networking sites contain a vast amount of information leading to the increased adoption of cloud computing. Cloud vendors have turned a large proportion of IT investment into developing cloud-based services that can tap into the surging flow of information. A major source of opportunities for business growth has been recognised and the transformation of the market landscape is underway. (Deloitte 2009.)

The accelerating number of users of online social networks has defined an emerging trend – more than 1.5 million Twitter users and 200 million Facebook active users in 2009 (Deloitte 2009). According to statistics of InSites Consulting (2010), 67% of online population worldwide has joined at least one social networking site. While the most popular audience is at the age of 18-28, the older generation from 35-50 is swiftly catching up with the movement. During recent years, the time spent on social networking sites has increased 700% and represents about 10% of all internet time. Nielsen Global Faces and Network places in 2009 figured out that online social networks ranked as the fourth most popular internet activities, bypassing personal emails.

Online social networks have been increasingly adopted by businesses as a communication tool in addition to traditional ones like newsletter, instant messaging and telecom. Cloud-based services are being developed to facilitate smoother business operations, enhance productivity and to gain a competitive advantage over their rivals. (Morgan Stanley 2011.) Social networks have become a new competition ground where businesses are searching for new methods to capitalise on the massive information with an increased sense of urgency.

Cloud vendors have developed business applications that enable them to obtain information using social networking sites. One particular example is the connection between Facebook and CRM systems. CRM developers leverage Facebook to gain access to social users and retrieve data in an attempt to foster

sales data, organise events, meetings and computerise marketing decisions. (Rosen 2010.) Facebook has been progressively employed by companies in recruiting, project collaboration and product promotion.

The connection between cloud computing and social networks also helps improve customer service capabilities. A growing number of companies are integrating Twitter into their CRM tools. Twitter is automatically scanned for tweets that are related to the company's products and services. The CRM application then captures these twitter messages and helps track future conversations about the company. Twitter information is registered and recorded into customised database for later responses. (Deloitte 2009.) With cloud technology, there would be no limit to access to existing social networks, achieve a higher level of optimisation of search engine tools and build a stronger relationship with other businesses across industry.

Business leverage of public social networks (see figure 9) such as Facebook and Twitter earns customer engagement and customer awareness. Customer engagement results from relentless efforts of companies to reach target customers. Customer awareness is accrued from the exposure to the vast amount of information available on online social networks. These advantages are most likely to bring about stronger brand awareness, better e-reputation and improved sales and product advancement. (Deloitte 2009.)

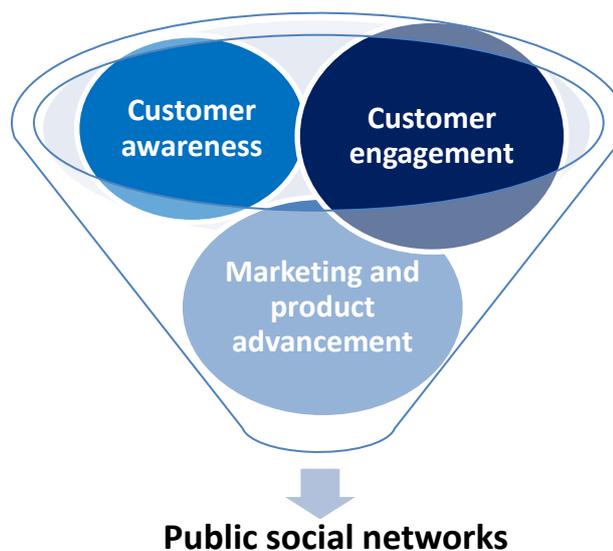


FIGURE 9. Business leverage of public social networking sites.

Private social networks integrate the characteristics of Web 2.0 and online collaboration within one particular company. These private networks are not popular among SMEs but are widely adopted by large corporations. The main implication of implementing private social networks is to provide fundamental services to their employees consisting of information sharing and internal networks and employee collaboration. As a consequence, the work environment would be enhanced with valuable professional development, better talent retention and increased productivity (see figure 10). (Prasad 2012.)

A private social network named D-Street was implemented in Deloitte U.S in 2008. An internal network has been connecting more than 45.000 employees of Deloitte in the U.S. The primary objective is to develop the talent pool, increase the level of staff attraction and retention and accelerate the flow of shared internal information. D-Street operates in Facebook-like platform incorporating Web 2.0 to provide a user-friendly environment for networking and information updating. D-Street has spread out widely and been used by more than 95% of Deloitte U.S employees. (Deloitte 2009.)

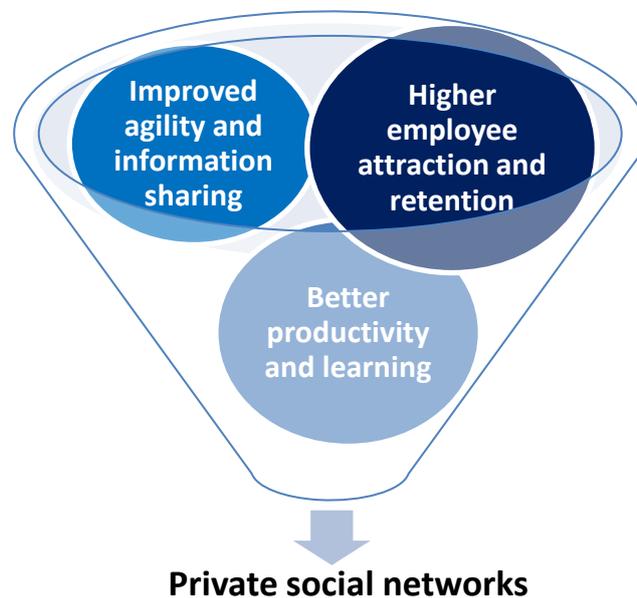


FIGURE 10. Business leverage of private social networking sites.

4 CASE COMPANY – INTERNAL AUDIT

This chapter briefly presents the case company background together with its product and service portfolio. Although a number of ongoing attempts have been made to define and translate cloud-based services into terminology-free concepts, they are relatively unfamiliar to non-technical users. In addition, a better understanding of the company's portfolio is reinforced by analysing fundamental SWOT and McKinsey's 7S models.

The majority of data and information presented below is extracted from unpublished sources provided by the case company and collected during the internship period.

4.1 Corporate background

Formerly known as Rosendahl Digital Networks Oy (RDN) – a Finnish technology and media corporation, Senso Solutions was officially established in 2009 after going through a major restructuring. Mr. Markus Rosendahl – the company's founder – inherited hands-on experience and resourceful background from the Fashion Industry in which the Rosendahl's family-owned business – NP Collection – has been operating since 1919. Senso Solutions Headquarter is located in Hong Kong while key subsidiaries with most of its customers are based in Finland, Central Europe and the U.S. The case company has been opening several R&D Centres in China for the launch of the second version of Senso Business Applications in the second quarter of 2012. (Senso Solutions 2010.)

Senso Corporation's mission is to provide state-of-the-art business management solutions to innovative and leading customers in the fast changing environment of emerging technologies. The mission is being guided by the clear vision that serves as the framework for all areas of operation in order to continue achieving sustainable growth and quality. Figure 11 demonstrates six characterisations within Senso's vision to achieve the mission.

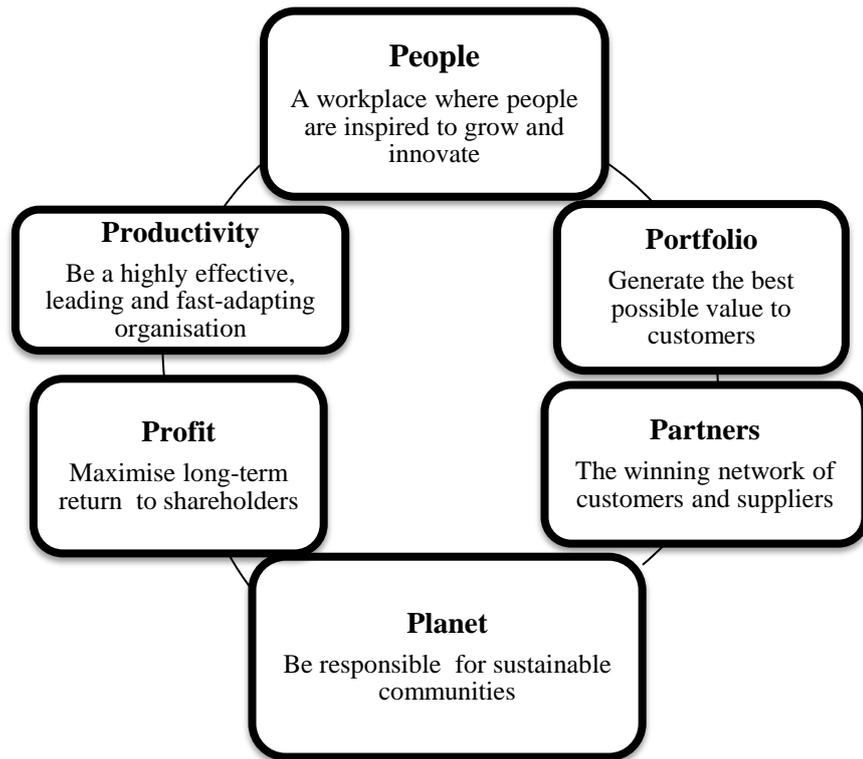


FIGURE 11. Senso Solutions Vision.

In co-operation with the world leading innovators and high-tech companies, Senso offers paradigm-shifting technologies and applications to customers worldwide to improve the productivity of various business processes. Senso's cloud-based solutions cover the entire value chain of an organisation. A variety of business areas such as manufacturing, logistics, wholesale and retail can benefit from utilising Senso tools. Key advantages of Senso's solutions include visibility, real time information flow and accuracy. On top of that, Senso's virtual platform allows third party companies to build their own applications to further enhance the flexibility of the service. In the next 3 years, Senso's portfolio will be extended to customer applications and direct distribution solutions by leveraging the power of Senso ecosystem.

Senso Business Solution Ecosystem involves the technology platform and active community of partner companies. In Senso ecosystem, all parties are getting full benefits of the global on-demand application delivery. Figure 12 sketches out the cloud ecosystem of Senso Business Solution.

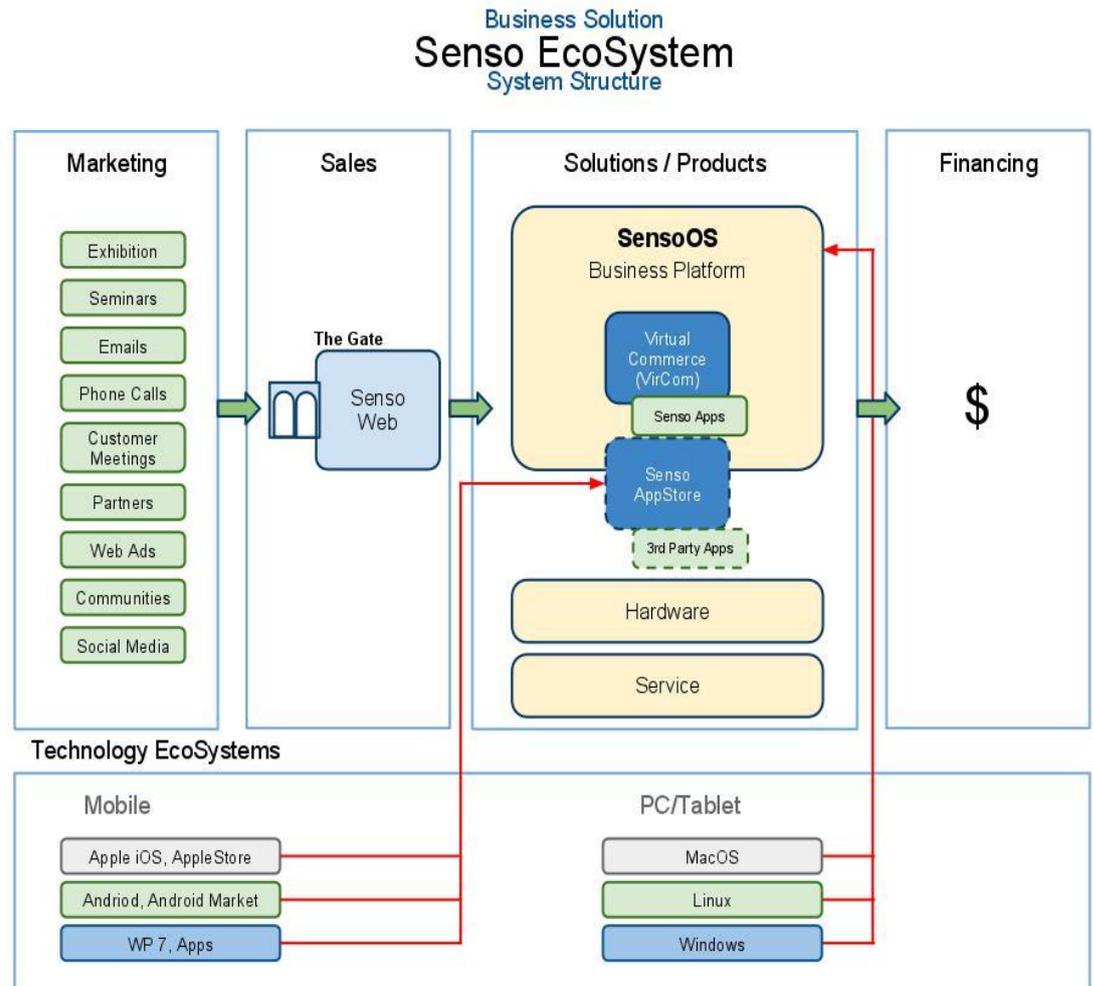


FIGURE 12. Business Solution System Structure.

As can be seen in the figure above, virtual commerce and business management applications are the key product lines that generate a large proportion of profit for Senso. Virtual commerce is a complete software portfolio specially designed for B2B and B2C trading online. Latest emerging technologies bring upon a whole new experience in various sales and delivery processes. Virtual commerce platform is characterised to be user-friendly, natural user interfaces and professional which help users adapt more quickly to new changes. One key competitive advantage of Senso virtual commerce is that the latest platform integrates well with existing IT infrastructure in order to avoid resistance to IT change from the customer's side.

Business Management Applications as the leading product line of Senso have been undergoing a dramatic change to a new version with a full set of features and modules to streamline and operate businesses across industry. The next generation of Enterprise Resource Planning (ERP) system provides a completely novel approach to simplify and manage the progress of business efficiently with real time based applications. Senso Business Solutions have been run in the cloud in collaboration with the leading hosting company – Amazon Cloud Services – to offer enterprises an optimised way to access their information anywhere at any time. Senso cloud-based services spread across a wide range of key operations within business like CRM, invoicing, product portfolio, warehouse management, order flow and supply chain management. One of the improvements in the next generation of ERP is that the outlook and forecast of business can be rendered on the spot by constantly updated statistics and reporting from any dimension in real time.

This research study attempts to explore the most popular application within Senso cloud services – CRM and stakeholder management as an example to provide a better understanding at what Senso has to offer.

CRM and stakeholder management is the virtual platform where the information about customers and other interest groups are stored and managed. This module enables users to divide their accounts into specific groups based on preferred grouping methods. Different stakeholder types can be further customised in accordance with various types of display options. A great variety of customisable information features and sections will give comprehensive tools to administer various types of stakeholders in the system. Below are some key features and new coming options in the next generation of Senso CRM software.

Key features:

- Contact information management
- Account grouping and type management
- Sales and terms management
- Contact person management
- Contact event management

- Resource management
- Attachments
- Responsibility management
- Commission management
- Quick operation access

New coming features:

- Statistics and analyse tools
- Module information linking
- Integration to Google's tools (Gmail and Google Docs)
- More advanced contact person and contact event management

CRM together with many other applications applies pay-as-you-go subscription pricing model. Senso also offers different subscription editions to meet various business needs such as the basic edition with limited features and modules while the advanced one entitles several features, then full features with the professional edition. The unlimited edition provides full access as well as configuration and management tools of the software.

4.2 SWOT Analysis

As part of a marketing plan, it is highly recommended to apply a simple and straightforward model – SWOT analysis – that provides guidance and direction to advance business prospects. The task is expected to be accomplished by evaluating an organisation's strengths (what a company can do) and weaknesses (what a company cannot do) in addition to opportunities (external favourable factors for a company) and threats (external unfavourable factors for a company). (Ferrell et.al 1998.) As important as it may seem, its value and practicality are often underestimated regardless of the simple creation (Boone & Kurtz 1992). SWOT analysis plays a significant role in filtering necessary information from the environmental analysis and dividing them into internal issues (strengths and weaknesses) and external concerns (opportunities and threats). It is not simply enough to identify these factors but to understand the implication and take an appropriate action. The aftermath of SWOT analysis helps companies realise both

weaknesses and threats and convert them into strengths and opportunities accordingly. Matching strengths and opportunities would provide a catalyst for optimisation of the potential of companies; hence create leverage for companies in the face of the adverse business climate. (Ferrell et.al 1998.) Figure 13 shows SWOT analysis adapted for Senso Solutions.



FIGURE 13. Senso's SWOT analysis.

To put it into context, Senso Corporation has claimed a strong foothold in the fashion industry in Finland with its large and high-profile customer base such as Marimekko, Luhta Fashion Group, Nanso Group and Turotailor. As a software service provider, a deep penetration rate into the fashion industry results from a high industry competence of the Rosendahl family-owned business (NP). The existing software platform has proved to be successful in the family first before rolling it out to other players in the industry. Senso maintains its competitive advantage by constantly updating its system, not to mention that it is about to launch the cloud-based second version with new features and natural user interfaces. Senso has recently opened more R&D centres in China to improve its technology competence. In the next 5 years, Senso is expected to be a market

leader in cloud-based service in Finland (Europe) in addition to making a successful entrance into new markets such as the U.S and Asia with its active sales team in both continents. These prospects have been driven by a clear vision that Senso puts forward to guide it through the rough path to internationalisation.

Cloud computing and its benefits have been perceived and increasingly adopted by companies all over the world. Migrating workloads to cloud environments is a big step that most organisations are taking with an expectation of getting ahead its competitors. Many other factors which were discussed in the chapter are driving the growth of cloud-based services. Senso certainly benefits from this new trend and is transforming itself to adapt to a new business landscape. The second quarter of year 2012 marks a significant turning point in Senso business operation – the commencement of a new version and novel solutions. It appears to be the right time for Senso to make a break into the U.S market with its innovative offerings since there is still limited investment in the field from other players. With a right key, Senso can open the door of opportunity and unleash a new sustainable growth.

The aforementioned favourable factors can be offset by Senso's weaknesses and threats posed by the external environment. The expansion plan into any market requires significant investment, not to mention the U.S market – the toughest one can imagine. Limited financial resources can create a great deal of pressure on any decision Senso attempts to make. On top of that, Senso has been going through a major change in corporate strategy and human resources. In terms of corporate strategy, the fact that Senso is focusing on R&D at the moment results in a major restructuring in the number of employees. External factors of the macro environment also make Senso ponder over its next move. The gloomy global economy and the potential collapse of the European Union could have an extremely negative effect on Senso's business performance. The attractiveness of the emerging technology has spurred on a dramatic increase in new entrants. Senso has to compete with not only long-established players but also with new comers to have a position in the industry. The road to the U.S is strewn with the debris of a tight budget and high competition.

4.3 McKinsey's 7S Analysis

Developed in 1978 by Thomas Peters and Robert Waterman – McKinsey's consultants, the 7S framework is featured in many publications called *The Art of Japanese Management* and *In Search of Excellence*. Since then the 7S model has been adopted as one of its basic analysis tools by McKinsey & Company consulting firm. (Robert 2005, 41.)

The 7S framework as a diagnostic tool can be used to understand the internal working issues of an organisation (Fleisher & Bensoussan 2007). Complementing with SWOT analysis, the 7S framework looks at a different angle to identify companies' strengths and sources of competitive advantage. This management tool becomes useful in providing direction for organisational change (Dwyer & Mellor 1991). It maps a cluster of seven interconnected elements which have significant impacts on an organisation's capability of change. The interconnection among seven crucial elements indicates that any changes or modifications have to be made on all of the elements to ensure a successful transformation within an organisation. (Leeman 2010, 32.) Seven interrelated factors in the McKinsey framework are illustrated in figure 14.

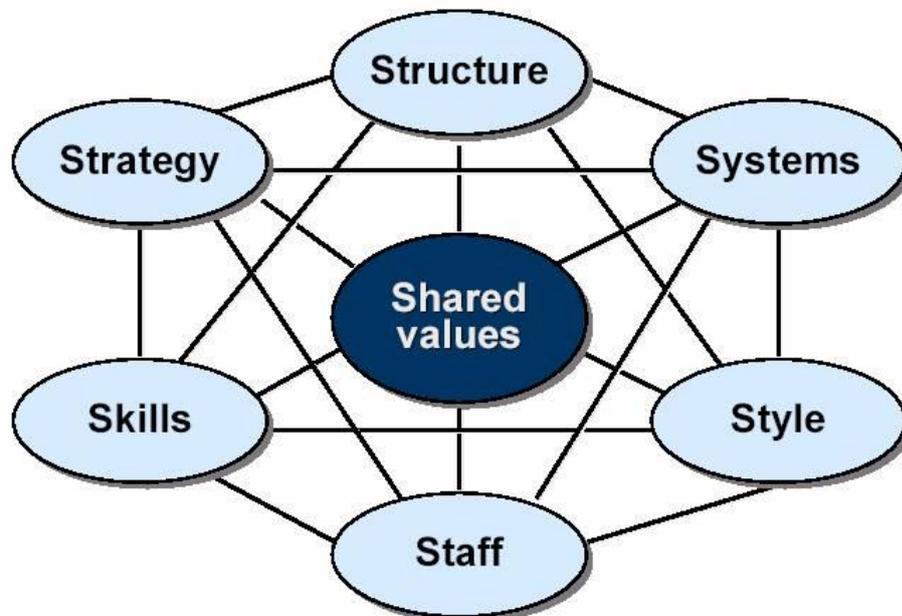


FIGURE 14. McKinsey's 7S framework (Fleisher & Bensoussan 2007).

To be on the front line of combating new changes, Senso has continually pursued the direction mapped out by the seven factors fundamental for effective strategy execution.

STRATEGY refers to a course of action taken by an organisation in anticipation of a shift in the external environment to maintain competitive advantage (Robert 2005, 41). In response to a major leap in the IT industry, Senso has focused on innovating and developing new products and services using cloud-based technology. With much confidence in the success of the second version of ERP, Senso is underway to become one of the top leading companies providing state-of-the-art business management solutions.

STRUCTURE refers to the way how authority is distributed (who reports to whom), and how responsibilities and tasks are divided and coordinated within an organisation (Robert 2005, 41). Senso follows a hierarchical structure where the company is divided into three main departments: commercial, delivery service and R&D. All three entities report to the top management and CEO. Senso's organisational structure is demonstrated in figure 15.

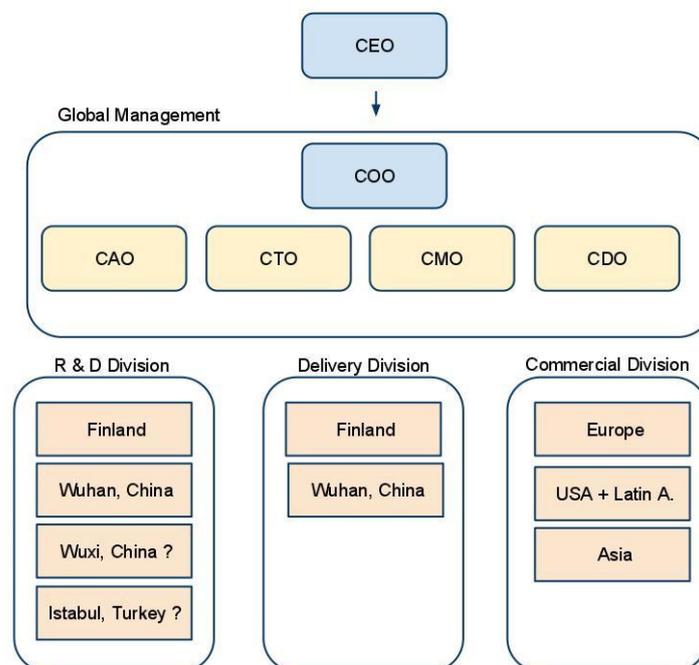


FIGURE 15. Senso's structure.

SYSTEMS refer to the formal and informal procedures that staff members engage in to finish daily tasks and activities (Robert 2005, 41). Three main departments in Senso apply different systems to manage and control their performance such as management control systems, performance management, reward systems. Top management under COO utilises budgeting and resource allocation systems and management information systems.

STYLE refers to the organisational culture including dominant values, beliefs and norms. It also can be characterised as the leadership style of managers. For example, how managers spend their time, how they make decisions, what is the relationship between managers and employees (Robert 2005, 41). The following five values act as a compass for actions to operate in the business world

- Leadership: the courage to make something new
- Integrity: to be real
- Accountability: be ready to take responsibilities
- Passion: commitment from the heart
- Quality: what Senso does, it does well

STAFF refers to the employees and their competencies, what is the recruitment process, how employees climb up the career ladder (Robert 2005, 41). Apart from the focus on the product development, human resource advancement is also the key success of Senso. The R&D team of 15-20 talented individuals receive numerous supports from the top management. Employees in other divisions are on a clear career path with hands-on experience and great prospects.

SKILLS refer to unique competencies of the organisation along with its people, systems, technology and customer relationships (Robert 2005, 41). Senso has long been experienced growth and profit in the Finnish fashion industry with the support of Naisten Pukutehdas. Senso has fully prepared for expanding to the U.S and Asian market with its new products and services.

SHARED VALUES (also known as Superordinate Goals) refer to the core values and principles that are shared in the company and serve as the mission and vision for all activities of employees (Robert 2005, 41). Senso's mission is to provide leading tools and technologies to customers in the fast changing environment. The

mission is anchored by six-pillar vision that is people, portfolio, partners, planet, profit and productivity. The vision is detailed in the previous part under the corporate background.

5 INTEGRATED MARKETING COMMUNICATION PLAN

This chapter is the aftermath of a wide spectrum of analysis undertaken in chapter 3 and 4. A strong grasp of the U.S market regarding potential customers and the competition landscape in addition to the understanding of the case company's inner strengths and weaknesses has laid down the groundwork for Senso's integrated marketing communication plan (IMC). The conceptualisation of IMC construct is provided as this novel approach is a different attempt to produce a successful marketing plan. The first part of the communication plan is to set out concise and feasible objectives. Afterwards, an IMC is proposed to deliver intended messages to the target audience.

Integrated marketing communications was first introduced in the late 1980s by Northwestern University Medill School of Journalism in co-operation with the American Association of Advertising Agencies. The breadth and depth of academic research in this field has led to the evolution of IMC from a limited set of coordinating communication tools to a practice of strategic management. (Madhavaram et.al 2005.) Kliatchko (2008) – the vice president of the University of Asia and the Pacific – proposed a revised IMC definition after his original one in 2005.

IMC is an audience-driven business process of strategically managing stakeholders, content, channels and results of brand communication programmes.(Kliatchko 2008, 10)

The key distinctions between the previous paper and the revised version are the emphasis on the business process circling around the target audience and content. According to Schultz and Schultz (1998), IMC has evolved beyond an integration of various marketing and communication areas. The term “business process” has been adopted to properly describe the nature of integration which involves all the functional areas within an enterprise. This viewpoint was shared by many other experts in the field such as Jones et.al (2004) and Fill (2002). They observed that IMC has advanced from a communication process to the strategic process. A major difference in the new IMC definition is its centralisation – the target audience. A wide range of activities in the business process revolve around the customer that IMC aims at. (Kliatchko 2008.)

Intended content is the main aspect of IMC that attracts a lot of interests. The practice of IMC reflects the strategic management of multiple marketing channels pointing at a specific group of customers with an expectation of better financial projection. (Kliatchko 2005.) Marketers seem to exclude the critical piece of content or messages that are supposed to be delivered through IMC. Some might argue that content is implicitly understood through marketing communication. It is crucial, however, to reveal the content as it helps induce persuasion in communication and results in positive changes in customer behaviours. (Kliatchko 2008.)

5.1 Communication objectives

Senso's communication message:

Deliver innovative business solutions directly to you.

The focus of Senso's IMC campaign will be set on the

- Establishment of brand awareness of 10% among the target audience
- Sales target in terms of subscription value of 500.000 USD in the U.S in the second year
- Positioning of brand image among cloud-based service providers

Three main objectives can be achieved by a new approach of drawing in many potential customers. The novel methodology is known as lead generation. In the time of paradigm-shifting technology, lead generation has become a tactical tool for spurring customer interest or inquiry into new products and services. Leads can be generated through a variety of vehicles such as referrals, telemarketers and advertisements (Lake 2012). Based on the discussion with Mr Markus (CEO of Senso), there is an increasing concern over lead generation in terms of quantity and quality. Through those vehicles, a lot of information about customers can be collected. However, to what extent, Senso can turn them into viable business prospects? Best practices are to prioritise lead quality which constitutes more than just names or contacts but presents genuine interests.

5.2 Communication plan

5.2.1 Senso website and social networking sites

A company website is a representation platform where customers across borders can acquire information about products and services they are looking for. It has become a medium to attract visitors. In the process of generating leads from the website, visitors can be converted into leads when they fill out a request form or an inquiry form. These leads are then screened for sufficient qualifications before handing them to Senso's sales teams. (Taber 2009.)

One critical decision which needs to be made at this stage is "which information is to be collected at the start of the prospecting process?" As opposed to common demand of the sales team, it is not possible to collect a lot of information about the customer's demographics. In fact, on the website, the more information required, the higher the likelihood of user drop-off. The registration page should not contain more than five fields since it could cause a sharp decline in the number of leads and an equal increase in false responses. In addition to improving the process of registration, it is strongly recommended to use drop-down pick lists in as many fields as possible such as country, job title so that users do not need to enter any items. (Taber 2009.)

Apart from the task of enriching the content and graphic design to lure customers into the website, Senso should utilise social networking sites for brand-building and integrating with the company website to generate leads. Some popular social media sites are Facebook, Youtube, Twitter, LinkedIn, Slideshare and Flickr. As a matter of fact, Senso's website has long connected to Twitter and LinkedIn. The benefits of adopting social media are obviously far from the achievable since no significant efforts have been put into twitting and building these sites. At Salesforce.com, a leader in the CRM market, brands, customers and potential customers are linked together in social media platforms where they can share their success stories of implementing cloud solutions to their current systems.



FIGURE 16. Website and social media integration.

As presented in figure 16, Senso's strategic social media sites include Youtube, Facebook, LinkedIn and Twitter. A new version of the company's website is about to be launched in the third quarter of 2012 and will be fully integrated with these sites to generate leads. Existing customers are invited to join these social networking sites through email campaign. Prospective customers who are visiting the company's website are offered a form to fill out (a lead generator) in return for some goodies such as a webinar, a trial run of software. Then these prospects are redirected to social media sites where they can engage in conversation with customers and other prospects. To raise the profile of those conversations, Senso invites industry experts to join in and share their experience in dealing with cloud-based services. As more people involve in conversations, it would serve as word-of-mouth lead generators. To ensure the constructiveness of those conversations, marketing executives need to continually monitor and control the flow of information on social networking sites.

For Youtube, Senso will create more videos with useful contents and attractive designs then put them all together in one single location to facilitate the need of viewing and sharing between audience members. For LinkedIn, Twitter and Facebook, Senso will actively inform followers and fans about the latest available software, offerings and new job opportunities. For prospective customers who are also Facebook users, they can use Facebook login credentials to sign up into Senso website. As a result, it eliminates the hurdle of acquiring another username and password. The success of generating leads through the integration of the company's website and social media largely relies on the effectiveness of other communication vehicles.

5.2.2 Tradeshows and conferences

At tradeshows and conferences, information can be collected in many different ways such as registration forms, surveys and interviews. However, the quality of these leads is questionable since Senso has no control over the data inputs provided by trade attendees. Trade fairs and conferences attract a variety of interest groups, especially international crowds who attend to showcase their products, networking and meeting new partners. Audience diversity makes it difficult to conform to any standards of registration process such as misspelling in cities and countries, phone numbers without country codes and foreigners' names and street addresses. More than often, a high proportion of the data seem to be a waste of time and effort as they are not applicable for the lead generation process.

Next year, Senso is planning to attend National Retail Federation (NRF) – Retail's Big Show in New York. The cost of one standard stand in NRF is around 50,000-100,000 USD excluding variable expenses in decorating and representatives (NRF 2012). By joining the biggest retail show in the U.S, Senso has a unique opportunity to give keynote speeches in the conference and trade fair to market its innovative products and services to a wider audience. In 2011, Retail's Big Show broke a record with 22,000 attendees together with insightful speakers, latest technologies and unparalleled networking.

Escalating expenses in tradeshows and conferences restrict Senso from mass-marketing its products and services but to choose a few tradeshows that can reach the largest target audience. In addition to NRF, Senso also targets Women's Wear Daily Magic Show in Las Vegas, CPD Signature International Fashion Show in Düsseldorf, Hong Kong Fashion Week and Retail Asia Expo in Hong Kong.

Budgeting /costs are presented in table 11.

TABLE 11. Tradeshow budgeting.

	Booth package (USD)
NRF – Retail’s Big Show	50,000 – 100,000
WWD Magic Show	5,000 – 10,000
CPD Signature International Fashion Show	10,000 – 50,000
Hong Kong Fashion Week	1,000 – 5,000
Retail Asia Expo	1,000 – 5,000
In total	67,000 – 170,000

5.2.3 Webinars

Webinar is the short term for web-based seminar which describes a presentation, workshop, tutorial or seminar that is broadcasted via the web. Webinar has become one of the most innovative tools that provide businesses with the edge of effective communication and collaboration. Webinar can be offered as a service by some vendors such as WebEx and GoToMeeting or it can be conducted by installing additional software in the existing IT system. The service allows any form of conferencing to be shared among members in geographically dispersed locations with the utilisation of internet technologies. (Taber 2009.)

As participants are required to register for web events, Senso can collect relatively huge amounts of information that serve as quality leads. The service provides leads more quickly although facing some problems with registering online such as bogus responses and false details. This method of communication is the most effective marketing tool to raise awareness and educate the target audience about the products and services Senso is offering.

According to a webinar expert, Ken Molay (2010), there are three primary areas of webinar budgeting that Senso should take into account: technology, services and promotion.

In terms of technology, Senso will use a webinar platform provided by a service provider. The cost of webinars varied depending on which of the following options Senso opts for. Free web conferencing services are available but at limited participants ranging from 3 to 20 people. The next option is to pay a fixed amount of money monthly or yearly for a certain audience size. For each extra participant, Senso has to pay a hefty additional charge. Another pricing alternative is to apply pay-per-use basis at a fixed rate per person per minute. Additionally, Senso should set aside a small budget for extra costs such as audio costs, distance telephone fee when conducting a live session that requires open two-way communications.

Services concern about how to set up webinars efficiently and manage all the details and audience during a live event. For a full function of operating webinar from start to end, this might cost more than 1000 USD. However, Senso can opt for an event moderator for a few hundred dollars.

Promotion for a webinar can cost a big portion of the company's budget as people or target audience need to be informed about the upcoming event. Webinar is bound to take place as soon as Senso receives positive feedback and responses from a wide range of communication campaigns such as search ads, banner ads, newsletter and email invitations.

Details of budgeting webinars monthly in each area are presented in table 12.

TABLE 12. Webinar budgeting (gotomeeting.com).

	Fixed costs (USD)	Additional charges (USD)
Technology	100 – 500	5 – 25 cents/person/minute
Services	300 – 500	200
Promotion	100 – 1000	1000
In total	500 – 2000	1500

5.2.4 Google's AdWords

AdWords is an online advertising arena operated by Google that allows businesses' ads to be displayed on Google's search engines and its network services. AdWords helps to drive traffic to a company's website or the landing page by revealing the setup ads next to search results. Like many other internet advertising models, Adwords applies Pay-Per-Click (PPC) principle in which advertisers only pay for the ad when it is clicked. As a result, Google charges variable prices per click on different keywords depending on their demand and popularity. (Collins 2011.)

Pay-Per-Click concept has been widely accepted among advertisers in an attempt to reduce the cost of advertising to the minimum. The pitfall of this scheme, however, has also been recognised with regard to the conversion rate or the return on investment (ROI). That means how many clicks can convert casual website visits into desired actions. In order to direct more traffic to Senso's website and increase the conversion rate, the following issues need to be addressed in the right manner. (Taber 2009.)

The wording of Adwords ad should be carefully chosen to target the right audience otherwise the conversion rate will plummet. With one search result, the

pop-up of several relevant ads might make Senso rethink how to stand out from the crowd. Accurate and compelling content in a relatively tight space might do the trick and make the first impression.

The landing page after a click can have a massive impact on the success of an ad. A common practice of advertisers is to redirect people from their ads to their home page. The presentation of the ad content is hence disrupted since the home page is filled with a variety of information which has nothing to do with the ad content. The disruption in the train of thought results in the low ROI. The proposed practice is that the landing page should continue where the ad left off. An effective landing page connects visitors to the intended purpose of advertisers and presents the necessary information to induce persuasion and commitment.

Senso is planning to run Google's Adwords programme in one year with a budget of **2000 USD** in order to generate **200 leads**. Figure 17 is the snapshot of the Adwords campaign featuring some keywords that Senso is bidding on to appear on top of the search results.

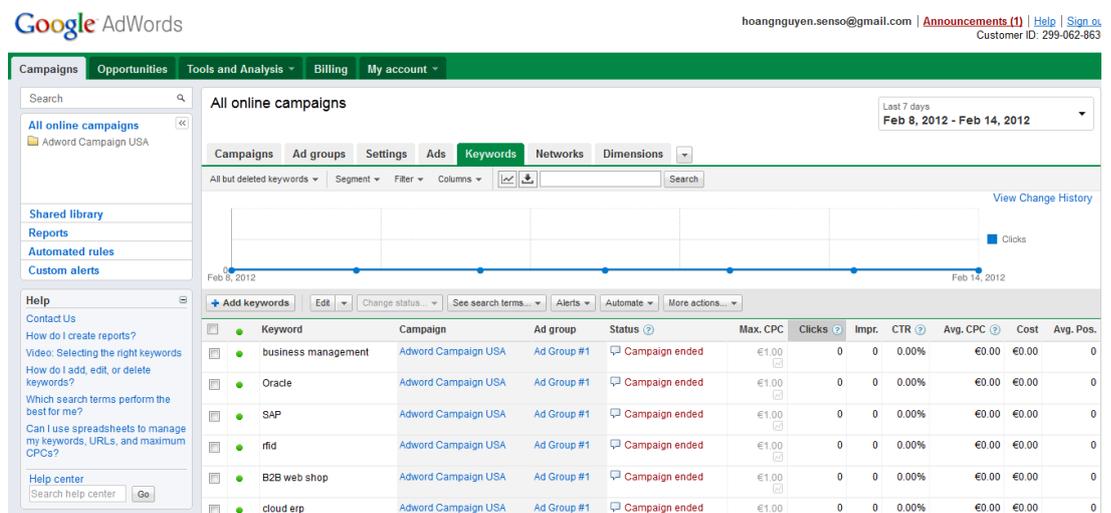


FIGURE 17. Google's Adwords campaign.

5.2.5 Email/Newsletter campaign

Email marketing is a direct marketing effort of sending a commercial message to a particular group of people through electronic mail – email. Marketing messages include ads, business request, sales or any email communication that is meant to enhance the relationship with current customers, increase customer loyalty or with the purpose of acquiring new customers. (VanBoskirk et.al 2011.)

There are two main practices of email marketing – mass email blast and individual drip sequence. The former method refers to the practice of massively and instantly sending emails to cold lists or existing customer database. The latter one refers to a series of emails queued to be sent out over time. A story or an offer to be cut into several pieces can trigger the psychological interest among recipients of what comes next and raise brand awareness as a result. (Bannan 2008.) Senso with its first step in the U.S market is recommended to pursue two marketing directions at the same time to create a buzz across industry.

As email marketing is the key approach to generate leads, Senso need to ensure each of the following factors be tackled responsibly.

First, choosing an email marketing tool is imperative in the sense that it can integrate with Senso's campaign, contacts and produce useful tracking records. Mailchimp, iContact and many other service providers have developed their tools with constant update, a full range of features and price options. It is advisable to use a free trial for at least a month before upgrading to a premium account.

Second, the content of email should be relevant to the list as it might be considered a spam violation which can cost 16,000 USD in fines per incident (Federal Trade Commission 2008). The best practice is to send emails to the list that Senso has been nurturing and screening or leverage partners' lists.

Next, the nature of the email campaign is to provide concise and important information with a compelling headline for customers. Low click-through rates might stem from the fact that customers start losing interest in long, complicated and image-filled emails (Taber 2009). The trick is to keep the emails short and clear so that recipients can grasp the point without waiting to load images,

panning and scrolling. Senso totally agrees with the concept but still insists on displaying more eye-catching pictures in its email communication. The presentation of following email samples has been proposed to Senso Management Team optimising the theme of iContact and MailChimp.

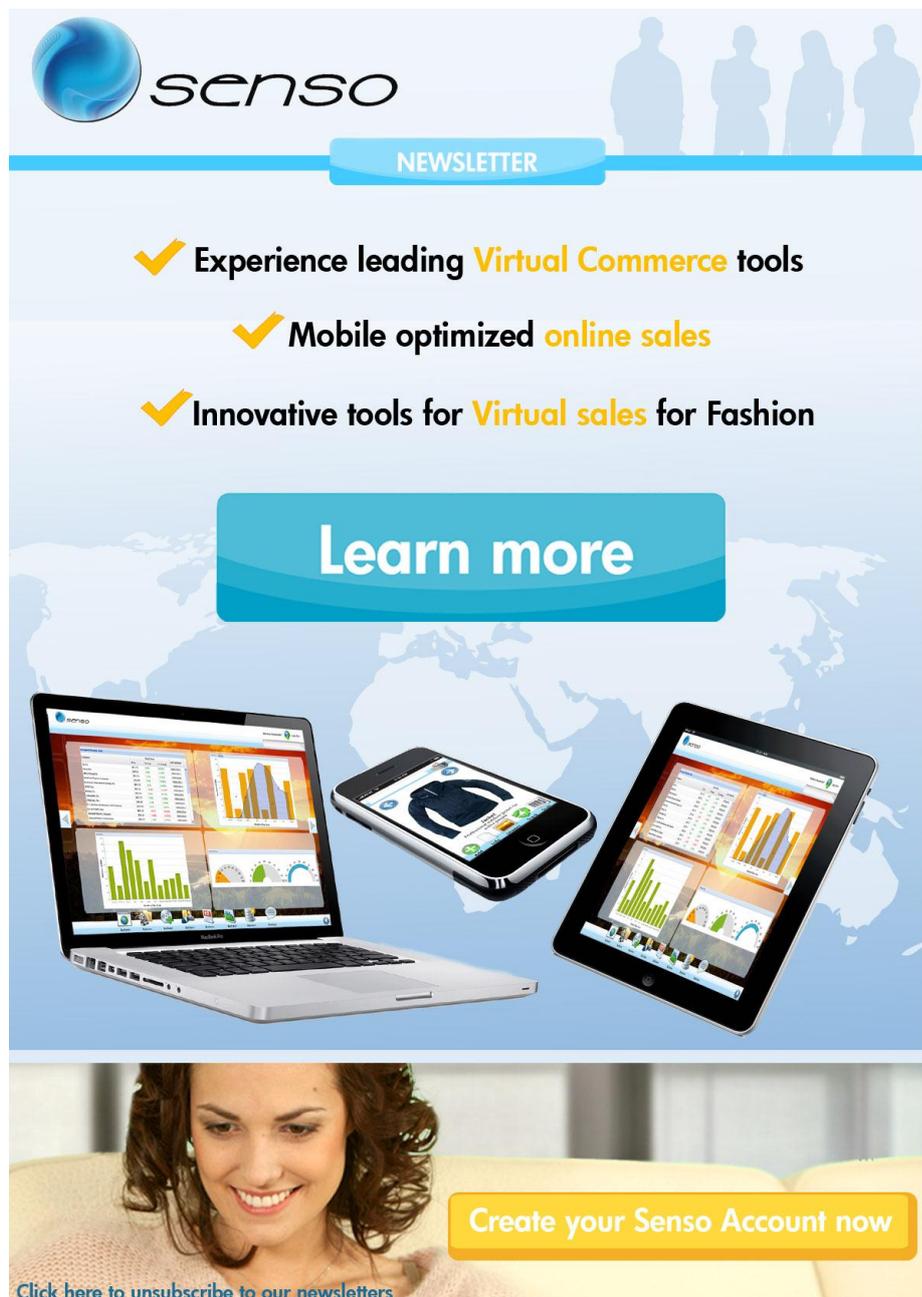


FIGURE 18. Email sample 1.





Delivering innovative business solutions directly to you

One step ahead of the competition



FACE A NEW CHALLENGE EVERYDAY: You find yourself always on the move not to lag behind other players in the game. The agony of defeat or the thrill of victory is right now. Think of new solutions, think of Senso.

[> LEARN MORE](#)

Additional Features



CONNECTIVITY
Senso companions with your business in every mile and every effort you make. We support you in the journey of conquering the world.
[> READ MORE](#)
[> SUBSCRIBE NOW](#)



CLOUD-BASED SOLUTIONS
Cutting-edge technology presents a cost-effective alternative, higher accessibility, greater flexibility and immediate scalability.
[> READ MORE](#)
[> SUBSCRIBE NOW](#)



NATURAL USER INTERFACE
User-friendly but professional applications ease your adaptation to the fast changing environment.
[> READ MORE](#)
[> SUBSCRIBE NOW](#)





FIGURE 19. Email sample 2.

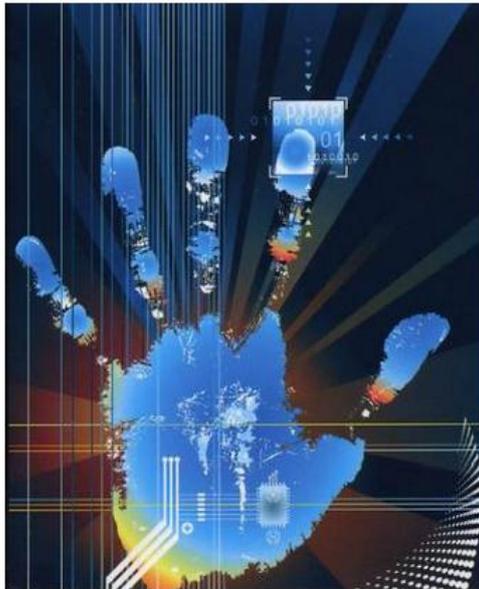
Use this area to offer a short teaser of your email's content. Text here will show in the preview area of some email clients.

Is this email not displaying correctly?
[View it in your browser.](#)

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30-Day Free Trial

Put your hands on our fully functional copy of business solutions, plus online assistance to help you get started.



Access at your fingertips

Our next generation of CRM and ERP enable your business to streamline and manage the workloads efficiently in real-time.

To celebrate our continued success in cloud-based solutions, we proudly present to you a great offer that you cannot miss.



[follow on Twitter](#) | [friend on Facebook](#) | [forward to a friend](#)

Copyright © 2012 Senso. All rights reserved.
Testing email campaign
Our mailing address is:
Senso
Rauhankatu 16 as 823
Lahti 15110

[Add us to your address book](#)

[unsubscribe from this list](#) | [update subscription preferences](#)

FIGURE 20. Email sample 3.

The budget for the email campaign is expected not to exceed **500 USD per year** including all the switching costs from one email blast provider to another. The email campaign starts filling up customers' mailboxes in an attempt to generate **50 quality leads** in the first year.

5.2.6 Phone/Telemarketing

Telemarketing is one of the most common methods of direct marketing in which a sales person induces current customers and prospects to purchase products or services over the phone (Fill 2009). Telemarketing allows organisations to generate leads, boost sales and improve customer service experience (Blythe 2003). Telemarketing can be conducted either from a company office or from a call center or from home. It may include a live operator or a recorded message widely known as automated telemarketing. This form of communication has been negatively perceived and criticised during recent years due to involving with unethical business practices such as scams and frauds in pyramid schemes. (Fill 2009.)

Brown (2008) – an expert in B2B marketing suggested that for an effective phone communication, telemarketing must fully integrate with other marketing vehicles. As the campaign begins, a phone call follows an interest reflected in the subsequent marketing efforts.

- After an email or invitation either with or without customers' request for personal contact.
- Real-time request or inquiry by the website visitors
- From high quality leads to conduct qualification and proceed to sales.

There are three main issues related to B2B telemarketing that Senso should take into consideration.

Firstly, the top priority is to figure out what is the purpose of the call – either to pitch sales or to manage customer relations. Any confusion about the purpose of the call is likely to lead to inaction or reluctance to purchase. When making the phone as a contact point with prospects and customers, it is important to be

concise, specific in the message and to encourage an immediate response toward the purpose of the call.

Secondly, Senso has to deal with the issues of location, staffing and operations. Following the current trend of the market, the case company can outsource the non-core function to a low-cost, regional call center. This is a viable possibility as long as the case company can maintain technical and business continuity with marketing and sales operations at the office. It is strongly suggested that telemarketing activities should be carried out at the office in the U.S market where resources are near and highly visible to tap into. Additionally, attracting competent and energetic callers is not a simple task. B2B telemarketing is different in every aspect from consumer or B2C counterparts. The skills of questioning, listening and interpersonal relation are required for success.

Last but not least, phone conduct has come under attack in recent years as it is easy to breach the random act of calling and cause an annoyance (FTC 2003). The best practice is no cold-call. Cold-calling is no longer receptive and welcome from business prospects. The phone call can be expected when prospects have responded to the communication message via another medium. On top of that, perhaps the first 15 seconds of the phone call is utterly important to sell the value of having a conversation and seek approval to walk them through a sales pitch.

Telemarketing is the last resort in securing a commitment from customers and prospects. Budgeting for telemarketing is part of the staffing salary which is not discussed in this study. As a result, the thesis cannot provide any financial figures in this matter. Due to the fact that telemarketing is an expensive medium as compared to the internet advertising, telemarketing is only used for big accounts which provide broader profit margins.

6 EVALUATION AND MEASUREMENT

In light of the concept of integrated marketing communications, the drive for results or effectiveness has become a pressing issue that organisations are concerned about. Although the practice of post-campaign evaluation is not new, it remains a major challenge for businesses across industry given the complexity of marketing communication landscape. (Swain 2004.) The common approach of measuring effectiveness of marketing campaign is to evaluate results against set objectives – brand awareness, outputs and position. The IMC plan goes beyond those objectives and aims at measuring behavioural responses which pinpoint the expected step of customers toward purchase and outcomes which calculate financial performance in terms of income flow and returns. (Schultz & Walters 1997.)

The key difference between the traditional model of media advertising and the IMC is that the impact on customer behaviour can be measured by the IMC. Each media channel is supposed to operate at the exact specific time with the purpose of influencing a particular behaviour of the target audience and pushing those perceptions toward the point of purchase. The stages of behavioural responses are illustrated in figure 18.

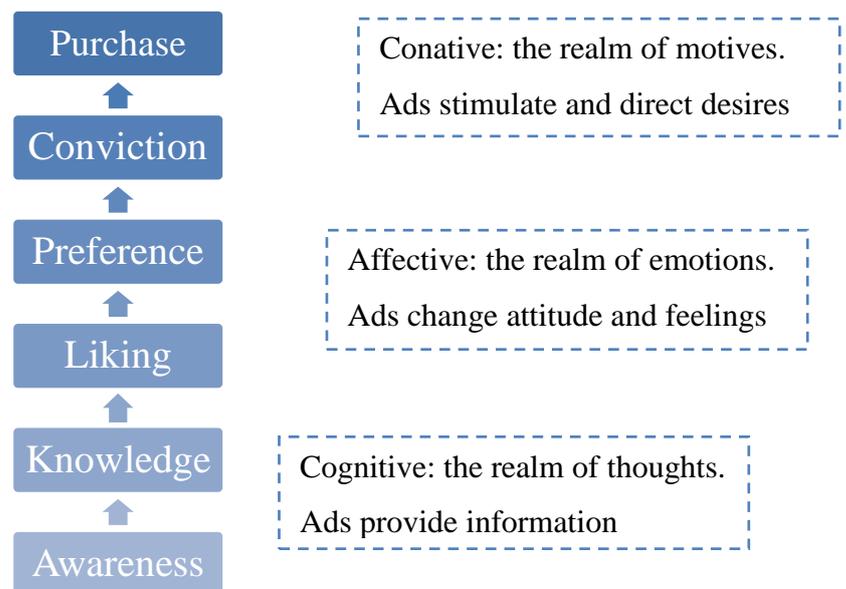


FIGURE 21. Behavioural responses (Adapted from Schultz et.al 1994, 105-156).

The IMC programmes provide a relatively reliable financial approach to measure the effectiveness of the campaign. The financial figures sketch out a complete picture of the management and allocation of companies' limited resources. To be more specific, the process of customer valuation helps companies verify how much a target market is worth and tap into the inexhaustible niche market. Schultz and Schultz (2005) ascertained that estimating ROI allows companies not only to determine income returns but also to disclose the wealth contribution of investments committed in the target market.

In order to facilitate the need of measuring responses and tracking overall effectiveness of the campaign, the study aims to reveal how to capture responses and update them. A variety of marketing channels focus on generating leads or responses. These responses must be updated by using Web 2.0 Lead and individually manually or massively relying on the type of the programme (see figure 19).

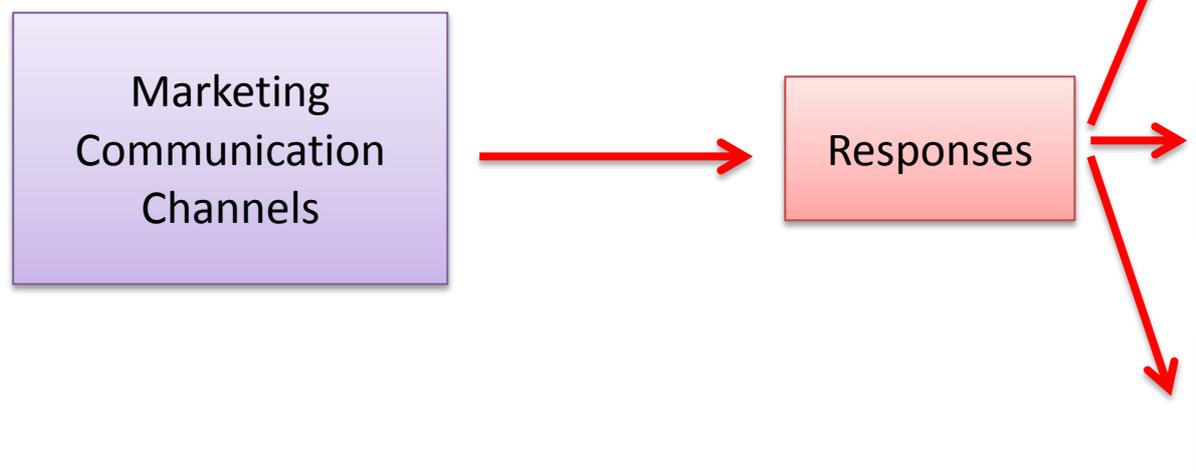


FIGURE 22. Campaign responses.

There are a number of software and IT vendors providing response capture services such as AppExchange of Salesforce.com or Campaign tracking of Mailchimp or iContact.

- Responses through website will be automatically updated and recorded in the Campaign History for the lead or contact.
- For non-automated response, it includes a call to a sales team or a card mailed to a company. Typically these responses come in one-by-one rather than in bulk so that marketers can manually update them.
- Another type of response is any response that an organisation can track in an offline list. Cases in point are tradeshow/conference attendance tracked in an Excel Spreadsheet and email responses gathered into a list by the email agency. The task of mass update and adding can be accomplished through an easy wizard (see an example in figure 19).

Campaign
Manage Members: FA Event - Product A

[Back to Campaign: FA Event - Product A](#)

Use this page to manage the members of this campaign. You can either add new members or update the campaign member status of existing members.

Mass Add Campaign Members

Add Members - Existing Contacts	Add existing contacts to this campaign all at once.
Add Members - Existing Leads	Add existing leads to this campaign all at once.
Add Members - Import File	Import a CSV file of new leads and associate them with this campaign. (Import Leads)

Mass Update the Status of Campaign Members

Update Status - Existing Contacts	Update the Status of existing contacts all at once.
Update Status - Existing Leads	Update the Status of existing leads all at once.
Update Status - Import File	Update lead or contact statuses from an imported CSV file. (Update Campaign History)

Mass Remove Campaign Members

Remove Members - Existing Contacts	Mass Remove existing contacts from a campaign all at once.
Remove Members - Existing Leads	Mass Remove existing leads from a campaign all at once.

FIGURE 23. Mass update sample (AppExchange - Salesforce.com).

With regard to financial figures and measuring the success of the communication campaign, setting up dashboard using AppExchange or Mailchimp is a proper and time-saving alternative. After updating leads and contacts, dashboards can produce some marketing metrics that are important to improve business.

Dashboard in figure 20 presents six main areas related to post-campaign results

consisting of lead management, campaign analysis, campaign revenue, leads analysis, campaign ROI and lead tracking.



FIGURE 24. Campaign measurement – Dashboard (AppExchange - Salesforce.com).

Campaign tracking and dashboard allow organisations to take the task of communication evaluation in their own hands which is more suitable in terms of cost-efficiency solutions in the current economic climate. In case companies get involved into many projects and have limited human resources, measurement practice can be outsourced to the third party such as advertising agencies. Marketing experts at the agencies can conduct a wide spectrum of surveys through their database and network partners to produce post-campaign results. High costs and time-consuming are the disadvantages of advertising agencies.

Senso – a fledgling IT company with a dynamic team – has decided to opt for leaner alternatives that optimise Mailchimp’s campaign tracking history and

uniquely designed dashboard for measuring effectiveness of the marketing communication campaign.

7 CONCLUSION AND RECOMMENDATION

The motivation to fully understand the relation between investments and returns in integrated marketing communications has driven the author to complete the process of analysing and assessing attributes to a successful head-start in the U.S. For the case company, a pressing question still has been left unanswered as to how the case company can launch a productive marketing campaign. Throughout the research, in each chapter, the author attempted to explore issues in each of the five sub-questions providing a profound insight into the bottom-line question.

Cloud computing has emerged as a new paradigm, a rising tide that pushes businesses in the IT industry moving forward. The secular trend has been quickly adopted by an increasing number of companies that are looking for cost-efficiency solutions to enhance their competitive advantages. The nature of cloud computing is like two sides of the same coin presenting both benefits and drawbacks that any organization, despite their sizes, should take into account. However, substantial benefits clearly outweigh some exposed pitfalls and accelerate the migration of workloads towards cloud environments. Therefore, it is highly recommended for the case company to utilise industry knowledge to make its existence known among leading service providers.

Penetrating the U.S market requires more than in-depth technology industry knowledge as the most mature market itself carries a bundle of risks and opportunities. Market insight and target customer intelligence play a significant role in optimising opportunities and converting risks into rewards. The case company targets the Software-as-a-Service (SaaS) market segment which is expected to grow at a 50% CAGR over the next three years (Morgan Stanley 2011). The SaaS market attracts a large number of new players who compete for a piece of the action. In addition to high competitive rivalry, some long-established vendors such as Oracle, Google, Salesforce.com dominate the SaaS market with stretching portfolios of products and services. Although the target market is tightly packed with strong players, public cloud adoption keeps on expanding in breadth and depth still leaving some wiggle room for the case company.

In the face of a major change in the IT industry landscape, the case company has prepared to launch the next generation of business management solutions that allow organisations to streamline and run business processes efficiently in real-time. On top of that, a platform for e-Commerce is further developed in integration with social media and other cloud-based solutions. Unparalleled product offerings have dominated the fashion industry in Finland and are underway to challenge counterparts in the U.S market. The biggest hurdle that restrains the case company from capitalising on this opportunity is the lack of financial resources. Huge investment is needed to get the products off the ground. However, the funding issue is likely to be offset by solid experience in cost-saving and efficient management.

A tighter budget calls for appropriate actions which entail the selection of various marketing channels. The communication vehicles draw in customers' interests and turn them into high quality leads. Each channel covers a specific market area and collaborates with others to achieve set objectives. The flow of lead generation has been illustrated in figure 21.



FIGURE 25. Lead generation among various marketing channels.

Senso website is the cornerstone of the process of producing responses. The task of attracting customers to the website has been divided into six different communication vehicles including Adwords, emails, tradeshows, webinars, social networking and telemarketing. Each medium targets a specific group of customers regarding their whereabouts and contact points. Some customers might be present on the internet searching for a product or service that matches their needs. Perhaps others are willing to take the miles to attend trade fairs to find the right partners. No matter where target customers might be, Senso with its marketing channels is ready to respond at that instant.

As can be seen in figure 21, at the start of the campaign, Google's Adwords and emails are the main communication vehicles to generate leads and create more

subscriptions to the Senso website. The task of generating quality leads is reinforced by integrating with social networking sites as mentioned earlier in sub-chapter 5.2.1. Since establishing a customer base has made progress, Senso will continually build brand awareness by delivering keynote speeches and setting up commercial stands in conferences and tradeshows. Data collected in the tradeshows will be directed into the company website or converted into leads immediately. The whole process is applied to webinars. With regard to telemarketing, direct contacts via phone turn into quality leads and potential sales. The purpose of all marketing channels is to redirect prospects to leads or responses which can be updated and produce promising results such as a commitment or sales.

The practice of updating responses is classified into three main processes. The first method is website response which is updated automatically through the Senso website. The second one is individual manual update which requires the marketing team to record those changes manually when receiving responses through email or phone. The last practice is mass update which normally occurs after tradeshows or webinars as the information is collected in bulk in the form of spreadsheets or google documents.

The bottom line: the effectiveness of the campaign can be created by the smooth and quick interaction between communication vehicles. The flow of responses is supported by the right scheduling and measured within the set budget. Although the practice of evaluating investments and expenditures in the IMC plan presents a high degree of uncertainty, campaign history tracking and the dashboard tool provide a better overview of the end results.

In search of sustainable growth, the case company should focus more on other elements of marketing mix including product, price and place or distribution. The integrity of the marketing plan has been maintained since the thesis briefly discussed the nature of the product/service – cloud computing, the pricing structure and the market landscape. With reference to cloud computing, further research should be conducted to investigate whether cloud computing lives up to

its expectations and deserves the label “state-of-the-art” technology. Regarding the pricing structure, it is suggested that the case company should pursue a more innovative approach to tackle the pricing issue as if it has not been influenced by any other competitors. Last but not least, the constant transformation of the market landscape requires a great deal of adaptation and flexibility. It is highly recommended to build a long-term partnership with other businesses across the industry and be proactive in every turn of events.

8 SUMMARY

In order to oil the wheels of market penetration, this marketing communication plan has been designed for the case company. The proposed campaign entails two main parts, namely the theoretical part and the empirical framework. For the purpose of a solid and coherent proposal, the combination and interrelation of these two bodies are highly recommended. In addition, an emerging technology – cloud computing – is also introduced since the whole campaign revolved around this new concept and its distinctive characteristics.

The theoretical framework systematically recaps different theories for external and internal analyses. External analysis including PESTEL model and Porter's Five Forces structure allows a comprehensive understanding of the U.S cloud computing landscape. Internal analysis such as SWOT and McKinsey 7S model helps identify the case company's strengths and weaknesses in the face of the intense competition. As requested by the case company, further research will be conducted into the cloud battlefield where businesses compete with one another to acquire the lion's share of the market.

The empirical part is simultaneously applied into the theoretical framework to enhance the train of thought and increase its practicality. The aftermath of those findings puts forward the communication plan which is intended to convey the case company's message to the target audience. The communication channels consist of website, social media, Google's Adwords, email, telemarketing, tradeshow and webinars. With the set objectives at the core, these marketing vehicles will generate quality leads for business prospects. Post-campaign measurement tools are also proposed to evaluate the effectiveness of the campaign.

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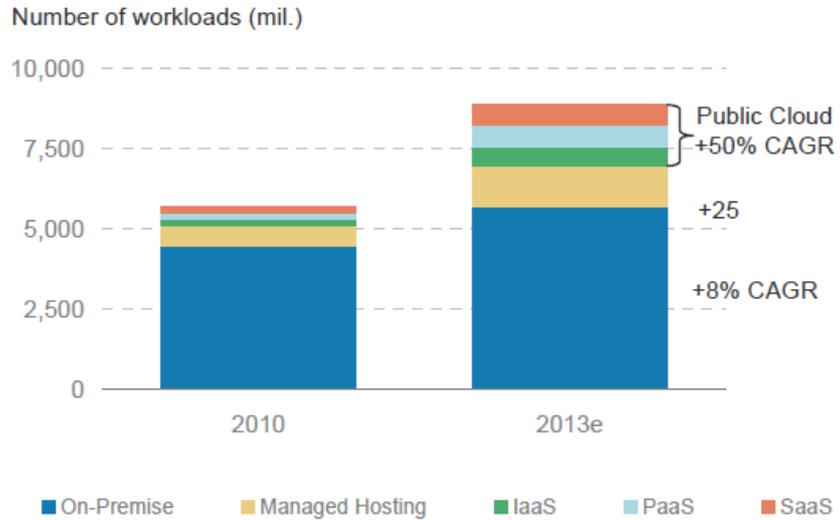
APPENDICES

APPENDIX 1. Interview questions with Mr Markus Rosendahl and Mr Jukka Lehto.

1. Why would you choose the U.S market as part of your expansion strategy?
2. What interests you in the cloud market in the U.S?
3. In comparison with other products and services already in the market, what is your competitive advantage?
4. The competition in the U.S market is extremely intense at the moment. What is your approach on this issue?
5. How confident are you in the next generation of business management applications?
6. Does long-established experience in the Finnish Fashion industry helps facilitate your penetration plan?
7. What do you think about the cloud market in the U.S?
8. What is your target customer in the U.S market?
9. What is your first action approaching the U.S market?
10. Cloud computing is the new paradigm but it also poses many pitfalls. What do you think about this issue?
11. How can you convince customers to switch to your applications?
12. Tell me more about the company history.
13. What do you think about strengths and weaknesses of the company?
14. What is your suggestion about the marketing strategy in the U.S market?
15. What is your communication message?
16. Which communication vehicles would you take onboard taking into consideration various factors such as costs, timing and schedule?
17. What do you think about launching the new Senso Website?
18. Social media is a growing trend. What is your take on that?
19. Why would you choose to present Senso apps in the biggest retail fair?
20. Internet marketing seems to be your choice of marketing in the U.S market. Do you think that would be enough?
21. What is your proposal about measurement methods in evaluating effectiveness of marketing campaign?

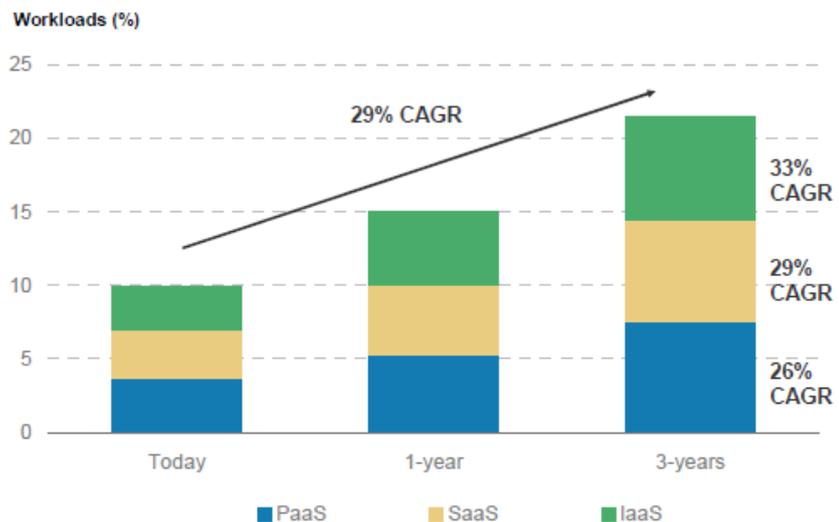
APPENDIX 2. Morgan Stanley 2011 report.

Our Survey Suggests a 50% CAGR in Public Cloud Workloads over the Next Three Years...



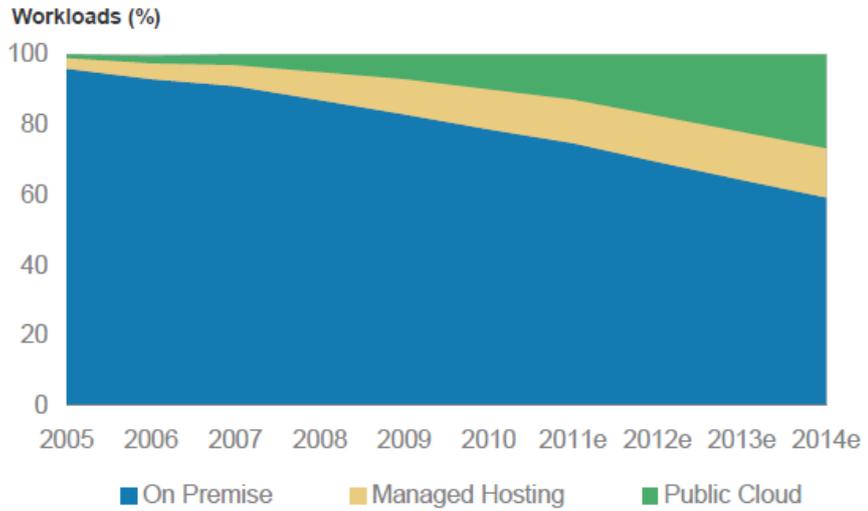
e=Morgan Stanley Research estimates.
Source: AlphaWiseSM, Morgan Stanley Research

All Public Cloud Options Grow Well: Durability of SaaS Growth Perhaps the Biggest Surprise



Source: AlphaWiseSM, Morgan Stanley Research

Workloads are Moving Away from On-Premise Environments



e=Morgan Stanley Research estimates.
Source: IDC, Morgan Stanley Research

Bigger is Better: Largest Vendors with the Broadest Offerings will Consolidate the Market

	Customers	Users
Concur	>10,000	NA
DemandTec	355	~16,000
Intralinks	4,700	NA
NetSuite	30,000	NA
RightNow	1,900	~300,000
Salesforce.com	97,700	~3,000,000
SuccessFactors	4,000	~9,000,000
Taleo	>5,000	~20,000,000

Source: Company data, Morgan Stanley Research.

APPENDIX 3. Richer information about SaaS segments

Leading CRM beneficiaries

Beneficiaries	Core products	2008 revenue USD	Growth rate	Key difference	Key clients	Key partners
Sales force.com	- Marketing - Sales - Customer service	1,077 M	43.8%	Market leader in extended web-based functionality especially in sales. It first launched in 1999 and now become dominant in all areas of on-demand CRM. It is continuously updating and developing apps linked to web 2.0 technology (integrating CRM apps with various Social Networks)	- Dell - Kone - Allianz	- Facebook - Google - Amazon - Castlron
Oracle	- Marketing - Sales - Customer service	694 M	24%	Market leader of on-premise CRM. It successfully moved to offer on-demand CRM. Oracle Social CRM Suite will soon be released with a toolset of using social media and data available on the internet (Google Maps, LinkedIn)	- 3M - Bayer	- Facebook - Hoovers - Castlron
Right Now	- Marketing - Sales - Customer service	140,4 M	25%	A significant player in the U.S. It can run live more quickly than traditional on-premise CRM in an average of 45 days. It is well-known for high quality of customer service solutions. It acquired SalesNet in 2006 to further enhance its delivery of Sales solutions.	- British Airway - Drug store - Tom Tom	- Cisco - Demand ware - Boomi

Leading ERP beneficiaries

Beneficiaries	Core products	2008 revenue USD	Growth rate	Key difference	Key clients	Key partners
SAP	- Manufacturing - Financials - Human Resources	16,300 M	Double digit growth in midmarket	SAP Business ByDesign is a SaaS application that enables companies to meet their end-to-end needs. The solution is mostly employed by the midmarket. Hence the software can be modified or tailor-made as required	- Calsberg - Air France - Cisco - Bayer Health Care	- Akamai - Pervasive
Net suite	- Manufacturing - Financials - Human Resources	153 M	40.5%	Netsuite aims to provide an integrated suite of on-demand apps to SMEs. Its customer base is mid-market companies and has not yet customised to large organisations	- Virgin - Money - Computer Warehouse	- Root stock - Ebay - HP
Work day	- Manufacturing - Financials - Human Resources	9 M	63.5%	It emphasises on the usability and embedded analytics of its apps. It offers payroll systems and talent management programme. Increased adoption of ERP in the SaaS market accelerates growth of Workday	- Sony Pictures - Flextronix - ATMI	- ADP - Micro soft

Leading SCM beneficiaries

Beneficiaries	Core products	2008 revenue USD	Growth rate	Key difference	Key clients	Key partners
Descartes	- Transportation Management	59 M	13%	SaaS apps enable real-time access to delivery information with greater flexibility and scalability. It helps to plan, optimise, track and monitor delivery vehicles in real time. On-demand service requires no installation of software in sites and continues to update routes and maps.	- Coca-Cola - Crate & Barrel - British American Mauritius	- Navteq - ALK - Microsoft
Ariba	- Sourcing - Procurement	33.6 M	73%	Ariba is pioneering in integrating spend management and contract management services with worldwide consulting. Ariba acquired Procuri in 2007 – a private SaaS provider of sourcing and contract management solutions – to widen its on-demand offerings	- BMW - American Express	- Sun microsystems - Tibco
Ketera	- Sourcing - Procurement	7 M	N/A	Ketera cloud delivery model is the combination of hosted procurement solutions and “heavy lifting” services. Its cloud service includes supplier operations,	- Delta - GAP - United	- The Claro Group - HCL

Leading CCC beneficiaries

Beneficiaries	Core products	2008 revenue USD	Growth rate	Key difference	Key clients	Key partners
Cisco Webex	- Web-conferencing - Team collaboration	550 M	20%	Cisco Webex is the world leader in web-conferencing. It currently has more than 35000 corporate customers for more than 13 years	- DSM - BDO - Toshiba	- SumTotal
SumTotal	- E-learning	126.9 M	5%	SumTotal is the world leader in learning management. It continually develops its on-demand learning solutions and has projected to gain significant growth in 2010. 80% of its revenue was generated from the U.S market and it plans to expand its offerings to EMEA market in the next couple years.	- AA - Microsoft - Fujitsu	- Adobe - Cisco - Webex
IBM Lotus	- Email - Team collaboration	N/A	63.2%	Lotuslive is famous for its hosted collaboration and communication solutions. It is user-friendly and is designed to easily integrate with third-party infrastructures.	- N/A	- Facebook - LinkedIn - Skype - Salesforce.com

Leading DCC beneficiaries

Beneficiaries	Core products	2008 revenue USD	Growth rate	Key difference	Key clients	Key partners
YouTube	- Digital video	320 M	70%	YouTube dominates the video broadcasting online in the world. It has obtained an amazing growth during recent years and has the customer base of more than 100 million viewers. In 2007, YouTube remixer was successful launched as the online video editing programme with over 250 million users.	- CNN - Fox 4 News	- Google - Universal
Adobe	- Digital imaging	N/A	N/A	Adobe occupies over 55% of the total market share in digital imaging software. Photoshop Express – the first online image editing software – was launched in Beta version and free of charge up till now. It has projected to integrate the current platform with “Lightroom” and “Elements” to provide a more flexible and scalable solution.	N/A	- Sum Total

Leading Int.aaS beneficiaries

Beneficiaries	2008 revenue USD	Growth rate	Key difference	Key clients	Key partners
Pervasive	42.47 M	14%	Pervasive first released cloud offerings in 2009 and has enough experience to survive in the U.S market.	- Astadia - Centive	- Oracle -Salesforce.com - SAP
Castlron	35 M	118%	Castlron has been in the business for more than 20 years with solid experience in enterprise integration. It becomes one of the most innovative players in the market. It offers a complete and flexible SaaS integration model to a wide range of companies. Its business model is built on configuration, not on coding which helps accelerate project integration in just days.	- Salesforce.com - PayPal - Fiat Group - Hilton	- Google - Oracle - Salesforce.com
Boomi	3.8M	30%	Boomi first made a move to target SaaS providers with its visual integration editor application. User-friendly and affordable characteristics are its competitive advantage.	- Puma - Raley's - D&H	- Exact Target - Netsuite - Right Now - Force.com