

Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
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**Changing preliminary perception of potential
customers through effective marketing
communications. Case: Trendy Italy Oy**

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Abstract

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Changing preliminary perception of potential customers through effective marketing communications, 53 pages, 2 appendices

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The main objective of the study is to develop a set of recommendations for the case company regarding development of integrated marketing communications strategy, which enables modification of potential customers' preliminary perceptions.

Theoretical framework explains such concepts as customer relationship marketing, integrated marketing communication, media channels in fashion industry, etc. It is combined from literature sources, such as books, scientific articles and business journals. There are two empirical data collection methods applied: qualitative data acquired through semi-structured interview with the manager of the case company and quantitative data collected through customer survey evaluating current marketing activities of the company.

The results of the study identified a great potential of the company in reaching new customers and defined the most effective ways of marketing communications, separately for local Finnish population of the South Karelia region and Russian tourists coming to Lappeenranta.

Keywords: integrated marketing communications, fashion retailing industry, customer perception

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1 Introduction

1.1 Background information

Nowadays a great amount of people in many countries tend to believe that fashion is a synonym of “expensive”; label products seem to be impossible to afford sometimes, considering high-level prices of famous world-known apparel and accessory brands.

Outlet retailers in fashion industry were faced with the problem of influencing this perception. How can they make people believe that fashion products might be purchased at a reasonable price? How to change preliminary perception of potential customers? Which marketing communication strategy has to be chosen in order to reach these potential customers? How to affect emotional connection of people to existing retailing unit and turn potential customers into loyal ones?

1.1.1 Company description

Trendy Italy Oy is a small enterprise, the owner of brand outlet center “Grande Orchidee”, located in Lappeenranta. It was established in November 2015.

Trading area of the shopping center is more than 3,5 thousand square meters. World’s leading brands of clothes, shoes, accessories, and bags are presented in the outlet at discount rates of 50-70%.

Currently, about seventy per cent of the total number of customers consists of tourists coming to Finland from Russia with the purpose to find ultimate shopping experience, get products of better quality than in Russia and at cheaper prices. Convenient out of town location of the outlet center about 20 kilometres from the Finnish-Russian border and 220 kilometres from Saint-Petersburg enables business owners to concentrate primarily on Russian tourists as a target customer segment. Moreover, tax-free and invoice systems that ensure additional money return on every purchase higher than 40 euros, are offered at the center, attracting Russian clients.

Another part of the clientele amount is the local population of Lappeenranta and South Karelia region.

1.1.2 Justification of the topic

The management of the case company Trendy Italy Oy has a growing concern over preliminary perception of potential customers. In order to answer the questions emerged there is an urge to conduct certain research: evaluate the effectiveness of existing marketing communication and find ways to improve it, understand the nature of relationship between marketing and consumer behaviour, find ways to obtain greater consumer audience, and develop systematic approach to change potential customers' attitude towards fashion retail industry.

Despite the fact that Grande Orchidee has a great number of loyal customers, who visit the centre several times monthly, and customer loyalty programme along with customer database is well-developed and implemented through the system of cumulative and discount shopping cards, management of the company is concerned that many tourists coming to Finland with shop-tour busses or by their own transport units do not visit the shop due to strong belief and perception that brand outlet is a place with unreasonably high prices for its luxurious products. Presumably, the design of the centre and its deluxe expensive layout have contributed to the development of such perception amongst tourists. Nevertheless, it is not the case, since price ranges vary widely in the center and even customers with average income level may afford getting label products in the outlet.

In addition, there is an arising problem that the company has faced recently: most of the Finnish population of Lappeenranta region perceive that Grande Orchidee was established especially for Russian tourists and do not visit the center despite its convenient location, affordable prices and a wide variety of products.

1.2 Previous research

No previous research had been conducted for the case company regarding preliminary perception of potential customers. However, in 2014 efficient marketing

communication towards Russian customers was researched by Ekaterina Evtikhevich for the Grande Orchidee fashion center, which had not been reorganized in a brand outlet format yet.

Nevertheless, it should be mentioned that fashion industry and its marketing have been studied to different extent recently. Thus, the most popular topics were marketing tools, promotion, online marketing, and social media in fashion industry. One of the brightest research examples is the paper of Brogi et al.(2013) - the effects of online brand communities on brand equity in the luxury fashion industry. Moreover, Song et al.(2013) have studied the effects of social network properties on the acceleration of fashion information on the web.

In addition, phenomenon of consumers' general attitude towards fashion has been researched. For instance, Kurtulus and Ertekin(2015) conducted a study of consumers' attitude to and choice of store brands in fashion apparel, investigating the role of gender and shopping style.

1.3 Objectives and research question

The main purpose of the study is to develop marketing strategy enabling modification of potential customers' preliminary perception – set of recommendations for the case company to influence current situation by using integrating marketing communication concept as a core fundament for all the marketing activities of the company.

Respectively, the main research question is:

How marketing communication tools can be effectively integrated in order to change preliminary perception of potential customers?

In order to answer this question, several consequent objectives are set:

- evaluate existing marketing communication by conducting customer survey, which enables understanding of currently used marketing tools and media channels and its efficiency;

- find new ways of communication with customers and evaluate possibilities of reaching potential customers (Russian and Finnish markets) by assessment of customers' preferable media channels and their initial engagement;
- develop effective marketing communication strategy suitable for fashion retailing industry by completing the analysis of theoretical and empirical findings and outlining recommendations for the case company how marketing communication tools can be integrated in the most effective way.

1.4 Delimitations

Due to the main objective of reaching potential customers and affecting their preliminary perception, such components of marketing mix as place, product, and price should be excluded from the study, enabling the author to focus on promotion also known as marketing communication.

The research is conducted for Trendy Italy Oy. Thus, it should be oriented specifically on the case company, its marketing practices and activities, including reaching company's target market. Even supposing recommendations for development of marketing communication strategy, as an output of the study might be suitable for other fashion retailing units, the purpose of its creation is to adapt and accustom the strategy categorically for Grande Orchidee brand outlet center.

Acquirement of empirical data includes questionnaires handed over to the clientele of the Grande Orchidee; there are no limitations in accessing customers since the main objective of the survey is to find out which marketing communication tools are functioning more effectively and answers have to be obtained from perspectives of both Finnish and Russian customers.

1.5 Research method

Case study research involves the study of a case within a real-life, contemporary context or setting (Yin 2009). Case study type has been chosen by the author to develop an in-depth understanding of a single case and explore an issue or problem using the case as a specific illustration (Creswell 2013, p. 97).

Combination of quantitative and qualitative research methods has been chosen by the author for the single case study in order to obtain an insight into the existing problem, understand the underlying reasons and evaluate possibilities to overcome prevailing situation and change it in favour of the case company.

1.5.1 Data acquirement

Qualitative data was acquired through critical literature review and previous research; one in-depth semi-structured interview was conducted with the manager of the case company to attain background information and understand prevailing situation.

Additionally, the main tool for collecting empirical data was customer survey, enabling the author to evaluate existing marketing communication of the case company and understand the nature of initial engagement of the customers and based on that assess possibilities for reaching new customers via marketing tools, which bring higher response rates to the business. Questionnaire forms were handed over to the customers of Grande Orchidee brand outlet center at the cash desk point after completed purchase. Closed-ended questions were used in questionnaires; forms were simple and short, as it is considered to be effective for market and consumer research conduction.

1.5.2 Sampling design

A sample of approximately one hundred survey participants was used, including both Finnish and Russian customers, in order to access coherent results applicable for the whole population.

Since the main objective of the survey conduction is to understand the nature of original customers' commitment and identify the most effective marketing tools influencing perceptions of the customers, there is no need to apply restricted probability sampling, which might be quite sophisticated to proceed with. Thus, convenience sample will be utterly sufficient to fulfil requirements of survey

implementation, meaning that emphasize on the sample's availability is made, without specific requirements to the respondents of the customer survey.

In addition, it should be mentioned that self-selection sampling technique is used whilst conducting the survey. Therefore, participants were given a choice whether to be a part of a research or not. Customers of the Grande Orchidee brand outlet were offered to answer the survey questions and thus contribute to the research process.

1.5.3 Data analysis

Consequently after survey conduction, data analysis was carried out by using SPSS (Statistical Package for the Social Sciences) Software.

SPSS tool for quantitative data analysis has been chosen due to the fact that it enables getting accurate and reliable results for large amounts of data. Moreover, the software makes analysing process smooth and manageable.

From the author's point of view, statistical data analysis and interpretation might be advantageous in determining recommendations for the case company to adhere to changes of prevailing situation.

1.6 Thesis structure

The thesis consists of four main parts: introduction, theoretical framework, empirical findings, and conclusions. Study objectives, research question, delimitations, research methods and background of the study are included in the first introductory section of the paper. Relevant theoretical data gathered from secondary sources is discussed in the second and third chapters. Empirical findings collected through semi-structured interview with the manager of the case company and customer survey are presented in the fourth part of the thesis. Conclusion chapter contains results of the study along with recommendations for the case company and suggestions for further research.

2 Customer relationship marketing

For any kind of consumer-oriented business there is a necessity to understand consumers that are forming the target market, behavioral patterns and perceptions of such in order to develop suitable marketing strategy. The concept of relationship marketing has to be studied in order to obtain the in-depth understanding of consumer.

The definition of customer relationship marketing is the creation and development of interactive, long-term and economically profitable customer relationships, the commitment to which is mutually beneficial (Lahtinen & Isoviita 1994, p. 22).

Based on the findings of Egan (2001, p. 24) there are several characteristics that can be applied to relationship marketing:

- 1) orientation to customer retention
- 2) continuous customer contract
- 3) focus on customer value
- 4) long term scale
- 5) high emphasis on customer service
- 6) high commitment to meeting customer expectations
- 7) quality as the concern of all staff.

Customer relationship marketing integrates customer service and quality with the market knowledge acquired in other marketing operations so that the customer receives the expected service and quality and commits to a long-term relationship (Lahtinen & Isoviita 1994, p. 23).

Relationship marketing, often referred to as one-to-one, means not only communicating with customers as individuals, but also developing custom products and tailored messages based on customers' unspoken needs. It relies on a two-way dialogue between a company and its customers to foster a true relationship and allow customers to truly express the desires the company can fulfill. It relies as

heavily on the customer's experience of the company as it does on the specific marketing messages he receives. (Dyche 2002, p. 25).

Interactive, long-term relationship with loyal customers can be both beneficial and profitable for the company. Nevertheless, in order to build it there is a need to initially engage the customers into interaction. Hence, knowledge of potential customers' perceptions and the possible opportunities and ways to overcome them in case of negative ones is crucial.

2.1 Customer's perception

Perception is a psychological variable, which affects buying behavior of the customers.

In accordance with Smith & Ze Zook (2011, pp. 103-104) perception means the way stimuli, such as commercial messages, advertisements, packaging, shops, uniforms, etc. are interpreted. Messages and images are not always perceived in the manner intended by the advertiser. Perceptions are delicate and need to be managed carefully.

Perception is an active process that continuously categorizes and interprets the information provided by senses. It enables people to almost instantly gain an understanding of what the objects and scenes they encounter mean (VanRullen & Thorpe 2001).

2.2 Link between attention and perception

Comprehension of information processing – the stages of thought that the individual goes through to convert incoming stimuli into useful knowledge, starts with a stimulus which is attended. Figure 1, the AILA framework, suggests that it is important to recognize this starting point because it is only after the stimulus has been given attention that we have the opportunity to affect the individual's information processing, understanding, response and recollection of the message. (Pickton & Broderick 2005, p. 88.)



Figure 1. The AILA Framework (Modified from Pickton & Broderick 2011, p. 88).

Another related concept is *perceptual filter*, which is a largely involuntary action. Pickton & Broderick (2011, P. 88) suggest that perceptual filter can be defined as the means by which individual reduces the multitude of stimuli to those to which attention can be paid. Properly developed marketing communication strategy can be used to influence *adaptation* of the individual, defined as the process of acclimatization to messages in which changes in the perceptual filtering process take place over time. However, when managing marketing communications, it is often extremely difficult to measure the influence of attention and interpretation on the final compensation of the message.

Whether in the industrial or consumer market, or whether products or services are being purchased, buyers respond in different ways to the barrage of marketing communications that are constantly aimed at them (Smith & Zook 2011, p. 90).

Due to the above mentioned reasons there is a necessity to formulate marketing communication strategy in order to get higher amount of responses, and consequently, purchases.

3 Integrated Marketing Communication

The concept of integrated marketing communication is not new, but it has become more popular recently with technology advancements and increase in international marketing activities.

According to Kotler & Armstrong (2008, p. 400), integrated marketing communication is a result of necessity to shift towards wider range of media and communication approaches, due to the fact that modern consumers are bombarded by commercial messages from a broad range of sources, but do not distinguish between message sources the way marketers do. In the consumer's mind, messages from different media and promotional approaches all become part of a single message about the company. Conflicting messages from these different sources can result in confused company images, brand positions, and customer relationships.

Marketing communication represents the "voice" of the company and its brands and is the means by which it can establish a dialogue and build relationship with customers (Shakeel-UI-Rehman 2011, p. 190).

Integrated marketing communication is carefully integrating and coordinating the company's many communications channels to deliver a clear, consistent, and compelling message about the organization and its products (Kotler & Armstrong 2008, p. 401).

Hence, integrated marketing communication is a tool, which is used by various types of businesses to communicate customer value on a new level of marketing.

In accordance with Pickton & Broderick (2005, p.22), *synergy* - the effect of bringing together marketing communication in a mutually supportive and enhancing way so that the resulting whole is greater than the sum of its parts; takes place by integrating the range of promotional mix elements. In this case opportunities are created to improve the effectiveness of the total marketing communications effort.

In other words, integrated marketing communication can be described as a unified approach to using marketing communication tools to create coherent message for the audience. Hence, by sending out same consistent message through different marketing tools greater impact can be achieved. Integrating marketing communication tools and making it speak the same language, delivering the same message to the audience is the most logical approach to develop marketing strategy for business unit due to the fact that one of the marketing communication's objectives is to get higher response rates.

Integrated Marketing Communication is the boost for promotional mix elements, whether it is advertising, direct marketing, interactive/internet marketing, sales promotion, publicity/public relations or personal selling, combining these disciplines to provide consistently and clearly a maximum communication impact. Promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea (Shakeel-UI-Rehman 2011, p. 189).

3.1 Advantages of using IMC

Integrated marketing communication potential contribution for organizations is seemingly high. Specifically, the uniform message produced by integrating marketing communication tools is capable of addressing the inherent problem that organizations face whilst marketing a product that customers cannot see (Lala 2011, p. 200).

Linton and Morley (1995) listed ten potential benefits of integrated marketing communication as follows:

- creative integrity;
- consistent messages;
- unbiased marketing recommendations;
- better use of media;
- greater marketing precision;
- operational efficiency;

- cost savings;
- high-calibre consistent service;
- easier working relations;
- greater agency accountability.

Nevertheless, achieving of the above-mentioned perquisites might be difficult for some organizations due to the comprehensive process of IMC implementation. Moreover, Pickton & Broderick (2005, p. 27) outline that some benefits rely on the quality and ability of the personnel involved.

Thus, in order to obtain an understanding of IMC's nature and the way it works, there is a necessity to thoroughly observe marketing communication tools that help organizations achieve these above-mentioned benefits while planning and implementing integrated marketing communication.

3.2 Marketing Communication Mix

In accordance with Kotler & Armstrong (2008, p.398), a company's total promotion mix – also called its marketing communication mix – consists of the specific blend of advertising, sales promotion, public relations, personal selling, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships.

Understanding that each promotion tool has unique characteristics and costs enables marketers to shape the promotion mix (Kotler & Armstrong 2008, p. 414).

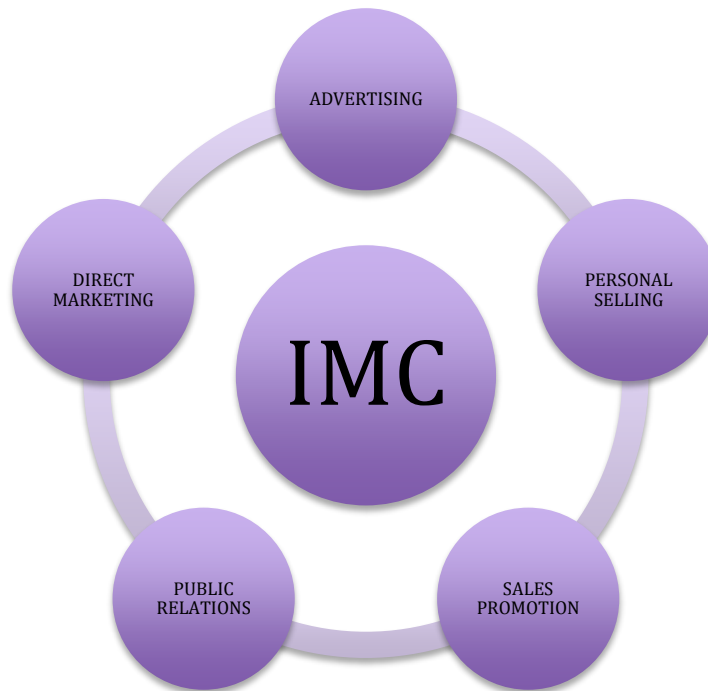


Figure 2. Promotion tools integrated (Modified from Kotler & Armstrong 2008, p. 414-415).

3.2.1 Advertising

According to the definition given by Pickton & Broderick (2005, p. 23), advertising is the use of paid mass media, by an identified sponsor, to deliver communications to target audiences. Advertising was seen at the time (and is probably considered still to be the case by many) as the senior or “elder statesman” of the marketing communications business.

Advertising can reach masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times. Beyond its reach, large-scale advertising says something positive about the seller’s size, popularity, and success. Because of advertising’s public nature, consumers tend to view advertised products as more legitimate. Advertising is also very expensive – it allows the company to dramatize its products through the artful use of visuals, print, sound, and color. Nevertheless, although advertising reaches many people

quickly, it is impersonal and cannot be as directly persuasive as can company salespeople. (Kotler & Armstrong 2008, p. 414.)

Smith & Zook (2011, p. 282) refer to constantly changing nature of advertising: it is morphing into dialogues, social media, user-generated content and a myriad of wonderful new ways of communicating with customers.

Kotler and Armstrong (2008) define seven major types of media:

- 1) television;
- 2) newspapers;
- 3) direct mail;
- 4) magazines;
- 5) radio;
- 6) outdoor;
- 7) internet.

It is mentioned in the findings of Kotler & Armstrong (2008, p. 435) that the media planner must know the reach, frequency, and impact of each of the major media types. Each media has certain advantages and limitations of its use. The mix of media must be reexamined regularly. For a long time, television and magazines dominated in the media mix. However, as mass media costs rise, audience shrink, and exciting new digital media emerge, many advertisers are finding new ways to reach customers. They are supplementing the traditional mass media with more specialized and highly targeted media that cost less, target more effectively, and engage consumers more fully.

3.2.2 Personal selling

Kotler & Armstrong (2008, p. 452) define personal selling as a personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.

Of the many tools a firm can use to promote its product, selling is the most effective. Sales representatives meet customers face-to-face. They can answer

objections immediately, and they can tailor their presentations to the needs of a particular account. (Dunlap 1993.)

Personal selling, and the management of the activities of personal selling, is one of the principal areas identified in most descriptions of the promotional mix. Yet for most marketing communications practitioners it is an area that is frequently ignored, not through lack of respect for its importance but simply because, within the typical organizational management structure, it is a very separate function. But not only is the salesforce an important part of external marketing communications (one of the most powerful and flexible), the salesforce is also an important target group for internal marketing communications to ensure that its members are fully briefed to undertake the marketing communications and selling task they do. (Pickton & Broderick 2005, p. 689.)

Thus, salesforce of an organization requires to be paid a special attention from management in order to ensure successful and effective selling process. Training and development programmes might and most often must be involved in contemplation of advancement of the key performance indicators of company's salespersons.

Personal selling is a process, which involves personal interaction between two or more people, so each person can observe the other's needs and characteristics and make quick adjustments. Personal selling also allows all kinds of customer relationships to spring up, ranging from matter-of-fact selling relationships to personal friendship. An effective salesperson keeps the customer's interests at heart in order to build a long-term relationship by solving customer problems. Finally, with personal selling, the buyer usually feels a greater need to listen and respond, even if the response is a polite "No thank you". (Kotler & Armstrong 2008, p. 414.)

3.2.3 Sales promotion

Strong sales promotions to the trade have become necessary elements of marketing communications. Its importance to the marketing communication mix

should not be underestimated as it adds an extensive range of effective tools to the marketing communications armoury. (Pickton & Broderick 2005, p. 636-637.)

Smith & Zook (2011, p. 358-359) define sales promotion as an action orientated, particularly as they often tempt the buyer to buy, or at least try, a product or service. Some promotions enhance or add value to the image of the product or service, which can consequently strengthen the brand.

Kotler & Armstrong (2008, p. 415) outline a wide assortment of sales promotion tools – coupons, contests, cents-off deals, premiums, and others – all of which have many unique qualities. They attract consumer attention, offer strong incentives to purchase, and can be used to dramatize product offers and to boost sagging sales. However, sales promotion effects are often short-lived and often are not as effective as advertising or personal selling in building long-run brand preference and customer relationships.

Nevertheless, sales promotion is one of the marketing communication tools, which requires specific thoroughness on the stages of planning and implementation, especially in regards of frequency of its use by retailer.

Many firms find that while sales promotions are an effective way to stimulate short-run sales, they are soon necessary just to maintain existing volumes. The over-use of sales promotions teaches consumers to buy only when they receive a deal. Consumers stockpile their favourite brands when they are on promotion, and frequently switch between promoted brands (Fisher & Diamond 2004).

3.2.4 Public relations

The term of public relations (PR) is defined as the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics. PR is seen primarily as a range of marketing communication tools that need to be integrated within the total marketing communications effort. In fact, PR programmes, themselves, are often composite marketing communications campaigns involving a wide range of integrated

promotional activities focused at a range of target audience publics. (Pickton & Broderick 2005, p. 547.)

Kotler & Armstrong (2008, p. 441) investigated six key functions that PR departments may perform:

- 1) *Press relations or press agency*: creating and placing newsworthy information in the news media to attract attention to a person, product, or service
- 2) *Product publicity*: publicizing specific products
- 3) *Public affairs*: building and maintaining national or local community relations
- 4) *Lobbying*: building and maintaining relations with legislators and government officials to influence legislation and regulation
- 5) *Investor relations*: maintaining relationships with shareholders and others in the financial community
- 6) *Development*: public relations with donors or members of nonprofit organizations to gain financial or volunteer support.

Study of Smith & Zook (2011, p. 313-314) suggests that publicity and visibility should not be raised before a solid platform of credibility has been developed through decent, safe products, friendly customer service, caring ethics and socially responsible policies. Credibility development might be obtained through product and assurance of its quality, accompanied by customer service; ethics and social responsibility, advanced by employee relations, community relations, and crisis management, and corporate image. PR is considered to be a tool for raising visibility by publicity, sponsorship, exhibitions, corporate communications, as well as miscellaneous – advertising and sales promotion, and direct mail.

Public relations can have a strong impact on public awareness on public awareness at a much lower cost than advertising can. If the company develops an interesting story or event, it could be picked up by several different media, having the same effect as advertising that would cost millions of dollars. It would also have more credibility than advertising. (Kotler & Armstrong 2008, p. 441.)

3.2.5 Direct marketing

Direct marketing is the direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships (Kotler & Armstrong 2008, p. 480).

In modern businesses, direct marketing is far more than merely a few tactical mailshots or a door-to-door leaflet drop to back up an advertising campaign. Today, direct marketing is a marketing system based on individual customer records held on a database. These records are the basis for marketing analysis, planning, implementation of programmes, and control of all this activity. (Pickton & Broderick 2005, p. 621.).

Kotler & Armstrong (2008, p. 415) define four distinctive characteristics shared by all the forms of direct marketing – direct mail and catalogs, telephone marketing, online marketing, and others. Direct marketing is *nonpublic*: the message is normally directed to a specific person. Direct marketing is immediate and customized: messages can be prepared very quickly and can be tailored to appeal to specific consumers. Finally, direct marketing is interactive: it allows a dialogue between the marketing team and the consumer, and messages can be altered depending on the consumer's response.

Hence, the importance and potential of the direct marketing as a tool of integrated marketing communications should not be underestimated. Due to the technology advancement and Internet development, nowadays it becomes easier to contact existing customer – through database technologies via direct-mail, catalogue, or telephone marketing, or potential customer – through social media channels, search engines, pop-up ads, etc.; and get an immediate response.

3.3 Fashion marketing communication

This chapter attempts to provide a review of literature related to the use of integrated marketing communications and its tools and media channels in fashion industry. Since the case company operates in fashion retailing in form of brand

outlet center, there is a need to assess the definition of outlet retailing phenomenon first.

3.3.1 Outlet retailing and IMC in fashion industry

Outlet shopping has become a highly prized tourist and recreational activity throughout much of the developed world (Cramer 1995). The economic stress has caused consumers to be more price sensitive when shopping for name brand merchandise (Akehurst & Alexander 2012).

Outlet stores attract all kinds of customers – bargain hunters, regional customers and tourists (Dowling 1993). The market segment most important to the outlet/off-price industry is comprised of middle and upper-income consumers who are fashion conscious and goods acquiring oriented (McAnally 1985, p. 238).

Traditional marketing communication tools can be used in fashion industry without any exceptions. Integration of such tools can be beneficial for fashion retailers since the response rate would get higher with wider reach and frequency of using the same message via various media channels.

Depending on target market, its size, geography, income-level and other characteristics, some of the media might be more effective than other. Nevertheless, in accordance with Lea-Greenwood (2013, p. 18), while considering the nature of fashion retail marketing, two other tools have to be added:

- the retail environment
- viral, web communications and social media.

3.3.2 Retail environment

In the fashion industry, the environment is a part of the competitive advantage when similar merchandise is targeting similar market segments. The retail environment has to communicate in imagery, display, atmosphere and music what the store stands for. Almost three quarters of buying decisions are made in the

store, so the layout, attractiveness, ease of trying on and purchase should not be underestimated. (Lea-Greenwood 2013, p. 31.)

It is in the retail environment that all the variables of the marketing mix (product, price, place, promotion) come together in order to provide the customer with an immediate prompt to purchase. Thus, the retail environment can be regarded as the most important marketing communication tool a fashion brand has, particularly because consumers experience this environment with all their senses creating a very powerful impetus. (Lea-Greenwood 2013, p. 90.)

Retailers, who can look beyond the product itself, toward the promise of creating a personal buying experience for their customers, use the retail environment as the packaging. Within the retail space, customers interact with the environment itself: the product offering, as well as sales staff, merchandising elements, graphic messages, and technology. When all these components work well together in the retail space, they provide an experience that resonates with customers, and provides value. (Bachman 2002, p. 54-61.)

Lea-Greenwood (2013, p. 32) suggests that the consumer makes the decision to enter and purchase based on store attributes communicated by:

- the window display
- in-store visual merchandising
- store layout and ease of shopping
- other customers
- sales personnel
- the overall atmosphere or ambience, including music.

3.3.3 Web communications

Digital marketing tools became a mainstay of fashion marketing communications. Online content, mobile media and social media, driven by PR, have increased.

These media channels are often calculated in a different way to that of traditional channels, as they can come in under a variety of budgets including sales and marketing. Mobile media (accessible via smart phones) now appears to be reaching critical mass as the devices have dropped in price and have been adopted by the majority of the target market for fashion. (Lea-Greenwood 2013, p. 182.)

The Internet has given marketers a whole new way to create value for customers and build customer relationship. The Web has fundamentally changed customers' notions of convenience, speed, product and price information, and service. (Kotler & Armstrong 2008, p. 493.)

The multimedia capabilities of the Web allow advertisers to use colour, graphics, movement, video, and sound. Web can be a cheap means of getting an advertising message across to a large number of people whether on your own website or through advertising on others' sites. (Pickton & Broderick 2005, pp. 138-139.)

3.3.4 Viral marketing and word-of-mouth

The term of viral marketing has been in existence since 1990s, and essentially refers to the practice of passing along marketing messages (Dahl 2015, p. 175).

Viral marketing has become the defining marketing trend of the decade. Brands big and small launch viral videos via YouTube, post new product information on their MySpace pages, court the blogosphere, spreading the buzz by word of mouth. (Ferguson 2008.)

Picton & Broderick (2005, p. 83) define word-of-mouth as a part of the total process of marketing communications in which messages are transmitted from the sender to many receivers. Word-of-mouth communications are the conversations held between the receivers, whether or not all members received the original marketing communication. Opinion leaders and other reference group members may have a strong influence on the effectiveness of the original intended message.

Dahl (2015, p. 173) suggests that word of mouth is the most valued outcome of engagement, i.e. a scenario where brand-users are becoming, in an ideal case, brand-ambassadors and endorse the product amongst their social network. In fact, word of mouth (WOM) has long been recognized as an efficient and effective marketing tool, even before the adoption of the Internet or social media – or even widespread mass-media usage. WOM is seen as a significant precursor for both future purchasing intentions and actual purchase behavior for new customers, while also increasing loyalty amongst existing customers. Specifically online, WOM has been claimed as highly effective in influencing purchasing decisions and brand-equity.

3.3.5 Social media

According to Berlendi (2011, p. 69), social media is a valid tool that improves customer relationship management and helps marketers understand how a product (or a certain marketing campaign) is perceived by consumers. By entering a social network through the use of Social Media, the company given the possibility to its clients to review (and comment on): the business, the products, the collections, etc. This enables the creation of a certain degree of intimacy between the company and its best consumers.

Technology encourages customers to interact with brands. These customer interactions build the brand by increasing awareness, involvement, and engagement; thus, adding to brand recall and stimulating purchases. Tweets, blogs, and social networks like Facebook, Twitter, YouTube, Instagram, and Pinterest offer fashion brands ways to connect with audiences. Though many fashion brands initially believed social networking would weaken the relationship with consumers, social media is now viewed as an opportunity to improve customer relationship and to ultimately capture a larger audience. (Kim & Ko 2012.)

Social media plays crucial role in attracting new customers and engaging them, strengthening the company's brand awareness amongst large audience and involving this audience into purchase decision processes.

In accordance with Dahl (2015, p. 154, 173), professionals like to portray "engagement" as central to the online experience, especially in the context of social media, where "engagement" can take a wide variety of different forms, from simple exposure to actions involving brand-generated messages, to liking, sharing, and commenting on brand-owned Facebook pages and recommending these pages to friends. Social media in particular offers new possibilities for WOM-based marketing, encouraging WOM to take place as well as ensuring that WOM activity is widespread.

One of the most powerful and effective ways of using social media in fashion marketing communications is blogging.

Blog is short for "Web log" – a web journal, an "online diary" where the "owner", the one creating the content, can post what excites him the most and share it with whoever surfs the web. When creating a blog, users can fill it with whatever they want: comments, news, photos, videos, etc. (Berlendi 2011, p. 34-35.)

Bloggers are the new influential fashion journalists of today. They frequent the front rows of fashion shows bringing up-to-date visuals and commentary faster than a traditional journalist ever could. (Lea-Greenwood 2013, p. 184.)

4 Empirical findings

4.1 Evaluation of existing marketing communications

Empirical data acquirement as a part of research process was partially based on the semi-structured interview with the case company manager conducted in the premises of the Grande Orchidee fashion center. Answers given by the manager enabled obtaining an insight into prevailing situation and reasons for growing

concern of the management over the preliminary perceptions of potential customers.

The main target market, approximately 70 per cent of the total customers' number, consists of Russian clientele due to the highly convenient location of the fashion center. The rest 30 per cent appear to be local population of Lappeenranta and South Karelia region. Thus, it has to be mentioned that marketing communication activities undertaken by the company are respectively divided into two segments: Russian tourists and local Finnish population. In addition, it should be mentioned that marketing mix tools and media channels for these two segments differ from one another, since the effectiveness of such varies depending on the segment, its location, preferences, etc.

4.1.1 Advertising and PR

Initially, during the first years of business existence, the Grande Orchidee fashion center emphasized marketing communications with mostly Russian customers and advertisement for local population of the area was often neglected and underpaid with company's attention. As a consequence of this negligence there was a perception formed amongst Finnish audience: the fashion center operates to deliver shopping experience ultimately for Russians.

Nevertheless, by the time when business was reorganized and continued its existence in the form of the brand outlet, promotional activities of the company have also undertaken another direction and affected relationships with Finnish clientele in a positive way.

Nowadays, there is a progressive trend in reaching and attracting Finnish customers due to the wide use of local newspapers as an advertising media. The company notifies its customers about upcoming sales promotions via advertisements on the newspapers, which are delivered to every house in the area on a regular basis.

Radio advertisements are proven to be likewise effective in the context of Finnish customers, as they get acquainted with special offers of the outlet in advance, which contributes to higher response rates: more and more locals visit the center and purchase discounted products.

Latterly, the company has decided to place TV advertisements in the region to initiate wide reach and attract bigger amount of potential customers.

Furthermore, outdoor ambient media is used by the company in an effective way, since billboards alongside the roadways in town enable reminding local population about the outlet and providing information regarding sales and discounts. In addition, Russian tourists can discern big-sized billboards on their way to the fashion center, starting from the ones installed in Russia, next to the closest customs checkpoint, and along the side of the route to Lappeenranta. There are also light-emitting diode (LED) screens installed next to other tourists shopping spots, about 15 kilometers from the town.

There are currently no PR activities being undertaken by the company. However, the possibility to create PR events might be considered by the management of the Grande Orchidee.

4.1.2 Personal selling and sales promotions

The total amount of sales representatives at the Grande Orchidee fashion center includes seven persons, every one of which speaks Russian as a native language. Additionally, there are compulsory requirements for every sales person: to be able to serve Finnish customers, know the assortment and availability of the products; have experience in sales and issuing tax-free and invoice systems for Russian tourists.

It should be mentioned that closing the deal at the point of purchase is considered to be a comprehensive process due to several reasons:

- sales person has to be able to explain the difference between tax-free and invoice systems, offering more convenient one for the customer based on the frequency of visits;
- customers have to be offered to join the loyalty programme of the Grande Orchidee by signing in to the customers' database.

Customer loyalty programme offers the buyers a possibility to get a cumulative member card of the outlet. After the total sum of purchases arises to one thousand euros, customer gets a silver card with additional four per cent discount on every following purchase; golden card with seven per cent discount and diamond card with ten per cent after the total cost of purchased products achieves three and five thousand respectively.

Customers database of the Grande Orchidee currently consists on eleven thousand people.

Marketers of the outlet consider sales promotion to be the most effective tool of marketing communications, enabling the company to boost its sales.

Since the company operates in form of outlet, discounts can be found in the center at any time of the year, but when it comes to decreasing inventories and changing collections, sales promotions are the most convenient mean to do so.

For instance, during the last ten days of February 2017, the outlet launched a special offer for its customers: buy three items, pay for two most expensive. Throughout the promotion the company was able to increase its sales, but the problem of communicating special offer was noticed, since many of the customers happen to be introduced with the promotional activity only once they have visited the center. It is within sales personnel responsibilities to inform outlet customers about ongoing sales promotions.

In addition, the outlet finds a way to keep the sales volume up by special offers for holidays or celebration times. As an illustration, four days before the Valentine's Day, Grande Orchidee offered an additional discount of 14 per cent on lingerie and

underwear product lines. It was also planned to conduct sales promotion campaign before the international women's day: 4th to 8th of March, 2017 – additional ten per cent discount on selected women's apparel and accessories.

4.1.3 Direct marketing

Direct marketing activities of the outlet are narrowed down to direct email sending. There are more than 1200 email addresses in customers database of the Grande Orchidee.

Targeted recipients are addressed directly from the company marketers with special offers and sales promotions. Moreover, obtaining the email addresses takes places at the point of time when customer decides to sign in and participate in the loyalty programme. However, email addresses are rarely being collected. For instance, there might be a queue and a sales assistant has no time to ask for an email address. But in case it is in the database, every signed in customer is asked to give permission for using his/her email address for promotional purposes by the company.

4.1.4 Retail environment

Grande Orchidee fashion center has an expensive luxurious design and layout, created in contemporary style. Premises of the building include five small shops areas, each presenting different brands. There are separate clothing sections for shoes, bags, and accessories, as well as for underwear and children's clothes. Beige and golden colours of the layout completed with flower decorations, primarily orchids, as the main symbol of the center, mirrors of original shapes, a café where customers of the center can enjoy a cup of tea or coffee, contribute to overall shopping experience.

In 2015, Grande Orchidee fashion center won the second place for its design at the International Professional ADD Awards for architect, designers and decorators in retail nomination.

4.1.5 Web and social media

Official webpage of the Grande Orchidee fashion center is available in Finnish language, providing information regarding opening hours of the shopping mall, brands presented, location, and contact details. In addition, links to Facebook and Instagram accounts of the fashion center can be found on the webpage.

Facebook page of the Grande Orchidee is used by company marketers to publish current sales promotions, information regarding new products and its prices. Generally, every post on Facebook page has two versions: Finnish and English. However, publications in Russian language can be found there as well with a relatively low frequency of publishing. The total amount of page followers arises to 4,200, with approximately 500 people checked in.

Instagram account of the Grande Orchidee is primarily used for Russian market due to the fact that all the publications, which are generally posted with a frequency of two to four pictures a day, have descriptions in Russian language. In addition to updating followers, whose total number is more than two thousand, with sales promotions and special offers, Instagram is also a way to educate the customers in the field of fashion by providing fashion historical facts and describing modern trends.

Furthermore, the Grande Orchidee communicates to its Russian clientele through the most popular Russian social media VK (VKontakte). The company's page on VK has the biggest amount of subscribers in comparison with Facebook or Instagram – more than six thousand followers. Educative fashion posts can be noticed on the VK page of the fashion center as well, alongside with the quotes of famous fashion designers and stylists.

Taking into consideration the fact that both Instagram and VK accounts of the Grande Orchidee are aimed mainly at reaching Russian-speaking audience, posts and publications communicated via these two social media platforms rarely differ.

VK page provides users of the social media platform with the link to the Internet shop, available in Russian language. The assortment of the Internet shop is practically identical to the fashion center assortment. The Internet market gives its users an opportunity for online purchasing at reduced prices due to the fact that tax-free return is already deducted, and guarantees free delivery to Saint-Petersburg region.

Overall, despite the active use of social media as a part of company's promotional activities, pages of the fashion center cannot be considered effective marketing communication media amongst either Russians, or Finnish customers. For instance, the approximate average amount of likes per post on Instagram is around 70-80, on VK 20; and only the maximum of 10 people react to the Grande Orchidee publications on Facebook. Moreover, the amount of online purchases via the online shop remains on unsatisfactory level. Hence, it is essential to identify possibilities to make social media accounts of the outlet go viral, as long as the online-shop of the company.

4.2 Customer survey results

Customer survey was conducted in the premises of the Grande Orchidee brand outlet. Questionnaire forms either in Russian, or English languages were offered to the customers to be filled in at the point of purchase.

Size of the sample has arisen to one hundred respondents: 70 Russian language questionnaire forms were filled, and 30 in English language. Questions were formed in a simple and short manner.

Overall, questionnaire forms contained eight questions. First questions were aimed at defining the background characteristics of the customers, such as nationality, gender, and age group, in furtherance of acquiring target market information, which might be useful for developing effective marketing communication strategy. Following questions were designed to obtain an understanding of customers' initial engagement, as well as the frequency of their visits. Finding out the ratings of the service quality provided by the sales representative from the customers'

perspective was necessary for the reason that personal selling is one of the key components of the marketing communication mix. Moreover, one of the questions was aimed at evaluating the efficiency of marketing communications via social media channels and platforms: customers were asked whether they were following Grande Orchidee on social media or not, and in case of positive answer given, which platforms were being used. In addition, due to the fact that the outlet has been facing some problems with communicating sales promotions to its customers, the last question was developed to find out the preferences of the respondents regarding media channels for getting information about sales promotions of the Grande Orchidee.

Questionnaire forms in Russian and English languages can be found in the Appendices of the report.

Analysis of the survey was carried out by using SPSS (Statistical Package for the Social Sciences) Software. Every variable was tested to extent of the whole sample and separately for Finnish and Russian nationals. Frequency tables and cross tabulations were used along with the charts drawings based on these tables.

4.2.1 Background characteristics of the sample

Analysis of the target market was conducted based on the frequency tables describing nationality, gender and age of the respondents.

Out of one hundred respondents, 28 per cent consisted of Finnish population, 70 – Russian nationals, and only two per cent – other.

Overall, 64 respondents were female, other 36 respondents were male. Approximate valid percentage of gender distribution applied to exclusively Russian and Finnish population, analyzed separately from each other, even though there were five more percent of female respondents amongst Finnish part of the sample.

Analysis of the age variable has shown that the biggest age groups of the customers were 45 to 54, 35 to 44, and 25 to 34 years old. Figure 3 presents the age groups of the respondents and its respective percentages.

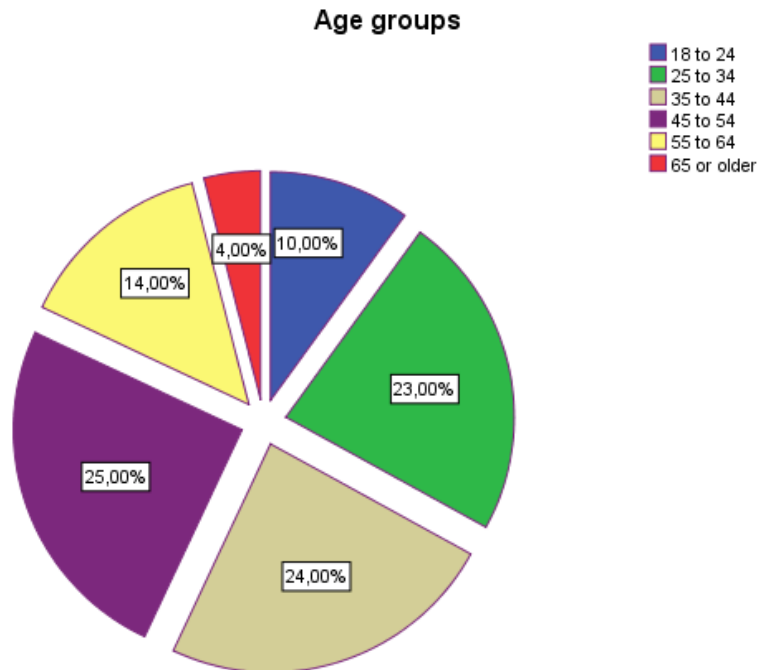


Figure 3. Age grouping of the customer survey respondents.

Nevertheless, on the one hand, separate analysis of Russian respondents has shown that there are two dominant age groups:

- 35 to 44 years old – 28,57%;
- 45 to 54 years old – 31,43% of the respondents.

On the other hand, age concentration amongst Finnish respondents had a totally different view. The amount of younger customers was prevailing with the data distributed as follows:

- 18 to 24 years old – 28,57%;
- 25 to 34 years old – 25 % of the respondents.

Hence, it should be mentioned that marketing communication activities have to respond to the age grouping trend, separately for Finnish and Russian market:

Finnish market: primary concentration on 18 to 34 years old;

Russian market: 35 to 54 years old.

Furthermore, main age targets can also be influential whilst making a decision regarding media channels. For instance, young generations are more likely to use the Internet and social media platforms to get information about promotional activities, while older people would be easier to reach using traditional ways of mass media marketing.

4.2.2 Frequency of visits

More than one-third part of the respondents (32%) was visiting the outlet once or twice a year. Another significant part of the sample (38%) was considered to be a frequent guest of the Grande Orchidee: once or twice a month, which contributes to a relatively high level of loyal clientele amongst other visitors.

Additionally, about 22 per cent of the total number of the respondents includes first-time visitors:

- Russian first-time visitors – 25,71%;
- Finnish first-time visitors – 14,29 %.

Based on this fact, the following conclusion can be drawn: the company has a great potential in attracting new customers.

4.2.3 Initial engagement

Customer survey was aimed at defining the most effective ways of marketing communications used to attract potential customers. There is a necessity to understand which media has the greater potential and hence, might be emphasized while planning and implementing marketing strategy.

Respondents were given seven options to answer the question “How did they first find out about Grande Orchidee”:

- 1) friend’s recommendation;

- 2) newspaper;
- 3) outdoor advertisement;
- 4) internet (search engine);
- 5) official webpage of the Grande Orchidee;
- 6) social media;
- 7) other (had to be defined).

Initial engagement means

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Friend's recommendation	35	35,0	35,0	35,0
	Newspaper	13	13,0	13,0	48,0
	Outdoor advertisement	38	38,0	38,0	86,0
	Internet (search engine)	3	3,0	3,0	89,0
	www.grande-orchidee.fi	2	2,0	2,0	91,0
	Social media	1	1,0	1,0	92,0
	Other	8	8,0	8,0	100,0
	Total	100	100,0	100,0	

Figure 4. Frequency table of initial engagement of the customer survey respondents.

The analysis of the Figure 4 has shown that there are two most effective ways of attracting customers, which should be taken into account by the marketers of the company:

- friend's recommendation (35%), meaning that word-of-mouth, generated by social networks of existing customers, is one of the most powerful means in attracting potential customers;
- outdoor advertisement (38%), which means that company has to consider possible options of expanding the use of outdoor ambient advertising by defining the most effective locations and spots for attracting potential customers' attention.

- Initial engagement means * Nationality Crosstabulation

Count

		Nationality			Total
		Russian	Finnish	Other	
Initial engagement means	Friend's recommendation	24	10	1	35
	Newspaper	1	12	0	13
	Outdoor advertisement	35	3	0	38
	Internet(search engine)	1	2	0	3
	www.grande-orchidee.fi	2	0	0	2
	Social media	1	0	0	1
	Other	6	1	1	8
Total		70	28	2	100

Figure 5. Crosstabulation: initial engagement and nationality of the customer survey respondents.

However, analysis of the Figure 5 indicating the amount of Russian and Finnish respondents in relation to their initial commitment suggested that different ways are effective for local population and Russian tourists. Hence, there is a need to distinguish that

- the biggest amount of Finnish nationals was engaged through the use of newspapers;
- Russian tourists were more exposed to outdoor advertising than any other marketing communication channel;
- the role of the WOM is crucial in the context of communicating with potential customers, though twice more effective in Russia than in Finland.
- search engines, official webpage of the Grande Orchidee, and social media did not bring positive results. Through these means only six respondents out of the whole sample were engaged, which was equal to the amount of respondents who have defined their answers as “walked by/drove by the center”.

4.2.4 Social media

The results of social media effectiveness analysis were fairly disturbing. 72 per cent of the respondents did not follow or even know about the existence of accounts of the Grande Orchidee brand outlet on social media.

It was discovered that the official webpage of the center has been more favored way of getting information about the company than any social media platform amongst the rest 28 per cent of respondents. Only five per cent follow Grande Orchidee on Facebook, three and eight on Instagram and VK, respectively.

It is understandable that most of the Finnish customers are not willing to follow brand outlet and its updates on social media, due to the fact that there are no posts in Finnish language, especially on Instagram, or the amount of them is limited.

4.2.5 Quality of service

It must be mentioned that sales personnel and the quality of provided services was evaluated by the respondents as follows:

- average quality 4 %;
- good quality 24 %;
- excellent quality 72%.

There was an opinion amongst the respondents, who have given lower rates for the services provided, that the amount of sales assistants was not sufficient enough, especially during weekends and holidays. Otherwise, customers considered personal selling to be one of the strongest characteristics of the company.

4.2.6 Communicating sales promotions

Figure 6 shows percentage of every channel of getting information regarding sales promotions preferred by the respondents.

Preferable way to get sales promotion information

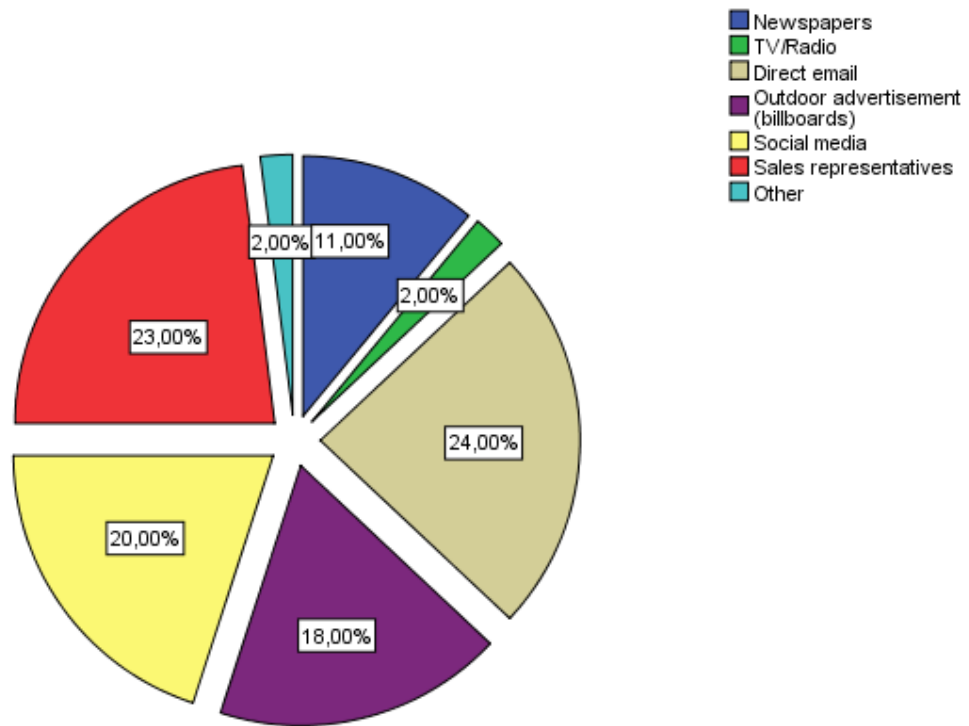


Figure 6. Preferable ways to get sales promotion information.

Thus, the biggest amounts of the respondents would prefer to get information regarding sales promotions of the Grande Orchidee:

- via direct email 24%;
- from sales representatives 23%;
- via social media 20%;
- by outdoor advertisement 18%.

Hence, it can be concluded that direct email and sales personnel's instructions are the most preferable ways to get acquainted with the upcoming or ongoing sales promotions. However, outdoor advertisement and social media should not be left outside; many respondents confronted that they would have followed social media accounts of the center if they had known about its existence.

**Preferable way to get sales promotion information * Nationality
Crosstabulation**

Count		Nationality			Total
		Russian	Finnish	Other	
Preferable way to get sales promotion information	Newspapers	1	10	0	11
	TV/Radio	0	2	0	2
	Direct email	22	2	0	24
	Outdoor advertisement (billboards)	15	3	0	18
	Social media	15	4	1	20
	Sales representatives	17	6	0	23
	Other	0	1	1	2
Total		70	28	2	100

Figure 7. Crosstabulation: preferable way of getting sales promotion information and nationality of the customer survey respondents.

Nevertheless, testing of the variable separately for Finnish and Russian samples, presented in Figure 7, has shown the following:

- 1) the biggest percentage of Finnish respondents, 35,7%, would prefer to get information about sales promotions of the Grande Orchidee from newspapers;
- 2) the highest number of Russian respondents, 31,4%, would rather get to know about sales promotions via direct email;
- 3) getting informed by the sales personnel of the outlet is a preferable way of relatively big amount of both nationals respondents: Russians 24,3%, Finns 21,4%;
- 4) equal amounts of Russian customers would choose finding out about sales promotions via social media or by outdoor advertisements, 21,4 % for every option;
- 5) 14,3% of Finnish respondents has defined social media as a preferable way of getting sales promotion information; 10,7% would appreciate billboards as a mean of marketing communication regarding sales promotions.

5 Executive summary

This chapter provides the summary of the findings and concludes the research conducted. Additionally, it includes suggestions for further research.

The main objective of the study was to provide the case company with recommendations for development of the marketing strategy, enabling modification of preliminary perception of potential customers. Theoretical framework, which includes literature from different academic sources, facilitated understanding of the key concepts of integrated marketing communications, including its advantages and marketing communication mix, along with the use of its tools in fashion retail industry. Moreover, theoretical data collected provided an overview of such concepts as customer relationship marketing, customer's perception and its link to attention.

Analysis of the empirical data enabled the author to assess effectiveness of existing promotional activities of the company, define prevailing problems in communications with customers and evaluate possibilities to reach potential customers, separately for two market segments: local Finnish population of the region, and Russian tourists.

Combination of the theoretical findings and empirical data analysis results enabled the author to develop a set of recommendations for the case company, presented in the following sub-chapter.

5.1 Recommendations for the case company

First of all, for successful development of the marketing strategy the company has to understand its customers, their background information and perceptual patterns.

Customer survey conducted has shown that two target markets, where the company operates, vary from each other. First of all, the main age groups have to be considered to understand its primary concentration:

- Russian target market: 35 to 54 years old,
- Finnish target market: 18 to 34 years old.

Secondly, even though the segment of Russian customers is bigger than one of local population, marketing communication activities have to cover and be targeted at both markets in order to overcome an obstacle of perceptions formed amongst the Finnish clientele and avoid development of the new ones.

Thirdly, as it is proven in the theoretical framework, there is a direct link between a customer's perception and attention. Moreover, lack of sources capturing this attention or wrong direction of promotional activities can also result in formation of negative perceptions towards a retail unit. Hence, suitable marketing communication mix has to be used and its tools can be integrated, delivering the same message and speaking in "one voice" for a bigger impact on the audience.

Based on the survey results there might be a conclusion that the company has a great potential of reaching new customers due to the fact that a relatively big part of the respondents visited the outlet for the first time. In order to realize and reach its full potential, the company has to emphasize the usage of the most effectively utilized tools of the marketing communications, as well as maintain and strengthen the other tools, which are not that effective in reaching customers.

Answers of the Finnish sample have shown that the most preferable way of getting information about the outlet and the most effective way of initial customers' engagement is the newspaper. Thus, the company might consider using printed advertisements in newspapers as a main tool of reaching new customers and keeping existing ones loyal.

Furthermore, outdoor ambient advertising has to be emphasized by the company's marketers due to its high reach, especially amongst the Russian segment of the market, and the fact that many customers would prefer billboards and posters to be the way of communicating company's sales promotions.

In addition, word of mouth generated by the existing customers' social network plays a great role in engagement of the new ones. Hence, marketers of the company have to take into account possible opportunities to go viral, which means that marketing communication tools have to create a buzz around the company's activities, offers, products, etc. As it was discussed in the literature review social media and web communication in case of their successful integration might create such an affect, especially in fashion retail industry. The case company should review the usage of its social media accounts and find ways to improve it. Online marketing communication might be advanced by collaboration with bloggers, which is nowadays widely used by many business units and brings positive results. The company can find a way of contacting popular/famous bloggers and by providing them with incentives, such as products of the outlet or coupons for purchasing, make them publish positive feedbacks regarding Grande Orchidee, its products and services provided. This can enable the company to go viral, engaging new customers, as well as promoting social media accounts of the outlet.

Direct marketing in form of direct emails regarding sales promotion information is in favor amongst Russian customers of the company. Thus, while signing up into customers database, every buyer has to be asked for a permission to receive promotional messages from the company via email.

Moreover, public relations activities can provide the company with the opportunity to gain acceptance of the audience and influence the customers' perception as well. It can also help the company to go viral, for instance, by using public events of any kind. It might be a short fashion show, which would generate local publicity and create a buzz around the event, maintaining the brand image of the outlet. Since the discussion is concentrated on the integration of marketing tools, PR event might be also integrated with social media communication. As an example, the company might install a photo booth, enabling the attending audience to take pictures with the Grade Orchidee logo, post it on their own social media accounts and yet again, create a buzz. Additionally, social media contests might be conducted.

In accordance with the literature review, sales promotions tool is the one, which requires a special carefulness on the stages of planning and frequency of use, even despite its effectiveness. Thus, company's marketers have to understand that over-use of the sales promotions might have negative results, since customers would buy only when they receive a deal. Moreover, as it was mentioned in the empirical part of the study, the company has a problem in communicating sales promotions; that is why the planning step is also crucial. The more integrated the other marketing communication tools are, the greater the reach and consequently, the impact.

Finally, considering the facts that sales representatives and the services provided were highly rated by the customers, and many of the customer survey respondents would prefer to find out about sales promotional activities of the company from the sales personnel, human resource management of the company should not be underestimated. There is a necessity to maintain the quality of the service. Generally, it could be accomplished by development of special training programmes for the personnel or simply, by hiring talented sales assistants in a bigger amount than it is now with regards to complaints of the customers who rated the quality of the services provided to be average or good, but not excellent.

5.2 Suggestions for further research

There might be a necessity to conduct further market research for the case company. In order to understand market segmentation, effectiveness of the company's promotional activities to the fullest extend, avoiding inaccuracies in the results, customer survey with the bigger sample can be organized and implemented, enabling deeper insight into prevailing situation.

Furthermore, phenomenon of the outlet retailing in the South Karelia region in general has not been studied. Conduction of the related study might facilitate business progress in the region since the outlet retail units become more and more popular amongst Russian tourists seeking for an ultimate shopping experience, as well as amongst business owners looking for an opportunity to attract bigger

amounts of tourists and local consumers in order to make their businesses more profitable.

Figures

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Appendix 1 (1)

Customer survey form in English language

Customer survey - Evaluation of promotional activities

1. What is your nationality?

Finnish

Russian

Other (please specify)

2. What is your gender?

Female

Male

3. What is your age?

18 to 24

25 to 34

35 to 44

45 to 54

55 to 64

65 or older

4. How often do you visit Grande Orchidee?

It is my first time here

1-2 times a month

1-2 times a year

Other (please specify)

Appendix 1 (2)

5. How did you first find out about Grande Orchidee?

Friend's recommendation

Newspaper

TV/Radio

Outdoor advertisement

Internet (search engine)

www.grande-orchidee.fi

Social media (specify)

Other (please specify)

6. Do you follow Grande Orchidee on social media?

No

Facebook

Instagram

VK

I regularly check the web-page of Grande Orchidee

7. How would you rate the quality of the service provided by the sales representatives?

8. How would you prefer to get information about sales promotions of Grande Orchidee?

Newspapers

TV/Radio

Direct email

Outdoor advertisement (billboards)

Social media

From sales representatives

Other (please specify)

Thanks for Your participation! Looking forward to seeing You again!

Appendix 2 (1)

Customer survey form in Russian language

Анкета клиента - оценка рекламной деятельности

1. Ваша страна проживания?

Финляндия

Россия

Другое (укажите)

2. Укажите Ваш пол?

Мужской

Женский

3. Укажите Ваш возраст?

18-24

25-34

35-44

45-54

55-64

65 и старше

4. Как часто Вы посещаете Grande Orchidee?

Это мой первый визит

1-2 раза в месяц

1-2 раза в год

Другое (укажите)

Appendix 2 (2)

5. Откуда Вы впервые узнали о Grande Orchidee?

- Рекомендация друга/подруги
- Наружная реклама (баннеры и вывески в Лаппеенранте)
- Интернет (поисковые системы)
- Сайт www.grande-orchidee.fi
- Социальные сети (укажите)

Другое (укажите)

6. Следите ли Вы за Grande Orchidee в социальных сетях?

- Нет
- VK
- Instagram
- Facebook
- Я регулярно посещаю сайт Grande Orchidee

7. Как Вы оцениваете качество обслуживания в Grande Orchidee?

8. Каким способом Вы бы предпочли узнавать об акциях Grande Orchidee?

- По электронной почте
- Посредством наружной рекламы (баннеры и вывески)
- Социальные сети
- От продавцов-консультантов

Другое (укажите)

Спасибо за Ваш ответ! Будем рады видеть Вас снова!