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MARKETING INFORMATION PACKAGE FOR ENTERPRISES

- Abstract



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ABSTRACT

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MARKETING INFORMATION PACKAGE FOR ENTERPRISES - ABSTRACT

This is a marketing information package abstract, based on a service design process and for the use of starting companies in the area of Turku.

KEYWORDS:

Marketing, service design

TIIVISTELMÄ

2017 | Sivumäärä: 18

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MARKKINOINNIN TIETOPAKETTI YRITYKSILLE - TIIVISTELMÄ

Tämä on tiivistelmä markkinoinnin tietopaketista, toteutettu palvelumuotoilun prosessien pohjalta aloittaville yrityksille Turun seudulla.

ASIASANAT:

Selko, markkinointi, palvelumuotoilu

SAMMANDRAG

2017 | Sidantal: 18

Johan Blomqvist

MARKNADSFÖRINGS INFORMATIONSPAKET ÅT FÖRETAG - SAMMANDRAG

Detta är ett sammandrag av ett informationspaket för marknadsföring, förverkligat enligt tjänstedesign processer åt nystartade företag i Åbo regionen.

NYCKELORD:

Marknadsföring, tjänstedesign

CONTENT

LIST OF ABBREVIATIONS (OR) SYMBOLS	6
1 INTRODUCTION	7
1.1 Service design	7
2 MARKETING STRATEGY	8
2.1 Marketing mix	8
2.2 Marketing information package	9
3 VALUE PROPOSITION FORMULA	9
3.1 Customer segmentation	10
3.2 User information for marketing	11
4 MARKETING POSSIBILITIES FOR SMALL BUSINESSES	12
4.1 Content	12
4.2 Events	12
4.3 Entrepreneur	13
4.4 Pro-activity	13
5 DIGITAL MARKETING	14
5.1 Content marketing	15
5.2 Digital customer	15
5.3 Social media	16
7 SUMMARY	17
REFERENCES	18

FIGURES

Figure 1. The Four Ps of the Marketing Mix (Kotler et co., 2016).	8
Figure 2. Digital marketing services (Alvomeida, 2015).	14
Figure 3. Digital marketing services (Alvomeida, 2015).	15
Figure 4. Digital marketing services (Alvomeida, 2015).	16

LIST OF ABBREVIATIONS

E-commerce	Electronic commerce
M-commerce	Mobile commerce
GDP	Gross Domestic Product
MIP	Marketing Information Package
PR	Public relations
CRM	Customer relationship management
FAQ	Frequently asked questions
USP	Unique selling proposition
PPC	Pay per click
KPI	Key performance indicator
URL	Uniform resource locator (website)
XML	Extensible markup language (code)
HTML	Hypertext markup language (code)
SEO	Search Engine Optimization
ROI	Return On Investment

1 INTRODUCTION

The aim of this study is to provide a marketing information package, based on a service design process and for the use of starting companies in the area of Turku. The recommendations are based on eight in-depth interviews and a workshop, covering marketing and entrepreneurship. The development of services is based on low cost high reward mentality which is well accepted of starting companies with limited resources. For new entrepreneurs, service design processes require a new way of thinking of how to develop services, making it continuous and supporting business- and marketing strategies. One of the central perspective of the development of marketing services is increased user -oriented services.

1.1 Service design

Service design can be used to find a new approach to the development and it can also be used to involve users in the design and production of services. In the business world, service design has been used successfully for many years to understand the customer's needs. The connection between marketing and service design is still a relatively new phenomenon in Finland.

The foundation of service design is the use of the service design toolkit. Service design is a method for improving the quality of the service. Those improvements are directed at both the users and staff of the organization. In service design, a wide range of disciplines come together, such as ethnography, consumer research, interaction design, product design, industrial design, service marketing and corporate strategy. (Service design toolkit, 2016)

Service design is a service experience based on user-driven design. Service innovation, development and creative design methods are based on visual aspects, experimentation and an iteration work philosophy, for the development of the service. Service design provide means of understanding customer behavior. This is done together with users and other service design stakeholders, minimizing service launch risks, and maximizing process efficiency. (Erkkilä, 2013)

2 MARKETING STRATEGY

The starting point of a marketing strategy and a marketing plan is the company's service- and/or product promise, this depends on the activities. It is based on the value chain which is a set of activities that a firm operating in a specific industry performs to deliver a valuable product or service for the market. SWOT-analysis is a good starting point for marketing analysis.

2.1 Marketing mix

After determining the marketing strategy, the following step is to plan the details of the marketing mix, one of the major concepts in modern marketing. The marketing mix consists of the 4 Ps.

- **Products** means the goods and services combination the company offers to the target market.
- **Price** is the amount of money customers must pay to obtain the product.
- **Place** includes company activities that make the product available to target consumers.
- **Promotion** is the activities that communicates the merits of the product and encourage target customers to buy it. (Armstrong et al., p. 81, 2016)

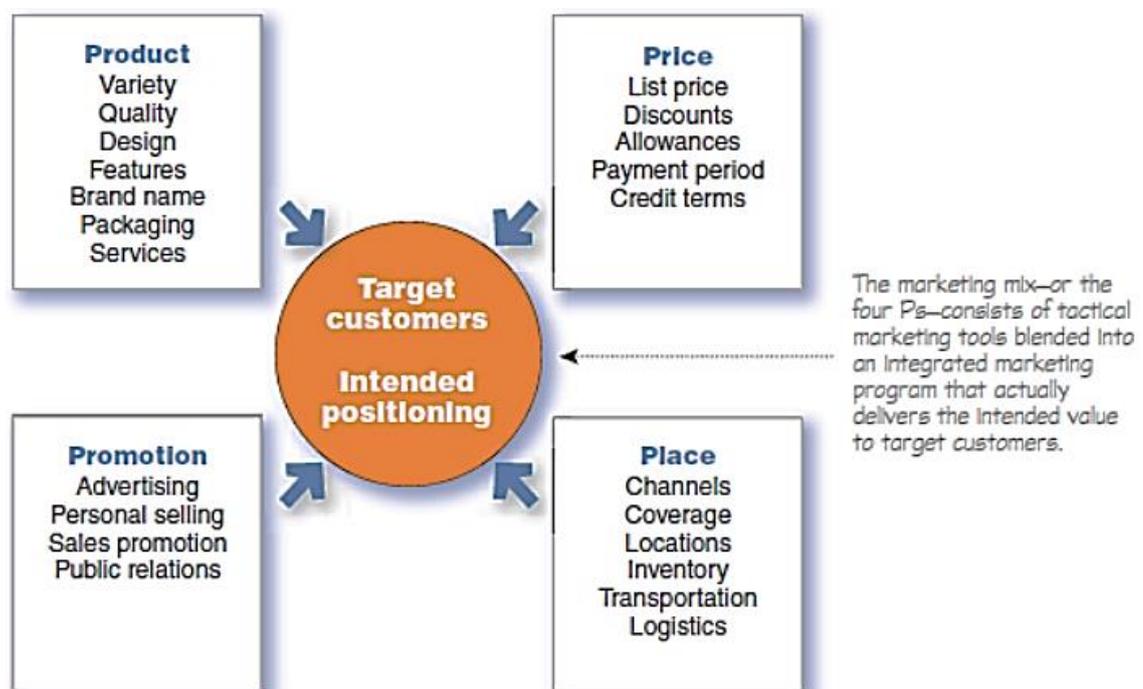


Figure 1. The Four Ps of the Marketing Mix (Armstrong et al., p. 81, 2016)

2.2 MARKETING INFORMATION PACKAGE

This marketing information package (MIP) provides valuable and timely market intelligence, analysis and opportunities to support starting entrepreneurs in the area of Turku. Information provided through the MIP helps starting companies and other stakeholders to make informed decisions about current and future marketing actions. Information includes:

- Up-to-date market intelligence on regional basis.
- Quality marketing opportunities, including partnerships and commercial opportunities.
- Marketing data and statistics.
- Technology and marketing visualization opportunities that allows you to create new material and increase the interaction with your customers.
- Service design as a process and method.

This marketing information package is built as a service for starting companies and it is based on general service design processes.

3 VALUE PROPOSITION FORMULA

The value proposition formula holds a wealth of information about what you are selling to customers, what motivates them to buy and the reason they will buy from your business instead of your competition. It consists of five variables: product, customer segment, job to be done, pain and gain. The formula looks like this. Our [product] helps [customer segment] complete a [job to be done] relieving [pain] creating [gain]. In the value proposition formula:

- (product) is the channel through which you deliver value to your customers.
- (customer segments) are groups of consumers or businesses which expect your product to provide value in similar ways and can be sold with the same sales process.
- (jobs to be done) are the things your customers are trying to get done in their work or personal life that motivates them to buy your product repeatedly.

- (pains) are the annoyances or barriers a customer segment experiences trying to get a job done.
- (gains) are the desired outcomes a customer segment wants to experience when they use your product over the competition. (Thompson, 2016)

3.1 Customer segmentation

Regardless of your approach, a useful segmentation should include these six characteristics:

- 1) Identifiable. You should be able to identify customers in each segment and measure their characteristics, like demographics or usage behavior.
- 2) Substantial. It is usually not cost-effective to target too small segments, therefore, segments must be large enough to be potentially profitable.
- 3) Accessible. It sounds obvious, but your company should be able to reach its segments via communication and distribution channels. When it comes to young people, your company should have access to Instagram and Snapchat and know how to use them authentically, or try to get some local celebrity to do marketing for you.
- 4) Stable. For a marketing effort to be successful, a segment should be stable enough for a long enough period of time to be marketed to strategically. For example, lifestyle is often used to segment. But research has found that, lifestyle is dynamic and constantly evolving.
- 5) Differentiable. The people in a segment should have similar needs that are clearly different from the needs of other people in other segments.
- 6) Actionable. You must be able to continuously provide new products and/or services to your segments. (Gavett, 2014)

3.2 User information for marketing

- Target customers by defining their demographic profile (e.g., age, gender, digital footprint), interests, and their precise wants and needs related to the products and/or services at offer, this can be done through gathering of metadata, questionnaires, and observation techniques.
- Being able to identify target customers more clearly, e.g. through marketing and market research, helps to categorize advertising, and get a higher return on investment, and better speak the language of potential customers.
- Having a strong Unique Selling Proposition (USP), which means providing a product and/or service that stands out as a unique selling proposition on the market, is important for differentiating your company from competitors.
- Pricing and positioning strategy must be synchronized, if you want your company to be known as the premier brand in your industry, having too low price might put off customers from purchasing. Detail the positioning you desire through differentiation and decide how your pricing will support it in your marketing plan. Exclusivity drive higher prices than bulk.
- Your distribution plan details how customers will buy from you. Will customers purchase directly from you on your website? Will they buy from distributors or other retailers? Other channels? Pay attention to costs related to different channels, distribution level can be categorized as intensive, selective, and exclusive, based on intermediary involvement.
- Offers are special deals you put together to secure more new customers and drive past customers back to you. Offers may include free trials, money-back guarantees, packages of products and/or services and discount offers. Using offers will usually cause your customer base to grow more rapidly.
- Marketing materials is the basic foundation for promoting your business to current and prospective customers. This can include your website, print brochures, business cards, and catalogs.
- Promotion strategy section is one of the most important sections of your marketing plan and details how you will reach new customers. There are numerous promotional tactics, such as television ads, trade show marketing, press releases, online advertising, and event marketing. (Lavinsky, 2013)

4 MARKETING POSSIBILITIES FOR SMALL BUSINESSES

There are several categories of measures to conduct for the development of marketing possibilities for small businesses. The basic foundation is that you have well thought out material to present to your customer. Attend events, this is done in order to maximize your exposure to your customer. Pay also attention to your personal appearance, first impression cannot be corrected later. Be pro-active, it is important to keep your ears and eyes open to be able to have the cutting edge ahead of competition. Put your customers first, think through all matters that could ease up the customer experience. Respond to web based opportunities, keep your technology up-to-date. (O'Rourke, 2016)

4.1 Content

Create relevant content on your website, blog categories or an on-site article directory are excellent for this. Fresh and helpful content helps engage readers, build valuable links, attract leads and convert them to new sales. Publish articles in trade or local magazines, most people think published work is more valuable than a simple blog post, and articles cost less than advertising in the same magazine. (O'Rourke, 2016)

4.2 Events

Speak at seminars and teach workshops, you will get publicity from marketing the event and from the event itself. You will also look more professional in your customer's eyes. Enter business award competitions. If you win, you get a badge on your website and a lot more sales. Even if you do not win, you can still get lots of publicity if you place high enough and broadcast your participation. Host free events, reporters always look for a good story. Give them what they want and get some free publicity by hosting a free event. You will get more response if there is e.g. food or giveaways involved. Network at your local Chamber of Commerce, this is a classic marketing idea for small businesses because it can yield big dividends. Association with the Chamber will make your events more credible, and you can find new partners or clients, or discover opportunities to teach or speak. (O'Rourke, 2016)

4.3 Entrepreneur

Be a people person, never stop networking, follow all leads, and participate in conversations wherever you find them. Do not be afraid of the phone, internet, email, or face-to-face meetings. Without other people's feedback, it is easy to become limited in your own mental mindset of information or constrained by your thoughts. Open as many communication channels as appropriate, including but not limited to LinkedIn, Facebook, Twitter, a toll-free phone number, live chat updating on your website, email, and related forums and blog comments. Survey your customers for great ideas, listen to customer's opinion on Twitter and Facebook for honest market research. Customer satisfaction surveys are a great tool to drive regular communication between you and your customers. Be everywhere, having a blog, YouTube channel, and podcast on iTunes in addition to social media makes you more well-known and credible. Expand beyond your website to get more traffic and leads. (O'Rourke, 2016)

4.4 Pro-activity

Setup an affiliate program, you get more sales and brand ambassadors for less. Create a customer loyalty program, encourage future purchases and referrals. Ask for testimonials and reviews, this includes online reviews on websites, recommendations on LinkedIn, and comments in general through any channel. Create a testimonials page on your website and use the best reviews in as many promotions as appropriate. Answer questions on forums and answer sites, help out people with free advice on topics related to your products and services. You will gain their trust and will look more professional. Create customer case studies, ask your regular customers to share their experience of using your product or service. These stories add credibility to your company and help to get more customers. (O'Rourke, 2016)

5 DIGITAL MARKETING

There are more channels for digital marketing than ever before. This does not mean that businesses should use every marketing channel. Some marketing channels are simply ineffective for the consumer market and industry that the business is in.

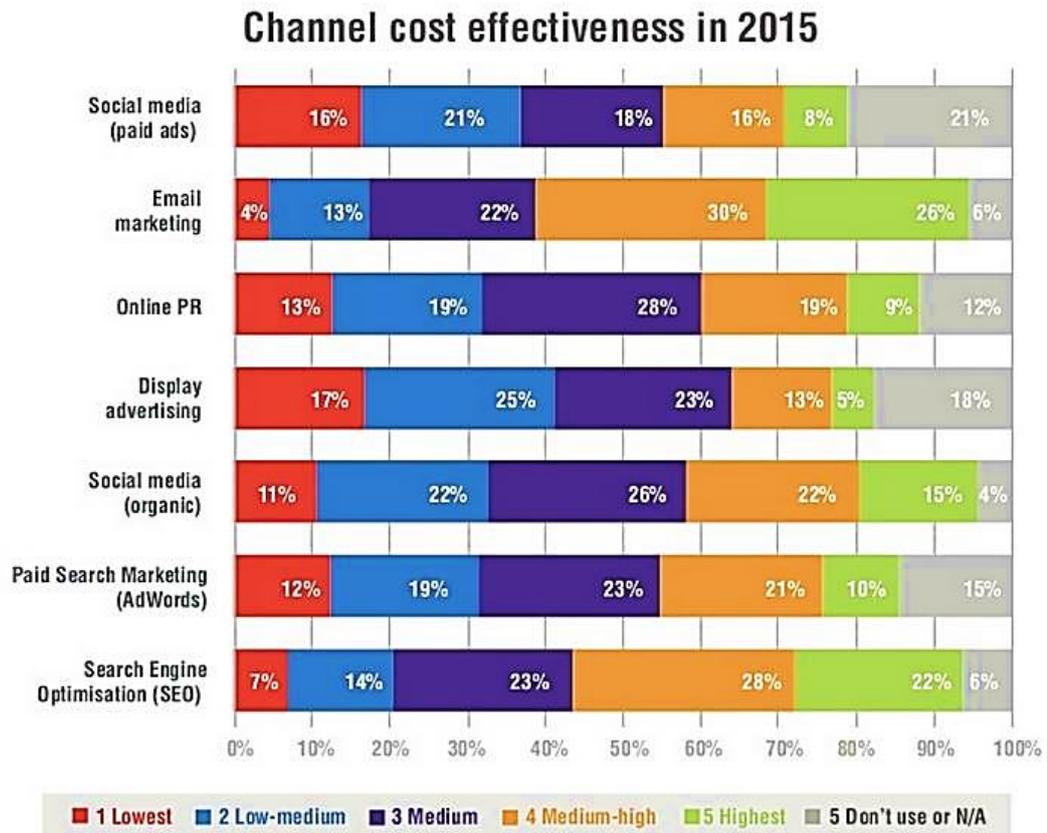


Figure 2. Digital marketing services (Alvomedia, 2015)

SEO, email marketing and social media marketing were found to be the most cost effective, with display advertising lagging far behind. When it comes to measurable success, choosing the best and most cost-effective channel for digital marketing is key. Look at other industries for marketing inspiration. What happens when you restrict your ideas to one particular industry? You get tunnel vision, or even worse, an inability to think creatively for a solution. The very essence of digital marketing is creative thinking to reach business goals. Observing practices in other industries is a great way to get fresh new ideas. (Alvomedia, 2015)

5.1 Content marketing

A content marketing trends survey, conducted by Content Marketing Institute, found that higher conversion rates and high quality sales leads were considered most important content marketing metrics:

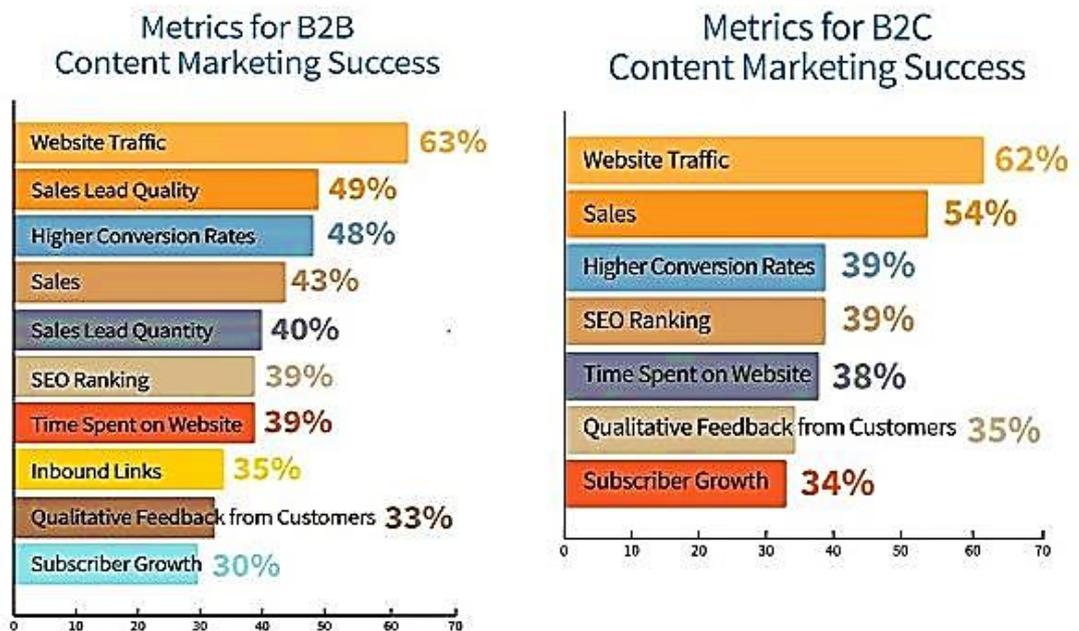


Figure 3. Digital marketing services (Alvomeia, 2015)

Try offers to retain website visitors, good offers will increase the conversion rate of leads into buying customers and retention rate of visitors to your website. You want lower bounce rates and higher conversions. Offers that catch your visitor's attention and increase their intention for signing up/purchasing are effective marketing methods. (Alvomeia, 2015)

5.2 Digital customer

Customer data is valuable, customer data is the new oil. It is valuable and can deliver insights into customer behavior that you never thought was possible. Nowadays, customers have *cross device behaviors* that should inform serious marketers about where to place call to action buttons and how to attract buyer's attention. Consumers behave differently on mobile, laptop, social media platforms and the smartphone. Such data about behavior will help to inform your digital

marketing efforts. Express gratitude to customers, customers love it when they receive personalized offers or product suggestions based on their purchasing behavior. They also liked being thanked on social media and in emails. Showing gratitude in small ways will make your customers feel valued. Watch your digital marketing spend, audit your Search Engine Marketing efforts so any unnecessary costs for customer acquisition and cost of lead acquisitions are minimized.

5.3 Social Media

Tailor content for different social media platforms, every platform is different in target audience and media used. Do not post the same content everywhere. Effective digital marketing leverage the difference between channels of marketing for maximum impact. If you are wondering what social media marketing platform to use, the 2015 Social Media Marketing Industry Report collected data from a survey of 3,720 marketers. It was found that Facebook, Google+, LinkedIn, Twitter and Instagram were the most effective social media channels for marketing. Here is their chart created from the findings:

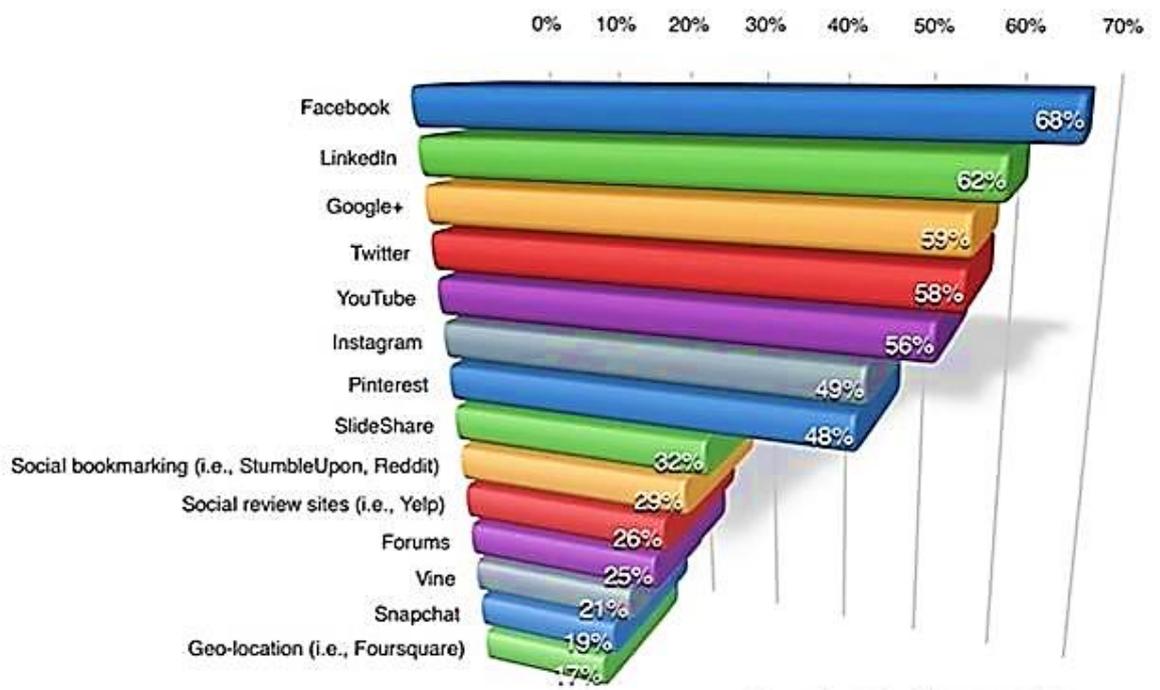


Figure 4. Digital marketing services (Alvomedia, 2015)

Consistency in branded content is important for digital marketing. Email content, social media marketing, video, mobile, website and blogs should all have a consistent message. In larger companies, breaking down the silos in digital marketing is a good way to maintain consistency. (Alvomeia, 2015)

7 SUMMARY

This section summarizes marketing opportunities, strategy and objective for small startup companies with the goal of creating a viable marketing plan. The situation analysis describes the market, the company's capability to serve target segments, and the competition. Market summary includes size, needs, growth, and trends. Describing the targeted segments in detail provides context for marketing strategies and programs in the marketing plan.

The summary of eight in-depth interviews and one workshop, of chosen experts, conclude that starting entrepreneurs in Turku area have a lot of opportunities for assistance in the beginning of the startup procedure, Turku Science Park is available for various supporting functions. A majority of the results of the questionnaires and workshop confirm that an online presence is necessary, and the utilizing of an online marketing strategy is essential for creating awareness with low costs. Emphasis is on the value proposition and customer segmentation. For small starting companies the web page plays a big role, on that platform you can have your basic data available but pay attention to the quality of the pictures and make sure you are found on the search engine and on your businesses relevant web search terminology. On social media, the focus is on new feeds and general data might get lost. Facebook marketing is cheap and your region is easily reached. Instagram is more professional and a specialty but should have more visual material than with Facebook. With blogs, you can retain a keep up the interest with loyal and interested customers and customer cases are good for getting a third-party view on your efforts. The entrepreneurs in the interviews were highly motivated by their mission and that has also influenced their passion to improve their marketing efforts. The development of the marketing information should also be supported by service design procedures to create a more clear and concise customer viewpoint.

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APPENDIX

Business model canvas abstract

Business Model Canvas IP

Project Name:
Marketing Information Package

Date:
17.4.2017

Primary Canvas
 Alternative Canvas

<p><i>Key Partners and Suppliers:</i></p> <ul style="list-style-type: none"> Marketing information package abstract. Business support: Potkuri, Turku Science Park, Spark Up Turku, Tekes, Enterprise Finland. Marketing and service design agencies. IT service providers. Legal partners. Strategic alliances, co-operation, joint ventures. 	<p><i>Key Activities</i></p> <ul style="list-style-type: none"> Market analysis Marketing strategy Product development Service development 	<p><i>Value Proposition</i></p> <ul style="list-style-type: none"> Providing a product and /or service to help a customer segment complete a job, relieving pain and creating gain. Development of business and marketing strategy. Development of digitalization and technology. 	<p><i>Customer Relationships</i></p> <ul style="list-style-type: none"> Regular polls and surveys for feedback. Customer monitoring and interaction. Social media 	<p><i>Customer Segments</i></p> <ul style="list-style-type: none"> Spending pattern New customer prospects Demographic data Behavioral issues Social data
	<p><i>Key Resources</i></p> <ul style="list-style-type: none"> Business advisors Marketing benchmarking. Social media Website 		<p><i>Channels</i></p> <ul style="list-style-type: none"> Customers Website Social Media Mailing lists 	
<p><i>Cost Structure</i></p> <ul style="list-style-type: none"> Social media and E-mail marketing effort per internal resources, emphasis is on low cost – high value. B2B and B2C advertisement, marketing & sales per internal resources and partner cooperation. Cost structure is important for identifying key factors of success. 			<p><i>Revenue Streams</i></p> <ul style="list-style-type: none"> Depend on business area; focus is on measurable and lasting value creation for additional sales and recognition. Usage fees, subscription fees, lending/renting/leasing, licensing, brokerage fees, and pricing mechanisms are opportunities for additional revenue streams. 	