

KYMENLAAKSON AMMATTIKORKEAKOULU

University of Applied Sciences

Degree Programme in International Business/ International Trade

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MARKETING STRATEGY FOR KUKANEKO

Bachelor's Thesis 2013

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ABSTRACT

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Bachelor's Thesis

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Keywords

marketing strategy, sustainable clothing, retail store

The topic of this thesis was to create a realistic marketing strategy for Kukaneko that sells Finnish sustainable fashion in Lahti. The company had no comprehensive marketing strategy in its use which why this thesis was written.

Both secondary and primary research was used to carry out the research. The secondary data was gathered from books, scholarly journals and internet sources. Qualitative data was gathered in cooperation with the owner of the case company through an interview, numerous and discussions. Also the author's own work experience in the case company worked as a basis for this thesis. Descriptive analysis and content analysis were used as methods to analyse the data.

This thesis resulted in a competitive and realistic marketing strategy that ensures Kukaneko's success in the competition. The main finding was that Kukaneko has unique business concept to tackle competition. The implications for the commissioner were to increase its online presence in terms of web shop and internet pages. The third implication was to utilize the advantage of launching its own t-shirt collection.

TIIVISTELMÄ

KYMENLAAKSON AMMATTIKORKEAKOULU

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Avainsanat

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Tämän opinnäytetyön tarkoituksena oli laatia realistinen markkinointistrategia toimeksiantona Kukanekolle, joka myy suomalaista vastuullisesti tuotettua muotia Lahdessa. Yrityksellä ei ollut kattavaa markkinointistrategia käytössään, minkä vuoksi tämä opinnäytetyö tehtiin.

Opinnäytetyön kirjallisuuskatsaus koostuu markkinointistrategiaa käsittelevistä kirjoista, tieteellisistä artikkeleista ja muista Internet-lähteistä. Kukanekon markkinointistrategia on laadittu yhteistyössä toimeksiantajan kanssa haastattelun ja lukuisten keskustelujen pohjalta. Lisäksi kirjoittajan oma työkokemus kyseisessä yrityksessä toimi lähtökohtana opinnäytetyölle. Tässä opinnäytetyössä menetelminä käytettiin sekä kuvailevaa analyysia että sisällön analyysia.

Opinnäytetyön tuloksena syntyi kilpailukykyinen ja realistinen markkinointi strategia, joka takaa Kukanekon menestymisen kilpailussa. Tärkein havainto oli, että Kukanekolla on ainutlaatuinen liikeidea. Yrityksen tulisi lisätä Internet-näkyvyyttään verkkokaupan ja verkkosivujen muodossa sekä hyödyntää mahdollisuus lanseerata yrityksen oma t-paitamallisto

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1. INTRODUCTION

1.1 Presentation of company

The objective of this thesis is to create a marketing strategy for Kukaneko, which is a company that sells ecologically and ethically produced high fashion in Lahti.

Kukaneko concentrates on Finnish designers and brands that produce sustainable fashion. Kukaneko values authenticity, locality, quality, originality, people and nature. Kukaneko's products available in store are produced with respect for the people and the environment.

In February 2012, Kukaneko opened a shop in shop retail concept in Lahti.

Kukaneko's shop in shop retail took space in another retail store, Florencia - Flower & Vintage, which concept and ideology matched well with Kukaneko's. In November 2013, Kukaneko moved to its current location in the heart of Lahti with other two businesses that are Florencia - Flower & Vintage and Marakattimarssi.

Kukaneko's vision is to be the first and the best in its own market providing customers with sustainable fashion within Lahti area. It is a long-term view based on what Kukaneko wants to be in the future. The very fundamental purpose of Kukaneko is *to get people to consume more sustainably*. The idea behind this mission statement is that people should consider more carefully what they purchase in order to obtain a good conscience through their purchasing choices. This is accomplished by making sustainable consumerism easier for consumers. Customers' lives are enriched by increasing customers' awareness of where clothing comes from, how it is made and what is the social and environmental impact of the clothing.

As Kukaneko is a new business only been operating for two years, its main objective is to run a profitable business by the next year. In order to achieve this objective, the income of the company must exceed the expenditure. Generating profit enough is essential for the company to ensure its survival and growth in the future. Therefore it implies that the company needs to succeed in increasing sales as well as to succeed in creating awareness.

1.1.1 The research purpose

The purpose of this thesis is to get consumers more aware of the sustainable side of clothing industry as well as to encourage other businesses to sell sustainable goods. Consumers are increasingly doing shopping because of luxury, not because of necessity. Modern societies are increasingly characterised by consumerism but at the same time sustainability has reached more political concern worldwide. It has been recognised that in advanced capitalist societies, retailing is the most powerful sector when it comes to offering an ever- growing variety of goods and services to consumers. Moreover, this retail market is controlled by a fairly small amount of large retailers that aggressively strive for increasing their market share, sales and profits, which has decreased the amount of small independent retailers. Since the main task of retailers is to respond to consumer demand and offer a variety of goods for them, retailers play a role as the prime mover for the whole supply chain. Retailers are in the position to communicate the consumer demand upstream to suppliers and then distribute products downstream to customers. Therefore retailers have the great possibility put a pressure on production processes and consumption patterns in support of more sustainable approach. (Jones, Hillier, Comfort & Eastwood, 2005.)

1.1.2 The research objective

The objective of this thesis is to create a realistic marketing strategy for the case company. The company does not have a profound and comprehensive marketing strategy in its use which why the author came up with this thesis idea. This marketing strategy is to identify factors that ensure Kukaneko's success in the competition. The purpose of this thesis for the author herself is to deepen her knowledge in the field of marketing.

1.1.3 The research question

The main research question for this thesis is to find out how Kukaneko can successfully attract and retain customers in the field of sustainable fashion. According to Meyer (2001) the majority of green marketing literature claims that the customer's environmental awareness is a pre-condition for purchasing green products. In general companies tend to group customers in accordance to their level of environmental awareness and as a result they aim to target those consumers in the hopes that this group will continue to grow. However, there are some barriers related to green products that need to be overcome in order to market them successfully. Some of the inherent characteristics of green products are for instance that they have a higher price, there is a limited selection of them, they possess aesthetic disadvantages or the information on them is perceived complex. Due to the perceived barriers, a special focus should be put on the environmental superiority of the green. Still companies tend to forget to get to know what kind of green products their customer really are looking for. It is not enough to know that consumers want green products but rather to know exactly what kind products they want, what kind price performance they are willing to accept and to know what is the best way to market those products. Apart from pure green consumers, a green product is interesting to consumers when it possesses also other important variables and performs at least as well as conventional alternatives. Figure 1 shows the other important variables that consumer takes into account at the buying situation.

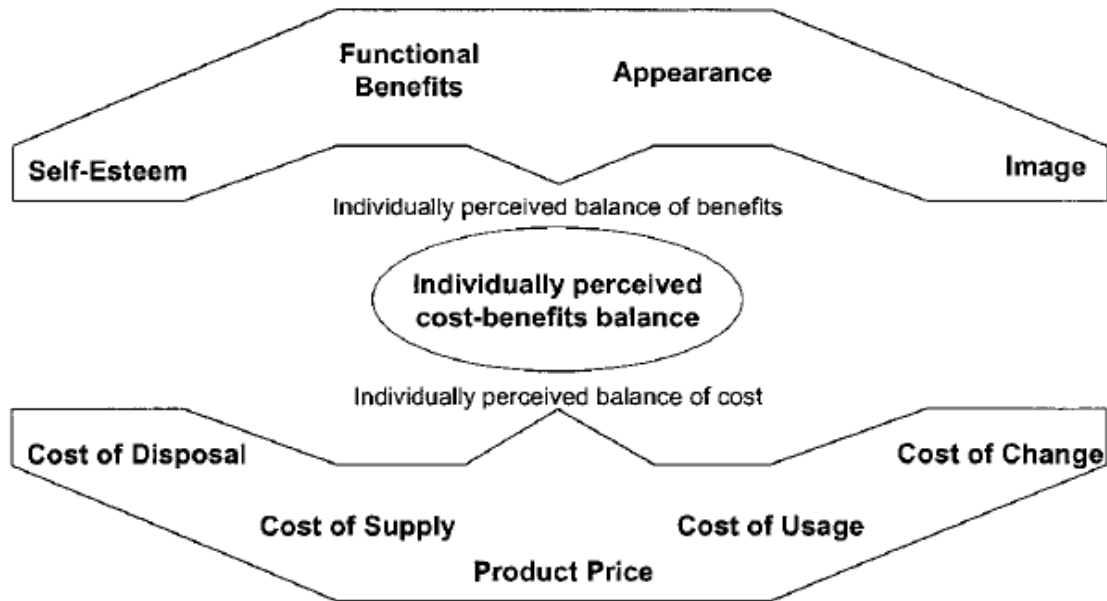


Figure 1. Framework for analysing individually perceived cost and benefits of products (Meyer, 2001, p. 319)

2. METHODOLOGY

2.1 Data acquisition

The author aims at forming a clear and simple marketing strategy that is based on accurate data written in an understandable language for the commissioner. The author used both secondary and primary research in order to carry out this thesis.

The secondary research was implemented with already existing data. The data was gathered from marketing strategy related books from Kotler and Jobber, scholarly journals, articles and the internet. Also the author uses material from Anniina Nurmi who is a fashion designer and a specialist in the field of sustainable clothes.

The primary research was carried out by the author to collect data to form a marketing strategy exclusively for the case company. Qualitative data was gathered in co-operation with the owner of Kukaneko through an informal semi structured interview

which was carried out face-to-face at the beginning of the research. The interview consisted of open ended questions related to the topics of marketing strategy. On top of the interview, there were numerous discussions and meetings between the author and the owner in order to gain a mutual understanding and more detailed information. The author's own work experience in the case company during summer 2013 works as a crucial basis for this thesis. During her internship in the case company, the author deepened her knowledge about the company's business operations, learnt about the company values and the sustainable side of business. Materials provided by the company were also used with forming the marketing strategy.

2.2 Data analysis

Descriptive analysis was used to describe the main characteristic of data in a clear and understandable way gathered from secondary sources. Content analysis was used as a method to analyze qualitative data. During the interview and discussions, the author took notes down as precisely as possible in order to obtain valid data as much as possible. Content analysis was used to summarize the qualitative data into a clear form and to identify important aspects in the data.

3. MARKETING STRATEGY

3.1 Market-driven strategy and its importance

A market-driven strategy enables a firm to better understand its market and customers. It allows for an effective integration of all activities that may influence customer value, which impacts both return-on-investment and profitability. However, marketing is not a short term solution since it takes time to create both market organisational culture and strategies. In order to achieve a true market orientation, a firm has to make the customer the centre point of its business perspective. Simultaneously, all the people involved in the firm must become involved and support these marketing efforts. (Leventhal, 2005.)

A real competitive advantage in marketing takes place when there is a commitment to the four following actions: customer focus, competitor focus, coordination of marketing efforts with all the functions within an organisation and market orientation. First of all, a company should know which customers it wants to target, understand customer requirements, and offer essential products/services to improve the value to the customers. Secondly, a business should know who are its main competitors and in addition to that understand their weaknesses and strengths, marketing strategies and capabilities. Thirdly, marketing should be shared information with all the functions in organisation (finance, manufacturing etc) rather than being an isolated function. Finally, when a company has a market oriented approach it is likely to improve overall performance and enhance in bringing company's value to its customers. (Leventhal, 2005).

Further to increase efforts as a market-oriented-company, a firm needs to develop effective and integrated multichannel marketing strategies that enable a firm to obtain bigger returns resulting from synergistic marketing actions. This calls for a suitable mix of different communication tools with successful marketing actions to attract and reach target customers at different times in several ways. It is stated that consumers who interact with a company through multiple channels are likely to be more loyal and profitable compared to single channel consumers. Therefore, to successfully manage multichannel marketing, a company needs foremost to understand its customers and their preference in order to create effective marketing campaigns using the multi channel approach. (Leventhal, 2005.)

An effective marketer acquires and maintains prospect and customer data that should be utilized to segment customer attributes. This will help in developing personalized concepts that will determine which prospects should receive defined messages. After this marketers can start to create content for the purpose of the marketing campaign. As a final thought it is essential that the messages and graphical elements of all marketing communications are both consistent and persistent. At the end it is the customers' perception on you company that determines the success of your marketing actions. (Leventhal, 2005.)

3.2 Competition analysis

3.2.1 SWOT analysis

Swot analysis is a tool that helps businesses to evaluate its strategic position by identifying their strengths, weaknesses, opportunities and threats. Strengths and weaknesses are summarised as internal factors and are controllable where as opportunities and threats are external factors as they are beyond the control of businesses. Only capabilities and resources that are valued by the customers should be included when assessing the strengths and weaknesses. Opportunities and threats should be listed as anticipated events and trends that may occur outside the business and have some influence on the business performance. (Jobber, 2010:46-47.)

According to Kotler (1999:168-167), SWOT analysis should be started with listing opportunities and threats. To start with opportunities, there should be listed approximately five attractive opportunities that promise a high return and high profitability of success. Likewise there should be a stated about five major threats facing the firm. If a firm cannot come up with any possible threat, the firm is heading for a real trouble. The listing of threats helps preparing for plans for unforeseen events. The reason to look at opportunities and threats first is to see which of the firm's strengths and weaknesses need attention the most. For instance, a competitor has set up an effective web page for selling their products and this company has not yet developed its own web page. This does not result only as a weakness but requires taking up fast action. Every firm needs to decide upon which strengths to improve further and which weaknesses should be tackled based on the looming opportunities and threats. An example of a SWOT analysis is illustrated in Table 1 below.

When SWOT analysis has been completed, business should then consider how to turn weaknesses into strengths and threats into possibilities. For instance, there might be perceived weakness in customer service which would imply the need for staff training and therefore turned into a new strength. There might be a threat resulting from the entry of a new competitor that might require forming a strategic alliance in order to unite the strengths of both parties to make use of a new opportunity. These kinds of

activities are called as conversion strategies since they are designed to convert weaknesses into strengths and threats into opportunities. (Jobber, 2010:47.)

Table 1. SWOT analysis – Innovative business (Conceptdraw, n.d.)

EXTERNAL	<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • Your specialist marketing expertise • A new innovative product or service • Location of your business • Quality processes and procedures • Any other aspect of your business that adds value to your product or service 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Lack of marketing expertise • Undifferentiated product or service (i.e. in relation to your competitors) • Location of your business • Poor quality goods or service • Damaged reputation
INTERNAL	<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • A developing market such as the internet • Mergers, joint ventures or strategic alliances • Moving into new market segments that offer improved profits • A new international market • A market vacated by an ineffective competitor 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • A new competitor in your home market • Price wars with competitors • A competitor has a new, innovative product or service • Competitors have superior access to channels of distribution • Taxation is introduced on your product or service

3.2.2 Competitor analysis

Simkin and Cheng (1997) state that in order to achieve a competitive advantage companies should create offers that satisfy the needs of target customers better than their competitors' offers. The process of understanding competitors can be done by competitor analysis that is used to identify key competitors, assess their objectives, strengths and weaknesses, strategies and reaction patterns and lastly to choose which competitors to attack or avoid.

When competitors have been identified, it is important next to determine their objectives and strategies. Trying to estimate competitors' plans and how they are succeeding in them helps a business to second guess what kind of actions they will take on. Evaluating competitors' strengths and weaknesses, permits a business to predict how they might be forced to modify their strategies and also provides information needed to develop a differential advantage relative to competitors – some attribute that is desired by the target customers and not provided by the competitors. In order to create a complete competitive strategy, there has to be an estimation of competitors' likely reaction patterns but also to determine which competitors to attack or avoid. (Simkin and Cheng, 1997.) An example of a competitor analysis is illustrated in Figure 2 below.

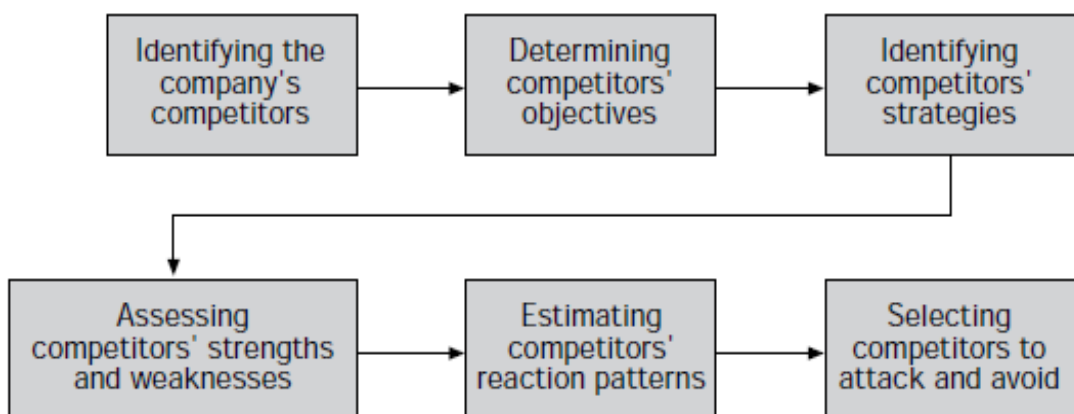


Figure 2. Analysing competitors (Simkin & Cheng 1997, p. 126)

Gathering relevant data on competitors helps firms to understand their competitors and to make decisions. The sources of relevant information can be obtained for instance from distribution channels, press, magazine, industrial journals, market surveys or government published statistics. (Simkin and Cheng, 1997.)

3.2.3 Positioning strategy

Positioning strategy can be defined as the choosing of the target market that the company aims to serve and the choosing of differential advantage that will determine how it will tackle the competition in the same market. Positioning strategy can be divided into three interrelated sub-components that are customer targets, competitor targets and competitive advantage. The idea is to choose a target segment of which needs a company is able to satisfy with its strengths better than its competitors. This implies that the company has a detailed understanding of its strengths, weaknesses, opportunities and threats which can be carried out for instance by an internal and competitor analysis. (Brooksbank, 1994.)

As a part of positioning, a company needs to create a competitive advantage that will differentiate the company's offers from those of its competitors. The company should strive for making its offering as distinctive as possible to its customers so that competitors' small price differences would not make customers to switch to them. There are some important factors to be taken into account when developing a competitive advantage: the competitive advantage must be based on something that offers value to the customer and it has to be sustainable. The competitive advantage can be based on any strength or distinctive competence of the company relative to the competition. On top of that it should be hard to be copied by competitors. (Brooksbank, 1994.) The formulation of a positioning strategy is shown in Figure 3 below.

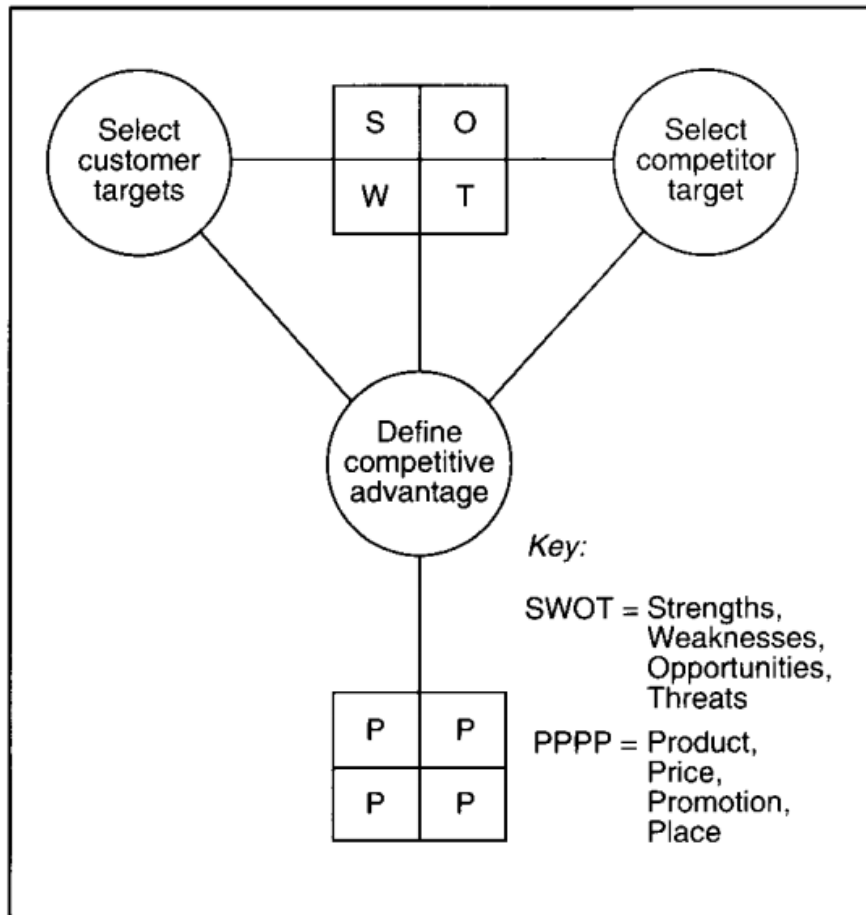


Figure 3. The key components of marketing positioning strategy formulation. (Brooksbank 1994, p. 11)

Successful positioning is often associated with products possessing favourable connotations in the minds of consumers. In order to achieve successful positioning, the positioning idea must be based on certain factors. Firstly, the positioning idea must be clear. The positioning idea should be clear upon the target market and differential advantage. Secondly, the positioning must be consistent. People are surrounded by different messages everyday which why a consistent message is needed. Thirdly, positioning must be based on credibility meaning that the differential advantage chosen must be believable in the minds of the target market. They should be able to believe what the firm promises to deliver. Lastly, the positioning idea should be competitive. The differential advantage should possess a competitive advantage. It should offer value to the customers that the competitors are failing to offer. (Jobber, 2010:285-286.)

3.3 Segmentation

3.3.1 Market segmentation

Market segmentation can be defined as dividing a broad market into smaller subgroups with similar requirements in order to serve them effectively. Generally in consumer markets it is not possible to create a marketing mix that would satisfy every customer's special requirements precisely. Market segmentation provides a commercially feasible technique to serve these customers when customers are grouped together with similar needs. Therefore market segmentation forms the basis by which firms can better understand their customers and develop strategies for serving targeted customers better their competitors. (Jobber, 2010:260.)

Markets can be divided into several segments in different ways. The idea is to recognise a significant need that has not been met yet and might represent a lucrative market opportunity. In benefit segmentation people are grouped by the common benefit they are looking for such as low price, high product quality or excellent service. Demographic segmentation is based on grouping people in accordance to a common demographic makeup such as young low income minorities or wealthy senior citizens. Grouping people according to product use occasion, for instance airline passengers flying for business or pleasure, is occasion segmentation. Usage level segmentation means grouping people according to their product usage whether they belong to heavy, medium, light or nonusers. People can also be grouped by their lifestyle such as in lifestyle segmentation. (Kotler, 1999:26-27.)

The company has two choices when it comes to identifying a set of segments. It can concentrate on a single segment or two or more that each receives a different but suitable offering. The benefits of focusing only on a single segment are that the company can more easily identify the people in the segment, the company has to deal with fewer competitors and the company has the opportunity to become the "supplier of choice" to the segment and thus can gain the biggest market share and margin. The negative side of concentrating only one segment is that the segment might attract too many competitors or that the consumer in that segment might shift away from that

segment. These kinds of risks have influenced companies' decision to prefer focusing on two or more segment. (Kotler, 1999:27.)

Segmentation leads to gain competitive advantage in many ways. First of all segmentation reduces rivalry as there should be a smaller amount of competitors in any given segment, which should therefore reduce downward pricing pressure. Secondly, segmentation reduces pressure for substitutes because certain segments will not see a rival product as a substitute. Moreover, it enables a firm to become a product of choice in a given segment even if the firm is rather small. In addition the firm can become the recognized expert on a segment. (Cahill, 1997.)

3.3.2 Target market

According to Cahill (1997) a target market means market or submarket, for instance a segment, at which a company aims its marketing messages. A target market is a group of identified customers whom a company wants attract and to whom a company will direct its marketing actions, resources, attention. The idea is first to identify the most profitable customers, learn their values, identify their needs, concentrate marketing on them and monitor customer satisfaction. It is important to strive to ensure that the target market will be loyal and consists of high profit customers as well as to define who it is we do not want to attract. It is typical for target marketing that there are customers whom a company do not exactly hope to attract but whom it will still serve if possible without making any special effort to serve. Loyal customer combined with the search of heavy users will result in explosive profitability since loyal heavy users are willing to pay a higher price and make a bigger than average contribution. Target marketing is important for two reasons: firstly it forces a strategic focus to the firm meaning that firm is forced to look towards a realistic approach to its customers and its product offerings and to determine the best fit between them. Secondly, it forces a strategic focus on the firm, which starts outside with the customers and the market and not inside with the firm.

3.4 Marketing Mix

After positioning plan and the choose of the target market the company forms a suitable marketing mix consisting of product, price, place and promotion elements (the four P's) that together define the firm's offering to its target market. The marketing mix should reflect the company's competitive advantage so that it would create an image of superiority in the minds of customers compared to competitors. (Brooksbank, 1994.)

Companies use marketing mix to create a differential advantage in order to successfully compete in the market place. Differential advantage entails giving the target market something better than the competitors are offering. Differential advantage can be created by product differentiation which results for instance from added features that give customers benefits that are distinctive compared to competitors. Differentiation created by price can for instance occur when a customer receives a superior value for money through lower prices. Distribution differentiation may results from making the purchasing situation more convenient and suitable for customers and promotional differentiation may result from salespeople's superior service or exclusive images created by advertising. (Jobber, 2010, p.285.)

3.4.1 Product

Successful companies should first identify the needs and wants of customers and then based on that develop a right product or service with the right quality level to meet their needs of the customers in the present as well as in the future. Far too many companies try to do the opposite by deciding first the product or service and then hoping to find a target market for it. Product does not have to be necessarily a tangible object – it can also be intangible such as a service. The main thing is that the product provides value for the customers they want, not what the companies think their customers want. Customer's thoughts on products should be monitored regularly as well as their current needs and whether they seem them both changing. (The Chartered institute of marketing, 2009.)

According to Kotler (1999:99) the importance lies in creating relevant and distinctive product differentiation as shown in Table 2 below.

Table 2. Product differentiation

Basis for product differentiation	Example
Physical differences	Design, features and packaging
Availability differences	Stores, internet, mail, phone
Service differences	Delivery, installation, training, repair
Price differences	Very high price, medium price, low price
Image differences	symbols, atmosphere, events

Normally competitors try to imitate any successful differentiation. When imitators introduce their versions of the product with a lower price, it puts pressure on the innovator. There are three choices for the innovator to do: lower the price to protect market share, maintain the price and lose some market share and profits or seek for new ideas to differentiate the product and maintain the current price. The last option of these three is the best for offering hope of maximizing of long run profitability. The firm must understand that it cannot rely on its current advantages and that it must consistently seek for the next advantage. However, the searching of a long lasting and sustainable advantage is mostly a pipe dream in a hypercompetitive marketplace. (Kotler, 1999:99.)

3.4.2 Price

Price is the only element of the marketing mix that produces revenue where as other marketing mix elements create costs. Thus firms strive for lifting their prices as high as possible their level of differentiation supports it. (Kotler, 1999:99.) The product is only worth the price the customers are willing to pay for it. However, the price needs

to be competitive but it does not necessarily have to be the cheapest. Small companies can compete against large companies by adding extra services or details to provide value for money. The bottom line is that the more a company charge for its products, the more value or quality customers are expecting from them. If a company decides to take up an approach of a higher prices added-value, this will usually lead to higher quality expectations from customers. Therefore all the dealings made with a customer and everything that can be seen by a customer, such as packaging, environment and promotional materials, need to be consistent with the higher quality expectation. (The Chartered institute of marketing, 2009.)

3.4.3 Place

The place element refers to the place where customers purchase the product and the ways of distributing the product to the customer. The place needs to be both convenient and appropriate for the customers. The product must be available at the right place, at the right moment and at the right amount for the customer. Place also means the ways of displaying products to customers such as via shop window or internet. (The Chartered institute of marketing, 2009.)

The firm has two choices to distribute its goods: directly or selling them through middlemen. There is growing battle between home based shopping and store based shopping. Nowadays consumers are able to order products in various ways from home rather seeing the effort to going to a store. Consumers are able order countless of different goods through any of the following channels: catalogs, direct mail, internet, telemarketing or home shopping programs on TV. As consumers get more time-pressured, home based purchasing will grow more. For that reason retailers have to come up with ways to get customers back to the stores. On the other hand, if the store charges higher prices, the service is unsatisfactory, the store does not appeal to customers and parking is difficult, retailers are likely to lose the battle. The solution is to be creative by enhancing the shopping experience, adding fun and entertainment or other things to attract customers. (Kotler, 1999:104-105.)

3.4.4 Promotion

Promotion refers to the means by which a company communicates with its customers to show what it has to offer for them. Promotion must be appealing, gain attention, tell consistent messages but most importantly give a reason to customers to choose your products over competitors. Successful promotion aims at two way communication with customers and tells the benefits for adopting the product instead of just listing the features of a product. Promotion is not just communication with customers. It is also important that all the employees in the company are aware of the values and attributes of the product so that they can also share their expertise amongst the customer. (The Chartered institute of marketing, 2009.)

3.5 Customer relationship management

Customer relationship management is a strategy aimed at developing and maintaining a long term relationship between buyers and suppliers. The reason for developing customer relationship management is because it improves profitability and customer service. This is done by identifying, attracting and retaining the most loyal customers to the business. The most important objective is to build and maintain a database of valuable customers that are the most profitable for the business. Customer relationship management benefits the company so that it creates a differential advantage over the competitors but also increases the number of transactions with the customers. On top of that, it is more cost-effective for the company to retain existing customers rather than trying to recruit new customers. Customers are likely to stay loyal to a company if they receive more value from it compared to other competitors. When customers feel that they receive benefits, such as quality or satisfaction, more than they give in financial terms, they are likely to stay in the relationship with the company. Therefore customers will usually choose the offer that maximizes delivered value. If a company is able to consistently deliver value to its customers, it is clear that the customers will benefit and be motivated to stay in the same relationship with the company. (Djurica, Tomic & Samardzic, 2011.)

3.6 Internet marketing

The Internet has changed the way companies carry out their business and it is becoming an increasingly vital tool for successful marketing. The Internet enables companies to obtain several competitive advantages over the competition. Internet works as a medium for consumers to purchase goods and services, to find information about the products and services. Moreover, internet is accessible for consumers to visit prospective sellers regardless the time .For the company, the internet works as a tool for reaching customer, delivering messages, creating awareness and creating a favourable image in the mind of consumers. An essential part of internet marketing is to create an effective ongoing communication between the desirable customers and the company as well as to make it easy for the consumers to contact the company. A way to carry out communication is to build a website that concentrates on keeping customers informed and provides a way for customers to communicate their opinions, thoughts and questions to customer service. (Yannopoulos, 2011.)

4. SITUATIONAL ANALYSIS

4.1 SWOT analysis

Kukaneko's strategic position in the market place is evaluated by using SWOT analysis. This is done by identifying Kukaneko's most relevant strengths, weaknesses, opportunities and threats. Table 3 illustrates the SWOT analysis of Kukaneko below.

Table 3. SWOT analysis of Kukaneko

EXTERNAL	<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • Unique • Sustainable approach • Transparency • Distinctive product offering • Good quality of products 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Lack of awareness • Web shop • Web page • Little advertising • Lack of capital
INTERNAL	<p style="text-align: center;">POSSIBILITIES</p> <ul style="list-style-type: none"> • New location in the city centre • New target market: men and online customers • Consumers becoming more conscious about sustainable fashion • Kukaneko's own t-shirt collection • Co-operation with competitors 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • Increase in competition • Changing consumers' spending habits • The state of the economy • Unable to reach the target market

4.1.1 Strengths

The main strength of Kukaneko is that it has a different business concept compared to its competitors which makes it unique and thus creates a competitive advantage. The

unique business concept of Kukaneko appeals to a certain target market that shares the same values as Kukaneko. The products offered are different from the competition: Kukaneko focuses on Finnish high fashion that is ecologically and ethically manufactured as locally as possible. The products are made of good quality and made with the respect for both the people and environment.

Yle Uutiset (2013) published an article which states that sustainability can be seen as a competitive advantage since companies in the clothing industry are competing against each other on sustainability. Consumers are paying more attention to the origin of their clothes and manufacturing conditions. For consumers it is harder to find information about a company's supply chain operations which why customers must be able to trust that companies monitor the situation. The customers of Kukaneko can be sure that the products they purchase from Kukaneko are sustainable which will create a relationship of trust between Kukaneko and its customers. They do not have to second guess the brands' sustainability side since Kukaneko only accepts and selects brands with visible and accessible information concerning their supply chain operations. Kukaneko aims at being transparent with its business operations in order convey an open, honest and accountable business image.

4.1.2 Weaknesses

The case company has not been able to create awareness enough amongst its target group which can for instance be due to little advertising. On the other hand, the company has a limited amount of capital for marketing purposed in its use which why the company has been concentrating on affordable ways of advertising such as Facebook and blogging to create word of mouth.

Other weakness is the absence on the internet in terms of web site and web shop. The lack of a company website makes it harder for the customers to find information about the company online. Also the lack of web shop decreases a potential customer base and decreases potential sales online. However, it should be pointed out that Kukaneko is aware of the importance of online presence and is in the progress of creating both web store and web page and aims at launching them as soon as possible.

4.1.3 Opportunities

Kukaneko has the opportunity to reach new target markets: men and online customers. Kukaneko aims in the long run expanding its men's wear selection to better attract men customers. Also the creation of a web shop would create a total new target market which would be online customers first in the EU area and later worldwide. Besides, there is an opportunity that the target group might grow as the result of consumers becoming more conscious about sustainable products.

The new location of the company in the heart of Lahti centre is to derive consistent customer traffic to the store. The new location is better situated compared to the previous location and shows a great potential to attract walk-in customers into the store. Now Kukaneko shares the new business premises with other two businesses that sell Finnish children's wear and vintage clothes. These other two businesses will help creating awareness for Kukaneko since their customers will visit the new location. These customers have the potential to become new customers for Kukaneko but mostly they will create important word of mouth.

When it comes to the location, Kukaneko sees an opportunity of being surrounded by other boutiques that are situated at the same street. This opportunity could be used for co-operational purposes with the other boutiques. The market square of Lahti is currently under renovation, which has reduced the customer traffic especially in that part of Lahti. The co-operation with competitors could be used for pulling together different kinds of creative sales events in order to attract customers.

Also a potential opportunity lies in Kukaneko's plan to design and produce its own t-shirt collection. The opportunity behind launching a t-shirt collection is that it would strengthen the brand image, increase the visibility and support marketing efforts. The launch of Kukaneko's t-shirt collection would increase Kukaneko's credibility and would not be seen as a small player. Most importantly, Kukaneko could implement its mission by not needing to make compromises on quality and on ecological and ethical aspects. The customers of Kukaneko would have the opportunity to take part in the designing process by designing their own print, which would increase the loyalty of Kukaneko's customers.

4.1.4 Threats

In the future, Kukaneko might need to deal with increased competition even though the competition is rather nonexistent in Kukaneko's market area at the moment. There is a risk that other clothing stores might start to sell the same brands as Kukaneko or that other businesses might start to imitate Kukaneko's business concept. For this reason, it is important that Kukaneko will have a set of competitive advantages in its use to tackle competition.

When it comes to the target group, there is a risk in terms of failing to find the target customers in Lahti area. The chosen target group might appear to be too small or there might not simply be enough interest towards sustainable products amongst Lahti citizens. In order to find the target group, it would require increasing marketing efforts for instance.

4.2 Competitors

The competition situation is rather nonexistent since there is not any actual competition in the field of sustainable fashion in Lahti area. Even though, there is not any similar physical store that would sell sustainable Finnish fashion in Lahti, it can be said that all the clothing retail stores are Kukaneko's competitors. The company feels that its competitors are also all the flea markets and second-hand stores as well as other resellers that sell the same brands in bigger towns and on the internet. Stores that have some same brands available in their store are for instance:

- Helsinki: All Found Store, Design Forum Shop, Liike, Limbo, Nudge and Sofinah
- Tampere: Finnish Designers Boutique, OneManBand, Seele and Super Mukava
- Espoo: DesignersShopOutlet
- Jyväskylä: Sala Boutique
- Turku: Televisio Lifestyle Store
- Rauma: Busstop Clothing
- Rovaniemi: Hih-hi
- Oulu: Non Boutique

On the internet the web stores selling some same brands are for instance:

- Designers' own web stores
- www.kaarnaliving.fi
- www.yalo.fi
- www.weecos.com

(Kukanekon elinkaari, 2013.)

5. MARKETING STRATEGY FOR KUKANEKO

5.1 Segmentation

Kukaneko aims at targeting a small market. This consists of women who are aged between 20-40 who are interested in sustainable fashion industry, the rights of workers and minimizing the burden of the environment. They want good-looking clothes that attract attention but at the same they want a good conscience since consumption always wastes world's resources. Many times a year changing trends and mass production do not interest them because they look for quality and individuality from clothes.

The customers in this group are urban and conscious people who build their personalities and well-being in a responsible way of life. They are interested in sustainable development and greener lifestyle. They want to act responsibly towards themselves, each other and the environment. This target group believes in their own ability to influence and they see a direct link between their actions and the global phenomena.

While targeting women, Kukaneko aims at targeting men in the same age and lifestyle group in the long run. At the moment, Kukaneko's men's wear selection is small concentrating only on one brand having only certain pair of jeans and a couple of different t-shirts for men. Kukaneko believes that if the availability of men's wear was greater in the store, the demand for sustainable men's wear would be bigger.

The third target group of Kukaneko will consist of online customers. Kukaneko's purpose is to serve online customers through the launch of its company web store. At the beginning, the web store will target customers all over Finland and in the EU area. Later the purpose is to target customers worldwide.

5.2 Positioning

Kukaneko aims at creating a strong company brand in the minds of customers. The target market will know the company name and associate it with that "one thing" it is known for. For instance if there is a person interested in consuming clothes in more responsible way, the person should first come up with Kukaneko. The company aims to be perceived as a unique, domestic, ecological and ethical store that provides high quality fashion from Finland. To support that positioning, Kukaneko only chooses brands that help creating coherent and recognisable company image.

In order to tackle competition, Kukaneko has to offer its potential customers something that they are lacking with other apparel stores in Lahti. Kukaneko's strategy will concentrate on generating a strong customer loyalty by tailoring its business to the needs of consumers who are interested in a greener lifestyle. By focusing on a certain target market, Kukaneko can more effectively serve those consumers who have been served poorly by competitors. Thus, Kukaneko can better and quickly adapt to changing product demands and expectations. Kukaneko aims at obtaining a reputation of superiority in the minds of its target market.

Since Kukaneko has a unique business concept in Lahti, Kukaneko's competitive advantage results from the distinctive product offering relative to the competition. Kukaneko concentrates on Finnish sustainable brands and designers that will help Kukaneko to differentiate it from other clothing retail stores. These sustainable products will appeal to the target segment that possesses the same values as Kukaneko.

5.3 Marketing mix

5.3.1 Product

Kukaneko sells sustainable fashion and has from the scratch been concentrating on Finnish designers and brands. The products are produced as close as possible – only Mifuko’s fair trade products are manufactured outside of Europe in Kenya and Moral’s jewellery are manufactured in South America. Since Kukaneko is the only retail store in Lahti specialising in Finnish sustainable fashion, it creates a differential advantage over competitors.

Kukaneko offers eight different product categories that are women’s wear, men’s wear, accessories, jewellery, shoes, cosmetics, textiles and magazines. The biggest product category is women’s wear since women is the main target group. However, in the long run Kukaneko’s purpose is to have a greater availability of men’s wear as well. The combining style for the products is that they are casual, modern, simple and timeless. The product categories and brands sold at Kukaneko are shown in Table 4.

Table 4. Product categories and brands

Product category	Brands
Women’s wear	<ul style="list-style-type: none"> • Camilla Mikama • Minni f. Ronya • Mirkka Metsola • Month of Sundays • MUKA VA • Nurmi • Poola Kataryna • RIIVARI

	<ul style="list-style-type: none"> • Terho • Vuoriortta
Men's wear	<ul style="list-style-type: none"> • Nurmi • RIIVARI
Accessories	<ul style="list-style-type: none"> • Month of Sundays • MUKA VA • Uhana Design
Jewellery	<ul style="list-style-type: none"> • Dotti • Melina Lindroos • Mifuko • Moral • Nouseva Myrsky • Poola Kataryna • Tanna Design • Uhana Design
Shoes	<ul style="list-style-type: none"> • Terhi Pölkki
Cosmetics	<ul style="list-style-type: none"> • Mia Höytö Cosmetics
Textiles	<ul style="list-style-type: none"> • Saana ja Olli
Magazines	<ul style="list-style-type: none"> • Huili

Ideally the clothing is green when it fulfils both ecological and ethical standards as explained according to Nurmi (2008). Clothing is ecological when the entire life-cycle of the product impacts the environment as little as possible. There has been used energy, natural resources and harmful chemicals in the production process as little as possible. In addition, an ecological clothing is made of good quality and it is made to last a long time. When it comes to the ethical side of clothing, the product is made with respect for both people and animals. Workers have safe working conditions and reasonable hours of work. In addition, employees receive fair payment for their work and the exploitation of child labour is forbidden.

However, Kukaneko wants to point out that all of the brands sold at Kukaneko do not exactly fulfill the ecological and ethical criteria as Nurmi states. All of the brands still do have their own idea of what makes their products sustainable. Kukaneko as a retailer strives for taking more into consideration the points mentioned above in order to have a stricter approach in the future.

In addition to selling other designer's brands, Kukaneko is planning to design its own t-shirt collection with a print. The idea is not to mass produce t-shirts for everyone but rather to implement unique projects. The most important aspects in Kukaneko's own t-shirt collection are to use ecological materials, think of their durability as well as functionality and that the t-shirts are produced locally in Lahti. Kukaneko is planning to launch a collection maybe once a year since it does not feel the need to follow the fashion world's seasonal launching cycle. Besides the sustainable approach, t-shirts will be carefully designed and produced: when the piece of clothing is very well done, they can be maintained, they work for their intended use and they can be used for a long time. Furthermore a consumer is more likely to create a stronger emotional bond to an interesting and good looking garment and will take better care of it. (Kukanekon elinkaari, 2013.)

5.3.2 Price

Since the products of Kukaneko are of a higher price, it cannot directly compete with price in the competition. However, the high price of the products should create an image of good quality, domesticity and sustainability in the minds of Kukaneko's

customers. Kukaneko aims at supporting this image by providing information about the products to its customers.

Consumers who belong to Kukaneko's target market have low price sensitivity and are willing to pay more for products. This is because they seek for high quality and sustainability in their clothing and are ready to pay a higher price for what they value. Furthermore, the high price of the products should make people think of their purchasing decisions in a way that the products are considered and truly needed. Table 5 roughly illustrates the price range of every product category as follows:

Table 5. Price categories

Product Categories	Price Range (Min-Max)
Clothing	€49 - €500
Accessories	€49-€279
Jewellery	€10 - €50
Shoes	€185 - €335
Cosmetics	€31,50 - €51,40
Textiles	€21 - €59
Magazine	€11,90

In Figure 2, Nurmi (2010) compares four different types of t-shirts and indicates roughly how the price of the t-shirts is divided. This comparison introduced in this chapter is to justify and explain why clothes being produced in a sustainable way in Finland have a higher price.

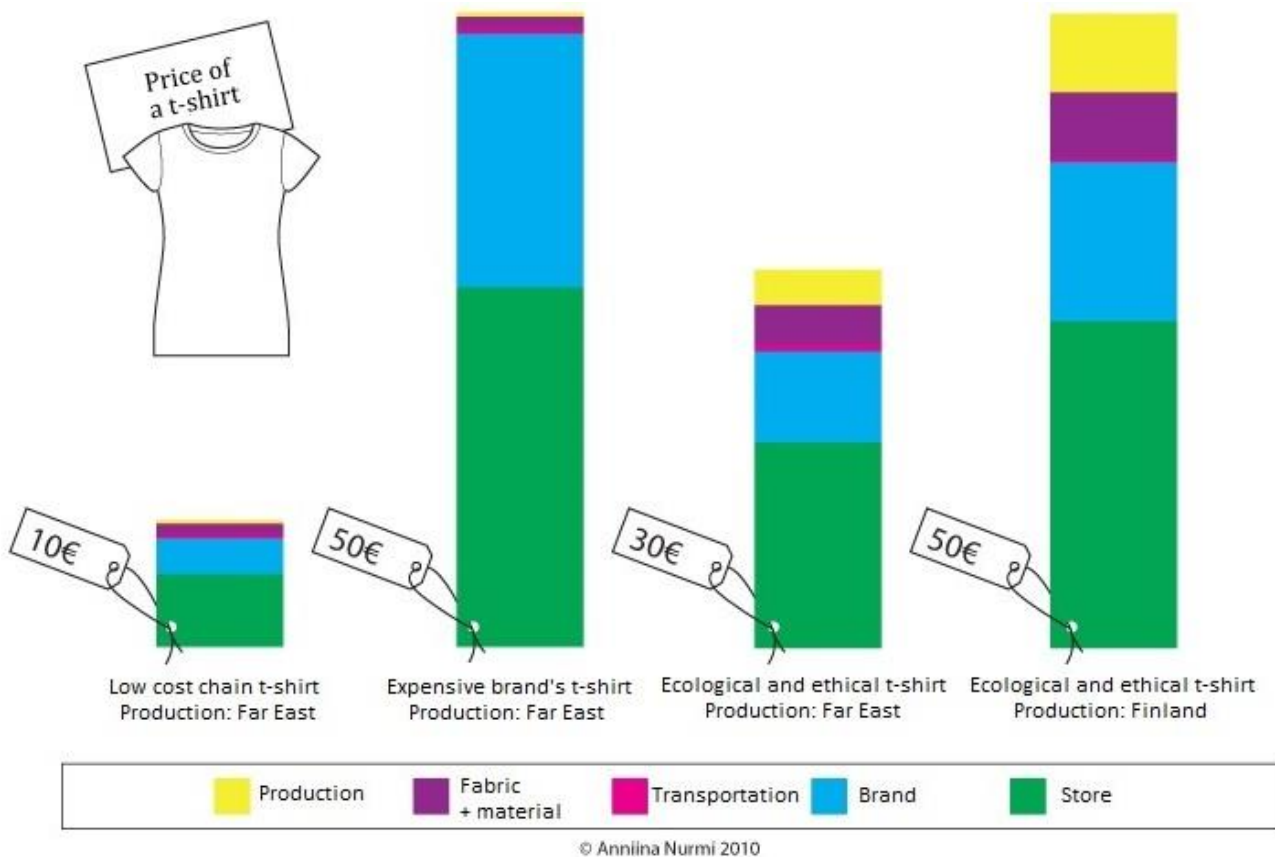


Figure 4. Price of a t-shirt (Nurmi, 2010). The text of the figure is translated and edited by the author.

- Low cost chain t-shirt produced in the Far East (bar 1)
- An expensive brand's t-shirt produced in the Far East (bar 2)
- Ecologically and ethically produced t-shirt in the Far East (bar 3)
- Ecologically and ethically produced t-shirt in Finland (bar 4)

The fourth bar explains the higher price of a t-shirt produced in a sustainable way in Finland. The most important is to notice the high production costs compared to the other bars. The high production costs result from the fact that the production in Finland is more expensive than in the Far East. On top of that, the higher price is influenced by the use of ecological materials as well as production in small volumes. When a brand produces in smaller volumes, it cannot compete with volume. Therefore the profit remaining to the brand has to be big enough so that the work would be profitable. Also because the clothing store has to pay a greater price for the

sustainable product produced in Finland, the price charged at the store is higher. Generally, clothing stores take up to 50-60% of the selling price of the product. (Nurmi, 2010.)

Those brands producing their clothing on ecological and ethical basis in the Far East (see third bar) have additional costs concerning the monitoring of production. In order to guarantee that the manufacturing process is truly sustainable, it must be certified by a third party. These certificates generate extra costs but on the other hand they are necessary. (Nurmi, 2010.)

The first pillar explains the price division of a low cost chain's t-shirt produced in the Far East. Even though the selling price of a t-shirt is much lower, the profits are larger in reality because they sell in large volumes and due to the fact that the production costs are much lower (see first bar). These low cost chains purchase the clothing for 40% of the selling price from the brand. That amount will be divided so that the half remains to the brand and the other half will be shared between material, production and transportation costs. (Nurmi, 2010.)

Finally, we see on the second bar that an expensive brand's t-shirt produced in the Far East is not necessarily any better compared to those cheap t-shirts. When buying a t-shirt from an expensive brand, consumers normally pay for the brand name. The largest amount of the selling price will remain to the brand itself where as workers involved in the production receive a very little payment. (Nurmi, 2010.)

5.3.3 Place

Kukaneko provides its products through a physical location to customers. Kukaneko has recently moved its store to a new location at in the centre of Lahti. As its neighbours, Kukaneko has a high class a la carte restaurant and a few boutiques that are focused on selling fashion and high quality design. Previously Kukaneko was situated a little on the side of the Lahti centre, which why the customer traffic wasn't so big. The location is now better situated to the customer and especially attracts new customers to come to the store who pass by the street. The geographical location itself

supports promotional purposes since there are other boutiques at the same street and there are lots of people passing by the store every day.

In addition to the physical store, Kukaneko is currently in the progress of creating a web store as mentioned before. The web store will sell the same products as available in the store. By opening an online store, Kukaneko can tackle better the competition by having an online store that is open to customers 24 hours per seven days a week and thus increase sales. Furthermore, the online store is to reach a new customer base: while serving Finnish customers, the online store will be open for the whole EU at first and later for consumers worldwide.

5.3.4 Promotion

In order to stand out from the competition, Kukaneko aims at creating good relationships with its primary customers. As a small business, Kukaneko is in a good position to develop genuine and close relationships with its target market compared to bigger retail stores. The main constraint related to promotion is the limited budget to be used on marketing purposes which is why Kukaneko has to be more creative and to concentrate on more affordable ways of doing promotion.

Kukaneko's main promotional channels include Facebook and blog which are used for engaging with customers. Besides social media, Kukaneko has realized the benefit of networking with other businesses that have similar interests in order to build relationships, share information, set up different kinds of happenings and to promote business. Event marketing is also a part of Kukaneko's promotion to market its products and the company itself. There has been various ways how Kukaneko has used event marketing for promotional matters. All these ways of doing promotion are presented below in the next chapters.

5.4 Networking with partners

Kukaneko is a part of Aatekaappi that is a network of different small business owners that operate in the areas of handicraft products, vintage, antique, jewellery and fashion

design. The firms of this network are linked by a common ideology and way of life. Aatekaappi is based on the integration of business resources and the desire to work together. Aatekaappi's constructive and collaborative operation generates happenings and at the same time challenges others to create new networks. (Aatekaappi, n.d.) In the past Kukaneko has taken part in a few sales events organised by Aatekaappi in order to promote its business.

5.5 Customer relationship management

Facebook is an important marketing channel along with Blog in order to engage with customers. It is updated regularly with interesting posts, links and articles that are relevant to the business. Kukaneko's Facebook page acts as an effective medium to direct traffic to Kukaneko's blog by sharing links to the blogposts. Furthermore, all the products available at the store are published to the Facebook page with appropriate product information, prices and high quality pictures. The Facebook page enables Kukaneko to talk with its target audience and get direct feedback, comments, reviews and opinions from them. (Kukanekon elinkaari, 2013.)

5.6 Blogging

Kukaneko has written a blog since autumn 2011. The blog handles topics about ecological way of life, new phenomena, introduces new designers/brands and news about Kukaneko itself. The blog is written both in Finnish and English since it has also international readers. During last summer 2013, Kukaneko's blog took part in a competition that was launched by Aamukahvilla –blog and Poola Kataryna. The idea of the competition was that the readers would be able create their own outfit by using Poola Kataryna clothes and accessories available at stores around Finland such as in Kukaneko and tell where, when and why they would use the outfit. The picture of the outfit was then sent to Aamukahvilla blog with a story. At the end of the competition, Poola Kasurinen, the designer of Poola Kataryna brand chose the winner outfit with a story. Then as a prize, the winner got to keep the winning outfit. This competition was

a good and fun way to promote business since it was an effective way of creating visibility and get customers to visit the store. (Kukanekon elinkaari, 2013.)

5.7 Event marketing

5.7.1 Events organised with Florencia - Flower & Vintage

The most popular event organised ever has been Secondhand market that is been arranged approximately three times per year. The program of the second hand market is similar to “clothing swap event”: the customers receive an invitation in which they are told to bring five garments or accessories. These five items are then swapped with other five items that were brought by the other participants. The main point of the event is the clothing swap between customers but there will be some shopping made at the store as well. (Kukanekon elinkaari, 2013.)

Kukaneko has taken part in the Restaurant day a few times. Restaurant Day is the world’s biggest food carnival that is held four times a year globally. Restaurant Day is based on voluntary participation – anyone can establish a restaurant, café or a bar for a day. It can be set up anywhere, for example, on a street, at a park, at home or at the office. When the place and menu has been planned for the Restaurant Day, the participants can sign up their restaurant for the Restaurant Day’s listings with a snappy name, opening hours and other details. (Restaurant Day, n.d.)

This kind of an event has been very successful and fun in terms of getting more visitors to the store. Kukaneko has decided to continue this tradition in the future as well. The food offered at the pop up restaurant has run out every time and the food procurement costs have always been able to cover by the revenue from the Restaurant Day. The promotion of the pop up restaurant has been carried out through Kukaneko’s own social media platforms such as Facebook and blog and through the Restaurant’s Day website page. (Kukanekon elinkaari, 2013.)

Christmas Bazaar has been used to set up in the store every November. The purpose of Christmas Bazaar is to introduce current Christmas present ideas and local artisans to the customers. At the Christmas bazaar Kukaneko has sold products that normally do

not belong to its selection. Handicrafts that are suitable for presents are put on counters such as jewellery, wool socks, mitten, scarves, hats, fur accessories etc. (Kukanekon elinkaari, 2013.)

5.7.2 Events organised by Kukaneko

Kukaneko has also organised designers evenings at the store. At the designer evening, the designer introduces herself/himself and the brand. The designer has also been able to present her/his upcoming collection if the designer wishes to do so. At the designer evening the products of the brand can also be on sale. The customers are free to chat with the designer and ask about the collection and the products as well as to try on the clothes. Kukaneko offers drinks and snacks for the participants during the evening. The designer evenings have received only positive feedback from the customers so far. (Kukanekon elinkaari, 2013.)

Shopping evening event is also a good way to promote business. Shopping evening's program is similar to the designer evening but the designer does not have to be present at the event. This happening is a good idea to be organised for a group of friends after the closing time of the store or for a group of colleagues to be spent as a recreation evening. Kukaneko has organised a couple of shopping evenings for a group of co-workers. For instance there were more than 20 participants in the shopping evening designed exclusively for Lahden Naisyrittäjät. (Kukanekon elinkaari, 2013.)

6. CONCLUSIONS

6.1 Summary of main findings

The research question for this thesis was to find out how Kukaneko can successfully attract and retain customers in the field of sustainable fashion. Kukaneko is in a superior position to serve its target market since the competition is rather nonexistent in the field of sustainable fashion in Lahti area. Kukaneko primarily targets women who represent the age group of 20-40 and a greener lifestyle. They are interested in

good looking clothing but also want a good conscience through their purchasing. While targeting women, Kukaneko has the opportunity to reach new target markets which are men and online customers through a greater men's wear selection and through the launch of web shop.

Kukaneko's competitive advantage is based on sustainability. Consumers are paying more attention to the origin of their clothes and manufacturing conditions which why sustainability can be seen as a competitive advantage in the clothing sector. Moreover, Kukaneko's competitive advantage results from the unique concept in terms of differential product offering consisting of Finnish sustainable fashion.

Since consumers normally have to pay more for sustainable products, Kukaneko cannot compete with price in the competition. Therefore the high price of the products should create an image of good quality in the minds of Kukaneko's customers who are willing to pay more for what they value. Kukaneko aims at supporting this high quality and sustainable image of the products by providing information about the products to its customers.

The most interesting opportunity for Kukaneko is to design and produce its own t-shirt collection. This would definitely represent Kukaneko's mission statement since Kukaneko would not have to make any compromises on quality or on ecological and ethical aspects. In addition, it would increase Kukaneko's creditability, strengthen the brand image and increase Kukaneko's visibility. Kukaneko would like to give the opportunity for its customers to take part in the designing process so that they could design their own print, which would increase the loyalty of Kukaneko's customers.

The weaknesses of the case company are that it has not been able to create awareness enough amongst its target group. This can be due to little advertising or due to the possibility that the target group of Kukaneko might be in fact too small or that there might not simply be enough interest towards sustainable fashion amongst Lahti citizens. Another weak point in Kukaneko's business is the lack of online presence in terms of web shop and web page.

6.2 Implications for the commissioner

Appropriate implications for the commissioner are to tackle the lack of online presence and truly to think of launching its own t-shirt collection. However, Kukaneko is already taking actions towards increasing its online presence and is in the progress of creating both the web store and web page in order to launch them soon. The launch of the web shop reduces the risk of being unable to find the right customers since the customer base will not only limit to the Lahti area. The launch of Kukaneko's web store will increase the customer base since it will create a new customer group that is online customers. On top of this, the web shop would generate more sales due to increased customer base. The launch of Kukaneko website will increase Kukaneko's visibility and make it easier for the customers to find information about the company online. The third suggestion of launching Kukaneko's own t-shirt collection would be great in terms of implementing Kukaneko's mission statement, strengthening its brand image and credibility. In addition, it seems as a good way for Kukaneko to engage with its customer in terms of giving customers the chance to take part in the designing process.

6.3 Self-evaluation and further research ideas

The objective of this thesis was to create a marketing strategy for the case company. The author feels that she managed to form a realistic marketing strategy that can be used to ensure Kukaneko's success in the competition. The marketing strategy formed for the case company is as accurate and reliable as possible based on the information obtained from the owner herself.

The main constraint concerning this thesis was the lack of time. Due to some last minute changes in the thesis schedule, the author was not able to make this research as profound as she could have done it. This thesis could have included a profound competitor analysis in order to improve the marketing strategy. The competitor analysis in this thesis is only a rough description of the current situation even though it was stated out that the competition is rather nonexistent in the field on sustainable fashion in Lahti. However, there is always a risk that the competition might increase.

For instance new competitors might enter the same market or other companies might start to sell the same products and brands. The author herself could have visited the competitors' stores as well their web stores online in order to gain a deeper knowledge about their strategies. The author could have assessed their strengths and weaknesses in order to find out how the case company could better tackle the competition.

A possible further research idea concerning this topic could be to carry out a profound competitor analysis in terms of the case company's web shop. The company knows its major competitors online selling the same brands in the Finnish market but it would be beneficial to identify competitors more broadly. The competition becomes fiercer online when taking into account global markets as there are more competitors to be taken into account. The competitor analysis would determine their objectives and strategies as well as evaluate their strengths and weaknesses. The competitor analysis would be helpful in terms of creating a competitive advantage in order to deal with the competition online

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Appendix 1. Semi structured interview

1. Mission

What is the purpose of Kukaneko?

2. Objective

What kind of objectives would you set for Kukaneko?

3. SWOT

- Opportunities
- Weaknesses
- Threats
- Opportunities

4. Competitors

Who are Kukaneko's competitors?

5. Target market

What kind of customers does Kukaneko want to target?

6. Positioning

What kind of business image does Kukaneko want to convey to its customers?

7. Competitive advantage

What kind of advantages does Kukaneko have over its competitors?

8. Marketing Mix

What are the products offered by Kukaneko?

What is the price range of Kukaneko's product categories?

What kind of promotion does Kukaneko use?

The accessibility of Kukaneko?