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HAS VALKEA MARINA SUCCEEDED IN ITS MARKETING COMMUNICATIONS?

Case study examining has a Finnish real estate company reached its clients through its marketing communications and should the company change its marketing communications for the future.

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ABSTRACT

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Dissertation title: Has Valkea Marina been able to reach its clients through its marketing communications? Case study examining a Finnish real estate agency Valkea Marina's marketing communications.

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The purpose of this thesis was to examine a Finnish/Spanish real estate agency Valkea Marina's marketing communications. The research was designed to identify the type of marketing communications Valkea Marina utilises, to discover whether those marketing communications strategies have been profitable, and to analyse ways Valkea Marina can improve its marketing communications in order to increase profits.

The research was conducted in two dimensions: secondary research and primary research. The former included research of a large variety of marketing communications literature concerning theories about buyer behaviour, marketing communications planning, and different marketing communications tools such as personal selling, public relations and direct marketing. The latter included designing a survey for Valkea Marina's clients and interviewing the owner of the company in order to compare the results together and to find out areas of improvement.

This study revealed that Valkea Marina has been using mostly personal selling, direct marketing and public relations as its marketing communications and it has been able to reach clients. However, this study found out that Valkea Marina's marketing communications lacked consistency and their website did not offer enough information for their customers. The company was advised to create a marketing communications plan, which would enhance their marketing communications by providing thorough and uniform guidelines for the personnel.

Key words: marketing communications, real estate industry, personal selling, direct marketing, public relations, marketing communications plan

TIIVISTELMÄ

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Opinnäytetyön nimi: Onko suomalainen kiinteistönvälitysyritys Valkea Marina onnistunut tavoittamaan asiakaskuntansa markkinointiviestintänsä avulla? Tapaustutkimus Valkea Marinan markkinointiviestinnästä.

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Tämän opinnäytetyön tarkoituksena on tutkia Espanjassa toimivan suomalaisen kiinteistönvälitysyrityksen, Valkea Marinan, markkinointiviestintää ja selvittää, onko yritys saavuttanut kohderyhmänsä erilaisten markkinointiviestintään käyttämiensä keinojen avulla. Tutkimus suunniteltiin tutkimaan Valkea Marinan markkinointiviestinnän välineitä; selvittämään, ovatko yrityksen markkinointiviestinnän strategiat olleet tuottavia; ja analysoida tapoja, joilla Valkea Marina voi mahdollisesti kehittää markkinointiviestintäänsä tulevaisuudessa.

Opinnäytetyö on luonteeltaan empiirinen ja perustuu markkinointiviestinnän teorioihin sekä Valkea Marinan ostaneille asiakkaille teetettyyn kyselyyn ja Valkea Marinan omistajan kanssa käytyyn haastatteluun. Työn näkökulmaksi on valittu yrityksen oma näkökulma.

Tutkimus paljasti, että Valkea Marina on onnistunut tavoittamaan kohderyhmänsä käyttämänsä markkinointiviestinnän avulla, mikä on johtanut tuloksellisuuteen. Vaikka yritys on onnistunut markkinointiviestinnässään, tutkimus osoitti, ettei yrityksellä ole ollut selvää markkinointiviestintäsuunnitelmaa, joka on mahdollisesti estänyt paremman tuloksen syntymistä. Tutkimus ehdottaa Valkea Marinalle selvän markkinointiviestintäsuunnitelman luomista, jotta yritys voi parantaa tulostaan vielä entisestään.

Avainsanat: kiinteistönvälitys, markkinointiviestintä, mainonta, henkilökohtainen myyntityö, PR, myynninedistäminen, suoramarkkinointi, markkinointiviestintäsuunnitelma

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1. Introduction

Marketing communications is a channel through which companies seek to create attention towards their products and brands. A company has to maintain its marketing communications messages consistently across different campaigns (Clow and Baack 2007: 461) and thereby a company must monitor and evaluate its marketing communications in order to keep its line. Evaluation is the key to successful marketing communications and to the constant flow of profits. The real estate industry is going through difficult times in Spain, which is also negatively affecting the buying behaviour of consumers, who are now more cautious in their purchasing decisions. The supply of holiday homes is currently quite large due to over construction which took place during the years 2003-2007. After the construction boom prices fell 30% (Asset Securitisation Report 2011: 2), which has made selling more difficult than before because the polarisation of prices is very strong between different parts of Spain. For example, it is easy to find a cheap property from Costa del Sol, but a similar property from Costa Blanca Norte can be more expensive. Foreign consumers may not understand the reasons behind the price discrepancies of regional property prices, which put pressure on real estate agencies. Consumers seek information from different sources such as the Internet, newspapers and magazines, and real estate agencies are compared constantly to each others. The recession of Spanish economy affects real estate agencies' marketing communications by challenging them to be ever more informative and creative in order to explain the reasons behind price inequality of property areas.

The researcher conducted her work placement in Spain at the Finnish real estate company Valkea Marina, which aroused the interest to evaluate the company's marketing communications. Valkea Marina is a small Finnish/Spanish owned real estate agency, which offers holiday properties for Finnish consumers in the area of Costa Blanca Norte. Valkea Marina has been using different marketing communications tools (personal selling, direct marketing and public relations) in order to allure Finnish property buyers to the area they are representing. The company is heavily investing in its website and it is trying to attract Finnish property buyers to the area it is representing. A critical evaluation of the company's marketing communications had not been previously carried out and thereby the

purpose of this thesis was to evaluate the different marketing communications strategies and tools currently used by Valkea Marina.

The research was carried out in two different dimensions: secondary research and primary research. Secondary research included theories about the literature of marketing communications and the real estate industry, and primary research included a comparison of a client survey and interviews held with the owner of the company. The results did not greatly differ, but pointed out areas to improve and develop. For example, the research highlighted the fact that the company lacked a clear marketing communications plan even though the company had been sending quite similar marketing communications messages for its target market and target audience.

2. Literature Review

2.1. Marketing communications

Marketing communication is a management process through which an organisation seeks to engage with its various audiences. To accomplish this, the organisation develops, presents and evaluates a series of messages, which it sends to and receives from its different audiences. The objective of this process is to (re)position the organisation and its offering in the minds of particular audiences and in doing so encourages the development of relationship that are mutual value (Fill 2006: 8). According to Fill (2006), marketing communications consists of a mixture of advertising, personal selling, sales promotion, public relations (PR) and direct marketing. This communication is essential for a company to survive in the market it is in, thus a great deal of attention has to be put in developing proper marketing communications plan for the company. In addition, Fill (2006) clarifies that a company has to communicate with its current customers, as well as its prospective customers, and the communication should be done consistently. Marketing communication literature in general (Pickton and Broderick 2005, Kotler et al. 2005, Fill 2006) underlines that a company's marketing cannot be successful without many people involved in the communication process both inside and outside the company. Marketing communications has to be integrated so that every part of the organisation sends a coherent and unified message to the target audience, which then decodes the message according to its perceptions, attitudes and beliefs.

To communicate effectively, marketers need to understand how communication works (Kotler et al. 2005: 728). According to Kotler et al. (2005) the communication process consists of nine different factors: sender, receiver, encoding, decoding, message, media, response, feedback and noise. In this case, the sender is a company sending the message; the receiver is the target audience receiving the message from the company; encoding is the process of transmitting the intended message into symbolic form; decoding is the process by which the target audience understands the symbols encoded by the company; message is the set of symbols, words or pictures that are transmitted by the company; media is the communication channels used to move the message; response is the reaction of the target audience when exposed to the message; feedback is a part of the target audience's response communicated back to the company; and noise is the unplanned

distortion during the communication process, which might result in understanding the message differently than was planned by the company. For example, Clow and Baack (2007) write that clutter is the most common form of noise. Nowadays consumers are continuously exposed to different marketing messages, so one message can easily just pass the consumer without noticing. To communicate effectively, the marketing communicator must understand the consumer's field of experience (Kotler et al. 2005: 729). That is, the marketing communicator has to understand the target audience's attitudes, beliefs and perceptions in order to design the right message.

Referring to Kotler et al. (2005), the ideal message sent to the receiver should gain attention, hold interest, wake desire and obtain action. This principle is also called "a hierarchy-of-effects model, which assumes that things have to happen in a certain order, implying that the earlier effects form necessary conditions in order for the later effects to occur" (Pelsmacker et al. 2005: 23). In other words, consumers go through a think-feel-do sequence (cognitive-affective-conative), where think equals attention, feel equals interest and desire, and do equals action. In addition, Kotler et al. (2005) also advise the communicator to decide what to say (content) and how to deliver the message (structure and format). Thus the communicator has to create a proper appeal or theme, which will result in the desired response. Three types of appeal a marketing communicator can use have been identified: rational appeal will show that the product/service will give the desired benefits for the consumer; emotional appeal relates to the emotions that can motivate purchasing decision; and moral appeal is designed to relate to the consumer's sense of moral. While choosing the content, structure and format (medium) of the message, the communicator has to form the message so that it will attract attention in the right target audience. For example, the message must interest the target group and the message must have practical value to the target audience, because individuals are in the market for the product (Kotler et al. 2005: 735).

Marketing communications should be done consistently thus it is essential to develop a marketing communications plan, which includes situational analysis, target market profile, marketing and marketing communications objectives, budget, marketing communications strategy and campaign evaluation. Situational analysis involves company, competitor, consumer, market, and product analysis, which can then be combined into company's strengths, weaknesses, opportunities and threats (SWOT-table). Target market profile

includes the definition of target market and target audience. In objectives, the marketer defines marketing and marketing communications objectives and Pickton and Broderick (2005) emphasise that every objective should be specific, measurable, achievable, realistic, and timed/targeted (SMART). Budgeting can be based on, for example, arbitrary method, percentage-of-sales method, and objective-and-task method (Fill 2006) (See Appendix 1). A marketing communications strategy defines the tools (PR, sales promotion, direct marketing, advertising and personal selling) that will be used in order to accomplish the set objectives. Marketing communications plan helps to differentiate the product and provides directions internally for the marketing communications team. The evaluation of marketing communications plan should be done in terms of their efficiency and their effectiveness. “When evaluating a campaign, the planner should address the following questions: What was expected to happen? What actually happened? What were the reasons for success or failure? What was learnt from the campaign? What should happen next?” (Pickton and Broderick 2005: 228-307).

According to Clow and Baack (2007), there are several ways of evaluating a marketing communications program. They include, for example, short-term outcomes (e.g. sales), long-term results (e.g. brand awareness), product-specific awareness, awareness of the entire company and active responses. Clow and Baack (2007) also states that evaluation and testing of the marketing communications plan can be done at any stage - evaluation can happen before, during or after the campaign. Pre-testing is used before a marketing communications campaign is launched and post-testing evaluates a campaign in the end of the campaign. For example, attitude and opinion surveys can be done before and after the campaign, in order to find out whether the campaign changed attitudes towards a brand or product, and awareness level tests can be also launched before and after the campaign.

In addition to surveys, Clow and Baack (2007) suggest that a marketer can follow whether the campaign is reaching its objectives by following how it is using the set budget. Regardless of the test and evaluation method, the communications plan should be measured against its objectives. “The communications activities of the marketing management team should always reflect the objectives.” (Pickton and Broderick 2005: 517) If objectives are not met, the campaign did not succeed. Evaluation of a marketing communications campaign is useful for the company, because it can improve decision making, reduce risk, improve future campaigns, save costs and accumulate wisdom

although usually it require assets that a company is not so willing to give (Pickton and Broderick 2005). Pickton and Broderick (2005) remind that every aspect of a campaign is impossible to evaluate and measure, yet evaluation is necessary and essential for a company's success.

2.2. Public Relations

Public relations (PR), which “is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics” (Institute of Public Relations cited in Pickton and Broderick 2005: 547). The term publics refer to anyone who is interested in or exposed to the organisation's business and communications. Usually public relations are used to market both the product/service and the company itself. The former is called marketing public relations (MPR) and the latter corporate public relations (CPR). According to Cutlip et al. (1985), CPR is “a function of management seeking to identify, establish and maintain mutual beneficial relationships between an organisation and the various publics on whom its success and failure depend.” (Cutlip et al. 1985, cited in Fill 2006: 247) MPR on the other hand are more concerned with the products or services that the organisation is offering to consumers. However, Fill (2006) emphasises that both forms of PR interact with each other – MPR can have an immediate effect to the corporate image and CPR can have an immediate effect to the consumers' perception of the product/service the company is offering in the markets. Thus MPR has to be conducted in conjunction with CPR and their approach has to be reflected in the organisation's performance.

Fill (2006) has distinguished three different roles for PR, which are creating goodwill and stimulating interest in the public; propping up the marketing of the products and services; and giving the means by which relationships can be developed. After all, the overall goal should be to develop relationships by engaging the organisation and its different audiences (Fill 2006: 248). It has been discussed greatly in the marketing communications literature (Fill 2005; Kotler et al. 2005; Pickton and Broderick 2005; Pelsmacker et al. 2005) that PR include, for example, press releases, lobbying, interviews, different events, corporate advertising and sponsorship. Another PR tool is blogging, which according to Bovée and Thill (2008) can boost sales, create relationships with different stakeholders and arouse consumers' interest and awareness of the company or its brands. PR tools are commonly

used in organisations, because public relations' absolute and relative costs are minimal, credibility is high and it does not demand paid airtime or space in the different mediums. Fill (2006) also underlines that public relations is an important tool, since it has the ability to reduce buyers' perceived risk, because it is associated with trust and confidence. Nonetheless, the level of control that the marketing management has with PR messages is quite low, since "any changes in the message may not be agreed with the management" (Fill 2006: 242), which may result in totally different message that was intended to distribute.

Pickton and Broderick (2005) remind that PR should be carefully targeted in relation to the needs specified by the marketing communications campaign objectives to achieve the best outcome. However, evaluating the effectiveness of PR can be hard to measure. For instance, exposure measures (media coverage etc.) hardly give the right picture about the long-term effects of PR.

2.3. Personal Selling

Personal selling involves person to person communication with a prospect. It is a process of developing relationships; discovering needs; matching the appropriate products with these needs; and communicating benefits through informing, reminding, or persuading (Manning and Reece 2007: 5). Kotler, Wong, Saunders and Armstrong (2005) underline that personal selling is an important part of the promotion mix, since it can help to gather information from customers and their problems and thereby adjusting the marketing offer and terms of sale increases the chance to purchase. However, personal selling is more than creating sales because it can build and maintain long-term relationships. In this sense, Manning and Reece (2007) discuss value added selling, where a salesperson creates value for the customer by developing a quality relationship, which is based on careful identification of the customer's needs and creation of the best possible product or service solution. Value added selling will not stop after the sale has been done – the value creation continues in excellent after sales service. Furthermore, Manning and Reese (2007) underline that successful selling process depends quite heavily on the salesperson's own abilities, such as the ability to develop, manage and improve interpersonal relations with the customer.

Kotler et al. (2005) have identified seven steps in the selling process. The steps are prospecting and qualifying, where the salesperson identifies and qualifies prospective customers; pre-approach, which includes learning about the customer before making the approach; the actual approach, where the salesperson encounters the customer the first time; presentation and demonstration, where the salesperson introduces the product and how it will give value for the customer; handling objections, in which the salesperson seeks out, clarifies and overcomes possible objections to purchase; closing, where the salesperson asks for an order; and follow-up, where the salesperson confirms customer satisfaction and possible repeat purchase (See Figure 1). Pickton and Broderick (2005) have clarified the selling process by stating that “agreement is reached through a process of bargaining – an exchange of detailed information on the issues at stake which also incorporates the parties’ beliefs and expectations. The techniques often combine both argument and persuasion.” (Pickton and Broderick 2005: 699) In addition to argument and persuasion, Pickton and Broderick (2005) have stated that the selling process can include both competitive and collaborative moves, which depend on the degree of trust between the parties.



Figure 1. Seven steps in the selling process adapted from Kotler et al. (2005).

According to Fill (2006) personal selling is a two-way communication and thereby it will provide fast and direct feedback between the negotiating parties. Face to face communication allows the salesperson to personalise messages in order to match with the customer, and Fill (2006) has discussed that personal selling enables the receiver to pay attention to the salesperson, which reduces the probability of noise or distraction. In addition, through personal selling a company has the ability to participate in the decision making process, especially in the final stages. Personal selling can do this more than other communication mix tools can, as can be seen from Figure 2, which illustrates the effectiveness of different marketing communications tools in consumer's purchasing sequence. The vertical axis measures the level of effectiveness and horizontal the purchase decision sequence. Fill (2006) reminds that personal selling has high costs meaning that its cost per contact is extremely high. Furthermore, personal selling takes quite a lot of time and the management cannot control the messages the salespersons deliver. Fill (2006) clarifies that when control over the message is low there is a high probability of message inconsistency, which can lead to confusion and consumer dissatisfaction. Therefore it is important that the salespersons are well trained for their jobs in order to avoid conflicting messages.

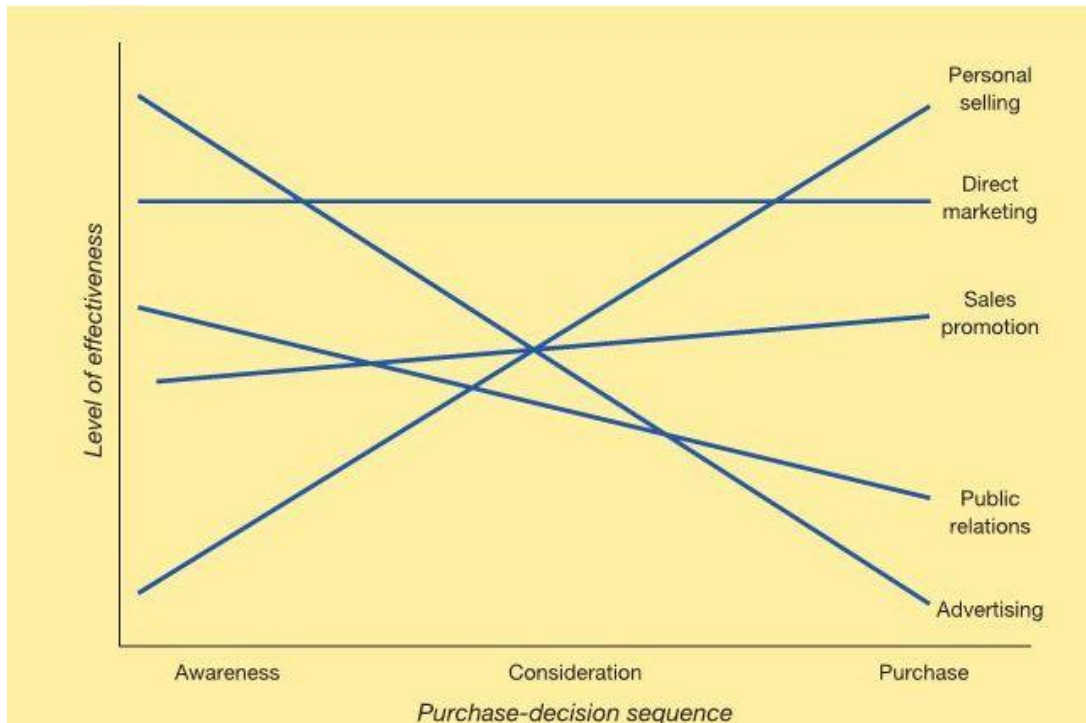


Figure 2. Effectiveness of different marketing communications tools. Source: Fill, C., (2006). *Simply Marketing Communications*. [e-book]. Harlow: FT Prentice Hall. p. 20

Although it is important to get more customers involved with the company, Pickton and Broderick (2005) underline that it is commonly noticed that the majority of sales (80 percent) come from a minority of customers (20 percent). This is called *pareto* principle or 80:20 rule. This is why it is important to create long-term relationships that will hold in the future. According to Clow and Baack (2007) familiar, reliable and customer friendly interactions generate long-term bonds with the customers that aid the company to build and preserve a strong market share. Clow and Baack (2007) also state that a positive experience with the company or its brands creates often word-of-mouth, where the customer recommends the product/service to others. These are the reasons why Pickton and Broderick (2005) discuss that the best performing companies have focused their attention from seeking new customers to preserving their existing customers and building long-term relationships with them.

Manning and Reece (2007) have stated that it is important to build a relationship strategy, which is a plan for establishing, building and maintaining quality relationships. Manning and Reece's relationship strategy (See Appendix 2) includes every aspect of the selling process from the first meeting to the after sales services and its primary goal is to create long-term relationships. In order to achieve the goal of the relationship strategy, a customer strategy has to be developed.

2.4. Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor (Kotler et al. 2005: 719). According to White (1999) advertising is usually used to aid sales and it uses four different ways: by generating awareness; by giving essential information to consumers; by helping to construct a brand image; and by being as a regular reminder for consumers to try, purchase or use the brand. However, Fill (2006) suggests that advertising does not have only one role since it can be used in many different situations in order to achieve different outcomes. Kotler et al. (2005) have distinguished four different types of advertising. The first is informative advertising, where advertising is used to give information about the new product or service thus creating primary demand. The second is persuasive advertising, where advertising is used to create selective demand for the product or service by persuading consumers that it

will give value for money. The third is comparison advertising, where the product or service is directly compared to one or more rival brands. The last is reminder advertising, which is mainly used to keep the product or service in consumers' minds.

According to Fill (2005), Pickton and Broderick (2005) advertising's main benefits are that it can easily reach large mass audiences with simple messages; management can easily control over the message that is sent; advertisements are relatively quick to change according to unexpected environmental changes; it has low cost per thousand (low unit cost); and advertising can be successful in maintaining brand image. However, nowadays consumers require more personal contact from the companies and advertising might not be the most effective way to increase sales anymore since it is an impersonal tool in the communication mix. As Fill (2006) underlines, the way a consumer sees advertising is always industry specific, for example, in retail industry advertising is still the main promotion tool used by the companies, since in this case consumers widely accept advertising from the retailers. Although advertising might have quite low unit cost its absolute costs (costs of purchasing space in media) can be tremendous (Fill 2006).

Kotler et al. (2005) suggest the advertiser has to decide reach, frequency and impact of the advertisement, the media through which the advertisement is delivered to the target audience and timing of the advertisement. Here reach means the percentage of people exposed to the advertisement; frequency means the amount of times an average person is exposed to the advertisement; and impact means "the qualitative value of an exposure through a given medium" (Kotler et al. 2005: 772). In other words, Brassington and Pettitt (2005) state that the essential part in communicating with consumers is to decide what to say, to whom to say it, by what means it is said and with what results.

2.5. Direct marketing

According to Kotler et al. (2005) direct marketing focuses on carefully targeted consumers in order to create an immediate response and to nourish already created customer relationships. Direct marketing is done mainly through telephone, email, mail or the Internet. As Pickton and Broderick (2005) have stated, direct marketing is based on customer databases, which force the focus of direct marketing on customers instead of products. A database can be defined as a collection of data that is stored in order to provide

convenient and useful access to customer information (Pickton and Broderick 2005: 622). Currently, many companies are using direct marketing's different forms in order to boost response rates and sales (Clow and Baack 2007). Every form of direct marketing includes frequently displayed telephone number or the company's web page address for the consumers to contact the company to place an order or ask additional information. Clow and Baack (2007) also add that the most common tool in direct marketing is direct mail because it can be easily targeted to different consumer groups. In addition, direct mail is easy to measure when comparing the amount of mailings to the amount of consumer responses. Pelsmacker et al. (2005: 223) add that direct marketing campaign can be based on response scoring models. For example, the behavioural response of a client can be measured by recency (time passed since the last purchase), frequency (how often the client has purchased) and monetary value (how much money does he/she spend per purchase).

Direct marketing has many advantages, for example, direct marketing is convenient since it offers a larger product access and selection for consumers; it gives a quick and interactive tool for creating customer relationships; and it offers a low cost alternative to advertising. Moreover, databases used in direct marketing can aid the company in tightening customer loyalty by maintaining personal information about every customer's preferences and using the information when contacting the client through mail, email or telephone. Needles to say, "effective direct marketing begins with a good customer database" (Kotler et al. 2005: 832), because a large and well-used customer database allows a company to create lucrative new business by inspecting prospects, predicting customer needs, compensating loyal customers and cross-selling products and services. However, direct marketing is quite often regarded as annoying or offending by the customers and therefore it can sometimes be regarded as 'junkmail'. In addition, direct marketing has encountered concerns about customer privacy and wrongly used telephone marketing can be seen as pushy and intrusive. (Kotler et al. 2005: 830-835)

2.6. Sales promotions

"Sales promotions include a wide variety of promotion tools designed to stimulate earlier or stronger market response." (Kotler et al. 2005: 785) Sales promotion can include, for example, samples, coupons, cash refund offers, premiums, point-of-purchase promotions

and competitions. Sales promotions have increased its position in marketing communications since differences between brands are not so important anymore thus leading weaker brand loyalty. In addition, sales promotions are often used as a short-term tool to create sales, yet it can be used in a wider frame as well. For instance, sales promotions can be used as a supporting factor simultaneously with other marketing communications tools and thereby it can have a long-term strategic effect as well since it is reinforcing the other tools. Furthermore, sales promotions can have different objectives in a company's marketing communications: to attract new consumers, increasing market size and reinforcing the loyalty of existing customers and so on. (Pelsmacker et al. 2005: 180-195)

2.7. Consumer buying behaviour

According to Clow and Baack (2007) the consumer purchasing process starts with problem recognition, moves to information search and evaluation of alternatives and then leads to purchase decision and post purchase evaluation (See Figure 3). The second stage, information search, includes two different search types: internal search and external search. In internal search the consumer evaluates brands already existing in his/her evoked set and considers which ones he/she is willing to consider during the search and evaluation process. In external search the consumer receives information from different sources, for example, family, friends, books or Internet. The key activity in marketing communications is to find ways to influence consumer purchasing decisions (Clow and Baack 2007: 63).

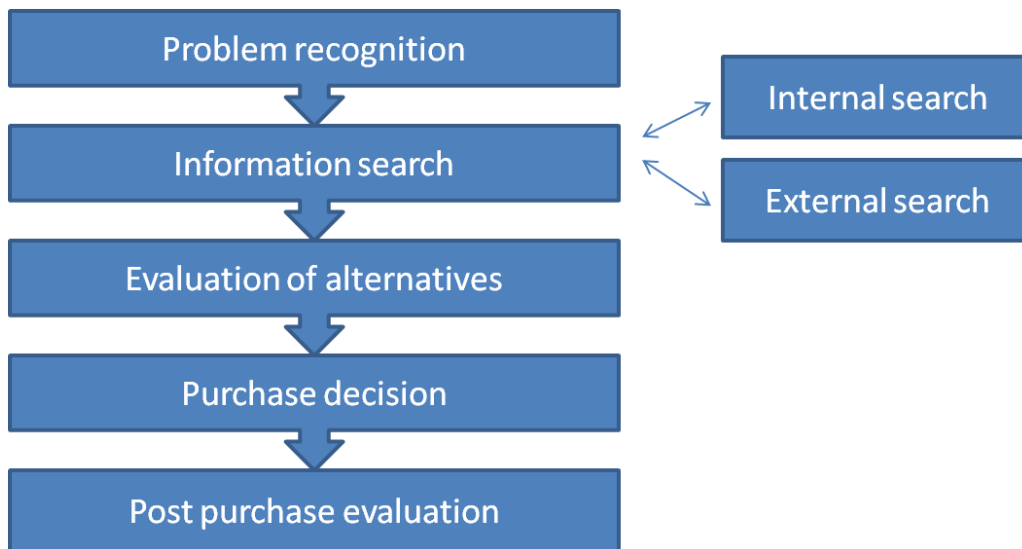


Figure 3. Consumer purchasing process adopted from Clow and Baack (2007)

Clow and Baack (2007) clarifies that the marketing team has to understand consumer purchasing behaviour in order to create proper materials that will allure consumers to favour their brand. Referring to Jobber and Lancaster, consumers are using choice criteria when evaluating which brand or product to choose. They clarify that “choice criteria are the various features (and benefits) a customer uses when evaluating products and services” (Jobber and Lancaster 2003: 70). Choice criteria can include economic, social or personal features. For example, economic criteria include the product’s performance, reliability and price; social criteria include the product’s status and the need for social belonging; and personal criteria include thoughts about how the product relates to the consumer psychologically. Jobber and Lancaster (2003) emphasise that a company’s marketing team has to understand consumer’s choice criteria, since the knowledge gives the salespersons the tools to personalize the contact with each customer.

Manning and Reece (2007) and Fill (2006) have identified three consumer purchasing situations depending on the level of buyer involvement: routine response behaviour (habitual purchasing decision), limited problem-solving (variety-seeking purchasing decision), and extended problem-solving (complex purchasing decisions). Habitual purchasing situations do not require much consumer involvement, the process will only include internal search, and brands do not stand out from each other. For example, daily consumer goods belong in habitual purchasing decisions and a company’s marketing communication should concentrate on maintaining or getting the product in consumers’

minds. Variety-seeking purchasing decisions have low involvement, yet brand differences are seen important. Here Fill (2006) emphasises that communications should concentrate on providing information about any new product attributes or modifications. Complex purchase decisions have a high degree of involvement and the length of the decision making process can be very long. For instance, real estate purchases belong in complex purchase decisions and communications should concentrate on providing as much information as possible in order to assist in the decision making process.

According to Fill (2006) the purchase decision process is highly affected by the level of perceived risk that a consumer perceives. Perceived risk is the uncertainty that arouses from making the decision to purchase a particular product. Furthermore, Fill clarifies that “the risk is perceived because the buyer has little or no experience of the performance of the product or the decision process associated with the purchase and also the level of risk an individual experiences varies through time and across products, and is often a reflection of an individual’s propensity to manage risk” (Fill 2006: 69), thus marketing communications main tasks include reducing the levels of perceived risk by giving relevant and extensive information, for example, through websites, sales representatives and word-of-mouth.

Consumer purchasing behaviour is also influenced by consumer’s basic needs (See Appendix 4), social influences, lifestyle, purchasing situation, perceptions, attitudes and beliefs (Manning and Reece 2007; Jobber and Lancaster 2003). Furthermore, Manning and Reece (2007) suggest that consumer purchasing behaviour is usually influenced by consumer’s own perception. Referring to Manning and Reece perception means “the process through which sensations are interpreted, using our knowledge and experience, and these sensations are received through sight, hearing, touch, taste and smell” (Manning and Reece 2007: 199). Fill (2006) clarifies this by saying that perception is about selecting, organising and interpreting all the stimuli so that an individual can understand the world. That is, since individuals are exposed to a large amount of stimuli all the time, we unconsciously use selective attention. According to Manning and Reece (2007) in order to cope with selective attention, salespersons should gather as much information as possible before contacting a prospecting customer. In addition, Manning and Reece (2007) emphasise that buyers usually modify received information from salespersons if it is not in line with their own attitudes and beliefs.

“Marketing communications aim to influence what, and how, people buy” (Admap 2003: 1), hence it is important for the marketers to identify different consumer behaviours (Styler 2001). According to Styler (2001) four different types of consumers can be identified. Brand-focused consumers will respond to heavily branded offers and require continuous reassurance thus marketers have to maintain brand trust. Price-sensitive consumers want value for the money they spend and thereby marketers should create and keep continuous low-brand perceptions and their communication should highlight value. Feature-savvy consumers need a lot of information and they are not brand loyal, thus salespersons have to be highly trained to their position. Advice-led consumers are mostly influenced by word-of-mouth and personal interaction is essential to influence their purchasing behaviour. Word-of-mouth effect is defined as “the influence on an individual that originates from another individual” (Karakaya et al. 2011: 2). However, Styler (2001) reminds that most of the consumers adopt all of the different purchasing behaviours and behave differently according to the product or service they are purchasing. Yet different purchasing behaviours exist and segmenting the target audience according to them can help to shape proper marketing programmes.

2.8. Real estate industry and marketing communications

Referring to Kasso (2010) real estate agencies are dependent on their sales personnel since they are the way a real estate agency can reach its set goals. Thus hiring and training adequate number of salespersons is essential for a successful real estate agency. Kasso (2010) emphasises that success in selling is directly related to a salesperson's activity and social skills thus a salesperson has to have the knowledge and skills to come along well with their customers. "The efficiency of a company's sales personnel can be improved by managing, training and recruiting" (Kasso 2010: 225) and therefore recruiting has to be a fixed part of a real estate agency's annual marketing plan. Furthermore, consumers require personal and genuine service from salespersons and they do not want to be treated as mass, where no-one is more important than others (Marunde 2010). In other words, Ratchatakulpat et al. (2009) have stated that a salesperson must have wider knowledge about the consumer buyer behaviour and it will lead to better understanding and prediction of consumer decision making in real estate industry. According to Ratchatakulpat et al. (2009) and Fill (2006) real estate purchases are considered as high-involvement purchases that need a complex decision making process and thereby a salesperson has to provide as much information as possible for the customer.

Currently the real estate industry is going through changes because consumer preferences are changing. In other words, "consumers insist of being in control now, and they refuse to be subservient to a real estate agent in an office with a patent to all the information" (Marunde 2010: 33). This change in consumer behaviour has happened because of the Internet, which offers consumers the chance to compare and seek information thus moving the power from real estate agencies to consumers. New technology continuously creates new ways to meet consumer demands, and thereby real estate agencies have to adapt their marketing communications according to the new style. Although consumers are searching for useful and adequate information from the Internet, they also want it to be presented in a pleasing and reader friendly way and therefore real estate agencies should invest in good graphics, logical navigation and proper writing. In addition, at present an agent should have a large knowledge base in order to offer more information than the Internet has already offered to the customers. This means that continuous training and education is essential for a real estate agent. However, the Internet gives to a real estate agency the

ability to develop their customer service and communication systems in order to provide better and better service. (Marunde 2010: 30-40)

One real estate blog (Real Estate Marketing Blog 2011) suggests that a well managed and maintained blog is one of the best ways to improve a brand and give opportunities for lead generation. In addition, a blog writer Vinny LaBarbera (2011) states in the blog that a real estate company should use videos, email marketing, blog articles and micro-blogging in order to create relevant visitors back to the company's own website thus possible increasing profits. Vinny LaBarbera (2011) emphasises that especially videos have become one of the best ways to bring a real estate company's services to consumers, because consumers can watch the videos as they wish. Another blog writer John (2011) has suggested that email marketing helps a real estate agency to generate leads as long as every email is designed so that consumers do not realise those being advertisements. Informative and helpful emails minimise the risk to end up unsubscribed and act as news resource for the readers. Vinny LaBarbera (2011) strongly emphasises that "real estate industry is actually one of the most tech savvy industries around today" so companies should be continuously developing their websites in order to offer something more to consumers.

3. Research Methodology

The main purposes of the study were to evaluate different marketing communication tools used in a Finnish real estate company in Spain and to suggest possible improvement options based on the outcomes of the evaluation. The research was merely analytical or explanatory based research, where “the research goes beyond merely describing the characteristics, to analyzing and explaining why or how it is happening.” (Collins and Hussey 2003: 11) At first the researcher wanted to analyse only offline marketing communications tools, but after defining the problem further, it was decided to analyse all the marketing communications further in order to create a clear picture for the company.

Research objectives: Research questions were designed to identify the type of marketing communications Valkea Marina utilises, to discover whether those marketing communications strategies have been profitable, and to analyse ways Valkea Marina can improve its marketing communications in order to increase profits.

Both qualitative and quantitative research methodology were chosen in order to obtain the best possible outcome of the research. “A quantitative approach involves collecting and analysing numerical data and applying statistical tests” whereas qualitative research “is more subjective in nature and involves examining and reflecting on perceptions in order to gain an understanding of social and human activities.” (Collins and Hussey 2003: 13) Since the study is about a certain company’s marketing communication it was convenient to interview the company’s owner about their tactics and compare them to a client survey held for the clients that had purchased property from the company. In this way it was possible to analyse if the company has the right understanding how its marketing communication is working and which tools are bringing the most clients.

The secondary research included a four weeks period where the researcher was gathering information from different academic publications, such as marketing communication books, e-books, academic journals and articles, and also literature regarding marketing communication practices in real estate industry. While some of the books and e-books might provide a little outdated information, the academic journals and articles will provide more up to date information to fill the gap. During the research process the researcher

noticed that literature about real estate industry is relatively hard to find and thereby also one real estate marketing blog was used to create a sufficient picture about the industry's marketing communication. Even though a blog might not provide the most reliable source for information and it was aimed at North-American markets, it gave relevant points to compare with the literature.

The secondary research provides background for the primary research by providing theory where the primary research can compare its results. The primary research was implemented by two different techniques: surveying clients who have purchased property (quantitative approach) and interviewing the company's managers (qualitative approach). Finally, the results of these two were compared in order to suggest improvement options for the company.

The client survey was conducted through a free online survey tool (www.freeonlinesurvey.com) within a two weeks period. The online survey tool was chosen because it offered also quick and easy analyzing template for analyzing the results. At first, the survey was designed to be sent to all of Valkea Marina's previous clients, but in the end the company only gave 10 clients' contact details. The overall response rate from 10 contacts was 70 percent. It was felt that 25 percent sample from the total pool of 40 clients was enough to carry out the survey. However, it should be bore in mind that 25 percent might not give a proper picture of the overall pool, which might affect the reliability of the survey. The questions of the client survey were designed so that it would give comparison to the questions asked from the owner of the company thus forcing to word the survey carefully so that it would be easy to compare with the interview results. The survey questions were designed to elicit responses concerning the clients' buying behaviour, purchase satisfaction and their evaluation of the company's different services and communication tools (See Appendix 4). The survey was conducted on an anonymous basis and the expected outcome was that all questions would receive only positive answers from the respondents.

The interview questions were sent to the owner of the company through email, which she answered in written form. Questions aroused from the answers of the owner's responses and the researcher were clarified by the owner via telephone or Skype conversation. The

primary interview with the owner was held in this way because no recording device was available and therefore writing down the whole interview while talking would have caused misunderstandings. The interviews were first designed to be held with two persons, the owner and the managing director, but after the managing director resigned from his position, the interview was only held with the owner of the company. Interviewing the managing director would have brought more objective perspective to the study, since the managing director did not have ownership of the company. Nonetheless, since the interview was compared to the results of the client survey, it reduces the subjectivity of the study. The interview included questions, for example, about customer satisfaction, marketing and marketing communications objectives, budgeting, and target market and audience (See Appendix 5).

4. Analysis and findings

4.1. Comparison: Client survey and interview with the owner

The company's target market, according to its owner, consists of Finnish consumers who want to purchase a property in luxury destinations such as Marbella, Spain, Nice, France and Tuscany, Italy. The age group was not identified. The target audience consists of consumers' wives, husbands and friends, who influence their decision making and thereby purchasing behaviour. According to the client survey, the majority (57.2%) of the respondents was over 50 years old and the rest of the respondents belonged to age groups 30-39 years and 40-49 years.

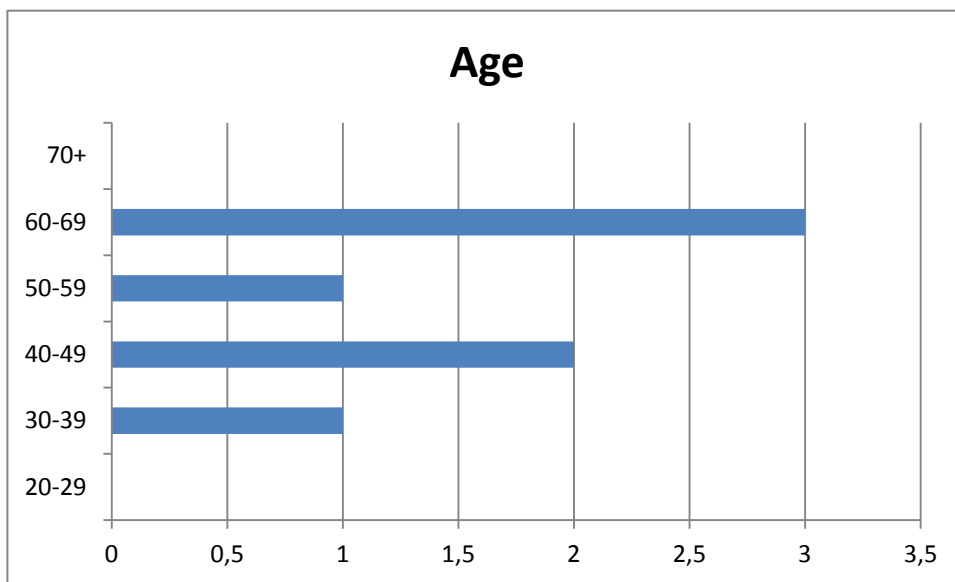


Figure 4. Survey question 1.

Referring to the survey, all of the company's clients had purchased either an apartment or a row house (See Figure 6). The survey's results correspond with the owner's own view, and thereby the company could concentrate on smaller apartments rather than gathering all different types of properties in its portfolio. By concentrating on a few different types of properties the company could improve its customer service and the quality of the actual selling process when they are showing properties that they truly know inside out.

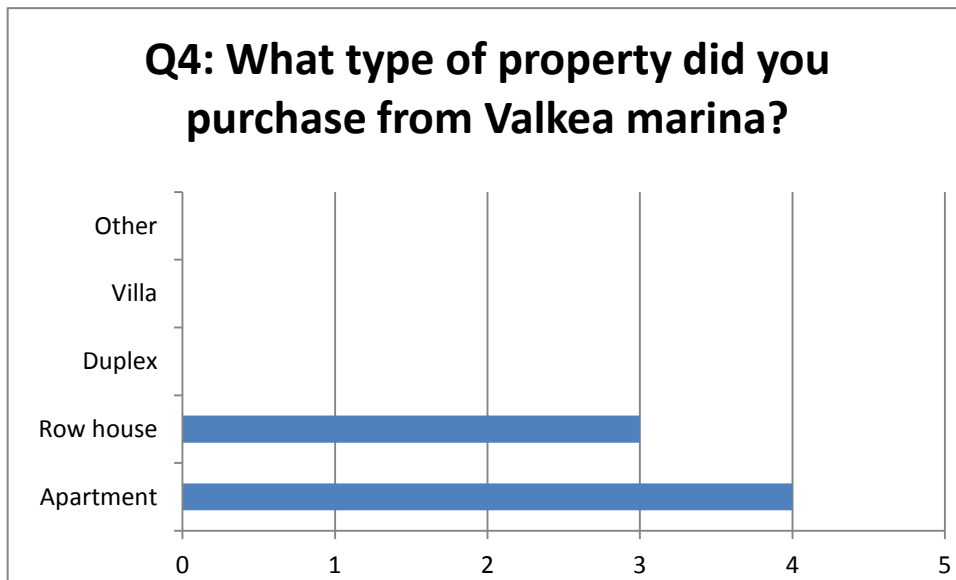


Figure 5. Survey question 4.

The survey reveals that all of the respondents were satisfied with their purchase. It was clarified that the location and the size of the property were the main reasons for satisfaction. The owner of the company further clarified that usually their clients want a property that is easy to maintain. These findings could give the company the chance to adapt their property portfolio so that it would consist of properties with desirable locations (close to the beach, services and transportation possibilities) and easy-care.

According to Fill (2006), high involvement purchase decision happen when a product or service includes high personal relevance and high perceived risk to the buyer. The survey reveals that most of the respondents had considered less than six months before making the actual purchasing decision. However, property buying is widely considered as high-involvement product (Fill 2006, Pickton and Broderick 2005, Manning and Reece 2007), since it can be the biggest purchasing decision an individual makes during his/her lifetime. Although a holiday home is less important than consumer's 'first' home, it still includes a lot of information gathering from different sources. Valkea Marina's clients have required relatively long decision making process before closing the deal and thereby they have required quite a lot of attention from the company thus proving that holiday homes belong under high-involvement purchases. However, the company should carefully identify every client separately since consumers' preferences can differ greatly in this case as well.

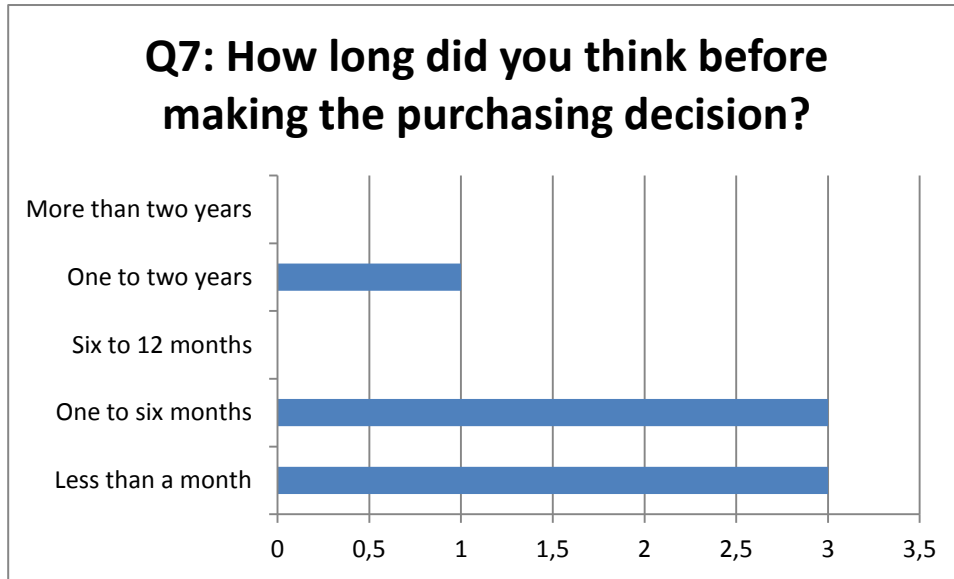


Figure 6. Survey question 7.

The survey reveals that all of the respondents were satisfied or very satisfied with the service they received from Valkea Marina, and all of them would recommend Valkea Marina to others. Furthermore, according to Karakaya et al. (2011) consumers are connected to each others in many ways, and usually personal preferences and needs are not the only factors that affect their purchasing decisions. An individual may purchase a product or service because he/she wants to belong to certain social group or to reach a specific status. Thus unsatisfied customers can easily create negative word-of-mouth about any company and therefore word-of-mouth's influence on success is crucial. Valkea Marina has been able to satisfy its clients, which has created positive word-of-mouth. The main reasons for recommending Valkea Marina to others were, for example, good customer service; Valkea Marina gives support through the whole sales process; Valkea Marina offers sufficient after-sales services; Valkea Marina offers legal help when needed; Valkea Marina's staff is professional and competent; and Valkea Marina's staff has a thorough knowledge about the area. According to Valkea Marina's web pages and its owner, the company is using similar arguments on its web pages and in its marketing material. It can be seen that the company has been able to pass its values to its clients well. In addition, satisfied clients will pass the same arguments on to their friends and family, which will create positive word-of-mouth for the company.

The survey also included a question to identify the factors in Valkea Marina's service that affected their purchasing decision the most (See Figure 8). The responses were consistent:

the company's experienced and professional staff; knowledge of Spanish real estate markets; customer friendly service; and reliable and legal real estate agency were affecting their purchasing decision. Obviously, Valkea Marina's personal selling tactics have been effective and its sales team has done consistent work. For example, Kasso (2010) have stated that the real estate agents inside a company are the key for a company to reach its goals. In addition, according to Marunde (2010) a real estate agent has to fill the gap between three critical points in order to succeed: substantive knowledge about the real estate business, persuasive sales skills and proper technologies to connect and communicate with their clients. This survey question reveals that the company has succeeded at least in the first two parts of Marunde's three critical points, because their clients have emphasised that those parts were the main factors affecting their purchasing decision.

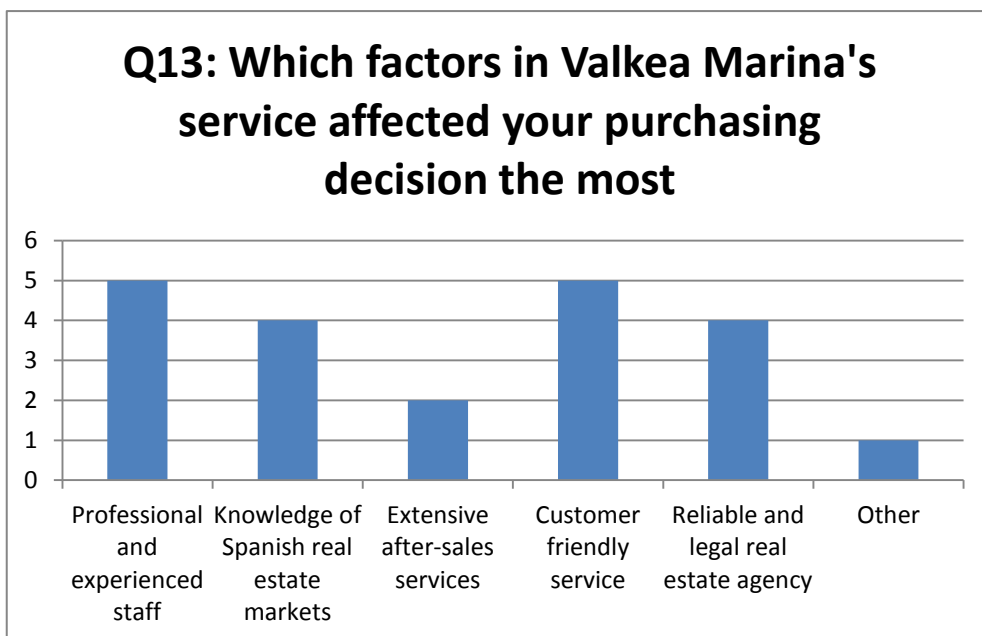


Figure 7. Survey question 13

According to the owner of Valkea Marina, the company has used various marketing communications techniques during its existence thus the survey included a question seeking to identify how the respondents first located Valkea Marina to reveal which techniques have been the most effective in reaching new clients. A quite large part of the respondents (42.9 %) had found Valkea Marina through search engines on Internet and 28.6% of the respondents found Valkea Marina through the Home Abroad 2010 fair held in Helsinki, Finland. Furthermore, another fair held earlier than 2010 in Helsinki was mentioned as well as a published article in the biggest and most respected newspaper in Finland (Helsingin Sanomat). The company is putting a lot of effort in its position in

Google and is constantly creating content into its web pages, and this has generated profits to the company according to the survey. Investing also in personal selling in different fairs has brought return on investment (ROI).

Valkea Marina's sales team was rated as good or very good (see Figure 9). This question was further clarified by asking which factors make a good salesperson. The results were: reliability; personal and customer friendly service; sufficient knowledge of real estate industry; sufficient legal knowledge of the real estate industry; good social and communication skills; and fast responses to answers. Since the overall rate for the sales team was good or very good, Valkea Marina's sales team seems to fulfil the characters by which the respondents were describing a good sales person. Success in selling depends heavily on the salesperson's ability to develop, manage and enhance interpersonal relations with the customer (Manning and Reece 2007: 14), and thereby Valkea Marina's sales team should try to maintain its level of service in order to succeed in the future.

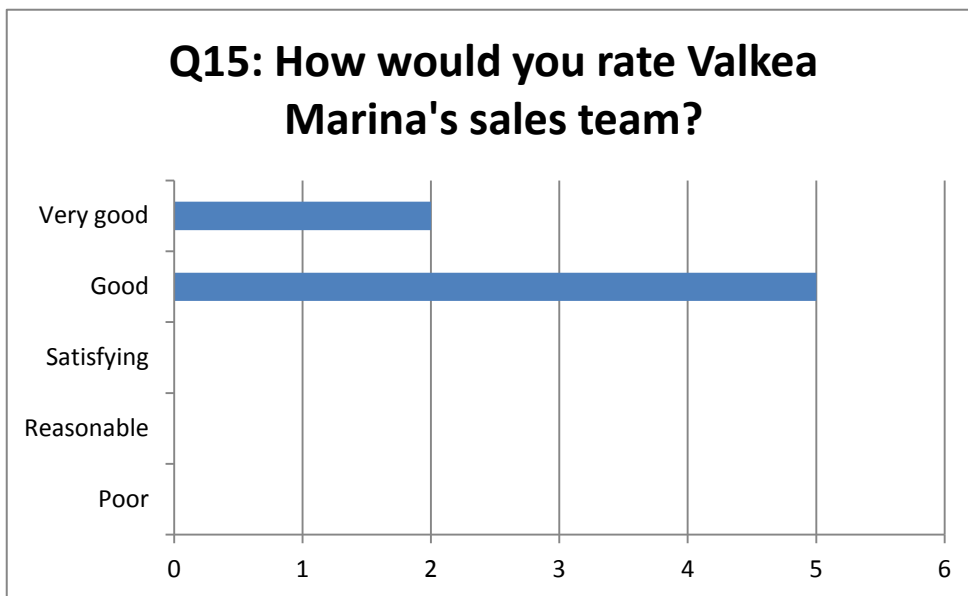


Figure 8. Survey question number 15.

The owner clarified that the company is investing heavily in its web pages. In other words, the personnel is creating new and sufficient content to the company's web pages including articles about Spanish real estate markets and economy, information packages about the activities in the area and displaying pictures and property information about the properties the company has in its property portfolio, and adding videos and PowerPoint presentations about the area. The respondents were asked, how helpful Valkea Marina's web pages were when they were seeking information about the area and its properties. The survey

reveals that only 42.9% of the respondents answered that Valkea Marina's web pages helped a lot or very much in their information search and 42.9% of the respondents said that Valkea Marina's web pages helped only a little in their information search. It seems that the company is not completely fulfilling the information need a potential customer can have.

Furthermore, the respondents were asked to clarify what type of information they were searching from the web pages. The results were: information about properties; pictures of properties; information about the area the company is representing; pictures of the area; information about the possible activities in the area; information about golf in the area; articles about Spanish real estate markets; articles about Spanish economic situation; and information about the company itself. According to Marunde (2010), at present real estate purchasers are searching information about their next home with entirely different ways than before mainly because of the Internet and real estate agencies are examined and compared constantly. Further, the company is targeting Finnish consumers while located in Spain so it should develop its web pages to match with customers' demands and to allure more potential buyers to the area.

4.2. Improvement suggestions

The survey revealed that the company has been able to reach clients through its various marketing communications tools. The company has been using public relations (articles in magazines and newspapers), personal selling (participating in fairs, contacting clients through telephone and email, keeping seminars about the Spanish real estate markets in Finland), advertising (advertisements in different newspapers and magazines), and direct marketing (telephone marketing). Further, the company has been investing in its web pages to provide useful information about Spain and the company to Finnish consumers. However, the company has not implemented proper evaluation about how its marketing communications tactics are working.

“Marketing communications is a management process through which an organisation seeks to engage its various audiences. To accomplish this, the organisation develops, presents and evaluates a series of messages, which it sends to and receives from its different audiences” (Fill 2006: 8). As Fill stated, marketing communications is all about engaging audiences to the company and thereby it should be done coherently and evaluated continuously in order to reach the set objectives. The first improvement for the company would be to create a consistent marketing communications plan and set objectives for what it wants to achieve. The marketing communications plan should include situational analysis, target market analysis, marketing and marketing communications objectives, marketing communication strategies, budget, and evaluation process. Marketing communications strategy helps to clarify objectives as well as the current situation in the prevailing real estate markets in Spain, which then again could improve the company’s profits in the long run. The company does not have to change its current marketing communications as a whole, only a few adjustments are needed.

As the company is the only Finnish real estate agency targeting its properties to Finnish consumers in the area, it gives a competitive advantage for the company. Nonetheless, the company should objectively evaluate its situation by different measures, for example, by mapping its strengths, weaknesses, opportunities and threats (SWOT-analysis). SWOT-analysis provides useful information about the company’s situation, but it is quite subjective way to analyse the company, which may lead to vague conclusions. Therefore a company should use various different evaluation techniques to create an objective picture

of the situation as possible. In order to get more objective picture about the situation of the company SWOT-analysis should be combined with environmental (country-specific) factors. By understanding the environment the company is operating in will give deeper insight to the business and enhance their ability to forecast the future. According to Pickton and Broderick (2005) a company must recognise both macro and micro environmental factors in order to succeed in its marketing communications. Furthermore, Pickton and Broderick (2005) emphasize that a company must adapt to a constantly changing environment and thereby investigation and analysis of the environment is essential. For instance, evaluating the environment's political, environmental, social, technological and legal factors (PESTL-analysis) affecting in Spain and Finland can help to modify the company's objectives and tactics in its marketing communications. At least the condition of Spanish economy should be carefully considered when conducting PESTL, since Asset Securitization Report (August 2011) revealed that real estate prices might continue to fall 15%-20% from the current stage.

The next step is to identify company's target market and audience. The company has already done the identification, since according to the owner of the company the target market consists of Finnish consumers who are seeking a holiday property from luxury destinations such as Nice in France and Marbella in Spain. Further, the target audience consists of persons who can affect the decision making process of the persons inside the target market. The audience can include family members, friends, opinion leaders in real estate industry, researcher of economics and so forth. However, the company could further identify its target market by segmenting it by age. The survey revealed two different age groups: 30 to 50 year old customers and over 50 year old customers. These two age groups have different perceptions, attitudes and beliefs and thereby the company should segment its target market further. By identifying the target market and target audience carefully, the company can modify its marketing communications messages so that it fits properly with the perceptions, attitudes and beliefs of the target market and target audience. For example, carefully planned marketing communications can change the target market's attitudes towards Spanish real estate industry more positive and receptive.

The interview revealed that the company's marketing objective is to find the consumers which do not follow main stream and want to find quality properties. The owner further clarifies that these type of consumers purchase usually from Marbella or Nice. Fill (2006)

emphasises that marketing communications objectives derive from marketing objectives and they should be designed so that it will help to reach the overall marketing objectives. Marketing communications can assist in reaching marketing objectives, for example, by increasing awareness levels of the area, changing the audience's attitudes towards Spanish real estate industry and providing relevant information to the target market. Thus the company's marketing communications objective could be to increase the awareness of the area and the company by a certain percentage and to inform Finnish consumers about the current economic situation of Spain.

The interview showed that the company has an annual budget for marketing communications. This budget is set before the different marketing communications campaigns are designed thus it can affect negatively to the outcome of the campaign, since it can eliminate possible good options for the campaign. For example, advertising can be seen as very expensive form of marketing communications and thereby the costs can create barriers to implement it. The company could specify its annual marketing budget by identifying the practices, which have brought the most clients to the company thus calculating the overall costs. As the survey revealed, 42.9% of the respondents had found Valkea Marina through Internet search engine and another 42.9% found the company from different travel or holiday home fairs held in Finland. By using this information, the company could set its budget for the next year without eliminating the most profitable ways so far. Kotler et al. (2005) state that when a company sets the budget by evaluating how much they can afford, it can ignore the effect of promotion on sales and thereby lead to vague annual marketing communications budget. Yet it is important to remember that marketing communications is not the only factor affecting sales. In addition, vague budget makes long-term planning difficult, which can affect negatively to long-term performance. "By understanding the impact of media in the longer term, marketing decision makers are far better placed to allocate marketing budgets effectively across various activities – with a more robust view as to the likely return from any activity undertaken." (Walker 2008: 4) Young and Aitken (2007: 3) have further suggested that marketing communications should be regarded as an investment, not a cost. This can be hard to picture because marketing communications might not create visible results.

Valkea Marina's main marketing communications strategy consists of direct marketing, personal selling and public relations and the main marketing communications tools were Google optimisation, good and comprehensive website, telemarketing, participating in fairs in Finland, writing and publishing articles in magazines and newspapers, and monthly newsletter. As the survey revealed, most of the company's clients have found Valkea Marina through an Internet search engine or fairs in Finland thus proving that Valkea Marina's marketing communications strategy has been profitable. However, the survey also revealed that most of the clients did not find Valkea Marina's web pages quite useful when they were searching information about the area and its property offering. Valkea Marina wants to provide good and comprehensive website for its customers, but this has not been fulfilled. Additionally, the respondents were asked what type of information they were seeking and the majority wanted to find out information and pictures about the property offering, the company itself and the area they are representing, hence Valkea Marina has to develop its website by adding more comprehensive content about the area and its properties. For instance, personal experiences of the purchased clients about their living in the area and videos introducing different places could be more interactive way to arouse interest amongst the target market. The owner wants to educate clients to understand that Valkea Marina is selling properties in the best area in Spain and that it is important with whom consumers are doing property business in Spain. These objectives can be reached through continuous website development.

As the company is using telemarketing to existing customers in the database to create a close contact with them, the company could train its sales representatives so that they are fully aware of the calling process. According to Pickton and Broderick (2005) planning beforehand is necessary for successful telephone call to a customer. A salesperson should plan what to talk about with the customer and how to talk with the customer. Pre-planning is essential and it can be achieved through well kept customer database, where the company collects information about its customers. Clow and Baack (2007) have suggested that internal database should include information about, for instance, customer's location, purchasing plans, initial contact, preferences concerning the product or service, and what is known about their families, occupation and such. As the owner of the company has noticed, the first contact between the company and a prospect should be done by telephone rather than email, because the first few minutes creates the first impression of the company.

By going through all the stages of selling (See Figure 1), the company can reach better customer satisfaction and return back to its previous more warmer and personal marketing communications. However, following the stages of selling may lead to too robotic communication with the customer and therefore a salesperson should be allowed to improvise to prevent too pre-planned and routine discussion.

Although marketing communications literature presents personal selling as more effective in the final stages of the purchasing-decision process it should be bore in mind that personal selling can create strong customer relationships already in the beginning of the process. For example, informative, professional and personalised contact can produce bonds between the client and the seller, which usually leads to purchase. As the first contact with the company's customer is usually done by telephone, the company should not underestimate the power of personal selling. The company is already performing quite well in this area, since all of its clients would recommend the company to others and Valkea Marina's good customer service affected a lot to their purchasing decision. "Companies cannot control all the word-of-mouth created by the consumers" (Karakaya, Badur and Aytakin 2011: 2), but the company can affect to the level of satisfaction the customer retrieves during the purchasing transaction and this can be done through planned personal selling and consistent marketing communications in all levels.

According to the owner of Valkea Marina, the company is using public relations (PR) as one of its marketing communications tools. The personnel are writing articles to magazines and news papers in order to arouse people's interest of the area and Spain in general. PR is a cost efficient way to promote the company as well as its properties and it is preferred to have more credibility than, for instance, advertising (Fill 2006) and thereby the company should continue with PR as before. In addition, the survey revealed that one of the respondents found the company initially through an article in Finland's largest newspaper (Helsingin Sanomat), which gives proof of effective PR.

Although the company is not investing a lot in advertising, yet it should consider it as a part of its marketing communications strategy, because it can be used simultaneously, for example, when the company is participating in different fairs in Finland. The company could publish a few advertisements in Helsingin Sanomat (large newspaper) a few weeks before the fairs are taking place, thus creating and maintaining the target market's

awareness and interest towards the upcoming fairs. Advertisements would inform the customers that they have the opportunity to meet the company's personnel face to face in fairs, which is usually not possible, since the company is operating in Spain. In this case advertising would reach mass audiences and thereby it could create awareness in new target groups as well. As mentioned before, all efforts put in marketing communications should not be mentioned as a cost and thereby the company could try to see advertising as an investment to the future rather than money thrown away. Even a consumer might not contact the company after seeing the advertisement, it can stay in his/her mind and create awareness and contact when buying home abroad is more current in his/her life.

Perhaps the most important stage in a marketing communications plan is monitoring and evaluating of the overall campaign. "The marketing communications campaign should always be evaluated against the set of objectives set for it." (Robinson et al. 1968 cited in Pickton and Broderick 2001: 517) Valkea Marina's marketing communications objectives are to educate consumers about the best area of Spain and how it is beneficial to them to purchase property through Valkea Marina. The evaluation of the campaign could be conducted in two different stages: pre-testing and post-testing. The purpose of pre-testing is to find out "if the message in question is being perceived by target consumers as intended by those responsible for it" (Pickton and Broderick 2001: 520). In addition, pre-testing can give essential information, which can be used when designing the campaign.

For example, Valkea Marina could design a pre-survey for the customers in the database, where it would try to examine whether the customers know the area and what do they prefer when purchasing a property in Spain. Pre-survey would give tips what to promote and how to design the message. After the campaign the company could do post-survey, where it can try to find out if the awareness levels changed and if the campaign met its objectives. Even though surveys can cost money, the company could use online survey providers such as www.freeonlinesurveys.com or www.surveymonkey.com, which do not require a lot of capital investment. In addition, the company should evaluate its performance after every purchase. For instance, the company could distribute a survey to every purchased client. The survey could include estimations about the quality of the service, the quality of the staff, and the overall contentment of the actual sale and property. When carrying out a survey after every purchase, the company could continuously improve and evaluate its service and marketing communications to reach more buying customers

from its target market. Furthermore, surveying every client's customer experience gives also the impression that the company is truly caring about its clients, which can improve the overall customer satisfaction. For instance, Apple is carrying out a survey after every purchase to enhance its service, which usually gives a positive 'after-sales feeling' to their clients thus improving company image and creating positive word-of-mouth.

“Communication does not only include the actions that the firm undertakes for communication, but also the feedback from the market that comes in return to the efforts of the firm” (Ericsson 2011: 84). Feedback can provide useful points to consider in future campaigns thus it should never be underestimated.

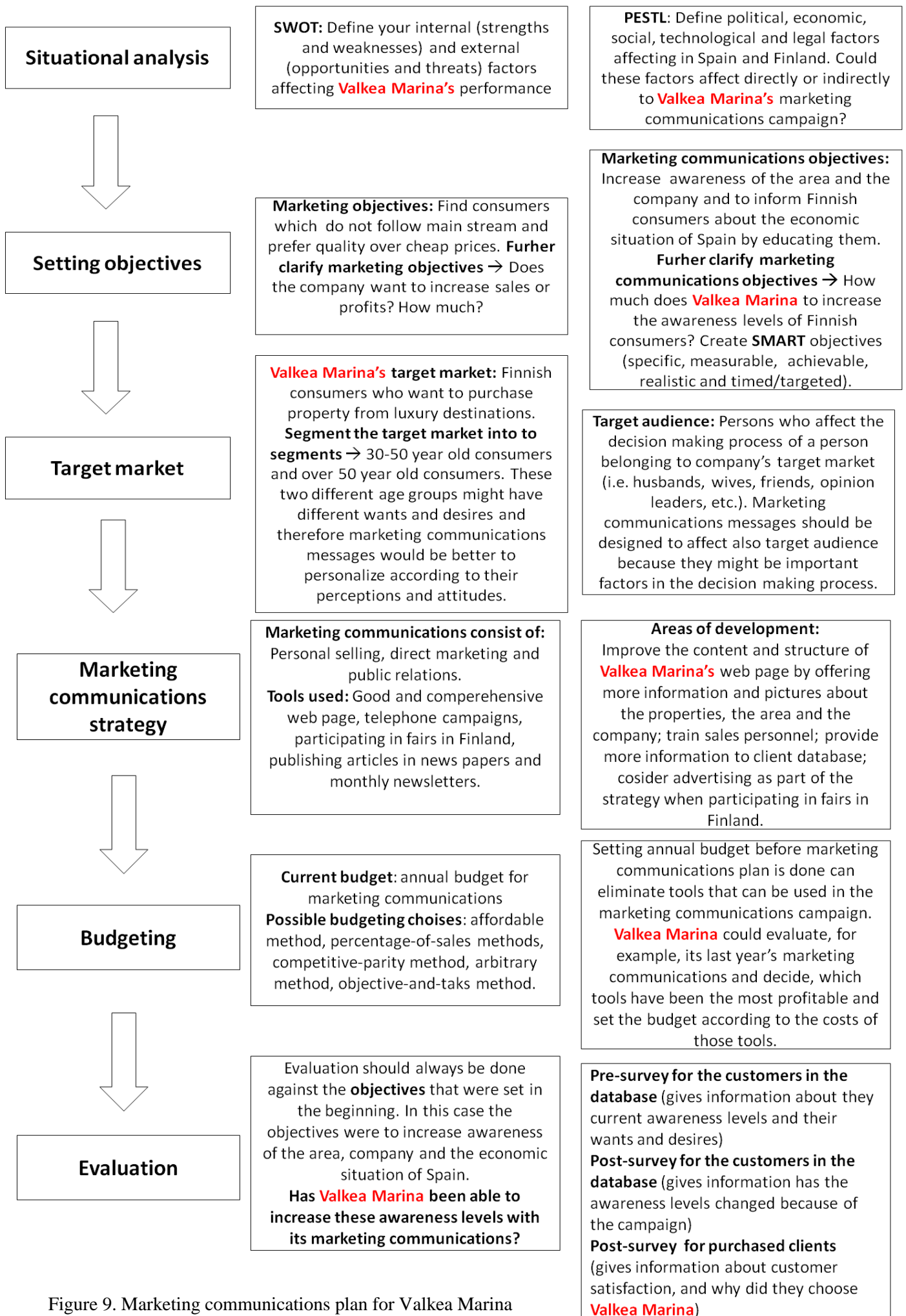


Figure 9. Marketing communications plan for Valkea Marina

5. Conclusion

The purpose of this thesis was to analyse Valkea Marina's marketing communications and elicit if the company's marketing communications has increased profits. Furthermore, the researcher wanted to reveal areas of development to enhance Valkea Marina's marketing communications in the future. The research revealed that the company has been using mainly direct marketing, personal selling and public relations in its marketing communications and it has been able to reach its target market and bring purchasing clients to the company. "Marketing communication enhances all means on communication between the firm and the target market, increases the tangibility of the product-service combination, creates or observes customer expectations, and convinces the customers for purchase." (Ercis 2011: 84). The survey revealed that every respondent was satisfied with the service they received from Valkea Marina and they would recommend the company to others. The respondents also defined the reasons for recommending the company and those were the same arguments that Valkea Marina has been using in its marketing communications thus proving that the company has been quite successful in encoding its marketing communications messages.

However, the company has not created a proper marketing communications plan during its existence, which has probably affected negatively to performance. The literature review revealed that clear and consistent marketing communications plan is essential for a company to succeed and thereby companies should put time and effort in designing and implementing it. Further, constant monitoring and evaluation of marketing communications is important for a company since it can expose areas of improvement and areas, which might have to be taken out of the repertoire in order to reach objectives better.

"If you are going to evaluate your communication properly, you need good data. But more than that, you need to analyse those data very carefully. As we have seen, simplistic analysis can be very misleading." (Binet 2005: 4) Since the researcher did only have limited access to Valkea Marina's customer database while carrying out the client survey, the reliability of this thesis should be taken into consideration. Such a small survey does not properly reflect the overall opinions of purchased clients, which may give false feeling of security for the company. Therefore the company should carry out a new survey for all of its purchased clients in order to receive a proper picture of its performance in the eyes of their clients. In addition, during the whole process the researcher noticed that it was

relatively hard to find reliable literature about marketing communications used in real estate industry. As the company might have access to wider information in real estate industry, it would be worth to consider investigating the literature further to elicit new marketing communications tactics for the company.

Although the research should be viewed critically, it pointed out useful areas of development for Valkea Marina. Clear and consistent marketing communications is the key for bringing more clients and developing a marketing communications plan will help to achieve objectives of the company. If implemented, the improvement suggestions can improve the company's performance in the future thus possibly reflecting positively in Valkea Marina's profitability.

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APPENDIX 1: DIFFERENT BUDGETING METHODS

Budgeting method	Advantages	Weaknesses
<p>Arbitrary method: Budget set according to what seems right at the moment.</p>	<p>Manager can have extensive knowledge of their business, which can result in more creative ways of allocating resources.</p>	<p>Based on intuitions, which may prove to be wrong; Top-down approach.</p>
<p>Affordable method: Budget set according to what the company thinks it can afford at the moment</p>	<p>Safe for the company</p>	<p>Sees marketing communications as an expense rather than an investment. Method may result in budget cuts when higher budgets are needed.</p>
<p>Competitive parity method: Budget set according to what competitors are spending on their marketing communication</p>	<p>Gives hints what competitors are doing.</p>	<p>Industry averages can hide variations between competitors and lead to too big or too small marketing communications budget. Does not take sudden changes into account.</p>
<p>Objective and task method: Budget set according to what needs to be achieved in marketing communications</p>	<p>Bottom-up approach; Sees marketing communications as investment.</p>	<p>Implementing difficult, since assumes that relationship between objectives and tasks is clear.</p>
<p>Percentage of sales method: Budget set according to a specific percentage of sales</p>	<p>Easy to set</p>	<p>Marketing communications is not the only factor affecting sales!</p>

Source: Picton, D., Broderick, A.(2005) *Integrated marketing communications* [online].2nd edition. Harlow: Pearson Education Ltd. pp. 405-409

APPENDIX 2: DEFINITION OF CUSTOMER STRATEGY

A customer strategy is a carefully conceived plan that results in maximum responsiveness to the customer's needs. This strategy is based on the fact that success in personal selling depends on the salesperson's ability to learn as much as possible about the prospect (Manning and Reece 2007: 17).

APPENDIX 3: MASLOW'S HIERARCHY OF NEEDS

Maslow's hierarchy of needs defines five basic human needs and they are arranged in a hierarchy according to their strength (Maslow 1943, cited in Manning and Reece 2007: 194). The hierarchy assumes that the needs have to be fulfilled from bottom to top and a person cannot reach the next level before the previous one is fulfilled. The five levels are physiological needs, for instance, the needs of food and shelter; security needs include the desire to be free from danger; social needs refers to the desire for belonging to a group and others' approval; esteem needs include the desire to get respect from others; and self-actualisation needs include, for example, the desire for self-fulfilment. Manning and Reece (2007) clarifies that Maslow's theory can help a salesperson to understand, which needs will probably dominate in certain situations even though at times many of individual's needs are interacting together.

APPENDIX 4: SURVEY FOR PURCHASED CLIENTS

1. **Gender:** Male/female

2. **Age:** 20-29, 30-39, 40-49, 50-59, 60-69, 70+

3. **When did you buy your house from Valkea Marina? Please provide the month and year of purchase.**

4. **What type of property did you buy?**
 - Apartment
 - Duplex
 - Villa
 - Other, what? _____

5. **How satisfied are you with your purchase?**

1= not at all, 2 = almost satisfied, 3= satisfied, 4= very satisfied

1 2 3 4

6. **Referring to previous question, could you please clarify why you are/ are not satisfied with your purchase?**
 - Property is exactly what I wished for
 - Property is not what I wished for
 - Property has sufficient size
 - Property is too small
 - Property is too big
 - Location of the property is good
 - Location of the property is not right
 - No faults have occurred after the purchase
 - Faults have occurred after the purchase
 - Other, please clarify what? _____

8. **How long did you think before making the purchase?**
 - Less than one month
 - One month to six months
 - Six months to one year
 - One year to two years
 - More than two years

9. **Are you satisfied with the service that you received from Valkea Marina?**

1 = not at all, 2 = almost satisfied, 3 = satisfied, 4 = very satisfied

1 2 3 4

10. Would you recommend Valkea Marina to others?

YES NO

11. Referring to previous question, would you please clarify why would you/ would you not recommend Valkea Marina?

- Good customer service
- Valkea Marina supported me throughout the process
- Valkea Marina offers extensive after-sales services
- Valkea Marina offers legal help if needed
- Valkea Marina's staff is professional and competent
- Valkea Marina's staff knows the area very well
- Valkea Marina's staff offered a lot of information and answered extensively to my questions
- Bad customer service
- Valkea Marina did not support me throughout the process
- Valkea Marina does not offer extensive after-sales services
- Valkea Marina's staff is not professional and competent
- Valkea Marina's staff does not know the area well
- Valkea Marina's staff did not offer enough information nor answered extensively to my questions
- Other, please clarify what? _____

12. Would you want to buy another property through Valkea Marina?

YES NO

13. If you answered NO to the previous question, please clarify why?

- I do not need another property in Spain.
- Buying another home in Spain is not current at the moment.
- I want to purchase another property from another part in Spain.
- I want to do business with a different real estate agency.

14. Which factors of Valkea Marina's service made the highest impact on your purchasing decision? Please check all that apply.

- Experienced and skilled staff
- Knowledge of the Spanish real estate markets
- After-sales services
- Friendly and caring service
- Reliable and legal agency

15. How did you find Valkea Marina?

- Advertisement in Helsingin Sanomat
- Advertisement in magazine Óle
- Home Abroad Fair 2010 in Helsinki
- Home Abroad Fair 2011 in Helsinki
- Travel Fairs 2010 in Helsinki
- Article in Helsingin Sanomat
- Article in magazine Óle
- Internet search engine
- Seminars about the Spanish real estate market held in Finland 2011
- Somewhere else, please define: _____

16. How would you rate Valkea Marina's sales team?

1= very poor, 2=poor, 3= satisfactory, 4=good, 5= excellent

1 2 3 4 5

17. Referring to the previous question, which factors describe a good sales person? Please check all that apply.

- Reliability
- Personal and customer friendly service
- Extensive knowledge about real estate market
- Extensive knowledge about legal factors concerning real estate market
- Good social and communication skills
- Responds quickly to emails and phone calls
- Other, please clarify why? _____

18. How helpful were Valkea Marina's web pages when you were seeking information about properties and the area?

1=didn't help me at all, 2=helped me only a little, 3=OK, 4=helpful, 5= very helpful

1 2 3 4 5

19. What type of information were you seeking from Valkea Marina's web page? Please choose more than one if needed.

- Information about the properties
- Information about the area
- Information about the possible activities in the area
- Information about the golfing possibilities in the area
- Articles about the Spanish real estate business
- Articles about the Spanish economic situation
- Pictures from the area Valkea Marina is representing
- Information about the company

APPENDIX 5: INTERVIEW QUESTIONS FOR THE OWNER OF VALKEA MARINA

1. How do you think the company is performing at the moment? Please clarify why.
2. What are your marketing objectives?
3. What are your marketing communication objectives?
4. What are your main marketing communication tools (i.e. PR, advertising, sales promotion, personal selling and direct marketing)?
5. What is the company's target market and target audience?
6. What type of property is the most common amongst your purchased clients? Please clarify why.
7. Do you think that your marketing communication efforts are bringing more customers, and especially buying clients, to the company?
8. Do you think that all the clients that have purchased a property from Valkea Marina would recommend Valkea Marina to others? Please clarify why.
9. Would you say that all of your clients are fully satisfied with the service they have received from Valkea Marina? Please clarify why.
10. Would you say that all of your clients are fully satisfied with the property they have purchased?
11. How would you describe a good salesperson?
12. Do you think that Valkea Marina's web pages are offering information that Finnish consumers are looking for? Please clarify why.
13. Which information is most commonly searched by clients from your web pages?
14. How would you rate Valkea Marina's web pages in terms of customer satisfaction?
15. How would you describe an average client's buying behavior when he/she wants to purchase a property in Spain? (i.e. Do they require a lot of information? How long does the decision making process last?)
16. Does the company have an annual budget for marketing communications or is everything done spontaneously?