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# Transport hubs as a strategic area for advertisement: evaluation of brand recognition (Better Rahkariini, Valio Oy)

Fomina, Natalia

2017 Leppävaara

Laurea University of Applied Sciences  
Leppävaara

Transport hubs as a strategic area for advertisement:  
evaluation of brand recognition (Better Rahkariini, Valio Oy)

Fomina Natalia  
Degree Programme in Facility  
Management  
Bachelor's Thesis  
May, 2017

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Year	2017	Pages	43
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Valio group is the leader in the field of dairy products manufacture and the largest processor of the milk in the Finnish market. Valio group includes controlling company Valio Oy and affiliated companies. Valio production assets are based in Finland, the company owns 13 factories.

Object of the research is outdoor advertising campaign performed in Helsinki transport hubs in 2016 and presented dairy product Better Rahkariini by Valio Oy. The objective of the work is to evaluate brand image and efficiency of the outdoor advertising. The research question is how well recognized become both brand and product names as a consequence of performed outdoor marketing campaign.

Research part of following thesis analyses statistics and scientific data as well as information provided by company. Survey was used as a main method of research; quantitative method allows to evaluate how appealing potential consumers find the advertising by different parameters. Main results show that audience recognizes brand name and but are not satisfied with advertising design and do not recognize product of campaign. Brand image of Valio Oy is strong but company is proposed to develop concept of advertising posters in terms of design to increase memorability and efficiency of future outdoor advertising campaigns.

Keywords     advertising campaign, outdoor advertising, brand recognition

Fomina, Natalia

**Liikennekeskittymät strategisena mainonnan alueena: brändin tunnistamisen arviointia (Better Rahkariini, Valio Oy)**

Vuosi 2017 Sivumäärä 43

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Valio-ryhmä on johtaja maitotuotteiden valmistuksessa ja suurin maidon käsittelijä Suomen markkinoilla. Ryhmään kuuluvat hallinnoiva Valio Oy ja osuuskunnat. Valion tuontantolaitokset sijaitsevat Suomessa, jossa yhtiöllä on 13 tehdasta.

Tutkimuksen kohteena on Valio Oy:n Better Rahkariinin ulkomainoskampanja, joka toteutettiin Helsingin liikennekeskuksissa vuonna 2016. Työn tavoitteena on arvioida brändikuvaa ja ulkomainonnan tehokkuutta. Tutkimuskysymyksenä on, kuinka hyvin brändi ja tuotenimi tunnistetaan markkinointikampanjan seurauksena.

Tässä opinnäytetyössä tutkimusosa keskittyy tilastojen ja tieteelliseen datan sekä yhtiön tarjoamien tietojen analysointiin. Tutkimuksen päämenetelmänä on kyselytutkimus; kvantitatiivisella menetelmällä voidaan arvioida eri parametrien avulla, kuinka houkuttelevana potentiaaliset kuluttajat pitävät mainontaa. Päätulokset osoittavat, että yleisö tunnistaa brändin nimen muttei kuitenkaan ole tyytyväinen mainonnan suunnittelun eikä tunnista kampanjatuotetta. Valio Oy:n brändikuva on hyvin vakiintunut, mutta yhtiötä kehoitetaan kehittämään mainosjulisteiden ideaa ja parantamaan ulkoasua sekä lisäämään tulevien ulkomainoskampanjoiden muistettavuutta ja tehokkuutta.

Keywords mainoskampanja, ulkomainonta, brändin tunnettuus

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## 1 Introduction

Valio group is the leader in the field of dairy products manufacture and the largest processor of the milk in the Finnish market: Valio processes about 85 % of the Finnish milk. Valio group includes controlling company Valio Oy and affiliated structures (own divisions in Russia, Sweden, the Baltics, China and the USA). Valio Oy is the private joint stock company belonging to 17 cooperative societies whose owners are 7.3 thousand farmers- manufacturers of milk. The assortment of the company includes more than 1.5 thousand product names; more than 400 of them are exported to 67 countries in the world. (Valio 2016)

In 2015 sales turnover of the company was 1 718 million euro (1 950 million euro in 2014). The company makes 1.9 million tons of milk annually (1 899 million tons in 2014). 3 942 employees work for Valio worldwide. (Valio 2016)

The Valio Oy production assets are mainly based in Finland where the company possesses 13 factories. Besides Finland the key markets are Sweden where Valio exports whole-milk products and Estonia where Valio owns two industrial facility sites producing goods under brands Valio Gefilus and Alma. Up to year 2014 Russia was one of the most important markets for company Valio, the volume of export made was no less than 49 %. (Valio 2016)

Along with manufacturing and saling of food products, the business activity base of the company is development and implementation of innovative technologies in the food manufacture. For this reason activity Valio officially includes such areas as the license business, sales of rights of use of unique technologies developed by the company. In 1993 the company introduced sales of operating licenses of bacterium LGG - the most explored bacterium in the world influencing immune system of the human. Nowadays about twenty dairy companies in Europe, Russia and even China acquire the operating license for LGG. Since 2000 Valio offers the license of the lactose-free dairy products manufacturing based on the unique method developed and patented by the company. The innovative method allows making dairy products with natural taste and guaranteed absence of lactose. Nowadays Valio Zero Lactose (Valio Eila) technology is acquired by 5 dairy companies -manufacturers of lactose-free dairy products in the world. (Valio 2016)

### 1.1 Aim and research questions

This thesis aims to investigate the factors influencing the perception of outdoor advertising by the potential buyers, to measure the level of the recognition of the outdoor advertising which eventually forms the efficiency of an advertising campaign. Aim of thesis is to observe a question with a view to all aspects shaping a modern image of the outdoor advertising, the out-

door advertising in all the variety, and a target audience. Very important task is the estimation of factors of efficiency of the outdoor advertising.

The object of the research is advertising campaign and advertising posters (billboards) presenting Better Rahkariini by Valio Oy. The research question is how well recognized is brand name and product name as a result of the performed marketing campaign, how potential consumers react and evaluate performed advertising campaign by different parameters and if they find advertising by Valio appealing.

Answering the question will allow to pursue a scientific approach to formation and realization of Valio advertising campaigns and promotion of products, to define consumers preferences in advertising more precisely. Results and conclusion can help Valio Oy to create more appealing and effective outdoor advertising and increase visibility of the brand.

## 1.2 Product of research

Sales of Valio Better Rahkariini spread was launched in February 2016. Considering the arising interest in health and wellbeing Valio developed and introduced new product Valio Better Rahkariini . The new product is represented by natural spread consisting of mix of light quark, butter and turnip rape oil. Valio Better Rahkariini provides the combination of natural butter taste and health effect of quark. By results of Valio's survey 80 % of consumers found Valio Better Rahkariini more delicious than their current spread and particularly noticed significance of health benefit. (Valio 2016)

The new product contains 37 % of quark and allows consumers to reduce consumption of fat and enjoy light and fresh taste without harm to health. Valio Better Rahkariini is enriched with omega-3, alpha-linolenic acid helping to maintain cholesterol level if consumed regularly. Valio Better Rahkariini can be a part of a healthy and balanced diet without necessity to refuse the diverse nutrition. New product is marked by the Finnish Heart Association. The Heart symbol of the package informs that Valio Better Rahkariini has healthy balance of fat and salt. However, new product does not belong to special diet products scope and due to that can be promoted for mass market audience. (Valio 2016)

## 1.3 Campaign description

Advertising campaign for Valio Better Rahkariini started in February 2016 and finished in July 2016. Advertising boards were placed in centers of few cities. For purpose of following thesis only advertising campaign in Helsinki Metropolitan area is considered and analyzed. Figure 1

demonstrates one of the advertising posters used in the campaign. For the campaign were produced three images similar in visual content and message.



Figure 1. The billboard. (JCDecaux Finland Oy 2016)

In Helsinki advertising campaign was performed by JCDecaux Finland Oy. In Metropolitan area the company owns the biggest number of lightboxes located on the public transportation stops. The company places advertising on bus and tram stops and also inside the transportation cars. (JCDecaux Finland 2016)

For Valio Better Rahkariini campaign JCDecaux Finland Oy created 53 advertising poster arranged into advertising lightboxes mainly on bus and tram stops. 27 posters were arranged on train stations in Helsinki region. By performing advertising campaign Valio Oy expected to inform broad segments of the city population about new product launch. Outdoor advertising campaign was supported by TV campaign performed in similar colors.

Choice of public transportation stops for campaign is company representatives explained by traditional approach of the company to advertising methods and willingness to reach wide audience. According to Valio Oy, placing posters in Helsinki city center provides access to current and potential consumers due to high traffic and supports brand recognition in consumers mind.

## 2 Theory

To understand the practices of the company it is important to analyze the theoretical framework. The following sections describe the relevant theory: general terms of the advertising



and short historical background, specific and principles of the effective outdoor advertising, modern trend of urbanization, brand image and basic information about customer behavior.

## 2.1 Advertising: definitions and history

Merriam-Webster dictionary (2017) defines advertising as “something (such as a short film or a written notice) that is shown or presented to the public to help sell a product or to make an announcement”. The objective of advertisement is to encourage the consumer to execute action desirable by the advertiser: to convince a consumer to buy the goods, to use service, to promote popularity or company, to inspire socially significant ideas, etc. advertising can pursue the following aims: creation and maintenance of awareness and knowledge of the products; gradual, consecutive creation of the preference corresponding to recognition by the consumer of an image of the company and its offers; support of consumers' acknowledgment about brand news between purchases; increase of brand popularity; promotion of loyalty to the advertised product and encouraging new audience to tilt toward advertised product. In most cases the final goal of the commercial advertisement is to increase the sales. (The State of Queensland 2017)

Advertising has many functions. Economic function is one the most demonstrative: existence of developed market is not possible without effective advertisement process, i.e. effective advertising accommodates economic growth. Advertising messages try to persuade the target audience to adopt certain consumer behaviors and habits, i.e. advertising also has social function. It is also possible to distinguish other functions such as ideological (creates a society with the certain mindset, introduces new ideological values - for example the right to private property, diligence and entrepreneurial spirit as a basis of financial well-being), marketing (advertising is the tool of marketing activity and is subordinated to performance of the basic tasks of a marketing), communicative (advertising is communication channel for the information from the advertiser to the consumer). (Dahlen & Rosengren 2016)

Modern history of the advertising starts in the United Kingdom in 18th century when production levels increased due to technical revolution. Consumption levels increased accordingly, and producers faced the necessity of market expenditure. At the same time, the printed media sources developed and become popular place for the advertising. At first the advertising simply informed audience about sales or new products. Newspapers advertised ceramic tableware, cutlery, clothes and shoes, furniture. With time simple informative notifications become less efficient, and advertisers started to use various techniques to catch the potential customers' attention, i.e. use small rhymes or even tropes. (Henonen 1999)

In the late centuries meaning of advertising evolved, and the modern consumption society established. Future development of the advertising industry led to necessity of adequate legislation. Nowadays advertising sector in every country is regulated by special state agency. The Finnish Competition and Consumer Authority is responsible for fair market performance in Finland. One of the tasks of the Authority is the control over provision of trustful and complete information about advertised products and services. (The Finnish Competition and Consumer Authority 2014)

Advertising industry in Finland was mostly influenced by the United States. In 1913 was published first series of articles about principles of American advertisement. Moreover, pioneers of Finnish advertising industry, for example Wäinö Kauno Latvala and Paul Thorwall, lived and studied in the USA. The first Finnish advertising agency Erva-Latvala Oy was established in 1925 by the Ford Motor Company with the purpose to service major clients the company. Erva-Latvala Oy, previously established as Erwin, Wasey & Co. Ltd, changed its name to underline Finnish origin of the company. In period 1925-1992 Erva-Latvala Oy was the biggest advertising agency in Finland. The peak of activity was in 1968 when for the company worked 110 employees. It is known for certain that many future famous designers started their career in Erva-Latvala Oy. Among those were Ilmari Sysimetsä, creator of posters for Helsinki Olympic Games 1952, Hans Björklind, Finnish painter and designer. (Hakkarainen, Kähkönen & Turpeinen, 1984, 50).

Finnish advertising in 1930s was already close to modern meaning of the word. Advertising posters of these years use photography, bright metaphors, play on words and remarkable characters. The main products to advertise these years are cars, home textiles and beauty products. During World War II many advertising designers worked on motivating posters. After World War II with development of private car industry, outdoor advertising in Finland and worldwide becomes one of the most essential. Requirements to this kind of advertisement changes as well as changes design approach. (Henonen 1999)

Current principles of advertisement in Finland are defined by The Finnish Competition and Consumer Authority. First principle says that commercial information cannot be masquerade as other types of communication, i.e. general audience must have control to consume advertising or not. Second principle says that the party in interest (i.e. advertiser) must be always recognizable to prevent unfair practices and mistakes. Third principle claims that hidden subliminal is not acceptable in any case. All three principles ensure consumers' right to say difference between commercial and non-commercial information and identify commercial influence in the information. (The Finnish Competition and Consumer Authority 2014)

According to research performed by Dahlen & Rosengren (2016) definition of term “advertising” evolved due to change of significant factors. Advertisement patterns and formats have changed as well as behaviors of all sides involved into process. As a result, Dahlen & Rosengren (2016) suggest another definition - “brand initiated communication intent on impacting people”. Developed definition underlines all potential forms advertising can take (classic, digital or hybrid forms) as well as importance of consumers’ role. Role of communication distinguishes advertisement process from other marketing tools. Advertising being a form of communication can impact both individuals and society, however it has final goal to cause audience to give brand-related reaction: for instance, to make new purchase, to spread information or to perform an action. According to Dahlen & Rosengren (2016), this type of communication is always targeted to elicit brand-related response that benefits the brand.

## 2.2 Outdoor advertising

Outdoor advertising term covers all the advertising signs placed in public areas but not directly at the point of product or service sales. This term includes big posters on highways, smaller posters in public areas, various signs in and on moving vehicles. Outdoor advertising requires special advertising message delivery methods and creative design approach. (Lopez-Pumarejo & Bassell 2009)

The objective of outdoor advertising as well as of any other advertising product is to deliver information to consumer. Since the modern cities are more and more overloaded with advertising, efficient outdoor advertising must attract attention almost instantly. Main audience is mobile, in many cases not willing to pay attention to situation around due to business. Modern travelers prefer listening to music, play with phone or reading to watching advertising. Due to that delivery method of outdoor advertising in transportation hubs differs from those of TV advertising and others. (Lopez-Pumarejo & Bassell 2009)

Popularity and efficiency of the outdoor advertising is obvious today, despite to domination of electronic mass-media. For big brands billboards, posters and other outdoor constructions, while being an integral part of the big campaign, remain relatively inexpensive tools to support brand recognition. For medium-sized business outdoor advertising campaign is an excellent tool for both for building brand image messages and for promotion of concrete actions such as sales, events, services. The outdoor advertising continues being highly visible advertising medium in comparison with TV and printed mass-media. (Altstiel & Grow 2006, 217)

Popularity of outdoor advertising shows stable efficiency. In 2013 in Finland outdoor advertising share in total advertising chart risen by 3.5%, in 2014 this share was the highest in history

- 3.8%. Business cost associated with outdoor advertising raised by 5.8% and consisted EUR 44.1 million, while in 2013 it was EUR 41.7 million. (Outdoor Finland 2015)

Growth in popularity of advertising boards is mainly promoted by advantageous places of their placement. As a rule, they are positioned on the most busy roads and highways, and big boards turn into the most accessible and most evident news media for drivers and passengers. The certain number or a series of boards allows to capture all important transport arteries of city and to achieve cumulative effect of repeatability. The increase in transport routes and time spent in travel by passengers allow the majority of the city population to see advertising in the certain key points of the city. (Altstiel & Grow 2006, 217-218)

Advertising panel also called billboard is one of the most popular types of advertising. It allows to achieve effect of "recognition" of a promoted product by a plenty of potential buyers. One way or another each city inhabitant contacts with billboards while travelling from one place to another by walk, public transport or own car. (Altstiel & Grow 2006, 218)

Billboards are presented by basic poster fitting within limits of the boarders, motion boards where sliding posters change each other, illuminated boards where basic poster is positioned in lightbox. Nowadays almost all outdoor advertising in transport hubs are illuminated boards. Light box creates better impression in dark time of the day and also protects print from weather conditions. (Altstiel & Grow 2006, 218-223)

Nowadays in many shopping malls it is possible to find interactive billboards. Interactive billboard combines benefits of normal billboards providing static information and interactive system where potential customer is able to touch the screen and explore more about the advertised product. Due to relatively high expense interactive boards are not established on the streets however they still can be used in big transportation hubs such as city train stations or airports. (Lopez-Pumarejo & Bassell 2009)

### 2.3 Design of advertising

According to Poels and Dewitte research (2006) for last 20 years advertising became more emotional and less informational, presumedly of growing number of advertising elements and formats people encounter in everyday life and inability to adjust to changes in way other than being less attentive to advertising on general level. Use of emotion based techniques gives advertising opportunity to be noticed and remembered. Poels and Dewitte (2006) underline the efficiency of use positive emotions, for instance sense of humor or arousal. Emotion-based message and design of advertising have longstanding impact on target audience.

As mentioned before, delivery method of outdoor advertising in transportation hubs differs from any other. Nowadays most visitors of transportation hubs used to have some distractions on their way such as music player, phone or a book. Due to that outdoor advertising to be effective and recognizable must follow some design requirements. (Dahlén, Granlund & Grenros 2009)

Altstiel & Grow (2006) advice to follow certain rules when designing outdoor advertising. Term “copy” is advertising refers to text section of the visual part. Since outdoor posters are directed to people moving from one destination to another not ready to pay to surrounding information more attention than absolutely necessary, it is wise to use seven to nine as a maximum words or fewer. The reason to use fewer words is to make advertising accessible for person moving and driving by and having about five seconds to get the message. For text part of poster can be used bold fonts and grammatically correct way of phrasing. It is been researched that people read lower- and uppercase easier than all caps. (Altstiel & Grow 2006, 226)

For people being in motion it is important to get clear message and due to that advertising must present big images with less elements. To attract attention it is better to use bold colors and avoid pastels. Instead of using words and slogans, billboard can show the product package when possible to create and support connection between image and product. (Altstiel & Grow 2006, 226)

Poster must clearly present one main idea and do that in creative way. Effective advertising poster creates strong verbal-visual connection by using visual teasers and metaphors. In many cases text part of poster can be skipped in favor of expressive image. (Altstiel & Grow 2006, 226)

## 2.4 Urbanization

Urbanization is a world-wide and historical process of increase of a role of cities in development of the mankind expressing in a primary concentration of the population, economy and culture in big cities and expansion of city culture and lifestyle to countryside. Urbanization is a demographic, social, economic and geographical process occurring on a base of historically developed forms of a society and a territorial division of labour. Simply saying, the urbanization is a growth of cities, especially big cities, increase of density of urban population in the country, region and world. The big and small cities are in the center of quickly developing world economic, they are a cause and effect of global economic growth. For the first time in a history of mankind the biggest part of the population lives in cities. (Tachizawa, Alvarez-Gil & Montes-Sancho 2015)

Background for urbanization is created by growth of the industry in cities, development of cities cultural and political functions, a deepening of a territorial division of labour. Urbanization is characterized by rural population moving to cities and “pendulum movement” of the rural population to the nearest cities for work, cultural and community needs and other reasons. Process of urbanization is caused by a natural increase of urban population, transformation of rural settlements in cities or merging of rural settlements by big cities, creation of wider city suburbs and migration from countryside to cities. (Tachizawa et al 2015)

Figure 2 describes tendency to urbanization constantly increasing in Finland over the course of decades. The highest “jump” to urbanization happened during 1960-1990. Since then Finland shows slowdown of urban population growth (The World Bank 2016). Based on conjoint analysis performed by Finnish Environment Institute and Statistics Finland (2013), at the end of 2012 almost 85% of Finns, more than 4.5 million people, lived in urban settlements.

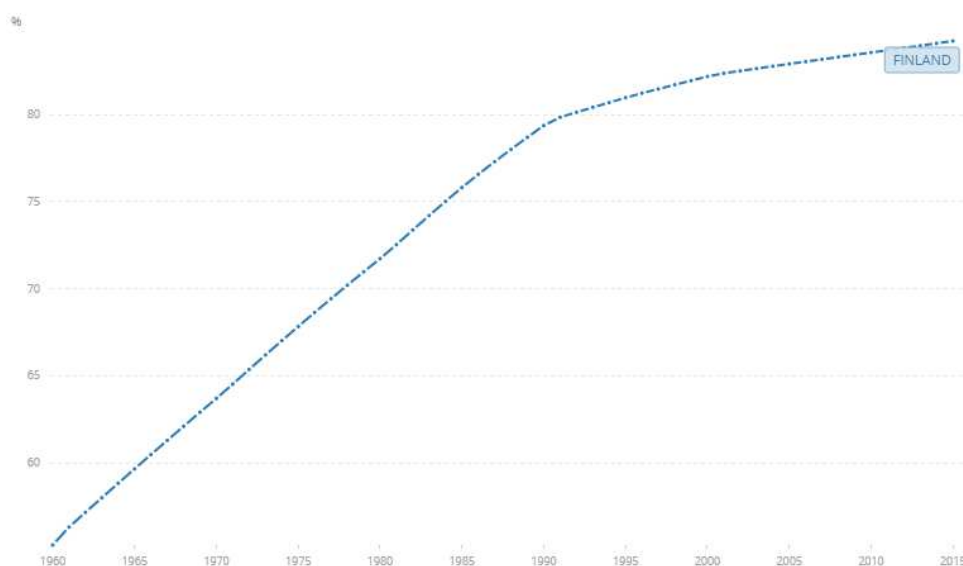


Figure 2. Urbanization in Finland. (The World Bank 2017)

The modern type of urbanization is characterized more not by fast growth of urban population but especially by intensive development of processes of a suburbanization of new forms of urban population: city agglomeration, megalopolis. Process of suburbanization is characterized by creation and development of city suburbs allowing combination of living in countryside while still having a benefit from city lifestyle. (Newman 2015)

One of the major attributes of a city lifestyle is the aspiration of people to constantly update the information and contacts in professional sphere, culture, personal communication and other areas of activity. Development and specialization of social needs and mobility of the

population enforce adaptive tendencies of city culture. Transportation and mass-media play the special role in city expansion. (Newman 2015)

Public transport is one of basic elements of a social infrastructure of the city satisfying demand of inhabitants. Reliable and effective work of public transport for city is the major factor of sociopolitical and economic stability of the city. Easy access to developed transportation system provides access to any important event of city life, enlarges professional opportunities and extends limits of interpersonal communication. In big cities mass-media introduces inhabitants to city values, latest news and trends in all spheres of life and influences their cultural background. (Newman 2015)

Outdoor advertising being a part of mass-media plays a big role in formation of modern city lifestyle a noticeable part of which is related to consumption. Outdoor advertisement constructions are considered as a part of city landscape and to be perceived they must harmoniously fit into the ensemble. Due to event of urbanization public transportation hubs are designed for efficient outdoor advertising placement. Reasonable approach to advertising location provides access to various audience. (Lopez-Pumarejo & Bassell 2009)

## 2.5 Brand image

Anselmsson, Bondesson and Johanssonany (2014) define brand image as "information linked to the brand in the customer memory, meaning the associations and beliefs that the customer has regarding the brand". Brand image brings advisory, psychological and emotional influence on the buyers controlling their choice. By improving the relations between buyers, brand and production, positive image has direct influence on both sales result and buyers satisfaction. Positive brand image forms loyalty of the consumer, expands sphere of partnership, facilitates access to various resources: financial, information, human, material.

There are internal and external factors influencing brand image in customers point of view. Among internal factors are working atmosphere in the company, positive attitude of employees to leaders and company policy (loyalty of the employees), effective financial planning, personnel selection of the company, orientation and trainings of employees, professional development programmes. All the factors building corporate culture in a varying degree can be considered as internal factors influencing brand image. (Rindell & Strandvik 2010)

External factors are built from public opinion on the company. It is formed by an advertising campaign, quality of production, mass media communications, public work, recognition of the company by a society. Some external elements building brand image are clear, for example,

physical design of product, logo and remarkable campaign statement. Other factors are frequently overlooked but also important. For example, philosophy of the company (mission and vision statements) and the main company's slogan developed on the base of the philosophy. (Rindell & Strandvik 2010)

Country of origin of the product also can be one of factors building positive brand image. Roth and Romeo (1992) describe country image as “the overall perception consumers' form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses”. Combined with trend of globalization link between brand image and country image must be taken into consideration. Reputation and its processes of production differs from country to country. Considering the definition of brand image provided in first paragraph of the following section, the associations and beliefs regarding to the country are linked to the brand in customer memory. (Koubaa 2008)

## 2.6 Consumer behavior

In the past the individuals operating the market studied the consumer behavior through the everyday dialogue. However, growth of company sizes and the markets has deprived marketing managers of direct contacts to the consumer. Managers have to use professional tools to research consumer behavior. Typical marketing research must answer questions about consumer: who exactly buys products, how they prefer to buy and when, where exactly and why. (Saito 2009, 63-69)

The main question is how consumers react to different incentive motivating techniques applied by company? During decision making the consumer is influenced by various factors: the affiliation to the certain cultural environment or affinity group, a social class, perception of own role - all this influences the decision on purchase. Circumstantial motivation also matters, for instance presentation of the product, current world events, consumers' mood. The company understanding how consumers react to various characteristics of the product, the price and advertising message is able earn advantage on the market. (Saito 2009, 63-69)

Consumers belong not only to the certain cultures but also to the certain social classes that influences behavior. The affiliation to the certain class is defined, first of all, by an educational level, an occupation and family traditions. Generally speaking, the representatives of different classes have different preferences: they buy the different products, make purchases in different places and are exposed to influence of different mass media. The company's awareness on these preferences allows them to combine elements of marketing and to appeal to target group. (Haugtvedt, Herr & Kardes 2008, 31-35)



Despite the fact that affiliation to the certain culture and a social class has essential influence on character of purchases, affiliation to affinity group also plays significant role. Affinity groups consist of people connected and driven by common characteristics such as affiliation with family, friends, colleagues, schoolfellows, age group (for example, teenagers), sport and celebrity fans, etc. Most people are members of such groups and communities and base consumer decision related to opinion provided by other group members. For example, friends influence each others choice of clothes, books, music and films. Family members advice on purchase of the car, meal, furniture or about capital investments. (Haugtvedt, Herr & Kardes 2008, 31-35)

Despite the impact of the culture, the social and personal characteristics, circumstantial motivation also plays a certain role. For example, when buying a product consumer is able to choose new brand instead of traditional because of obtaining unexpected discount or because the new brand has more appealing package. Spontaneous emotions also can influence decision. (Haugtvedt, Herr & Kardes 2008, 45-51)

The model of customer behavior presented by Kotler (Figure 3) shows how different motivation drivers influence the consumer and encourage to make a decision on purchase. The left section includes motivation drivers of two types. Input drivers of marketing model include four elements: price, quality, availability, service, design, style. Other drivers are composed from the environment of the consumer: media, sellers, friends, family, personal views. Going through "a black box" of the consumer perception all these drivers cause a number of reactions presented on right side of the figure: product choice, brand choice, dealer choice, purchase timing, purchase amount.

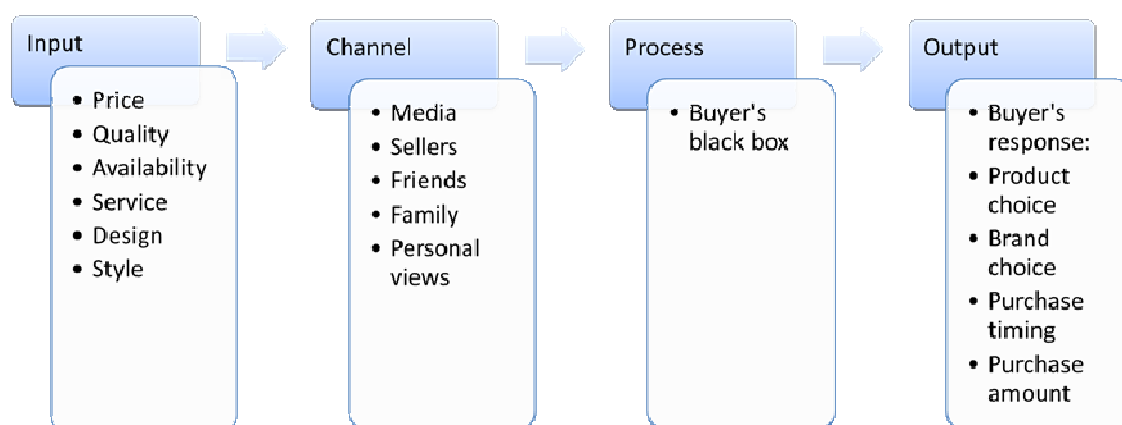


Figure 3. Decision making process. (Kotler 2012)

Kotler & Armstrong (2012, 137) stated that process of decision making is influenced by different group of factors: cultural, social, personal and psychological. The majority factors (Figure

4) are not always under control of the marketing professionals, but it is necessary to take them into consideration.

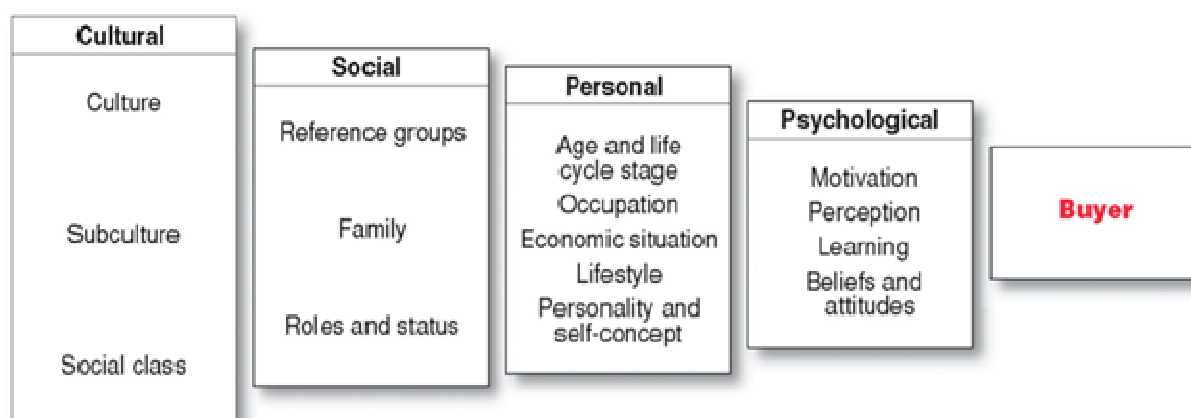


Figure 4. Influencing factors. (Kotler 2012)

Cultural factors have the significant influence on behavior of the consumer. Culture is the basic factor determining needs and behavior of the person. Human behaviour is a acquired characteristic: children acquire a basic set of values, perceptions, preferences, manners and acts originated from their family and a society. Any culture includes components or subcultures which give the members an opportunity of an identification and dialogue with one's kind. For example, in many countries people of same nationality create national communities showing certain ethnic preferences and interests. Religious communities also represent specific preferences. (Haugtvedt, Herr & Kardes 2008, 419-420)

Social factors also define consumer behavior. Especially strong influence have reference groups - the groups having direct (i.e. face to face) or indirect influence on the person. The reference groups consist of cooperating members. The interaction within primary communities has informal character, these groups can consist of friends, neighbours and fellow workers. Besides the person belongs to a number of secondary communities which, as a rule, are more formal and interaction with those not always has regular base, these communities can be presented by public organizations such as religious or professional associations. Individual can be also influenced by reference group he or she does not belong to but aspires or plans to. For example, the young football player can hope to play for the major league team and due to that is influenced by this reference group despite to not absence of direct contact. (Haugtvedt, Herr & Kardes 2008, 419-420)

Marketing professionals aspire to reveal all reference groups of the market. Reference groups influence people in, at least, three ways. First, the individual faces new behaviour and way of life. Second, the group influences the individual relations of and perception of own life since, as a rule, new member aspires "fit in" with the community. And third, the group encourages

the individual to choose comfort (however different might be definition of this term in case of certain groups) that can affect a choice of the concrete products. (Haugtvedt, Herr & Kardes 2008, 419-420)

Family also have impact of consumer behavior. From the primary family the person obtains narratives of religion, politics, economy, ambition, self-esteem. Even in case the consumer is not anymore in contact with parents, their influence remains significant. In cultures accepting cohabitation of parents with adult children, their influence can be determinative. More direct influence has primary family: spouse and children. Family is the most important structure within the framework of a society organization, and the process of decision making within family is a subject of studies. Marketing researchers study roles of the husband, the wife and children, and impact each of them has related to final decision. (Haugtvedt, Herr & Kardes 2008, 419-420)

The individual is a member of social groups, and his or her position can be characterized from the point of view of a role and the status. For example, one individual can be in the role of son and at the same time have status of teacher. The role represents a set of expected from the individual by society. Every role influence consumer behaviour. The status relates to the role the individual plays and positive evaluation of this role by society. Consumers often choose products underlining the status, for instance expensive car models. In some cases product can transform into symbol of status. (Haugtvedt, Herr & Kardes 2008, 419-420)

Personal factors and consumer perception about own role in life also has impact on decision making process. Most people have a certain opinion about themselves and support this image by the purchases. One of last researches states that young people value purchase of the new technologically developed products as one of the most important aspect of the life. They put certain meaning into possession of such things as new smartphone, notepad and products produced by certain brands. By highlighting prestige of product companies take benefits from consumer aspiration to express through purchases. One of effective techniques is to engage public person for promotion of the product: use of promoted product allows people to share public image of the person. (Haugtvedt, Herr & Kardes 2008, 45-51)

### 3 Methods

Marketing research represents regular actions and acquisition of concerning the data describing current or perspective (forecasting) condition of the marketing environment, and also the analysis and reflection of the data in the form necessary for the decision making and solving the strategic challenges. Timely performed marketing research offers the opportunity to obtain competitive advantages, to reduce financial and commercial risks, to define the attitude

of buyers to the product, to assess strategic and tactical activity of the company, to raise efficiency of communication actions. (Kotler 2000, 26-31)

Marketing research is a necessary component of the current thesis. To approach the research question it is important to understand the brand promise of the company. To understand how the product is positioned on the market this section discusses on 4 Ps Marketing theory and its practical application. Section continues with the description of secondary and primary data used for the thesis.

### 3.1 4Ps Marketing mix

4 Ps Marketing mix is marketing concept originally proposed by McCarthy and defined as the “set of marketing tools that the firm uses to pursue its marketing objectives in the target market (Kotler 2000, 25). Nowadays 4 Ps marketing mix became one of the most fundamental concepts in marketing field (Bitner 1991, 23-27). The concept consists of 4 components: Product, Price, Place and Promotion. Figure 5 illustrates the concept.



Figure 5. Marketing mix. (Kotler 2000)

Components refer to the different parts of marketing plan used for the product. The component Product answers the question what is selling, Price - how much the product costs, Place - where and how it is selling, Promotion - how people know about sales. The component Product describes all the benefits of the product: its design, quality, functional specification, package, etc. Price describes all the payment options and price strategy. The component Place shows all the parts involved into physical sales of the product. The component Promotion refers to all the communication made by the company on the topic of the product and also includes the advertising. (Bitner 1991, 23-27)

Before creating effective marketing mix the company must collect all the corresponding information about the customers in the target market. It is necessary to decide the optimal marketing strategy of the company allowing to balance between customer's demands and maximum profitability. It means that any company needs to answer questions regarding each component of the Mix. (Bitner 1991, 23-27)

The company needs to ensure that produced product or service is demanded by customers. As a result, the company might need to develop new product, upgrade the existing one or even stop producing the product not interesting for customers. Among factors related to the component are design, quality, packaging and additional services. The company needs to understand how much of product is necessary for continuous sales, where the product must be stored and handled. Channels of distribution also must be analyzed through the prism of maximal efficiency of transportation and revision of expenses. (Bitner 1991, 23-27)

The promotion decisions must be made in order to attract the attention and interest of the potential audience. Various channels of promotion are effective depending on decision made by the company about the product, for instance in case of development of new product the customers need to be encountered in certain manner. Finally, the company needs to understand how much the customers are ready to pay for the product. The value of the product is important for the customers. In the market prices are frequently used as the tool of a competition, therefore decisions on the price must be made very accurately. (Bitner 1991, 23-27)

To guarantee efficiency of the marketing mix it is important to monitor and control all the business operations. However, all the factors of the marketing mix are not always controllable. For example, changes of the price can be limited due to economic conditions or regulations forced by the government, upgrade of the existing product can be expensive, effective promotion campaign can be time-consuming. Also the events happening in the world can influence the processes. (Bitner 1991, 23-27)

For the objective of the following thesis the 4 Ps Marketing mix allows to promptly understand position of the Valio Better Rahkariini on the market. The 4 Ps Marketing mix model performed in section 4.2 allows to evaluate if the product satisfies the demand.

### 3.2 Desk research

Economic and Social Research Council (2015) defines secondary data as "the re-use of data resources collected through previous". Food and agriculture organization of the United Nations (1995) defines secondary data as "data which has been collected by individuals or agencies for purposes other than those of our particular research study". It is recommended to

start the research with observing secondary data due to its easy accessibility. (Food and agriculture organization of the United Nations 1995)

Secondary data (also known as desk research) can be obtained from professional magazines, company's websites, past study researches, official statistics, etc. It is possible to collect necessary data promptly; access to libraries, websites and company's documentation is provided immediately. The secondary data can have various sources which provide the different points of view and high volume of the information. The secondary data sources allow access to information that cannot be obtained any other way. For instance government publications often provide statistics that private parties cannot collect independently. (Economic and Social Research Council 2015)

While having many benefits, secondary data has its disadvantages. The available data can be not corresponding to the purposes of the current research due to being gathered for other reasons. Sometimes the researcher requires data on a current or "local" situation, which cannot be found in secondary sources usually containing the statistical data on state or big cities level. The secondary data can be incomplete or out-of-date. The statistical data collected five years or even two years ago is not always corresponding to modern research. It is necessary to assess accuracy of the secondary data. The research must be able to understand whether data was collected objectively or the initial methods of the analysis do not meet the requirements of objectiveness. (Food and agriculture organization of the United Nations 1995)

For the following thesis was used objective data provided by various statistical offices and trusted sources such as Food and agriculture organization of the United Nations, Finnish grocery trade organization, Economic and Social Research Council, Helsinki Region Transport organization, The Guardian, Statistics Finland, The World Bank Group. Concrete information about company's practices, product and element building brand image was collected from Valio websites, Finnish and international versions.

### 3.3 Quantitative research

Primary data can be defined as data collected and generated for the purpose for research. Primary data refers to firsthand information interpreted by researcher and used as a basis for research. Primary data research has its benefits, for instance allows to produce quality information especially for the research. After producing data researcher can feel certain about data quality, relevancy and originality. Primary data research has also some disadvantages such as higher time expenditures, necessity of theoretical preparations, and necessity of elaborate tools. (Purdue University 2010)

The survey is one of the popular methods of quantitative research. The questionnaire is one of the most important tools used for survey. Well-written questionnaire provides correct and required data. To create effective survey it is vital to define the objective of the study. Definition of objective can help to choose proper layout of questionnaire and to formulate correct questions. (Brace 2013, 6)

The questionnaire is a flexible instrument, and questions can be formulated in many different ways. The questionnaire requires careful development. Neglectfully prepared questionnaire can contain methodical mistakes affecting the final result. After defining the objective and during development of the questionnaire the researcher selects questions, chooses the form of these questions, formulations and sequence. The form of a question can affect the answer. Researchers separate two categories of questions: closed and open. The closed question contains all possible options for answer, and the respondent simply chooses one of options. The open question gives the respondent an opportunity to answer own words. (Brace 2013, 7-8)

The objective of the research for the following thesis was to evaluate visibility of the brand and the efficiency of outdoor advertising based on the advertising campaign performed in Helsinki Metropolitan region in February-July 2016. Quantitative research was performed to ascertain brand visibility and recognition. For the objective of quantitative research was created the questionnaire. With the consideration of recommendations of Brace (2013, 106-111) was used certain language with avoiding ambiguity in formulations. For the survey were used 6 questions. The list of the questions is provided in Appendix 1. Section 4 describes the collected data of the quantitative research.

The survey was performed online. Link to the questionnaire was posted in social media related communities, in particular: student housing community in Helsinki region, study groups of Laurea University students, Leppävaara student social community. All the members of mentioned groups are currently living in Helsinki Metropolitan area and can be respondents due to full legal age. Final number of answers collected for the survey is 100. The questionnaire was available for answering from 27 October 2016 to 10 November 2016.

#### 4 Results

Current section provides results obtained from the theory analysis and performed research. In particular, this section describes the potential audience of the advertising for the product by Valio Oy, defines the working 4Ps Marketing mix and buyer's decision models, lists the survey results, discusses on the performed brand management and provides one example of benchmarking case.

#### 4.1 Audience

According to information provided by Helsingin seudun liikenne (HSL 2015), 1.05 million jobs are located in Helsinki region and 5.7 million trips are performed every day by HSL transportation system including buses, metro, trams and short-destination trains. Transportation services provided by HSL are well-organized and affordable. Currently HSL expands the area of accessibility. In 2015 HSL launched HLJ - Helsinki Region Transport System Plan. Among goals named in the Plan is to create car-free lifestyle. (HSL 2015)

Outdoor advertising audience cannot be characterized by age, ethnicity or income. Depending on location place, outdoor advertising works up to 24 hours a day and is directed at a wide audience. Due to that, outdoor advertising is well-suitable for mass-market products and services, i.e. products and services targeted to wide masses of citizens. Simply saying, outdoor advertising is designed to advertise products and services that every person uses. Among these products and services can be edible products, healthcare services and products. (Lopez-Pumarejo & Bassell 2009)

However, one of specifications allowing audience targeting for outdoor advertising is location. Transportation hubs are designed for travelling for various reasons but the main ones are travelling between places of live, work, study and leisure.

Considering wide audience and specific product of research for the following thesis it is possible to conclude that the audience meets the definition of grocery shoppers. Nowadays approximately 3 100 market-size shops are located in Finland, in 25 years this number decreased from nearly 10 000. In 2015 the main players on the grocery sales market were S-Group (market share 45.9%), K-Group (market share 32.7%) and Lidl (market share 9%). The value of grocery retail sales in 2015 was 16 600 million euro. Figure 6 shows relation between value of the shopping basket and shopping visits per week for household in quarter period for years 2011-2016. As Figure 6 shows, in 2016 average number of shopping visits is 3.1 and average value of the shopping basket is 21.8 euro per visit. (Finnish grocery trade association 2016)





Figure 6. Consumer goods purchase expenses. (Finnish grocery trade association 2016)

Figure 7 shows the relation between nominal and real prices for food items and non-alcoholic beverages and real and index income level in years 2006-2016. According to information provided by Finnish grocery trade association (2016), years 2015-2016 are characterized by noticeable increase of real and index income and decrease of nominal and real prices for food items. It is possible to conclude that consumer purchasing power in Finland is stable and has potential to increase.

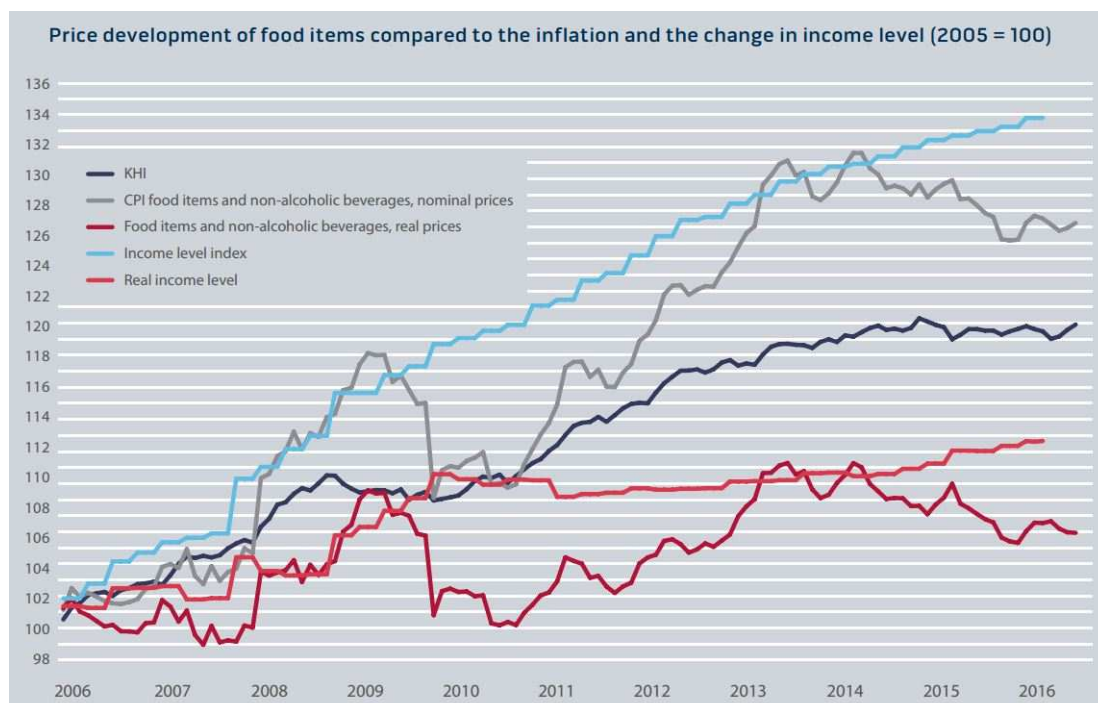


Figure 7. Price development. (Finnish grocery trade association 2016)

Considerable part of travelers is responsible for household's grocery purchases. Study commissioned by the Private Label Manufacturers Association and performed by GfK Custom Re-

search North America in 2013 shows that women dominate in the grocery retail market. According to study report, two-thirds of women are responsible for grocery shopping for the households and six out of the ten women spend in grocery store no less than one hour for one visit. (Private Label Manufacturers Association 2013)

The last factor defining audience of Valio outdoor advertising is milk consumption in Finland. According to Food and Agriculture Organization of the United Nations (2007), Finland is at the top of the list of countries by milk consumption per capita. Latest complete data as of 2007 shows that Finland consumes 361.19 kg of milk products per person per year while world average consumption is 108 kg. (Food and Agriculture Organization of the United Nations 2007)

#### 4.2 4 Ps Marketing mix model

As mentioned in section 3.1 4 Ps Marketing mix allows to understand position of the Valio Better Rahkariini on the market. Table 1 describes the real model performed for the following thesis.

Product	Price
Innovative product. Suitable for healthy diet. Suitable for baking. Replacement of butter and spread.	2.60-3.69 euro 1-1.5 euro more expensive than the cheapest spread of other company.
Place	Promotion
Available in all retail stores in Finland.	Outdoor advertising. Social media. Mass media (TV). Brand promise.

Table 1. 4 Ps Marketing mix model.

Valio Better Rahkariini is an innovative product suitable for audience choosing healthy diet. It has eye-catching name; web search shows that word Rahkariini only refers to Valio Better Rahkariini product. The product packaging is performed in colors associated with brand Valio (nature colors). Valio Better Rahkariini is different from the products of the competitors and thus gives customers opportunity to choose.

Based on observations price of the product varies between 2.99 and 3.69 in different grocery stores. The cheapest spread in grocery stores costs approximately 1.5 euro less. However, it must be considered that this closest replacement contains of butter and vegetable oil and does not promise health benefits.

Consumers are able to buy Valio Better Rahkariini in big retail stores in Finland. Availability of the product in small grocery stores can be decreased due to limited inventory space. Valio has well-developed distribution channels.

Valio sends marketing messages to potential consumers via advertising. For promotion Valio decided to use picture of the product packaging designed in natural colors. Slogan on the advertising poster says “Spread with quark cheese. It is simply”.

#### 4.3 Survey

Question 1 “How often you use public transport?” with options “often”, “not often” and “never”. Figure 8 shows that 52% of respondents use transport often, 40% - not often, 8% - never. In this the majority of respondents use public transport on regular base. 8% of respondents use other methods of travel. However it is still possible to affect this category due to strategic placement of advertising in the city.

How often you use public transport? (100 responses)

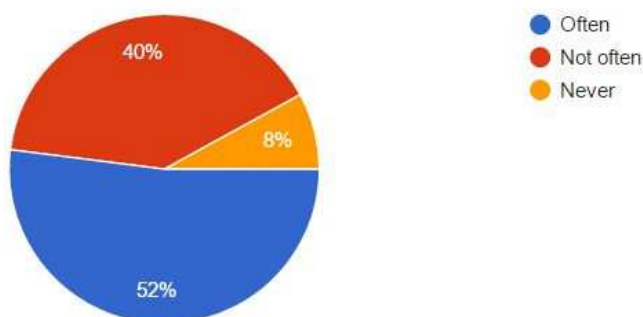


Figure 8. Question 1.

Result for question 2 “Do you pay attention to advertising posters at public transport stops?” with options “yes” and “no” are illustrated by Figure 9. 75%, three fourths of respondents answered that they do pay attention to advertising placed at public transport stops. However, 25% answered negatively. It is fair to assume that attention of this category of respondents can be caught by remarkable design of poster.

### Do you pay attention to advertising posters at public transport stops?

(100 responses)

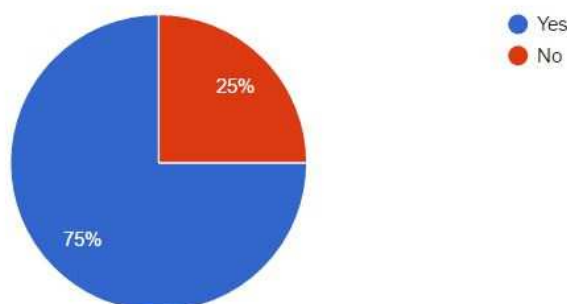


Figure 9. Question 2.

Results for question 3 “Have you seen this poster in the city?” with options “yes” and “no or can’t remember” are shown on Figure 10. The question was accompanied by picture (Appendix 1) showing the advertising poster located in Helsinki at the transport stop. In this case negative answers “no” and “can’t remember” were combined into one due to same meaning for the objective of the thesis. 89% of respondents have not seen the poster during the advertising campaign. Only 11%, one in ten respondents in terms of following research can remember the poster. The result of this questions allows to assume that posters are located or designed not efficiently enough to support the brand name.

### Have you seen this poster in the city? (100 responses)

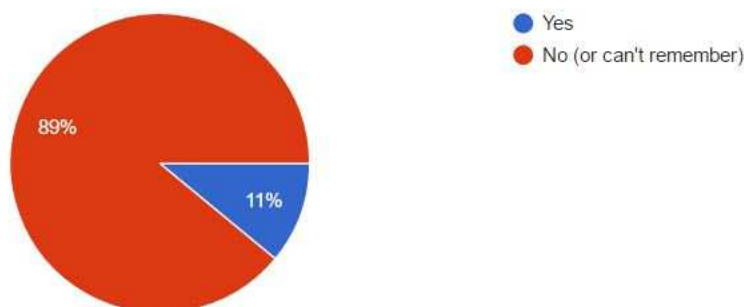


Figure 10. Question 3.

Figure 11 illustrates the question 4 “Do you recognize the name of the company?” with options “yes” and “no”. On the picture showing advertising poster in Helsinki 75% recognized the name of Valio. In terms of following research respondents were offered to take a look at only one picture where the logo is placed in the center. 25% of respondents have not recognized the name of the company. However, the size of the logo on the picture could be not sufficient for effective promotion of new product.

Do you recognize the name of the company? (100 responses)

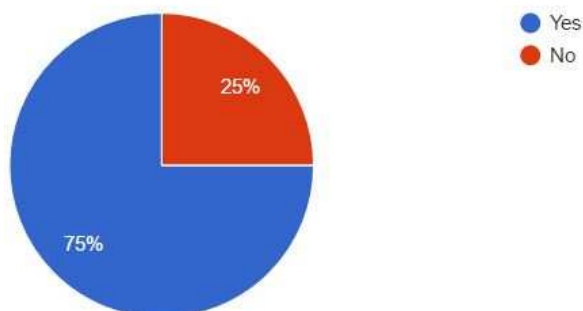


Figure 11. Question 4.

Results for question 5 “Do you feel that this poster says something about the company?” with options “yes” and “no” are shown on Figure 12. Two-thirds of respondents feel that the advertising poster contains a message about the company. One-third have not noticed any message in the poster.

Do you feel that this poster says something about the company? (100 responses)

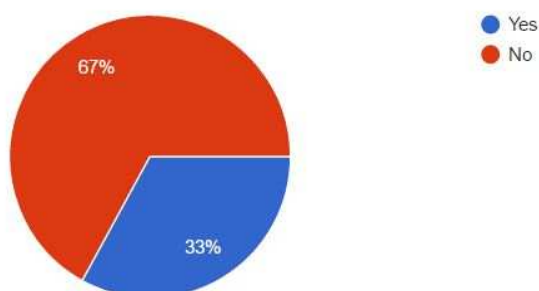


Figure 12. Question 5.

Figure 13 shows results for question 6 “What is your impression about this poster? What word describe your impression?” with options “emotional”, “creative”, “boring”, “attractive”, “natural”, “funny” and “other”. Respondents were able to choose multiple options for this question. Option “other” provided field for open answer. For the majority of respondents advertising poster is associated with word “natural”. The poster is designed in green color, and brand reputation builds on the production of the natural products. 35% of respondents noticed brand promise in the poster. However, the second largest group, 31% described impression by word “boring” having negative connotation. Advertising poster and slogan were performed in expressly simple manner. It is safe to assume that in this case simple does not mean “entertaining”. 21% of respondents found the poster creative presumably reading simplicity of the image and text as creativity. 13% described the poster by word “attractive”, 10% - by word

“funny” and only 6% found it “emotional”. 15% respondents provided open answers and suggestions. Among answers are “colorful”, “strange”, “Information only”, “Basic” and “Green”. Three answers were full. One respondent answered: “Too big fonts; font color and size are distracting from the product image. Should work on visual data to highlighting the product itself”. Another respondent mentioned: “Apart from showing the products of certain price category (something in the middle I suppose), it is not very informative. It does not catch the eyes to be honest, and I did not notice that it was Valio at first... neither has it been clear how the product is different from other products in the market”. Third respondent provided the following impression: “I’m not sure whether I have seen it or no. Something green and blue”.

### What is your impression about this poster? What word describes your impression?

(100 responses)

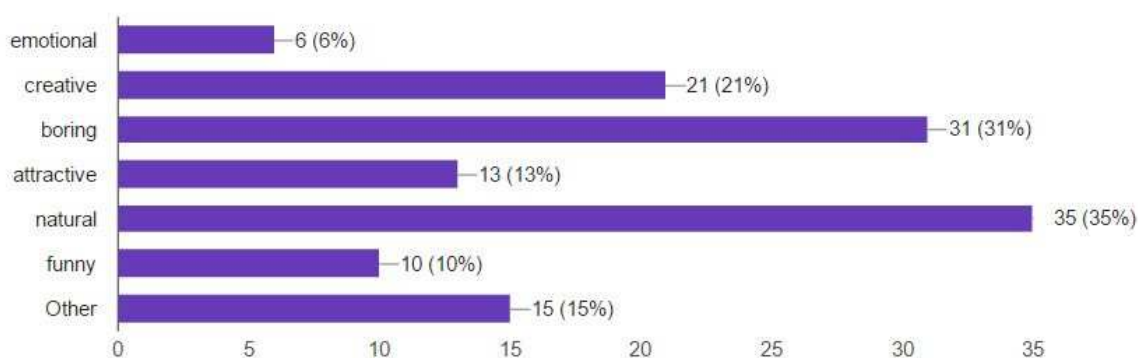


Figure 13. Question 6.

The general results of the survey show that the majority of respondents use public transportation often or from time to time and do pay attention to promotion of products at the transport stops, have never seen the advertising poster before but can recognize the company’s name once asked to take a notice, do not feel that the poster brings the marketing message but do recognize connection to natural items, consider the advertising poster boring and not effective enough from the design point of view.

#### 4.4 Buyer’s decision

Figure 14 presented in section 2.6 describes the process of buyer’s decision making and the major factors involved in each stage. The model developed by Kotler allows to analyze how outdoor advertising of Better Rahkariini influence the process of final decision making. The first stage may be presented by the potential customer seeing the advertising poster in the transport hub and the final stage shows the concrete response influenced by previous processes. Figure 14 repeats the content of Figure 3 with underlining the most important factors.

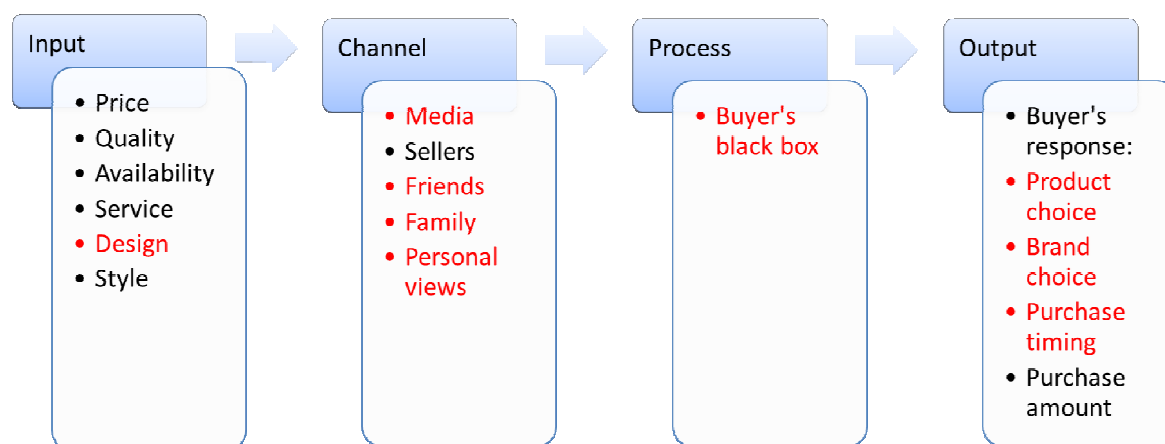


Figure 14. Revised buyer's decision making process model (orig. Kotler 2000)

The first factor in process is design. As mentioned before, the audience involved into everyday city life faces advertising posters in various transport hubs - bus and tram stops, railway stations, airports, etc. Whether they like it or not, modern passengers are surrounded by advertising. One of defense mechanisms of human psychology is selective vision. Selective vision allows to protect the mind from the useless and harmful information. To create appealing advertising and penetrate the defense barrier the advertiser must use attractive techniques that are, at the same time, satisfy the principles of the fair marketing performance. For example, hidden commercial information must not be used in any other type of communication. In this case use of effective and attractive design is the most critical. Design of the advertising poster is the first significant factors that can encourage the potential customer to purchase Better Rahkariini by Valio. As said in the previous section, "boring" was the second most popular word to describe the chosen advertising poster of the campaign.

The potential consumer analyses the information and impression obtained in the opening stage through the prism of environment: media, friends, family and personal views. Nowadays, any information provided by the poster can be checked and extended through the media almost immediately with the use of mobile devices. Friends and family also can affect the process, even at the same time if the potential consumer travels not alone or communicates via mobile device. The most essential factor for the consumer might be personal views or, alternatively stated, personal opinion. Conclusion on the advertising poster can be fast and final in case design appeals to certain characteristics defining personal views of the consumer. Personal opinion about the design, brand and previous experience is the most critical

factors introducing the buyer's black box - hidden stage where all the factors are mixed up in order to make decision.

The specific character of the outdoor advertising allows to create fast buyer's response. For example, the effective advertising design affects the purchase timing and can even lead to spontaneous purchase. Since the Better Rahkariini is mostly sold in grocery stores, the potential consumer is able to plan the travel in order to choose time of purchase. The made decision also influences the product and brand choice.

#### 4.5 Valio brand management

As mentioned in section 2.3 many factors influence brand image. To supervise and support promotion of the brand company performs activity referred to as brand management. To understand and define factors influencing brand image in case of Valio it is possible to analyze information about main company actions provided in various mass media. As mentioned in section 4.3 one of words describing impression of advertising poster was word "natural". Environmental policy of Valio is one of the most important factors of brand image as company shows its care about the health of the population. By means of distribution accessible and a trustworthy information in Internet, on the official web site, and also in communities in social networks on Facebook and in the supporting partner projects in the framework of naturally healthy diet concept, Valio aspires to advice consumers on how to keep vivacity and good health in the big city, how to choose the most quality food.

Finland has the program of increase of interest of the population to a healthy lifestyle, the population is encouraged to pay attention and control own health (The Guardian 2005). In particular in Finland Valio quarterly puts out the magazine for professionals "Food and Functionals" promoting healthy products (Valio 2016). Environmental responsibility is one of bases of brand image of Valio. The company makes visible its responsibility for produced items, and also for impact on the nature influenced by process of production. Therefore its employees at a corporate level and via mass media sources show the big attention to problems of an environment. The goal of the company is to support a condition of the nature in harmony and to reduce any negative influence to a minimum to save the Earth for the future generations. In a basis of care of the company about an environment are responsible care of cows and other animals on farms, the effective utilization of natural resources, the effective utilization of raw material, processing and recycling waste products and "ecological compatibility" of packing materials, promotion of the environmentally responsible attitude in the company. (Valio 2015)



The main raw material used by Valio is milk. From a farm up to the plant company tries to reduce possible losses of raw material, i.e. quality of raw material should be at the highest level. Ecological programs in Finland allow farmers to use effectively even raw material inadequate for manufacture of dairy production. For example milk from sick animals that cannot be used in manufacture is not poured out, but collected separately to use by special service for the subsequent manufacture of bioenergy. (Valio 2015)

In a basis of business activity of Valio is the responsibility to well-being and welfare of all the stakeholders the company cooperates with during manufacture and sale of production. Valio Oy admits its responsibility to well-being of the buyers by offering the high-quality products, promoting healthy lifestyle, and also producing food for special kinds of diets. Company takes care of employees by creating comfortable working conditions, worthy wages, social guarantees and confidence in the future. Valio shows its responsibility to partners by striving to satisfy their demands and to increase an overall efficiency of work, the population of region in which the company performs its actions, environment by to optimizing processes of collection of whole milk, and also by introduction of technical improvements. (Valio 2015)

Corporate responsibility Valio is presented by a set of the ethical, legal and financial international norms guiding the company during realization of business activity. Business activity of Valio Oy meets the principles of standard ISO 26000, the international standard of a financial data transparency, ethical behaviour, respect to interests of shareholders and compliance with law. At a global level Valio belongs to GRI group - group of the companies giving open annual report describing the results of the company in the field of the corporate responsibility. (Valio 2016)

According to the results of the year 2015 Valio entered top 10 of Finnish companies with the best reputation and has been placed 9<sup>th</sup> in the list by T-Media's in Luottamus ja Maine survey. In year 2014 Valio was 8<sup>th</sup> in the mentioned survey. Survey shows that the public is highly satisfied with production and price policy of the company. The public also improvements put into production processes and the way Valio supports Finnish farmers. (Valio 2015)

Company actively communicates with consumers via various channels. In 2015 Valio responded 28 300 requests. Valio Consumer Services actively reaches Finns through Facebook. (Valio 2016) Company also has an account such social network as Instagram (Valiofi Instagram 2016). Formats of communication in social networks differ from each other but Valio strives to reach all categories of consumers. According to mentioned analysis provided by T-Media, the public expressed opinion that future goals of the company could be reported more detailed. In year 2015 Valio undertook a commitment to improve online services and interactions with mass

and social media in order to make business activity more efficient and transparent. (Valio 2015)

#### 4.6 Benchmarking

Brand Valio is represented in Russia, Sweden, the Baltics, China and the USA. Company has own divisions. Considering different cultural specifications of regions and countries, Valio produces outdoor advertising posters and billboards. Method of benchmarking allows to develop practices of the company in certain area. Kumar (2006) defines benchmarking as “the process of identifying, understanding, and adapting outstanding practices from organizations anywhere in the world to help an organization improve its performance”, in other words benchmarking allows to compare and adapt own performance of the company. For the following thesis the benchmarking subjects are design of the advertising and presentation of the product.

For instance, in 2012 the billboard of the Russian division of Valio Oy became a shortlist candidate of the professional advertising award “The billboard of the year” founded by Outdoor Media magazine (Russia). Outdoor advertising campaign informs about high-quality dairy products produced by Valio and creates concept of regular consumers being professional chief cooks. Important characteristic of campaign is focus on bright design of packing products ideal for cooking. Therefore design of billboards is performed in remarkable manner with the use of separate components. (Outdoor Media 2012)

The advertising concept is constructed on the empathy for inanimate object with the purpose of formation of trustworthy and interpersonal relations between a product and the consumer. The most popular products used for cookery appear in campaign: a cottage cheese, cream, sour cream. Figure 15 shows the photo of mentioned billboard. Slogan “Tiramisu contains of” is accompanied with the picture of Valio product, and text on separate element imaging a cutting board with food items says “And something else”. The recipe is encoded in advertising billboard.



Figure 15. Valio advertising billboard. (Outdoor media 2012)

Appearance of the advertising campaign is unorthodox for the market of food items due to its indirect character. Advertising billboard does not provide direct promise or description of the product but instead forms the relation to the brand. The chosen advertising strategy supports brand Valio as brand of the company producing quality high by definition. The question of quality and trust to the food items manufacturer is now in the center of attention of consumers. Brand image and company image dominate in process of choosing products considering offered variety in grocery stores.

## 5 Conclusion

Modern consumers skeptically evaluate many initiatives by marketing experts, therefore involving and keeping the consumer interest to any kind of the product becomes a complex challenge. Even recognized market leaders as Valio Oy cannot feel absolutely confident in reliability of the market positions. Nowadays to provide successful sale of the product, the company has to perform more than keeping up excellent quality, setting the lowest price or effectively placing the product on shelves of shops. The company needs to sell the product accompanying with original, informative and attractive communications targeted to argue into compliance with of the product to demands of consumers.

Assuming the information about the potential audience of the advertised product Better Rahkariini provided in section 4.1, it is possible to draw a portrait of potential audience: working married women responsible for grocery purchases in household. It is been also stated that the value of shopping basket in Finland remains stable during last years. It can be concluded that outdoor environment can be used as the main advertising site for the campaigns of the natural food items produced by Valio Oy.

The advertisement industry in Finland and worldwide is currently highly digitalized. People obtain more digital and mobile devices and spend significant amount of time in the social media. Of course, the approach to advertising varies depending on the source. However, as mentioned before, Helsinki Metropolitan area has ambitious plans on the city transport development. Urbanization and development of economics allow to assume that number of potential consumers of the analyzed product Better Rahkariini will grow accordingly. In the survey conducted for this thesis 75% of respondents said that they pay attention to the advertising posters when travelling by transport. It is safe to conclude that, despite the development of the modern media technologies and introduction of the new information delivery channels, the outdoor advertising will represent the major part of modern city life due to its versatility, functionality, visual attractiveness and the relative affordable price.

Section 4.3 shows that the message used in analyzed advertising campaign is not recognized entirely by the potential consumer. Two-thirds of the respondents in survey confirmed that they do not understand what the poster says about Valio Oy and its product. However, two-thirds of respondents recognized the name of the company. The survey was conducted in Finland where, as described in the section 4.5, Valio Oy has strong position in the market. It can be concluded that the potential consumers are well-acknowledged with the brand name due to previous good experience.

As reflected by the survey, the recognition of the brand Valio Oy continues to be high. Memorability of the brand is supported by media sources and various activities participated and managed by the company. However, in the analyzed advertising campaign any special characteristics of the product Better Rahkariini were not underlined. Due to that it is possible that memorability of the product itself was not high.

In the conclusion it can be said that Valio Oy marketing practices of Valio Oy analyzed for the current thesis are beyond all praise: the company provides the most accurate and full information about the products, events and performed actions. However, Valio Oy is proposed to develop a new concept of the advertising in terms of design. Developing new style and design could help to improve memorability of the advertised products. Among concrete proposals can be listed the advice to create seasonal series of the advertisings connected with a common topic, color theme or a plot. Rich history of the company dictates special requirements on the style which must be composed, self-consistent and natural. Creative approach to design could attract new consumers and support loyalty of the existing ones.

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Appendix 1: Questionnaire distributed via Google Docs

1. How often you use public transport? (Often, not often, never)
2. Do you pay attention to advertising posters at public transport stops? (yes, sometimes, no)
3. Have you seen this poster in the city? (yes, no, can't remember)



4. Do you recognize the name of the company? (yes, no)
5. Do you feel that this poster says something about the company? (yes, no)
6. What is your impression about this poster? What words describes your impression? (emotional, creative, boring, attractive, natural, funny, other)